

Public Document Pack

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.*



Annwyl Cyngorydd,

CABINET

Cynhelir Cyfarfod Cabinet yn Siambr y Cyngor - Swyddfeydd Dinesig, Stryd yr Angel, Pen-y-bont ar Ogwr CF31 4WB ar **Dydd Mawrth, 13 Chwefror 2018 am 14:30.**

AGENDA

1. Ymddiheuriadau am absenoldeb
Derbyn ymddiheuriadau am absenoldeb gan Aelodau.
2. Datganiadau o fuddiant
Derbyn datganiadau o ddiddordeb personol a rhagfarnol (os o gwbl) gan Aelodau / Swyddogion yn unol â darpariaethau'r Cod Ymddygiad Aelodau a fabwysiadwyd gan y Cyngor o 1 Medi 2008.
3. Cynllun Corfforaethol 2018-22 3 - 34
4. Strategaeth Ariannol Tymor Canolig 2018-19 tan 2021-22 35 - 214
5. Materion Brys
I ystyried unrhyw eitemau o fusnes y, oherwydd amgylchiadau arbennig y cadeirydd o'r farn y dylid eu hystyried yn y cyfarfod fel mater o frys yn unol â pharagraff 2.4 (e) o'r Rheolau Trefn y Cabinet yn y Cyfansoddiad.

Yn ddiffuant

P A Jolley

Cyfarwyddwr Gwasanaethau Gweithredol a Phartneriaethol

Dosbarthiad:

Cynghowrwy

HJ David

CE Smith

Cynghorwyr

PJ White

HM Williams

Cynghorwyr

Cyng

RE Young

Ffôn/Tel: 01656 643643

Negeseuon SMS/ SMS Messaging: 07581 157014

Facs/Fax: 01656 668126

Twitter@bridgendCBC

Ebost/Email: talktous@bridgend.gov.uk

Gwefan/Website: www.bridgend.gov.uk

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

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

Rydym yn croesawu gohebiaeth yn y Gymraeg. Rhowch wybod i ni os yw eich dewis iaith yw'r Gymraeg

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

BRIDGEND COUNTY BOROUGH COUNCIL

REPORT TO CABINET

13 FEBRUARY 2018

REPORT OF THE CHIEF EXECUTIVE

PROPOSED CORPORATE PLAN 2018-2022

1. PURPOSE OF REPORT

- 1.1 To seek Cabinet endorsement of the Council's new Corporate Plan 2018-2022 (Appendix A) prior to submission to Council for approval.

2. CONNECTION TO CORPORATE IMPROVEMENT PLAN / OTHER PRIORITIES

- 2.1 The proposed Corporate Plan sets out the Council's priorities for 2018-2022 and defines the Council's commitments for 2018-19. These priorities, once approved, will be the Council's well-being objectives under the Well-being of Future Generations (Wales) Act 2015 and improvement objectives under the Local Government (Wales) Measure 2009.

3. BACKGROUND

- 3.1 The Council's current corporate plan covers 2016-2020. It sets out three corporate priorities based on extensive public consultation known as 'Shaping Bridgend's Future', undertaken in 2015:

- Supporting a successful economy
- Helping people to become more self-reliant
- Smarter use of resources

- 3.2 Following the county borough council elections in May 2017, there is a need to refresh the current Corporate Plan to reflect the political priorities of the Administration.

4. CURRENT SITUATION / PROPOSAL

- 4.1 The proposed corporate plan builds upon the current corporate plan. It is intended to be bold and ambitious, based on previous achievements, and re-affirms the current three corporate priorities for the forthcoming four years. It also establishes how success will be measured over that period.
- 4.2 The success measures for each aim have been identified to ensure they link closely to the commitments. Targets have been set for one year for each indicator. Some new indicators have been developed. For those new measures, wherever possible, indicative targets have been set.
- 4.3 On 25 January 2018, the Council's Corporate Overview and Scrutiny Committee considered the draft Plan, which was an important part of the development of the

Plan. The Committee made a series constructive comments for amendments and inclusion. All the comments have been duly considered and, wherever feasible, amendments made to the draft Plan as suggested, notably,

- The Introduction of the Plan has been amended to make it “more explicit” about the challenging situation the Council faces in relation to the position of austerity and the impact of recent legislation.
- A section titled “How have we done so far” has been added, under each priority, to highlight “what the Authority had achieved or not managed to achieve over the past year”. Those include some key achievements due to community contributions or at the community level. For instance, the Senior Open Golf tournament in Porthcawl and the Urdd Eisteddfod in Pencoed had helped boost the visitor number to the county borough and the total annual expenditure by tourists.
- Update has been made to the Council’s “successful economic programme” to include delivering real change in the valleys through the Valleys Taskforce and lobby for transformative projects such as the Pencoed rail crossing.
- All targets and rationales that had been queried by Members have been reviewed and updated.
- The actual figure for budget reductions achieved for 2016-17 has been provided (under “How have we done so far?” of Priority Three).
- Clarification has been made to the description of indicators that was queried by Members.
- All acronyms have been explained.

4.4 The Plan will be supported by the Medium-Term Financial Strategy (MTFS), directorate business plans and service plans.

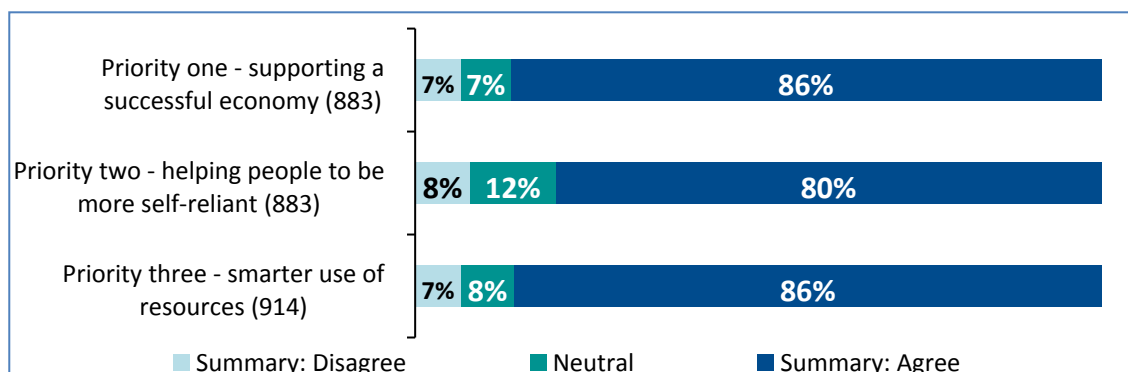
4.5 The Plan’s priorities and commitments will be reviewed annually to take into account changing circumstances and progress made and to ensure that the requirements of Local Government (Wales) Measure 2009 and the Wellbeing of Future Generations (Wales) Act 2015 are met.

4.6 Once approved, the Plan will replace the current Corporate Plan. Delivery of the plan will be monitored through the Corporate Performance Assessment (CPA) process, through directorate management team meetings and through Scrutiny Committees.

Consultation

4.7 While determining the current priorities for the Corporate Plan 2016-2020, the Council undertook an extensive public consultation known as “Shaping Bridgend’s Future” in 2015. The consultation received 1,819 responses from a combination of the consultation survey, 15 engagement events held across the county borough, social media interactions and by using the authority’s Citizens’ Panel. The response rate (13 per 1000) is considered in statistical terms to be a valid sample size.

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



4.9 A similar consultation exercise was also carried out with employees and the result mirrored those from members of the public, with each priority receiving over 80% agreement.

4.10 Another “Shaping Bridgend’s Future” consultation exercise was undertaken at the end of 2017, the results of which reaffirmed the findings of 2015.

4.11 In 2017, the Council and its partners undertook a couple of major consultation exercises, namely,

- The Well-being Assessment under the Wellbeing of Future Generations (Wales) Act 2015, and
- The Population Assessment under the Social Services and Well-being (Wales) Act, 2014.

4.12 Key findings from both the Well-being Assessment and the Population Assessment suggest that the Council’s priorities reflect citizens’ priorities and are the right ones for the Council to focus on in the next four years. For instance, the Wellbeing Assessment has found that employment and a decent income are central to economic well-being, and that there should be better opportunities for business startups, more support for young people and their educational attainment and a stronger focus on employable skills for people of all ages.

4.13 Respondents to the Population Assessment said that there should be better information, advice and assistance with more services to support individuals and their families being delivered locally and that communities should become more resilient.

4.14 For the third priority, that is, making better use of our resources, respondents suggested that the Council should streamline offices and processes whilst developing internal expertise; work more efficiently, cost effectively and commercially; and develop partnerships with the public, third sector or other authorities to run services/facilities.

4.15 The corporate plan includes commitments that will progress the identified priorities.

Well-being Objectives and Improvement Objectives

- 4.16 The Council has a duty to set well-being objectives under the Well-being of Future Generations (Wales) Act 2015 and to set improvement objectives under the Local Government (Wales) Measure 2009.
- 4.17 The three priorities, once approved, will be the Council's wellbeing objectives under the Act and improvement objectives under the Measure. 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. The plan also sets out how these objectives make a contribution to the seven national wellbeing goals.

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 (EIA) was undertaken when the current Corporate 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. An additional EIA screening was undertaken when the plan was refreshed for 2018-2022, which suggested that another full EIA was not necessary. 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 new Corporate Plan 2018-2022 (Appendix A) and recommend it to Council for approval on 28 February 2018.

Darren Mepham, Chief Executive

Contact Officer: Yuan F Shen

Telephone: 01656- 643224; email: yuan.shen@bridgend.gov.uk

Background Documents - None

Bridgend County Borough Council

Cyngor Bwrdeistref Sirol Pen-y-bont ar Ogwr



Corporate Plan 2018 - 2022

One Council Working Together to Improve Lives

Introduction

Welcome to the Council's new corporate plan for 2018 -22. The Council delivers or enables many hundreds of services across all the diverse communities within the county of Bridgend. This corporate plan in no way attempts to include each and every service that the Council delivers or will deliver in the coming years. What it does do is set out our priorities - the long term outcomes that we want to achieve with and for the people who we are privileged to serve. We want to contribute to a place where people love to live, work, study and do business, where people are qualified with the skills they need to improve their life chances and enjoy good health and independence.

It is well known that public services and councils in particular are part way through a sustained period of austerity. We are no exception and have had year-on-year reductions in funding at a time of ongoing cost inflation, increased demand and need amongst parts of our community and new and often unfunded statutory responsibilities. Against this back drop we have to be honest with our communities and partners in saying that the Council can no longer deliver all of the services it once did nor always to the same level or quality as in previous years.

This document clearly sets out a small set of important and long-term priorities so that amongst all the complexity of increased demand and reduced resources we can keep a clear focus on what is really important for our communities. Our priorities are:

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

Each of these priorities ¹ are set out in the remainder of this plan – explaining why they are priorities and outlining how we intend to make progress on them. Each year we produce an annual report that highlights how we performed against this and our other more detailed plans. However, we have also included, under each priority, some examples of how we have made progress in the previous period towards these priorities.

Further information on how we will deliver these priorities and our aspirations for all of our other services can be found in individual directorate business plans. For example safeguarding our most vulnerable adults and children is clearly important; our work as a planning authority, maintain highways and public transport, refuse collection, street cleaning, collecting revenues and administering benefits, public protection, sports, arts and libraries and raising educational attainment are all detailed in those directorate plans. All of our plans, including this one, are supported by the Medium Term Financial Strategy and by ongoing strong performance management.

In formulating this corporate plan the Council has considered the type of organisation it wants to be. Thus our vision is to act as “One Council working together to improve lives”.

A number of key principles underpin the priorities we have. These principles highlight the importance of working in partnership with our citizens, communities and other organisations to develop and deliver services to meet local need as best we can. These principles are:

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

¹ These three priorities are our wellbeing objectives under the Well-being of Future Generations (Wales) Act 2015 and our improvement objectives under the Local Government (Wales) Measure 2009.

- 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.

Finally we also have adopted a set of values that represent what we stand 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

We will report on progress through our Annual Report. Our previous annual reports are available on www.bridgend.gov.uk. We will review and refresh this plan annually.

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.

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.

Why this is important

Our citizens have told us that a local vibrant economy is one of their top priorities. We want to build a county where people have more opportunities to secure a meaningful job, develop a career and improve their family income and circumstances.

We know that higher levels of prosperity boost health and wellbeing and create more resilient communities that need fewer services. For long-term resilience, our town centres and businesses need to be profitable, to generate wealth, provide better jobs, attract investment, improve skills and encourage visitors.

We believe that education remains the most important lever for improving the life chances and resilience of young people. Our future long-term prosperity depends on the skills and knowledge of our communities.

The Council is working towards a low-carbon economy through our low carbon heat schemes in Bridgend Town and in the Llynfi Valley, and we are preparing to deliver the next phase of the Bridgend Town project.

How have we done so far?

The list below highlights some of our achievements in 2016-17 under this priority:

- We supported 722 local people to develop skills so that they could take advantage of opportunities to succeed through our Communities for Work, Bridges into Work and the Bridgend Employment and Skills Project (BESP).
- We saw the percentage of pupils aged 15 who achieved the Level 2 threshold increase from 59.7% to 61.4%, and the percentage of pupils at A level achieving 2 A levels (grades A - E) increase from 97.6% in the previous year to 98.3% .
- We supported our local business and saw a rise in the number of PAYE/VAT registered businesses in the county borough increase for the third year running from 4,440 to 4,540.
- We completed the redevelopment of the Rhiw Car Park on time and on budget.
- There were £31.5 million of externally funded town centre regeneration projects underway or in development during the year.

- Our visitor numbers rose from 11,541,363 to 13,026,637, boosted by the Senior Open Golf tournament in Porthcawl and the Urdd Eisteddfod in Pencoed. The value of total annual expenditure by tourists also increased from £313 million to almost £330 million.

Our Key Programmes to support this priority

- **City Deal** – this is a capital programme that the Council and its neighbouring South East Wales Councils have secured from the UK and Welsh Government. The £1.28 billion Cardiff Capital Region programme will deliver a range of programmes which will increase connectivity, improvement physical and digital infrastructure as well as regional business governance over the next 10-15 years. The Deal is projected to deliver 25,000 extra jobs across the region.
- **Strategic Review of Post 16 Education and Training** – this programme evaluates education provision and curriculum delivery with Bridgend county borough to ensure that there are clear options available to provide the best possible opportunities for learners in the county borough.
- **Successful Economy Programme** – this programme consists of key regeneration and local development schemes, including the Maesteg Town Hall Redevelopment, Rest Bay Watersports Centre development, Harbour Kiosk refurbishment, and Enterprise Hubs, creating new business workspace. We are also developing a programme for Bridgend Town Centre, seeking funding from Welsh Government’s Targeted Regeneration Investment Programme. In addition, we will maximise the opportunities from other regeneration funding strategies and programmes, including delivering real change in the valleys through the Valleys Taskforce and will lobby for transformative projects such as the Pencoed rail crossing.
- **Alignment of the Welsh Government Tackling Poverty Grants** – we will streamline those grants, focusing on alleviating child poverty through early intervention through Flying Start, Families First, Supporting People and Communities First Legacy Funding.

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.

Who will help us?

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

What steps will we take to achieve these aims?

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 shape employment opportunities and develop a skilled workforce to meet future needs. This includes delivering high quality apprenticeships for all ages.
- Work with the Welsh Government Valleys Taskforce to maximise opportunities for investment in our valleys to increase economic prosperity. (The Valleys Taskforce is a Welsh Government initiative that aims to deliver economic change in the South Wales Valleys by creating good quality jobs and helping people access skills).
- 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 development of strategies to assist 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. This includes supporting both the rollout of the digital competence framework in our schools and the development of the coding skills of our young people.

Aim - To create conditions for growth and enterprise

- Deliver the Porthcawl Resort Investment Focus Programme (e.g. the Cosy Corner developments and the Rest Bay café development) to grow the value of tourism in the economy, increase employment and business opportunities, and support a range of cultural, sporting and business events.
- Contribute to the development of the business plan and specific regional projects for the Cardiff Capital Region City Deal, with the aim of bringing increased investment and economic control into the local area.
- Support the Bridgend Business Forum with the delivery of its development plan and its programme of events for 2018-2019 and promote the area for investment.
- Continue to progress the development of low carbon Heat Schemes in the Llynfi Valley (Caerau) and Bridgend Town, and develop a feasibility study for the innovative Heat Scheme to draw on a natural underground heat source to heat homes.

- Refresh the Local Development Plan (LDP).

Aim - To create successful town centres

Invest in our town centres to enhance existing facilities and provide new facilities. This includes transforming Maesteg Town Hall into an arts and cultural hub, redevelopment schemes in Porthcawl and Bridgend, and lobbying for other transformational projects such as the Pencoed rail crossing.

Priority 1: 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

Page 14

Success Indicators	Actual 2016-17	Target 2017-18	Target 2018-19	Rationale for target
The percentage of working age population that is in employment	69.5%	Increase on 2016-17 actual	Increase on 2017 -18 actual	The overall trend is down in the past few years. To reverse trend to is a positive outcome. This is a population outcome indicator which is not suitable for specific target setting and is influenced by many factors beyond our control.
The percentage of economically active 16 - 64 year olds	73.2%	Maintain 2016 -17 actual 73.2%	73.2%	The overall trend is down in the last few years. To bring the trend to a halt is a positive outcome. This is a population outcome indicator which is influenced by many factors beyond our control.
The total number of apprentices employed across the organisation	N/A (New indicator for 2017 -18)	15	17	The target is based on 10% improvement.
The rate (%) of apprenticeships taken by looked after children	N/A (New indicator for 2017 -18)	Set baseline	To be confirmed	The target for 2018-19 will be decided once the 2017-18 actual is known.
The percentage of children living in households where no one is working	19.4% (Dec 2015)	To improve on the 2016 -17 figure	To improve on the 2017 -18 figure	This is a population indicator, hence not suitable to set specific target. Data for this indicator is recorded 2 – 3 years in arrears.
The percentage of Year 11 leavers from schools in the Authority identified as not being in education, employment or training (NEETs) in the Careers Wales Annual Destination Survey Statistics	1.55	2.80%	1.5%	Our strategy has been highly effective in reducing those not in education, employment or training (NEETs). Bridgend made the second largest improvement in Wales in 2016-2017 and we are now 0.5% below the Wales average which we hope to maintain in 2018-2019.

The percentage of all care leavers who are in education, training or employment at a)12 months b)24 months after leaving care	a)45.2% b)50%	a)70% b)70%	a)70% b)70%	The target is set to improve performance and maintain that improvement.
The percentage of 16 - 64 year olds without qualifications	10.7% (in 2016)	N/A (An indicator identified for 2018 -19)	Less than the 2017 actual (not yet available)	This is a population indicator. It is not appropriate to set a specific target for the Council when many external factors that are beyond our control influence the outcome. The target, therefore, is indicative. The figures have shown a decline, from 14% in 2014 to 10.7% in 2016.

Education Measures

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

Success Indicators	Actual 2016-17	Target 2017-18	Target 2018-19	Rationale for target
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)	32.5%	30.1%	29.9% (provisional)	The local authority targets are calculated using the individual pupil level targets that are submitted during the autumn term 2017. These targets are aggregated to calculate the local authority level targets.
The percentage of pupils year 11, 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	61.7%	63.2%	64.4% (provisional)	The local authority targets are calculated using the individual pupil level targets that are submitted during the autumn term 2017. These targets are aggregated to calculate the local authority level targets.
The percentage of schools meeting the Learning & Skills Measure in terms of the subject offer at Key Stage 4 & Post 16	N/A (New indicator for 2017 -18)	100%	100%	The target is retained at 100% as all schools are currently compliant.

The percentage of pupils at A level achieving Level 3 threshold	98%	99%	99%	We have made a small improvement in performance this year and our target for 2018-2019 reflects our desire to maintain improvement on the 2016-17 actual.
The percentage of pupils achieving 3 A*-A grades at A level	5.7%	10%	10.5%	Our target confirms the improving position for those pupils with the potential to achieve three A*-A grades at A level. The actual for 2017-2018 was 9.5%. Therefore, our target for 2018-2019 reflects a 1% increase and now matches the Welsh actual for 2017-2018 of 10.5%.

Aim – To create conditions for growth and enterprise

Success Indicators	Actual 2016-17	Target 2017-18	Target 2018-19	Rationale for target
Total annual expenditure by tourists	£329.76m	£336.36m	2% increase on the 2017-18 actual	The 2% annual increase is set to track the Visit Wales national target for increase in visit numbers.
The number of business start ups	N/A	535 actual for 2017. (New indicator for 2018 -19)	536	This is a new indicator identified to monitor the general level of entrepreneurship in the county borough. We aim to track this indicator in order to understand the local economy. It is not appropriate to set a target for the Council when many external factors influence the outcome. The target, therefore, is indicative.
The number of active business	N/A	4045 actual for 2017. (New indicator for 2018 -19)	4046	The target has been set to monitor change. The figure for businesses active in Bridgend has risen from 3700 in 2010 to 4045 in 2017.
The percentage occupancy of council owned starter units	N/A	N/A (New indicator for 2018 -19)	90%	This is a new indicator. The 2017-18 baseline data is expected to be about 5-10% voids, hence, 90% is a challenging but realistic target.

The number of homes benefitting from the low – carbon and renewable energy heat schemes	N/A	N/A	Nil	This is a four year programme which is at its initial stage in 2018. One hundred (100) homes are targeted to benefit from the Caerau Heat network by 2022.
---	-----	-----	-----	--

Aim – To create successful town centres

Success Indicators	Actual 2016-17	Target 2017-18	Target 2018-19	Rationale for target
The number of visitors to town centres - footfall for : a) Bridgend b) Porthcawl	a) 7,791,331 b) 5,055,306	a) 6,000,000 b) 4,300,000	a) 3% increase on the 2017-18 actual b) 0% change on the 2017-18 actual	The 2017 -18 target was set before the 2016 – 17 actual was known. Targets for 2018-19 are based on the cameras retained under the new footfall contract for each town. The Porthcawl target remains unchanged as data is showing a small decline in footfall. It is not clear at the moment what is driving the reductions or what measures will be taken to reverse the trend. This will be the focus of work for 2018-19.
The number of vacant premises in town centres a) Bridgend b) Maesteg c) Porthcawl	a) 67 b) 10 c) 10	a)55 b)19 c)17	Maintain the 2017 - 18 actuals in all 3 towns	Meeting the target is challenging in the face of changing, irreversible patterns in retail in town centres.
The number of residential units in Bridgend town centre, that have had: a)Planning application approved b)Work completed	N/A (New indicator for 2017 -18)	a)30 b)14	a)20 b)20	The targets reflect the Council’s strategy for diversifying uses of buildings in town centres.
The financial value of externally funded town centre regeneration projects underway/in development	N/A (New indicator for 2017 -18)	£16 million	£15 million	The target has been set based on planned projects between 2018 and 2022 but subject to external funding decisions.

Priority Two: Helping people to be more self-reliant

This means we will work with our partners, including the people who use our services and carers, to take early steps to reduce or prevent people from becoming vulnerable or dependent on the Council and its services, support individuals and communities to build resilience, and enable them to develop solutions to meet needs and enjoy independent life as much as they can.

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 need.

Why this is important

Providing the right information, advice and assistance at an early stage can help people and their families stay together. We know that both adults and children benefit from a secure supportive family environment. Supporting individuals and families to thrive makes it less likely that their situation will deteriorate and that they will become dependent on council services.

This approach is important not only for those requiring social care support but also for those requiring a whole range of other council services. It is sustainable economically and promotes positive social and personal outcomes. We are committed to providing good information, advice and assistance to the residents of the county borough 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 told us 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 sectors, we can support communities to develop their own approaches to local issues and meet people's needs within the community.

How have we done so far?

The list below highlights some of our achievements in 2016-17 under this priority:

- We developed a single point of contact for people to access information, advice and assistance, which was used by 2,108 adults and 2,042 children.
- Our reablement service supported 394 older or disabled people to maintain their independence by managing as many daily living tasks as possible on their own.
- We invested in targeted early help and intervention programmes to reduce the numbers of looked after children. Of children we supported, 75% now remain living within their family.

- We supported 3,879 individuals and families through our Families First programme to help reduce child poverty. Through the Family Learning and Engagement element, 164 young people and adults entered employment, education and/or training.
- We carried out 277 adult carers' and 51 young carer assessments to identify their needs and help them maintain their caring roles.
- We supported 250 people to stay at home, maintaining their independence through our disabled facilities grant programme.

Key Programmes to support this priority

- **Remodelling Social Care:**
 - We will continue with this large programme of recommissioning adult home care, developing extra care and information and advice services for people and their carers.
 - Working with partners we are implementing 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** – We will transfer assets to communities to manage sustainably while making the most of the assets we retain.

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.

Who will help us?

People in receipt of services, carers and their families, citizens of Bridgend; regional partners; Public Service Board partners; the third sector and private sectors.

What steps will we take to achieve these aims?

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

- Support the development of a new generation of community health and wellbeing centres for our residents with health partners.
- Establish a new model of residential provision for looked after children and young people and seek the best ways of meeting their individual needs including support beyond the age of 18 by offering specialist accommodation.
- Finalise a transition service model to help disabled children move smoothly into adulthood.
- Work with households and partners to help prevent homelessness, including supporting care leavers to secure appropriate accommodation.
- Work with owners of empty properties to turn empty properties into homes to help ease the housing shortage.
- 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.
- By following our “One Council” principle, 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, including young 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 strengthen communities and identify the best way of providing services locally.
- Enable community groups and the third sector to have more voice and control over community assets.

Priority 2: 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

Page 21

Success Indicators	Actual 2016-17	Target 2017-18	Target 2018-19	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	N/A (New indicator for 2017 -18)	a) 40% b) 60%	a) 50% b) 70%	This measures the proportion of people who approach us seeking advice and assistance and who, through this help, are prevented from escalating into further services.
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+	N/A (New indicator for 2017 -18)	a) 65% b) 65%	a) 80% b) 80%	These targets are based on end of year 2016-17 data.
The number of people who have been diverted from mainstream services to help them remain independent for as long as possible	167	200	400	The target is across the whole of adult social care and is based on current performance. It is recognised that numbers will plateau.
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	N/A (New indicator for 2017 -18)	a) 60% b)60%	a)62% b)60%	In the main, the people coming through the service have more complex needs, so reduced packages will become more challenging.

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

Page 22

Success Indicators	Actual 2016-17	Target 2017-18	Target 2018-19	Rationale for target
The percentage of children supported to remain living within their family	N/A (New indicator for 2017 -18)	65%	65%	The number of children with a care and support plan is stabilising not declining. The target remains challenging, but unchanged.
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	N/A (New indicator for 2017 -18)	80%	85%	The service is developing new service models to prevent children from becoming looked after. Whilst this work is undertaken, there is a risk that additional demand will be placed on Connecting Families to respond to new service criteria, which in turn may impact future performance. Therefore the target has been set to reflect this risk.
The percentage of completed TAF (Team Around the Family) support plans that close with a successful outcome	67%	60%	70%	We aim to increase the success rate year on year. The 10% increase reflects this.
The percentage of looked after children on 31 March who have had three or more placements during the year	N/A (New indicator for 2017 -18)	12%	12%	The target is based on current and past performance and knowledge of the looked after children population which is stabilising but not declining.
The percentage of individuals discussed at Transition Panel that have a transition plan in place by age of 16/17	N/A (New indicator for 2017 -18)	100%	100%	It is important that at least by the age of 16/17, young people should have a transition plan in place: hence the target is 100%.
The percentage of people presenting as homeless or potentially homeless, for whom the local authority has a final legal duty to secure suitable accommodation	N/A (New indicator for 2017 -18)	14.07%	12.85%	A lower target demonstrates the focus on the prevention and relief of homelessness which has seen the number of final duty cases reduce significantly. This year-on-year reduction in the target is positive and shows that early help and intervention prevents people reaching a more

Success Indicators	Actual 2016-17	Target 2017-18	Target 2018-19	Rationale for target
				critical stage of homelessness. Some of this work is currently funded through the Welsh Government transitional homeless prevention funding. This grant has been extended for 2018-19.
The percentage of care leavers who have experienced homelessness during the year	14%	<15%	<13%	The Council's priority is to prevent homelessness. The target is based on previous figures.
The percentage of private sector dwellings that had been vacant for more than 6 months at 1 April that were returned to occupation during the year through direct action by the local authority	2.2%	7.86%	7.86%	The target remains challenging. Priority is being given to fund cross directorate responses to the challenge of empty properties within the county borough and a cross directorate project team is in operation.
The number of new homes created as a result of bringing empty properties back into use	N/A	N/A (New indicator for 2018 - 19)	To be confirmed	The target for 2018-19 will be decided once the 2017-18 actual is known.
The percentage of people who feel they are able to live more independently as a result of receiving an Disabled Facilities Grant in their home	N/A (New indicator for 2017 -18)	75%	75%	The target is based on existing studies undertaken on the effectiveness of housing adaptations.
The average length of time older people (aged 65 or over) are supported in residential care homes	N/A (New indicator for 2017 -18)	1000 days	900 days	This is an improving target. We continue to support people to remain independent at home for longer; therefore, they spend less time in care homes.

Aim – To support carers in maintaining their roles

Page 24

Success Indicators	Actual 2016-17	Target 2017-18	Target 2018-19	Rationale for target
The percentage of carers of adults who were offered an assessment or review of their needs in their own right during the year	90.02%	96.0%	97%	This is an improvement target.
The percentage of identified young carers with an up-to-date care and support plan in place	N/A (New indicator for 2017 -18)	Set baseline	90%	This is an improvement target based on the current percentage of carers' assessments for young carers that led to a care and support plan.

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

Success Indicators	Actual 2016-17	Target 2017-18	Target 2018-19	Rationale for target
The number of adults who received a service provided through a social enterprise, cooperative, user-led service or third sector organisation during the year	N/A (New indicator for 2017 -18)	365	370	This refers only to those people with a care package and/or who are in managed care. The target is based on 2017- 18 data and shows improvement.
The number of Council owned assets transferred to the community for running	N/A (New indicator for 2017 -18)	5	2	Whilst asset transfer to community remains council policy, the Council is currently reviewing and rationalising the process in order to promote the level of engagement and better meet external circumstances, consequentially lowering the target for 2018-19.

Priority Three: Smarter use of resources

This means we will ensure that all its resources (financial, physical, ecological, 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.

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.

Why this is important

The Council has made reductions from its budget of £36 million over the last four years and we are expecting to make further reductions of some £32 million over the next four years. This year we are proposing to find almost 75% of the planned budget reduction for the year by making smarter use of resources, and thus minimising impact on valued services. It is harder each year to make ongoing budget reductions, but we continue to change the way we work and the way we provide services, managing with less resources, ensuring we make smarter use of our buildings, our people and our spending.

Once again we held a public consultation asking for suggestions of how the Council could save money in the future. We were pleased that there was a 3.4% increase in participation, with a total of 2,619 responses received. The outcome of the consultation showed that 75% of respondents think that further efficiencies are possible within leisure and cultural services but did not want us to reduce the current service level to achieve this. Fifty percent (1,309 respondents) agreed they were willing to accept higher charges for some services, such as sports pitches, libraries and pest control.

Fifty percent of respondents agreed that the current approach for transforming social services was the right approach, recognising that it would take time to achieve. There were some 32% of respondents who agreed with the approach but felt that savings needed to be made somehow in order to avoid further cuts elsewhere. By contrast, some 21% of respondents wished to see the protection of services for the care of the elderly and disabled.

We continue to take account of citizens' views, when prioritising our limited resources. However, there is a limit to capacity reduction year on year, and we cannot compromise our ability to fulfil our statutory duties. Whilst the long-term future funding of local authorities remains challenging, we are continuing to work in delivering and reshaping some services to ensure Bridgend is able to rise to these challenges.

How have we done so far?

The list below highlights some of our achievements in 2016-17 under this priority:

- We planned to make budget reductions of £7.477 million, and we achieved a reduction of £5.632 million, with the remaining £1.845 million achieved through alternative savings, the maximisation of grant and other income and strict vacancy management.

- We began building the new Betws Primary School, the relocated Ysgol Gynradd Gymraeg Cwm Garw and new Brynmenyn Primary School. We also completed a consultation on the relocation of Pencoed Primary School and the Heol Y Cyw Campus.
- To improve the efficiency of and access to services, we continued to rationalise our administrative estate by reducing the number of our buildings and streamlining our structure.
- We generated £5.625 million of capital receipts from our asset disposal programme, exceeding our £4million target.
- 231 council managers attended training to improve their People Management Skills and support staff as the Council changes, 295 employees undertook Welsh language training and 59.1% of staff completed e-learning modules.
- We aimed to make the most of our spend on goods and services and worked closely with the third sector and businesses, upskilling the market to ensure that local providers are “tender ready” and able to bid competitively against national organisations.

Key Programmes to support this priority

- **Digital Transformation Programme** – this programme aims to change the way we operate to enable customers to access information, advice and services on line.
- **Rationalising the Council’s estate** – this programme is about disposing of council assets and transferring assets to communities to manage while making the most of the assets we retain.
- **Schools’ Modernisation Programme** – this programme invests in a sustainable education system in school buildings that reduces cost and their carbon footprint.

This Priority contributes to Wellbeing Goals:

A prosperous Wales; A resilient Wales; A healthier Wales; A more equal Wales; A Wales of cohesive communities.

Who will help us?

Employees; Schools; Contractors; Trade Unions.

What steps will we take to achieve these aims?

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

- Implement the planned budget reductions identified in the 2018-19 budget.

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

- Deliver our digital transformation programme to enable citizens to use our online system to manage their council tax and housing benefit accounts and to deliver financial savings.
- Automate most common internal processes to reduce transaction costs and streamline processes.

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

- Provide sufficient school places in the right area and in new and improved schools by delivering the 21st century schools' modernisation programme.
- Rationalise further the Council's administrative estate to ensure the Council operates from fewer core offices and reduces the number of leased properties for which we currently pay rent, by March 2019.
- Develop a more commercial approach to council assets and services.
- Implement the Corporate Landlord model to ensure more coordinated and efficient management and maintenance of the Council's Property estate.
- Market the part of the Waterton site due to be partially 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.
- 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 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 e-Procurement and utilising national and regional arrangements.

Priority 3: How will we know we are successful?

