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Cyngor Bwrdeistref Sirol Pen-y-bont ar Ogwr

Bridgend County Borough Council



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

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Annwyl Cyngorydd,

CABINET

Cynhelir Cyfarfod Cabinet yn Ystafelloedd Pwyllgor 1/2/3 - Swyddfeydd Dinesig, Stryd yr Angel, Pen-y-bont ar Ogwr CF31 4WB ar **Dydd Mawrth, 24 Ebrill 2018 am 14:30.**

AGENDA

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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.
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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

D Patel

RE Young

CABINET - DYDD MAWRTH, 27 MAWRTH 2018

COFNODION CYFARFOD Y CABINET A GYNHALIWYD YN SIAMBR Y CYNGOR - SWYDDFEYDD DINESIG, STRYD YR ANGEL, PEN-Y-BONT AR OGWR CF31 4WB DYDD MAWRTH, 27 MAWRTH 2018, AM 14:30

Presennol

Y Cyngorydd HJ David – Cadeirydd

CE Smith
RE Young

PJ White

HM Williams

D Patel

Ymddiheuriadau am Absenoldeb

Swyddogion:

Gill Lewis	Pennaeth Cyllid a Swyddog 151 Dros Dro
Kelly Watson	Rheolwr Grŵp Gwasanaethau Cyfreithiol a Democraidd
Julie Ellams	Swyddog Gwasanaethau Democraidd - Pwyllgorau
Mark Shephard	Cyfarwyddwr Corfforaethol - Cymunedau
Susan Cooper	Cyfarwyddwr Corfforaethol - Gwasanaethau Cymdeithasol a Lles
Lindsay Harvey	Cyfarwyddwr Corfforaethol – Addysg a Chymorth i Deuluoedd (Dros Dro)

173. DATGANIADAU O DDIDDORDEB

Dim.

174. CYMERADWYAETH COFNODION

PENDERFYNWYD: Cymeradwyo cofnodion cyfarfodydd y Cyngor ar 13 Chwefror 2018 a 27 Chwefror 2018 fel rhai gwir a chywir.

175. CYFUNDEB DINESIG PRIFDDINAS RANBARTH CAERDYDD - CYNLLUN BUSNES CYTUNDEB GWAITH AR Y CYD

Cyflwynodd Cyfarwyddwr Corfforaethol Cymunedau adroddiad ar y Cynllun Busnes Cytundeb Gweithio ar y Cyd drafft a argymhellwyd gan Gabinet Prifddinas-ranbarth Caerdydd, i'w gymeradwyo a'i fabwysiadu fel y "Cynllun Busnes Cytundeb Gweithio ar y Cyd" swyddogol.

Eglurodd Cyfarwyddwr Corfforaethol Cymunedau y byddai'r Cynllun Busnes Cytundeb Gweithio ar y Cyd yn mynd i'r afael â'r Amlen Fforddiadwyedd ddiweddaraf, y fethodoleg ar gyfer cytuno ar natur, cwmpas a blaenoriaeth projectau i'w datblygu er budd cyffredinol Prifddinas-ranbarth Caerdydd, methodoleg a chyfrifoldeb dros unrhyw archwiliadau allanol, a monitro perfformiad ac adroddiadau monitro cyfalaf a referniw i'w paratoi gan y Cydbwyllgor, a pha mor aml y gwneir yr adroddiadau hyn. Amlinellodd Cyfarwyddwr Corfforaethol Cymunedau y cyd-destun strategol a blaenoriaethau gofodol y Cynllun Busnes Cytundeb Gweithio ar y Cyd drafft, a nododd y cyfleoedd oedd yn codi o fewn cyfnod y cynllun. Eglurodd fod y cytundeb â Llywodraeth y DU a Llywodraeth Cymru wedi darparu £1.2 biliwn, ac roedd £734m ohono wedi'i neilltuo i'r Metro, a rhoddwyd y £495m a oedd yn weddill i'r Gronfa Fuddsoddi Ehangach. Roedd y Cabinet Rhanbarthol wedi nodi bod uchelgeisiau uchel y Gronfa Fuddsoddi Ehangach wedi arwain at 25,000 o swyddi newydd a £4bn o fuddsoddiad sector preifat. Cafodd y buddsoddiad cyntaf ei wneud yn y Project Lled-ddargludyddion

Cyfansawdd drwy roi benthyciad o £38.5m gyda'r posibilrwydd o greu 2,000 o swyddi a thros £380m o fuddsoddiad sector preifat. Eglurodd fod y Cabinet Rhanbarthol, yn dilyn y buddsoddiad cychwynnol hwn, wedi cytuno mewn egwyddor i gefnogi Project Metro Canolog, Cronfa Buddsoddi Tai Rhanbarthol, Strategaeth Ddigidol a Sgiliau ar gyfer y Dyfodol.

Amlinellodd y Pennaeth Cyllid Dros Dro a'r Swyddog Adran 151 y goblygiadau ariannol ac eglurodd fod angen i'r Cyngor dalu £2,299,950 cyn diwedd blwyddyn ariannol 2017-18, yn sgil y newid yn y proffil ariannu. Byddai hyn yn lleihau'r taliadau yn hwyrach a bydd angen ail-broffilio'r cyllido o fewn y rhaglen gyfalaf, ond o fewn yr un amlen rhaglen gyffredinol. Eglurodd y Pennaeth Cyllid Dros Dro a'r Swyddog Adran 151 y byddai angen cymeradwyaeth gan y Cyngor i drosglwyddo arian o'r gyllideb hon i gyllideb y Gorfforaeth Cymunedau lle byddai'r taliad yn cael ei wneud, ac ail-broffilio'r gwariant a'r cyllid ar gyfer y cynllun o fewn y rhaglen gyfalaf.

Croesawodd yr Aelod Cabinet dros Wasanaethau Cymdeithasol a Chymorth Cynnar y cytundeb mewn egwyddor i gefnogi'r Gronfa Buddsoddi Tai Rhanbarthol a'r nod o greu 25,000 o swyddi newydd.

Roedd y Dirprwy Arweinydd yn cefnogi'r argymhellion ac ychwanegodd ei fod yn ffodus o fod wedi ymweld â'r Project Lled-ddargludyddion Cyfansawdd, a oedd â gweithwyr o bob un ardal ac wedi'i leoli 35 munud i ffwrdd o Ben-y-bont. Ei nod oedd arwain y ffordd yn y maes hwn, gan greu mwy na 8,000 o sglodion haenell yr wythnos ar gyfer y farchnad Tsieineaidd.

Dywedodd yr Aelod Cabinet dros Gymunedau ei fod wedi mynd i gyfarfod cyhoeddus ym Mhorthcawl er mwyn cynghori preswylwyr ar doriadau i gymorthdaliadau y gwasanaethau bysys. Rhoddodd hyn gyfle i edrych ar ffyrdd newydd o gynnig cludiant a swyddi.

Ychwanegodd yr Arweinydd fod pob un o'r deg awdurdod yn rhoi eu cefnogaeth lawn, gyda'r nod o godi'r lefelau ffyniant. Roedd rhai pryderon ynghylch y nifer o broiectau a neilltuwyd i Ben-y-bont, ond cydnabuwyd yr oedd cymunedau lleol yn barod i deithio i'r gwaith, gyda 7.5 mil eisoes yn cymudo'n ddyddiol i Gaerdydd yn unig. Byddai hyn yn cynyddu twf a ffyniant ar draws y rhanbarth ac roedd yn hyderus hefyd y byddai buddsoddiad ym Mhen-y-bont. Roedd yn gobeithio y byddai'r Cyngor yn cefnogi'r cynllun a'r weledigaeth ar gyfer y rhanbarth.

PENDERFYNWYD:

a) Argymhellodd y Cabinet y dylai'r Cyngor gymeradwyo'r Cynllun Busnes Cytundeb Gweithio ar y Cyd (Atodiad A), a oedd yn manylu ar gyfraniadau cyfalaf y Cyngor a'r cyfraniadau refeniw posibl tuag at y gost cario ar gyfer Grant Trysorlys ei Mawrhydi o fewn Adran 9.

b) Argymhellodd y Cabinet y dylai'r Cyngor drosglwyddo £1,701,950 (cyfanswm o £2,299,950 yn llai na'r £598,000 a oedd wedi'i gyllido eisoes) o danwariant ar gyllidebau eraill ar draws y Cyngor i'r Gyfarwyddiaeth Cymunedau er mwyn gwneud y taliad yn llawn o gyllidebau refeniw yn 2017-18, ac y dylai'r cynllun gael ei ail-broffilio yn unol â hynny o fewn y rhaglen gyfalaf.

176. DISGOUNT YMADAEL GOFAL TRETH GYNGOR

Cyflwynodd y Pennaeth Cyllid Dros Dro a'r Swyddog Adran 151 adroddiad yn argymhell y dylid cymeradwyo'r meini prawf a gynigiwyd ar gyfer gweithredu Gostyngiad i Bobl sy'n

Gadael Gofal. Eglurodd fod modd i'r Cyngor ostwng y dreth gyngor ar gyfer achosion unigol neu grwpiau o achosion. Nid oedd unrhyw eithriad ar gyfer pobl sy'n gadael gofal mewn deddfwriaeth Treth Gyngor ar hyn o bryd felly yr unig fodd o gyflawni eithriad oedd rhoi gostyngiad dewisol. Datganodd y Pennaeth Cyllid Dros Dro a'r Swyddog Adran 151 fod camgymeriad yn Atodiad A i'r adroddiad, ac y byddai'r gostyngiad yn cael ei weithredu hyd at 25 oed, ac nid 21 oed.

Eglurodd y Pennaeth Cyllid Dros Dro a'r Swyddog Adran 151 y byddai'r gostyngiad yn cael ei weithredu i bawb sy'n gadael gofal yng Nghyngor Bwrdeistref Sirol Pen-y-bont ar Ogwr ac y dylai fod yn weithredol o 1 Ebrill 2018. Ar hyn o bryd, roedd 22 wedi'u nodi yn gymwys o bosibl.

Roedd y Dirprwy Arweinydd yn falch o gefnogi'r argymhellion, a oedd yn swm digon bach i'r Cyngor ond yn swm sylweddol i'r unigolion dan sylw.

Gwnaeth yr Aelod Cabinet dros Wasanaethau Cymdeithasol a Chymorth Cynnar groesawu'r adroddiad a dywedodd y gallai weld, yn ei rôl fel Cadeirydd y Pwyllgor Rhianta Corfforaethol, y byddai hyn yn rhoi dechrau da i bobl sy'n gadael gofal.

Ychwanegodd yr Arweinydd fod pobl sy'n gadael gofal wedi cael dechrau anodd i fywyd a'i fod yn anodd bod yn annibynnol mor ifanc.

PENDERFYNWYD:

Argymhellodd y Cabinet y dylai'r Cyngor:

- Gymeradwyo'r meini prawf a gynigiwyd ar gyfer gweithredu'r Gostyngiad i bobl sy'n gadael gofal fel y nodwyd yn Atodiad A;
- Dirprwyo awdurdod i'r Prif Swyddog Cyllid i benderfynu ar geisiadau dilys sy'n dod i law sy'n bodloni'r meini prawf yn Atodiad A.

177. CYNLLUN RHEOLI CYRCHFAN SIROL PEN-Y-BONT AR OGWR A CHYNLLUN GWEITHREDU CYRCHFAN

Cyflwynodd y Cyfarwyddwr Corfforaethol Cymunedau adroddiad yn ceisio cymeradwyaeth ar gyfer Cynllun Rheoli Cyrchfan a Chynllun Gweithredu Cyrchfan Cyngor Bwrdeistref Sirol Pen-y-bont ar Ogwr a gweithredu'r camau sy'n deillio ohonynt.

Eglurodd Cyfarwyddwr Corfforaethol Cymunedau fod cynnydd graddol wedi bod yn effaith economaidd twristiaeth ym mwrdeistref Sirol Pen-y-bont ar Ogwr ers 2013, gyda chynnydd yng ngwerth economaidd twristiaeth, niferoedd yr ymwelwyr ac yn nifer y diwrnodau y mae ymwelwyr yn treulio yno. Roedd yr adroddiad yn cynnwys tystiolaeth o'r cynnydd yng ngwerth twristiaeth i'r economi leol, a'r cynnydd yn nifer y swyddi ar gyfer y cyfnod.

Eglurodd Cyfarwyddwr Corfforaethol Cymunedau fod Cynllun Rheoli Cyrchfan 2018-2022 yn gosod y fframwaith ar gyfer rheoli gweledigaeth twristiaeth tan 2022. Roedd y Cynllun Gweithredu Cyrchfan yn manylu ar weithgareddau penodol ac ar y sail tystiolaeth a oedd yn cynnig cyd-destun. Amlinellodd weledigaeth y Cynllun Rheoli Cyrchfan a sut fyddai'r Cynllun Gweithredu Cyrchfan yn helpu i gyflawni'r weledigaeth hon drwy ganolbwyntio'r camau gweithredu yn erbyn cefnogi'r datblygiad o gynnyrch twristiaeth, cefnogi'r datblygiad o seilwaith twristiaeth a chodi proffil a denu mwy o ymwelwyr i Fwrdeistref Sirol Pen-y-bont ar Ogwr. Ychwanegodd y byddai ymdrechion i godi'r proffil yn canolbwyntio yn bennaf ar ymagwedd y DU ar gysylltiadau cyhoeddus, marchnata ar-lein a'r cyfryngau cymdeithasol a chyfleoedd i farchnata ar y cyd â phartneriaid ledled Cymru.

Llongyfarchodd yr Aelod Cabinet dros Addysg ac Adfywio y swyddogion ac ychwanegodd fod y swyddogion wedi gallu cynnal cynllun dichonadwy er gwaethaf y toriadau. Roedd Pen-y-bont yn "gawr cwsg" gyda photensial anferth.

Dyweddodd yr Aelod Cabinet dros Les a Chenedlaethau'r Dyfodol ei bod wedi darllen y cynllun a'i fod yn gam i'r cyfeiriad cywir, ond roedd yn pryderu o ran buddsoddiad mewn hybiau lleol eraill. Eglurodd Cyfarwyddwr Corfforaethol Cymunedau fod y cynllun wedi ceisio rhoi digon o hyblygrwydd a chyfeiriwyd at hybiau lleol eraill lle gallai cyfleoedd godi dros y 4 blynedd. Roedd y cynllun fod ar gyfer y fwrdeistref gyfan.

Ychwanegodd yr Arweinydd ei fod yn bwysig myfyrio ar lwyddiannau diweddar ac adeiladu arnynt. Roedd y cynnig i ddatblygu man gwyliau antur Parc Afan ar drothwy Cymoedd Llyfni yn mynd rhagddo a gofynnodd a oedd y cynllun yn cefnogi'r fenter hon. Eglurodd Cyfarwyddwr Corfforaethol Cymunedau y cyfeirir yn benodol at Barc Afan yn y cynllun, bod y cynllun wedi'i gynllunio i'w ddefnyddio mewn modd hyblyg ac y byddai'n cefnogi datblygiadau o'r fath.

PENDERFYNWYD:

Gwnaeth y Cabinet:

- Gymeradwyo'r Cynllun Rheoli Cyrchfan a'r Cynllun Gweithredu Cyrchfan;
- Awdurdodi Cyfarwyddwr Corfforaethol Cymunedol i weithredu'r Cynllun Rheoli Cyrchfan sydd wedi'i atodi fel Atodiad 1, a'r Cynllun Gweithredu Cyrchfan sydd wedi'i atodi fel Atodiad 2.

178. RHAGLEN CYFLOGADWYEDD

Cyflwynodd Cyfarwyddwr Corfforaethol Cymunedau adroddiad yn ceisio caniatâd i wneud cais am gyllid newydd ac i ymestyn y cyllid presennol ar gyfer projectau Cyngor Bwrdeistref Sirol Pen-y-Bont ar Ogwr, Sgiliau Gwaith ar gyfer Oedolion 2, Meithrin Cymhwys Ffynnu a Phontydd i Gyflogaeth 2 a fyddai'n eistedd dan y Rhaglen Gyflogaeth newydd. Ychwanegodd y byddai'r tri phroject yn cael eu gweithredu ar sail partneriaeth is-ranbarthol dan arweiniad Cyngor Bwrdeistref Sirol Torfaen.

Eglurodd Cyfarwyddwr Corfforaethol Cymunedau y byddai datblygu'r rhaglen newydd yn helpu i wireddu'r uchelgais o greu gwasanaeth syml a chyfun i gyfranogwyr, i roi'r cymorth cywir iddynt yn y modd cywir ac ar yr adeg gywir. Roedd yr adroddiad yn cynnwys tabl a oedd yn gosod yr holl gyllid a oedd ei angen ar gyfer y tri phroject gan gynnwys ffynhonnell yr arian cyfatebol.

Roedd yr Aelod Cabinet dros Addysg ac Adfywio yn cefnogi'r argymhellion a chynigiodd y dylid darllen y ddwy astudiaeth achos i weld sut y mae addysg ac adfywio yn gorgyffwrdd a sut allai rhai achosion gael eu hanghofio. Roedd themâu o iselder, gorbryder a rhwystrau eraill at waith, ond gellir rheoli'r rhain gydag arweiniad proffesiynol.

Dyweddodd yr Aelod Cabinet dros Wasanaethau Cymdeithasol a Chymorth Cynnar fod Sue Whittaker, ynghyd â'i thîm, wedi nodi rhaglenni cadarnhaol, ac roedd Cyngor Bwrdeistref Sirol Pen-y-bont ar Ogwr bellach yn un o'r cynghorau cryfaf o ran trefniadau partneriaeth i'w cyflawni.

Ychwanegodd yr Aelod Cabinet dros Lesiant a Chenedlaethau'r Dyfodol fod y gwaith sydd wedi'i gyflawni a sut y mae'r preswylwyr wedi ymgysylltu â'r rhaglenni a newid eu

bywydau wedi gwneud argraff da arni. Roedd hi'n falch o weld bod y broses wedi'i symleiddio ar gyfer y rhai sydd angen cymorth.

Nododd yr Arweinydd ei fod yn falch o'r cynnydd hyd yn hyn ac y gellir gwneud mwy, a byddai mwy yn cael ei wneud. Roedd pob cymuned o fewn y Fwrdeistref wedi elwa ar hyn.

PENDERFYNWYD: Gwnaeth y Cabinet:-

1. awdurdodi Cyfarwyddwr Corfforaethol Cymunedau, mewn ymgynghoriad â'r Swyddog Adran 151, i wneud cais ac i dderbyn estyniad i'r rhaglen Pontydd i Gyflogaeth 2, hyd at 31 Rhagfyr 2022 yn unol â pholisi Grantiau'r Cyngor, ac yn amodol ar fod yn fodlon bod unrhyw amodau grant a oedd yn gysylltiedig ag ymestyn y cyllid yn dderbyniol;
2. awdurdodi Cyfarwyddwr Corfforaethol Cymunedau, mewn ymgynghoriad â'r Swyddog Adran 151, i wneud cais am a derbyn estyniad i'r rhaglen Sgiliau Gwaith ar Gyfer Oedolion 2, o 1 Ebrill 2018 hyd at 31 Rhagfyr 2022 yn unol â pholisi Grantiau'r Cyngor, ac yn amodol ar fod yn fodlon bod unrhyw amodau grant a oedd yn gysylltiedig ag ymestyn y cyllid yn dderbyniol;
3. awdurdodi Cyfarwyddwr Corfforaethol Cymunedau, mewn ymgynghoriad â'r Swyddog Adran 151, i wneud cais am a derbyn estyniad i'r rhaglen Meithrin Cymhwysio Ffynnu, o 1 Ebrill 2018 hyd at 31 Rhagfyr 2022 yn unol â pholisi Grantiau'r Cyngor, ac yn amodol ar fod yn fodlon bod unrhyw amodau grant a oedd yn gysylltiedig ag ymestyn y cyllid yn dderbyniol;
4. awdurdodi Cyfarwyddwr Corfforaethol Cymunedau, mewn ymgynghoriad â'r Swyddog Adran 151, i addasu'r proffiliau ariannol ym mharagraff 7.1, os yw hyn yn angenrheidiol o ganlyniad i drafodaethau â chyllidwyr, neu unrhyw broject unigol sy'n cael ei gymeradwyo; a
5. nodi bod Llywodraeth Cymru wedi rhoi cyllid gwerth £642,565.83 ac wedi cymeradwyo cais 2018/19 ar gyfer C4W+, gyda'r bwriad o gynnig yr un swm ar gyfer 2019/20, a fyddai'n cefnogi'r ddarpariaeth bresennol o'r C4W presennol sy'n cael ei ariannu gan Gronfa Gymdeithasol Ewrop a rhoi arian cyfatebol ar gyfer project Meithrin Cymhwysio Ffynnu. Os na fydd modd i Lywodraeth Cymru gynnig yr arian ar gyfer 2019/20 yna gellir addasu'r cyllid ar gyfer project Meithrin Cymhwysio Ffynnu i ymdrin â'r swm o arian cyfatebol a fydd ar gael yn y dyfodol.