Page 28

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

Success Indicators	Actual 2016-17	Target 2017-18	Target 2018-19	Rationale for target
The percentage of budget reductions achieved	75%	100%	100%	In 2018-19, we plan to make budget reductions of £6.123 million, compared with £5.852 million for 2017-18. To date budget reductions of £4.012 million (69%) of the planned savings proposals for 2017-18 are likely to be achieved, with the remaining £1.840 million achieved through alternative savings, the maximisation of grant and other income and strict vacancy management.

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

Success Indicators	Actual 2016-17	Target 2017-18	Target 2018-19	Rationale for target
The number of services that are available to the public on line	N/A	N/A (New indicator for 2018 -19)	5	To provide services digitally online requires significant business process re-engineering. The target is challenging but achievable.

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

Success Indicators	Actual 2016-17	Target 2017-18	Target 2018-19	Rationale for target
The percentage of surplus capacity of school places in a) primary schools b) secondary schools	a) 5% b) 19%	a) 6% b) 20%	To be confirmed	To ensure that the demand for places can be met. Our long-term aim is to reduce surplus capacity at secondary level to around 10%.

Success Indicators	Actual 2016-17	Target 2017-18	Target 2018-19	Rationale for target
Realisation of capital receipts target	£5.62 million	£1.5 million	£4 million	The target is based on the projected completion of sales.
The percentage change in carbon emissions in the non-domestic public building stock on previous year	12.79%	3%	Maintain 2017-18 year end return	The target is retained at the actual 2017-18 level and is challenging against current resources.
Additional income generated from the Council's non-operational property portfolio	N/A (New indicator for 2017 -18)	£25,000	£25,000	The target is retained at the 2017-18 level and is challenging against current resources.

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

Success Indicators	Actual 2016-17	Target 2017-18	Target 2018-19	Rationale for target
The number of working days/shifts per full-time equivalent (FTE) local authority employee lost due to sickness absence	10.7	8.5	8.5	Retaining the target at the current level is challenging against current performance.
The percentage of employees completing e-learning modules	59%	45%	45%	The target is based on the anticipated number of employees required to complete mandatory training modules. The percentage is of the total workforce and therefore should reduce as staff are trained.
The number of managers receiving training to improve their people management skills (including absence management)	235	200	150	This target is based on anticipated level of training required. These courses have been available for a number of years and significant numbers of employees have already been trained.

Success Indicators	Actual 2016-17	Target 2017-18	Target 2018-19	Rationale for target
The number of interactions from citizens on the corporate social media accounts (Facebook and Twitter)	31,762	37,593	65,100 (provisional)	Our target is for a 5% annual growth. The 2018-19 target is based on the 2017-18 year-to-date figure. The final target will be based upon our actual number of interactions, which we will know at the end of 2017 – 18. However, we recognise that the number of interactions can fluctuate widely in any given year based on Council’s activity and external factors across the county e.g. the introduction of a new Waste Contract or the hosting of a large scale event such as the Urdd.

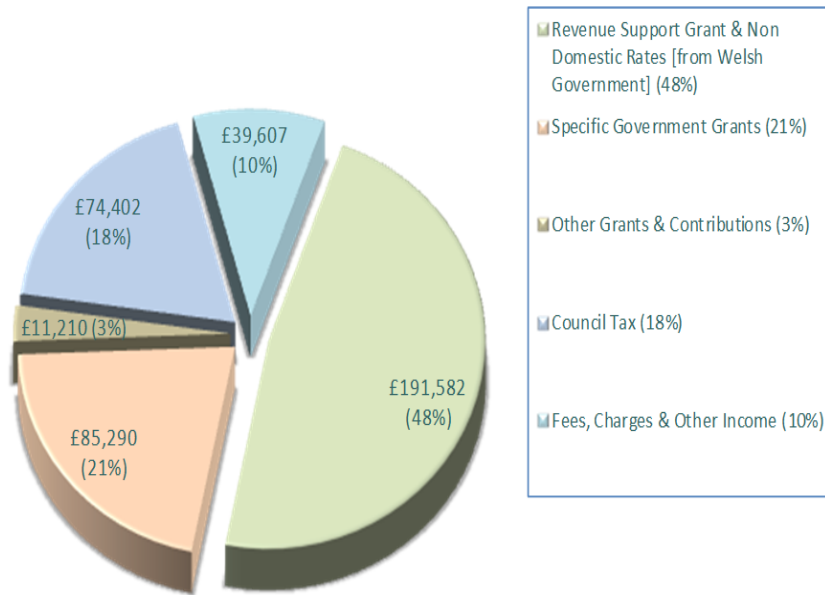
Aim - To make the most of our spend on goods and services

Success Indicators	Actual 2016-17	Target 2017-18	Target 2018-19	Rationale for target
The percentage of tenders above EU threshold compliant with the Public Contract Regulations 2015 that are compliant	N/A (New indicator for 2017 -18)	100%	100%	Less than 100% compliance would risk reduced efficiency.

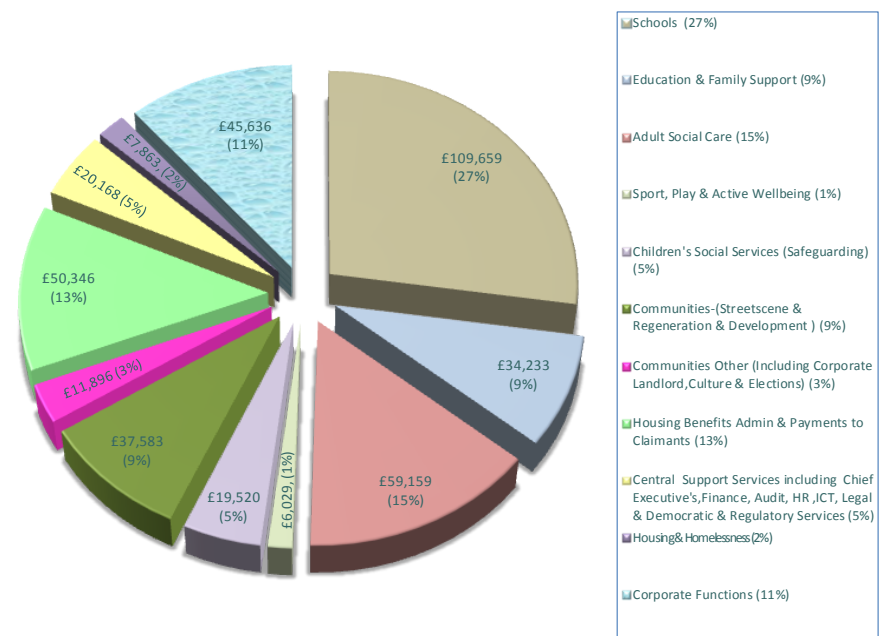
The budget to support our priorities

The charts below outline our income and spending plans for 2018-19. The Council's gross revenue income for 2018-19 is £402 million.

Where the Money Comes From - 2018-19 Gross Revenue Income £'000

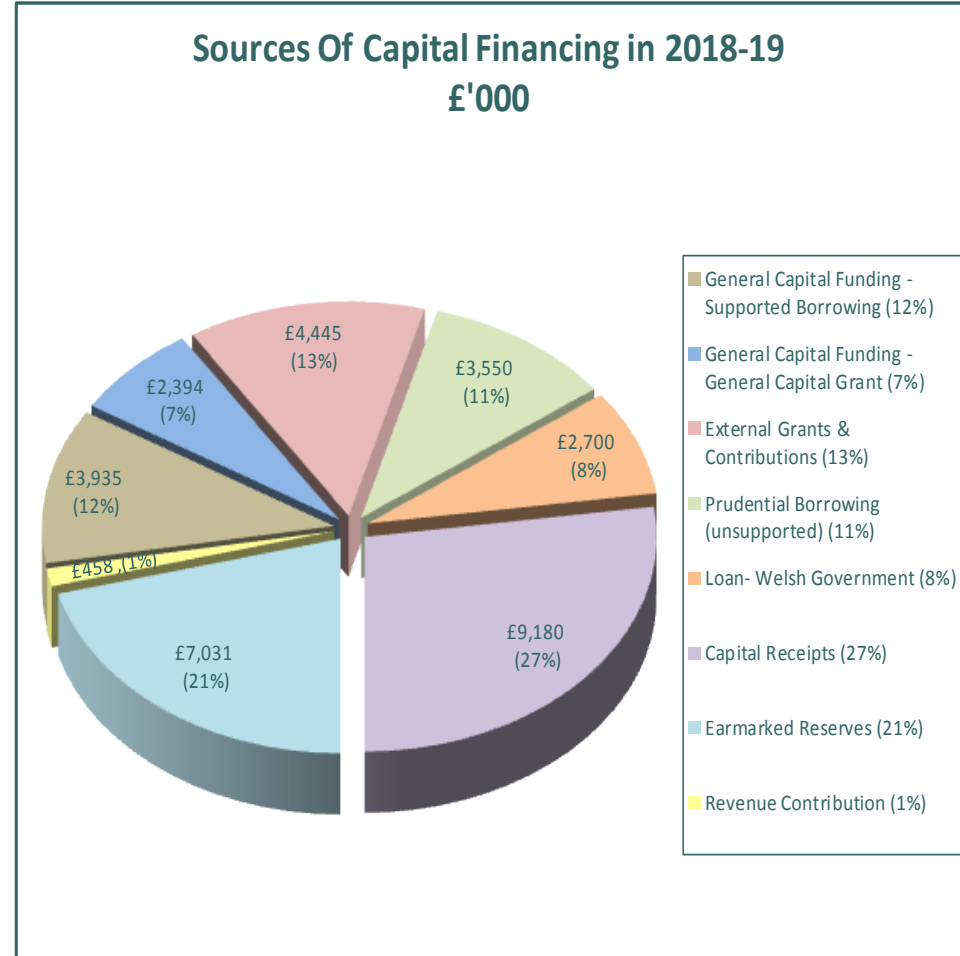
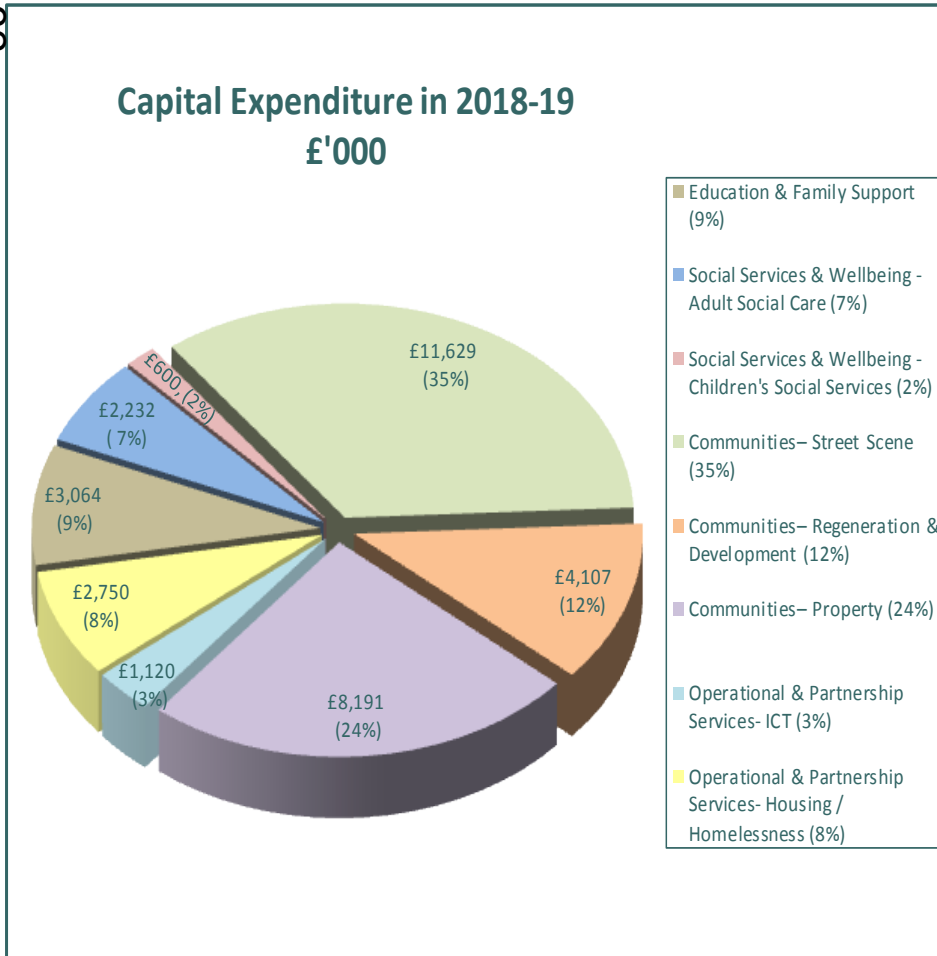


Where The Money Is Spent - 2018-19 Gross Revenue Expenditure £'000



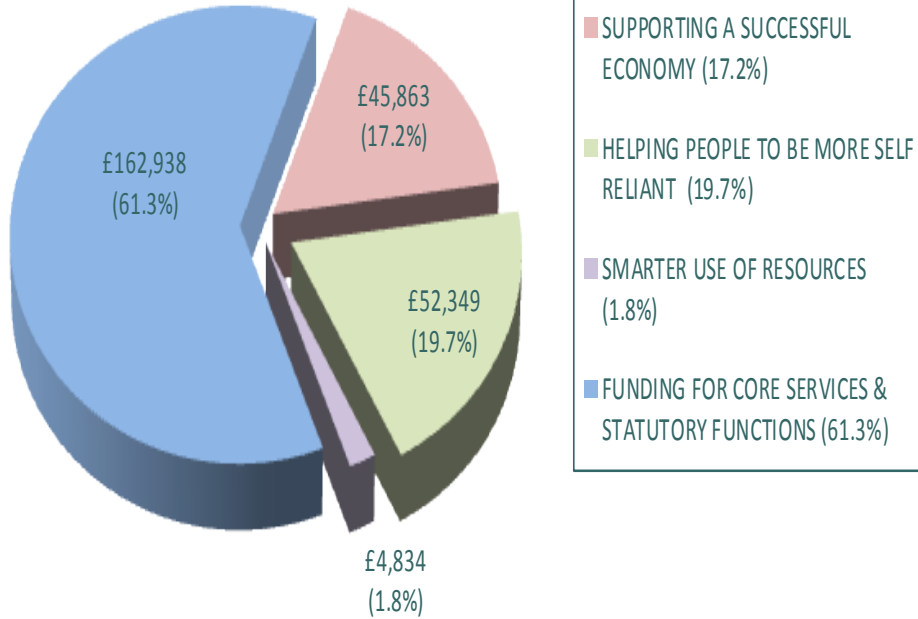
Note: Corporate Functions includes Capital Financing Costs, Precepts and Levies, Council Tax Reduction Scheme and corporate provision for pay and price.

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 2018-19 amounts to £33.693 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.



The authority has a net revenue budget of £265.984 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 2018-19.

2018-19 Net Revenue Budget by Improvement Priority £'000



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.

Page 34



The Council is committed to the well-being goals and the sustainable development principle. We will make sure that whenever we make decisions, we will apply the five ways of working and take into account the impact they could have on people living their lives in Wales in the future.

BRIDGEND COUNTY BOROUGH COUNCIL

REPORT TO CABINET

13 FEBRUARY 2018

JOINT REPORT OF THE CHIEF EXECUTIVE AND INTERIM SECTION 151 OFFICER

MEDIUM TERM FINANCIAL STRATEGY 2018-19 to 2021-22 AND COUNCIL TAX 2018-19

1. Purpose

- 1.1 The purpose of this report is to present Cabinet with the Medium Term Financial Strategy 2018-19 to 2021-22, which includes a financial forecast for 2018-22, a detailed revenue budget for 2018-19 and a Capital Programme for 2017-18 to 2027-28.
- 1.2 The Strategy also includes the proposed Council Tax requirement for the County Borough Council, for approval by Council, which will be presented together with the requirements of the Police & Crime Commissioner for South Wales and Community/Town Councils.

2. Connections to Corporate Improvement Objectives / Other Corporate Priorities

- 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 2018-19.

3. Background

- 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 of around £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 2018-22 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.

4. Current Situation / Proposal

- 4.1 This report is presented to Cabinet to provide details of the Council's Medium Term Financial Strategy (MTFS) for the four year period 2018-19 to 2021-22. The MTFS is complimentary to the Council's Corporate Plan, and looks to provide the resources to enable the Council's corporate objectives to be met. The MTFS outlines

the principles and detailed assumptions which drive the Council's budget and spending decisions, outlines the financial context in which the Council is operating, and tries to mitigate any financial risks and pressures going forward, at the same time, taking advantage of any opportunities arising.

- 4.2 The MTFS focuses on how the Council intends to respond to the forecasted public sector funding reductions as a result of on-going austerity and increasing pressures on public sector services. It sets out the approaches and principles the Council will follow to ensure the Council remains financially viable and delivers on its corporate priorities.
- 4.3 The Council is required to approve a balanced budget for the following financial year and set the Council Tax rates for the County Borough. This report sets out proposals to achieve that objective and contribute towards a sustainable position going into the medium-term.
- 4.4 The well-being goals identified in the Well-being of Future Generations (Wales) Act 2015 were considered in the preparation of the MTFS. Officers have considered the importance of balancing short-term needs in terms of meeting savings targets, while safeguarding the ability to meet longer-term objectives. The Council's approach to meeting its responsibilities under the Act, including acting in accordance with the sustainable development principle, is reflected in those areas identified for additional investment within the MTFS. It attempts to mitigate against significant or unacceptable impacts upon the achievement of all of the wellbeing goals/objectives.

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 2018-19 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 2018-19 to 2021-22 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, as set out in the MTFS, and it is 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 they do not believe that they have sufficient resource to discharge their 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 the MTFS provides a firm basis for managing the Council's resources for the year 2018-19 and beyond.

8. Recommendations

- 8.1 Cabinet is asked to approve the MTFS 2018-19 to 2021-22 including the 2018-19 revenue budget, the Capital Programme 2017-18 to 2027-28 and the Treasury Management Strategy 2018-19 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 2018-19 to 2021-22
 - The Net Budget Requirement of £265,984,097 in 2018-19.
 - The 2018-19 budgets as allocated in accordance with Table 9 in paragraph 3.3.
 - The Capital Programme 2017-18 to 2027-28 (Appendix G).
 - The Treasury Management Strategy 2018-19 and Treasury Management and Prudential Indicators 2018-19 to 2021-22 (Appendix H).
 - A Band D Council Tax for Bridgend County Borough Council of £1,395.51 for 2018-19 (Table 11).

Darren Mepham
Chief Executive

Gill Lewis CPFA
Interim Head of Finance and Section 151 Officer

February 2018

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

Background Papers:



MEDIUM TERM FINANCIAL STRATEGY 2018-19 TO 2021-22 AND COUNCIL TAX 2018-19

1. INTRODUCTION

1.1 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 Well-being of Future Generations (Wales) Act 2015. 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.

1.2 Corporate Financial Overview

While the Council's net revenue budget is planned at £265.984 million for 2018-19, its overall expenditure far exceeds this. Taking into account expenditure and services which are funded by specific grants or fees and charges, the Council's gross budget will be around £400 million in 2018-19. Around £170 million of this amount 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 operatives, domiciliary care workers and foster carers.

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 (WG) either directly or indirectly – for example new requirements to register domiciliary care staff, new requirements arising from the Environment (Wales) Act 2016 to promote biodiversity, requirements arising from the Planning (Wales) Act 2015 such as increased obligations around pre-planning advice, consultation requirements associated with making changes to schools, school 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. Additionally, we are seeing an increase in the number of pupils at our schools, which places increased pressure on school budgets.

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 and double handling of

data through 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.

1.3 Education and Family Support

The Council is proposing to spend £108 million on services delivered by the Education & Family Support Directorate in 2018-19. The majority of this money will be spent by the 59 schools across the county – schools are the biggest single area of spend of the Council. In addition to the £88 million proposed budget to be delegated to schools in 2018-19, 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 £21.5 million in building and refurbishing schools as part of our 21st century school modernisation Band A programme and a further £23 million as part of the Band B programme. This comprises one-off capital expenditure across several years, match funded with Welsh Government funding. Welsh Government has provided approval in principle in respect of the Strategic Outline Programme submitted by the Council around our aspirations for Band B funding. This approval will be subject to the approval of individual project business cases. Whilst it is too early to say how this will progress, the concepts proposed are based around forecast demand for places, primarily in the primary sector. Whilst this is inevitably dependent to some extent on new housing, it is likely that this will represent the most significant area of capital expenditure for the Council in future years.

The Council has a longer term goal to make the overall schools system more efficient – for example through making sure we have the right number of school places available in the right parts of the county (including ensuring enough capacity for anticipated future increases in school age population). For the 2017-18 budget, the Council introduced an annual efficiency saving of 1% for each year of the MTFS. This recognised the need for a "One Council" approach, but was relatively lower than

reductions imposed elsewhere, recognising that schools have less discretion than some other areas of Council expenditure. The Council did however provide additional funding to meet nationally agreed pay awards and price inflation. The net impact of these changes was an overall cash increase. For 2018-19, the level of budget reductions required is not as great as had been feared. As a result, it has been possible to protect schools from the 1% saving for one year. However, the forecast pressure on Council budgets for future years is such that it is almost unavoidable for 2019-20 onwards, and so it will be necessary for head teachers and governing bodies to use the next year to plan ahead.

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, typically by annual 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 grants 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. We are proposing the following changes in 2018-19 that are reflected in the budget:

- We have already implemented increased efficiency and commerciality and a small increase in the price of a school meal during the 2017-18 financial year – further income should be generated in 2018-19 from a full year effect of both these initiatives (school year vs financial year) totalling £71,000.
- We would like to reduce our contribution to the Central South Consortium over coming years – this is however subject to agreement with our partners. For 2018-19 partners have agreed a small reduction of £12,000 (2%). We will continue discussions around savings that can be made in future years.
- We will review home to school transport arrangements for pupils attending special schools – we believe we can make efficiency savings of £75,000.
- We will continue our phased implementation of the changed learner transport policy, where we have established it is safe to do so. We expect to achieve at least £67,000 for each year of the MTFS.

- We will develop collaborative arrangements for our Additional Learning Needs Service, saving £50,000.
- Between 2013 and 2019 we are investing in six 21st Century school schemes. These schemes will see significant investment to replace Betws Primary, YGG Cwm Garw, Pencoed Primary and Brynmenyn Primary schools, along with the creation of special educational needs provision at Bryncethin. We are continuing to invest in improving our school estate and that includes creating more capacity at Heronsbridge Special School and ongoing road safety works in a number of schools.

1.4 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. Within the directorate there is a strong focus on social care as a professional discipline and by the two areas working more closely together it helps to identify efficiency savings. The directorate also has a team, formally the Sport, Play and Active Wellbeing team, who focus on the development of new approaches to better support prevention, early intervention and wellbeing.

There is a strong link between children's social care and early help and intervention services. Although these two services are located within different directorates there are mechanisms in place to ensure close working and appropriate and proportionate responses to families and children in need. There are also clear pathways for step up and step down and close cross directorate monitoring in place. This also supports the corporate priority of 'Helping People to be more Self-Reliant'.

Over the past four years the Council has identified savings of over £11 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 available budgets.

In total, the Council is proposing to spend £68 million on social care and wellbeing services. In addition to this the Council provides a range of housing services plus targeted grant funding. Welsh Government has determined that Communities First as a programme will cease in March 2018. In its place are two replacement grants – Communities for Work Plus and Legacy Grant Funding. In the final settlement the Welsh Government has indicated that against previous total Communities First funding of £19.647 million in 2017-18, the final 2018-19 allocation includes £6 million for Legacy Fund projects and a further £10.050 million for Communities Work plus across Wales. At an all Wales level, this is a reduction of £3.597 million (18.3%). These two grants are earmarked for inclusion in a "Flexible Funding" project proposed by Welsh Government, along with 8 other grants, including Supporting People, Families First, Flying Start and Promoting Positive Engagement for Young People, for which Bridgend has agreed to be a pilot project. The project will give the pilot authorities 100% flexibility to make more effective use of funding and meet local needs through more preventative, long term approaches.

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. It is still early days in the development of preventative approaches. The directorate has gathered much evidence to support the positive impacts of such initiatives and the longer term cost avoidance, however there is still work taking place in relation to the social capital aspects and potential financial savings.

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 2018-19 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. Introducing new ways of working which will be sustainable in the long term alongside a demand led service is inevitably taking time and as a result our MTFS reflects a greater proportion of savings in the outer years.

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 2018-19 build on the implementation plans that are already underway, such as the two new Extra Care facilities currently under construction, which are planned to open in October 2018. The re-modelling programmes focus on changing the culture and reviewing what has become 'custom and practice'. Extra Care will enable people to live more independently and will offer a real alternative to residential care.

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.

A new 52 week a year provision opened in October 2017 which is able to locally accommodate three children with very complex needs; without this provision these children would have been sent to high cost out of county placements. Plans are advancing to meet budget reductions in 2018-19 by re-modelling two Council-run residential homes for children, as well as developing the in-house foster care provision.

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 the last three years will continue to be built upon.
- 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 a 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 of capital funding 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 £70 per week. In addition we are currently unable to charge in Children's Services.

1.5 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 2018-19 the Council is likely to spend around £4.5 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 £19 million net budget on these services. The fact that schools have had a high degree of financial protection in previous years 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.

Last year, with the advent of a new seven year contract, the costs associated with waste collection increased. The new contract included a new collection service for absorbent hygiene products – this has proven more popular than

expected and so we need to recognise a budget pressure to meet the increased costs. Initial indications are that there has been a significant reduction in the volume of our residual waste – we expect this to benefit the Council financially over time, subject to contractual conditions with our disposal arrangements. We expect to spend in the region of £11 million on the collection and disposal of waste in 2018-19.

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 included for the first time the creation of a new and recurrent fund ring-fenced for this purpose. It is proposed to use the funding for 2018-19 to offset reductions in street cleaning and also cover loss of income from an original proposal to charge for disabled blue badge parking.
- It is proposed to rationalise the number of subsidised bus services. From April 2018 approximately half of the Council supported bus service routes will potentially no longer be subsidised. Routes targeted for subsidy reduction will be those least utilised and with the best alternative public transport links. The removal of the subsidised bus routes will result in a saving in the region of £188,000 per annum. Consultation with the public on route reduction is due to commence in Winter 2017.
- 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. Whilst some limited toilet provision is likely to remain, we will mitigate any closures through the introduction of a local comfort scheme whereby shops and other public facilities are funded to make their facilities more readily available to public use.

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 and 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.

1.6 Supporting the Economy

Whilst this is a Council priority, the service has nevertheless made significant reductions to its budget over recent years. The Council has delivered this by employing fewer but more highly skilled staff, and focussing activity more narrowly on priority areas to maximise impact. Going forward, 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 £1.7 million net a year running these services, plus a further £700,000 as Bridgend's contribution to the Deal itself.

In addition, the Council is making good progress in pursuit of 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. Much of this investment is not the Council's own money, but together, these schemes amount to around £20 million in total. Achieving this scale of leverage (around £10 for every £1 spent by BCBC) is dependent on being able to provide match-funding from the Council's own Strategic Regeneration Fund (SRF). This fund is used tactically and strategically, to deliver regeneration priorities and maximise external funding.

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:

- Tourism events – the Council, often in partnership with Welsh Government, has supported a series of high profile, successful events, including the Senior Open Championships and the Urdd. In future years, where the costs of supporting such events exceed the available budget, a business case will need to be made for the required funding to bridge any shortfalls, subject to any funding being available.
- Community Asset Transfer (CAT) has been identified as a potential way of safeguarding community based services such as public toilets, community

centres and sports pavilions, for the future. Specialist support will continue to be available to community groups and Town and Community Councils, to develop robust plans, but the level of funding available for this will reduce by £40,000.

- The Council believes that in this period of considerable economic uncertainty, it is important to maintain support for local businesses. It is intended that the current support for Bridgend Business Forum will be continued, with a saving of £20,000 achieved through increasing earned income from the delivery of these services.

1.7 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 areas are as follows:

Regulatory Services

The Council proposes to spend around £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 the shared service. 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, Marriages and Deaths. 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 2018-19 which we expect to contribute towards savings.

Council Tax and Benefits

Whilst not immediately recognisable as a “service”, taxation 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 over £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. In 2017-18, we are implementing fines for non-compliance of residents in receipt of Single Person Discounts and will continue this.

Benefits are funded by the central UK government but the administration of Housing Benefit and the Council Tax Reduction Scheme falls to the Council. We have reviewed the service and identified opportunities to improve our recovery rates by £32,000 as well as looking at the Council’s bad debt provision and believe we can safely reduce this by £189,000 a year. Similar 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 of £300,000 from digitising these services. Developing the necessary systems has taken longer than expected, so the second half of this is now planned for 2019-20, recognising the need to realise widespread take up to deliver this level of savings.

1.8 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 2018-19 we are aiming to make savings totalling £484,000 through changes to the way some back office services are organised. This is in addition to specific proposals mentioned below. Our approach in each of these areas is summarised as follows:

Property and building maintenance

The Council is undertaking a review of its commercial property portfolio, to identify ways of increasing income through more intensive management and investment approaches. The review involves challenging the existing make-up and management of the portfolio, identifying asset management opportunities and the mechanisms

required to deliver a sustainable increase in income. It also advises on potential future growth in the investment portfolio.

Alongside this, the Council is continuing to dispose of assets it no longer requires to deliver services, in order to provide further investment in our capital programme. During 2018-19 the Council estimates that it will generate around £3-4 million in such sales.

The Council is bringing together its asset management and building maintenance functions, and centralising all premises repairs, maintenance and energy budgets into a single 'corporate landlord' service. This will better enable us to manage compliance, embed 'whole life costing' approaches into decision-making, manage the quality of work undertaken by contractors, and thereby deliver efficiencies in the management of our estate.

A priority for 2018-19 is to ensure that the division of premises responsibilities between individual schools and the Council are fully understood, properly implemented, and that appropriate support is provided to enable their responsibilities to be discharged appropriately.

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 important to bring about these changes within the law. The service also directly supports front line services such as Education and Social Services, and 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 the use of external services, restructuring of responsibility and non-staffing budgets.

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 ensures transparency and accountability in the way that public money is used – for example in producing accounts which are then audited.

During 2018-19 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.

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 will determine a revised structure for this service.

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 enabling career progression in-house. This includes a number of successful apprenticeship schemes and in 2018-19 we will be developing more formal training to complement the actions already undertaken.

We plan to make a reduction in both software and hardware budgets and will make savings in some non-staff budgets for communications, supplies training and equipment (totalling £210,000).

Digital Transformation

A significant change that the Council is embarking on in 2017-18 is rolling out the use of digital approaches to how it engages with customers and provides some services. From 2017-18 we are 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 corporate wide

efficiencies in the operation of this service.

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.

The Council will re-align staff responsibilities and reduce non staff costs.

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. We have reduced spend in this area over recent years, and following a recent restructure wish to ensure stability before making any further decisions.

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. We will continue to discuss with the WAO how we can work together to reduce its fees.

2. STRATEGIC FINANCIAL CONTEXT

- 2.1 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.

2.2 The MTFS includes:-

- The principles that will govern the strategy and a four year financial forecast, comprising detailed proposals for 2018-19 and outline proposals for 2019-20 to 2021-22.
- The Capital Programme for 2017-18 to 2027-28, linked to priority areas for capital investment and capital financing strategy.
- The Treasury Management Strategy 2018-19 and Corporate Risk Register 2018-19.

The Financial Context

2.3 Since the draft MTFS was published in November 2017, the Chancellor of the Exchequer, Philip Hammond, has delivered his Autumn Budget. In it he announced that as the UK reaches a critical phase in terms of negotiations on our future relationship with the European Union, he would ensure that the country was prepared for every possible outcome and able to seize every opportunity, and set aside an additional £3 billion towards this. He also said that the budget sought to achieve a balanced approach in terms of fiscal responsibility, continuing to invest in skills and infrastructure but at the same time helping families to cope with the cost of living. To achieve this, and to ensure the UK lives within its means, he stated that the government would maintain fiscal responsibility by reducing debt, supporting key public services, keeping taxes low and providing a little help to families and businesses under pressure. In addition, the budget also included a further £1.5 billion package to deal with the issues and delays caused by the roll-out of Universal Credit.

Alongside the UK Government's Autumn Budget, the Office for Budget Responsibility (OBR) updated its economic and tax revenue forecasts, substantially downgrading its assessment of the economic outlook. It had assumed that productivity growth would return to its pre-crisis trend of about 2% a year, but it has remained stubbornly flat. Consequently the OBR has revised down the outlook for productivity growth, business investment and Gross Domestic Product (GDP) growth across the forecast period. Gross Domestic Product per head of population is expected to grow by less than 1% each year to 2022, down from approximately 1.5%, projected for the Spring Budget. This compares unfavourably with the average annual increase of 2.3% recorded in the 10 years before the financial crisis. This forecasted lower rate of growth reflects the OBR's judgement that productivity – the main source of improvement in living standards, which has stagnated over the last decade – will continue to disappoint.

The OBR's most recent announcement on government borrowing reported that annual borrowing would be around £49.9 billion in 2017, more than £8 billion lower than forecast in March, and further indicating an improving picture in public sector finances. In addition CPI inflation is expected to move back to the Bank of England's target of 2 per cent by 2019.

The Autumn Budget resulted in changes to the funding available to Wales – as a result of UK Government spending decisions. Wales received additional funding of £1.1 billion between 2018-19 and 2020-21, a mixture of revenue (£210 million) and capital (£885 million), some of which has restrictions about what it can be spent on and which must be repaid to HM Treasury.

2.4 The Welsh Government announced its final budget for 2018-19 on 19 December. The most significant headline changes relevant to the authority were:

- The provisional local government settlement included a £1.8 million funding floor to ensure no authority will have to manage a reduction of more than 1% in 2018-19. The funding floor has now been adjusted so that no authority will have to manage a reduction of more than 0.5% in 2018-19.
- An extra £7 million revenue has been allocated to local government in 2018-19 to deliver the second increase to the capital limit – the amount people can keep before they are charged for residential care – from £30,000 to £40,000. This increase was announced in a written statement by the Minister for Children and Social Care on 6 December 2017.
- Following the UK Budget, on 13 December 2017 the Cabinet Secretary for Finance announced an extra £9 million and £22 million will be allocated in the final Budget in 2018-19 and 2019-20 respectively, to support the switch from RPI to CPI for non domestic rates from April 2018. This will result in a slightly lower increase in rates than anticipated.
- Building on the £20 million announced in the draft Budget to tackle homelessness, Welsh Government are also providing an extra £10 million in 2019-20 to specifically target youth homelessness.