179. **DARPARU GWASANAETHAU TRAETH A DIOGELWCH DWR MEWN PARTNERIAETH Â'R SEFYDLIAD CENEDLAETHOL BRENHINOL ACHUB BYWYD (RNLI)**

Cyflwynodd Cyfarwyddwr Corfforaethol Cymunedau adroddiad yn gofyn am ganiatâd i sefydlu trefniant partneriaeth hirdymor â'r RNLI i gynnal gwasanaeth achub bywydau tymhorol ar draethau lleol ac wrth wneud hynny, ceisio hawl ildiad o ran Rheolau Gweithdrefnau Contract y Cyngor o'r angen i gael dyfynbrisiau neu dendrau drwy agor cystadleuaeth a chytundeb i wneud contract â'r RNLI.

Eglurodd Cyfarwyddwr Corfforaethol Cymunedau y cynigir y dylai Cyngor Bwrdeistref Sirol Pen-y-bont ar Ogwr a'r RNLI ddechrau cytundeb partneriaeth tymor hwy i weithredu gwasanaethau achub bywydau tymhorol ar y traeth yn Trecco Bay, Traeth Coney, Rest Bay a Pink Bay. Byddai'r cytundeb am gyfnod cychwynnol o dair blynedd,

yn cynnwys blynyddoedd ariannol 2018/2019 tan 2020/2021. Cafodd manylion ynghylch y cyllid craidd a chyllid gan Gyngor Tref Porthcawl a Parkdean eu cynnwys yn yr adroddiad, gan roi gwerth o £154,000 i'r contract arfaethedig â'r RNLI.

Roedd yr Aelod Cabinet dros Addysg ac Adfywio yn falch o'r cynnig ac atgoffodd yr Aelodau Cabinet o'r adeg pan oedd Cyngor Bwrdeistref Sirol Pen-y-bont ar Ogwr yn cyflogi achubwyr bywydau ei hun. Roedd hefyd wedi talu teyrnged i Gyngor Tref Porthcawl a Parkdean am gyfrannu at y ddarpariaeth.

Roedd yr Arweinydd wedi diolch i'r holl bartneriaid ac roedd yn falch o gael gweithio gyda phartneriaid mor fawreddog â'r RNLI a oedd yn cynnig gwasanaeth a oedd yn achub bywydau pobl.

Gofynnwyd i'r Cyngorydd Clarke ddiolch i Gyngor Tref Porthcawl.

PENDERFYNWYD Awdurdododd y Cabinet Cyfarwyddwr Corfforaethol Cymunedau i gwblhau'r trafodaethau â'r RNLI a gwneud trefniant partneriaeth hirdymor a chytundeb lefel gwasanaeth cysylltiedig â'r RNLI, ac wrth wneud hynny, gytuno i ildiad dan baragraff 3.2.3 o Reolau Gweithdrefnau Contract y Cyngor.

180. TALIADAU INTERNET I BLANT

Cyflwynodd Cyfarwyddwr Corfforaethol Cymunedau adroddiad yn ceisio cymeradwyaeth y Cabinet o ran mabwysiadu Memorandwm Cyd-ddealltwriaeth yn swyddogol rhwng Llywodraeth Cymru a Llywodraeth Leol ledled Cymru fel yr atodwyd i'r adroddiad. Mae'r Memorandwm Cyd-ddealltwriaeth yn gosod dull cyson mewn perthynas â ffioedd claddu plant.

Eglurodd Cyfarwyddwr Corfforaethol Cymunedol fod y CLILC wedi gofyn am ymrwymiad gan Awdurdodau Lleol ym mis Awst 2017 i weithio gyda Llywodraeth Cymru i lunio Memorandwm Cyd-ddealltwriaeth lle na fyddai awdurdodau claddu yn codi tâl mewn perthynas â chladdu neu losgi safonol plentyn dan 18 oed. Nid oedd hyn yn cyfeirio at unrhyw gostau angladd ehangach megis blodau, costau coffa neu ffioedd y trefnydd angladdau. Ychwanegodd fod Llywodraeth Cymru wedi neilltuo £600,000 i gydnabod y costau a byddai'r arian yn cael ei ddyrannu rhwng yr Awdurdodau Lleol yng Nghymru a fabwysiadodd y Memorandwm Cyd-ddealltwriaeth. Byddai hyn yn cael ei adolygu ar ôl dwy flynedd.

Dywedodd yr Aelod Cabinet dros Gymunedau fod Cyngor Bwrdeistref Sirol Pen-y-bont ar Ogwr bob amser wedi bod yn sensitif yn hynny o beth ac y byddai'r Memorandwm Cyd-ddealltwriaeth yn gosod yr un dull cyson ledled Cymru.

PENDERFYNWYD: Cymeradwyodd y Cabinet y cynnig i fabwysiadu'r Memorandwm Cyd-ddealltwriaeth yn swyddogol fel yr atodwyd yn Atodiad 1 i'r adroddiad.

181. DYRANIAD CRONFA GYFALAF CYNGOR TREF A CHYMUNED 2018/2019

Cyflwynodd Cyfarwyddwr Corfforaethol Cymunedau adroddiad yn ceisio cymeradwyaeth y Cabinet i neilltuo cyllid o Gronfa Gyfalaf Cyngor Tref a Chymuned yn unol ag argymhellion sydd wedi'u cynnwys yn yr adroddiad. Eglurodd fod y cynigion a ddaeth i law ar gyfer dyraniad 2018/2019 wedi'u cynnwys yn yr adroddiad. Gyda'r awydd i alinio'r Gronfa Cyngor Tref a Chymuned yn agosach at y broses CAT, yr ardaloedd a gynigiwyd i'w cymeradwyo oedd Llansanffraid ar Ogwr, Cwm Garw, Pencoed a Chorneli.

Eglurodd Cyfarwyddwr Corfforaethol Cymunedau fod gweddill o £135,000 ar gael i'w ddyrannu ar gyfer blwyddyn ariannol 2018/2019. Ar ôl darganfod lefel y galw ar gyfer 2018/2019 byddai'r wybodaeth hon yn cael ei defnyddio i bennu a oes angen edrych ar gynyddu'r gyllideb sylfaen i £100,000 yn 2019/2020. Y dyddiad cau ar gyfer ceisiadau 2019/2020 byddai mis Chwefror 2019 a rhagwelwyd y byddai'r penderfyniad yn cael ei wneud ym mis Mawrth 2019.

Llongyfarchodd yr Aelod Cabinet dros Gymunedau y Cyngor Cymuned ar ddatblygu'r cais. Nid oedd yn sicr i ba raddau y deallwyd y cynllun i gychwyn, ond roedd yn dechrau dwyn ffrwyth a hoffai weld nifer y ceisiadau yn cynyddu.

Eglurodd yr Aelod Cabinet dros Addysg ac Adfywio ei fod wedi synnu ar gyn lleied o geisiadau oedd wedi'u cyflwyno er bod y meini prawf yn glir. Derbyniodd fod ffynonellau eraill o gyllido a bod ganddynt i gyd bwerau i godi trethi. Roedd yn falch o weld cydbwysedd wrth symud ymlaen ac roedd yn gobeithio y ceir cynnig yn y dyfodol ar gyfer canolfan gymunedol ym Mryntirion.

PENDERFYNWYD: Cymeradwyodd y Cabinet y projectau y cyfeiriwyd atynt yn adran 4.4 o'r adroddiad ar gyfer y gwerthoedd y manylwyd arnynt.

182. POLISI CHWYTHU'R CHWIBAN

Cyflwynodd Rheolwr y Grŵp, y Gyfraith, adroddiad ar ran y Cyfarwyddwr Corfforaethol Gwasanaethau Gweithredol a Phartneriaethau, yn ceisio cymeradwyaeth y Cabinet ar gyfer y Polisi Chwythu'r Chwiban diweddaraf. Roedd newid bach i'r polisi – ychwanegwyd bod angen i Reolwyr roi gwybod i'r Swyddog Monitro yn amserol am yr holl bryderon a godwyd dan y polisi hwn ac am y canlyniadau. Eglurodd Rheolwr Grŵp, y Gyfraith, fod y Polisi Chwythu'r Chwiban wedi'i lunio i annog a rhoi tawelwch meddwl i weithwyr a oedd wir yn credu bod pryderon y dylent eu datgelu, drwy eu galluogi i wneud hynny o fewn fframwaith oedd yn eu hamddiffyn rhag bod yn destun dial ac erledigaeth.

Dywedodd yr Arweinydd y dylai'r polisi fod ar gael i bob aelod o staff, a dylid eu hatgoffa mai diben y polisi i'w hamddiffyn. Dylid hefyd gael ei rannu â'r Undebau Llafur.

PENDERFYNWYD: Cymeradwyodd y Cabinet y Polisi diweddar a atodwyd fel Atodiad 1 i'r adroddiad.

183. COMISIYNU A DYFARNU CONTRACTAU MEWN PERTHYNAS A'R RHAGLEN TEULUOEDD YN GYNTAF

Cyflwynodd Rheolwr Grŵp, y Gyfraith, adroddiad ar ran Cyfarwyddwr Corfforaethol Gwasanaethau Gweithredol a Phartneriaethau, yn ceisio cymeradwyaeth i barhau i ddarparu gwasanaeth o amgylch trefniadau contract sydd ar waith ar hyn o bryd i gyflawni trefniadau contract sydd wedi'u hariannu gan Lywodraeth Cymru ar gyfer Teuluoedd yn Gyntaf. Ceisiwyd cymeradwyaeth hefyd i ddod â Rheolau Gweithdrefnau Contract y Cyngor i ben ac i roi awdurdodaeth i Gyfarwyddwr Corfforaethol Gwasanaethau Gweithredol a Phartneriaethau i wneud contractau â'r darparwyr presennol.

Er mwyn sicrhau dilyniant o ran gwasanaethau hanfodol i unigolion a theuluoedd, eglurodd Rheolwr Grŵp, y Gyfraith, y cynigiwyd y dylai'r Cabinet ddod â rhannau perthnasol o Reolau Gweithdrefnau Contract y Cyngor i ben mewn perthynas â thendro a dyfarnu contractau yn seiliedig ar drefniadau contract presennol am gyfnod cychwynnol o chwe mis. Petai oedi pellach yn atal comisiynu'r contractau o fewn y

cyfnod chwe mis, yna gofynnwyd i'r Cabinet alluogi Cyfarwyddwr Corfforaethol Gwasanaethau Gweithredol i estyn y contractau am hyd at chwe mis arall.

Eglurodd Rheolwr Grŵp, y Gyfraith, fod yr holl wasanaethau drwy'r trefniadau contract hyn yn cael eu hariannu gan Grant Llywodraeth Cymru. Roedd Llywodraeth Cymru wedi rhoi gwybod bod ei lefelau ariannu dangosol ychydig yn is o leiaf tan ddiwedd mis Mawrth 2019.

Dywedodd yr Aelod Cabinet dros Wasanaethau Cymdeithasol a Chymorth Cynnar ei fod yn ymwybodol o bwysigrwydd y rhaglenni hyn, yn arbennig ar gyfer teuluoedd difreintiedig ac nid oedd y maes hwn yn cael y gydnabyddiaeth yr oedd yn ei haeddu.

Cytunodd yr Arweinydd a dywedodd mai un maes o bwys oedd iechyd a chymorth emosiynol i bobl ifanc.

PENDERFYNWYD:

Gwnaeth y Cabinet

- dirwyn rhannau perthnasol Rheolau Gweithdrefnau Contract y Cyngor i ben mewn perthynas â'r angen i dendro'r contractau arfaethedig a restrwyd yn Atodiad 1 i'r adroddiad hwn
- awdurdodi Cyfarwyddwr Corfforaethol y Gwasanaethau Gweithredol a Phartneriaethau i wneud contractau chwe mis â'r darparwyr presennol o ran y Contractau yn Atodiad 1 i'r adroddiad, gyda'r dewis i ymestyn contractau am chwe mis arall h.y. tan 31 Mawrth 2019;

184. RHEOLIADAU RHEOLEIDDIO AC AROLYGU GOFAL CYMDEITHASOL (CYMRU) 2016

Cyflwynodd Cyfarwyddwr Corfforaethol Gwasanaethau Cymdeithasol a Llesiant adroddiad yn rhoi gwybodaeth i'r Cabinet am Ddeddf Rheoleiddio ac Arolygu Gofal Cymdeithasol (Cymru) 2016 (RISCA). Gofynnwyd i'r Cabinet hefyd nodi'r gwaith sy'n mynd rhagddo i weithredu gofynion y Ddeddf ac am gymeradwyaeth i ddynodi Pennaeth Gofal Cymdeithasol Oedolion a Phennaeth Gofal Cymdeithasol Plant fel Unigolion sy'n Gyfrifol am wasanaethau rheoledig Gofal Cymdeithasol Pen-y-bont.

Eglurodd mai'r bwriad y tu ôl i gyflwyno RISCA oedd sicrhau lles pobl Cymru a gwella ansawdd gofal a chymorth. Byddai Arolygiaeth Gofal Cymru yn cyflwyno system newydd o archwilio a rheoleiddio gwasanaeth a byddai'n dod i rym ym mis Ebrill 2018 a'r bwriad oedd iddo fod yn gwbl weithredol erbyn mis Ebrill 2019.

Amlinellodd Cyfarwyddwr Corfforaethol Gwasanaethau Cymdeithasol a Llesiant ofynion Darparwyr Gwasanaethau, trefniadau cofrestru, Datganiad o Ddiben a chyfrifoldebau fel comisiynydd gwasanaethau. Eglurodd reoliadau'r gweithlu, gofynion hyfforddiant a chymwysterau a sefydlogrwydd marchnad a darpariaethau asesiad ariannol dan RISCA a'r goblygiadau ariannol.

Dywedodd yr Aelod Cabinet dros Wasanaethau Cymdeithasol a Chymorth Cynnar y byddai costau ychwanegol yn gysylltiedig â ffioedd cofrestru, ffioedd cymhwysu a chostau hyfforddi sydd wedi'u hystyried ym mhroses trefnu cyllideb y Cyngor. Byddai cyfrifoldeb ychwanegol yn cael ei roi ar Benaethiaid Gwasanaeth gan arwain at fwy o bwysau a chynnydd yn llwyth gwaith. Bwriad y Ddeddf oedd cael gweithlu cymwysedig wedi'i hyfforddi ar gyfer y dyfodol.

Ychwanegodd yr Arweinydd ei fod yn bwysig cydnabod statws gweithwyr yn y sector hwn a phwysigrwydd fod yn gofrestredig.

Cytunodd yr Aelod Cabinet dros Lesiant a Chenedlaethau'r Dyfodol y dylid cefnogi'r gweithlu. Dywedodd ei bod yn pryderu y byddai'r cynnydd arfaethedig yn y ffioedd rhwng 2018 a 2022 yn gweld y ffioedd yn codi i £80, sef cynnydd o 167%.

Gofynnodd yr Arweinydd a oedd gan yr unigolion cyfrifol y gallu i ymweld â phob un gwasanaeth bob tri mis o leiaf. Eglurodd Cyfarwyddwr Corfforaethol Gwasanaethau Cymdeithasol a Llesiant ei fod yn bryder, ond ymgymerir ag ymweliadau cyson eisoes felly gellir defnyddio'r rhain i fodloni'r canllawiau.

PENDERFYNWYD:

Gwnaeth y Cabinet:

- Nodi'r wybodaeth yn yr adroddiad a'r gwaith sy'n mynd rhagddo i weithredu gofynion y Ddeddf a chanllawiau statudol o ran arfer gwaith;
- Cymeradwyo'r cynnig i ddynodi Pennaeth Gofal Cymdeithasol Oedolion a Phennaeth Gofal Cymdeithasol Plant fel yr Unigolyn Cyfrifol o fewn eu gwasanaeth ar ran Cyngor Bwrdeistref Sirol Pen-y-bont ar Ogwr;
- Nodi y byddai pwysau costau ychwanegol yn gysylltiedig â chofrestru a hyfforddi y byddai angen eu hystyried fel rhan o'r broses o drefnu'r gyllideb dros y blynyddoedd i ddod.

185. CYNLLUN ARDAL A CHRONFA GRONEDIG RHANBARTHOL

Cyflwynodd Cyfarwyddwr Corfforaethol Gwasanaethau Cymdeithasol a Llesiant adroddiad yn rhoi'r diweddaraf i'r Cabinet ynghylch safbwynt Cyngor Bwrdeistref Sirol Pen-y-bont ar Ogwr mewn perthynas â'r Cynllun Ardal rhanbarthol a gofynion y Cronfeydd ar y Cyd dan Ddeddf Gwasanaethau Cymdeithasol a Llesiant (Cymru) 2014. Gofynnodd hefyd i'r Cabinet gymeradwyo Cynllun Ardal Bae'r Gorllewin 2018/23 a Chynllun Gweithredu 2018-19, i awdurdodi Cyfarwyddwr Corfforaethol Gwasanaethau Cymdeithasol i gyhoeddi dolen at y Cynllun Ardal a'r Cynllun Gweithredu ac i awdurdodi cynrychiolwyr o Ddinas a Sir Abertawe i gyflwyno'r cynlluniau i Weinidogion Cymru ar ran y tri awdurdod lleol a'r bwrdd iechyd yn rhanbarth Bae'r Gorllewin.

Amlinellodd Cyfarwyddwr Corfforaethol Gwasanaethau Cymdeithasol a Llesiant yr amserlen gweithredu, yr ymgynghoriad ar y newid arfaethedig yn y ffiniau iechyd a chytundebau ar lafar mewn perthynas â threfniadau dros dro. Eglurodd sut roedd barn defnyddwyr gwasanaeth, gofalwyr a rhanddeiliaid ehangach wedi cael ei chynnwys a sut roedd yn cysylltu â chynlluniau strategol eraill. Rhoddwyd gwybodaeth hefyd am y gofynion cymeradwyo a chyhoeddi, y camau nesaf a'r goblygiadau ariannol.

Dywedodd yr Aelod Cabinet dros Wasanaethau Cymdeithasol a Chymorth Cynnar fod y cyfarfodydd ymgysylltu â dinasyddion yn ddiddorol. Roedd canlyniad yr ymgynghoriad ynghylch y newid arfaethedig yn y ffiniau iechyd dal yn anhysbys, ond pwysleisiodd fod penderfyniad cynnar yn bwysig oherwydd nid oedd Cyngor Bwrdeistref Sirol Pen-y-bont ar Ogwr am fod ar ymylon y broses cynllunio neu benderfynu.

PENDERFYNWYD:

Gwnaeth y Cabinet:

- Nodi safbwynt Cyngor Bwrdeistref Sirol Pen-y-bont ar Ogwr mewn perthynas â'r Cynllun Ardal rhanbarthol a gofynion y Gronfa ar y Cyd dan Ddeddf Gwasanaethau Cymdeithasol a Llesiant (Cymru) 2014;

- Cymeradwyo Cynllun Ardal Bae'r Gorllewin 2018/23 (**Atodiad 1**) a Chynllun Gweithredu 2018-19 (**Atodiad 2**);
- Awdurdodi Cyfarwyddwr Corfforaethol Gwasanaethau Cymdeithasol a Llesiant i gyhoeddi dolen at y Cynllun Ardal a'r Cynllun Gweithredu ar wefan y Cyngor; ac
- Awdurdodi Cyfarwyddwr Pobl, Cyngor Abertawe, i gyflwyno'r Cynllun Ardal a'r Cynllun Gweithredu i Weinidogion Cymru ar ran y tri awdurdod lleol a'r bwrdd iechyd yn rhanbarth Bae'r Gorllewin, wedi'u cydlofnodi gan Arweinwyr Cyngor Bwrdeistref Sirol Pen-y-bont ar Ogwr, Cyngor Bwrdeistref Sirol Castell-nedd Port Talbot, Cyngor Abertawe a Chadeirydd Bwrdd Iechyd Prifysgol Abertawe Bro Morgannwg.

186. POLISI DERBYN A THREFNIADAU YSGOL 2019-2020

Cyflwynodd Cyfarwyddwr Addysg a Chymorth Teuluol Dros Dro adroddiad yn ceisio cymeradwyaeth y Cabinet ar gyfer polisi derbyn i ysgolion y Cyngor a'r niferoedd derbyn cyhoeddedig ar gyfer ysgolion. Eglurodd fod angen i'r awdurdod lleol gyhoeddi polisi derbyn a chanllawiau o ran trefniadau derbyn i'w ysgolion. Amlinellodd y broses ymgynghori o ran y trefniadau derbyn a chadarnhaodd nad oedd unrhyw sylwadau wedi dod i law.

Amlinellodd y Cyfarwyddwr Addysg a Chymorth i Deuluoedd Dros Dro y broses ymgynghori ar gyfer y Niferoedd Derbyn Cyhoeddedig ar gyfer pob ysgol ym Mhen-y-bont. Cadarnhaodd y cafwyd un ymateb gan Ysgol Gynradd Maes yr Haul, yn gofyn am gynnydd o 70 i 75. Asesodd swyddogion effaith y cynnig i sicrhau bod gan yr ysgol ddigon o le a chytunodd ei fod yn bosibl ac y byddai'r awdurdod lleol yn elwa arno, yn ogystal â'r ysgol a rhieni.