As a result of the additional funding available following the UK Budget, £251 million of revenue funding has been allocated in the final Welsh Government Budget. Within the final budget Local authorities will receive an additional £20 million in 2018-19 and a further £20 million in 2019-20 through the local government settlement to ease the pressure on frontline public services. In addition, £100 million has been allocated over the next two years to support transformation in the health service, including additional funding for the Integrated Care Fund (ICF).

Welsh Government Final Local Government Settlement

2.5 On 20 December, Councils received the Final Local Government Settlement. The headline figure is an overall increase of £8.7 million, or 0.2%, across Wales from 2017-18 and, for Bridgend, an increase of 0.1% in Aggregate External Finance (AEF), or £115,000. However when adjustments are made for new responsibilities in respect of increased capital limits on residential care (£298,000), to provide targeted relief to support local businesses (£58,000) and for homelessness prevention (£236,000 for Bridgend), the true impact for Bridgend is estimated to be a like-for-like reduction of £479,000 or -0.25% against the revised 2017-18 tax base position. Welsh Government reported in October that the settlement also includes an additional £42 million across Wales in recognition of social services pressures and £62 million in respect of school funding, but these amounts, which are not ring-

fenced or notified at individual authority level, are already included in the figures above. The settlement also includes £807,000 floor funding to ensure that no authority has to manage with a reduction of more than 0.5% to its Revenue Support Grant next year.

Settlement Implications for 2018-2021

- 2.6 The Cabinet Secretary for Local Government and Public Services, Alun Davies, stated that this is a realistic settlement that continues to protect local government from significant cuts against a backdrop of reducing budgets from the UK Government. He said that while Welsh local government continues to be protected from the impact of austerity, he recognised that this settlement is still a real terms cut in core funding, when authorities face real pressures from such things as an ageing population, pay and other inflationary pressures.

Unlike previous years, Welsh Government has provided an indication of funding levels for 2019-20. When the Provisional Settlement was announced, the Cabinet Secretary for Finance and Local Government, Mark Drakeford, stated that the indicative settlement for 2019-20 was a further reduction of 1.5%. However, following the Chancellor's Autumn Budget in November, with the announcement of additional funding for Wales, he revised this down to a reduction of 1%, a further £15 - £20 million to be made available to Councils.

Transfers into and out of the 2018-19 Revenue Settlement

- 2.7 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:
- The Waste element of the Single Revenue Grant has been transferred into the RSG, with £1.503 million for Bridgend. The balance has been retained as a specific grant for Local Environment Quality and Natural Resource Management, however this amount has reduced by £6 million across Wales.
 - A number of social care grants have transferred into the RSG, including £1.203 million for the Welsh Independent Living Fund, £846,000 for the Social Care Workforce Grant, £335,000 in respect of grants for Looked After Children, and £134,000 for the Carer's Respite Care Grant. As a consequence, the Council's net budget for social services will appear to rise, whereas a significant proportion of any change is accounted for by these transfers.
 - Social care provision for prisoners in the secure estate has in previous years been funded through a specific grant. This was worth £217,000 to Bridgend in 2017-18. For 2018-19, the grant has also transferred into the RSG, but under the standard social services funding formula. As a consequence, Bridgend has in effect lost almost all this funding, and faces

the largest impact of any Council given both the size and demographic of Parc prison population.

- The settlement also includes additional funding for new responsibilities in respect of homelessness prevention (£236,000 for Bridgend), increasing capital limits for residential care (£298,000) and for local authorities to use their discretionary powers to provide targeted relief to support local businesses which would benefit most from their assistance (around £58,000).

Council Tax

- 2.8 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 2018-19 final Revenue Budget, shown in Table 9, includes a Council tax increase of 4.5%. This is higher than the proposed 4.2% increase outlined in the draft budget in order to generate additional income (around £213,000) to provide flexibility to mitigate the impact of some of the proposed budget reductions on the citizens of Bridgend based on the outcome of consultation with the public and members. It will also enable members to further consider some of the recommendations of Corporate Resources and Improvement (CRI) Committee and seek to deliver these in a different way. The level of the increase seeks to strike an appropriate balance between the needs of the Council and its citizens.

Welsh Government Capital Settlement

- 2.9 In March 2017 Council approved a capital programme for 2016-17 to 2026-27, based on the assumption that annual Welsh Government capital funding would be flat lined from 2017-18 onwards. Council has approved revised versions of the capital programme during the financial year to incorporate budgets carried forward from 2016-17 and any new schemes and grant approvals. The final local government capital settlement provides this Council with £6.329 million capital funding for 2018-19, which is £41,000 more than 2017-18. No indications have been given for 2019-20 or beyond.

Current Year (2017-18) Financial Performance

2.10 The in-year financial position as at 31 December 2017 is shown in Table 1 below.

Table 1 – Comparison of budget against projected outturn at 31 December 2017

Directorate/Budget Area	Original Budget 2017-18 £'000	Revised Budget 2017-18 £'000	Projected Outturn 2017-18 £'000	Projected Over / (Under) Spend Qtr 3 2017-18 £'000	Projected Over / (Under) Spend Qtr 2 2017-18 £'000
Directorate					
Education and Family Support	108,448	108,396	108,230	(166)	(274)
Social Services and Wellbeing Communities	64,683	64,809	66,831	2,022	1,937
Operational and Partnership Services	23,858	23,795	23,783	(12)	(119)
Chief Executives and Finance	15,249	15,359	14,633	(726)	(723)
	3,886	3,921	3,750	(171)	(111)
Total Directorate Budgets	216,124	216,280	217,227	947	710
Council Wide Budgets					
Capital Financing	10,184	10,184	8,835	(1,349)	(1,325)
Levies	7,020	6,952	6,982	30	15
Apprenticeship Levy	700	700	612	(88)	(91)
Council Tax Reduction Scheme	14,254	14,254	13,667	(587)	(449)
Insurance Premiums	1,559	1,559	1,559	0	0
Building Maintenance	900	889	807	(82)	0
Pension Related Costs	1,258	1,203	430	(773)	(773)
Other Council Wide Budgets	6,094	6,072	3,585	(2,487)	(585)
Total Council Wide Budgets	41,969	41,813	36,477	(5,336)	(3,208)
Appropriations to / from Earmarked to Reserves			3,144	3,144	3
Total	258,093	258,093	256,848	(1,245)	(2,495)

2.11 The overall projected position at 31st December 2017 is a net under spend of £1.245 million, comprising £947,000 net over spend on directorates and £5.336 million net under spend on corporate budgets, offset by net transfers to earmarked reserves of £3.144 million. This position takes account of allocations totalling £200,000 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.

2.12 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 £5.852 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. Going forward, directorates will either have to realise any outstanding budget reductions in full or find alternative proposals to meet the saving, in addition to any new proposals for 2018-19 onwards.

- 2.13 In accordance with the Council's Financial Procedure Rules any planned over spends or under spends by directorates may be carried forward into next year. Fortuitous under spends in budgets may be applied to offset over spends on other budgets.

Medium Term Financial Strategy (MTFS) 2018-19 to 2021-22

- 2.14 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.
- 2.15 The development of the MTFS 2018-19 to 2021-22 is led by Cabinet and Corporate Management Board (CMB) and takes into account auditors' views, the recommendations of the Budget Research and Evaluation Panel and issues arising during 2017-18, underpinned by the ongoing aim to embed a culture of medium term financial planning closely aligned with corporate planning.
- 2.16 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

- 2.17 As stated in paragraph 2.15, 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 again this year to secure greater involvement of stakeholders in the development of the MTFS and the Corporate Plan. An eight week consultation 'Shaping Bridgend's Future 2017' was undertaken between 12 October and 3 December 2017. Views were captured through surveys (online and paper), use of the Council's Citizens' Panel, community engagement events, attendance at other meetings and events and via social media debates. Elected Members had the opportunity to take part in two budget workshops similar to the public engagement events.
- 2.18 In summary, 1.83% of the population (2619 interactions) responded to the consultation. Within this there were 1858 survey completions which can be

considered a robust sample and represents a 13.9% increase on last year's total of 1630. The full details of the consultation are detailed in a separate report that was presented to Cabinet in December 2017.

- 2.19 The majority of respondents agreed with the idea of protecting some services over others, with older people and services for disabled people being the most popular areas for protection, closely followed by schools, youth services and children's social services. The majority of respondents are willing to accept higher charges for some services, such as sports pitches and pest control, but not burials or car parking. In addition, 50% of respondents agreed that the current approach for transforming social services was the right approach and accepted that this takes time. In terms of investment the highest priority was schools, followed by roads and regeneration schemes. A full list of those services that respondents would wish to protect through an increase in council tax is given in Table 2 below.

Table 2 – Consultation response on services proposed for protection

Options	No.	%
Care of older people and services for disabled people	1703	20.0
Schools, youth services and children's social services	1519	17.9
Highways, street lighting and infrastructure improvements	1132	13.3
Recycling and waste	922	10.8
Homelessness services	777	9.1
Environmental health, trading standards, planning and building control	754	8.9
Sport and recreational services (including parks, leisure centres)	749	8.8
Libraries, arts centres, theatres and adult education	577	6.8
None, don't protect any services through council tax	286	3.4
Other	84	1.0
Total	8503	100

NB: Respondents were able to choose more than one option.

- 2.20 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.
- 2.21 Cabinet and CMB have reflected on the responses received from the public consultation and the CRI Committee and have confirmed the budget reduction proposals outlined in Appendix B. However, they have provided for two new discretionary budget pressures which are aimed at protecting citizens on low incomes through the continuation of the School Uniform Grant, following the cessation of funding by Welsh Government, and providing funding to support the roll-out of Universal Credit. Furthermore, the budget includes a new fund to be targeted

towards invest to save schemes, with a recurrent budget of £200,000, to be used to support initiatives that will either generate future savings or reduce costs. This is in addition to the increased funding to be generated from the revised council tax increase outlined in paragraph 2.8.

MTFS Principles

2.22 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 2018-2022 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.

The MTFS Budget Reduction Contingency Reserve referenced in Principle 12 enables the Council to manage delays or unforeseen obstacles to the delivery of significant MTFS budget reduction proposals. There has only been one allocation so far during 2017-18, as shown in Table 3, which is in mitigation of reductions to the budget for the Materials Recovery and Energy Centre (MREC), which are unlikely to be achieved following delays in the procurement process:

Table 3: MTFS Proposals supported by Budget Reductions Contingency Reserve in 2017-18

COM 18	MREC	£200,000
Total Allocated		£200,000

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

MTFS Resource Envelope

- 2.23 The 2018-19 AEF figure is an increase of 0.2% based on the published Final Settlement. In the November report to Cabinet on the draft MTFS, following the Cabinet Secretary for Finance and Local Government's announcement of an indicative settlement for 2019-20 of -1.5%, and in recognition of the twin risks around public sector pay (increased pay award and equal pay issues) it was proposed that the 2019-22 MTFS assumptions were adjusted to include:
- A most likely annual reduction of -1.5% in AEF, with best and worst case scenarios of -1.0% and -3.0% respectively
 - An uplift to the assumed annual provision for pay, prices, demographic and unavoidable pressures for the outer three years of the MTFS.

It is not proposed to change these further at this time. The proposed council tax increase would remain at 4.5% for each year.

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

	2018-19	2019-20	2020-21	2021-22
	% Change	% Change	% Change	% Change
Best Scenario	+0.1%	-1.0%	-1.0%	-1.0%
Most Likely Scenario	+0.1%	-1.5%	-1.5%	-1.5%
Worst Scenario	+0.1%	-3.0%	-3.0%	-3.0%

Managing within the MTFs Resource Envelope

2.24 The financial forecast for 2018-22 is predicated on £32.592 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. This is a much more significant risk compared to previous years as CPI has risen from around 1% a year ago to 3.0% at the time of writing.
- Potentially significant increases in energy costs following a relative decrease in previous years, which appears to be reversed in 2017-18.
- The future impact of national policies and new legislation which may not be accompanied by commensurate funding such as the ALN Reform Bill.
- Fees and Charges will increase by the statutory minimum or CPI (at prevailing rate, currently +3.0%) plus 1%.
- Significant increases in staffing costs arising not only from the increase in the national living wage from April 2018 (7.50 to £7.83), but also the proposed two-year pay offer of a minimum of 2% per annum for local government workers (non-teaching) and the consequential impact on the pay spine of the higher increases on the lower pay points.
- Funding to enable Cabinet to consider the outcome of public consultations and provide flexibility to enable them to respond.

- 2.25 For 2018-19, the MTFS includes an additional £6.535 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. £2.649 million of inescapable pressures have emerged during 2017-18 and are explained in more detail in paragraphs 3.13 and 3.14 below. In total, the Council has identified pressures of £9.184 million in 2018-19.

MTFS Budget Reduction Requirement

- 2.26 Table 5 below shows the Council's potential net budget reduction requirement based on the forecast resource envelope (paragraph 2.23 above), inescapable spending assumptions (paragraph 2.24 and 2.25 above) and assumed Council tax increases.

Table 5 – Budget reduction scenarios

	2018-19 £000	2019-20 £000	2020-21 £000	2021-22 £000	Total £000
Best Scenario	6,123	9,228	8,308	6,132	29,791
Most Likely Scenario	6,123	10,185	9,242	7,042	32,592
Worst Scenario	6,123	13,059	11,986	9,662	40,830

- 2.27 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.
- 2.28 Table 6 shows current progress on identifying budget reduction proposals.

Table 6 – Risk Status of Budget Reduction Proposals 2018-19 to 2021-22

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
2018-19	1,496	4,513	114	6,123	0	6,123
2019-20	0	1,572	1,886	3,458	6,727	10,185
2020-21	0	947	1,719	2,666	6,576	9,242
2021-22	0	947	0	947	6,095	7,042
Total	1,496	7,979	3,719	13,194	19,398	32,592
Percentage of total required	5%	24%	11%	40%	60%	100%

2.29 The 2018-19 budget reduction proposals have not been amended since the draft budget report, however, as outlined in paragraph 2.8, some flexibility has been built into the budget to enable members to respond to the outcome of specific public consultations. A number of proposals for 2019-20 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;
- Further development of and efficiencies in the 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.

2.30 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 78% of the required budget reductions through smarter use of resources, such as:

- Efficiencies in services such as catering and engineering
- Rationalisation of hardware and software across the Council
- Rationalisation of core office estate
- Analysis and reduction of Council wide budgets
- Development of online services
- Staffing restructures and rigorous application of vacancy management

Table 7 – Budget Reduction Proposals 2018-19 to 2021-22

	2018-19 £000	2019-20 £000	2020-21 £000	2021-22 £000	Total £000	%
Smarter Use of Resources	4,540	2,248	2,591	872	10,251	78%
Managed Service Reductions	616	170	0	0	786	6%
Collaboration & Service Transformation	570	230	0	0	800	6%
Policy Changes	397	810	75	75	1,357	10%
Total Identified to date	6,123	3,458	2,666	947	13,194	

- 2.31 Budget reduction proposals relating to Collaboration and Service Transformation amount to 6% of the total budget reductions. These include implementation and roll-out of the Corporate Landlord model. Policy changes amount to 10% and include reducing services to the statutory minimum as well as cutting some discretionary services. The policy change proposals are subject to consultation
- 2.32 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 strong vacancy management, redeployment, early retirements and voluntary redundancies, but some compulsory redundancies will continue to be necessary.

Corporate Risk Assessment

- 2.33 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.

3. REVENUE BUDGET 2018-19

- 3.1 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 specific transfers into the settlement from Welsh Government, and subtracting any budget reduction proposals.
- 3.2 The financing of the net budget comes from the Welsh Government settlement and Council Tax income. Table 8 summarises the 2018-19 budget requirement and how it will be financed.

Table 8 – Net Budget Requirement

	2018-19 £000
2017-18 Net Budget (Table 1)	258,093
2018-19 Pressures (Para 2.25)	9,184
2018-19 Budget Reductions (Table 5)	-6,123
Transfers and New Responsibilities (para 2.7)	4,830
2018-19 Net Budget Requirement	265,984
<i>Financed by:</i>	
2017-18 Net Budget (Table 1)	258,093
Net Increase in AEF (para 2.5)	3,944
Council tax increase of 4.5% (para 2.8)	3,947
2018-19 Net Funding Total	265,984

2018-19 Revenue Budget

- 3.3 Table 9 presents the detailed net revenue budget for 2018-19. This includes specific grants transferring into the settlement as outlined in paragraph 2.7.

Table 9 – Revenue Budget 2018-19

	Revised Budget 2017-18	Specific Transfers from WG	Inter-Directorate Transfers incl. Corporate Landlord	Pay / Prices / Demographics	Budget Pressures	Budget Reduction Proposals	Revenue Budget 2018-19
	£000	£000	£000	£000	£000	£000	£000
Service Directorate Budgets:							
Education & Family Support							
Education & Family Support	21,154	261	-1,411	159	425	-630	19,958
Schools	87,209			648	500		88,357
	108,363	261	-1,411	807	925	-630	108,315
Social Services & Wellbeing							
Communities	23,824	1,503	2,052	46	758	-1,454	26,729
Operational & Partnership Services	15,358	236	-150	25	37	-848	14,658
Chief Executives / Finance	3,921	58			55	-231	3,803
Total Directorate Budgets	216,257	4,830	178	1,620	1,863	-3,513	221,235
Corporate Budgets:							
Capital Financing	10,184				500	-1,170	9,514
Levies	6,952			8	86		7,046
Building Maintenance	900						900
Council Tax Reduction Scheme	14,254			500		-400	14,354
Apprenticeship Levy	700						700
Pension Related Costs	1,203					-773	430
Insurance Premiums	1,559			29			1,588
Other Corporate Budgets	6,084		-178	4,378	200	-267	10,217
Total Corporate Budgets	41,836	0	-178	4,915	786	-2,610	44,749
Net Budget Requirement	258,093	4,830	0	6,535	2,649	-6,123	265,984

3.4 There are a number of large inter-directorate transfers in 2018-19, following the introduction of the Corporate Landlord model within the Council. Corporate Landlord involves moving all estates and property management under a single management structure with the overall aim of improving service provision and compliance and making economies of scale and efficiencies. The success of the Corporate Landlord model requires the budgets for the Built Environment Service, Property Services, Energy Management, and Facilities Management (Cleaning / Caretaking) to be brought together, along with other premises budgets from across all directorates to drive a positive change for the authority, and these will be managed under the Communities directorate.

3.5 The net budget will be funded by:

Table 10 – Net Budget Funding

	£	%
Revenue Support Grant	145,779,915	54.81
Non Domestic Rates	45,801,827	17.22
Council Tax Income	74,402,355	27.97
Total	265,984,097	100%

Council Tax Implications

- 3.6 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 2018-19

2017-18 Average Band D	£1,335.42
2018-19 Average Band D	£1,395.51
% Increase	4.5%
Weekly Increase	£1.16

Pay, Prices, Pensions and Demographics

- 3.7 National pay increases for public sector workers have been capped at 1% for a number of years, with only those on the lowest pay grades receiving higher levels of pay to keep in line with the National Living Wage. Following recent pay offers to police and fire services above 1%, in December 2017 the National Employers for Local Government Services made an offer to the Trade Unions of a two-year pay increase from April 2018, which would provide the majority of employees with an uplift of 2% per annum in April 2018 and April 2019. Those on lower salaries would receive higher increases of up to 9% to bring them into line with the National Living Wage. This pay offer does not apply to Council Chief Executives, senior officers or teachers, who are covered by separate national pay arrangements. Employers are currently awaiting a response from the Unions on this offer.
- 3.8 The RSG increase of 0.1% does not take into account any pay and price increases, which have created an additional budget pressure for the Council. The draft budget for 2018-19 assumed a pay award of 1% only for 2018-19 so this has placed additional pressure on Council resources of over £2 million. For 2018-19 this is proposed to be met from funding set aside for price increases and additional budget pressures in 2017-18, that are no longer required in full, such as energy increases, and Bridgend's share of the additional £20 million provided to local authorities for 2018-19 in the final settlement following the Autumn Statement. The total cost of this increase is estimated to be in the region of £3.55 million in 2018-19 with a further pressure of £3.3 million in 2019-20. Any agreed pay increases for teachers (from September 2018) and senior management will add to these pressures.
- 3.9 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 inflationary provision will be retained centrally within corporate budgets and allocated during the year as any unknown or unforeseen contract price inflation is agreed, in particular where the index is set after the Council's budget is approved.

Schools' Budgets

- 3.10 The Council's 2017-18 Budget and MTFs included an annual 1% efficiency target for schools. This recognised that school funding accounts for around a third of net revenue expenditure, and that protection inevitably leads to increased pressure on other budgets. Following the better than expected settlement, it has been possible to remove this proposal for 2018-19. The schools' budget will include allowances for inflationary and inescapable pressures. Additional funding will be provided for pay awards, once determined. Furthermore, in recognition of the detrimental impact which the Welsh Government's decision to reduce the Education Improvement Grant is forecast to have, it is recommended that an additional £500,000 be delegated to school budgets to maintain educational improvement.
- 3.11 It should however be noted that the efficiency target is maintained for 2019-20 and beyond, in recognition of both forecast reductions to the settlement and mounting external pressures across Council services.

Budget Pressures

- 3.12 The November Draft Budget report explained that budget pressures identified at that time were subject to change before the Final Budget. These are outlined in paragraph 2.21 and identified in Table 12 below.

Unavoidable Pressures

- 3.13 During 2017-18 a number of unavoidable 2018-19 service budget pressures have arisen totalling £1.212 million, detailed in Appendix A.

Discretionary Budget Growth

- 3.14 In the context of continued pressure on budgets, the Council remains committed to the delivery of high quality services which improve people's lives. To support service improvement, there are a number of areas which it is proposed to provide a budgetary increase. In contrast to inescapable pressures and contractual inflationary costs, these represent a conscious decision by members to invest in enhancements, and are set out in Table 12 below.

Table 12: Discretionary Budget Growth Items

Item	Value £000	Description
Delegated School Budgets	500	To support Educational Improvement despite WG grant reduction
Unsupported Borrowing	500	Funding to support borrowing for future capital investment projects. Depending on schemes supported, estimated capital capacity of between £10 million - £12 million
Festival of Learning	65	To provide funding for a one-off week of

Item	Value £000	Description
		knowledge-sharing events involving schools and Bridgend College to share best practice and in particular address an Estyn recommendation
Valleys Taskforce	44	One-off funding for a fixed term appointment to identify and improve funding outcomes for our valley communities
School Uniform Grant	36	To continue to provide funding for year 7 eligible pupils following the cessation of the grant by Welsh Government
Housing Benefits	55	To mitigate the reduction in funding by DWP to enable continued support for citizens throughout the roll-out of Universal Credit.
Empty Properties	37	Creation of a new role to provide a co-ordinated approach to tackling empty properties
Invest to Save Fund	200	To provide a recurrent fund for invest to save initiatives, specific details and criteria of which are to be determined.
TOTAL	1,437	

- 3.15 The final schedule of unavoidable and discretionary pressures is attached at Appendix A, totalling £2.649 million.

Budget Reductions

- 3.16 Budget reduction proposals totalling £6.123 million have been identified from service and corporate budgets to achieve a balanced budget. These are detailed in Appendix B.

Corporate Budgets

- 3.17 Corporate budgets include funding for the Council Tax Reduction Scheme, costs of financing capital expenditure, levies, centrally held pay and prices provisions, insurance budgets, discretionary rate relief and provision for redundancy related costs. A thorough review of recent years' under spends within corporate budgets has been undertaken, including an assessment of the risks associated with budget reductions to, in some cases, demand led expenditure. As a result, it is proposed to implement budget reductions totalling £2.610 million to corporate budgets, and to set aside an earmarked reserve which can provide one off temporary relief in the event of unforeseen over spends. This will mitigate against the need to make urgent, undesirable adjustments to directorate budgets in this scenario.

Fees and Charges

- 3.18 As a minimum, income from fees and charges will be increased by at least CPI (at the prevailing rate, currently 3.0%) 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 2018-19 budget and are above the general increase are shown in Appendix C.
- 3.19 Council approved a corporate income generation policy in March 2016 which 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

- 3.20 Appendix D details the Directorate Base Budgets for 2018-19. The MTFS supports the delivery of the Council's corporate priorities and Table 13 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 13 – 2018-19 Budget by Corporate Improvement Priority

Budget 2018-19 Corporate Improvement Priorities			
Directorate	Corporate Improvement Priorities £'000	Core Services & Statutory Functions £'000	Total £'000
Education & Family Support	7,942	12,016	19,958
Schools	35,742	52,615	88,357
Social Services and Wellbeing	49,577	18,153	67,730
Communities	7,436	19,293	26,729
Operational and Partnership Services	1,987	12,671	14,658
Chief Executive's and Finance	224	3,579	3,803
Corporate Budgets	138	44,611	44,749
NET BUDGET REQUIREMENT	103,046	162,938	265,984

4. COUNCIL RESERVES

- 4.1 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 2017 it was £7.960 million, which is 2.46% of Gross Revenue Expenditure (GRE) compared to a Welsh average of 3.0% for the same period. If the Council Fund was used to cover GRE, it would last 8.98 days compared to a Welsh average of 10.22 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. It is currently anticipated that the Council Fund will be increased by £300,000 by the end of 2017-18 to £8.260 million.
- 4.2 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 2017-18. Appendix F also sets out the forecast movement in the Council's Earmarked Reserves by the end of 2017-18 and 2018-19. At this point the forecast movement to 31 March 2018 on Earmarked Reserves is an overall reduction of £4.937 million on the assumption of:
- The forecast draw down of £502,000 from the Directorate Issues 16-17 Reserve, either by Directorates, or as a result of any reserve that is no longer required being unwound, both offset by additions of £1.144 million as a result of new Directorate Issues coming to light following the period 9 review. This results in a projected net increase on **Reserves Held for Directorates' Planned Developments** of £642,000;
 - The forecast draw down of £375,000 from **Specific Contingency Reserves**, together with additions of £1.262 million, resulting in a projected net increase of £887,000. There is one new earmarked reserve of £1 million – the Corporate Pressures Contingency Reserve - which was agreed by Cabinet in the Budget Monitoring Report for Quarter 3 2017-18;
 - The estimated draw down of a large amount of the Capital Programme Contribution reserve of £5.151 million which does rely on sizeable capital spend being achieved from January until March 2018. There is also £705,000 draw down from other **Capital Development or Asset Related Reserves** and, with new capital schemes funding being agreed at period 9 and the annual replenishment of some asset related reserves, leaves a projected net draw down of £4.030 million;
 - Within the category of reserves for **MTFS/Transformational Reserves**, there is an assumed draw down of £1 million from the Service Reconfiguration Reserve for the Extra Care Scheme that was approved in the MTFS 2016-17. A new reserve has also been created to support the Council's contribution to the Cardiff City Deal Region of £598,000 and this should be fully drawn down in the year. The projected net draw down on these reserves is £1.774 million. It should be

noted that this reserve has not been increased for any potential accrued Council Tax income (see paragraph 4.3 below);

- The projected net draw down from the **Equalisation and Grant Reserves** for 2017-18 is £662,000.

4.3 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 2018-19 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 2018-19 assumes:

- An overall reduction in Earmarked Reserves of £13.604 million during 2018-19;
- Full draw down from a number of reserves including the Safe Routes to Schools Reserve, the Waste Management Contract Reserve and the Public Realm Reserve;
- Draw down from the Capital Programme Contribution Reserve, Capital Feasibility Reserve and Asset Management Reserve in line with the current Capital Programme expenditure profile; and
- Draw down from the Major Claims reserve in line with assumptions on pensions and contractual claims.

It does not include the potential increase of reserves for 2018-19 as a result of fortuitous underspends at the end of the financial year. The forecast position is summarised in Table 14 below:

Table 14 – Summary of Usable Earmarked Reserves

Opening Balance 1 April 2017 £'000	Reserve	Movement 2017-18 £'000	Closing Balance 31 March 2018 £'000	Movement 2018-19 £'000	Closing Balance 31 March 2019 £'000
7,960	Council Fund Balance	300	8,260	-	8,260
46,344	Total Earmarked Reserves	(4,937)	41,407	(13,604)	27,803
54,304	Total Usable Reserves	(4,637)	49,667	(13,604)	36,063

5. CAPITAL PROGRAMME AND CAPITAL FINANCING STRATEGY

- 5.1 This section of the report deals with the proposed Capital Programme for 2017-18 to 2027-28, 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 2018-19. The Programme has been revised since the draft budget report to Cabinet on 29 November to bring it up to date and take into account new capital schemes either funded from external resources, or from internal resources following a review of the Council's capital investment requirements.

Capital Programme 2017-18 to 2027-28

- 5.2 This section of the report deals with the proposed Capital Programme for 2017-18 to 2027-28, which forms part of, but extends beyond the MTFS. It also covers the Council's capital financing strategy (including prudential borrowing and capital receipts forecast). Both have been developed in line with the MTFS principles and reflect the Welsh Government capital settlement for 2018-19, which provides general capital funding (GCF) for the Council of £6.329 million of which £3.935 million is provided through un-hypothecated supported borrowing and the remainder £2.394 million as general capital grant. No indicative allocations have been provided for 2019-20, so for now it is assumed that this level of funding will remain constant for the years after 2018-19, but this will be indicative only.
- 5.3 The current programme, which was last approved in full by Council in December 2017, contains a number of significant strategic investment projects that support a number of the corporate priorities. Since then a review has been undertaken to identify the Council's capital investment requirements for 2018 to 2028, compared to available capital funding. A revised capital strategy is being drafted, which will join together the strategic capital requirements of the Council to ensure that capital investment contributes to the achievement of the Council's objectives and the delivery of mandatory services. It should determine priorities between the capital needs of the various services and look for opportunities for cross cutting, and joined up investment. The governing principles which underpin the allocation of capital resources are set out in the following diagram:

Nature of Capital Expenditure	Funding Source				
	General Capital Funding / Supported Borrowing	Capital Receipts / Uncommitted Reserves	Interest Free Loan	Unsupported Borrowing - Corporate Funding	Unsupported Borrowing - Directorate Funding
Mandatory					
Corporate Priority					
Invest to Save / Income Generation					

In summary the main principles of capital allocation are:

General Capital Funding and Supported Borrowing from Welsh Government will be prioritised towards Mandatory capital investments, i.e. those which are necessary for the continued operation of statutory services. This includes investment required to meet health and safety requirements. This principle also applies to uncommitted capital receipts and capital reserves.

Beyond this, any consideration will be given to capital schemes which directly support the achievement of the Council's corporate objectives.

Unsupported (Prudential) Borrowing will be prioritised as follows:

- To mandatory capital expenditure, including health and safety requirements. This will be considered to be an inescapable budget pressure, and will be included in future years' budgets as part of the annual budget setting process.
- To capital expenditure which directly supports the achievement of the Council's corporate objectives. Borrowing for such projects will be funded corporately through an increase in budget allocation, which must be approved by full Council. Such borrowing commits the Council to interest and repayments during the asset life, and therefore it must be recognised that as budgets are reduced, the financing costs must be met by budget cuts elsewhere.
- To capital expenditure which provides a good financial return. Borrowing for such projects must be funded by the directorate, and therefore the financial benefit accruing to the directorate will be net of financing costs. This approach aligns the directorate incentives with the corporate benefit of such projects. Advantage will be taken of interest free loans where available.

5.4 Following a rigorous appraisal process and a review of the limited amount of funding available, the schemes set out in Table 15 are proposed to be included within the

Capital Programme for 2018-19 onwards. A number of schemes are subject to approval of business cases and/or confirmation of external funding and will only proceed once these agreements are secured. Furthermore, in January 2018 Council approved the capital funding envelope for the 21st Century Schools Band B programme. This is based on an estimated total cost of £43.2 million, with Council match funding of £23 million. The main capital pressures were outlined in the draft MTFS Report to Cabinet, and whilst some of these have been addressed in the final report there are still other pressures and opportunities outstanding, such as coastal defence works and commercial investment opportunities. Difficult decisions may be required in future years around their prioritisation against a scarcity of funding.

Table 15 – Proposed New Capital Schemes

Project Title	Scheme Outline	Total Scheme Cost £'000	BCBC Capital Required £'000	Other Funding Sources
Capital Minor Works	One-off funding to meet health and safety requirements	500	500	
Road Safety Improvements	To undertake urgent road safety improvements	400	400	
Carriageway resurfacing & Renewal of Footways	To fund a programme of carriageway and footpath renewals	5,000	5,000	
Car Park Pay and Display Machines	To upgrade machines in compliance with Welsh Language Standards	85	85	Funded through Earmarked Reserve
Corporate Landlord - Energy Savings Strategy	Programme of energy efficiency initiatives in Council buildings including schools	1,300	0	Prudential Borrowing - repay from savings
Burials and Cemeteries	Extensions to Porthcawl and Cornelly Cemeteries	360	360	
ARCH - Healthy Living and Wellbeing Centre	Development of a Wellbeing Hub, including health intervention services	500	100	WG Integrated Care Fund, HALO
Street Lighting Energy Efficiency	Replace current street lighting with LED technology	2,500	0	SALIX – repay from savings
Children's Residential Hub	Development of a Placements Hub	600	600	
Total		11,245	7,045	

- 5.5 In addition to this, in January 2018 Welsh Government announced a £30 million highways refurbishment capital grant, which local authorities could use to displace any item of their own current capital programme in the current year (2017-18) so long as an equivalent amount is then used for highways refurbishment works in 2018-19. The grant for Bridgend was £1,204,380 and was used to replace the Council's use of capital receipts on a number of schemes taking place in 2017-18, thus releasing that funding to be spent on additional highways works in 2018-19, bringing the total new investment in highways and footways, including £500,000 for school highways works, to £6.204 million over the next 3 years.
- 5.6 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.
- 5.7 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 two changes are made for 2018-19, as follows:
- Disabled Facilities Grants (DFGs) – DFGs are mandatory, means-tested, grants available to help disabled people to remain living independently in their own homes. Local authorities therefore have a duty to provide DFGs. This allocation was reduced in previous years due to reductions in referrals and in the average award. Funding currently allocated to DFGs is above the notional allocation provided by Welsh Government and it is therefore proposed to bring this into line with Welsh Government funding through an annual reduction of £200,000 from 2018-19.
 - Housing Renewal Schemes - The Council formally declared the Caerau ward as a housing renewal area on 13th September 2006, to remain in place for a minimum of 10 years. The renewal area therefore finished at the end of 2016-17. It is proposed to retain this allocation but widen the scope to fund housing renewal / deal with empty property issues across the County Borough.
- 5.8 In 2018-19 and 2019-20 the balance of the general capital funding is committed towards 21st Century Schools Band A schemes and previously approved capital schemes. The total proportion of general capital funding committed to annual allocations is to 77% of the 2018-19 general capital funding, as shown in Table 16:

Table 16 – Proposed Annual Allocations of Capital Funding

	2018-19 £'000
Highways Capitalised Repairs	200
Transportation Capitalised Repairs	250
Disabled Facilities Grant	2,150
Housing Renewal / Empty Property	100
Special Regeneration Funding	540
Minor Works	1,100
Community Projects	100
Bridgelink / Telecare replacement	30
Street lighting / Bridge infrastructure replacement	400
Total	4,870

Capital Programme link to the Corporate Priorities

- 5.9 Table 17 outlines how the Council is using its capital programme to support the corporate priorities.