Amlinellodd Cyfarwyddwr Addysg a Chymorth i Deuluoedd Dros Dro y goblygiadau ariannol a dywedodd y byddai rhaid i'r Gyllideb Ysgolion Unigol gyffredinol bresennol ariannu unrhyw gynnydd yn niferoedd disgyblion.

Cefnogodd yr Aelod Cabinet dros Addysg ac Adfywio y cynigion a dywedodd nad oedd unrhyw sylwadau wedi nodi bod y cyhoedd yn cydnabod bod yn ddogfen yn deg ac yn rhesymol.

Gofynnodd yr Arweinydd am gadarnhad nad oedd unrhyw sylwadau wedi dod i law gan unrhyw Aelodau, Aelodau'r Cynulliad, ysgolion, penaethiaid, rheini na llywodraethwyr ac eithrio'r ymateb gan Ysgol Gynradd Maes yr Haul. Cadarnhaodd Cyfarwyddwr Addysg a Chymorth i Deuluoedd Dros Dro fod hyn yn gywir.

PENDERFYNWYD: Gwnaeth y Cabinet

- gymeradwyo Polisi a Threfniadau Derbyn i Ysgolion 2019-2020;
- cymeradwyo'r newidiadau i niferoedd derbyn cyhoeddedig ysgolion ar gyfer 2019-2020 (gweler tabl 1);
- dileu cyfeiriadau at drefniadau pontio ar gyfer ysgolion cynradd Maes yr Haul, Trelales a Phencoed o Bolisi Derbyn 2019-2020 a pholisïau yn y dyfodol; a

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- dileu cyfeiriadau at y datblygiad Linc Cymru (Trem-y-Castell) o Bolisi Derbyn 2019-20 a holl bolisiau derbyn yn y dyfodol.

187. MATERION BRYS

Dim.

Daeth y cyfarfod i ben am 16:30

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BRIDGEND COUNTY BOROUGH COUNCIL

REPORT TO CABINET

24 APRIL 2018

REPORT OF THE CORPORATE DIRECTOR COMMUNITIES

BRIDGEND TOWN HEAT NETWORK (CIVIC CENTRE) PROJECT

1. Purpose of Report.

1.1 The purpose of this report is to:-

- seek approval in principle of the financial case of the Outline Business Case (OBC) for the Bridgend Town Heat Network (Civic Centre) Project (Appendix 1),
- to recommend to Council the inclusion of £794,000 of borrowing in the Capital Programme, outlining the revenue implications of borrowing and confirming they will be covered by the scheme once all funding sources have been approved, and
- give permission for the Corporate Director – Communities to submit a grant funding bid to the HNIP capital fund in Autumn 2018 and subject to the approval of the Section 151 Officer accept the funding if successful.

2. Connection to Corporate Improvement Objectives/Other Corporate Priorities

2.2 The Bridgend Town Heat Network Project positively contributes to two of Bridgend County Borough Council's (BCBC) Corporate Priorities, namely:

- Supporting a successful economy
- Smarter use of resources

3. Background.

3.1 BCBC first began investigating heat network opportunities in 2012 and commissioned AECOM to undertake high level heat mapping and master planning activities for Bridgend. The report identified several opportunities within Bridgend Town one of which was centred upon the civic centre buildings. AECOM were commissioned to carry-out a detailed feasibility study of the various options within Bridgend Town in 2015.

3.2 During the development of the feasibility study for the Bridgend Town project, BCBC was selected as a demonstrator for the Smart System and Heat Programme (SSH) Programme in October 2014. Cabinet previously received a report (3rd February 2015) regarding the programme to authorise BCBC's participation in the programme. The SSH Programme is an ambitious, highly prestigious project, which will catapult BCBC into the role of one of the leading low carbon local authorities in the UK. The programme offers significant benefits and opportunities to BCBC such as:

- Enhanced profile;
- Income generation and financial savings potential;

- Significant investment creating job and training opportunities,
- Address fuel poverty and health inequalities among residents;
- Enhanced energy security and resilience to residents and businesses;
- Supply chain development opportunities for local businesses.
- Link to energy prospectus opportunities within the proposed Cardiff City Deal

3.3 The Bridgend Town Heat Network Project is one of the deployment projects within the SSH Programme.

4. Current situation / proposal.

4.1 The feasibility study undertaken by AECOM in 2014 was completed in June 2016 and recommended three options for a Phase 1 development of a heat network project within Bridgend Town. The options are shown in Table 1.

Table 1 Bridgend Town Heat Network Options

Option	Description
A – Two Hospitals	1.6MW _e Gas engine CHP and back-up boilers at Princess of Wales (PoW) hospital with the heat network supplying both the PoW and Glanrhyd.
B – Town Centre	0.4MW _e Gas engine CHP and back-up boilers at the Bridgend Life Centre with the heat network supplying the two recreation centre buildings and Civic Centre Offices (CCO), as well as the Sunnyside New Development. There would also be a private wire from the Life Centre to CCO.
C – PoW Hospital and Town Centre	1.6MW _e Gas CHP and back-up boilers at the PoW hospital with the heat network supplying both the PoW and the buildings in the town centre.

4.2 Each of the three options were assessed against the project’s objectives and critical success factors. The town centre project (Option B) received the highest overall score. Although the town centre project scored slightly lower than the other options in terms of meeting the project objectives of reduced energy costs and reduced carbon emissions due to its smaller scale, it is however deliverable and contributes strongly to driving economic development whilst offering opportunities for expansion and will provide the first step in the process of decarbonising Bridgend Town.

4.3 An Operations Group was created to provide a governance structure and to drive the project forward chaired by the Corporate Director - Communities and attended by the Head of Finance and representatives from Welsh Government and Halo Leisure. The Operations Group meets on a monthly basis.

- 4.4** Following the completion of the feasibility study the next step was the creation of an Outline Business Case (OBC), which can be found at Appendix 1 to this report, for the project based upon the UK Treasury Five Case Model. Specialist advisors were procured for the development of the Commercial, Financial and Economic Cases and support was provided by Welsh Government via the Carbon Trust for the development of the Strategic and Management Cases.
- 4.5** The OBC was completed in December 2017 and is based upon a gas combined heat and power unit being installed within Bridgend Life Centre and serving that building as well as the Bridgend Bowls Hall, the Civic Offices and the new Sunnyside Development being built by Linc Cymru.
- 4.6** The project could be delivered through a Special Purpose Vehicle (SPV) created by BCBC. The SPV would operate as an Energy Service Company (ESCO) and this is presented within the OBC as the preferred option for the delivery of the scheme. The creation of the ESCO to deliver the project will be subject to a future Cabinet report where all options are considered and appropriate recommendations made to Cabinet. Given the limited in-house resource within BCBC or within a newly established ESCO to effectively manage a multi-contracts strategy and BCBC's preference for a higher level of risk transfer to the private sector, a turnkey Engineering, Procurement and Construction (EPC) contract, encompassing the Design, Build, Operation and Maintenance (DBOM) tasks is therefore proposed. This option offers full guarantee of efficiency in the implementation of the project with minimal intervention on the investor's side. From a risk perspective, bringing the O&M contractor into the single contract also provides additional benefit. The benefits of this approach are:
- Single point of contact means no interface for the ESCO to manage;
 - Cost certainty is provided subject to standard exceptions;
 - Time certainty with penalties for late delivery;
 - Performance testing to ensure the energy centre and network will deliver to the specification; and
 - Allowing operational performance and failures to be linked to contracts to protect the ESCO.
- 4.7** Cabinet will be asked for approval for the creation of the SPV as part of a future Cabinet report once the detailed costings, revenue funding and all the issues regarding the creation of a SPV such as tax and banking implications have been resolved. Cabinet will also be asked to approve the remaining four business cases of the OBC as part of a future Cabinet report.
- 4.8** Subject to successful Cabinet approvals the timeline for the project is proposed in Table 2:

Table 2 Bridgend Town Heat Network Project Timeline

Assurance/Approval Milestone	Completion / Planned Date
Final Outline Business Case	January 2018
Inclusion of project within the WG Targeted Regeneration Investment Programme	March 2018
Cabinet Report Decision to Proceed Based on the Financial cases of OBC	April 2018
Begin drafting of DBOM ITT	May 2018
Apply for HNIP grant funding	October 2018
Cabinet Report Creation of SPV Decision to Proceed on commercial and management cases of OBC	October 2018
Decision on HNIP Funding	March 2019
Set Up Special Purpose Vehicle	July 2019
Award DBOM Contract	July 2019
Preparation of Full Business Case	September 2019
Heat Network Operational	October 2020

5. Effect upon Policy Framework & Procedure Rules.

5.1 The award of the DBOM contract will be subject to an open procurement process and will adhere to the Council's Contract Procedure Rules.

6. Equality Impact Assessment

6.1 The BCBC Equalities Impact Assessment Toolkit has been utilised, which indicates that the scheme will have no impact on specific equality groups and disability duties through Phase 1 project development but will require further investigation through a future Phase 2 Delivery stage.

The project is a positive step in regard to the Council's role in complying with the Well-being of Future Generations (Wales) Act 2015.

7. Financial Implications.

7.1 The financial model built for the project based upon an AECOM report prepared by a cost consultant estimates the capital expenditure required to construct the initial phase of the Bridgend Town Heat Network project to be £1,959,000 (indexed linked).

7.2 In addition to the £1.959 million, the financial model, which is over the fifty years (the lifetime of the scheme), includes additional capital spend of £3,537,000. This is because the Combined Heat and Power engine only has a useful economic life of 15 years. It is anticipated that future revenue streams will be generated to cover the majority of this capital expenditure but there is an assumption that the Council would need to finance an amount of £57,000 in 2048-49. The first capital refresh is in 2033-34 and this would require £453,000 of capital from the revenues

generated and built up. There is a financial risk to the Council (albeit a low risk) if sufficient revenues aren't generated.

- 7.3** The capital outlay required to construct the Bridgend Town Heat Network Project has been modelled over the 50 years is £5.496 million as detailed in the below table and subsequent paragraphs:-

Table 3 Project Funding Sources

Funding Source	Secured £'000	Unsecured £'000	Year 1 Capital Outlay	Unsecured Future Years Capital Outlay	Capital Outlay Over 50 Years
			Total £'000	Total £'000	Total £'000
HNIP Grant Programme	-	665	665	-	665
BCBC Capital Programme	250		250	-	250
WG Targeted Regeneration Investment Programme		250	250	-	250
BCBC Borrowing/WG Loan	-	794	794	57	851
ESCO Cash Reserves				3,480	3,480
Total	250	1,709	1,959	3,537	5,496

- 7.4** The £665,000 Capital Grant Contribution will be sought through the UK Government HNIP Grant Programme. HNIP is a £320 million capital grant funding programme setup to develop heat networks across the UK which will form part of the UK decarbonisation process. The grant is a competitive fund open to all local authorities across England and Wales with the next bidding round opening in October 2018 with successful bidding authorities being notified in March 2019.
- 7.5** The £250,000 BCBC Capital was confirmed by Council as part of the approval of the Medium Term Financial Strategy 2016-17 to 2019-20 subject to "a clear direction being agreed on the funding mechanism for the whole scheme".
- 7.6** In order to make the Financial Model viable and to ensure it is compliant with State Aid rules, the assumption is that as well as the £250,000 confirmed by Council, there is an additional £250,000 which is intended to be met through the Welsh Government Targeted Regeneration Investment Programme (TRIP). If the allocation required from TRIP is unsuccessful then an additional contribution of £250,000 will be required from the BCBC Capital Programme. This will need to form part of a future bidding process for capital and will require Council approval. Unfortunately, the Model does not prove cost effective if the extra contribution was required to be met from additional borrowing as there would not be sufficient

revenue generated to cover the annual Prudential Borrowing costs. The project could not be developed under these circumstances.

- 7.7** The final element of the funding package is a borrowing component. The Model includes £794,000 borrowing in 2018-19 and an additional £57,000 in 2048-49. Borrowing has to be included within the project finance package in order to ensure state aid compliance. The SPV would be required to make the borrowing repayments from its revenue income that it receives from providing heat and electricity to customers. The Council is one of the main customers in Phase 1 of this scheme along with HALO and Linc Housing.
- 7.8** Talks are ongoing with Welsh Government regarding the provision of an interest free loan for the project from Welsh Government to cover the £794,000 borrowing for the initial phase. Regardless of the borrowing source, the annual borrowing costs need to be paid by the SPV. The decision to proceed with the borrowing element of the project would be subject to a further Council report seeking a separate approval for this element of the scheme and for this to be included within the Capital Programme.
- 7.9** The Financial Model shows that the project generates sufficient revenues to cover ongoing operational costs and service the borrowing debt. This is shown in Table 4 below. The table also shows that if the TRIP funding is not secured then it could also cover the borrowing costs of the extra £250,000 though this would be the worse case scenario

Table 4 Example Year of Operating Revenues and Costs

Income	Assumption: All External Funding Confirmed £'000 (a)	Assumption: Only HNIP Funding Confirmed £'000 (b)
Heat Revenue	109	109
Electricity Revenue	217	217
Total Income	326	326
Expenditure	£'000	£'000
Gas Charge	133	133
Maintenance & Fixed Costs	42	42
*SPV Running Costs	17	17
**Other ESCO Operating Costs	43	43
Total Expenditure	235	235
Net Income before Borrowing Costs	91	91
Annual Costs of Borrowing (£794,000 (a) and £1,044,000 (b))	41	50
***Surplus at Year end to build up the Capital Reserve	50	41

- * SPV Running Costs – the assumption is that only 50% of the SPV running costs are attributable to this scheme
- ** ESCO Operating Costs includes payment of Business Rates of £38,500 per annum. Discussions have been held with the Wales Co-Operative Centre around the type of structure that the SPV should be setup as, with the initial advice being that a Community Benefits Society model would be appropriate. If this option is followed business rates would not be payable and therefore the ESCO Operating Costs would reduce by £38,500 per annum.

*** The £50,000 listed as surplus is a non-indexed figure as Table 4 only shows a typical year (Year 3) of revenues and operating costs for the project.

7.10 The annual surplus will need to be used to build up a sufficient reserve to finance future capital expenditure as outlined in Table 3. It would also be needed to cover any extra running costs of the SPV over and above the £17,000.

7.11 The Bridgend Town Heat Network project carries financial risks which can be described as:

- If the project does not generate its anticipated revenues it will be unable to meet its borrowing commitments;
- Failure to secure grant funding from UK Government will prevent the project from proceeding to construction;
- The project requires that BCBC run a procurement exercise to appoint the DBOM contractor. This process will be run at risk at a cost of £60,000 to BCBC (total cost of procurement will be £120,000 of which a £60,000 contribution will be requested from Welsh Government) if the project does not secure the appropriate funding and any abortive costs can not be capitalised and would put a pressure on the Communities Revenue budget.

7.12 The management of exposure to financial risk is a key consideration of BCBC in the development and delivery of the project. As such the commitment of BCBC to the project is subject to:

- All the funding being secured from the various sources needed for delivery;
- The capital cost of the scheme not exceeding £2 million;
- Mutually acceptable contractual terms being agreed with the owners of the connected buildings;
- A suitable contractor being procured to deliver the scheme within the cost profile identified through the OBC.

8. Recommendations.

8.1 It is recommended that Cabinet:

- (i) Approve in principle the financial case of the OBC for the delivery of the Bridgend Town Heat Network Project recognising that the approval of the delivery of the project is subject to:
 - a. A successful HNIP grant application;
 - b. A full business case that demonstrates the market can deliver the project for the costings contained within the OBC.

- c. Approval from Council for any additional capital funding required in the event that the TRIP grant bid is not successful.
 - d. Confirmation that borrowing costs and the full cost of the SPV will be covered from revenues generated from the scheme.
- (ii) Recommend to Council the inclusion of £794,000 of prudential borrowing in the Capital Programme, either provided by Welsh Government or an application for such borrowing will be made by BCBC, outlining the revenue implications of borrowing and confirming they will be covered by the scheme and for the scheme to be included within the capital programme for delivery once all funding sources have been approved.
- (iii) Give permission for the Corporate Director – Communities to submit a grant funding bid to the HNIP capital fund in Autumn 2018 and subject to the approval of the Section 151 Officer accept the funding if successful.

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April 2018

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Background Documents; None

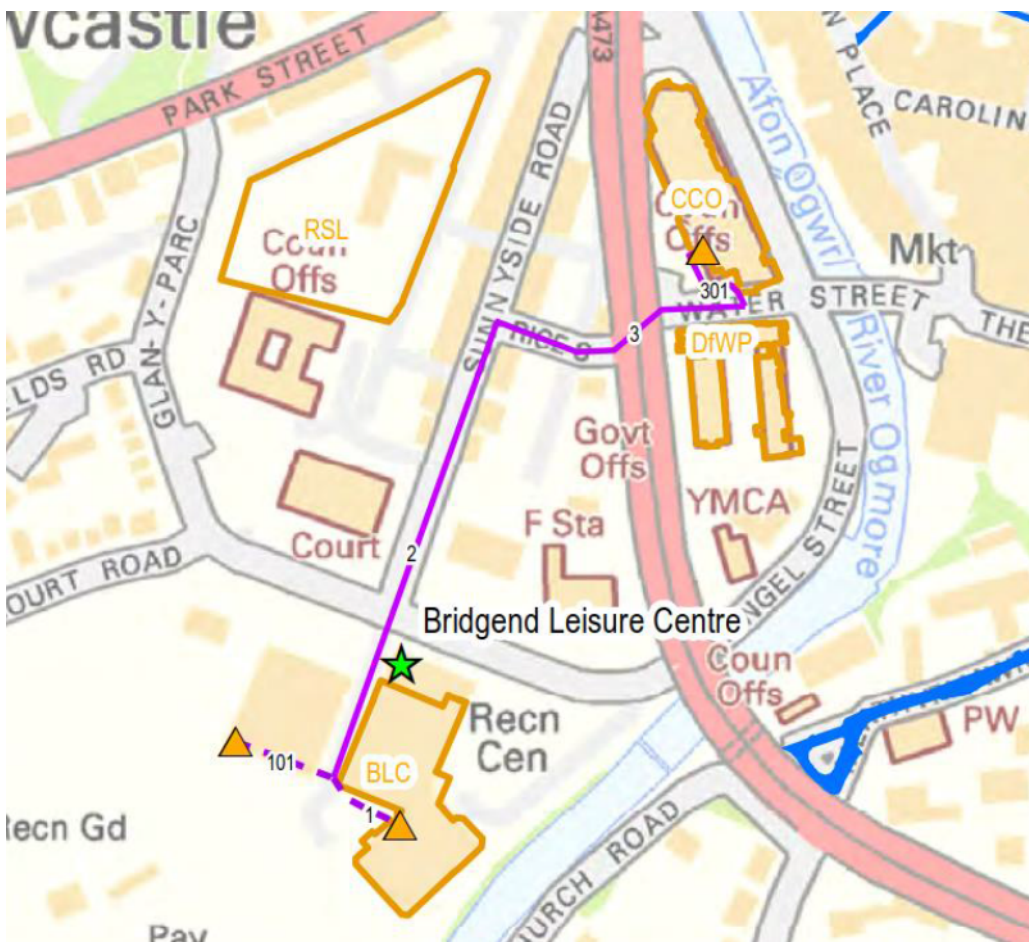
Appendix 1

Bridgend Town Heat Network Business Case

Bridgend County Borough Council
Bridgend Town Heat Network
Business Case



Date:	Version:	Author:	Document Status:
4 Dec 2017	1.0	Michael Jenkins and Jonathan Williams	Draft



0.0 Document Control

0.1 Version Control

Version	Status	Date	Author	Amendment Details
1.0	Draft	4 Dec 2017	MJ/JW	First draft

1.0 Executive Summary

Approval sought

Approval is sought from BCBC Cabinet to proceed with the Bridgend Town Heat Network (see description below) subject to:

- A successful capital application to government for 35% of the capital costs of the network;
- Approval for borrowing of £1.3M made up of £500,000 from the Capital Programme (BCBC would not expect a return on this finance and £794,000 (40.5% of the capital costs) from Prudential Borrowing or a Welsh Government source which would require separate approval from full Council.

Subject to the above, delegated powers would also be granted to the Director of Communities to:

- Procure a suitably qualified contractor to Design, Build, Operate and Maintain (DBOM) the network;
- Agree with GLL/Halo the terms of a variation to the existing Leisure Contract to establish the network's energy centre at the Bridgend Life Centre; and
- Establish a Special Purpose Vehicle (SPV) company owned by BCBC.

Introduction

The proposed Bridgend Town Heat Network will initially be established to serve public sector buildings at the heart of the Town including Bridgend Life Centre, Bowls Hall, Civic Centre Offices and the new Sunnyside development. The network will be capable of future expansion to supply other buildings in the immediate vicinity of the network, as well as buildings to the east of the river in commercial heart of the Town Centre. The energy centre for the network will be based at the Bridgend Life Centre (BLC) and initially use gas fired combined heat and power (CHP) and back-up gas boilers.

Aims and Objectives

The council's aim is that a network will be developed which not only provides key benefits for the initial building connections but which continues to grow to extend these benefits across the public sector, businesses and, over time, the domestic sector.

As such BCBC's long term, strategic expansion objectives could be summarised as ensuring the network infrastructure that is established will:

- Continue to provide reduced energy costs for customers compared to individual building based boilers.

- Provide clear carbon emission savings compared to conventional alternatives and, over time, achieve decarbonisation of the heat supplies.
- Drive local economic development and build a local skills base.

In the future, it will also achieve social benefits through addressing fuel poverty and health improvements amongst local residents.

Options Assessed

As shown in the table below, initially three key heat network options were identified for consideration following a feasibility study conducted by a consulting engineering company. These were then assessed against the project’s objectives and critical success factors. The Town Centre project received the highest overall score. This option is the most deliverable as it is not reliant on the willingness of the Health Board to commit its primary hospital in Bridgend as the main anchor load. Although the Town Centre Network scored slightly lower than the other options in terms of meeting the project objectives of reduced energy costs and reduced carbon emissions due to its smaller scale, it is deliverable and contributes strongly to driving economic development which offering opportunities for expansion.

Table S1 Short list of heat network options

Option	Description
A – Two Hospitals	1.6MW _e Gas engine CHP and back-up boilers at Princess of Wales (PoW) hospital with the heat network supplying both the PoW and Glanrhyd.
B – Town Centre	0.4MW _e Gas engine CHP and back-up boilers at the Bridgend Life Centre with the heat network supplying the two recreation centre buildings and Civic Centre Offices (CCO), as well as the Sunnyside New Development. There would also be a private wire from the Life Centre to CCO.
C – PoW Hospital and Town Centre	1.6MW _e Gas CHP and back-up boilers at the PoW hospital with the heat network supplying both the PoW and the buildings in the town centre.

Preferred option

Following the analysis performed during the Feasibility Study, the financial returns, the deliverability and the wider strategic benefits of creating a heat network, the Town Centre Network was identified as the Base Case Preferred Option. From the analysis against Business as Usual, it was clear that developing a heat network offered a greater financial benefit than continuing with a business as usual approach. Lifetime savings from the heat network project are estimated at £690k compared to business as usual. Furthermore, this option provides savings of 600 tonnes of CO₂ per annum compared to continued use of individual, building based boilers.

Commercial Issues

A wholly private sector delivery model was discounted early in discussions given that Greenwich Leisure Limited/Halo (the current operators of the Bridgend Life Centre) indicated

that they did not want to be involved in delivering the project in its entirety and no other private sector parties have been identified who would be willing to sponsor and take forward this project. In addition, for wider strategic reasons outlined in the strategic case, the Council's preference was to have some level of direct participation in the project.

Taking into account the above factors and based on early discussions of both stakeholder and project objectives the three possible delivery structures outlined in the table below were identified.

Table S2 Short list of delivery body options

Option	Description
Option 1	Halo retain and upgrade energy centre assets at the Bridgend Life Centre becoming bulk heat supplier to a Council led network.
Option 2	Halo and Council enter into a joint venture for the project – the energy centre assets are transferred to the JV vehicle which also owns the heat network. The Council and Halo are customers of the network.
Option 3	Council take over and upgrade energy centre assets as part of a Council owned project. Halo is a customer of the network only.

The delivery options were discussed with all key stakeholders and within the Council both individually and at a stakeholder workshop for the project. Discussions took place in light of the project objectives, key constraints and wider potential low carbon energy strategy within the Council. The relative benefits of different options were considered. Following this process, the option of the Council taking over and upgrading the BLC energy centre (Option 3) assets as part of a Council owned project with the use of an Energy Services Company (ESCO) emerged as the preferred option and it is this option that forms the basis of the commercial case.

A separate delivery vehicle is rarely a requirement except in very specific cases. It is generally a matter of choice taking into account funding, project risk, management and governance considerations. In this case, the wider strategic objectives of the Council as set out in the strategic case are of particular relevance. The strategic case sets out the Council's ambitions for future energy and low carbon initiatives to deliver Council and Welsh Government objectives and requirements such as the Well-being of Future Generations (Wales) Act 2015, the improvement of well-being and alleviation of fuel poverty.

Establishing an ESCO will enable project benefits to be retained in the ESCO vehicle for furthering these wider strategic objectives.

The Council considered a range of contracting options but it is recognised that there is limited in-house resource within the Council or within a newly established ESCO to effectively manage a multi-contracts strategy and the Council's preference is to achieve a higher level of risk transfer to the private sector contractors. **A turnkey EPC contract, encompassing the design, build, operation and maintenance (DBOM) tasks, is therefore proposed.** From a risk perspective, bringing the O&M contractor into the single contract would also provide additional benefit. Metering and billing could be contracted for separately or retained in-house given the number of customers. The benefits and risks of this approach:

- Single point of contact means no interface for the ESCO to manage;
- Cost certainty is provided subject to standard exceptions;
- Time certainty with penalties for late delivery;
- Performance testing to ensure the energy centre and network will deliver to the specification; and
- Allowing operational performance and failures to be linked to contracts to protect the ESCO.

Financial Issues

The capital cost of the network is estimated at £1.959m. It is intended that the project be funded from a mixture of:

- BCBC Capital Programme: £500k
- Capital grant: £665k
- Prudential Borrowing: £794k

The table below shows the results of the Base Case financial model for the proposed funding route. The outputs of the Base Case model show that the project is viable as it can repay its loans by the end of the 50 year project timeline. The Project shows a low but positive Project IRR of 2.71%. As a result of the cash demands of the business, dividends to BCBC are not available until the Project end, after capital funding requirements and debt obligations have been met. This is reflected in the Investor IRR which is slightly higher (at 5.24%) than the loan rate (4.65%), which represents the return generated via the dividend.

Table S3 Base Case financial modelling results

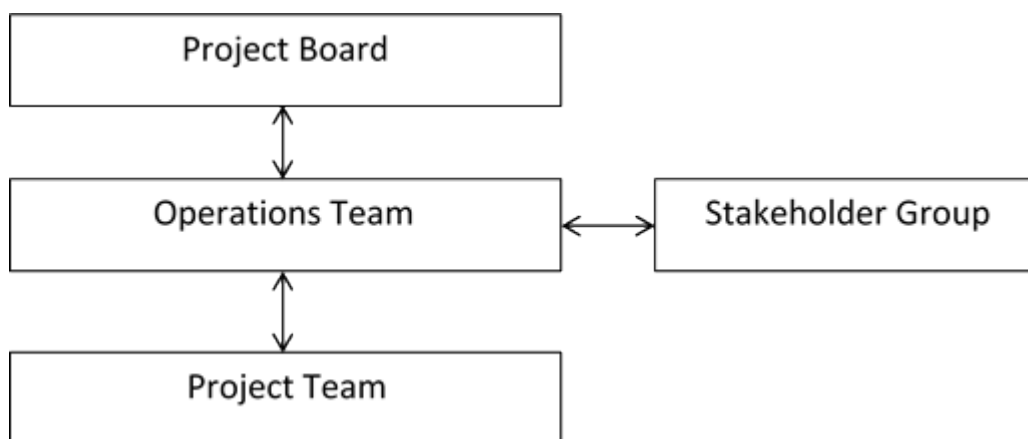
Returns				Funding Structure of Initial Drawdown			Results		
Project IRR	Investor IRR	Investor NPV £'s	Investor Payback Period	Loan at State Aid compliant rate	HNIP Grant £'s	BCBC Capital Injection	Dividends £'s	Cash at Project End	Project Viable
2.71%	5.24%	(109,810)	21	793,764	664,930	500,000	(961,958)	0	Yes

Management Issues

The development of the OBC, including all supporting technical, financial and commercial advice, has been overseen by the Bridgend Town Heat Network Operations Team. This was formulated in 2017 and has met on a regular basis. The planned Governance arrangements for the commercialisation phase of the network are shown in the figure below and build on those adopted for the development of the project OBC.

The implementation of the Bridgend Town Heat Network will be overseen by a Project Board which will provide the strategic leadership for the project. Beneath this, during the implementation phase, the key responsibility of the Operations Team will be to agree the details of the contract variation required for the BCBC and GLL/Halo Leisure contract. These bodies will be supported by a Project Team, led by a dedicated project manager. Wider stakeholders will be invited to join a Stakeholder group. It is envisaged that these arrangements will evolve further once the SPV is established and the single DBOM contract achieves financial closure.

Figure S1 Governance arrangements



Prior to the award of a DBOM contract a procurement exercise needs to be completed that will require specialist technical, legal and financial support. The cost for providing this support is estimated at £120,000. It is anticipated that a funding bid will be made to the UK Government Heat Networks Delivery Unit to secure part funding (67%) for this piece of work. The remaining 33% match will be provided by BCBC.

The project requires that a SPV is created to deliver the project. Specialist legal support will be required to do this. The cost of this has been estimated as £35,000. Attempts will be made to secure support for this again from the HNDU support funding with the remainder of the funding being provided by BCBC.

Key Milestones

The table below sets out the steps required for implementation of the project, together with the associated timeline. The timelines for implementation of the project are to a large extent influenced by the timing of the capital grant funding round, although significant preparatory work is proposed in advance of an application.

Table S4 Timetable for assurance and approval milestone

Assurance/Approval Milestone (e.g.)	Completion / Planned Date
Final Outline Business Case	December 2017
Cabinet Report issued with OBC attached	December 2017
Cabinet Further Investment Decision to Proceed	January 2018
Apply for Capital Grant Funding	October 2018
Set Up Special Purpose Vehicle	September 2018
Apply for HNIP grant funding	November 2018
Award DBMO Contract	May 2019

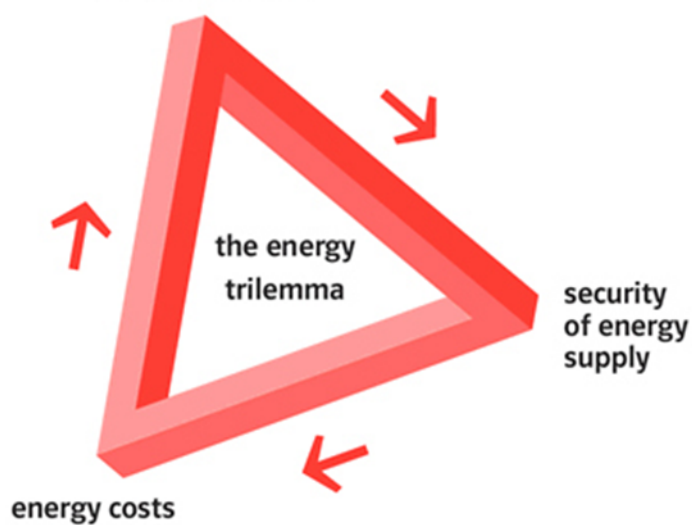
2.0 Strategic Case

2.1 Purpose

The Problem

Heat accounts for over 40% of the UK energy demand contributing nearly 20% of the UK's total carbon emissions. Action needs to be taken within the heat sector if the UK is to meet its 80% carbon reduction target by 2050. The lowering of CO₂ emissions can be achieved but it requires long term significant investment at a time when the need to address fuel poverty and provide secure energy supplies is especially prevalent. The problems of lowering carbon emissions, addressing fuel poverty and providing secure energy supplies are often termed as the energy trilemma (See Figure 1).

Figure 1 Energy Trilemma
carbon emissions



Dealing with the energy trilemma means building a low carbon economy that will reduce carbon emissions, be technology agnostic so that opportunities to exploit new and/or local sources of heat are possible and that consumers are offered a genuine competitively priced energy supply.

Heat networks offer a potential solution to solving the energy trilemma. In this regard they are able to:

- provide access to local sources of heat;
- decarbonise large numbers of buildings; and
- offer opportunities for local control of the schemes which allow pricing to be controlled.

BCBC began investigating heat network opportunities across the County Borough in 2012. The conclusion of this scoping work was that Bridgend Town offered several opportunities for the development of a heat network and through further analysis it was considered that a scheme based around the Civic Centre within Bridgend Town offered a good opportunity to develop a heat network within Bridgend.

How will the Project Benefit BCBC?

Meeting Corporate Plan Objectives

The primary driver behind the project is to address the problem of the energy trilemma. However, BCBC screens projects against the criteria of how they meet its objectives within the Corporate Plan.

The Bridgend Civic Centre Heat Network Project meets two of the three corporate objectives namely:

Smarter Use of Resources:

One of the key objectives set out in the BCBC Corporate Plan is to make smarter use of resources. It is essential that the Council's services continually deliver value for money and that this underpins everything that the Council does. As stewards of public money the Council are determined to get the most out of our resources and that means continually striving to improve efficiency and productivity in all the Council's activities.

The development of the Bridgend Town Centre Heat Network will reduce the cost of energy for the connected buildings. As the Council owns the buildings being initially connected, this will mean the services provided within these buildings can be provided at lower cost. In the leisure buildings this will mean the users will continue to have access to the same activities they currently enjoy but the cost to the Council of providing users with access to these facilities will reduce. Likewise, in offices users will continue to have access to a comfortable working environment but the costs of providing this working accommodation will fall.

Furthermore, the future of energy supplies is uncertain with fossil fuels becoming increasingly expensive amid concerns about their long term availability and their damaging environmental impact. Development of the network will reduce the exposure of connected buildings to energy price volatility and facilitate reduced reliance on fossil fuels in the future.

The scheme forms a first phase of wider development plans which will significantly contribute to BCBC meeting its future carbon budgets which could have financial penalties attached to them for failure to manage emissions in line with the allocated budget for the area.

Supporting a Successful Economy:

In 2014 BCBC was successfully selected to be one of the demonstration areas for the Smart System and Heat Programme. The SSH Programme has the potential to make Bridgend an innovation centre for the low carbon economy. The "low carbon economy" is loosely defined as all the economic activities that deliver goods and services which generate significantly lower emissions of GHGs (predominantly CO₂). It is constantly evolving as new activities are conceived or brought to market. Each of these activities involve a number of companies, each employing a number of people that work to produce a quantity of goods and services that are consumed both domestically and internationally.

The low carbon economy generated £70.8bn in turnover in 2013 for those businesses operating directly in the sector. This figure grows to £121.7bn when the supply chain is included. The Low Carbon Economy is comprised of several elements which can be categorised as:

1. Low Carbon Electricity
2. Low Carbon Heat
3. Energy from Waste and Biomass
4. Energy Efficiency Products
5. Low Carbon Services
6. Low Emission Vehicles

The Bridgend Town Centre Heat Network scheme is one of several projects that BCBC is developing with an aim to develop the area as a centre of the low carbon economy within South Wales and where skills can be developed by an SME base that are able to exploit economic opportunities across the region as well as the wider UK market.

Meeting Statutory Requirements

The heat network project will help BCBC to demonstrate compliance with a range of different pieces of legislation.

Wellbeing of Well-being of Future Generations (Wales) Act 2015: The Act puts in place seven well-being goals. Development of the Bridgend Town Heat Network will contribute to these goals, including helping to achieve: a resilient Wales; a globally responsible Wales; and a prosperous Wales. Table 1 sets out how this project relates to all seven well-being goals.

Table 1 Meeting the Wellbeing Goals

Wellbeing Goal	How Operation Meets the Goal
A Prosperous Wales	The project will form part of the wider Smart System and Heat Programme within Bridgend which will create new market opportunities generating new employment and a skilled work force to meet these opportunities.
A Resilient Wales	The heat network being developed around the Bridgend civic centre is the foundation of wider plans to expand into other parts of the town. As the network develops low carbon sources of heating will be sourced such as heat pumps etc. which will enhance the energy security of the area.
A Healthier Wales	The ultimate aim of the scheme is to expand beyond the initial civic centre area and connect housing onto the scheme and BCBC is in discussion with the local health board to realise the benefits to the health agenda of better management of energy within domestic properties to the physical, mental and respiratory health of individuals.
A More Equal Wales	Part of the wider aims of the project are to establish Bridgend as an area of low carbon innovation where private sector investment will create employment and training opportunities for residents that would previously be unavailable.
A Wales of Cohesive Communities	The heat network project can be both a catalyst and a contributor to regeneration within Bridgend Town. The project will drive low carbon technology and with the smart elements of the SSH Programme integrated there is potential to provide Bridgend with greater connectivity.
A Wales of Vibrant Culture and Thriving Welsh Language	Wales was once at the centre of the global energy system and through the new market opportunities created within low carbon innovation Wales can reclaim its cultural identity through the energy field.
A Globally Responsible Wales	The project is part of the wider plans to de-carbonise the UK energy system which will contribute to the global challenge to control climate change.

BCBC has signed the Welsh Government's Sustainable Development Charter and has committed to making sustainable development the central organising principle in how it makes decisions and carry-out its work.

Carbon Budgets:

Climate change is one of the greatest threats of the 21st Century. Globally, 14 of the 15 hottest years on record have occurred since 2000. The impacts of climate change are already being felt in the UK. Changes to the UK climate are likely to include periods of too much or too little water, increasing average and extreme temperatures, and sea level rise. The Committee on Climate Change (CCC) concludes that the most urgent risks for the UK resulting from these changes include:

- Flooding and coastal change risks to communities, businesses and infrastructure.
- Risks to health, wellbeing and productivity from high temperatures
- Risk of shortages in the public water supply, and water for agriculture, energy generation and industry, with impacts on freshwater ecology.

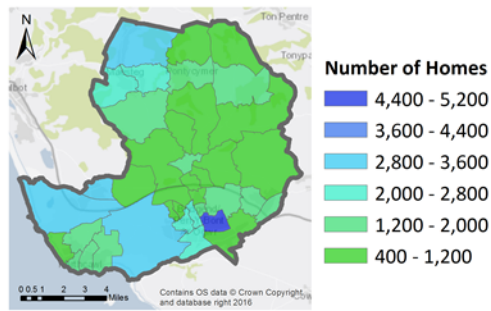
As part of international efforts to mitigate climate change a range of policy initiatives have been introduced at a UK wide, national and local level.

The UK Parliament approved the Climate Change Act in 2008. This makes it a duty of the Secretary of State to ensure that the net UK carbon account for all six Kyoto greenhouse gases for the year 2050 is at least 80% lower than the 1990 baseline. Carbon budgets have been set to reflect the Climate Change Committee's estimate of the most 'cost-effective' path to the 2050 target. Their cost-effective path is designed to represent the lowest cost way of meeting the 2050 target, taking into account the full range of criteria set out in the Climate Change Act (including impacts on energy security, competitiveness, fuel poverty and the fiscal balance).

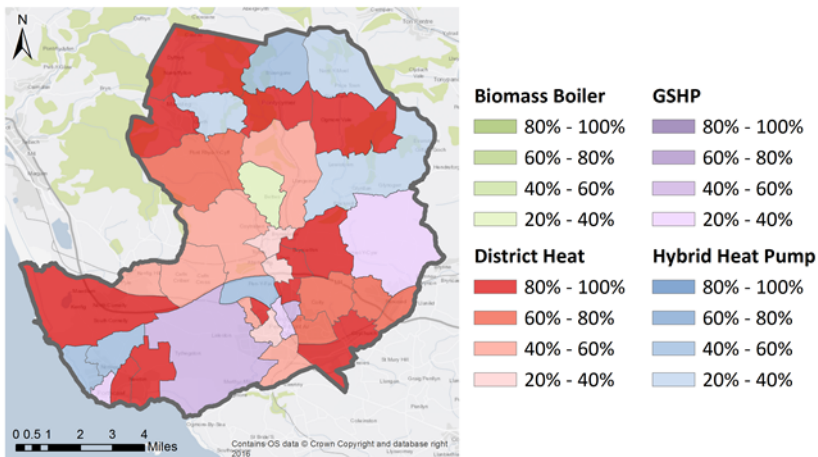
In Wales, the Welsh Government has committed to introducing a carbon budgeting framework for Wales. The legislative vehicle for this, the Environment (Wales) Act, received Royal Assent in March 2016 and requires that before the end of 2018 the Welsh Government under Part 2 of the Act must set in regulation interim emissions targets to 2040, as well as carbon budgets to 2025. The Bridgend Town Centre Heat Network is aligned with the Environment Act for decarbonisation and will contribute to carbon budgeting targets and the approach being taken will conform to the goals and principles of the Well-being of Future Generations (Wales) Act 2015.

BCBC in conjunction with Energy Systems Catapult (ESC) as part of the Smart System and Heat Programme is establishing a decarbonisation pathway for Bridgend out to 2050. Through the use of the EnergyPath Networks tool BCBC is developing a Low Carbon Transition Strategy which will set out a pathway to the decarbonisation of Bridgend County Borough through the use of heat networks, ground and air source heat pumps and biomass boilers.

Figure 2 Decarbonised Bridgend in 2050



Transition Two



The Bridgend Civic Centre Heat Network represents one of the important initial steps within the plan which will enable BCBC to meet its statutory obligations under the Environment (Wales) Act. Figure 2 shows that the decarbonisation plan for Bridgend Town is heavily focused upon the deployment of heat networks within the area.