Table 17 – Capital Programme by Improvement Priority

Improvement Priority	Revised 2017-18 £000	2018-19 £000	2019-20 £000	2020-21 to 2027-28 £000	Total £000
1. Supporting a Successful Economy	6,140	8,653	5,600	48,534	68,927
2. Helping People to be more Self-Reliant	4,861	5,382	2,180	17,440	29,863
3. Smarter Use of Resources	34,009	18,998	6,976	61,348	121,331
Core Services & Statutory Functions	452	660	0	8,183	9,295
TOTAL	45,462	33,693	14,756	135,505	229,416

Supporting a Successful Economy

- 5.10 The proposed capital programme includes a number of new and existing projects which will help to support a successful economy by, for example, significant new investment in ensuring that the carriageways and footways are of a good standard to encourage the use of local services by the public and avoid the need to travel to out of town developments. There are also new allocations in respect of road safety improvements in a bid to improve access across the highway to residential and

commercial areas. These supplement those existing schemes, such as the Cardiff Capital Region City Deal (CCRCD) investment which will be targeted to focus on raising economic prosperity, increasing job prospects and improving digital and transport connectivity.

Helping People to be more Self-Reliant

- 5.11 In addition to the two new Extra Care Schemes which are expected to open during 2018-19, enabling people to live more independently than they would in residential care, there are two new schemes included within the programme which meet the corporate priority of helping people to be more self reliant. The first is the ARCH – a healthy living and wellbeing centre, providing advice, support and signposting for a number of health intervention services, such as physiotherapy, exercise, substance misuse and lifestyle management; the other scheme involves remodelling of one of the Council's existing social services buildings to provide a 'children's accommodation hub', reducing the number of children who need to be placed out of county.

Smarter Use of Resources

- 5.12 The Schools' Modernisation Programme forms a cornerstone of the corporate priority making smarter use of resources, with a number of schemes in Band A of the 21st Century Schools programme coming to fruition towards the end of 2017 and during 2018. In addition, from 2018-19 the Council will embark on Band B of the 21st Century Schools Programme, which will result in further capital investment of around £70 million in the Council's schools' estate, either through WG capital grant, the Council's own resources, or the new Welsh Government Mutual Investment Model (MIM), whereby private partners will build and maintain schools, in return for a fee, which will cover the cost of construction, maintenance and financing the project. At the end of a specified period of time, the asset will be transferred to the local authority.

There are new two schemes proposed which will see significant investment in energy efficiency schemes, across Council buildings and street lighting, which will be repaid from recurrent revenue savings generated. Approval has been granted for An application was submitted for an interest free loan through the SALIX programme for the street lighting energy efficiency initiative. This is a collaboration between Salix Finance Ltd. and Welsh Government to provide interest-free government funding to the public sector to improve their energy efficiency, reduce carbon emissions and lower energy bills. The application has been successful and SALIX has offered an interest free loan of £2.5 million to the Council to undertake the project, which is repayable from savings generated over an eight year period. There is also a proposed one-off increase to the capital minor works budget to deal with health and safety related issues, such as lath and plaster in school buildings.

- 5.13 The revised capital programme is attached as Appendix G. With regard to the Cardiff Capital Region City Deal scheme, subject to the ten Councils that comprise the Cardiff Capital Region City Deal approving the Joint Working Arrangement Business

Plan by the end of March 2018, the profile of funding within the Council's capital programme for this scheme could change, with the Council spending more of its own resources up front, thus preserving part of Her Majesty's Treasury (HMT) revenue grant funding to support projects that come forward that have revenue funding requirements.

Capital Financing Strategy

5.14 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

5.15 The Council estimated that around £21 million could be generated as part of the enhanced disposals programme which commenced in 2014. So far, circa £15.8 million has already been delivered, with circa £5.2 million to be realised over the next 2 years (2018-2020). 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 (Unsupported) Borrowing

5.16 Total Prudential Borrowing taken out as at 1 April 2017 was £35.83 million, of which £22.45 million was outstanding. It is estimated that the total borrowed will increase to £41.73 million by the end of this financial year.

5.17 Future prudential borrowing will include an estimated £5.66 million of Local Government Borrowing Initiative (LGBI) funding towards the costs of the 21st Century Schools Programme, and £1.3 million toward the Corporate Landlord Energy Efficiency Scheme.

5.18 In recognition of the scale and importance of future capital expenditure requirements, the 2018-19 revenue budget includes £500,000 as a recurrent budget pressure to meet the costs of additional unsupported borrowing. In line with prudent accounting practice, the costs of any investments made will be repaid within the life of the particular asset. This funding will enable capital works of around £10 - £12 million to be undertaken, including a number of those outlined in Table 15. The amount of

borrowing required will depend on the availability of other funding sources such as uncommitted general capital funding and capital receipts.

Treasury Management Strategy 2018-19

- 5.19 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 2018-19 (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.
- 5.20 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 2018-19 revises some of the indicators for 2017-18, 2018-19, 2019-20 and 2020-21 and introduces new indicators for 2021-22 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.
- 5.21 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.

6. COUNCIL TAX 2018-19

- 6.1 Section 33 of the Local Government Finance Act 1992 requires billing authorities to calculate the basic amount of council tax in a financial year. Section 34 of the Act further requires the billing authority to calculate the basic amount of council tax for dwellings in those parts of its area to which one or more special items relate, such as a Community/Town Council precept requirement.
- 6.2 The net budget requirement for Bridgend County Borough Council for 2018-19 is £265.984 million, as outlined in Table 9, and the amount to be funded from Council Tax is £74,402,355, as shown in Table 10. This equates to a Council Tax of £1,395.51 on a Band D property, an increase of 4.5%.
- 6.3 The Police & Crime Commissioner for South Wales has notified the Council that their precept for the financial year ending 31 March 2019 will rise to £12,450,312 which equates to a Council Tax of £233.52 on a Band D property, a 7% increase. The 2018-19 precept was agreed by the South Wales Police and Crime Panel on 30 January 2018.

- 6.4 The average Council Tax for the County Borough for 2018-19 is shown in Table 18 below.

Table 18 – Average Council Tax Increase 2018-19

	2017-18	2018-19	% change
Council Tax Base - Band D equivalents	52,759.01	53,315.53	1.05%

	£	£	% change
Bridgend County Borough Council	1,335.42	1,395.51	4.50%
Community Council average	38.92	46.79	20.22%
Police & Crime Commissioner for South Wales	218.24	233.52	7.00%
Band D Property average council tax	1,592.58	1,675.82	5.23%

- 6.5 The Council, as the billing authority, is required to formally approve the Council Tax for its area. This must be set to meet the net budget requirement of the Council and its precepting authorities and is set out in Table 19 below.

Table 19 – Total Average Band D Council Tax Requirement 2018-19

Authority	Requirement £	Net Tax Base	Band D Council Tax £
Bridgend County Borough Council <u>Local Precepts</u>	74,402,355	53,315.53	1,395.51
Brackla Community Council	152,000	4,231.38	35.92
Bridgend Town Council	553,849	5,851.77	94.65
Cefn Cribbwr Community Council	30,000	535.37	56.04
Coity Higher Community Council	88,000	3,505.32	25.10
Cornelly Community Council	125,000	2,577.42	48.50
Coychurch Higher Community Council	10,000	333.00	30.03
Coychurch Lower Community Council	17,540	646.81	27.12
Garw Valley Community Council	104,000	2,230.88	46.62
Laleston Community Council	159,000	4,887.58	32.53
Llangynwyd Lower Community Council	8,000	172.50	46.38
Llangynwyd Middle Community Council	60,000	1,049.86	57.15
Maesteg Town Council	330,919	5,515.32	60.00
Merthyr Mawr Community Council	2,500	145.36	17.20
Newcastle Higher Community Council	41,000	1,709.57	23.98
Ogmore Vale Community Council	73,150	2,532.47	28.88
Pencoed Town Council	150,000	3,430.86	43.72
Porthcawl Town Council	400,850	7,982.15	50.22
Pyle Community Council	100,000	2,484.30	40.25
St Brides Minor Community Council	51,365	2,213.54	23.20
Ynysawdre Community Council	37,500	1,280.07	29.30
Borough Budget Requirement (including Community Councils)	76,897,028	53,315.53	1,442.30
Police & Crime Commissioner for South Wales	12,450,312	53,315.53	233.52
TOTAL	89,347,340	53,315.53	1,675.82

- 6.6 The Council is also required to approve the Council Tax charges for Band D properties for the chargeable financial year beginning 1 April for each of the community areas and these are shown in Table 20 below. All calculations are for a Band D equivalent property.

Table 20 – Council Tax 2018-19 per Town and Community Council

Town or Community Council	Bridgend CBC £	Community Council £	Police & Crime Commissioner for South Wales £	Total £
Brackla Community Council	1,395.51	35.92	233.52	1,664.95
Bridgend Town Council	1,395.51	94.65	233.52	1,723.68
Cefn Cribbwr Community Council	1,395.51	56.04	233.52	1,685.07
Coity Higher Community Council	1,395.51	25.10	233.52	1,654.13
Cornelly Community Council	1,395.51	48.50	233.52	1,677.53
Coychurch Higher Community Council	1,395.51	30.03	233.52	1,659.06
Coychurch Lower Community Council	1,395.51	27.12	233.52	1,656.15
Garw Valley Community Council	1,395.51	46.62	233.52	1,675.65
Laleston Community Council	1,395.51	32.53	233.52	1,661.56
Llangynwyd Lower Community Council	1,395.51	46.38	233.52	1,675.41
Llangynwyd Middle Community Council	1,395.51	57.15	233.52	1,686.18
Maesteg Town Council	1,395.51	60.00	233.52	1,689.03
Merthyr Mawr Community Council	1,395.51	17.20	233.52	1,646.23
Newcastle Higher Community Council	1,395.51	23.98	233.52	1,653.01
Ogmore Vale Community Council	1,395.51	28.88	233.52	1,657.91
Pencoed Town Council	1,395.51	43.72	233.52	1,672.75
Porthcawl Town Council	1,395.51	50.22	233.52	1,679.25
Pyle Community Council	1,395.51	40.25	233.52	1,669.28
St Brides Minor Community Council	1,395.51	23.20	233.52	1,652.23
Ynysawdre Community Council	1,395.51	29.30	233.52	1,658.33

6.7 For sake of clarity, the resulting charges for each Band are reproduced in Schedule C.

**Bridgend County Borough Council
Civic Offices
Angel Street
BRIDGEND
CF31 4WB**

(01656) 643643

BUDGET PRESSURES 2018-19

APPENDIX A

Directorate	Improvement Priority	Service Area	Description of pressure	Recurrent Pressure	One-Off Pressure
UNAVOIDABLE PRESSURES					
				£'000s	£'000s
Education & Family Support	Core services & statutory functions	Education	Increased Provision to meet demand for Autistic Spectrum Disorder (ASD) and Welsh Medium places - full year effect of 17-18 growth bid	51	
Education & Family Support	Core services & statutory functions	Education	Continued growth in number of ASD Pupils. Funding provided for additional provision	150	
Education & Family Support	Core services & statutory functions	Education	Transport costs for the Welsh Government Junior Apprenticeship programme		42
Education & Family Support	Core services & statutory functions	Education	Increase in costs of Learner Travel due to re-tender exercise that took place in 2017-18	81	
Social Services and Wellbeing	Core services & statutory functions	Adult Social Care	New Welsh Government legislation requiring all domiciliary care staff to be registered	12	31
Social Services and Wellbeing	Helping people to be self-reliant	Childrens services	Contribution to the running costs of the Multi Agency Safeguarding Hub	45	
Communities	Core services & statutory functions	Waste	Reduction in Welsh Government Environment and Sustainable Development Directorate Revenue Grant	279	
Communities	Core services & statutory functions	Waste	Increased demand for Absorbent Hygiene Products (AHP) registrations/collections treatment	285	
Communities	Core services & statutory functions	Planning	Appointment of additional Technical Officer in Development section, which is required to meet additional obligations arising from the Wales Planning Act	23	
Communities	Core services & statutory functions	Planning	Appointment of a Highways Development Officer to meet the increase in planning workload from new requirements to undertake pre-application assessment and advice which do not attract a fee	32	
Communities	Core services & statutory functions	Public Realm	Increased frequency of street lighting electrical inspections to improve public safety	55	
Communities	Supporting the Local Economy	Public Realm	Appointment of a Compliance Officer to provide technical support to client departments. A number of breaches following incident investigations have become apparent. The post will be a hands on individual who will work with managers across departments to rectify gaps identified in Health and Safety department audits	40	
Council Wide	Core services & statutory functions	Fire Service Precept	Increase in precept by 1.36% to meet additional pressures faced by the service	86	
TOTAL UNAVOIDABLE PRESSURES				1,212	
DISCRETIONARY GROWTH ITEMS					
Education & Family Support	Core services & statutory functions	Schools	Funding to mitigate the Welsh Government reduction in the Education Improvement Grant, through school delegated budgets	500	
Education & Family Support	Core services & statutory functions	Education	Week-long 'Festival of Learning' across all Bridgend schools during Summer Term 2018		65
Education & Family Support	Core services & statutory functions	Education	Continuation of School Uniform Grant for eligible year 7 pupils following cessation of grant by Welsh Government	36	
Communities	Core services & statutory functions	Regeneration	Creation of Valleys Taskforce Officer Post to deliver the Valleys Taskforce and Our Valleys Our Future Action Plan, to avoid the risk that there is insufficient capacity to enable Bridgend's valleys to benefit from the opportunity for external funding, for the 'quality of life' services that have been cut hardest in BCBC in recent years		44
Operational and Partnership Services	Supporting the Local Economy	Housing	Empty Properties Officer	37	
Chief Executives	Supporting the Local Economy	Finance	Funding to mitigate the reduction in grant from the Department of Work and Pensions for administering Housing Benefit	55	
Corporate	All Priorities	Invest to Save	Establishment of Invest to Save Fund	200	
Corporate	Core services & statutory functions	Capital Financing	Revenue Funding to meet the costs of unsupported borrowing, to support the capital programme	500	
TOTAL DISCRETIONARY GROWTH ITEMS				1,437	
Total Budget Pressures				2,467	182
				2,649	

This page is intentionally left blank

Ref.	Links to Population Outcome	Improvement Priority 2016-20	Categories	Budget Reduction Proposal	Impact	Budget 2017-18 £'000	Total Budget Reduction 2017-2022 as % of 2017-18 Budget	2017-18 Budget Reductions £'000	Proposed 2018-19 £'000	Indicative 2019-20 £'000	Indicative 2020-21 £'000	Indicative 2021-22 £'000
------	-----------------------------	------------------------------	------------	---------------------------	--------	----------------------	---	---------------------------------	------------------------	--------------------------	--------------------------	--------------------------

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

- SUR - Smarter 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 - £4,746K	6%	20	67	67	75	75
EFS3	Wise	IP3	SUR	Reduction to Catering Service Budget	Recent and planned MTFS efficiencies have reduced the ability of the service to reinvest, in particular in improving and maintaining school kitchens to a high standard. Although the recently agreed 10p increase in the cost of a school meal may provide additional income over time, historically there is a reduction in the take-up of meals during the short to mid-term following a price increase. Whilst all school kitchens were recently rated as the highest rating of five for food hygiene, one of our kitchens has since dropped to a rating of four due to the condition of the fabric of the kitchen	718	21%	79	71			
EFS12	Wise	IP3	SUR	Restructure Integrated Working and Family Support Service.	Limited impact on operational delivery as existing tasks will be picked up across the service or by other stakeholders.	292	17%		50			
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 • Freedom of schools to shop around and obtain best value for money is challenged 	Nil budget - new income target	N/a		20			

Budget Reduction Proposals 2018-19 to 2021-22

Ref.	Links to Population Outcome	Improvement Priority 2016-20	Categories	Budget Reduction Proposal	Impact	Budget 2017-18 £'000	Total Budget Reduction 2017-2022 as % of 2017-18 Budget	2017-18 Budget Reductions £'000	Proposed 2018-19 £'000	Indicative 2019-20 £'000	Indicative 2020-21 £'000	Indicative 2021-22 £'000
EFS19	Wise	IP3	CST	Reduced financial contribution to YOS Team	This proposal is at a very early stage with significant delivery 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. - 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.	366	8%			30		
EFS23	Corporate Business	IP3	SUR	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 	£12,136k (Staff budget exc schools/ grant funded posts and Built Env)	0%		50			
EFS24	Corporate Business	IP3	SUR	Proposal to amalgamate the Health and Safety service with neighbouring authorities.	Initial discussions have been undertaken by Heads of Service and agreement in principal has been granted by CMB. A project officer has been allocated to develop a project brief and establish a structure to drive the amalgamation. It is anticipated that the savings would be derived from a reduction in management costs. Agreement and full commitment of the partner authority is required to effect proposed savings.	251	10%		25			
EFS25	Corporate Business	IP3	SUR	Reduction to contribution to the Central South Consortium (CSC) of 2%	This proposal has been agreed by partner authorities for 2018-19.	608	2%		12			
EFS26	Corporate Business	IP3	SUR	Education Improvement Grant (EIG) - re-alignment of budget to reflect actual match funding contribution required	Risk that contribution in future years increases	480	4.2%		20			
EFS27	Corporate Business	IP3	SUR	Review arrangements for Special Schools Home to School Transport with a view to achieving efficiency savings	<ul style="list-style-type: none"> • Historic arrangement with school - may impact on relationship with school. • Specialist provision narrows numbers of contractors able to transport pupils. • Outcome of review could mean extra rather than reduced cost. 	150	50%		75			
EFS28	Corporate Business	IP3	SUR	Post 16 grant - maximise centrally retained element from 2% to 3%	The impact would be a small reduction in the individual grant allocation to each school sixth form. On average this would be £6,666 per school. Risk that Post 16 grant is reduced in future years which would impact on this saving proposal and allocation to schools.	5,951	1%		60			
EFS29	Corporate Business	IP3	CST	Develop collaborative arrangements around the Additional Learning Needs Service	Consider the sensory review and any cost effective savings that could be achieved through collaboration with other local authorities	2,512	2%		50			

Page 69	Ref.	Links to Population Outcome	Improvement Priority 2016-20	Categories	Budget Reduction Proposal	Impact	Budget 2017-18 £'000	Total Budget Reduction 2017-2022 as % of 2017-18 Budget	2017-18 Budget Reductions £'000	Proposed 2018-19 £'000	Indicative 2019-20 £'000	Indicative 2020-21 £'000	Indicative 2021-22 £'000	
	EFS30	Corporate Business	IP3	SUR	Reduction to Schools Contingency budget (held centrally)	Risk that there is insufficient funding to meet any in-year changes to school budgets - e.g. increased rateable values	133	23%		30				
	EFS32	Corporate Business	IP3	SUR	Vacancy management factor across all staffing budgets (with the exception of grant funded/schools/Built Environment posts)	By taking a strategic approach to vacancy management on all core funded posts this saving can be achieved	£12,136k (Staff budget exc schools/ grant funded posts and Built Env)	1%		100				
	EFS33	Corporate Business	IP3	PC	Home to School Transport - removal of Escorts on primary school service with fewer than 8 pupils	Public consultation will be necessary based on legal advice. Escorts are seen by parents to be critical to the safety of pupils. There is a risk that if drivers feel unable to manage or guarantee the safety of pupils on the service the full savings identified may not come to fruition as planned.	Home to school transport - £4,746K	0%			13			
					Total Education and Family Support					630	110	75	75	
	SCHOOLS													
	SCH1	Wise	IP3	SUR	Removal of Protection to Schools Budgets	The annual saving 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 MTFS period	£87,161k total Individual Schools Budget	3%	869		872	872	872	
					Total Schools					0	872	872	872	
					Total Education & Family Support Directorate					630	982	947	947	
	SOCIAL SERVICES & WELLBEING													
	Theme 1 - Remodel Service Delivery													
	ASC18	Healthy & Wise	IP2	PC	Development of Extra Care Housing	All service users transitioning from the existing residential establishments will receive an assessment of their need, taking into account their wellbeing outcomes, when planning their future care with their family and carers. The transition will be a collaborative approach, with timely transfer of care to the newly built scheme or, if not appropriate, to an alternative provision which will better meet their assessed needs, with the safeguarding of individuals being of paramount importance throughout the transition process.	2,209	30%		330	330			
	SSW2	Healthy & Wise	IP2	PC	Develop and implement personalised budgets across Adults and Children.	This could potentially see a reduction in the types of services the directorate needs to commission 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			400			
	Theme 1 - Remodel Service Delivery - sub-total										330	730	0	0

Budget Reduction Proposals 2018-19 to 2021-22

Page	Ref.	Links to Population Outcome	Improvement Priority 2016-20	Categories	Budget Reduction Proposal	Impact	Budget 2017-18 £'000	Total Budget Reduction 2017-2022 as % of 2017-18 Budget	2017-18 Budget Reductions £'000	Proposed 2018-19 £'000	Indicative 2019-20 £'000	Indicative 2020-21 £'000	Indicative 2021-22 £'000	
0	Theme 2 - Service Efficiencies													
	HL2	Healthy	IP3	SUR	Review Healthy Living Partnership Contract	The £20k is the final part of a proposal to deliver £509k of savings from the healthy living partnership between 2016-17 and 2018-19. The negotiations with the contractor have remained positive throughout and the management fee has been reduced without the creation of detriment to the service that would have required compensation. A larger than scheduled efficiency of £308k was delivered a year early in 2016-17. The £20k balance will be found through improvements in energy efficiency measures.	1,527	1%	308	20				
	Theme 2 - Service Efficiencies - sub-total										20	0	0	0
	Theme 3 - Income Generation													
	Theme 5 - Corporate Transformation													
	SSW19	Healthy	IP3	SUR	New models of Integrated care with partners including the health and voluntary sectors	This would explore new models of care with our key partners in health and the voluntary sector . This potentially would be a transformational change in partnership and integrated services . Early discussions have taken place and a plan for strategic development is being carried out in 2017-18.					984	1,332		
	Theme 5 - Corporate Transformation sub-total										0	984	1,332	0
	Total Social Services & Wellbeing Directorate										350	1,714	1,332	0
	COMMUNITIES													
	COM1	Corporate Business	IP3	MSR	Public conveniences - Reductions to the budget for Public Toilet provision: Budget saving against the service pending the outcome of public consultation on the future provision of public toilets in Bridgend, Porthcawl and Maesteg, closure or transfer to Town & Community Councils. Whilst there will be limited toilet provision remaining, a budget will also be retained to support the Authority's comfort scheme. This will be used to grant fund businesses that open their toilets to the general public	Removal of 60% of the public toilet revenue budget will result in the closure of a number of the remaining public toilets in Porthcawl, Bridgend and Maesteg, along with a number being transferred as part of the Council's Community Asset Transfer (CAT) programme. The budget remaining will be used to fund some limited toilet provision as well as the Council's Comfort Scheme. This scheme provides access to toilet facilities in partnership with local businesses, who are prepared to open their toilet facilities to non paying customers. In return the Council provides financial support in the form of a grant. The value of this grant is assessed in accordance with agreed terms. It should be noted that a White Paper being prepared by the Welsh Government is currently considering the provision of public toilets. In order to implement this saving it will be necessary to consult with staff and the unions.	168	60%		100				
	COM4	Place	IP3	SUR	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. This may impact on high risk routes to achieve the full saving, and could conflict with learner travel savings.	69	29%			20			
	COM11	Place	IP3	MSR	Other cleaning - The service reduction identified for 2019-20 will see the removal of one of the Council's main three 7.5 tonne street cleaning sweepers. Sweeping routes will be re-allocated and covered with the remaining two sweepers.	The reduction of the sweeper will result in a reduction in frequency of road sweeping across the borough. Whilst priority will be given to problematic areas the sweeping frequency reduction will inevitably lead to increased street litter and detritus.	1,234	6%			70			
	COM11B	Place	IP3	SUR	Permanent transfer from the public realm fund.	This proposal mitigates a need to balance the budget through a reduction of £200,000 in street cleaning. It will however reduce the potential to make new improvements to the public realm				200				

Budget Reduction Proposals 2018-19 to 2021-22

Ref.	Links to Population Outcome	Improvement Priority 2016-20	Categories	Budget Reduction Proposal	Impact	Budget 2017-18 £'000	Total Budget Reduction 2017-2022 as % of 2017-18 Budget	2017-18 Budget Reductions £'000	Proposed 2018-19 £'000	Indicative 2019-20 £'000	Indicative 2020-21 £'000	Indicative 2021-22 £'000
COM15	Healthy and Wise	IP3	MSR	Street lighting - Budget reduction based on energy savings generated through completed LED street lighting installations	A limited number of individual concerns have been raised regarding the perceived increased brightness provided by the LED lanterns, but largely the LED changeover has been welcomed by the public in areas completed	1,415	8%		110			
COM16	Place	IP3	MSR	Regeneration - £40k cut in commissioning budget to support 3rd Sector with Community Asset Transfer and £20K reduction (equivalent to 33%) in the Events budget. £20K reduction to Core Budget within the Economic Development Unit (not SRF)	These cuts will limit 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. 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. The reduction to the Economic Development unit budget does not relate to staff cuts but to cuts in non staffing budgets that support the work of the core team and allow assistance to be given to local businesses. The impact therefore will be around being less able to provide timely targeted support.	584	17%	21	80			
COM20	Place	IP3	MSR	Highways Dept Management Structural Savings Target	Loss of experienced, competent and qualified managers to deliver statutory functions. Reduced resilience for response to highway issues.	325	31%			100		
COM26	Place	IP2	CST	Target full cost recovery for shop mobility	Unless full cost recovery can be achieved, either the saving cannot be realised or it could result in the service having to close.	20	100%			20		
COM27	Place	IP3	MSR	Removal of Subsidised bus services	Potential reputational risk. Requirement for consultation and Equalities Impact Assessment (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			
COM31	Corporate Business	IP3	SUR	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.	176	65%		114			
COM33	Place	IP2	SUR	Review of parks and playing fields service - currently being undertaken by external consultants.	The first £150k might be achievable by various further efficiency savings and changes in working practices. The additional £350k identified in 2020-21 relates to possible closure of buildings and facilities, but will need to be informed by discussions around the future direction of CAT and the appetite for a model of delivery based on fewer strategic sites or hubs and the sharing of resources among user clubs.	2,086	24%			150	350	
COM36	Corporate Business	IP3	SUR	Efficiency saving for Streetworks (including vacancy management)	This saving is based simply on making the service make an additional 1% efficiency saving on top of all of the savings already identified. The specific impact has not yet been identified but it is likely that it will have a further detrimental impact on capacity and resilience.	8,967	1%		73			
COM38	Corporate Business	IP3	SUR	Efficiency saving target for Business Unit, including reduction in software and agency staff budget	A further minor saving from the central Communities Business Unit predicated on reducing budgets that have been underspent over recent years but again removing any financial resilience in this area.	527	3%		15			

Budget Reduction Proposals 2018-19 to 2021-22

Page 92

Ref.	Links to Population Outcome	Improvement Priority 2016-20	Categories	Budget Reduction Proposal	Impact	Budget 2017-18 £'000	Total Budget Reduction 2017-2022 as % of 2017-18 Budget	2017-18 Budget Reductions £'000	Proposed 2018-19 £'000	Indicative 2019-20 £'000	Indicative 2020-21 £'000	Indicative 2021-22 £'000
COM39	Corporate Business	IP3	SUR	Reduction to core budget within the Engineering section with the aim of achieving a break-even position	The aim of this saving would be to make the engineering service run at break even. Productivity rates will have to be managed closely to ensure this target is met. Risk that European Funded projects might impact on ability to meet targets due to inability to charge overheads to these projects.	129	57%		74			
COM40	Corporate Business	IP3	CST	Introduction of Corporate Landlord Model	The savings will be delivered in a number of ways including operational efficiencies, streamlined business processes, IT investment, improved procurement and contract management, and some deletions of vacant posts.				500			
				Total Communities Directorate					1,454	360	350	0

CHIEF EXECUTIVES

FINANCE

CEX1	Corporate Business	IP3	SUR	To reduce the number of Finance and accountancy staff	This would represent a further reduction of several posts within the accountancy team which will further reduce both resilience and support provided by the team	2,027	6%	50		77		
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	22%	60		30		
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.	2,198	14%	150		150		
CEX6	Corporate Business	IP3	SUR	To reduce the annual bad debt provision for housing benefit	Necessary accounting work has been carried out as part of 2016-17 closing which shows that annual additions to the provision are no longer required	189	100%		189			
CEX7	Corporate Business	IP3	SUR	Extra recovery income from Housing Benefit	Target £100,000 additional recovery, necessitates investment in staffing estimated at 1 FTE - assume gradual ramp up. Amber rating because model unproven/ recovery figures are estimates	387	17%		32	33		
CEX8	Corporate Business	IP3	SUR	Additional Annual leave purchase	Two years data has shown that staffing budget can be top sliced for additional annual leave purchase. There is always the risk that it is not taken up by staff in future years	n/a - service wide budgets	0%		10			
				Total Chief Executives					231	290	0	0

OPERATIONAL AND PARTNERSHIP SERVICES

OPS10	Corporate Business	IP3	SUR	Review democratic staffing structure together with non-staff budgets.	Realigns Member and Scrutiny support. Member support already integrated and should not therefore provide further change of capacity to support Members or Scrutiny.	1,850	4%		72			
OPS11	Corporate Business	IP3	SUR	Review legal staffing structure together with non-staff budgets.	Return to corporate cover for additional litigation. Realignment of responsibility for staff and non staff budgets .	1,892	6%		111			
OPS12	Corporate Business	IP3	SUR	Reduction of procurement training budget	Planned training will be maintained.	23	100%		23			

Budget Reduction Proposals 2018-19 to 2021-22

Page 93

Ref.	Links to Population Outcome	Improvement Priority 2016-20	Categories	Budget Reduction Proposal	Impact	Budget 2017-18 £'000	Total Budget Reduction 2017-2022 as % of 2017-18 Budget	2017-18 Budget Reductions £'000	Proposed 2018-19 £'000	Indicative 2019-20 £'000	Indicative 2020-21 £'000	Indicative 2021-22 £'000
OPS13	Corporate Business	IP3	SUR	Review business support and registrars staffing structure together with non-staff budgets.	Will enable further integration of the service.	539	8%		41			
OPS14	Corporate Business	IP3	SUR	Restructure senior management	Restructure of management responsibility - reduction in number of staff.	352	12%		43			
OPS19	Corporate Business	IP3	SUR	Efficiencies from Shared Regulatory Service	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.	1,712	11%		37	112	37	
Total Legal, Democratic and Public Protection									327	112	37	0
Housing												
OPS15	Place	NONPTY	MSR	Review staffing and non staffing budgets with SLA's	Re-alignment of staffing required, non staffing review undertaken.	1,567	9%		138			
Total Housing									138	0	0	0
Human Resources												
OPS16	Corporate Business	IP3	SUR	Review HR, Communications and Caretaking staffing structure together with non-staff budgets.	Reduction in staffing likely to impact on response times.	3,320	5%		167			
Total Human Resources									167	0	0	0
ICT												
OPS17	Corporate Business	IP3	SUR	Further rationalisation of software and hardware budgets	Rationalisation of software and hardware usage.	1,496	14%		210			
Total ICT									210	0	0	0
Performance												
OPS18	Corporate Business	IP3	SUR	Review non staff budgets for performance team	Based on line by line review of budget - minimal disruption.	195	3%		6			
Total Performance									6	0	0	0
Total Operational & Partnership Services									848	112	37	0

CORPORATE / COUNCIL WIDE

CWD1	Corporate Business	NONPTY	SUR	Reduction in funding available for meeting the costs of Capital Financing	Low demand on budget in recent years due to low borrowing, so should be minimal impact in short term.	10,184	11%		1,170			
CWD2	Corporate Business	NONPTY	SUR	Reduction in provision for Council Tax Reduction Scheme	Budget underspent by £946k in 2016-17. 2017-18 budget includes £300,000 reduction, therefore impact will need to be monitored as this budget is demand led.	14,254	5%	300	400			
CWD3	Corporate Business	NONPTY	SUR	Removal of capital financing budget for Glamorgan Records Office	Loan repaid in full in 2016-17 so annual capital financing budget no longer required.	80	100%		80			
CWD4	Corporate Business	NONPTY	SUR	Reduction in centrally held budget for changes to corporate pension and national insurance costs	Lower superannuation and pensions increases in recent years than anticipated, and roll out of auto enrolment complete in 2017-18, so budgets available to be released.	773	100%		773			

Budget Reduction Proposals 2018-19 to 2021-22

Ref.	Links to Population Outcome	Improvement Priority 2016-20	Categories	Budget Reduction Proposal	Impact	Budget 2017-18 £'000	Total Budget Reduction 2017-2022 as % of 2017-18 Budget	2017-18 Budget Reductions £'000	Proposed 2018-19 £'000	Indicative 2019-20 £'000	Indicative 2020-21 £'000	Indicative 2021-22 £'000
WD5	Corporate Business	NONPTY	SUR	Removal of equalisation budget for Private Finance Initiative (PFI) Scheme	Budget was originally established to equalise the funding available from Welsh Government with actual annual costs of the scheme, and is not needed in future years.	187	100%		187			
				Total Corporate / Council Wide					2,610	0	0	0

GRAND TOTAL REDUCTIONS						5,852	6,123	3,458	2,666	947
ESTIMATED BUDGET REDUCTION REQUIREMENT (MOST LIKELY)							6,123	10,185	9,242	7,042
REDUCTION SHORTFALL							0	6,727	6,576	6,095

1,496	0	0	0
4,513	1,572	947	947
114	1,886	1,719	0
6,123	3,458	2,666	947

FEES AND CHARGES PROPOSALS 2018-19

APPENDIX C

Page 95

Type of Charge	Comment	Detail of Revised / New Fee or Charge
SOCIAL SERVICES AND WELLBEING DIRECTORATE		
Adult Social Care	<p>Whilst charges are adjusted annually in light of the anticipated year's costs of providing services, it is a requirement that the charges reflect the actual costs of delivering services. It is therefore not possible to increase costs simply on the basis of an inflationary amount. Irrespective of the calculated charges for services, the amount an individual pays for any services is based on a financial means test, and for non-residential services is capped in line with the Fairer Charges (Wales) regulations. Welsh Government currently imposes a cap of £70 irrespective of the total cost of all services provided to an individual. Potentially this cap may increase in 2018/19.</p>	TBA
COMMUNITIES DIRECTORATE		
Copying or printing of planning application documents	<ul style="list-style-type: none"> · A4 plans – £1 per sheet · A3 plans - £2 per sheet · A2 plans - £4 per sheet · A1 plans - £10 per sheet · A0 plans - £20 per sheet 	New Charges
Building Regulation Fees	<p>Building Regulation fees are set locally and have not increased since a 3% increase in 2014. At that time it was proposed to review the fees in 2017 with a view to a further increase. The decision to increase fees in 2017 was delayed as various other collaboration initiatives were being investigated with neighbouring authorities.</p> <p>It is proposed to introduce a 5% increase to charges across the board to take into account inflation increases and changes to the service provision. The increase will result in projected £12,000 additional revenue, which will be used to provide funding towards the Building Control Apprentice post introduced in August 2017.</p> <p>The increase is not out of step with other local authorities both in the region and Wales wide. The majority of Building Regulation income comes from domestic work and the 5% increase will result, in average, around a £27 increase in fees for a householder project.</p> <p>The Building Control service differs from other services such as Planning in that it is in open competition with private companies that offer an “approved inspector” service. The service must remain competitive. Currently Local Authority Building Control (LABC) in Wales has around 77% of the market share and this has remained stable since 2014. Whilst the general loss of market share to the private sector is a risk it must be balanced against the cost of providing a comprehensive service and any additional income will contribute towards a trainee post, which will provide future resilience to the service.</p>	5% increase to all Building Regulation Fees.