What is the Counter-factual?

If BCBC is to meet its carbon reduction obligations under the Wales Environment Act but does not actively pursue the de-carbonisation plan it is developing with the ESC under the SSH Programme then it would need to maintain the current system of individual boilers within buildings.

The current system whilst being able to deliver heat to building users does, in no way, meet the wider objectives of the heat network project. Heat networks are traditionally developed along purely commercial lines, in that the project is evaluated around its ability to provide a positive return on an investment. The Bridgend Civic Centre project is being developed as a tool to deliver environmental, social and economic benefits that the counter factual option will be unable to address.

The individual boiler option will not be able to address the problem of how we de-carbonise Bridgend Town. The heat network will enable a low carbon technology (e.g. heat pump) to be deployed as the energy source for the scheme which will enable large numbers of buildings to be de-carbonised quickly and which will ultimately cost less than de-carbonising individual buildings.

The heat network will also enable local sources of heat that currently exist or may exist in the future to be accessed and exploited in a way that the counter factual option cannot do.

The heat network aligns more closely with the aims of the Well-being of Future Generations (Wales) Act 2015 than the counter factual since BCBC is considering the future needs of the area in terms of decarbonising and meeting social and economic improvement goals.

2.2 Aims and outcomes

2.2.1 Background

Current situation

The current situation is built on the precept that individual buildings within Bridgend Town are predominantly heated with fossil fuel fired boilers. This is a highly carbon intensive approach and provides maximum exposure to fossil fuel price volatility. The higher density of buildings in the civic centre area of Bridgend presents an opportunity for a heat network to be built comprised of pre-insulated hot water pipes and a centralised gas CHP energy centre.

Benefits of a Heat Network

There are clear benefits to the development of the Bridgend Civic Centre heat network scheme. The benefits can be articulated under the following broad headlines:

Financial Savings/Income Generation:

A heat network scheme within Bridgend offers an opportunity to generate financial savings and potentially generate an income stream in future years as the scheme expands.

The savings will increase annually as grid based energy prices increase and buildings connected to the scheme no longer have to maintain and replace individual boiler plant. There is an opportunity to generate revenue from the heat sales as the network expands to properties not in the ownership of BCBC.

Currently the scheme is modelled that non-BCBC customers of the heat will receive a 5% reduction on their current bill and customers of the electricity (BCBC and Halo) will receive a 10% reduction on their bill.

Decarbonisation of Bridgend:

The Welsh Government introduced the Environment Act in 2016 with the aim of Part 2 of the Act being to reduce greenhouse gas emissions by at least 80% by 2050. Reducing emissions and transitioning to a low carbon society and economy is vital for our future generations as it will improve the social, economic and environmental well-being of Wales.

The Bridgend Town Heat Network Scheme will be the cornerstone of decarbonising the heat sector of the town out to 2050. The connection of buildings and houses to a central energy plant will enable large numbers of properties to decarbonise very quickly as the transition is made away from natural gas heat solutions.

The Civic Centre based scheme is the first phase in the development of a town wide heat network which aligns with the SSH Programme EnergyPath tool which considers that a heat network is the optimum technology for the decarbonisation of heat within Bridgend Town.

Part 2 of the Wales Environment Act is likely to place duties on local authorities to manage local carbon budgets which may have financial penalties for failure to stay within the budget. Therefore being able to manage carbon emissions proactively (which the heat network enables us to do) will be a considerable asset in the future.

Well-being of Future Generations (Wales) Act 2015:

The creation of a heat network scheme within Bridgend Town is a long term project designed to have real environmental, social and economic benefits for the area. The project aligns perfectly with the Well-being of Future Generations (Wales) Act 2015 requirements since the project is about making decisions that will yield long term benefits rather than taking the short term option (individual boilers) which costs less but does not achieve any of the environmental, social or economic benefits that the heat network project does.

Addressing Fuel Poverty:

The most recently published [official fuel poverty statistics](#) for the UK indicate that in 2011, 29% of households (0.27 million) in Wales were spending more than 10% of their income on fuel use to heat their home to an adequate standard of warmth. This proportion is significantly greater than the UK average of 17%. Recent figures on the exact number of households in fuel poverty are unavailable; however estimates based on [modelling assumptions](#) suggest in the region of half a million, roughly 41% of households in Wales fell into this category in 2013.

With the impacts of welfare reform compounded by rising energy prices, fuel poverty is likely to continue to rise on the agenda both in Wales and the UK as a whole.

Successfully tackling fuel poverty not only has social, health and wellbeing benefits but also economic in terms of householder savings and employment opportunities, and environmental benefits linked to carbon emissions reductions. Addressing fuel poverty requires an examination of the multiple factors which drive it, including:

- energy efficiency of the home;
- poor energy efficiency behaviour;
- energy costs; and
- household income.

Although providing financial assistance to those in, or at risk of, fuel poverty may help provide a quick fix the unstable nature of fuel prices and incomes provides further reason to support innovative solutions which allow direct intervention upon energy supply and pricing which currently is beyond the scope of BCBC to influence. In the longer term, the Bridgend Town Heat Network project has the ability to stabilise energy prices for customers and as part of the wider SSH Programme deliver real changes for residents with the creation of business models designed to specifically address fuel poverty and although there will be limited numbers of residential connections in Phase 1 this will grow as a key benefit as the scheme expands in the residential areas of Bridgend Town.

Health Improvements from Fuel Poverty Alleviation:

There are a variety of health risks associated with living in fuel poverty and can broadly be summarised as:

General Health: A range of health impacts have been demonstrated to be associated with inadequate heating, e.g. gastric ulcers, colds, sore throats, frequent headaches and eczema.

Cardiovascular Health: The research identifies an association between coronary events and cold weather; those living in cold homes also have an increased risk of high blood pressure.

Respiratory Health: Studies show a 30-50% increase in a variety of respiratory illnesses and an increase in hospitalisations due to respiratory illness for people living in damp/and/or cold homes.

Physical Health: The symptoms of physical diseases such as arthritis are known to be worsened for sufferers who live in cold, damp homes.

Mental Health: For those individuals suffering from mental health illness research shows that symptoms are worsened when living in cold, damp, dark properties.

Research carried out by the Administrative Data Research Centre for the Welsh Government Warm Homes Nest scheme has shown the impact that energy efficiency measures have had upon the health and hospital admissions of recipients of the measures.

The research looked at two groups with the first group having received energy efficient measures and the second group having received no measures. Groups were representative of different demographic groups e.g. less than 5 years old, over 75 years old etc. The research found that:

1. A 3.9% decrease was recorded for visits to a GP for a respiratory event for the group that received the energy efficiency works as opposed to a 9.8% increase in the group that did not receive any works.
2. A 6.5% decrease was recorded for asthma events for the group that received energy efficiency measures compared to a 12.5% increase in the group that did not receive any measures.
3. The data showed a positive impact upon hospital admission rates for those people that had received measures although the impact was not considered to be statistically significant.

Additional Service Benefit

BCBC has lodged an expression of interest for the WG Local Fibre Networks Programme. It is our intention to develop a private fibre network within Bridgend Town at the same time as the heat network is developed to reduce infrastructure costs. The fibre network would serve a number of purposes such as providing free WiFi in the town centre but also acting as an enabler to the work that Hitachi are currently doing around the creation of a smart master plan for Bridgend.

Relationship with Strategic Objectives

Feasibility work has identified the potential for a heat network supplying public sector buildings to the west of the River Ogmore close to Bridgend Town Centre. The study considered various combinations of options with the recommended start-up scheme set out in the scope section of this business case. The most economical start-up network involves several BCBC owned buildings and a new development located on the site of the former Bridgend Magistrates Court and BCBC Sunnyside Offices. The new development is comprised of a primary health care/wellbeing centre and 60 flats. The project is being delivered by Linc Cymru Housing Association Ltd. Linc Cymru Housing Association Ltd is a Registered Society under the Co-operative and Community Benefit Societies Act 2014 and a Registered Social Landlord regulated by the Welsh Government.

The buildings can act as the long term anchor loads required to financially underpin the construction and subsequent operation of the network. The network will be sized with the ability for significant numbers of private sector buildings to connect to the scheme with the intention being to offer low cost, secure heat supplies with reduced environmental impact.

2.2.2 Scope

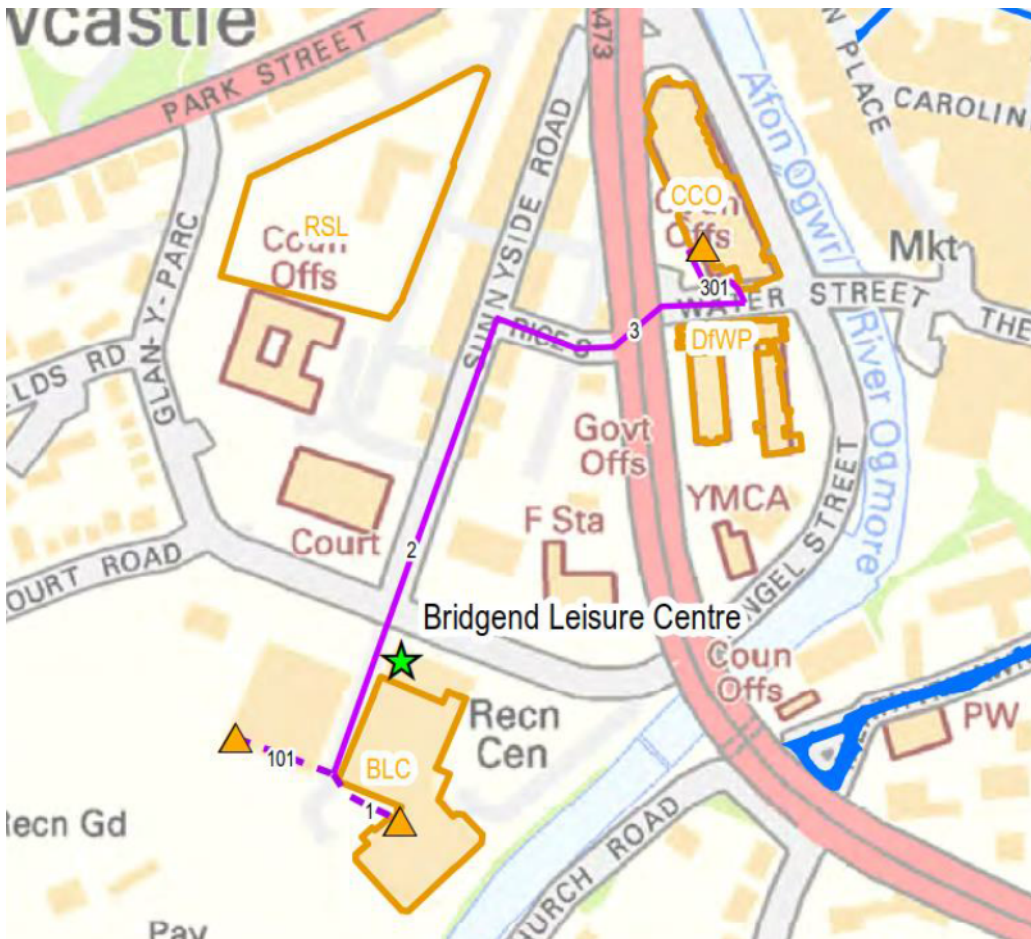
BCBC has a number of key drivers for the project relating to decarbonisation, the minimisation of costs of heating for public and privately owned buildings within the civic centre, enhanced resilience and achievement of social benefits. Within the town centre it is intended that these aspirations are in part achieved through the development of a heat network. The sub-sections below provide further details of the envisaged geographic spread of the network, together with providing details of the buildings to be connected and partners involved in the project.

Geographic Scope

BCBC has aspirations for heat networks to be constructed in several parts of the borough with potential for interlinking certain networks over time. This start-up heat network represents the Council's first step into implementation within the heat network market. It is a deliverable network which addresses a number of the Council's corporate drivers, while also being compatible with their long term vision for providing secure, affordable and low carbon heat for Bridgend.

To begin with the start-up network will serve public sector buildings in a civic cluster close to the town centre and the new Sunnyside development, which is a mixed use development comprised of housing and a health care facility. The initial network will be bound by the River Ogmore to the east and south, Park Street to the north and Glan-y-Parc to the west (see Figure 3).

Figure 3 Bridgend Civic Centre Heat Network



The connection of the public sector, anchor heat loads within this core area will provide the long term assurance to enable construction of the network, which will in time expand to supply other buildings.

Buildings Connected

The most economical network identified in the initial geographic area supplied the Bridgend Civic Centre Offices, the Bridgend Life Centre, the Bowls Centre and Sunnyside Development (located on the map where the BCBC Sunnyside Offices and Bridgend Magistrates Court were formally located) with gas fired combined heat and power (CHP) and top-up boilers.

The start-up network will, therefore, be established based on the following core of public sector buildings:

- Civic Centre Offices;
- The Indoor Bowls Centre;
- Bridgend Life Centre;
- Sunnyside Development (primary care facility and 60 flats).

Although the start-up network would only supply these buildings, the network would be capable of supplying other buildings in the area e.g. the Department for Work and Pensions (DWP) and Raven’s Court, as well as expansion to supply buildings further afield.

The network would be supplied from an energy centre at the Bridgend Life Centre (which has an existing gas fired CHP unit).

The sub-sections below summarise the current arrangements for heating in the buildings that it is proposed should connect, when the heating plant is installed and what would happen in the absence of a heat network being installed. The information in these sections has been derived from the AECOM May 2014 Final Report on the Business Case for Town Centre

District Heating Network and the AECOM March 2017 Opportunities identification and Economic Viability Assessment.

Council Civic Offices

Bridgend Civic Centre Offices are the main headquarters building for Bridgend County Borough Council. The building was built in 1985 and is spread over 4 floors. The building underwent a partial refurbishment in 2017 to repair the roof, replace the windows and install photovoltaic panels.

The building is mixed-mode ventilated. The heat for space heating is provided via two gas fired 218kW Stibel E300 10 boilers that were installed during 2007/8. These feed radiator circuits and constant temperature low temperature hot water (LTHW) heating coils for air handling units. DHW is supplied via a solar hot water heater, with a 94kW heat output, and hot water cylinder. The current plant room of the Civic Centre Offices is towards the southern end of the building on the 5th floor. There is a vertical service duct by the lift shaft which runs from the basement car park up to the 5th floor that could be used as a route for heat mains.

Indoor Bowls Centre

The Indoor Bowls Centre facilities are by Ogwr Indoor Bowls Club during the winter months. The Centre is heated via radiators and LTHW heating coils temper fresh air in the air handling unit. The for the space heating and mechanical ventilation is provided via six gas boilers adjacent photo) which are in need of replacement. The six (Stelred) Ideal boilers were installed in 1993 and each a nominal output of 97kW, giving a combined installed capacity of 582kW. Domestic Hot Water (DHW) is also provided from these gas boilers, via a calorifier. The existing boiler room is located on the ground floor with direct access from outside.



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In the absence of the building connecting to a heat network, the existing boilers would need to be replaced to ensure the security of the heat supply to the building.

Bridgend Life Centre

The Bridgend Life Centre consists of a remodelled Sports Hall building and Leisure Pool Building. The Sports Hall building has been subdivided to provide a reduced size hall, library, climbing wall and a play area, with a new main entrance on the ground floor. The space heating and DHW for the Leisure Pool Building and Sports Hall Building are provided from a boiler plant room located in the Leisure Pool Building (see adjacent photo). The Life Centre benefits from an onsite combined heat and power (CHP) plant (see adjacent photo). This was installed in 2012, having previously been installed at a separate location.



Operation of the indoor Bowls Centre and Life Centre

Halo is a registered charity and social enterprise running 20 sport and leisure facilities in Wales and England on behalf of local authorities. Being a social enterprise means Halo trades for social purposes. They are a not for profit organisation with no shareholders. The money Halo make is reinvested back into the facilities, allowing costs to be kept low and value for money to be achieved. Halo, sub-contracted by Greenwich Leisure Limited, operate several

leisure facilities in Bridgend, including the Bridgend Life Centre and Bowls Hall. It will be necessary to agree mutually acceptable terms between BCBC and Halo to allow both buildings to be connected and the Life Centre to become the heat supplier for the heat network.

Bridgend Life Centre

The new Sunnyside development conceptual masterplan is for a 700m² multi-use health and social care centre with at least 60 residential units on the 1.9ha development site on Sunnyside Road. It is envisaged that the development's uses will be served by a site heat network, allowing connection into the wider district heating network.

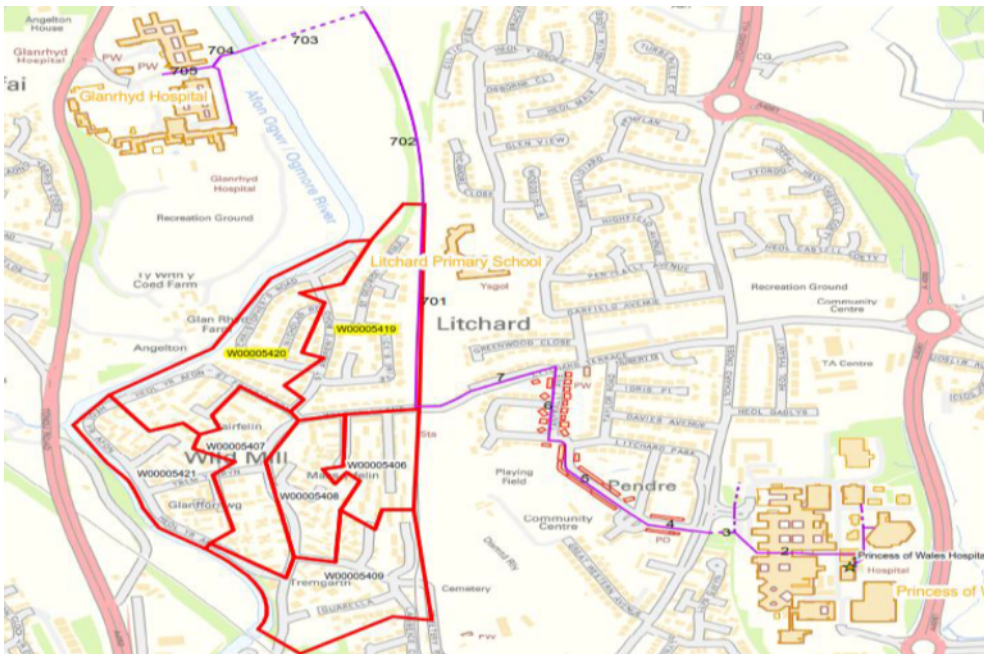
Future Scope

The ambition for the heat network scheme is that it expands beyond its original core Civic Centre buildings in line with the Low Carbon Transition Strategy developed within the SSH Programme and becomes the key tool to assist in the de-carbonisation of Bridgend Town. It is envisaged that the network will expand through several phases over a short, medium and long term timescale. The future plans for expansion are considered to be:

Phase 2 Hospital/Housing Connections

As Phase 1 of the Bridgend Heat Network scheme is being developed based around the Civic Centre area of the town a second scheme is being investigated centred upon the Princess of Wales Hospital, Glanrhyd Hospital and the Wildmill Estate. The scheme is shown in Figure 4.

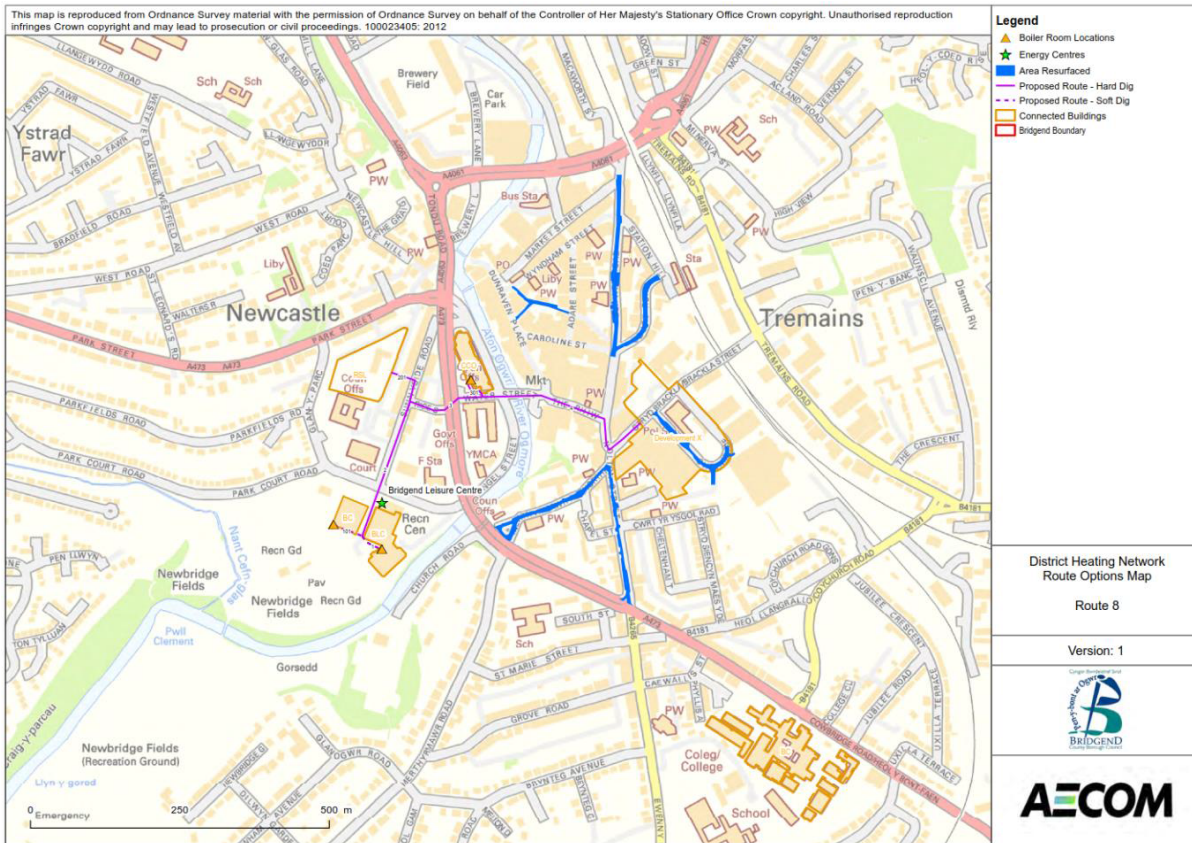
Figure 4 Hospital/Housing Phase 2 Development



Phase 3 Expansion of Civic Centre Scheme

Phase 3 of the scheme (see Figure 5 below) aims to connect buildings around the Civic Centre scheme such as the Department of Works and Pensions buildings as well as expanding across the river and connecting to new developments within Bridgend Town Centre. Key to this expansion will be integrating the scheme into the BCBC regeneration plans for the town centre.