This page is intentionally left blank

DIRECTORATE BASE BUDGETS BY SERVICE AREA

AREA OF SERVICE (AOS)	Revised Budget 2017-18	Specific Grant Transfers from WG	Inter Directorate Transfers incl. Corporate Landlord	Pay/Prices/ Demographics	Adjustments for virements within Directorates	Budget Pressures 2018-19	Budget Reduction Proposals 2018-19	Revenue Budget 2018-19
	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
<u>Education & Family Support</u>								
INCLUSION	2,875			21		201	-75	3,022
FOUNDATION	993		-43				-21	929
YOUTH SERVICE	506		-21				-55	430
TRANSITION	0							0
POST-14	0							0
STATUTORY ADVICE & PSYCHOLOGY	493						-6	487
EMOTIONAL HEALTH & BEHAVIOUR	1,397						-14	1,383
SCHOOL IMPROVEMENT	702						-72	630
SCHOOLS MUSIC SERVICE	0							0
STRATEGIC PLANNING & RESOURCES	4,120		-628	27			-2	3,517
BUSINESS STRATEGY & SUPPORT	271						-3	268
SUPPORT FOR CHILDREN & LEARNERS	6,126		-28	111		159	-267	6,101
COMMISSIONING & PARTNERSHIPS	933	261					-5	1,189
STRATEGIC MANAGEMENT	1,430					65	-82	1,413
YOUTH OFFENDING SERVICE	366							366
ENERGY	107		-107					0
ARCHITECTS	46		-46					0
MECH & ENGINEERING	172		-172					0
SURVEYORS	366		-366					0
HEALTH & SAFETY	251						-27	224
	21,154	261	-1,411	159	0	425	-630	19,958
<u>Schools</u>								
SCHOOL DELEGATED BUDGETS	87,209			648		500		88,357
	87,209	0	0	648	0	500	0	88,357
<u>Social Services & Wellbeing</u>								
OLDER PEOPLE	19,581	515	-73	504	-92	43	-330	20,148
ADULT PHYSICAL DISABILITIES /SENSORY IMPAIRMENT	3,882	332		6	17			4,237
ADULTS LEARNING DISABILITIES	12,426	1,446	-165	81	81			13,869
ADULTS MENTAL HEALTH NEEDS	2,746	338	-26	23	49			3,130
OTHER ADULT SERVICES	202							202
ADULT SERVICES MGT & ADMIN	2,536				-58			2,478
CHILDRENS SERVICES (SAFEGUARDING)	18,247	141	-32	128		45		18,529
CULTURE, RECREATION AND SPORT	5,171		-17		3		-20	5,137
	64,791	2,772	-313	742	0	88	-350	67,730
<u>Communities</u>								
DEVELOPMENT	310					23		333
REGENERATION	2,379		-26			44	-80	2,317
REGEN & DEVELOP-MGMT	130							130
STREETWORKS	8,975	1,503	-72		8	564	-100	10,878
HIGHWAYS AND FLEET	6,473		-362		-16	95	-160	6,030
TRANSPORT & ENGINEERING	996		-313		-2	32	-262	451
PARKS & OPEN SPACES	2,236		-225				-191	1,820
STREET SCENE MGT & ADMIN	304					10	-32	282
BUSINESS UNIT	446						-15	431
ADULT LEARNING	110							110
ELECTIONS	133							133
FACILITIES MANAGEMENT	1,298		-1,298					0
MISC PROPERTY	-74		74					0
PROPERTY ADMIN	834		-834					0
COMMERCIAL INCOME	-726		726					0
CORPORATE LANDLORD	0		4,382	46			-614	3,814
	23,824	1,503	2,052	46	0	758	-1,454	26,729
<u>Operational & Partnership Services</u>								
HOUSING & COMMUNITY REGENERATION	1,556	236	-36			37	-161	1,632
LEGAL SERVICES	2,480		-3				-242	2,235
DEMOCRATIC SERVICES	1,850						-56	1,794
PROCUREMENT	280						-23	257
HR & ORGANISATIONAL DEVELOPMENT	2,110		5				-87	2,028
CUSTOMER SERVICES	1,284		-119				-26	1,139
ICT	3,890						-210	3,680
TRANSFORMATION	196		3				0	199
REGULATORY SERVICES	1,435			25			-37	1,423
PARTNERSHIPS	277						-6	271
	15,358	236	-150	25	0	37	-848	14,658
<u>Chief Executives/Finance</u>								
CHIEF EXECUTIVE	513	58						571
INTERNAL AUDIT	313							313
FINANCE	3,095					55	-231	2,919
	3,921	58	0	0	0	55	-231	3,803
Directorate Budgets	216,257	4,830	178	1,620	0	1,863	-3,513	221,235
CAPITAL FINANCING	10,184					500	-1,170	9,514
LEVIES	6,952			8		86		7,046
BUILDING MAINTENANCE	900							900
COUNCIL TAX REDUCTION SCHEME	14,254			500			-400	14,354
APPRENTICESHIP LEVY	700							700
PENSION RELATED COSTS	1,203						-773	430
INSURANCE PREMIUMS	1,559			29				1,588
OTHER CORPORATE BUDGETS	6,084		-178	4,378		200	-267	10,217
Corporate Budgets	41,836	0	-178	4,915	0	786	-2,610	44,749
TOTAL BUDGET	258,093	4,830	0	6,535	0	2,649	-6,123	265,984

This page is intentionally left blank

2018-19 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	6,516	1,426	0	12,016	19,958
Schools	35,742	0	0	52,615	88,357
Social Services and Wellbeing	5	49,401	171	18,153	67,730
Communities	3,467	0	3,969	19,293	26,729
Operational and Partnership Services	3	1,522	462	12,671	14,658
Chief Executive's and Finance	-8	0	232	3,579	3,803
Council Wide Budgets	138	0	0	44,611	44,749
NET BUDGET REQUIREMENT	45,863	52,349	4,834	162,938	265,984

This page is intentionally left blank

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 protocol 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, Directorate Reserves and Transformational 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 spread the costs incurred in a particular future year over the period of the Medium Term Financial Strategy (MTFS);
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 of 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 management and control of the Reserve
- 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 2017 was £7.960 million (£7.604 million 15-16). This represents 2.46% of gross revenue expenditure for 2016-17 (2.32% of gross revenue expenditure for 2015-16). In comparison, the All Wales

average was 3.0% gross revenue expenditure or £8.996 million for the same period with local authorities ranging from 1.79% to 5.70%.

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 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 and one specifically to support major schemes within the Capital Programme of the Council. Additions have been made during 2017-18 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 significantly depleted by 31 March 2018 as more schools fall into a deficit position. School balances were only £866,000 at 31 March 2017.

b) 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 £3.400 million by 31 March 2018 (£3.665 million at 31 March 2017).

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 waste management, 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. A new reserve established within 2017-18 is for City Deal which will provide the necessary resources that the Council requires for the participation in the programme which will increase connectivity, improve physical and digital infrastructure, as well as regional business governance.

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 by the end of the financial years 2017-18 and 2018-19. It is based on estimates of expenditure at period 9 projected forward to year end for 2017-18 and where expenditure is forecast for 2018-19 this is also included. It does not include the potential increase of reserves for 2018-19.

Opening Balance 1 April 2017	Reserve	Projected Movement 2017-18		Closing Balance 31 March 2018	Projected Movement 2018-19	Closing Balance 31 March 2019
		Additions / Reclassif- ication	Draw down			
£'000		£'000	£'000	£'000	£'000	£'000
1,036	Looked After Children	26	(62)	1,000	-	1,000
880	Wellbeing Projects	-	(129)	751	(151)	600
651	Directorate Issues	821	(75)	1,397	(842)	555
175	Car Parking Strategy	(175)	-	-	-	-
1,268	ICT & Finance Systems	276	(45)	1,499	(639)	860
431	School Projects Reserve	113	(24)	520	(79)	441
250	Property Reserve	-	(16)	234	(34)	200
250	Porthcawl Regeneration	80	-	330	(150)	180
250	Waste Awareness Reserve	-	(72)	178	(178)	-
171	Safe Routes to Schools	-	(61)	110	(110)	-
-	Chief Executive Partnership Reserve	97	-	97	(37)	60
50	Donations Reserve Account	3	-	53	7	60
25	Human Resources Reserve	-	(10)	15	(15)	-
20	Local Development Plan IT System	-	-	20	(20)	-
6	Webcasting Reserve	-	(4)	2	(2)	-
66	Partnership Reserve	(66)	-	-	-	-
4	Waste Management Contract	-	(4)	-	-	-
31	Community Safety Reserve	(31)	-	-	-	-
5,564	Reserves Held for Directorates' Planned Developments	1,144	(502)	6,206	(2,250)	3,956
8,451	Major Claims Reserve	62	-	8,513	(2,801)	5,712
2,335	Insurance Reserve	-	(175)	2,160	(91)	2,069
-	Corporate Pressures Contingency	1,000	-	1,000	-	1,000
1,000	MTFS Budget Contingency	200	(200)	1,000	-	1,000
500	Welfare Reform	-	-	500	-	500
12,286	Specific Contingency Reserves	1,262	(375)	13,173	(2,892)	10,281
11,380	Capital Programme Contribution	889	(5,151)	7,118	(3,650)	3,468
249	Capital Feasibility Fund	402	(243)	408	(89)	319
1,262	Asset Management Plan	200	(180)	1,282	(754)	528
718	Building Maintenance Reserve	330	(71)	977	(427)	550
182	DDA Emergency Works	-	(50)	132	(32)	100
138	Property Disposal Strategy	5	(78)	65	(20)	45
146	Public Realm	-	(83)	63	(63)	-
14,075	Capital Development or Asset Related Reserves	1,826	(5,856)	10,045	(5,035)	5,010
8,103	Service Reconfiguration	-	(1,119)	6,984	(2,084)	4,900
1,936	Digital Transformation	-	(272)	1,664	(914)	750
-	City Deal Reserve	598	(598)	-	-	-
1,588	Change Management	-	(383)	1,205	(259)	946
11,627	MTFS / Transformational Reserves	598	(2,372)	9,853	(3,257)	6,596
43,552	TOTAL EARMARKED RESERVES	4,830	(9,105)	39,277	(13,434)	25,843
	Equalisation & Grant Reserves:-					
832	Highways Reserve	52	(125)	759	(9)	750
841	IFRS Grants	-	(386)	455	(167)	288
533	Special Regeneration Fund	-	(30)	503	(103)	400
201	Election Costs	-	(173)	28	172	200
196	Local Development Plan	-	-	196	-	196
174	Civil Parking Enforcement	-	-	174	(68)	106
15	Building Control Reserve	-	-	15	5	20
2,792	Equalisation & Grant Reserves	52	(714)	2,130	(170)	1,960
46,344	TOTAL RESERVES	4,882	(9,819)	41,407	(13,604)	27,803

This page is intentionally left blank

Page	Corporate Priority	Total Costs to 31-3-17 £'000	2017-2018															CUMULATIVE
			Dec 2017 £'000	New Approvals £'000	Vire £'000	Slippage £'000	Revised 2017-18 £'000	2018-2019 £'000	2019-2020 £'000	2020-2021 £'000	2021-2022 £'000	2022-2023 £'000	2023-2024 £'000	2024-2025 £'000	2025-2026 £'000	2026-2027 £'000	2027-2028 £'000	Total 2017 - 2028 £'000
			Capital Receipts - Schools	10,436	-	-1,114	-	9,322	-	-	-	-	-	-	-	-	-	-
Capital Receipts - General	4,395	-	-90	-2,723	1,582	9,180	891	1,495	-	-	-	-	-	-	-	-	-	13,148
Unparked Reserves	8,163	23	-	-558	7,628	7,031	1,776	2,214	-	-	-	-	-	-	-	-	-	18,649
Revenue Contribution	1,978	-	-	-	1,978	458	572	686	686	1,030	1,030	1,716	1,716	1,716	1,716	1,716	1,716	13,304
Prudential Borrowing (unsupported)	1,500	-	-	-500	1,000	3,550	2,000	1,079	5,886	6,627	-	-	-	-	-	-	-	20,142
Local Govt Borrowing Initiative (21st Century Schools)	4,907	-	-	-	4,907	-	-	-	-	-	-	-	-	-	-	-	-	4,907
Loan - WG	-	-	-	-	-	2,400	-	-	-	-	-	-	-	-	-	-	-	2,400
SALIX Interest Free Loan - WG	-	-	-	-	-	300	1,100	1,100	-	-	-	-	-	-	-	-	-	2,500
Sub-Total General Capital Funding	37,667	23	-1,204	- 3,781	32,705	29,248	12,668	12,903	12,901	13,986	7,359	8,045	8,045	8,045	8,045	8,045	8,045	153,950
External Funding Approvals																		
WG - Highways Grant	-	-	1,204	-	1,204	-	-	-	-	-	-	-	-	-	-	-	-	1,204
WG - Other	-	58	-	-	58	-	-	-	-	-	-	-	-	-	-	-	-	58
WG - 21st Century Schools	8,175	-	-	-	8,175	623	-	-	8,898	8,499	3,031	-	-	-	-	-	-	29,226
WG - Enable Grant	-	170	-	-	170	-	-	-	-	-	-	-	-	-	-	-	-	170
WG - Safe Routes in Communities	711	75	-	-	786	-	-	-	-	-	-	-	-	-	-	-	-	786
WG - Porthcawl Revetment	1,570	-	-	-1,085	485	1,852	-	-	-	-	-	-	-	-	-	-	-	2,337
WG - Intermediate Care Fund (ICF)	-	106	-	-	106	300	-	-	-	-	-	-	-	-	-	-	-	406
Westminster	-	-	-	-	-	1,430	1,788	2,146	2,146	3,218	3,218	5,363	5,363	5,363	5,363	5,363	5,363	35,398
S106	873	26	-	-	899	-	-	-	-	-	-	-	-	-	-	-	-	899
Transport Grant	421	100	-	-	521	-	-	-	-	-	-	-	-	-	-	-	-	521
Heritage Lottery Fund (HLF)	345	-18	-	-	327	35	-	300	208	-	-	-	-	-	-	-	-	870
EU	-	-	-	-	-	-	300	1,700	860	-	-	-	-	-	-	-	-	2,860
Other	131	-	-	- 105	26	205	-	250	250	-	-	-	-	-	-	-	-	731
Sub-Total External Funding Approvals	12,226	517	1,204	- 1,190	12,757	4,445	2,088	4,396	12,362	11,717	6,249	5,363	5,363	5,363	5,363	5,363	5,363	75,466
Total Funding Available	49,893	540	-	- 4,971	45,462	33,693	14,756	17,299	25,263	25,703	13,608	13,408	13,408	13,408	13,408	13,408	13,408	229,416

Glossary of terms

WG - Welsh Government

EU - European Union

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

This page is intentionally left blank

TREASURY MANAGEMENT STRATEGY 2018-19



1.0 Introduction

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 (TMS) 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 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 this TMS 2018-19 revises some of the indicators for 2017-18, 2018-19, 2019-20 and 2020-21 and introduces new indicators for 2021-22 which are detailed in **Schedule A**. The indicators either summarise the expected activity or introduce limits upon the activity, and reflect the underlying capital programme.

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). The *Local Authority (Capital Finance and Accounting) (Amendment) (Wales) Regulations 2008* requires the Council to produce and approve an **Annual Minimum Revenue Provision (MRP) Statement** before the start of the financial year that details the methodology for the MRP charge and this is detailed in **Schedule B**. 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.

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.

CIPFA published new editions of *Treasury Management in the Public Services: Code of Practice* and the *Prudential Code for Capital Finance in Local Authorities* in late December 2017. This TMS 2018-19 has been produced using the 2011 Codes (as advised above) following advice from the Council's treasury adviser Arlingclose as there is still some information which has yet to be published but once the regulatory framework is clearer any revision required to the TMS for 2018-19 will be reported to Council for approval. Also, in accordance with the WG Guidance, the Council will be asked to approve a revised TMS should the assumptions on which this is based change significantly. Such circumstances would include, for example, a large unexpected change in interest rates, in the Council's capital programme or in the level of its investment balance.

Future Generations Well-being Act: In complying with the Well-being of Future Generations (Wales) Act 2015, the Council must ensure that decisions are sustainable, whereby "the needs of the present are met without compromising the ability of future generations to meet their own needs" and recognise "the importance of balancing short term needs with the need to safeguard the ability to meet long term needs". The implications of the Act have been taken into account when compiling this TMS. Within the Borrowing Strategy, the cautious approach ensures that no unnecessary long term borrowing is taken where the interest costs would need to be met from future revenue budgets. Instead, the recommendation is to use internal resources or borrowing for short periods. The Council actively examines its existing borrowing to review any potential opportunities to reschedule debt and generate future revenue savings. Also within the Investment Strategy, the importance of maintaining capital security is stressed with a strategy that does not solely rely on credit ratings before investments are placed. This will hopefully minimise any situation where future generations have to pay the costs associated of any impairment or loss of investments due to a financial crisis.

2.0 Economic Context and Forecasts for Interest Rates

Economic background: The major external influence on the Council's TMS for 2018-19 will be the UK's progress in negotiating its exit from the European Union and agreeing future trading arrangements. The domestic economy has remains relatively robust since the surprise outcome of the 2016 referendum, but there are indications that uncertainty over the future is now weighing on growth. Transitional arrangements may prevent a cliff-edge, but will also extend the period of uncertainty for several years. Economic growth is therefore forecast to remain sluggish throughout 2018-19. Consumer price inflation remained at 3.0% in December 2017 as the post-referendum devaluation of sterling continued to feed through to imports. However, this effect is expected to fall out of year-on-year inflation measures during 2018, removing pressure on the Bank of England to raise interest rates.

Credit outlook: High profile bank failures in Italy and Portugal have reinforced concerns over the health of the European banking sector. Sluggish economies and fines for pre-crisis behaviour continue to weigh on bank profits, and any future economic 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. In addition, the largest UK banks will ringfence their retail banking functions into separate legal entities during 2018. There remains some uncertainty over how these changes will impact upon the credit strength of the residual legal entities. The credit risk associated with making unsecured bank deposits has therefore increased relative to the risk of other investment options available to the Council; returns from cash deposits however remain very low.

Interest rate forecast: The Monetary Policy Committee increased the Bank Rate from 0.25% to 0.50% in November 2017 and Arlingclose's central case is for Bank Rate to remain at 0.50% during 2018-19. Stilted progress in the EU exit negotiations, softening consumer spending and a tightening of consumer credit are expected to stay the Committee's hands. Longer-term interest rates have risen in the past year, reflecting the possibility of increasing short-term rates. Arlingclose forecasts these to remain broadly constant during 2018-19, but with some volatility as interest rate expectations change with press reports on the progress of EU exit negotiations.

Arlingclose (Council's TM Advisers) central interest rate forecast December 2017/January 2018

	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 2018	0.50	0.50	0.70	0.75	1.25	1.85	1.70
June 2018	0.50	0.50	0.70	0.80	1.25	1.85	1.70
Sept 2018	0.50	0.50	0.70	0.80	1.25	1.85	1.70
Dec 2018	0.50	0.50	0.80	0.80	1.25	1.85	1.70
Mar 2019	0.50	0.50	0.80	0.85	1.30	1.90	1.75
June 2019	0.50	0.50	0.80	0.90	1.30	1.90	1.80
Sept 2019	0.50	0.50	0.80	0.90	1.35	1.95	1.85
Dec 2019	0.50	0.50	0.80	0.95	1.40	1.95	1.90
Mar 2020	0.50	0.50	0.80	0.95	1.45	2.00	1.95
Jun 2020	0.50	0.50	0.80	1.00	1.50	2.05	1.95
Sept 2020	0.50	0.50	0.80	1.05	1.55	2.05	1.95
Dec 2020	0.50	0.50	0.80	1.10	1.55	2.05	1.95
Mar 2021	0.50	0.50	0.80	1.15	1.60	2.10	2.00
Average	0.50	0.50	0.78	0.92	1.38	1.95	1.84

3.0 The Council's Current Treasury Management Position

The Council's external debt and investment position as at 31 December 2017 is shown in table 1 below and more detail is provided in section 4 the Borrowing Strategy and section 5 the Investment Strategy.

Table 1: Council's debt and investment position as at 31 December 2017

	Principal as at 31-12-17 £m	Average Rate %
External long term borrowing:		
Public Works Loan Board (PWLB)	77.62	4.70
Lender's Option Borrower's Option (LOBO)	19.25	4.65
Total external long term borrowing	96.87	4.69
External short term borrowing:		
Short term Local Authority loan	2.00	0.35
Total external borrowing	98.87	4.60
Other long term liabilities (LTL)		
Private Finance Initiative (PFI)	17.79	
Llynfi Loan	2.40	
Other LTL	0.98	
Total other long term liabilities	21.17	
Total gross external debt	120.04	
Treasury investments:		
Banks	10.35	0.60
Building Societies	2.00	0.54
Government (including Local Authorities)	31.00	0.58
Total treasury investments	43.35	0.58
Net Debt	76.69	

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 2017-18, 2018-19 and the following three years.

4.0 Borrowing Strategy

The major **objectives** to be followed in 2018-19 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

The £19.25 million shown in table 1 above, 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 2018 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. Following advice from Arlingclose, the Council approached the LOBO's lender for potential repayment options in 2017, however the premium was deemed too excessive to action.

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. The last time the Council took long term borrowing was £5m from the PWLB in March 2012 and it is not expected that there will be a requirement for any new long term borrowing for the remainder of 2017-18 or 2018-19. Alternatively, the Council may arrange forward starting loans during 2018-19 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 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 **approved sources** of long-term and short-term borrowing are:

- Public Works Loan Board (PWLB) and any successor body
- UK Local Authorities
- any institution approved for investments (see Investment Strategy below)
- 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 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. For this Council, an earmarked reserve is being built up to meet the capital expenditure requirements of City Deal.

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.

Investment Balances: The Council holds surplus funds representing income received in advance of expenditure plus balances and reserves and as shown in table 1 above in section 3, the balance at 31 December 2017 was £43.35 million. Investments are estimated to drop to between £29 and £32 million by the 31 March 2018. 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 2018 and increased expenditure expected to be incurred for the capital programme.

Based on its cash flow forecasts, the Council anticipates its investment balances in 2018-19 to range between £25 million to £55 million with an average investment rate of between 0.50% to 0.60% 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 2018-19 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 mainly 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. Given the increasing risk and very low returns from short-term unsecured bank investments, the Council aims to further diversify into more secure and/or higher yielding asset classes during 2018-19 with 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 become available as referred to in section 4 the Borrowing Strategy.

Credit Rating: Investment limits are set by reference to the lowest published long-term credit rating from Fitch, Moody's or Standard & Poor's to ensure that this lies within our agreed minimum credit rating and **Schedule C** shows the equivalence table for credit ratings for Fitch, Moody's and Standard & Poor's and explains the different investment grades. 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
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 following an external credit assessment and consultation with the Council's treasury management advisers.

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.

Pooled funds: Shares in diversified investment vehicles consisting of the any of the above investment types, plus equity shares and property. These funds have the advantage of providing wide diversification of investment risks, coupled with the services of a professional fund manager in return for a fee. Short-term Money Market Funds that offer same-day liquidity and very low or no volatility can be used as an alternative to instant access bank accounts, while pooled funds whose value changes with market prices and/or have a notice period can be used for longer investment periods.

Bond, equity and property funds offer enhanced returns over the longer term, but are more volatile in the short term. These allow the Council to diversify into asset classes other than cash without the need to own and manage the underlying investments. As these funds have no defined maturity date, but are available for withdrawal after a notice period, their performance and continued suitability in meeting the Council's investment objectives will be monitored regularly.

Operational bank accounts: The Council may incur operational exposures, for example through current accounts, collection accounts and merchant acquiring services, to any UK bank with credit ratings no lower than BBB- and with assets greater than £25 billion. These are not classed as investments, but are still subject to the risk of a bank bail-in, and balances will therefore be kept to a minimum. The Bank of England has stated that in the event of failure, banks with assets greater

than £25 billion are more likely to be bailed-in than made insolvent, increasing the chance of the Council maintaining operational continuity.

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 credit 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 invested in Money Market Fund (pooled funds)*	£20m
Total invested in other pooled funds*	£10m
Total investments without credit ratings (except the UK Government and Local Authorities) or rated below the Council’s definition of “high credit quality” (A-)	£10m
Total investments (except pooled funds)with institutions domiciled in foreign countries with a sovereign rating below AA+	£3m
Total Non-Specified Investments Outstanding **	£25m

* Consultation on proposed amendments to the Local Authorities (Capital Finance & Accounting) (Wales) Regulations 2003 which if approved will mean that some investments in pooled funds will not need to be classed as Non-specified investments so this limit will not then apply

**The total of the category cash limits for individual non-specified categories can exceed the overall total non-specified limit but non-specified investments outstanding at any one time cannot exceed the overall limit of £25m

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. Investments in pooled funds and multilateral development banks do not count against the limit for any single foreign country, since the risk is diversified over many countries.

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 Authority)	£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 2018-19 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 2018-19.

Non-Treasury Investments: Although not classed as treasury management activities and therefore not covered by the CIPFA Code or the WG Guidance, the Council may also purchase property for investment purposes and may also make loans and investments for service purposes, for example in shared ownership housing, or as equity investments and loans to the Council's subsidiaries.

Such loans and investments will be subject to the Council's normal approval processes for revenue and capital expenditure and need not comply with this Treasury Management Strategy.

The Council's existing non-treasury investments relate to investment properties and the balance outstanding at 31 March 2017 was £5.06 million.

6.0 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.

7.0 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 as treasury management advisers following a tender exercise in August 2016. They were awarded a four year contract, to provide advice and information relating to its borrowing and investment activities and the contract will be reviewed annually and either party may at any time terminate this agreement on 3 months prior written notice. 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 2018 was in excess of the actual debt of the Council (as detailed in the Prudential Indicators in **Schedule A**) indicating there was no borrowing in advance of need.

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

TREASURY MANAGEMENT INDICATORS

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

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

No.	Interest Rate Exposure	2017-18 £m	2018-19 £m	2019-20 £m	2020-21 £m	2021-22 £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	20.00	17.00	12.00	5.00
	Net Principal Outstanding	66.87	76.87	79.87	84.87	91.87
1.	Upper Limit on fixed interest rates (net principal) exposure	130.00	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 2018-19	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.		2018-19 £m	2019-20 £m	2020-21 £m	2021-22 £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	2017-18	2018-19	2019-20	2020-21	2021-22
		£m Proj.	£m Est.	£m Est.	£m Est.	£m Est.
1	Total Capital Expenditure (Non HRA)	45.41	33.69	14.76	17.30	25.26
	Financed by :-					
	Capital Grants and Contributions	15.14	6.84	4.48	6.79	14.75
	Capital Receipts	10.90	9.18	0.89	1.50	0.00
	Revenue Contribution to Capital	9.61	7.49	2.35	2.90	0.69
	Net Financing Need for Year	9.76	10.18	7.04	6.11	9.82

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 Council Fund in line with the Prudential Code.

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**. Directorates who receive Council approval for capital schemes via Unsupported Borrowing make annual contributions to the capital costs of their schemes known as Voluntary Revenue Provisions (VRP) or additional MRP. This type of borrowing is only approved when Directorates have the necessary revenue resources to make VRP to fund the capital costs though this will be deferred in some cases until the asset becomes operational in accordance with the Council's MRP Policy. The MRP requirement for the Maesteg School PFI Scheme and the Innovation Centre will be equivalent to the write down of the liability for the year and is met from existing budgets

No.	Prudential indicators For Prudence	2017-18 £m Proj.	2018-19 £m Est.	2019-20 £m Est.	2020-21 £m Est.	2021-22 £m Est.
2	Capital Financing Requirement (CFR)					
	Opening CFR (1 April) adjusted excluding PFI & other liabilities	149.20	152.56	156.18	156.33	155.58
	Opening PFI CFR	18.24	17.64	17.00	16.31	15.57
	Opening Innovation Centre	0.66	0.60	0.54	0.45	0.35
	Opening Coychurch Crematorium	0.08	0	0	0	0
	Total Opening CFR	168.18	170.80	173.72	173.09	171.50
	Movement in CFR excl. PFI & other liabilities	3.36	3.62	0.15	(0.75)	2.51
	Movement in PFI CFR	(0.60)	(0.64)	(0.69)	(0.74)	(0.80)
	Movement in Innovation Centre CFR	(0.06)	(0.06)	(0.09)	(0.10)	(0.11)
	Movement in Crem CFR	(0.08)	0	0	0	0
	Total Movement in CFR	2.62	2.92	(0.63)	(1.59)	1.60
	Closing CFR (31 March)	170.80	173.72	173.09	171.50	173.10
	Movement in CFR represented by :-					
	Net Financing Need for Year (above)	9.76	10.18	7.04	6.11	9.82
	Minimum and Voluntary Revenue Provisions*	(7.14)	(7.26)	(7.67)	(7.70)	(8.22)
	Total Movement	2.62	2.92	(0.63)	(1.59)	1.60

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

Limits to Borrowing Activity

The Council's long term borrowing at the 31 December 2017 was £96.87 million 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 especially when a Council is using Internal Borrowing as highlighted in section 4 in the Borrowing Strategy.

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

No.	Prudential indicators For Prudence Gross Debt 31 March	2017-18 £m Proj.	2018-19 £m Est.	2019-20 £m Est.	2020-21 £m Est.	2021-22 £m Est.
3	External Borrowing	96.87	96.87	96.87	96.87	96.87
	Long Term Liabilities (including PFI)	20.99	20.24	17.84	16.95	15.68
	Total Gross Debt	117.86	117.11	114.71	113.82	112.55

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 2017-18 (i.e. the preceding year) plus the estimates of any additional capital financing requirement for the current and next three financial

years, however 2021-22 has also been included to be consistent with the Medium Term Financial Strategy.

No.	Prudential indicators For Prudence	2017-18 £m Proj.	2018-19 £m Est.	2019-20 £m Est.	2020-21 £m Est.	2021-22 £m Est.
4	Gross Debt & the CFR					
	Total Gross Debt	117.86	117.11	114.71	113.82	112.55
	Closing CFR (31 March)	170.80	173.72	173.09	171.50	173.10

As can be seen from the above table, the Council does not have any difficulty meeting this requirement in 2017-18 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	2017-18 £m	2018-19 £m	2019-20 £m	2020-21 £m	2021-22 £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	20	20	20
	Total	130	130	125	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.

No.	Prudential Indicators for Affordability	2017-18 Proj. %	2018-19 Est. %	2019-20 Est. %	2020-21 Est. %	2021-22 Est. %
7.	Estimate - Ratio of Financing Costs to Net Revenue Stream	4.79	4.55	4.70	4.67	4.80

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	2018-19 Est. %	2019-20 Est. %	2020-21 Est. %	2021-22 Est. %
8.	Estimate - Increase in Band D Council Tax as per Capital Programme	0	0	0	0

ANNUAL MINIMUM REVENUE PROVISION STATEMENT 2018-19

The Annual Minimum Revenue Provision Statement needs to be approved by Council before the start of each financial year. The MRP charges for 2018-19 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 2018-19 based on the estimated capital financing requirement is detailed below:-

	Options	Estimated Capital Financing Requirement 31-03-18 £m	2018-19 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)	122.19	4.88
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)	3.42	0.13
Unsupported capital expenditure, exercised under the Prudential Code (Unsupported)		26.95	1.55
PFI, Finance Leases and other arrangements PFI School Innovation Centre	(iii)	17.64 0.60	0.64 0.06
TOTAL		170.80	7.26

Schedule C

Credit Rating Equivalence Table

	Description	Fitch		Moody's		Standard & Poor's	
		Long	Short	Long	Short	Long	Short
INVESTMENT GRADE	Extremely strong	AAA		Aaa		AAA	
	Very strong	AA+	F1+	Aa1	P-1	AA+	A-1+
		AA		Aa2		AA	
		AA-		Aa3		AA-	
	Strong	A+	F1	A1	P-2	A+	A-1
		A		A2		A	
	Adequate	A-	F2	A3	P-3	A-	A-2
		BBB+		Baa1		BBB+	
		BBB		Baa2		BBB	
	SPECULATIVE GRADE	Speculative	BBB-	F3	Baa3		BBB-
BB+			B	Ba1	Not Prime (NP)	BB+	B
BB				Ba2		BB	
BB-		Ba3		BB-			
Very speculative		B+	C	B1	P-3	B+	C
		B		B2		B	
Vulnerable		B-	C	B3	Not Prime (NP)	B-	C
		CCC+		Caa1		CCC+	
		CCC		Caa2		CCC	
		CCC-		Caa3		CCC-	
Defaulting	CC	D	Ca	D	CC	D	
	C				C		
	D	D	C		D	D	

This page is intentionally left blank

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 fourth Equality Impact Assessment undertaken on the council's Medium Term Financial Strategy. Additionally, a detailed consultation exercise is undertaken annually 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 individual proposals will be better understood following the relevant consultation exercises 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 relevant 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>

<i>Pregnancy and maternity</i>			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 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.</p>
<i>Race</i>			X	<p>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 relevant consultation exercise to be undertaken with the public. Feedback and concerns regarding the proposed budget reductions may be gathered and subsequent mitigating actions considered.</p>
<i>Religion/belief</i>			X	<p>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:</p> <ul style="list-style-type: none"> ➤ 350 Buddhists; ➤ 270 Hindus; ➤ 500 Muslims; ➤ 33 Jews; ➤ 50 Sikhs. <p>The full impact of the budget restrictions is currently unknown however we</p>

				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 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 relevant 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.
Sexual orientation			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 relevant 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.
Civil Partnerships and Marriage			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. The provision of new capital investment in Welsh medium primary provision in the west of Bridgend through Band B of the 21st Century Schools Programme will have a positive impact 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 Consultation, Engagement and Equalities Officer.

Date: 8 December 2017

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

Full Equality Impact Assessment

Name of project, policy, function, service or proposal being assessed:	Medium Term Financial Strategy 2018-19 to 2019-20
Date assessment completed	08 December 2017

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 2018-19 and outline proposals for 2019-20 to 2021-22;
- The capital programme for 2018-19 to 2027-28, 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 2018-19 Revenue Settlement;
- Council tax proposals, and
- The Welsh Government Capital Settlement.

The Council's budget since 2014-15

Since 2014-15 the council's aggregate budget reductions have been £35.828 million:

EQUALITY IMPACT ASSESSMENT

APPENDIX I

2014-15	£11,274,000
2015-16	£11,225,000
2016-17	£7,477,000
2017-18	£5,852,000
	£35,828,000

Directorate budgets have been reduced as follows, with the overall impact against the previous year's budget and the total reductions against the 2013-14 budget shown as percentages. The annual budgets include any transfers into the settlement, and unavoidable pay and price and other pressures in these years:

	<u>2013-14</u> <u>Budget</u>	<u>2014-15</u> <u>Reductions</u>	<u>% of</u> <u>2013-14</u> <u>Budget</u>	<u>2014-15</u> <u>Budget</u>	<u>2015-16</u> <u>Reductions</u>	<u>% of</u> <u>2014-15</u> <u>Budget</u>	<u>2015-16</u> <u>Budget</u>	<u>2016-17</u> <u>Reductions</u>	<u>% of</u> <u>2015-16</u> <u>Budget</u>	<u>2016-17</u> <u>Budget</u>	<u>2017-18</u> <u>Reductions</u>	<u>% of</u> <u>2016-17</u> <u>Budget</u>	<u>Total</u>	<u>% of</u> <u>2013-14</u> <u>Budget</u>
	£000	£000	%	£000	£000	%	£000	£000	%	£000	£000	%	£000	%
Education and Family Support	23,993	2,878	12.0%	23,216	2,429	10.5%	21,654	976	4.5%	21,165	577	2.7%	6,860	28.6%
Schools	85,863	116	0.1%	84,452	170	0.2%	85,171	0	0.0%	87,073	869	1.0%	1,155	1.3%
Social Services and Wellbeing	62,598	3,799	6.1%	61,641	3,675	6.0%	61,057	3,007	4.9%	61,383	2,304	3.8%	12,785	20.4%
Communities	29,080	1,895	6.5%	26,941	2,621	9.7%	25,561	1,354	5.3%	24,871	746	3.0%	6,616	22.8%
Operational and Partnership Services	16,263	1,080	6.6%	16,379	899	5.5%	15,648	985	6.3%	14,951	535	3.6%	3,499	21.5%
Chief Executive's	4,380	471	10.8%	4,335	386	8.9%	4,071	217	5.3%	4,269	414	9.7%	1,488	34.0%
Corporate / Council Wide	33,690	1,035	3.1%	38,167	1,045	2.7%	39,039	938	2.4%	41,179	407	1.0%	3,425	10.2%
	255,867	11,274	4.4%	255,131	11,225	4.4%	252,201	7,477	3.0%	254,891	5,852	2.3%	35,828	14.0%

The **proposed budget reductions** / savings for 2018-19 have been distributed accordingly:

	<u>2017-18</u> <u>Budget</u>	<u>2018-19</u> <u>Proposed</u> <u>Reductions</u>	<u>% of</u> <u>2017-18</u> <u>Budget</u>
	£000	£000	%
Education and Family Support	21,159	630	3.0%
Schools	87,209	0	0.0%
Social Services and Wellbeing	64,809	350	0.5%

	<u>2017-18 Budget</u>	<u>2018-19 Proposed Reductions</u>	<u>% of 2017-18 Budget</u>
	£000	£000	%
Communities	23,795	1,454	6.1%
Operational and Partnership Services	15,358	848	5.5%
Chief Executive's	3,921	231	5.9%
Corporate / Council Wide	41,842	2,610	6.2%
	258,093	6,123	2.4%

These further proposed savings bring the total budget reductions made by Bridgend County Borough Council since 2014-15 to £41,951,000.

The above figures demonstrate the impact the council's budget reductions are having on the delivery of 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 reductions 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 proposed budget reductions up to 2021-22 was undertaken from 11 October 2017 to 3 December 2017. The consultation received 2619 interactions from a combination of the consultation survey, 9 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 9 community engagement events or, alternatively they could be sent directly to residents upon request in English or Welsh.

Twenty three 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 eleven 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. Increase in council tax
2. Which services to protect and cut
3. A removal of protected schools and social services budgets
4. Investment ambitions and improvements
5. Commercial opportunities
6. Willing and unwilling to accept higher charges for regulatory services
7. Back office administration
8. Leisure and Cultural services
9. Social services for adults and children
10. Education

Promotional tools and engagement methods

Details of the consultation were sent to:

- Bridgend business forum and business directory;
- Elected members;
- Town and Community Councils;
- Community groups – Men's Sheds and Bridgend Shout
- Workshops at Bridgend, Ogmere Vale life centres and Porthcawl Y centre.
- The Youth council
- Bridgend Equality Forum (BEF);
- all secondary and primary school head teachers and admin teams and

- local media outlets.

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

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 9,450 followers on its corporate Twitter account and 9,073 'fans' on its Facebook page and 316 on Instagram. 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' 117 times, and posted on Instagram three times and posted to Facebook eight times about the consultation. This content was seen 82,981,779 times and 106,649 times respectively. A live Twitter and Facebook Question & Answer session was held with the Chief Executive and Deputy Leader on 22 November. This event was promoted to generate awareness and interest and to encourage debate. The sessions invited questions which were themed around the consultation review. The Twitter account's tweets were seen 40,237 times on the day of the debate, an increase of 30.3 per cent from 30,880 last year. The Facebook session was seen 16,525 times, up by 46.2 per cent from 11,304 last year.

A digital and print advertising package was also run via Wales Online. This included four half page adverts in the Glamorgan Gazette – (19 October, 2, 16 and 30 November).

The digital promotion included four 'In Your Area' (Bridgend) takeover adverts on Wales Online website, which were run on alternate weeks to the print adverts in order to maintain the momentum. Additionally, 25,000 mobile overlays (digital adverts geo-targeted to Bridgend County Borough) were run from the 1 November to the 3 December. 6,252 of the 15,129 views of the consultation webpage were as a direct result of this promotion.

All information was also made available on the Bridgend County Borough Council website via the consultation webpages or by visiting www.bridgend.gov.uk/future.

Local press

A total of three media releases were issued to coincide with the start, middle and end of the consultation to raise awareness and encourage participation.

These were featured in the Glamorgan Gazette and at the Wales Online website on 19/21 October, 16 November and 30 November.

The coverage of 19 October incorporated a front page lead story and an internal feature in the Glamorgan Gazette, and the coverage of 21 October incorporated an online feature at the Wales Online news website.

The media releases were included at the media centre of the council's website and were promoted as the lead news story on its home page.

Information was also included in elected member's columns in local publications and included in Council announcements.

A digital and print advertising package was also run via Wales Online. This included four half page adverts in the Glamorgan Gazette – (19 October, 2, 16 and 30 November).

Members' budget workshops

37 councillors attended one of the two Members' budget workshops which were designed for councillors to participate in the budget survey. Councillors were then asked to discuss the most disputed outcomes 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 and options buttons to allow respondents to alter each budget. There were many qualitative sections within the survey which allowed respondents to suggest how the council can save money and create income in different areas.

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 twenty one 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.

Community engagement workshops

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

- Bridgend Life Centre
- Porthcawl Y Centre
- Ogmore Vale Life Centre

Attendance was particular low, with a total of three attendees.

In addition, presentations were given to the following community groups, with comments recorded

- Maesteg Men's sheds
- Bridgend Shout
- Bridgend Business Forum Speed Networking

- Bridgend Equality Forum (BEF)
- Youth Council

In total there were 192 attendees from these community groups

Other promotional/communication activities

- Posters promoting the budget survey were displayed in Civic Offices and distributed to libraries and life centres across the borough.
- Pull up banners were also displayed in the reception/waiting area of Civic Offices and business cards were handed out to customers with a link to the online survey. Paper copies of the survey were also available.
- Customers at the Civic Offices were also offered the opportunity to complete the survey with staff on an iPad.
- Details of the consultation were sent out to other contacts/databases including schools, Bridgend Business Forum members and the business directory, councillors and town and community councils.
- Adverts promoting the consultation were optional for staff to add to their email signatures files.

Response rate

There were a total of 2,619 interactions with consultees (equating to 1.83% of the county borough population). The response rate has been separated into:

- Shaping Bridgend's Future survey responses = 1172 (95%) online responses (5% offline);
- Youth survey = 121 (100%) online responses;
- Citizens' Panel survey = 318 (62%) online responses and 188 (38%) offline responses;
- Community Engagement Events =
 - Bridgend Life Centre= 1 interaction (0.1%)
 - Porthcawl Y Centre= 1 interaction (0.1%);
 - Ogmore Valley Life Centre= 1 interactions (0.1%);

- Elected Members’ workshop = 37 interactions (4.3. %);
- Social media Questions and Answer sessions = 226 interactions (26.4%);
- Social Media = 593 consultation interactions (69%).

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.

When looking at the age range of the respondents who answered the age category for the survey the results were below (not including accessibility survey due to the question not being asked):

Age	Shaping Bridgend’s Future survey	Citizens’ Panel	Youth survey	Total
Under 18	1	0	49	50
18 - 24	4	0	62	66
25 - 34	92	12	0	105
35 - 44	127	50	0	180
45 - 54	120	67	0	203
55 - 64	82	91	0	200
65 - 74	65	73	0	178
75+	17	19	0	80
Prefer not to say	6	3	10	25
Grand Total	514	315	121	1087

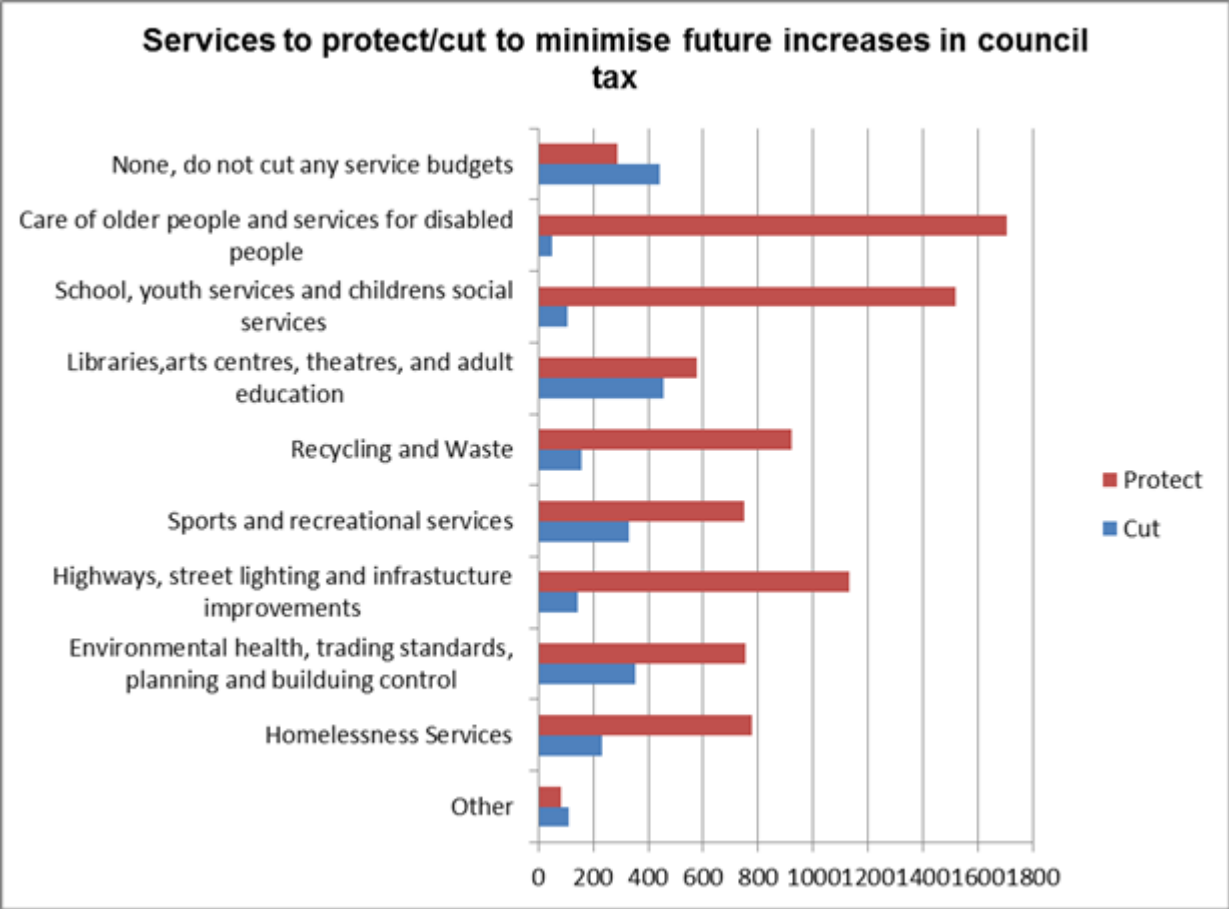
The data collection methods which include the various online surveys, paper surveys and a community engagement participation form were all developed using plain English to increase understanding.

Data validation measures have been undertaken to ensure that the same respondent could not submit more than one response by cross comparing the consultation response details with the Citizens' Panel respondent details. A sample of 1,858 is robust and is subject to a maximum standard error of $\pm 2.26\%$ at the 95% confidence level on an observed statistic of 50%. Thus, we can be 95% confident that responses are representative of those that would be given by the total adult population, if a census had been conducted, to within $\pm 2.26\%$ of the percentages reported. This means that if the total adult population of Bridgend had taken part in the survey and a statistic of 50% was observed, we can be 95% confident that the actual figure lies between 47.74% and 52.26%.

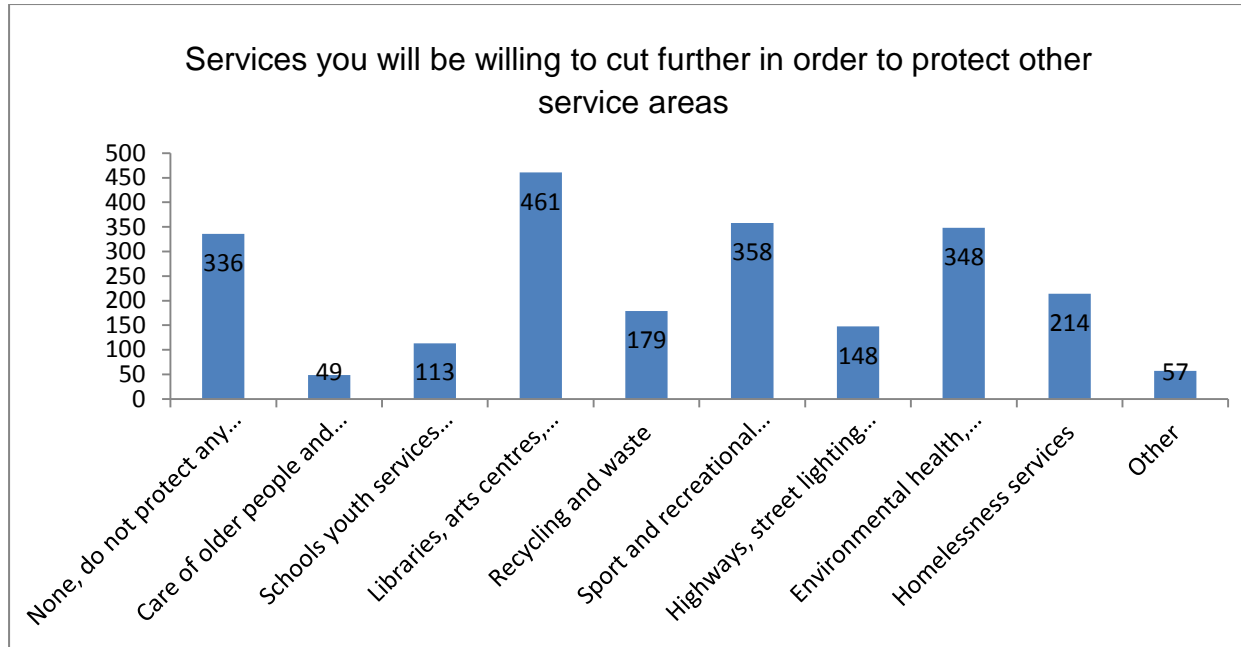
Services to cut and protect

Comparing the responses between services respondents want to protect verses what they are most willing to cut, 19% of respondents chose to cut 'libraries, arts centres, theatres and adult education' with only 7% choosing to protect this service. 18% opted to protect 'schools, youth services and children's social services' while only 4% are willing to cut the service. 20% of respondents wish to protect 'care of older people and services for disabled people' while only 2% want to cut the service.

The top three services to protect were 'care of older people and services for disabled people', 'schools, youth services and children's social services' and 'highways, street lighting and infrastructure improvement'. On the opposite side of the scale respondents top three services they were most willing to cut were; 'none', don't protect any services through council tax', 'libraries, arts centres, theatres and adult education' and 'environmental health, trading standards, planning and building control'.



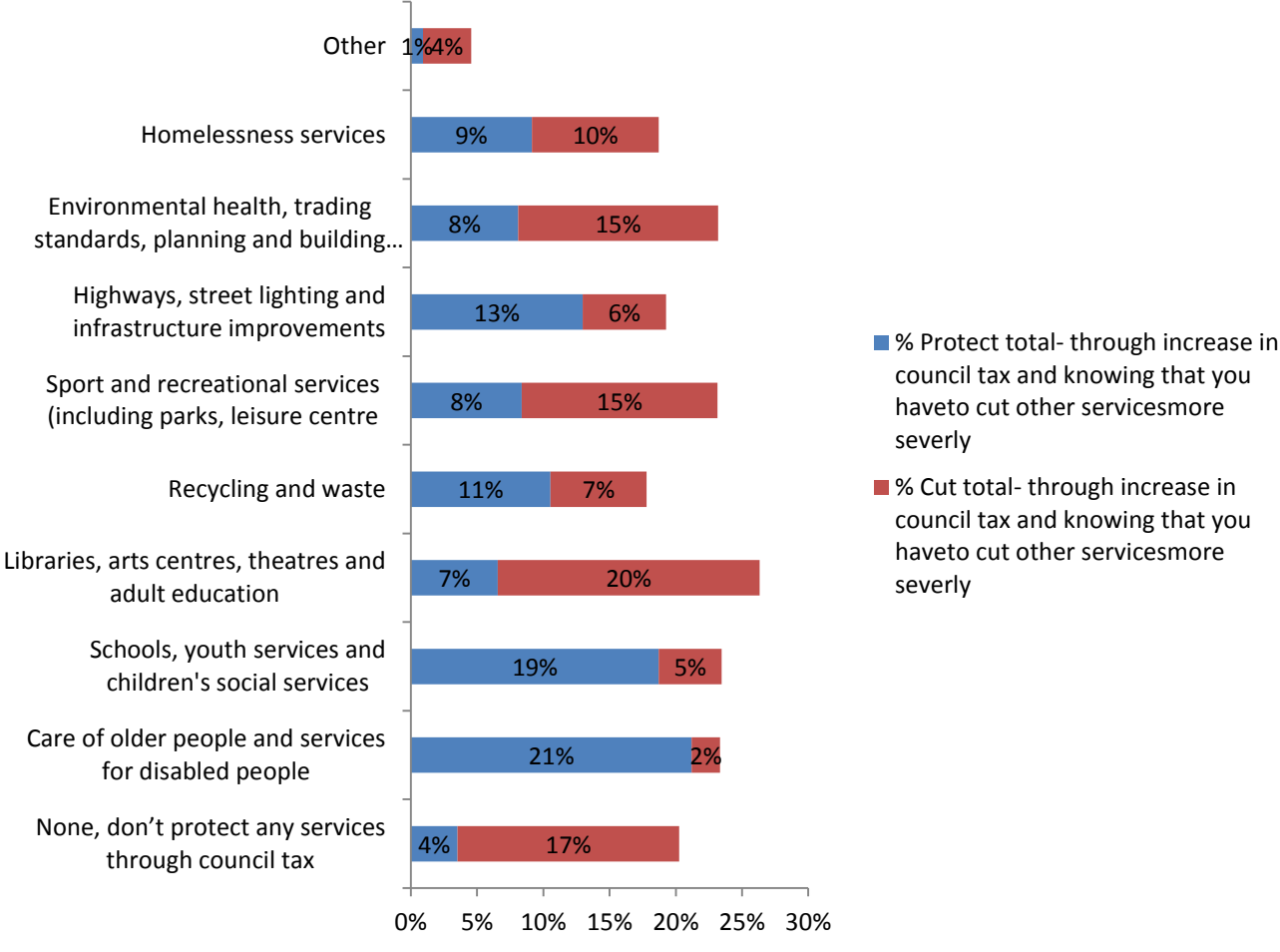
25% of respondents supported cutting 'libraries, art centres, theatres and adult education'; the second most favourable service to cut at 19% was 'sport and recreational services' (including parks and open spaces).



Within the questions ‘which services would you most wish to protect through increase in council tax’ and ‘which services would you wish to protect, knowing that you have to cut other services more severely to achieve this’ the most popular response was to protect ‘care of older people and services for disabled people’ and the second most popular service was ‘schools, youth services and children’s social services’. The least favourable service to protect was ‘not to protect any service budgets’.

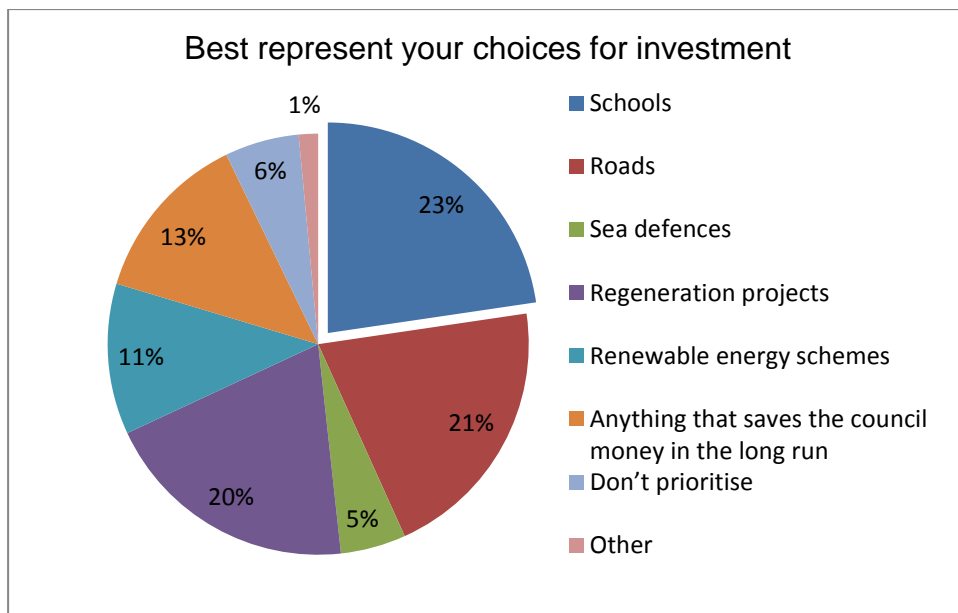
The most favourable option to cut in both questions is ‘libraries, art centres, theatres and adult education’ and ‘sport and recreational services’ (including parks and open spaces).

Protected services total compared to cut services total



Investment

Overall there were 3507 responses to this question including youth and accessibility. The most popular response at 23% thought 'schools' were their priority for investment. The second highest response was 'roads' with 21% followed by 'regeneration projects' with 20% of the responses. The lowest ranked as the respondent's priorities was 'sea defences' with 5% closely followed by 'don't prioritise' with 6% of the responses. The below chart shows the % of each response:



Out of total of 3507 respondents across the board, there was 7% response rate from the youths. With the 273 youth responses, 23% youth respondents believed that 'schools' were the most important factor that best represents their priorities for investment, with 21% responding that 'regeneration projects' were their second priority and 15% responses to 'roads'. There were a total of 124

responses from accessibility surveys, 18% of which chose ‘anything that saves the council money in the long run’ as being their priority for investment. This followed by 17% responses to ‘roads’ and 16% responses to ‘regeneration’ 1385 responses were received to the question ‘The council could increase its available funding for major investments either by:

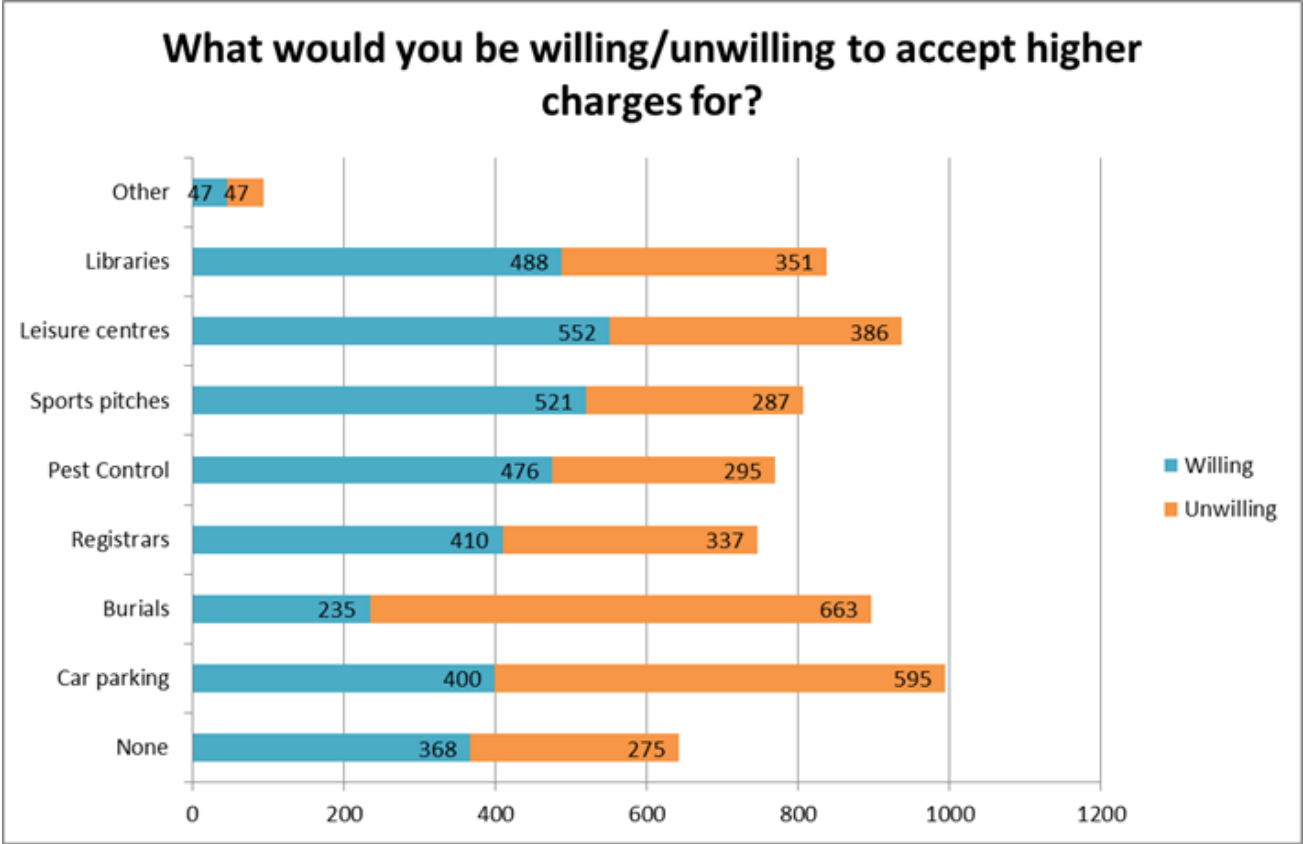
A) Reducing budgets for everyday council services

B) Borrowing money, which would require an increase in council tax to cover repayment costs in future years, 41% did not support either option. The lowest response rate was demonstrated by 249 responses (18%) for ‘only reducing service budgets’ to increase available funding for major investments.

	Online Survey	Paper surveys	Youth surveys	Accessibility survey	Total
Yes, do both	237	35	16	5	293
Only increase council tax	208	37	18	9	272
Only reduce service budgets	173	32	37	7	249
No, don't do either	406	85	50	30	571

Willing/ not willing to accept higher charges for

When comparing the two questions on what people would be willing and unwilling to accept higher charges for, the results were combined into the following graph, 'willing' (blue) and 'unwilling' (orange). From the graph, it is visible that to the most popular response was to accept higher charges for 'libraries', 'leisure centres' and 'sports pitches'. However they are unwilling to accept higher charges for 'burials' and 'car parks'.



Social Services for adults and children- to support people to be more self- reliant and therefore stay out of statutory services for longer.

Overall there were a total of 1389 responses, whereby 50% of respondents ‘agree this is the right approach and accept that this takes time’, 32% ‘agree with this approach, but social services must make the savings somehow to avoid other council services seeing further cuts’ and 18% ‘do not agree with this approach’. The below table demonstrates the figures on how people responded to the question across the different surveys. 49% of youth respondents ‘agreed with this approach, but social services must make savings’ compared to the majority of respondents who responded to the question via online, paper or accessibility, 95% ‘agreed this is the right approach and accept this takes time’.