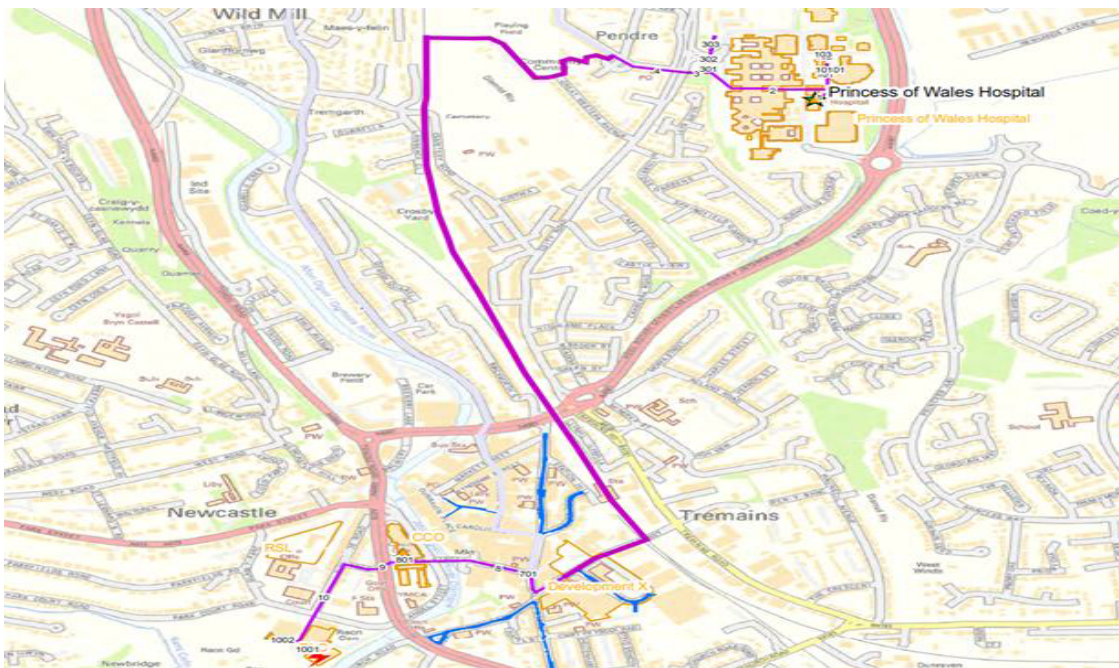
Figure 5 Expansion of the Civic Centre Scheme



Phase 4 Connect Heat Networks Together

Phase 4 of the scheme aims to connect the expanded Civic Centre network with the hospital/housing scheme located to the north-east of the town centre (see Figure 6 below).

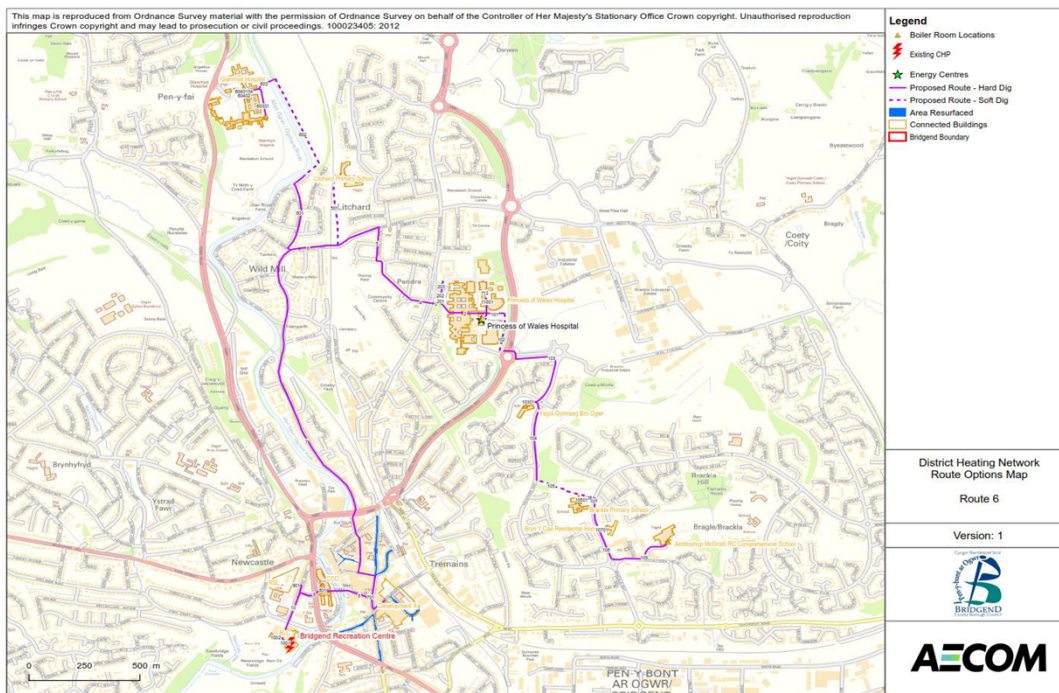
Figure 6 Connected Bridgend Schemes



Phase 5 Extension to Brackla Cluster

Phase 5 of the network (see Figure 7 below) sees the scheme expanded eastwards to connect Ysgol Gymraeg Bro Ogwr, Brackla Primary School, Bryn Y Cae Residential Home, Archbishop McGrath RC Comprehensive School and housing within the Brackla community which is relatively dense.

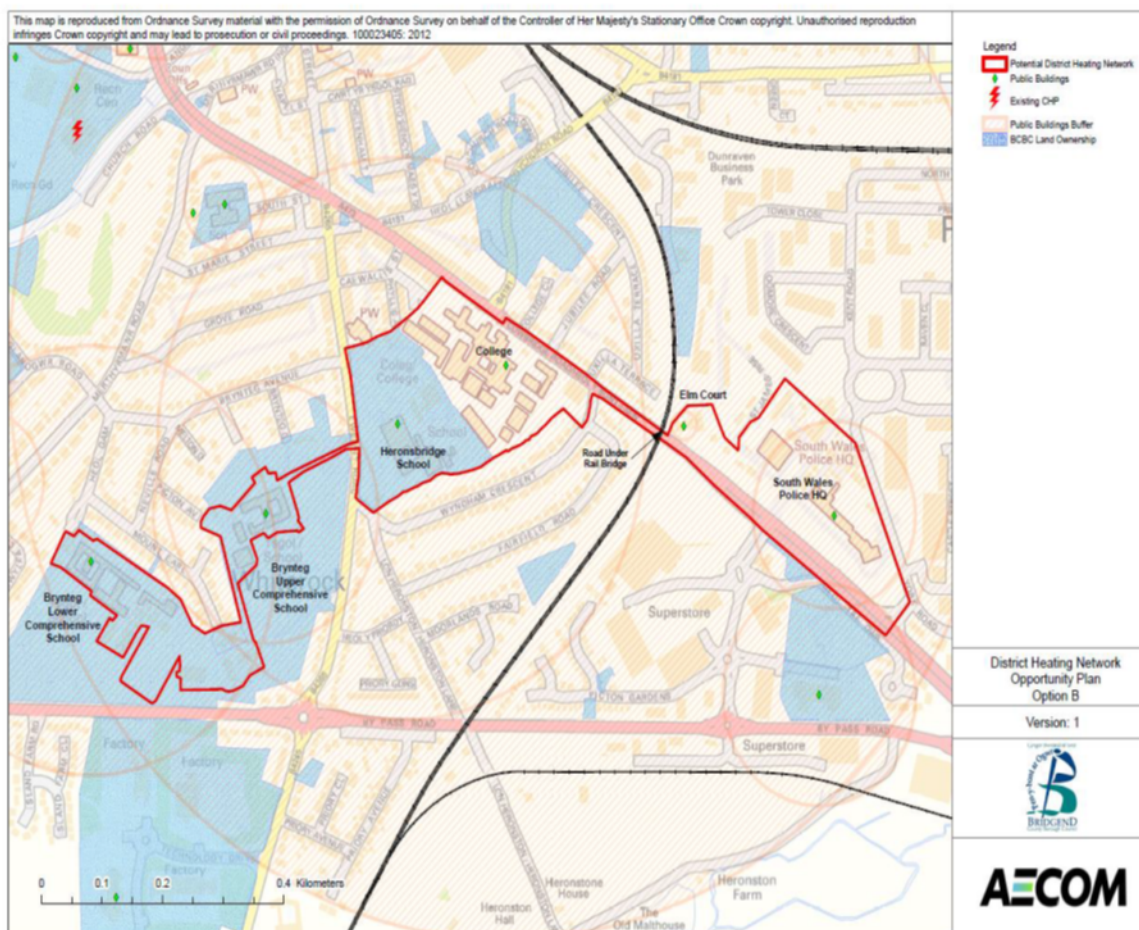
Figure 7 Extension to Brackla Cluster



Phase 6 Extension South of Town Centre

Phase 6 of the scheme (see Figure 8) looks at the network expanding south of Brackla to pick up the Parc Afon Ewenny development, South Wales Police Headquarters, Heronsbridge School, Brynteg Comprehensive, Bridgend Industrial, Bridgend Resource Centre and ultimately the Ford plant.

Figure 8 Southern Extension



2.2.3 Objectives

The start-up project will initially connect 3 buildings and the Sunnyside Development, providing long term, secure heat supplies over a 50 year period. The objectives in connecting buildings to the Bridgend Town Centre Heat Network are:

- Reduce costs below the business as usual (BAU).
- Reduce carbon emissions compared to BAU provision
- Deliver enhanced security of supply for customers and improved system resilience.

However, the council has aspirations that the network will continue to expand. As such BCBC's long term, strategic expansion objectives could be summarised as ensuring the network infrastructure that is established will:

- Continue to expand to connect additional public and private sector buildings.
- Continue to provide reduced energy costs for customers compared to individual building based boilers.
- Provide clear carbon emission savings compared to conventional alternatives and, over time, achieve decarbonisation of the heat supplies.
- Drive local economic development and build a local skills base.
- Achieve social benefits through addressing fuel poverty and health improvements amongst local residents.

2.2.4 Benefits being sought

Table 2 Targeted main benefits split by stakeholder group

Stakeholder	Main benefits by stakeholder group / customer
1 Customers	Reduction of costs of energy to connected buildings of between 5 - 10% indexed lifetime heating costs savings compared to the counterfactual/Business as Usual ¹ .
2 LA	Reduction of CO ₂ emissions by 600 tonnes/year on completion of the installation of the start-up scheme.
3 Authority Area	Generation of 4 new jobs through the Capex and Opex phases of the project.

2.2.5 Inter-Dependencies, Assumptions & Constraints

Internal factors

Discussions and meetings with the Principal Surveyor in the Council's Property and Facilities Management Team have taken place to explain the costs and benefits to be derived from connection of the Council's buildings to the heat network.

Liaison with the Group manager for Sports and Physical Activity has been conducted. This manager is responsible for day-to-day management of the contract with Greenwich Leisure/Halo for maintaining the Council's Leisure facilities.

While in principle internal agreement has been reached to allow connection, final agreement needs to take place in liaison with senior management with specific input and approvals sought from Finance and Legal departments. These discussions will be informed by outputs from the financial and legal consultants procured to feed into the business case.

The internal process for final project sign off will be made by those BCBC elected members who form the Cabinet. A formal report will be made to them containing the outline business case for the project with recommendations for proceeding with the project.

External factors

Mutually acceptable terms will need to be agreed with Greenwich Leisure/Halo, including related to the existing CHP. This will be achieved through the governance arrangements already in place which include the monthly operational meeting. The commercial consultants will take forward more detailed contractual discussion with Greenwich/Halo. These discussions will also need to consider how the project will continue once the current Halo contract comes to an end in 2027.

2.3 Identify, assess and mitigate high level potential risks

Table 3 below sets out the high level potential risks that have been identified and the intended mitigation measures.

Table 3 High Level Potential Risks and Mitigation Measures

Risks	Mitigation
Insufficient engagement from the key internal and external stakeholders	Establishment of a Project Board for the Town heat network project with representation from senior people within the key organisations, including Bridgend Property Team.
Lack of high level internal support within the local	Continued close liaison with responsible directors within BCBC (e.g. Director of Communities, and

¹ Need to reference this back to Appendix 4 of AECOM March 2017 report

authority	Head of Service (Finance)), plus engagement with/from CEO and Members.
The LA has established a high profile in the area of heat networks and, in many ways, is considered to be leading Wales. Failure to deliver a successful, operating scheme may risk damaging the council's reputation for being an environmental leader.	Focus efforts on developing this deliverable scheme, establishing the necessary governance arrangements and project plan to implement the project.
Failure to develop funding package to deliver the scheme.	Build a business case that is broader than just financial returns. Demonstrate how scheme can reduce carbon, provide energy resilience, address fuel poverty etc.

Risk Statement

BCBC has traditionally not been an active player within major energy projects. The Bridgend Town Civic Centre heat network project will be the first step into the heat network market for the authority and the first major energy project it has delivered.

The management of risk and exposure to financial risk is a key consideration of BCBC when developing and delivering this project. As such BCBC is committed to the project provided that:

1. The capital cost of the scheme does not exceed £2M
2. The Internal Rate of Return exceeds 4%
3. Mutually acceptable contractual terms can be agreed with Greenwich Leisure/Halo that results in clear energy cost savings for the connected buildings.
4. A suitable delivery vehicle can be created through which the project is delivered.

3.0 Economic Case (Options Appraisal)

3.1 Purpose

The purpose of this section is to summarise the available options and their likely impact in terms of qualitative and quantitative factors. Using an evidence-based assessment, it recommends the Preferred Option for the Project and confirms that this represents a benefit when compared to the Counterfactual. The Preferred Option will be taken through for implementation and delivery options assessment within the later Cases of this document.

This Economic Case is set out using the following headings:

- Critical Success Factors
- Long list of options
- Short list of options (including confirmation of the Preferred Option)

3.2 Critical Success Factors

Critical Success Factors are the key attributes on which successful delivery is dependent. The following have been determined by BCBC to be Critical Success Factors for this Project:

- Willingness of the largest customers to commit to long term heat supply contracts
- Start-up scheme identified which is of a scale which is deliverable
- Potential for BCBC to control the future strategic direction of the Project
- Financial viability

3.3 Long list of options

In March 2017, a Bridgend District Heating Networks Feasibility Study (Opportunities Identification and Economic Viability Assessment) was completed by AECOM. In this section we detail the outcome of this feasibility study and how this determined the options.

The feasibility study considered the nature and scale of the existing and potential future energy demands in Bridgend and how these could be served by a district heating network. It considered the energy loads at existing buildings and likely loads for identified redevelopment sites, and what are likely to be the most suitable heat sources.

Four key energy clusters were identified, based on assessment of existing heat loads (both domestic and non-domestic) and their location relative to each other:

- A. Llynfi: Llynfi Power Station, Bridgend Paper Mill
- B. Litchard: Princess of Wales (POW) Hospital, Glanrhyd Hospital, Litchard Primary (LP) School
- C. Brackla: Ysgol Gymraeg Bro Ogwr, Brackla Primary School, Bryn Y Cae Residential Home, Archbishop McGrath RC Comprehensive School
- D. Town Centre: Civic Centre Offices (CCO), Bowls Centre, Bridgend Life Centre, Development X, RSL residences, etc.

There were three options for energy centre locations: biomass heat from Llynfi Power Station, CHP at Princess of Wales Hospital, and CHP at Bridgend Life Centre.

Techno-economic modelling was performed on scenarios refined from these options and clusters, and excluded Llynfi Power Station and the town centre new developments to eliminate uncertainties. Llynfi Power station was eliminated due to significant uncertainty regarding whether the proposed power station would be constructed and the significant distance (6km) heat from the power station would need to be transported to reach the main, higher density demand area i.e. Bridgend Town Centre.

A technical and financial assessment was conducted and 11 different route options (the long list) were considered, with different combinations of clusters and different connections within these area clusters. These options are summarised in the next section.

3.3.1 Summary of options

The following options have been considered as the longlist:

- i. Town Centre – Existing Buildings
- ii. Town Centre – Existing Buildings & PW² to CCO
- iii. Litchard – ABMU³ Hospitals excl. LP (CHP 17/7⁴)
- iv. Litchard – ABMU Hospitals excl. LP (PW, CHP 17/7)
- v. Litchard – ABMU Hospitals excl. LP (CHP 24/7⁵)
- vi. Litchard – ABMU Hospitals excl. LP (Rail CHP 24/7)
- vii. Litchard – ABMU Hospitals (soft dig via LP)
- viii. Litchard & Town Centre – Rail
- ix. POW & Town Centre – Rail
- x. POW & Town Centre (incl. DEVX⁶) – Rail
- xi. POW & Town Centre – Rail (24/7)

3.3.2 Economic appraisal of options

Results of AECOM's techno-economic assessment on the longlist (Feasibility Study) are summarised in the table below.

Table 4 Techno-economic model results

Option	Total capex (£m)	Unindexed 30y Project IRR (%)	NPV – 30y @ 6% (£m)	Simple Payback (y)
i. Town Centre – Existing Buildings	1.72	2.11%	-0.54	23
ii. Town Centre – Existing Buildings & PW to CCO	1.86	3.90%	-0.33	17
iii. Litchard – ABMU Hospitals excl. LP (CHP 17/7)	7.97	1.78%	-2.86	23
iv. Litchard – ABMU Hospitals excl. LP (PW, CHP 17/7)	8.83	1.37%	-3.44	24
v. Litchard – ABMU Hospitals excl. LP (CHP 24/7)	7.60	3.25%	-1.85	18
vi. Litchard – ABMU Hospitals excl. LP (Rail CHP 24/7)	6.98	4.10%	-1.20	16
vii. Litchard – ABMU	7.83	2.03%	-2.65	22

² Private Wire

³ Abertawe Bro Morgannwg University (ABMU) Health Board

⁴ CHP running hours of 17 hours per day, 7 days per week

⁵ CHP running hours of 24 hours per day, 7 days per week

⁶ Undisclosed (sensitive) development due to be completed in 2024

Hospitals (soft dig via LP)				
viii Litchard & Town Centre – Rail	10.7	No return	-5.44	No payback achieved
ix POW & Town Centre – Rail	7.02	3.10%	-1.79	20
x POW & Town Centre (incl. DEVX) – Rail	7.81	2.35%	-2.45	21
xi POW & Town Centre – Rail (24/7)	6.57	5.02%	-0.61	15

Note: Those highlighted in grey show the highest Project IRRs and shortest payback periods.

3.3.3 Preferred way forward

The techno-economic modelling performed as part of the feasibility study shows that xi (Princess of Wales Hospital and town centre existing buildings) offers the best overall financial performance. Model ii (town centre) and vi (ABMU Hospitals) are the two next most viable options, with a 30-year IRR of 3.9% and 4.1% respectively.

These three options are therefore selected to take forward to the shortlist:

- A – Two Hospitals (was vi)
- B – Town Centre (was ii)
- C – PoW Hospital and Town Centre (was xi)

3.3.4 Define the underpinning workstreams and activities

This Project involves the following workstreams and activities:

- the installation of a gas-fired CHP
- the installation of back-up boilers
- the installation of a heat network
- the installation of a private wire/grid connection
- operating and maintaining the above assets
- the supply of heat
- the supply of electricity

The delivery of the above workstreams and activities are considered in this Outline Business Case.