	Online	Paper Surveys	Youth survey	Accessibility Survey	Total
I agree this is the right approach and I accept that this takes time	544	100	34	20	698
I agree with this approach, but social services must make the savings somehow to avoid other council services seeing further cuts	312	52	59	17	440
I do not agree with this approach	170	39	28	14	251
Grand Total	1026	191	121	51	1389

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
<p>Who do you need to consult with (which equality groups)?</p>	<p>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.</p>	<p>The approach adopted by the council is described in the paragraphs above.</p>
<p>How will you ensure your consultation is inclusive?</p>	<p>The council was mindful that different groups have different needs in terms of accessibility. The consultation was</p>	<p>The consultation methods comprised of hard copy materials in various font sizes, online methods for customers and citizens</p>

	<p>therefore carried out in as inclusive a manner as possible.</p>	<p>who wished to feedback in a digital 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.</p>
<p>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>	<p>The council's MTFS consultation ran from 12 October 2017 to 3 December 2017. 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>	<p>Please see the Consultation Report for full details of questions asked and actions.</p>

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	22 November 2017, St John's Day Centre, Bridgend, 9 people in attendance	Clicker pad presentation used	.
Twitter Debate	22 November 2017	As above	As above
Community event	15 November 2017, Bridgend speed networking business breakfast Heronston Hotel, Bridgend. 40 people in attendance	As above	As above
Facebook Q & A	22 November 2017	As above	As above
Community event	15 November 2017, Bridgend Shout (Over 50s group) Evergreen Hall, Civic Offices, Bridgend, 25 people in	As above	As above
Community event	30 November 2017, Shed quarters (Over 50s men's group) Maesteg , 12 people in attendance	As above	As above
Community event	Youth council, 25 people in attendance	As above	As above
Community event	23 November 2017 Bridgend Life Centre, 1 person in attendance	As above	As above
Bridgend Equality Forum	24 November 2017, Y Centre, Porthcawl, 1 person in attendance.	As above	As above
Community event	30 November 2017, Ogmores Valley Life	As above	As above

	Centre, 1 person in attendance		
Elected Members	26 October 2017 22 members in attendance and 9 November 2017, 15 members in attendance at the Civic Offices	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	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

	<p>undertaken with the public where feedback and concerns regarding the proposed budget reductions may be gathered and subsequent mitigating actions considered.” From the 2011 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, 853 people responded to the question regarding gender (not including 121 youth surveys) as follows:</p> <ul style="list-style-type: none"> ➤ Female – 443 ➤ Male – 397 ➤ Other – 2 ➤ Prefer not to say – 11 <p>Additionally, 804 people stated they had caring responsibilities, 5 women said they were pregnant and 2 had given birth in the</p>	<p>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>
--	---	--

	last 28 weeks.	
Disability	Impact or potential impact	Actions to mitigate
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).	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 1858 people responding to the consultation survey, 126 (6.7%) 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	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.

	mental health disabilities).	
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 – 465; ➤ English – 96; ➤ British – 264; ➤ Scottish – 8; 	<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"> ➤ Northern Irish – 1; ➤ Prefer not to say – 7; ➤ Other – 17. <p>In terms of ethnicity, the following data was captured:</p> <ul style="list-style-type: none"> ➤ White – 832 ➤ Mixed – 1 ➤ Asian – 2; ➤ Black – 1 ➤ Other – 3; ➤ Prefer not to say – 15 <p>We will continue to monitor the impact of our proposed budget reductions on this protected characteristic.</p>	
<p>Religion and belief</p>	<p>Impact or potential impact</p>	<p>Actions to mitigate</p>
<p>Identify the impact/potential impact of the service on people of different religious and faith groups.</p>	<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; 	<p>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</p>

	<ul style="list-style-type: none"> ➤ 33 Jews; ➤ 50 Sikhs. <p>From the consultation exercise, the following data was collected:</p> <ul style="list-style-type: none"> ➤ No religion - 343 ➤ Christian – 453; ➤ Buddhist – 2 ➤ Hindu – 1 ➤ Muslim – 1; ➤ Sikh- 1 ➤ Other – 24 ➤ Prefer not to say – 26 <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>	<p>informed decision based on a more focussed consultation and engagement exercise.</p>
<p>Sexual Orientation</p>	<p>Impact or potential impact</p>	<p>Actions to mitigate</p>
<p>Identify the impact/potential impact of the service on gay, lesbian and bisexual people.</p>	<p>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</p>	<p>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</p>

	<p>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 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 – 781 ➤ Gay man – 6 ➤ Gay women/lesbian – 5 ➤ Bisexual – 9; ➤ Other – 3; ➤ Prefer not to say - 42 	<p>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>
<p>Age</p>	<p>Impact or potential impact</p>	<p>Actions to mitigate</p>
<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 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); 	<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</p>

	<ul style="list-style-type: none"> ➤ 16 – 64 = 63.2% (88,316); ➤ 65+ 18.5% (25,852). <p>The budget proposals contain some 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 = 50 ➤ Age 18 – 24 = 66 ➤ Age 25 – 34 = 105 ➤ Age 35 – 44 = 180 ➤ Age 45 – 54 = 203 ➤ Age 55 – 64 = 200; ➤ Age 65 – 74 = 178 ➤ Age 75+ = 80 ➤ Prefer not to say = 25 <p>Grand total – 1087</p> <p>Some of the proposals could impact children's' social and educational</p>	<p>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>
--	---	--

	development and household incomes.	
Pregnancy & Maternity	Impact or potential impact	Actions to mitigate
Identify the impact/potential impact of the service on older people and younger people.	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:	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.

	<ul style="list-style-type: none"> ➤ Pregnant – 9 ➤ Given birth in the last 26 weeks - 2 	
Transgender	Impact or potential impact	Actions to mitigate
Identify the impact/potential impact of the service on people who identify as transgender.	<p>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 exercise the following data was collected:</p> <ul style="list-style-type: none"> ➤ Gender reassignment- 5 ➤ Prefer not to say - 12 	<p>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.</p>
Marriage and Civil Partnership	Impact or potential impact	Actions to mitigate

<p>Identify the impact/potential impact of the service on marriage and civil partnerships.</p>	<p>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.”</p>	<p>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.</p>
--	---	--

In summary, Bridgend County Borough Council has, since 2011-12, made budget reductions of nearly £52 million and will need to make additional budget reductions over the next four years. An existing budget reduction of over £52 million comprises approximately one fifth of the council’s net revenue budget. Additionally, the council expects to downsize 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. Data validation measures have been undertaken to ensure that the same respondent could not submit more than one response by cross comparing the consultation response details with the Citizens’ Panel respondent details. A sample of 1,858 is robust and is subject to a maximum standard error of ±2.26 per cent at the 95 per cent confidence level on an observed statistic of 50 per cent. Thus, we can be 95 per cent confident that responses are representative of those that would be given by the total adult population, if a census had been conducted, to within ±2.26 per cent of the percentages reported. This means that if the total adult 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 47.74 per cent and 52.26 per cent.

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	840	397	47%	443	52%	2	0%	11	1%

Disability

Source	Total	Disabled no.	Disabled %
Census 2011	139,740	18,796	13.5%
Consultation	858	138	16%

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	854	832 (97.4%)	1 (0.1%)	2 (0.2%)	1 (0.1%)	3 (0.4%)	115 (1.8%)

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	851	2 (0.2%)	1 (0.1%)	1 (0.1%)	0	1 (0.1%)	453 (53.2%)	343 (40.3%)	50 (5.9%)

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	846	781 (92.3%)	6 (0.7%)	5 (0.6%)	9 (1.1%)	3 (0.4%)	42 (5.0%)

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	1,087	50 (4.6%)	66 (6.1%)	105 (9.7%)	180 (16.6%)	203 (18.7%)	200 (18.4%)	178 (16.4%)	80 (7.4%)	25(2.3%)

Pregnancy and maternity

Source	Total	Pregnant	Given birth in last 26 weeks
Census 2011	N/A	N/A	N/A
Consultation	10	9	1

Gender reassignment

Source	Total	Transgender
Census 2011	N/A	N/A
Consultation	849	5

Marriage and civil partnerships

Source	Total	Breakdown
Census 2011	Nil	N/A
Consultation	852	Single: 92 Divorced: 56 Widowed:54 Civil partnered: 3 Married: 539 Partnered: 87 Prefer not to say: 21

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
<p>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.</p>	<p>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 relating to fluency in the Welsh language has been captured:</p> <ul style="list-style-type: none"> ➤ Speak Welsh fluently = 40; ➤ Read Welsh fluently = 42 and ➤ Write Welsh fluently = 33 <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>	<p>Respondents to the consultation survey were asked for their language of choice. 1,848 (99.4%) stated English and 10 (0.6%) stated Welsh.</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 children’s’ 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
<p>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.</p>	<p>From a children’s perspective (including children with disabilities), some of the budget proposals could negatively impact children’s 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.</p>

<p>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.</p>	<p>Please see above</p>
<p>Article 21: When children are adopted, the first concern must be what is best for them.</p>	<p>Please see above</p>
<p>Article 23: Children who have any kind of disability should have special care and support so that they can lead full and independent lives.</p>	<p>Please see above</p>
<p>Article 25: Children who are looked after by their local authority rather than their parents should have their situation reviewed regularly.</p>	<p>Please see above</p>
<p>Article 28: Children have a right to an education. Discipline in schools should respect children’s human dignity</p>	<p>Please see above</p>
<p>Article 29: Education should develop each child’s personality and talents to the full.</p>	<p>Please see above</p>
<p>Article 31: All children have a right to relax and play and to join in a wide range of activities.</p>	<p>Please see above</p>
<p>Article 33: We should provide ways of protecting children from dangerous drugs.</p>	<p>Please see above</p>
<p>Article 34: We should protect children from sexual abuse.</p>	<p>Please see above</p>

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	Relevant Corporate Director / Head of Service with support and advice from the	Prior to submission of reports to Cabinet and/or Council on Medium Terms Financial Strategy	Support and advice from the Consultation and Engagement Team (consultation and	Each relevant service area

meaningful and robust Equality Impact Assessment on each proposed Budget Reduction.	Consultation and Engagement Team (consultation and equalities)	reductions.	equalities).	
---	--	-------------	--------------	--

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

Gill Lewis, Interim Section 151 Officer and Head of Finance

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: 

Date: 10/01/18

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.

This page is intentionally left blank

CABINET RESPONSE TO CRI OVERVIEW AND SCRUTINY COMMITTEE ON BUDGET ISSUES

	BREP/Scrutiny Recommendation	Cabinet Response
	BREP Budget Recommendations	
1	It is recommended that Cabinet support the proposal to provide match funding for a strategic co-ordinator role between TCCs and the LA, to take forward joint working following clarification of sufficient uptake by TCCs.	This would need to be considered as part of an overall review and strategy moving forward aligned to policies such as community asset transfer, and consideration would also need to be given to ensuring that all relevant Council departments are resourced to respond to opportunities for joint working rather than just employing a coordinator, or in isolation such a post is likely to lead to increased expectations but potential frustration if they cannot be progressed. A review of roles and responsibilities of each party will be required.
2	The Panel recommend that the projected overspend for Social Services for 2017-18 that will roll over for 2018-19 should be made clearer in the final budget report to Council and Cabinet so that it is fully understood that their current projected budget savings for 2018-19 actually equate to around £2.2m, not the £350,000 it appears from the individual budget proposals.	The MTFS makes it clear that all overspending services need to make those savings to restore the budget to balance.
3	The Panel recommend that in order for the Festival of Learning event to be funded, it must evidence clear measureable outcomes towards raising education standards. The Panel further recommend that Scrutiny receive detail of this for information as well as specifics of what the teachers will provide at the event to offer more of an understanding of the structure and content of the event.	Cabinet has already accepted this approach as part of the budget pressure submission. Officers will ensure a report is available for Scrutiny by Friday 2 March 2018. The report will provide a summary of activity to date and a suite of projected outcomes.

CABINET RESPONSE TO CRI OVERVIEW AND SCRUTINY COMMITTEE ON BUDGET ISSUES

	BREP/Scrutiny Recommendation	Cabinet Response
4	The Panel recommend that the Directorate pursue sponsorship from local businesses and Bridgend College to fund the Festival of Learning. The Panel recommend that schools select a broad range of pupil representation to partake in the event to ensure there is a variety of views being incorporated.	The issues of inclusivity and sponsorship to mitigate the costs have already been accepted by Cabinet as part of the initial budget pressure proposal, and Cabinet would thank scrutiny for endorsing this approach. There is a commitment to a broad range of pupil representation. Officers are currently working with Central South Consortium and Bridgend College with a view to reducing the cost of the week-long event. Local businesses have not, as yet, been approached re financial support. We will ensure that the views of learners from all schools (and the pupil referral unit) are used to inform the event.
5	The Panel applaud the leadership approach and innovation being introduced within the OAPS Directorate but recognise and recommend the need to be vigilant to that fact that further cuts in this area can have a significant impact on frontline services across the LA.	Cabinet accepts the recommendation.
BREP Future Budget Planning		
6	The Panel recommend that Corporate Leadership is enhanced to bring Directorates together and ensure collaboration within and across all Directorates. Members further proposed that future quarterly reviews through Corporate Performance Assessments look to incorporate Scrutiny representation.	Cabinet have agreed that scrutiny chairs attend CPA. This is to avoid duplication and to help scrutiny agenda planning complement the existing performance management regime. Collaboration within and between directorates is well developed as evidenced through things like the early help and safeguarding board (co-chaired by two directors and bringing services together), CPA (chaired by the Chief Executive and bringing all directors and heads of service together) and a number of corporate groupings that are populated with managers from across the organisation such as health and safety, web redesign etc. However this is something that we need to continue to develop further in order to keep supporting our goal of working as one council. The Chief Executive is reviewing the arrangements for senior management group development and is giving consideration to opportunities to strengthen corporate leadership through the senior management structure review.

CABINET RESPONSE TO CRI OVERVIEW AND SCRUTINY COMMITTEE ON BUDGET ISSUES

	BREP/Scrutiny Recommendation	Cabinet Response
7	The Panel recommend the need for the Authority to adopt a Corporate approach in relation to Home to School Transport maximising the LA's minibuses such as those used for day centres. It is proposed that this be supported by slightly amending the opening and closing times of day centres so that the buses can be available for school transport. Other aspects that could be considered include the exploration of whether school staff could transport children and young people instead of hiring independent drivers.	<p>Much of this has been explored already and it is evident that there are significant operational and policy problems in trying to progress this. However, Cabinet will consider extending any existing fleet review into a whole Council review with the view to fully utilise the resource we have. Furthermore the balance between effort and resource required to implement change in this area needs to be proportionate to the savings that may be made. Members should note that we have, and continue to, direct our change resource to bigger targets such as social services remodelling, post-16 review and the digital programme.</p> <p>Specifically, day services have been subject to a recent review which has included changes to transport arrangements. Further changes incorporating schools is very complex however every opportunity will be taken to continue to maximise transport resources in the future.</p>
8	The Panel recommend that there needs to be a cultural shift in the way the LA works with TCC with clear strategic leadership backed by Cabinet Support. As part of achieving the Corporate Priority 'Supporting a Successful Economy', there needs to be emphasis on maintaining neighbourhood services to help ensure attractiveness for future investment.	See response to Recommendation 1.
9	The Panel recommend that to ensure effective collaborative working between the LA and TCCs there needs to be a dedicated officer to drive it from the LA, similar to the role that is in place for CATs. The Panel propose also introducing Service Level Agreements between both parties to ensure the required support is in place.	See response to Recommendation 1.

CABINET RESPONSE TO CRI OVERVIEW AND SCRUTINY COMMITTEE ON BUDGET ISSUES

	BREP/Scrutiny Recommendation	Cabinet Response
10	The Panel recommend that a scoping exercise be undertaken to explore the possibility of TCCs buying in various services from the LA. This exercise needs to take into account the cost of TCCs buying directly from the LA compared with TCCs employing their own staff which would incorporate on-costs including training and health and safety.	See response to Recommendation 1.
11	The Panel recommend that TCCs be provided with an accurate, up to date detailed list of available assets before their precepts are set in November/December and ensure the list is maintained regularly to illustrate when assets are no longer available.	See response to Recommendation 1.
12	Members recommend that a definitive deadline be provided in relation to the Community Asset Transfer process outlining when the Council would no longer support the Asset or service.	Cabinet recognise that sometimes a more definitive deadline would be helpful in promoting Community Asset Transfer and are currently considering options with regard to a review of Parks and Playing Fields in particular.
13	The Panel recommend a review be undertaken to consider how other LAs within Wales work with the police in relation to community policing. Members propose that the LA look to adopt similar processes as the likes of Cardiff and Neath Port Talbot in relation to the roles and responsibilities between the Authority and the Police and also how they respond to instances such as lane clearance in un-adopted areas.	The Leader and Chief Executive will explore this suggestion through their existing and regular liaison with the Police and Crime Commissioner, Chief Constable and local BCU command structure.

CABINET RESPONSE TO CRI OVERVIEW AND SCRUTINY COMMITTEE ON BUDGET ISSUES

	BREP/Scrutiny Recommendation	Cabinet Response
14	<p>The Panel recommend that schools are encouraged to look at all aspects for savings and income generation such as halls and sports facilities etc, with detail of this included in their school plans. This will not only assist local communities but will also help minimise the impact of potential future budget savings possibly being introduced for schools in forthcoming years.</p>	<p>Cabinet recommend that BREP undertake a thorough review of all fees and charges to inform next year's MTFS.</p> <p>Schools are supported to exploit commercial opportunities wherever possible. That said, significant work has been undertaken by Bridgend and other local authorities in respect of income generation, and the outcomes have been variable. We will address this issue with Headteachers in future Bridgend Association of Secondary Headteacher and Primary Federation meetings.</p>
15	<p>With reference to income generation from schools facilities, Members recommend that a standardised fee programme is introduced and provided to head teachers as a guideline to proposed fees. This needs to take into account the charges of other local facilities within the County Borough to ensure they are competitive.</p>	<p>See response to Recommendation 14. Officer will discuss this recommendation with Headteacher colleagues and will develop a summary report to assist further exploration of this issue.</p>
16	<p>It is recommended that schools take account of the ongoing maintenance costs of their facilities when considering income generation and that the two are linked in school maintenance plans. This will ensure schools are taking into account long term planning for future replacement of such things as pitch surfaces.</p>	<p>Cabinet accepts the recommendation. Officer will work with schools to ensure they are aware of this requirement and maintenance plans are updated accordingly. This is a feature of the new corporate landlord model. The long term considerations of school based assets remain a partnership activity between schools and the council as the owner of these assets.</p>

CABINET RESPONSE TO CRI OVERVIEW AND SCRUTINY COMMITTEE ON BUDGET ISSUES

	BREP/Scrutiny Recommendation	Cabinet Response
17	<p>Following discussion over the Schools Music Service and with reference to possible future budget pressures within schools, the Panel recommend that as the Music Service is a select service, that its allocated funding be removed in favour of retaining key school staff. The Panel further proposed that the funding be subsidised by the child’s parents, by way of means testing.</p> <p>The Panel further recommend that when the above proposal is considered the following points are taken into account:</p> <ul style="list-style-type: none"> • What level of music service provision is mandatory; • What service provision is each school providing; • How many pupils are currently paying for music provision • Equality Impact Assessment. 	<p>The School Music Service has recently been reviewed and substantial savings have already been made. Parents currently subsidise through their “friends” organisation.</p> <p>Cabinet considers means testing to be detrimental to the children accessing the service from disadvantaged and lower-income backgrounds. Cabinet further considers that the administration of this testing would be significantly disproportionate to the cost of the service.</p>
18	<p>The Panel recognise that it is sometimes more straight forward to introduce change in some Directorates than others, however recommend that there needs to be more Transformational Leadership and culture change across the LA, thus ensuring that long term, realistic planning and change is clearly conveyed and understood by staff at all levels and that future needs, both budgetary and service, can be met.</p>	<p>The Corporate Management Board oversees a change programme that encompasses changes within individual directorates (Such as social services remodelling) and those that stretch across all directorates (such as the digital programme).</p> <p>The existing proposals for restructure within the Operational and Partnership Services Directorate are a component intended to bring together some of the key disciplines required to drive aspects of culture change such as communications and customer service. This direction of travel is to be built upon as part of the Chief Executive’s review of senior management structure.</p>

CABINET RESPONSE TO CRI OVERVIEW AND SCRUTINY COMMITTEE ON BUDGET ISSUES

	BREP/Scrutiny Recommendation	Cabinet Response
19	The Panel recommend that a review be undertaken of how the budget is presented to ensure that Members and the public are able to fully understand the implications of the proposals being put forward. The Panel further propose that this review include the input of Members and consider how the budget is presented in other LAs.	Cabinet recommends that BREP undertake a review on the presentation of the budget in 2018/19
	Comments from Individual Overview and Scrutiny Committees	
20	The Committee recommend that the Authority lobby Welsh Government to consider longer term budget planning to enable Local Authorities to better plan for the future and have security of funding for projects and priorities.	The WLGA has consistently over a long period of time worked with local authorities to lobby for long term budgets. Cabinet accepts the recommendation and will continue to lobby for this.
21	The Committee recommend that the Authority ensure that strong links are made between any future investment for schools and the current and future Local Development Plan with closer working relationships with all those involved. This is in line with the requirements of the Wellbeing and Future Generations (Wales) Act in terms of how decisions taken now should be taking account of the longer term impact on future generations.	<p>Cabinet accepts the recommendation. Please note however that there are already strong working relationships between relevant officers in the planning department and in Education. The School Modernisation Team liaises closely with Planning and the housing development schedule is incorporated into the pupil projections for each school. Band B proposals are informed by knowledge of housing developments currently under construction and future planned developments. Officers will continue to work closely on this key issue. The Council is embarking on a full review of the LDP. This will be addressed within the bounds of the LDP process.</p> <p>Cabinet is confident that the LDP Steering Group will take on board these recommendations during the review.</p>

CABINET RESPONSE TO CRI OVERVIEW AND SCRUTINY COMMITTEE ON BUDGET ISSUES

	BREP/Scrutiny Recommendation	Cabinet Response
22	The Committee recommend that early and serious consideration be given to the proposals for future Education cuts of a 1% efficiency saving from 2019-20 onwards including evidence of potential impact and how schools and the Local Authority can plan to minimise this impact on schools, staff and most importantly on pupil performance.	<p>Cabinet seeks clarification on this recommendation, and would recommend that BREP considers this in-depth to inform next year's MTFS.</p> <p>Discussions are already underway with schools to ensure that they plan ahead. It is worth noting that 52.5% of schools are projecting a deficit balance at year end (with an overall school budget deficit of £1.16m). While further efficiency savings may be necessary, the impact of this proposal will be considered in full and brought forward for debate.</p>
23	Due to the issues in achieving income generation due to the Welsh Government cap of £70 per week for non-residential care, the Committee recommend that Cabinet lobby Welsh Government to consider the possibility of introducing a means tested cap that takes into account people who are able to pay supplementary monies."	This is current Government policy. The Council will continue to engage in discussions with Welsh Government and as a result of ongoing representations by the WLGA understands that the cap is projected to rise in the coming years.

CABINET RESPONSE TO CRI OVERVIEW AND SCRUTINY COMMITTEE ON BUDGET ISSUES

	BREP/Scrutiny Recommendation	Cabinet Response
24	<p>The Committee expressed concerns over the proposals for the removal of subsidised bus services (COM 27), particularly given the fact that bus companies themselves are cutting their own routes and that the Authority’s own proposals for service cuts have not yet gone out for public consultation. The Committee therefore recommend:</p> <ul style="list-style-type: none"> a) Prior to any decision being made on the routes being cut, Cabinet also receive information on what routes bus companies themselves are cutting in order to understand the overall impact of the combined route reductions; b) That no decision is made regarding the proposed budget cuts to the service until public consultation has been completed; <p>The Committee also requested that Scrutiny get the opportunity to receive an item on the proposals and the outcome of Consultation for the removal of subsidised bus services as a pre-decision item before going to Cabinet.</p>	<p>Cabinet have already agreed to a public consultation on subsidised bus services which will take place in the Spring. This together with intelligence on what routes the bus companies are themselves intending cutting will inform a future cabinet report prior to any final decisions on budget cuts. If the timing of the relevant scrutiny committee meeting is appropriate Cabinet supports the proposal that a paper be brought there as a pre – decision item.</p>

CABINET RESPONSE TO CRI OVERVIEW AND SCRUTINY COMMITTEE ON BUDGET ISSUES

	BREP/Scrutiny Recommendation	Cabinet Response
25	In relation to COM1, the Committee recognise the work being undertaken to look at various options for public conveniences such as the comfort scheme and the possibility of Town and Community Councils taking these on. However given the focus of this Authority to improve our towns and encourage the public back into them, together with the view that public toilets are an essential necessity, the Committee recommend that no cuts are made to public conveniences within the Local Authority.	The Communities Directorate are working with stakeholders and other providers to find alternative ways of delivering this service.
26	The Committee made comment on the management savings being put forward by the Communities Directorate and the fact that these are not reflected in other Directorates. In light of sharing the burden of the budget cuts, the Committee recommend that other Directorates also look towards management efficiency savings.	All directorates have made and continue to make managerial savings. It is a false assumption that such savings are only being made in one directorate.
27	The Committee recommend that instead of disposing of the councils land and selling it off, the Authority look at the potential for revenue through development. One suggestion was the need for increased properties for small businesses in the County Borough. Members also recommend considering what land development and income generation other Local Authorities have achieved to determine what areas have been successful.	This is a matter that is being considered by the new corporate landlord service with specific choices over revenue or capital generation through property assets being taken on a case by case basis. However, Cabinet does note that the 21 st Century School Modernisation Programme was only achievable through Capital Receipts from the sale of Council land, and thus the right balance needs to be achieved,

CABINET RESPONSE TO CRI OVERVIEW AND SCRUTINY COMMITTEE ON BUDGET ISSUES

	BREP/Scrutiny Recommendation	Cabinet Response
28	The Committee recommend that the £40,000 reduction proposed for third sector support for with Community Asset Transfer (CAT) be removed given the impact this will have on achieving the savings required from CATs.	Cabinet does not accept that reducing this particular area of support will impact on savings achieved from CAT. It is intended however to review and refresh the CAT process, including support to third sector organisations, as part of a programme of work to review the effectiveness of CAT over the last two years and ensure it is fit for purpose moving forward.
29	The Committee did not support the discretionary growth items of £500,000 for schools to replace the Welsh Government reduction in the Education Improvement Grant and the £65,000 proposed for the week long 'Festival of Learning'. At a time of austerity and serious budget cuts the Committee views that these budget growths should not be supported and the money could be better spent elsewhere in the Authority. Should the 'Festival of Learning' continue to take place, the Committee recommend that it be held in school holiday time so as to reduce the costs for providing teacher cover.	<p>Cabinet do not accept this recommendation.</p> <p>Council agreed that the budget for schools would be maintained in 2018/9.</p> <p>Removal of this sum of money would adversely affect school improvement.</p> <p>As noted in the response to Recommendations 3 and 4 above, Officers are currently in discussion with partners to mitigate the (financial) risk associated with holding the week-long professional development and learner engagement event. The report to Scrutiny at the start of March will provide further detail.</p> <p>Officers do not recommend that the event is held in school holiday time as this will inevitably significantly reduce teacher involvement and learner engagement.</p>
30	The Committee recommend that the Authority explore further whether there are greater opportunities for collaborative working for Community Services in order to achieve savings and at the same time improve these services.	The Authority will continue to explore collaborative working opportunities where they make sense in terms of preserving valuable public services, cost savings, greater efficiency or enhanced resilience.

CABINET RESPONSE TO CRI OVERVIEW AND SCRUTINY COMMITTEE ON BUDGET ISSUES

	BREP/Scrutiny Recommendation	Cabinet Response
31	<p>Whilst not wishing to make cuts to Education and Schools and likewise Social Services, the Committee believe that with such large budgets there have to be efficiency savings within these Directorates that could assist with sharing the burden of the Authority's budget cuts. It is therefore recommended that where the Committee have concerns around cuts within the Communities budget, such as those mentioned above such as public conveniences and CATs, the Authority instead look to these other Directorates to make up these savings proposed.</p>	<p>Cabinet does not accept that no efficiencies have been made in other directorates, and notes that £35.8m savings have been made across the Authority since 2014-15. However, Cabinet will look to BREP to take a more proactive role in balancing competing demands for resource.</p>

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>If the council fails to achieve planned budget reductions through service change and new ways of working then the strain on budgets may become unsustainable compromising the council's financial resilience in the longer term.</p>	<p>A failure to deliver the MTFS could necessitate the unplanned use of reserves or cuts to services that put vulnerable people at risk.</p> <p>Demand led pressures in social services and education budgets take up an increasing proportion of total budget necessitating cuts elsewhere.</p> <p>A worsening public realm and an increase in citizen dissatisfaction as Council Tax increases but visible services decrease.</p> <p>Reductions in services important to economic growth and those which are preventative in nature.</p> <p>More difficult political choices as potential budget reductions that have previously been rejected have to be revisited.</p> <p>A reduction in the number of staff with the accompanying cost of redundancy payments and increasing pension deficit.</p> <p>Financial pressures on external service providers become unsustainable.</p> <p>An inability to respond to legislative change.</p>	<p>Likelihood - 6</p> <p>Impact - 4</p> <p>Total - 24</p>	<p>The council has a track record of delivering transformational change and budget reductions.</p> <p>The final settlement from WG of an increase of 0.1% in AEF, (a like for like reduction of 0.25% when new responsibilities are taken into account), compares favourably to the -1.0% "best" assumption in the draft MTFS for 2018-19.</p> <p>WG has provided an indication of funding levels for 2019-20. This is reduction of -1%. Knowing this will aid planning.</p> <p>Council tax will increase during 2019-22. The assumed annual increase is 4.5%</p> <p>There is an ever increasing focus on the corporate priorities and the communities and individuals with the greatest needs.</p> <p>The development of the MTFS 2018-19 to 2021-22 is led by Cabinet and CMB and takes into account Auditors views and the Budget Research and Evaluation Panel.</p> <p>The council will work as "one council working together to improve lives". Duplication and double handling of data will be avoided where possible.</p> <p>The Council continues to manage its resources very carefully, in accordance with MTFS principles, and make difficult spending decisions.</p> <p>The Council has expanded the budget development process to more proactively consider how the Council might respond to different settlement scenarios.</p> <p>Public consultation helps shape the direction of the budget.</p> <p>The way that staff work will change. The ICT strategy prioritises the delivery of agility with more staff working remotely. There will also be a transformational shift towards digital access to services.</p> <p>The Council will support communities to create their own solutions. This includes finding the best management arrangements for property assets such as Community Asset Transfer.</p> <p>Delivery of the MTFS will be supported by the disposal of assets. £5.2m should be realised over the period 2018-20.</p> <p>The Council is bringing together its asset management and building maintenance functions, and centralising all premises repairs, maintenance and energy budgets into a single 'corporate landlord'</p>	Head of Finance	<p>Likelihood - 5</p> <p>Impact - 4</p> <p>Total - 20</p>

Priority Theme	Risk Description	Potential Impact	Inherent Risk Score	Risk Reduction Measures	Risk Owner	Residual Risk Score
				<p>service. This will better enable the council to manage compliance, embed 'whole life costing' approaches into decision-making, manage the quality of work undertaken by contractors, and thereby deliver efficiencies in the management of our estate.</p> <p>The application of the corporate income generation policy. Generally fees and charges will increase by CPI plus 1%. Also the Council is undertaking a review of its commercial property portfolio, to identify ways of increasing income through more intensive management and investment approaches.</p>		
<p>Helping people to be more self-reliant</p> <p>Smarter use of resources</p>	<p>Supporting vulnerable children, young people and their families:</p> <p>If the Council in conjunction with partners does not transform services it will not be able to provide quality care to vulnerable children, young people and their families in the face of increasingly complex needs, stretched budgets and a changing organisational and legislative / regulatory environment.</p>	<p>The safety and physical and mental health of children and young people might be compromised as they are exposed to adverse childhood experiences.</p> <p>Children and young people may not thrive. They may not be confident and caring throughout their lives, exercising responsibility and knowing and receiving their rights.</p> <p>As adults they may not contribute to society and be economically active.</p> <p>Patterns of behaviour, such as poor parenting will be repeated in subsequent generations.</p> <p>Costs will outstrip the resources available as old patterns of care continue in the face of increasing need,</p> <p>The reputation of the council will suffer if it fails children and the community and does not implement the Social Services & Wellbeing Act (Wales) 2014.</p> <p>Resources that could be used elsewhere are used to manage the transition of Bridgend locality to Cwm Taf</p>	<p>Likelihood - 6</p> <p>Impact - 4</p> <p>Total - 24</p>	<p>The council will reduce adverse childhood experiences and demand on services by investing in early help and intervention programmes. A Remodelling Board oversees the planning of new models of service delivery.</p> <p>The Social Services and Wellbeing (Wales) Act 2014 has been implemented and training has been carried out to ensure that the Council meets its duties.</p> <p>The Child Protection Register and Looked After Children fluctuate, but are subject to robust monitoring.</p> <p>The Council strives for stability and permanence for Looked After Children, bringing more back to the County so that they are nearer their homes in lower cost safe environments. The Remodelling of Children's Residential Services will create flexible placement options in line with each persons assessed need.</p> <p>There is an earmarked reserve for Looked After Children that supports the service area</p> <p>The council will deliver both the Early Help and Intervention Strategy and the Placement and Permanency Strategy to vulnerable groups.</p> <p>Early Help locality hubs work with families in a joined-up way.</p> <p>There are strong link between children's social care and early help and intervention services. A multi-agency safeguarding hub is being developed to improve outcomes.</p> <p>The Council ensures that robust mechanisms are in place to identify and provide appropriate services to children at risk from child sexual exploitation.</p> <p>The Council is continuing to provide good information, advice and assistance.</p> <p>Services are developed which will help children transition into adulthood.</p>	<p>Corporate Director</p> <p>Social Services and Wellbeing</p> <p>Corporate Director</p> <p>Education and Family Support</p>	<p>Likelihood - 5</p> <p>Impact - 4</p> <p>Total - 20</p>

Priority Theme	Risk Description	Potential Impact	Inherent Risk Score	Risk Reduction Measures	Risk Owner	Residual Risk Score
				<p>There are ongoing discussions with Cwm Taf, other stakeholders, Councillors and members of staff around the move of the Bridgend locality of ABMU.</p> <p>The service is working hard on absence management and the retention of staff.</p>		
Supporting a successful economy	<p>Maintaining infrastructure:</p> <p>If there is not increased investment in the highway network there will be more roads in poor condition, more repairs being required in the future and the Council might fail to meet its statutory obligations.</p>	<p>The % of roads that are in a poor condition will increase. Currently 31.3% of roads are in need of maintenance. This is projected to increase to 62.2% in 20 years time.</p> <p>Over the next decade an extra £20 million is required to maintain current standards.</p> <p>Increased third party liability claims. The change in the discount rate means that future catastrophic injury claims will be much larger.</p> <p>An increased likelihood of corporate manslaughter charges.</p> <p>Increased complaints from citizens as they suffer damage/injury.</p> <p>Inefficient use of resources. Reactive repair are more expensive than planned maintenance.</p>	<p>Likelihood - 5</p> <p>Impact - 4</p> <p>Total - 20</p>	<p>The council has a good understanding of the condition of the Highway and where investment is best targeted.</p> <p>The highway will be kept safe to use by the proactive system of highway inspections that is in place and by responding positively to complaints from members of the public. This is supplemented by digital scanning of the highway and skid resistance testing.</p> <p>The Council's Highways Asset Management Plan provides information to assist the Council in considering the highway asset risk and apportion funding from the Council's budget strategy.</p>	<p>Corporate Director</p> <p>Communities</p>	<p>Likelihood - 5</p> <p>Impact - 4</p> <p>Total - 20</p>
Links to all key priority themes	<p>Welfare reform:</p> <p>If an increasing number of citizens experience hardship through welfare reform then the wellbeing of citizens will suffer and there will be greater demand on stretched council services</p>	<p>Some citizen will be in greater poverty including child and in work poverty.</p> <p>An increase in rent arrears, loss of tenancy and homelessness</p> <p>An increase in anxiety and health problems.</p>	<p>Likelihood - 6</p> <p>Impact - 4</p> <p>Total - 24</p>	<p>The Council monitors the impact of welfare reforms on citizens on citizens and Council services.</p> <p>Officers are fully apprised of UK Government and WG plans to ensure that the Council understands and can deal with the implications of moving from Housing Benefit (etc.) to UC.</p> <p>The Benefits Service has been discussing UC changes with landlords since its announcement.</p> <p>During the rollout of UC the Council is required to provide support</p>	<p>Head of Finance</p>	<p>Likelihood - 6</p> <p>Impact - 3</p> <p>Total - 18</p>