3.4 Short list of options

The following options are the shortlist for this Outline Business Case.

Table 5 Short list of options

Option	Description
A – Two Hospitals	1.6MW _e Gas engine CHP and back-up boilers at PoW hospital with the heat network supplying both the PoW and Glanrhyd. Heat demand: 12.8 GWh/a
B – Town Centre	0.4MW _e Gas engine CHP and back-up boilers at the Bridgend Life Centre with the heat network supplying the two recreation centre buildings and CCO. There would also be a private wire from the Life Centre to CCO.

	Heat demand: 2.9 GWh/a
C – PoW Hospital and Town Centre	1.6MW _e Gas CHP and back-up boilers at the PoW hospital with the heat network supplying both the PoW and the buildings in the town centre.
	Heat demand: 11.7 GWh/a

3.4.1 Economic appraisal

An economic appraisal of the options was performed as part of the Feasibility Study, the outputs of which are summarised in the 'Long list of options' section. This assessment has been combined with the qualitative benefits appraisal below, to determine the Preferred Option.

3.4.2 Optimism bias

See Financial Case.

3.4.3 Qualitative benefits appraisal

The table below appraises each of the shortlisted options against the Project objectives and the Critical Success Factors.

Table 6 Qualitative benefits appraisal

Option	A – Two Hospitals	B – Town Centre	C – PoW Hospital and Town Centre
PROJECT OBJECTIVES:			
1. Reduce energy costs for customers	8/10 The potential cost savings from implementation of the network are substantial. This is due to the significant magnitude of the loads to be met.	5/10 The initial cost savings from implementation of this network are modest in comparison to the alternative options. This is primarily due to the lower magnitude of the loads to be supplied.	8/10 The potential cost savings from implementation of the network are substantial, again due to the significant magnitude of the demand to be supplied.
2. Reduce carbon emissions	8/10 The potential carbon emission savings from implementation of the network are substantial, as the magnitude and duration of the loads allow for substantial heat and power generation from CHP	5/10 The initial carbon emission savings from this network are modest in comparison to the alternative options. This is primarily due to the lower magnitude of the loads to be displaced by CHP.	8/10 The potential carbon emission savings from implementation of this network are substantial, as the magnitude and duration of the loads again allow for substantial heat and power generation from CHP
3. Help drive local economic development	3/10 The area between the two hospitals primarily consists of low density residential development. Hence,	7/10 Local businesses are located in close proximity to the network and future expansion would allow the centre of the town	8/10 The route of the network through the town would allow businesses in the centre to connected to the network, providing

	there is little opportunity to supply local businesses and contribute to local economic development.	to be supplied with low cost heat.	them with the economic benefit of access to low cost heat.
4. Expand to connect additional buildings	7/10 The network would allow future expansion through the connection of buildings along the route between the two hospitals and further afield.	8/10 The network will be sized to allow connection of additional buildings, both within the immediate vicinity of the energy centre and further afield. Hence, this option will be designed for future expansion	7/10 The network would allow future expansion through connection of additional buildings between the PoW and the town centre.
CRITICAL SUCCESS FACTORS:			
1. Willingness of the largest customers to commit to long term heat supply contracts.	3/10 This option relies on the Health Board agreeing to both of its hospitals in Bridgend being connected. Wide ranging conversations with the Health Board indicated they were hesitant to do this.	8/10 The buildings which will initially be supplied by this network are owned by BCBC. Hence, BCBC has direct control over whether the buildings will connect to the network.	4/10 This option relies on the willingness of the Health Board to commit its primary hospital in Bridgend as the main anchor load. Extensive discussions with the Health Board indicated that they were reluctant to do so.
2. Start up scheme identified which is of a scale which is deliverable	3/10 This option has a large start-up, capital cost (£6.98m) ⁷ making it difficult to pursue as a start-up network.	9/10 – This option has a relatively low capital cost (£1.86m), as well as only linking a small number of buildings.	3/10 This option has a large capital cost (£6.57m) again making it difficult to pursue as an initial network.
3. Potential for BCBC to control the future strategic direction of the Project.	3/10 The vast majority of the heat load for this network is due to the Health Board, who would have exerted a significant amount of control over the network. Therefore, the ability of BCBC to control the future strategic direction of this Project is highly limited.	8/10 As this option would supply BCBC buildings it will enable BCBC to control the initial Project and the future strategic direction of the Project as it expands.	5/10 By far the largest heat load on this network is the Health Board's PoW Hospital. Given the dominant nature of this load, the ability of BCBC to control the future direction of the Project is constrained.
4. Financial viability	5/10 This Project has a mid single digit Internal Rate of	5/10 This Project has a mid single digit Internal Rate of	6/10 This network has a Project IRR of 5.02%, making it

⁷ Table 7 Bridgend District Heating Networks Feasibility Study – Draft Report March 2017

	Return (4.10%) when considered over a 30 year life.	Return (3.90%) when considered over a 30 year period.	slightly higher than the other two options.
Summary/ Score	OBJ: 26/40 CSF: 14/40 TOT: 40/80	OBJ: 25/40 CSF: 30/40 TOT: 55/80	OBJ: 31/40 CSF: 18/40 TOT: 49/80

The table above shows that Option B – Town Centre receives the highest overall score. This option is the most deliverable as it is not reliant on the willingness of the Health Board to commit its primary hospital in Bridgend as the main anchor load, which they appear reluctant to do. Option B scores lower than the other options in terms of meeting the project objectives of reduced energy costs and reduced carbon emissions due to its smaller scale, however, it does contribute strongly to driving economic development and offers opportunities for expansion.

3.4.4 Wider / sustainability impact appraisal of options

In this section, we discuss a number of wider/sustainability impacts, which are considered applicable to the shortlisted options, but are not differentiating factors being similar across all options. Therefore, they are not included in the table above.

Resilience / security of heat and electricity supply

With increased energy generation close to the location of use, the development of a heat network improves the security of heat and electricity supply to the local area. This offers a resilience strategy to BCBC and other offtakers. Although the gas-fired CHP is reliant on the grid for its input fuel, reliance on the electricity grid is much decreased. Furthermore, as future heat sources will be explored as an alternative to CHP later in the Project life, lower carbon heat sources with reduced reliance on the gas grid may be available.

Air quality

Installation of a heat network (which is technology agnostic) offers the opportunity to explore alternative heat sources (e.g. heat pumps, waste heat) through the life of the Project, which could have a significant impact on local air quality.

Reputational benefits

The delivery of this Project would represent the first town centre heat network in Wales. In this way, this Project will act as a flagship for other local authorities and communities. There may be opportunities to share skills and experience (possibly for a fee) with other local authorities, which are less advanced in the development of heat networks.

3.4.5 Preferred Option

Although Option A and Option C present greater opportunities to deliver carbon and energy cost savings, they are considered undeliverable due to the requirement for the Health Board to agree to connect its hospital(s) to the network. Extensive discussions with the Health Board indicate that they are reluctant to do this. These options are therefore discounted.

Based on the assessment made in this section, **Option B – Town Centre** is the Preferred Option. This option is of a scale which is deliverable, is within the gift of BCBC to deliver and allows control over the future strategic direction of the Project, thus facilitating future expansion.

3.4.6 Comparison to Counterfactual – ‘business as usual’

The Counterfactual was not a modelled option in the Feasibility Study so does not feature in the analysis above. However, to confirm that the Preferred Option (Project) represents an improvement on the Counterfactual, we compare below the Net Present Cost (NPC) of the cashflows which would occur in the Project as compared to the cashflows which would occur if

each offtaker had its own boilers for the provision of heat, and purchases electricity from the grid (the Counterfactual). The costs in the table below include VAT.

Table 7 Comparison of Project Cost to Business As Usual Cost

Comparison of Project Cost to Business As Usual Cost	NPC £000s
Project capex (CHP, boilers, heat network etc.)	2,903
Project maintenance	1,029
Gas cost (excl. CCL)	3,738
Electricity income from grid	(573)
Total Project Cost	7,097
Boiler capex	59
Boiler maintenance	210
Gas costs (incl. CCL)	2,625
Electricity cost (incl. CCL)	4,893
Total Business as Usual Cost	7,787
Benefit of Project	690
Percentage Benefit of Project	9%

The table above highlights the costs of the Project are 9% (£690k) lower in NPC terms, when compared to the cost of the Counterfactual. Please note that the costs of delivering the Project (e.g. business rates, ESCO costs, lease, breakage costs) are not included in the Project costs above as they are subject to the delivery options assessment performed within the Commercial Case and also the Financial Case. Further comparison against the cost of the Counterfactual from the consumer perspective is included in the Financial Case to demonstrate that once these delivery costs are included, the Project still represents a financial benefit to consumers.

Note: The boiler costs for the project and business as usual scenarios shown in the table above reflect the capacities assumed in the Technical Feasibility Study. It is possible that the required boiler capacity for both the project and business as usual have been underestimated. However, this is not expected to have a significant impact on the *difference* in NPC between the project and business as usual.

3.4.7 Risk appraisal

In this section we discuss risks which may impact the decision to proceed with the Project rather than the Counterfactual/Business as Usual.

If the CCL exemption within the Project (due to GQCHP) is not applicable (either due to lower heat usage than anticipated or a change in law), the cost of gas would increase by £743k in NPV terms, which would generate a disbenefit of -£53k when compared to the Counterfactual. This shows that the Project benefit is highly sensitive to the CCL exemption assumption and that receipt of this exemption is paramount to achieving a benefit against the Counterfactual.

Other than the RSL flats, all buildings are within the control/strong influence of BCBC and therefore there is little risk of inaccurate understanding of the energy loads or non-connection of these buildings. However RSL flats is an external party and therefore it is more difficult to control/influence their decision to connect to the network. That said, interaction with RSL flats to date has demonstrated strong support for being part of the district heat network, through adoption of communal heating on the Sunnyside site. Close engagement with RSL flats will be maintained throughout the commercialisation and procurement phase of this

Project. If this load did not connect, a reassessment of the capital expenditure required for the reduced heat load would need to be made.

Further sensitivity on the Project economics in line with risks is performed within the Financial Case.

3.4.8 Confirmation of Preferred Option

We set out below the key differences between the Counterfactual and the Preferred Option. The financial metrics below confirm that the Preferred Option represents value for money and should be taken forward for further detailed assessment in this Outline Business Case.

Table 8 Counterfactual compared to Preferred Option

	Counterfactual	Preferred Option
Scope of work	Energy requirements are met through the purchase of gas and electricity and via gas boilers (existing and replacements as required)	Energy requirements are met through installation of a gas-fired CHP supplying heat and electricity
Delivery mechanism	Ad-hoc purchase of gas, electricity and boilers	To be determined within Commercial Case but may involve a design, build, operate and maintain contract (combined or separate)
Delivery partner	Ad-hoc	To be determined within Commercial Case
Delivery timescales	On-going	50 years from start of operation
Funding options	Existing budgets	To be determined within Financial Case but may involve a combination of grant and loan
Net Present Cost (NPC) – per table above	£7,787k	£7,079 (representing a benefit of £690k or 9% against the counterfactual)
Carbon savings	Nil	The Feasibility study notes 600 tonnes of carbon savings per annum. The 'value' of carbon is subject to interpretation. A value of £60/tonne ⁸ has been assumed by BCBC, which would add savings in the region of £36,000 per annum. This figure may reduce over time due to decarbonisation of the grid.

3.4.9 Conclusion

Following the analysis performed during the Feasibility Study, the financial returns, the deliverability and the wider strategic benefits of creating a combined network, the Base Case Preferred Option is **Option B – Town Centre Network**.

From the Counterfactual analysis, it is clear that developing a heat network offers a greater financial benefit than continuing with a business as usual approach.

⁸ Ranges between £4-116/ tonne (BEIS Updated Short-Term Traded Carbon Values March 2017)

4.0 Commercial Case

4.1 Procurement & Commercial Strategy

4.1.1 Commercial Strategy

A Delivery Structure: Introduction and Process:

There are a wide range of potential delivery structures for a district heating project. There are several good examples of different structures being used successfully to deliver district heating. There is no settled delivery model or best practice structure. The delivery structure for each project is chosen for that project based on the strategic objectives of the project stakeholders and any project constraints.

The projects can be separated out into business areas and development phases. The key business areas are generation, distribution and supply of heat. The key phases / activities are design and build, operation and maintenance, and metering and billing. This leads to a range of roles and responsibilities on the project and there are a variety of means by which these may be allocated.

The project team has considered the full range of options from wholly public sector led models through concession and joint venture models to wholly private sector models and potential variants. This included the use of an energy services company (or ESCO) as a delivery vehicle for the chosen model.

To derive a shortlist for delivery structures the project team and advisers considered the following key items:

1. The project objectives as described in the strategic case. The strategic case describes a number of wider Council and Welsh Government objectives that this project will support. Focussing on the immediate objectives for this project, the key objectives are recorded as:
 - Deliverability. Demonstrating the heat network on a manageable scale and establishing reputation.
 - Reduced energy costs. The project should provide reduced energy costs for customers compared to business as usual provision.
 - Carbon reduction. The project should provide clear carbon emission savings compared to conventional alternatives and, over time, achieve decarbonisation of the heat supplies.
 - Security of Supply. The project should deliver enhanced reliability and improved system resilience for customers when compared to individual solutions.
 - Providing for potential expansion. The network should be capable of expanding to connect additional public and private sector buildings and residential dwellings. The latter is particularly important to achieve the additional social benefits of addressing fuel poverty among local residents.
 - Economic development. The project should drive local economic development and build a local skills base.
 - Support Strategic Council and Welsh Government Objectives. The project should contribute to the achievement of wider objectives for Bridgend and Wales as outlined in the strategic case.
2. The Council's (and other stakeholders') appetite for risk and desire for control of the project and its benefits. Generally speaking, the more control a party obtains over the project or a particular aspect of it, the more risk it will have to accept. Consequently,

if it is important for a large degree of risk transfer to be achieved, that may mean giving up a large degree of control.

3. Identified constraints. The Council's outsourced leisure facilities have been identified as a constraint. The proposed energy centre and two of the proposed customer facilities (the Bridgend Life Centre and the Indoor Bowls Centre) are currently operated under an outsourcing contract with Greenwich Leisure Limited (GLL). The operational services are then sub-contracted to Halo Leisure Limited (Halo). This contract is long-term with an expiry date of 31 March 2027. Any project delivery structure therefore has to specifically deal with GLL's and Halo's rights and responsibilities as potential suppliers or customers of heat and as current operators of the heat plant. It is also noted that the interface with Halo is also a potential complication that may hinder a private sector led project. The private sector would have less flexibility around the energy centre and may be concerned about the working interface with Halo. These issues can be overcome but may affect market appetite and pricing.

Financial constraints and return rates have also been identified as constraints impacting the delivery model. These are further explored in the financial case.

Based on early discussions of both stakeholder and project objectives three delivery structures with a variant were shortlisted. A wholly private sector model was discounted early in discussions given that GLL/ Halo indicated that they did not want to deliver the project in its entirety and no other private sector parties have been identified who would be willing to sponsor and take forward this project. In addition, for wider strategic reasons outlined in the strategic case and discussed further below, the Council's preference would be to have some level of direct participation in the project.

The shortlisted options focussed on the relationship between Halo/GLL and the Council as the two core stakeholders in the project given the location and extent of the proposed network. From herein we will refer to Halo only, however, please note that any changes required to the leisure centre contract would need to go through GLL to Halo.

- **Option 1** – Halo retain and upgrade CHP assets becoming bulk heat supplier to a Council led network.
- **Option 2** – Halo and Council enter into a joint venture for the project – the CHP assets are transferred to the JV vehicle which also owns the heat network. The Council and Halo are customers of the network.
- **Option 3** – Council take over and upgrade CHP assets as part of a Council owned project. Halo is a customer of the network only.
 - **Variation to Option 3** – the Council owned project is delivered using a separate project vehicle (ESCO). The ESCO would be established as a private company limited by shares 100% owned by the Council.

B Preferred Delivery Structure

The options were discussed with all key stakeholders and within the Council both individually and at a stakeholder workshop for the project. Discussions took place in light of the project objectives, key constraints and wider potential low carbon energy strategy within the Council. The relative benefits and advantages of each option were considered. Following this process, Option 3 with the use of an ESCO emerged as the preferred option and it is this option that will form the basis for the remainder of the Commercial Case.

The key benefits and opportunities for Option 3 generally can be summarised as follows:

- Council retains more control over the project and its strategic objectives including future expansion of the network and can support the ESCO to deliver associated projects across Bridgend.
- Council resources can be deployed on the project to keep project costs down (assuming those resources are available).

- The project can be more easily aligned with socio economic objectives at the expense of overall project returns, if necessary. This is particularly relevant where the Linc Cymru Sunnyside Road development is being considered as a key customer and the Council is keen to ensure that tenants can afford to heat their homes.
- If the project is successful, returns generated by the project can be redeployed to support other Council/ ESCO initiatives and thus retain maximum project value within Bridgend.
- The Council can develop skills and expertise by taking the lead in the project which can then be retained within Bridgend and within the ESCO.
- A Council led scheme may be able to access a wider pool of grant or low cost funding (subject to state aid controls (see section B of the Procurement Strategy below)).

The key risks and barriers identified are:

- The Council may need to recruit or procure additional resource to be able to deliver the project. Some of this may need to be allocated to the ESCO (see delivery vehicle section below). A significant level of resource will be required to deliver a major infrastructure project such as this, particularly in the early stages of specification and options appraisal and perhaps before the ESCO is established. To manage this risk it may be possible to outsource a large part of this work, however, that may add project cost. The resource provision for this element of the project is set out within the management case.
- Project delivery risk will ultimately rest with the Council. The physical design, works and services elements are likely to be outsourced to the private sector (see procurement strategy) and the ESCO will be established to run the project but ultimately delivery will be the responsibility of the Council. Critically, demand risk will remain with the Council as well as balancing risk, quantity and price, over the network between suppliers and end customers. These risks will be transferred to the ESCO but the Council as the 100% owner of the ESCO will retain commercial responsibility. The Council is exposed to reputational risk of project failure. This is capable of management and mitigation by good governance, a robust procurement process and contractual structure.
- The Council will be responsible for finding funding for the full capital cost of the project. This can be mitigated using grant support or low cost funding from other public sector parties (see financial case).
- Adjustment will be required to the contractual relationship currently in place with GLL/ Halo. See section E below for detail of how this can be achieved.

Each of these risks and barriers are capable of management and mitigation as described above.

C The ESCO Delivery Vehicle:

A separate delivery vehicle is rarely a requirement except in very specific cases. It is generally a matter of choice taking into account funding, project risk, management and governance considerations. In this case, the wider strategic objectives of the Council as set out in the Strategic Case are of particular relevance. The strategic case sets out the Council's ambitions for future energy and low carbon initiatives to deliver Council and Welsh Government objectives and requirements such as the Well-being of Future Generations (Wales) Act 2015, the improvement of well-being and alleviation of fuel poverty. Establishing an ESCO can enable project benefits to be retained in the ESCO vehicle for furthering these wider strategic objectives.

Benefits of an ESCO:

- An ESCO can procure and retain the necessary skills to deliver this type of specialist project which may not be available within the Council.
- An ESCO is an independent company, separate from the Council and so it can be independent i.e. it can make the best decisions to meet the overall objectives of the energy business and not necessarily be tied to changing Council priorities. The Council

can get on with the business of the Council, and the ESCO can get on with running an energy business. On other projects this is often the key driver to establish an ESCO.

- There can be step in rights should the Company fail so that the Council can take over the project i.e. it is possible for the Council to retain some project control.
- Project management, operations, maintenance functions and other risks can be transferred by the Council while the Council retains a high degree of influence / direction.
- Using an ESCO helps to package the project more easily to facilitate potential exits in future.

Risks and Barriers:

- There is a cost to set up an ESCO and ongoing costs associated with administering and managing the vehicle for example, audit, accounts, governance. These costs are not included in the financial model for this project as the intention is for the ESCO to deliver other projects and initiatives (see financial case for further information).
- The ESCO will need to be funded by the Council until such time as it can raise its own finance or generate its own revenues. It may be possible to have voluntary board members but the ESCO will have to be resourced and staff will have to be paid. These costs are not included in the financial model for this project as the intention is for the ESCO to deliver other projects and initiatives (see financial case for further information).
- An ESCO can introduce some additional procurement risk on the heat supply itself where it is providing the energy services to the public sector. However, that is capable of being managed (see procurement strategy section A).
- The ESCO will usually have an independent board – this would likely include Councillors or Council staff but also directors from the private sector, ideally with relevant expertise. This can mean that decisions are taken which the Council disagrees with. However, this separation may be important to achieve the long-term objective identified in the strategic case.

Process:

The technical process to create a company limited by shares is straightforward. A new company can be established at Companies House within a day if required. However, further work will be needed on the specific detailed terms of the constitution of the ESCO and related supplementary documents before the company is incorporated.