Priority Theme	Risk Description	Potential Impact	Inherent Risk Score	Risk Reduction Measures	Risk Owner	Residual Risk Score
		<p>Demands on services for vulnerable people are likely to increase at the same time as the Council's resource base reduces.</p> <p>The Council will need to manage the Council Tax Reduction (CTR) scheme within its budget.</p>		<p>services to claimants and DWP UC staff.</p> <p>The Benefits Service works closely with Housing Associations. The Social Housing Allocation Policy criteria gives those existing tenants in social housing, who fall into arrears specially due to the allocation of the bedroom cap, the option of registering on the Common Housing Register for rehousing and having a potential priority (dependent on circumstances) if they do.</p> <p>When advised by the DWP of a new benefit cap case, the Benefits Service contacts the affected claimants to discuss their options.</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 £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>A tender for the provision of advice and support for Personal Independence Payments claimants will commence, but implementation has been delayed.</p>		
<p>Helping people to be more self-reliant</p> <p>Smarter use of resources</p>	<p>Supporting adults at risk:</p> <p>If the Council in collaboration with partners, does not transform how services are delivered, it will not be able to meet the challenges of a worsening budget, the National Living Wage, a population that is both older and has more complex physical and mental health needs and a changing organisational and legislative / regulative environment.</p>	<p>The financial position is very challenging and without transformation will become unsustainable. Wales wide it is estimated that pressures will increase by 4.1% a year in real terms between 2015 and 2030-31. Successfully implementing further budget reductions is becoming increasingly hard.</p> <p>The provider market is fragile as there is little scope for cost pressures to be adequately reflected.</p> <p>An inability to respond to assessed needs as set out in the Social Services and Wellbeing Act (Wales) 2014.</p> <p>Longer lengths of stay for vulnerable people in acute hospital services, driving up NHS costs</p>	<p>Likelihood - 6</p> <p>Impact - 4</p> <p>Total - 24</p>	<p>The Council has significantly remodelled services and £11m has been taken out of the budget in 4 years. Officers understand the budget, the legislative requirements and the need to reduce demand by investing in targeted early help and intervention programmes, to help adults live independently.</p> <p>The Council focuses on helping people to achieve the outcomes they want, targeting its interventions on what is missing, rather than going straight to what package of care it can give them.</p> <p>The Remodelling Adult Social Care (RASC) Board drives change and an earmarked reserve supports the remodelling.</p> <p>The Social Services and Wellbeing (Wales) Act 2014 has been implemented from April 2016, including obligations to person in the secure estate and in supporting carers. There has been an extensive programme of training with more required to implement the Regulation and Inspection of Social Care Act 2016.</p> <p>The Population Assessment will provide the information required to make better commissioning and resource allocation decisions.</p> <p>The remodelling homecare plan is in place. More care is being provided by external providers. A contingency plan is being drawn up with planned actions to take if an external provider experiences</p>	<p>Corporate Director</p> <p>Social Services & Wellbeing</p>	<p>Likelihood - 4</p> <p>Impact - 4</p> <p>Total - 16</p>

Priority Theme	Risk Description	Potential Impact	Inherent Risk Score	Risk Reduction Measures	Risk Owner	Residual Risk Score
		<p>Vulnerable people lead less fulfilled lives.</p> <p>Resources that could be used elsewhere are used to manage the transition of Bridgend locality to Cwm Taf</p> <p>Staff leave the sector because pay and conditions are less favourable than other occupations whilst training requirements are greater.</p> <p>A failure to meet its obligations in areas like Deprivation of Liberty standards and GDPR</p>		<p>difficulties.</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 a Regional Quality Framework which provides a vision for care quality.</p> <p>The council is changing its residential care model. It is developing two Extracare homes to replace three care homes. This will mean that people can be supported to live more independent lives, in better quality accommodation at reduced cost.</p> <p>Evidence is being gathered about the positive impacts of a preventative approach and longer term cost avoidance.</p> <p>There are ongoing discussions with Cwm Taf, other stakeholders, Councillors and members of staff around the move of the Bridgend locality of ABMU.</p> <p>Preparations are being made for GDPR including for subject access data requests.</p>		
Helping people to be more self-reliant	<p>Healthy life styles:</p> <p>If the council does not identify an approach to develop a more active population it will not create a healthy, safe and prosperous County where people reach their full potential.</p>	<p>Worse mental and physical health.</p> <p>Shortened life expectancy. Life expectancy in the County Borough is below the Welsh average</p> <p>Shortened healthy life expectancy. Some areas of the County Borough have a healthy life expectancy which is 20 years longer than others</p> <p>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</p> <p>Less fulfilled lives as people lose their independence due to ill health</p>	<p>Likelihood - 5</p> <p>Impact - 4</p> <p>Total - 20</p>	<p>The Council has a strategic approach to the development of sport and physical activity, in every generation, assisting people to achieve health gains.</p> <p>The council recognises the need to for a modernised infrastructure that reflects community needs. Through a partnership approach the Council can influence opportunity and participation.</p> <p>The contract with HALO for the provision of indoor leisure facilities has improved assets, increased participation and provided surety of access for a 15 year period, at a reduced cost.</p> <p>The continuing school modernisation programme has and is developing a high quality activity infrastructure that is accessible to the community.</p> <p>A network of activity brokers has been developed with empowerment and community ownership of activity as a central philosophy.</p> <p>Inequalities in participation have been targeted and providing greater support to those where barriers to regular participation exist. There is visible evidence of increased participation opportunities for population groups with a protected characteristic.</p> <p>There is growth in support for local people and visitors to make</p>	<p>Corporate Director</p> <p>Social Services & Wellbeing</p>	<p>Likelihood - 4</p> <p>Impact - 4</p> <p>Total - 16</p>

Priority Theme	Risk Description	Potential Impact	Inherent Risk Score	Risk Reduction Measures	Risk Owner	Residual Risk Score
		Greater demand for expensive medical and social care services provided by the National Health Service and the Council.		<p>greater use of the natural environment.</p> <p>Community Asset Transfer will be used to will be used to preserve the infrastructure supporting traditional team sport</p> <p>Obtaining greater understanding of the health needs of school pupils and working in collaborative partnerships with the schools to raise wellbeing.</p> <p>Becoming part of the Cwm Taff Health Board will improve connectivity with the RCT and Merthyr and collaborative work has commenced. This will make partnership working in the Central South Consortium easier.</p>		
Supporting a successful economy	<p>The economic climate and austerity:</p> <p>If the council chooses to reduce its commitment to regeneration to meet MTFS savings, then investment in the County Borough will be insufficient to meet the challenges of continuing austerity, Brexit and an economy which is overly dependent on the public sector.</p> <p>Bridgend is on the edge of the City Deal area, and is expecting to receive little benefit from the SEW Metro proposals; it could therefore find itself increasingly marginalised in terms of City Deal investment</p>	<p>The Council will be unable to leverage outside investment in the County Borough.</p> <p>The council has difficulty recruiting and retaining qualified property/engineering professionals. There is now fewer senior staff with the necessary skills to drive major projects forward. This means that major projects such as the regeneration of Porthcawl are undeliverable without additional resource commitment.</p> <p>The County Borough will become an increasingly unattractive place to live and do business in.</p> <p>Businesses will relocate to competitor centres.</p> <p>Citizens will not be proud of their local area and more young people will move elsewhere to seek greater opportunity. This will worsen the dependency ratio between citizens who are economically productive and those who are not. The locality becomes even more dependent on ever scarcer public sector services</p>	<p>Likelihood - 5</p> <p>Impact - 4</p> <p>Total - 20</p>	<p>Increased collaboration under the Cardiff Capital Region City Deal which is creating a £1.2 billion fund for investment in the region over the next 20 years.</p> <p>Development of the three main town centres, facilitated by the use of the Strategic Regeneration Fund. This includes 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 which encourages people to live in the town centre. Much of this investment is not the Council's own money, but together, these schemes amount to around £20 million in total.</p> <p>Support for the business community eg Bridgend Business Forum and Bridgend Business Improvement District</p> <p>Encouraging innovation through the Smart System and Heat project which puts Bridgend at the forefront of emerging technology</p> <p>Providing opportunities to young people through Youth Engagement and Progression Framework, and the apprenticeship programme.</p> <p>Assisting the economically inactive and long-term unemployed over the age of 25 get into employment through The Bridges into Work 2 project.</p> <p>Project opportunities are being explored to assist those in work to upskill.</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</p>	<p>Corporate Director</p> <p>Communities</p>	<p>Likelihood - 4</p> <p>Impact - 4</p> <p>Total - 16</p>

Priority Theme	Risk Description	Potential Impact	Inherent Risk Score	Risk Reduction Measures	Risk Owner	Residual Risk Score
		<p>as it enters a cycle of decline as costly needs increase but revenues decline.</p> <p>The council will be unable to provide a coherent response to Brexit.</p> <p>Low growth in the economy means that it becomes harder to generate sufficient value in development projects to satisfy all stakeholders.</p>		<p>European Social Fund grant aid.</p> <p>External funding is being pursued to develop new business units, creating opportunities for both inward investment, and enabling existing businesses to grow,</p>		
Links to all priority themes	<p>Ineffective collaboration:</p> <p>If the Council does not work effectively in collaboration with partners, including where it has been mandated by WG, it will not be able to provide transformed, resilient, quality services within diminished budgets.</p>	<p>Vulnerable people may not have their needs met.</p> <p>The nature of the mandate for collaboration may lead to unproductive work and reduce the Council's capacity to deal with planned transformations that are required to deliver its corporate plan and the MTFs.</p> <p>A loss of momentum with health and social care collaboration as the Bridgend locality health services migrate from ABMU to Cwm Taf.</p> <p>WG officials have tended to make assumptions about what can and should be delivered jointly and what this should cost or save. Mandated collaborations may be counterproductive in that they do not save money or in some cases cost more. This could lead to a reduced quality or quantum of service. Timescales for the planning and implementation may also be unrealistic.</p> <p>A loss of reputation with the public and WG and the potential for a drop in performance in KPIs.</p>	<p>Likelihood - 6</p> <p>Impact - 4</p> <p>Total - 24</p>	<p>The Council has a clear vision – One Council working together to improve lives. It 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 Borough.</p> <p>Collaboration is at the core of the principles the Council has developed to help meet the challenges it faces and has a long track record of delivery with a range of partners.</p> <p>Specific measures to address anticipated changes are:</p> <ul style="list-style-type: none"> • Ongoing discussions with Cwm Taf and Western Bay partners at political, strategic and operational levels • Ongoing discussion with Welsh Government • Internal arrangements to ensure key members and officers can share and develop a consistent view of developments and requirements (including resources to support the level of change anticipated) • Ensure BCBC staff who work closely with WB are kept fully informed on potential changes • Maintain active involvement with existing and unchanging key partnerships : City Deal, Regulatory Services, Educational Improvement • Maintain effective communication and involvement with PSB partners <p>Seek to influence and inform Welsh Government thinking through WLGA, SOLACE and similar opportunities.</p> <p>Scrutiny of collaboration agreements.</p>	<p>Chief Executive</p> <p>Director of Social Services and Wellbeing</p>	<p>Likelihood - 4</p> <p>Impact - 4</p> <p>Total - 16</p>

Priority Theme	Risk Description	Potential Impact	Inherent Risk Score	Risk Reduction Measures	Risk Owner	Residual Risk Score
Links to all key priority themes	<p>School modernisation:</p> <p>If the Council is unable to commit to sufficient investment then it will not be able to deliver all the projects under Band B of the programme.</p>	<p>Insufficient school places of the right type in the right parts of the County Borough</p> <p>Inefficient use of resources due to a mismatch in supply and demand for places</p> <p>Deteriorating condition of school buildings that have to be retained, including higher running costs and increased Health and Safety issues.</p> <p>A negative impact on pupil's learning and wellbeing and a reduction in opportunity.</p> <p>A loss of reputation of the council due to parental frustration at availability of school places.</p>	<p>Likelihood - 6</p> <p>Impact - 4</p> <p>Total - 24</p>	<p>The school modernisation work stream of the strategic review looked at data in order to prioritise future investment in schools and five projects are considered the priority Band B schemes.</p> <p>An expression of interest in Band B has been made to WG and WG have confirmed that the Band B programme will be funded with intervention rates of 50% for capital projects and 75% for mutual investment model projects.</p> <p>The total capital investment required could be in the region of £60m to £70m. The Council will now decide what it is prepared to commit to funding.</p> <p>Planned capital receipts already committed and ring fenced from the sale of school sites are retained for school modernisation. Any change to this commitment would require Council approval.</p> <p>Consideration and early planning for Band C is commencing through 2019-24.</p>	<p>Corporate Director</p> <p>Education & Family Support</p>	<p>Likelihood - 4</p> <p>Impact - 4</p> <p>Total - 16</p>
Links to all key priority themes	<p>An unfunded NJC pay claim:</p> <p>If an unfunded NJC pay claim for 2018 to 2019 is accepted the Council may fail to deliver its Medium Term Financial Strategy</p>	<p>Trades Unions have submitted a pay claim for 2018-19 that deletes NJC points SCP 6-9 to give a minimum wage of £8.45 per hour, plus a 5% increase on all pay points. If successful this will lead to increased challenge to budgets (if unfunded) and structural difficulties within the workforce as the differential between lower pay grades is eroded.</p> <p>The unplanned use of reserves to bridge the funding gap or unplanned cuts to services which could put vulnerable people at risk. There will almost certainly be a further reduction in the workforce.</p> <p>The council has difficulty in recruiting and retaining staff in some professions. The pay claim would partially address</p>	<p>Likelihood – 4</p> <p>Impact -4</p> <p>Total - 16</p>	<p>A proposed two-year pay deal has been made. The offer covers the two years from 1 April 2018. It would mean a 2% wage rise next April for the majority of council and school support staff currently earning more than £19,430, and a further 2% in April 2019. It is also proposed to give lower paid staff a higher rise. The proposals also include a reworking of National Joint Council pay scales. The offer is being considered by the trades Unions.</p> <p>The Council will continue to manage its resources very carefully, in accordance with MTFS principles, and make difficult spending decisions.</p> <p>The council has improved its financial strategy development by expanding the budget development process to more proactively consider how the Council might respond to different scenarios.</p> <p>The financial resilience of the Council is improving as it seeks to increase the Council Fund reserve.</p> <p>The workforce will decrease over the life of the MTFS reducing the impact of any pay increases.</p>	<p>Corporate Director</p> <p>Operational & Partnership Services</p> <p>Head of Finance</p>	<p>Likelihood – 4</p> <p>Impact – 4</p> <p>Total - 16</p>

Priority Theme	Risk Description	Potential Impact	Inherent Risk Score	Risk Reduction Measures	Risk Owner	Residual Risk Score
		this.				
Links to all priority themes	<p>The implementation of Additional Learning Needs reform:</p> <p>If the Council does not successfully implement the forthcoming Additional Learning Needs and Educational Tribunal legislation then expectations, experiences and outcomes for children and young adults will not be transformed and there will not be a fully inclusive education system in the County Borough.</p> <p>If the educational Inclusion Service is not resourced to meet the requirements of the Bill then it may not be able to adapt and fully support the education of children and young adults aged 0-25 with additional learning needs (ALN).</p>	<p>If ALN are not identified quickly enough, timely interventions may not be in place for children and young adults aged 0 to 25 as demand increases/changes and they may not overcome barriers to learning and achieve their full potential.</p> <p>Beginning in 2020, pupils will start to transfer to Individual Development Plans (IDPs), prioritised by their need. Implementation should be completed by 2023. This will replace the existing statutory and non-statutory plans</p> <p>There is uncertainty about the cost of implementing the ALN reform with regards to the extension of the age range to 0-25 and the possible increase in number of Individual Development Plans (IDP's) and the increase in responsibility of schools and further education with regards to IDPs.</p>	<p>Likelihood - 5</p> <p>Impact - 4</p> <p>Total - 20</p>	<p>The ALN Code will ensure that the new system has a set of clear, legally enforceable parameters. This will impose mandatory requirements on the Council in prospect of information and advocacy services.</p> <p>WG has published a suit of materials to help interested parties understand the reforms</p> <p>A draft Code of Practice, which details how schools and local authorities are to implement the new system, will be published and consulted on next year. It will include a mandatory template for IDPs,</p> <p>There will be ALN transformation leads, on the education consortia footprint. They will support the delivery of the programme. They will oversee training and awareness raising and facilitate improvements in multi-agency working</p> <p>ALN Innovation Fund projects are being developed. BCBC will receive £60,000 upon completion of projects in 2017-18.</p> <p>There is a focus on workforce development including suitable training for ALN Co-ordinators (ALNCos).</p> <p>The Scrutiny and Overview Committee is making recommendations to Cabinet with a small number being forwarded to WG for consideration as part of the Bill and ALN reform.</p> <p>There will be improved collaboration and information sharing between agencies, particularly with Bridgend College,</p>	<p>Corporate Director</p> <p>Education and Family Support</p>	<p>Likelihood - 4</p> <p>Impact - 4</p> <p>Total - 16</p>
Helping people to be more self-reliant	<p>The impact of homelessness:</p> <p>If homelessness increases due to the economic climate, ongoing austerity and welfare reform then there will be greater dependence on the Council to provide accommodation for residents 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>Increased stress, depression, and isolation of citizens.</p> <p>16/17 year olds, former prisoners and people with a chaotic housing history can be hit particularly hard.</p> <p>An increase in numbers of visible homeless as prevention is not always achievable for those who find it difficult to manage the responsibility of accommodation.</p> <p>The use of temporary bed and</p>	<p>Likelihood - 5</p> <p>Impact - 3</p> <p>Total - 15</p>	<p>The Housing (Wales) Act gives the Council a strategic role in the functioning of the local housing market. The Council has developed a strategy for the period 2016-18.</p> <p>The Council proactively helps citizens find solutions to their housing needs. The service increasingly has better links with Social Services and the Probation Office as it takes ownership of harder cases. The Multi Agency Safeguarding Hub will have a housing officer.</p> <p>The removal of Priority Need Status for prisoners means that there is an increased risk of street homeless. The Kerrigan Project assists this group and others as it allows for 6 to 9 overnight floor spaces. Typically those helped may have prison records, health/substance misuse issues, family issues or debt problems.</p>	<p>Corporate Director</p> <p>Operational and Partnership Services</p>	<p>Likelihood - 5</p> <p>Impact - 3</p> <p>Total - 15</p>

Priority Theme	Risk Description	Potential Impact	Inherent Risk Score	Risk Reduction Measures	Risk Owner	Residual Risk Score
		<p>breakfast accommodation results in high costs both in terms of finance for the Council and the wellbeing of individuals.</p> <p>The need for other costly service interventions.</p> <p>Universal Credit may increase rent arrears and evictions. There are concerns that payments are not made direct to landlords, there may be delays meaning arrears build up and vulnerable people may have difficulty with the digital process.</p> <p>Increased eviction as rents go up but real wages are decreasing or static. 23% of presentations are due to a loss of rented accommodation.</p> <p>The council's housing service is vulnerable because it is heavily reliant on grant funding</p> <p>Between 16-29 October 2017 the Wallich estimated that 14 people were rough sleeping.</p>		<p>A review of the current homeless hostel is ongoing to ensure that it is fit for purpose.</p> <p>Work with partners to improve private sector housing and bring empty homes back into use.</p> <p>The service works more closely with RSLs and private landlords as it seeks to signpost and assist vulnerable people into accommodation. The Council, in conjunction with Registered Social Landlords, have implemented a Common Housing Register and Social Housing Allocations Policy.</p> <p>The Early Doors project is a preventative service that provides an early intervention for landlords and tenants in the private rented sector. This will reduce evictions.</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>Key positions within the service will now be core funded.</p> <p>The management of the domestic abuse high risk intervention service will be brought into the Council. This will provide strategic support and direct links with the one stop shop. This provides a holistic service to victims, by providing support, target hardening, early intervention and temporary refuge to assist families to remain in their own home where it is safe to do so.</p>		
<p>Supporting a successful economy</p> <p>Helping people to be more self-reliant</p>	<p>Educational attainment:</p> <p>If school standards and pupil attainment do not continue to improve, there are significant risks to the emotional wellbeing of young people and their future employment prospects, the local economy and a range of Council services as young people leave education ill-equipped for employment.</p>	<p>An increase in the number of young people not in education, employment and training (NEET).</p> <p>A gap in achievement between pupils from vulnerable groups and other pupils.</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>Likelihood - 4</p> <p>Impact - 4</p> <p>Total - 16</p>	<p>At the Foundation Phase, KS2 and KS3, performance is at the expected level and has improved.</p> <p>At KS 4 there has been a dip in performance. This is region wide and was contributed to by the number of changes that schools implemented this academic year. In response, a CSC action plan has been established.</p> <p>Overall, Bridgend has performed well at Post 16.</p> <p>The budget reductions required for 2018-19 are not as great as had been feared. It has been possible to protect schools from a 1% saving for one year. However it is almost unavoidable for 2019-20.</p> <p>Working with CSC and other partners (including BGA) to ensure that governing bodies are effective in providing challenge to schools.</p>	<p>Corporate Director</p> <p>Education & Family Support</p>	<p>Likelihood - 3</p> <p>Impact - 4</p> <p>Total - 12</p>

Priority Theme	Risk Description	Potential Impact	Inherent Risk Score	Risk Reduction Measures	Risk Owner	Residual Risk Score
		<p>More schools identified as requiring monitoring and intervention.</p> <p>A decline in Key Stage attainment results, PISA scores and other accreditation.</p> <p>Potential for parents to complain and/or take cases to SEN Tribunal.</p>		<p>Improved attendance through the application of the attendance strategy.</p> <p>A strong focus on raising standards of literacy and numeracy through structured and strategic programmes.</p> <p>Informal and formal collaboration between schools continues. School Improvement Groups have been set up so that schools can share best practice and learn from each other.</p>		
Links to all priority themes	<p>Educational provision</p> <p>If the Council does not adopt a strategic approach for sustainable educational provision in Bridgend, then there is a risk that it may not be able to offer high quality educational experiences for all pupils.</p>	<p>Poorer outcomes for children and young people.</p> <p>Less capacity for pupils with learning difficulties.</p> <p>Outcomes for vulnerable learners may not improve quickly enough or not at all.</p> <p>Falling school rolls and a large number of surplus places.</p> <p>More schools in a deficit budget situation.</p> <p>Insufficient Welsh medium and faith based provision to meet demand.</p> <p>The strategic future of whole life learning will not be fully integrated into our strategy e.g., Bridgend College.</p>	<p>Likelihood - 4</p> <p>Impact - 4</p> <p>Total - 16</p>	<p>A strategic review into the development and rationalisation of the curriculum and school estate, and the provision of Primary, Secondary and Post 16 Education has been undertaken.</p> <p>Band B of the school modernisation programme, has been agreed in principle. This is focused on the provision of sufficient primary school places to meet demographic growth from housing developments in the LDP, possible expansion of Welsh provision and increased Special School places.</p> <p>Post 16 education in Bridgend for 2020 and beyond is being considered. A paper from the Strategic Review Board will go to Cabinet in the spring of 2018 with recommendations on preferred options that could form the basis for a public consultation.</p> <p>The council has consulted on its new draft WESP with statutory consultees. The public consultation on the demand for Welsh Medium Education within Bridgend has concluded and will report in 2017-18 to support the delivery of the WESP. All Councils in Wales are awaiting further information from WG in respect of the timings associated with the delivery of the WESP.</p> <p>Greater join up at both a strategic and operational level via the Safe Dry and Warm project providing safer and more suitable schools.</p>	<p>Corporate Director</p> <p>Education & Family Support</p>	<p>Likelihood - 3</p> <p>Impact - 4</p> <p>Total - 12</p>
Corporate Governance	<p>Health and safety</p> <p>If the council does not actively manage the health and Safety implications of its activities, including working within a challenging budget with a reducing workforce, then employees and members of the public and others</p>	<p>Failure to manage health and safety could result in:</p> <p>Injury, ill-health or loss of life to employees or members of the public</p> <p>Total or partial loss of services or buildings used to deliver</p>	<p>Likelihood - 6</p> <p>Impact - 4</p> <p>Total - 24</p>	<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>Chief Executive</p>	<p>Likelihood – 3</p> <p>Impact – 4</p> <p>Total - 12</p>

Priority Theme	Risk Description	Potential Impact	Inherent Risk Score	Risk Reduction Measures	Risk Owner	Residual Risk Score
	may be harmed, resulting in injury, ill health or loss of life.	<p>services to vulnerable people</p> <p>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</p> <p>Employers and Public Liability Claims</p> <p>Increased insurance premiums</p> <p>Reputational damage</p> <p>A deterioration in the condition of the Council's assets and infrastructure</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. This is supported by a two year fixed term post to undertake the audit programme.</p> <p>A full business case concerning the possibility of a collaborative arrangement will be considered by CMB.</p> <p>Managers will be encouraged to exercise their judgement and replace defective equipment as this becomes necessary.</p>		
<p>Supporting a successful economy</p> <p>Smarter use of resources</p>	<p>Disposing of waste:</p> <p>If the Council does not achieve WG's waste targets then it will receive substantial fines, waste resources and suffer a loss of reputation.</p>	<p>Penalties of £200 per tonne if the council fails to achieve landfill allowance targets</p> <p>Less resource to support council priorities</p> <p>A waste of physical resources as more goes to landfill</p> <p>Future generations will not be protected leading to a loss of reputation with the public and WG</p>	<p>Likelihood - 5</p> <p>Impact - 4</p> <p>Total - 20</p>	<p>There is a new waste and recycling contract with Kier and the council is now on course to meet targets.</p> <p>The amount of household waste diverted away from landfill between July and September increased from 57 per cent in 2016 to 74 per cent in 2017.</p> <p>Between June and August 2017, local community recycling centres recorded a 254 tonne increase in recycling while waste sent for disposal as landfill during that same period decreased by 957 tonnes.</p> <p>After the launch of the new service disruption was experienced, however the missed collection rate has reduced to 0.2%</p> <p>Further fine tuning of service delivery will take place in weaker areas. Eg absorbent hygienic products</p> <p>New recycling vehicles will be introduced in February 2017. The level of resource must be correct and there must be sound plans for implementation.</p>	<p>Corporate Director</p> <p>Communities</p>	<p>Likelihood - 3</p> <p>Impact - 4</p> <p>Total - 12</p>

Priority Theme	Risk Description	Potential Impact	Inherent Risk Score	Risk Reduction Measures	Risk Owner	Residual Risk Score
				<p>Education and engagement officers have been appointed. The two bag residual waste limit will soon start being enforced, with the excess bags not being collected</p> <p>BCBC and Swansea CBC have agreed a 15 year contract for all household food waste to be processed at Parc Stormy</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>		
Links to all key priority themes	<p>Compliance with the Welsh Language Standards:</p> <p>If the Welsh Language Commissioner enforces the eleven appealed standards for which compliance is outstanding in an unrealistic timeframe, additional pressure will be placed on the Council's budgets and this will need to be recognised in the Medium Term Financial Strategy.</p>	<p>There is a recurrent budget pressure of £313,000 and a one off pressure of £81,000 (established in 2016-17 but now rolled forward into 2017-18) 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 outstanding appealed Standards, which are likely to add significant strain on the MTFS.</p> <p>Whilst the Council has a budget of £394,000 set aside, the total cost of implementation could be as high as several millions of pounds. In this case the Council will need to consider measures such as increasing Council Tax, taking form reserves etc.</p>	<p>Likelihood - 4</p> <p>Impact - 3</p> <p>Total - 12</p>	<p>The Welsh Language Commissioner provided responses to the standards appealed in April 2017 and subsequently met with the Corporate Director, Operational and Partnership Services in May 2017. The Council agreed to consider implementing sixteen of the standards with two further standards requiring additional consideration.</p> <p>It has been agreed that five of the standards will be implemented by 31 December 2017, and this is in hand. The Council has agreed to comply with the other eleven standards and the implications for service delivery are being considered, as is the date when they can be complied with. This will then have to be agreed with the Welsh Language Commissioner.</p> <p>The Council also agreed to consider implementing an additional two standards that were not included on the Compliance Notice.</p> <p>If agreement cannot be reached with the Welsh Language Commissioner then there is a further right of appeal to the Welsh Language Tribunal.</p> <p>A budget pressure arising from the implementation of the Welsh Language Standards was recognised in the MTFS 2016-17 to 2019-20. The Council will need to meet any 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>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>Corporate Director</p> <p>Operational and Partnership Services</p>	<p>Likelihood - 4</p> <p>Impact - 3</p> <p>Total - 12</p>
Smarter Use of Resources	<p>Implementation of the General Data Protection Regulation</p> <p>The General Data Protection Regulation (GDPR) comes into force on 25 May 2018. If</p>	<p>Properly complied with, GDPR will increase public trust and confidence in how their data is handled by the council.</p> <p>Significant resources will be</p>	<p>Likelihood – 6</p> <p>Impact – 3</p> <p>Total - 18</p>	<p>An implementation group has been established with representation from each Directorate.</p> <p>Each Directorate is undertaking an audit of what data it holds.</p> <p>A Data Protection Officer will be appointed. They will monitor</p>	<p>Corporate Director</p> <p>Operational & Partnership Services</p>	<p>Likelihood – 6</p> <p>Impact – 2</p> <p>Total - 12</p>

Priority Theme	Risk Description	Potential Impact	Inherent Risk Score	Risk Reduction Measures	Risk Owner	Residual Risk Score
	Directorates do not take ownership, breaches of the regulation could result, leading to large fines and damage to the reputation of the Council.	<p>needed to meet subject access requests, particularly in Social Services where redaction is required.</p> <p>Resources will need to be used to undertake an audit of legacy data. This is required to identify how consent was given and whether this complies with GDPR.</p> <p>A suitable breach reporting system must be implemented.</p> <p>Under GDPR there is potential for very large fines,</p> <p>Action by the regulator would result in a loss of reputation for the council.</p>		<p>compliance, educate staff and co-operate with the Information Commissioner.</p> <p>A review will be made of data protection and privacy policies.</p> <p>The data protection E-Learning module will be updated.</p> <p>Consideration will be given to the level of resource needed to deal with subject access requests. A subject access request form is being developed which aims to narrow down what needs to be provided. Less officer time will be taken up making the necessary redactions.</p> <p>The Council must have a valid reason under GDPR to process data. Where possible lawful grounds will be relied upon rather than consent.</p> <p>The Council will review the systems it has for recording. The Council must ensure that there is a positive indication of agreement to personal data being processed.</p> <p>Contracts with suppliers who are Data Processors will be reviewed.</p> <p>The Council has procedures in place to detect, report and investigate data breaches.</p> <p>Member training will be given to ensure that they understand their responsibilities and are equipped to comply with them.</p>		

COUNCIL TAX 2018-19

SCHEDULE C

Town and Community Council	Band 2018-19								
	A	B	C	D	E	F	G	H	I
	£	£	£	£	£	£	£	£	£
Bracla - Brackla	1109.97	1294.97	1479.95	1664.95	2034.93	2404.93	2774.92	3329.90	3884.88
Pen-y-bont - Bridgend	1149.12	1340.65	1532.15	1723.68	2106.71	2489.77	2872.80	3447.36	4021.92
Cefn Cribwr	1123.38	1310.62	1497.83	1685.07	2059.52	2434.00	2808.45	3370.14	3931.83
Coety Uchaf - Coity Higher	1102.75	1286.55	1470.33	1654.13	2021.71	2389.31	2756.88	3308.26	3859.64
Corneli - Cornelly	1118.35	1304.75	1491.13	1677.53	2050.31	2423.11	2795.88	3355.06	3914.24
Llangrallo Uchaf - Coychurch Higher	1106.04	1290.39	1474.71	1659.06	2027.73	2396.43	2765.10	3318.12	3871.14
Llangrallo Isaf - Coychurch Lower	1104.10	1288.12	1472.13	1656.15	2024.18	2392.22	2760.25	3312.30	3864.35
Cwm Garw - Garw Valley	1117.10	1303.29	1489.46	1675.65	2048.01	2420.39	2792.75	3351.30	3909.85
Trelales - Laleston	1107.71	1292.33	1476.94	1661.56	2030.79	2400.04	2769.27	3323.12	3876.97
Llangynwyd Isaf - Llangynwyd Lower	1116.94	1303.10	1489.25	1675.41	2047.72	2420.04	2792.35	3350.82	3909.29
Llangynwyd Ganol - Llangynwyd Middle	1124.12	1311.48	1498.82	1686.18	2060.88	2435.60	2810.30	3372.36	3934.42
Maesteg	1126.02	1313.70	1501.35	1689.03	2064.36	2439.72	2815.05	3378.06	3941.07
Merthyr Mawr	1097.49	1280.41	1463.31	1646.23	2012.05	2377.89	2743.72	3292.46	3841.20
Castellnewydd Uchaf - Newcastle Higher	1102.01	1285.68	1469.34	1653.01	2020.34	2387.69	2755.02	3306.02	3857.02
Cwm Ogwr - Ogmere Vale	1105.27	1289.49	1473.69	1657.91	2026.33	2394.77	2763.18	3315.82	3868.46
Pencoed	1115.17	1301.03	1486.88	1672.75	2044.47	2416.20	2787.92	3345.50	3903.08
Porthcawl	1119.50	1306.09	1492.66	1679.25	2052.41	2425.59	2798.75	3358.50	3918.25
Y Pil - Pyle	1112.85	1298.34	1483.80	1669.28	2040.22	2411.19	2782.13	3338.56	3894.99
Llansantffraid-ar-Ogwr - St Brides Minor	1101.49	1285.07	1468.64	1652.23	2019.39	2386.56	2753.72	3304.46	3855.20
Ynysawdre	1105.55	1289.82	1474.06	1658.33	2026.84	2395.37	2763.88	3316.66	3869.44

This page is intentionally left blank