The ESCO's constitution is contained in its articles of association and we also recommend a shareholder agreement between the ESCO and the Council. The objectives of the ESCO can be set out in the articles of association and this can be helpful provided that they are sufficiently flexible to allow for future activities. The articles and the shareholder agreement combined will set out the governance arrangements for the ESCO and the extent of Council control of the ESCO. For example: the structure of the board of directors for the ESCO and arrangements for board meetings, voting rights of directors at board meetings and managing conflicts of interest. Importantly, there would normally be a list of reserved matters where decisions would require Council approval.

In addition there will need to be a process to appoint directors to the ESCO and time should be allowed in the programme to invite applications, interview and appoint the directors. A decision will need to be taken on whether directors will be paid or appointed on an expenses only basis. A proportion of the directors would usually be drawn from among Bridgend Councillors although they need not be the majority as the list of reserved matters will give the Council necessary controls over key decisions. As 100% shareholder, it would also be normal for the Council to have ultimate control over the appointment of directors.

D Project Stakeholders and Partners:

The following key stakeholders / partners have been identified. The majority of these stakeholders participated in a stakeholder workshop held in Bridgend on 7 September 2017 and expressed their support for the project and the preferred delivery model.

Table 9 Key stakeholders and associated roles

Stakeholder/ Partner	Role	Detail
Bridgend County Borough Council	Project sponsor and key customer	The Council are the initiator and main driver of the project. They will invest in the project and will also provide anchor heat load offtake by purchasing heat for the Council Civic Offices in the town centre.
Welsh Government	Potential Investor	The Council are currently exploring whether Welsh Government investment in the project might be possible.
Local Partnerships	Delivery support	Local Partnerships will provide delivery support as part of the Green Growth Wales Programme.
UK Government (HNIP)	Potential Investor	The Council are considering applying for HNIP funding for the project.
GLL / Halo	Key customer	As discussed above, Halo is the operator of the Bridgend Life Centre and the Indoor Bowls Centre both of which will be supplied by heat by the project. The energy centre will also be located in the Bridgend Life Centre.
Linc Cymru	Key customer	Linc Cymru is developing a new social housing development at Sunnyside Road in proximity to the project and they are a potential customer of the scheme (see customer engagement in section F below).

E Contractual Relationships with Stakeholders

There are not expected to be significant contractual relationships with stakeholders other than standard investment contracts and customer heat supply agreements. The exception is the relationship with Halo/ GLL. As described above, a long-term leisure concession contract is already in place with Halo/GLL. To achieve Option 3 as described some adjustment will be required to the leisure contract. The leisure contract has been considered and there are mechanisms within the leisure contract that may be used to achieve those adjustments. The two main routes are either:

1. **Partial Termination.** The leisure contract permits termination in part only. It would be possible for the Council to remove the energy services and the plant room from the scope of the leisure contract and essentially return those elements to Council control and responsibility.

2. **Contract Variation.** The leisure contract has a change process. It would be possible for the Council to request a variation to remove the energy services and the plant room from the scope of the leisure contract and as above, return those elements to Council control and responsibility.

With either mechanism there are points that would need to be discussed and further agreed between the parties to arrive at the optimum workable solution. These include:

- **Interface:** Transferring the energy centre back to the Council creates an interface on the leisure centre site between the operation and maintenance of the energy centre and the operation and maintenance of the leisure centre. There will need to be cooperation between the parties to ensure that both elements can be operated properly. Access rights will need to be granted to each party to the extent necessary. General building maintenance responsibility would stay with Halo. Insurance arrangements would need to be discussed. Based on discussion between the parties to date, we are confident that all of these matters can be addressed contractually to achieve a practical solution. Based on lessons learned from other projects the key is to ensure a clear allocation of roles and responsibilities in respect of the building and the energy centre and that the benefits to both parties are articulated and understood.
- **Heat and Electricity Supply:** Arrangements for the supply of energy from the Council to Halo would need to be either included in the leisure contract by amendment or Halo would need to enter into an energy supply agreement with the Council. The former option is likely to be preferable from a procurement perspective – see procurement strategy below. In any event, adjustment would be required to the existing utilities provisions within the leisure contract. Any adjustment to the electricity supply arrangements as part of the energy centre development and the potential private wire offtake to the Council should be discussed with the local grid operator, Western Power, before design and construction are procured.
- **Lease:** The lease for the leisure centre would need to be amended to remove the plant room from the leased extent. This should be straightforward subject to being clear on the boundaries of each party's responsibility.
- **Existing Plant:** There are breakages costs associated with the current CHP plant that are likely to be triggered by the proposed project structure. These costs have been taken into account in the financial model as part of the economic and financial cases.

F Customer Engagement

Demand risk is a significant risk for any district heating project and is a key risk to manage and discuss as part of the commercial case. Demand risk is substantially managed on this project as 90% of the base case heat load is being met by buildings which the Council owns and is capable of controlling. The final base case heat load is being met by Linc Cymru through a supply to its proposed Sunnyside Road development. Discussions have already taken place between the Council and Linc Cymru and Linc Cymru is keen to participate in the project. The development timelines for the Sunnyside Road development and the district heat project are aligned

Heads of terms will be issued to heat customers at the next stage of the process to confirm the key commercial terms before moving to full heat supply agreements.

4.1.2 Procurement Strategy

A Assessment of Procurement Constraints

As part of the assessment of the various delivery structure options procurement risk and constraint was assessed at 4 key procurement points. Not all of these were relevant to each delivery option. The two procurement points relevant to Option 3 with an ESCO are discussed below.

1. Procurement of heat from the network by the Council as a customer.

If the Council owns the energy i.e. it has generated the energy as the operator of the heat network then it does not need to run a further procurement to supply the energy to itself. However this is not automatically the case if the Council sets up an ESCO to operate the

network. With an ESCO model a separate procurement for the Council's consumption would not be required if the supply can be construed as a controlled persons administrative arrangement. To establish that arrangement the following tests must be met: (i) the Council exercises control over the ESCO in a similar way as it exercises control over its own departments; (ii) the percentage of supplies of energy made by the ESCO to the Council is at least 80%; and (iii) there is no private sector investment in the ESCO. If these tests are not satisfied then procurement applies as if the ESCO is a third party. In that case the Council would have to run a competition to procure heat from the project as a customer. This presents a procurement risk where a desired heat source has already been identified.

The ESCO will be 100% owned by the Council and, based on the relative heat loads identified for the town centre network, it should be possible to satisfy the 80% public sector supply test. On that basis a separate procurement should not be required. However, this will need to be specific consideration as part of the re-structure of the leisure centre heat supply arrangements. It may be preferable that the Council buys the heat from the network as the owner of the leisure facilities and then provides that to Halo through the leisure centre contract.

If a separate procurement is required it is possible to manage the risks associated with procuring a supply of heat that specifies a particular district heating solution based on the experience of other similar projects. These strategies should be explored further on future expansion of the project if additional public sector customers will be joining the network alongside a higher proportion of commercial or domestic customer.

2. Procurement of delivery contracts i.e. construction and operation.

This element is ownership option neutral. A competitive procurement will be required to appoint a contractor to design, build, operate and maintain the energy centre and the district heat network regardless of which ownership structure is chosen unless the Council opt to bring some elements in house. This is likely to be done through a single procurement (see contracting strategy below).

If the Council's requirements can be adequately specified at the outset of the procurement then a restricted procedure could be run. If there needs to be interaction with the contractor on the Council's requirements and/or significant negotiation around the contract terms then it may be more appropriate to use a competitive dialogue. Given that the preferred option on the contracting strategy is a full design, build, operate and maintain contract, a competitive dialogue is likely to be more appropriate (see contracting strategy below). Procurement delay can be mitigated by design and preparation of a robust and well developed set of procurement documents and contracts and by actively managing the procurement process to a pre-defined timetable. Sufficient resource would have to be dedicated to the procurement by the Council. It is important to note that if competitive dialogue is chosen there is no need to discuss/ negotiate all aspects of the tender/ contract. The extent of dialogue can be determined by the Council and restricted by focusing on key issues for discussion. There is no need to structure the procurement around a series of dialogue meetings.

An indicative timeline for the key procurement steps is set out in the table below.

Table 10 Indicative timeline for the key procurement steps

Procurement Stage	Estimated Timeline
Procurement of legal, technical and financial advisers to produce ITT and contract documentation.	12 weeks
Drafting OJEU, ITT and draft contracts.	12 weeks
Publication of OJEU	Once ITT and draft contracts are ready
Shortlisting (ESPD) responses returned	Minimum 30 days after OJEU

Shortlisting (ESPD) evaluation and decision	2 weeks
Issue of ITT	Following decision on shortlist.
ITT responses	Minimum 30 days after ITT – allow 6 weeks
Dialogue discussion/ negotiation meetings.	4 weeks
Final tender issued	Following close of dialogue
Final responses returned	4 weeks after final tender
Final evaluation and decision	4 weeks
Notice of intention to award contract	Following final decision.
Standstill Period	10 days following notice of intention to award contract
Contract Award and Contract Signature	Following standstill period

B State Aid Considerations

The Council has taken specific legal advice on the state aid risks of the preferred delivery model. It is clear that state aid considerations will apply to this project whether or not an ESCO is used because fundamentally the project involves an economic activity i.e. selling energy to customers, rather than the performance of a public function. Therefore any financial support or investment in the project by the public sector will have to be analysed for state aid purposes. Investment or lending that is made on market terms by the public sector is not state aid.

For the purposes of this project the Council will be relying on Article 46 of the General Block Exemption Regulation (GBER). This permits investment aid to be given for energy efficient district heating and cooling projects. There is an overall cap on the level of state aid that may be given under GBER and a restriction on aid intensity levels. The financial case takes these restrictions into account in determining the maximum state aid allowable amount for the project as a whole and hence the structure of grant funding/soft investment to investment on market terms.

4.2 Contracting Strategy

The Council ESCO need not actually design, build, operate and maintain the network or manage the customer interface. In fact it is assumed that this is not possible because neither the Council nor a start-up ESCO vehicle will have the capacity to perform these tasks at present. Therefore, the performance of these tasks will likely need to be outsourced.

The core tasks are:

- Design of the energy centre and network.
- Installation / construction of the energy centre and network.
- Supply of pipes.
- Maintenance of the energy centre and network.
- Operation of the energy centre and network, which may or may not include metering and billing and customer interface.

There are a range of options for procuring the performance of these tasks with risks and benefits associated with each. We have focussed on three main options here but there can be variations within this e.g. some packages could be joined together and some services could be performed in house.

A Design, Build, Operate, Maintain package

1. Design Build Operate and Maintain package.

A single contractor is appointed to deliver all elements of the project for the Council based on an outline design and services specification. The contractor will take responsibility for every element of the construction of the energy centre and the network on a Turnkey EPC basis and will hand over a completed project to the Council once it has passed commissioning tests. The Contractor will then also be responsible for maintaining and operating the project to an agreed standard. The Contractor could also be made responsible for managing the customer contracts – primarily metering and billing.

2. Turnkey EPC contract for construction only with O&M separated.

This is essentially the same as the DBOM package above but only in respect of the construction phase. Separate arrangements would be needed for O&M. Metering and billing could be included or outsourced separately. This is similar to a DBOM package in terms of risks and benefits but there is the potential to attract a wider pool of contractors. It also provides more flexibility and control over the approach to operations but less cost certainty for that phase.

3. Multi contracts strategy

This involves separate contracts for each key element of the project including the construction works i.e. a designer is appointed to design the network, a construction contractor is procured to build that design and install the pipes, pipes (and potentially other equipment) are procured separately. A project manager is appointed to manage the various contract packages. Project management may also be done in house if there are suitably qualified project managers to run the contracts. In many respects the risks and benefits are the reverse of an EPC or DBOM contract.

B Preferred Approach

The Council considered each of the above options but it is recognised that there is limited in-house resource within the Council or within a newly established ESCO to effectively manage a multi-contracts strategy and the Council's preference is to achieve a higher level of risk transfer to the private sector contractors. A turnkey EPC contract is therefore preferred. From a risk perspective, bringing the O&M contractor into the single contract would also provide additional benefit. Metering and billing could be contracted for separately or retained in-house given the number of customers. The benefits and risks of this approach are set out below.

The Council also intend to use the competitive procurement process to ensure that additional community benefits are retained for Bridgend through the outsourcing of these tasks. These are referred to in the strategic case (section 2.2.1) but include local employment and the development of a local skills base and SME supply chain.

Benefits and Opportunities:

- Single point of contact means no interface for the ESCO to manage. This is particularly useful for defects risk as the single point of responsibility for any defect will be the contractor. There is also a single procurement process to run.
- Cost certainty is provided subject to standard exceptions. It is noted that there may be project specific risks where it is agreed that the ESCO and not the Contractor bears the risks (e.g. particular identified site condition issues or Council prescribed programme restrictions due to other activities in the town centre). No such specific risks have been identified on this project to date.
- Time certainty with LDs for late delivery. Note that this provides some compensation for late delivery and it incentivises on-time delivery however it does not guarantee delivery by a certain date. If the project has a hard deadline e.g. funding or customer deadlines then it is important to factor in other mechanisms to try to manage delay risk.
- Performance testing to ensure the energy centre and network will deliver to the specification for the operations phase can be managed by the private sector.

- Operational performance and failures can be linked to customer contracts to protect the ESCO from risk of downtime.

Risks and Barriers identified:

- A DBOM package offers cost certainty over a long period but the degree of risk transfer achieved through this will likely add a risk premium to the contract price. This could mean the overall price is higher than the sum of the individual contracts in a multi contract package.
- Detailed design would be delayed until the end of the procurement process for the contract causing overall project delay. This can be mitigated by managing the procurement process itself.
- The procurement process may be longer as a competitive dialogue would likely be required for a contract of this nature which is not straightforward. However this can be managed using a clear process sticking to an agreed timetable and only having dialogue on those elements of the project that cannot be fully specified in advance or in areas where additional value could be added by the private sector.
- There are currently a limited group of contractors in the market who have the expertise and resources to deliver the entire package. Further market testing should be carried out in advance of procurement.
- The employer has less flexibility to change requirements and maintain actual programme control. The contracts generally have limited flexibility to accelerate and any changes to requirements could entitle the contractor to extensions of time or to claim additional costs. This can be managed by ensuring a robust specification is developed through the pre-procurement phase.

C Metering and Billing

The key heat customers for the scheme have been identified as part of the technical feasibility study (see Customer Engagement section above). It may also be possible and advantageous to outsource metering and billing arrangements in respect of the heat supply agreements, particularly if a large number of domestic customers will ultimately be supplied. Where the number of customers is limited, as is the case at the outset of this project, the ESCO may be able to take on more of this role. Alternatively, metering and billing could be included in the DBOM contract arrangements. A competitive procurement would be run, if outsourcing is agreed, at the next stage of the process.

4.2.1 Potential for Risk Transfer

The main opportunities for risk transfer have been identified in the sections above and as part of the detailed risk assessments of the delivery and contracting structure. Each of the risk sections above set out the mitigation and management options for the identified risks. The overall position can be usefully summarised in this section.

The delivery structure adopted offers the Council a central role on the project through the use of a Council owned ESCO and a high degree of control to direct the project. When measured against the project objectives, a high degree of control is desirable to achieve the long-term aims of the project including future network expansion and the ability to retain project benefit in Bridgend. However, that structure and degree of control comes with some restriction in the ability to transfer project risks except through delivery contracts.

It is proposed that the majority of the delivery tasks for the project are outsourced and so the potential for risk transfer increases, particularly by using fixed price, fixed time delivery contracts and operations contracts with a robust availability and performance framework. As stated above regarding customer contracts, the Council will have the ability to link performance failures under the O&M contracts to service failures to customers to ensure a good degree of operational risk transfer.

Information on proposed investment partners, able to spread investment risk, are referred to in the financial case.

4.2.2 Plans for Managing Contracts

The Council has already identified the need to have dedicated project management resource allocated to the delivery of this project to manage the various project contracts through construction and thereafter throughout operations.

Resource planning will be included in the approval process for the Council's investment in the project. The need for a dedicated staff team is recognised as an essential resource to mitigate risks throughout the design and construction stages. It is anticipated this will be approved once the funding package is confirmed.

The overall programme for project delivery will be developed further once the timetable for the HNIP grant funding application is known. Currently, it is accepted that HNIP grant applications will be invited towards the end of 2018. Thereafter the procurement timelines identified in the procurement strategy above will be relevant. A final investment decision will be taken at the end of the procurement process once final costs are known before contracts are signed and construction commences.

The internal governance arrangements for implementation of the project are set out in the management case.

5.0 Financial Case

5.1 Introduction

This Financial Case examines the benefits and costs of the Project under a number of scenarios. The basis for calculating these benefits is a series of metrics, which result from the manner in which the Project is commercially structured and how it is funded. These include the Internal Rate of Return, Net Present Value and overall benefit to the investors in the Project.

Initially this section details the approaches and assumptions implemented in respect of the Financial Model. It sets out the base set of assumptions (the Base Case), the financial outputs of the Base Case, and a number of scenarios and sensitivities upon the Base Case. It also makes a comparison of cashflows under the Project as compared to the 'business as usual' or Counterfactual option from the customer's perspective to establish the financial benefits.

As identified in the Commercial Case, the preferred delivery option is a Council owned project delivered using a separate project vehicle (ESCO). The ESCO is established as a private company limited by shares 100% owned by the Council. The ESCO will procure the design, construction and operation of the heat network.

This section is structured under the following headings:

- Programme
- Approach to calculating the Financial Outputs
- Financial Model Assumptions
- Modelled scenarios and sensitivities
- Financial Results
- Investment Decision
- Financial Benefit to Consumers
- Heat Network Investment Programme
- Optimism Bias
- Accounting Treatment

To ensure compliance with the HNDU Business Case template, we have shown below how the headings above map to the template.

Table 11 Heading map against HNDU Template

Heading per HNDU Template	Heading per this Financial Case
Financial Resources & Budgets	Programme Approach to calculating the Financial Outputs Financial Model Assumptions Accounting Treatment
Budget Arrangements & Business Planning	Financial Results Investment Decision Financial Benefit to Consumers Heat Network Investment Programme
Financial Risk	Modelled scenarios and sensitivities Optimism Bias

5.2 Programme

Project cash flows have been considered over a period of 50 years from commencement of operation of the heat network. The Financial Model has the capability to assess the Project over a shorter or longer timeframe, if required.

The key elements to the Council's roll out of the heat network are identified below:

- The CHP asset is currently operated under an outsourcing contract with Greenwich Leisure Limited (GLL), which are then sub-contracted to Halo Leisure Limited (Halo).
- The Council would terminate the contract for the existing CHP, which is situated at the Bridgend Life Centre (BLC).
- The ESCO would install a CHP of greater capacity to meet the anticipated heat network demand
- The ESCO would adopt existing boiler capacity at BLC and supplement this with additional boiler capacity for the purposes of back up supply to the heat network
- The Bowls Centre (BC), Civic Centre Offices (CCO) and BLC (together the Public Sector Buildings) and RSL flats would all be connected to the heat network during the construction phase.
- The CCO would be connected to the CHP generators at the BLC via private wire. Any additional electricity generated beyond that demanded by the CCO and BLC would be exported to the grid.
- The heat network would be supplied by the new CHP unit and back-up boilers, which provide heat and electricity

5.3 Approach to calculating financial outputs

Based on the proposed network solution, and using the outputs of the TEM as the basis for its inputs, the Financial Model was developed to project cash flows and the relevant financial statements (income statement, balance sheet and cash flow statement) for the network.

The output of the TEM is the calculation of a Real Project Internal Rate of Return (excluding the impact of tax and financing on scenario financial performance). The outputs of the TEM include:

- Cash flows
- Energy flows
- Capital expenditure profiles
- Annual energy demands
- Gas/heat/electricity prices

These outputs have been exported from the TEM and entered as inputs into the Financial Model.

The purpose of the Financial Model is to give an indication of the financial viability of the Project using a set of assumptions about the costs (capital and operational) and revenues of the Project, including the impact of applying a commercial structure that includes tax and financing. Sensitivity analysis has also been undertaken on the preferred solution to explore the effects of changes to key assumptions within the Financial Model.

The Financial Model calculates various Internal Rate of Return (IRR) and Net Present Value (NPV) indicators to help understand the economic robustness of the Project and its likely attractiveness to different types of investors.

The Financial Model assesses the capital investment needed and the potential returns for investors, having incorporated the tax and any debt financing costs assumed for the relevant scenario.

The development of the TEM into a Financial Model has:

- Enabled the stress testing of key variables
- Allowed the review of different funding mechanisms for the ESCO prior to finalising this through Commercialisation

5.4 Financial Model Assumptions

This section details the assumptions used within the Financial Model.

5.4.1 Revenues

Revenues into the ESCO are made up of charges for heat and electricity (both sales through private wire, and to the grid).

The below are initial assumptions and will continue to be flexed and reviewed through the Commercialisation and Procurement phases as the Heads of Terms for the Heat Pricing are agreed with the customers.

Heat income

Heat networks typically charge for heat via a Fixed Charge plus a Variable Charge, similar to most electricity or gas supply contracts. A third method – a 'Flat Charge' approach is no longer allowed under the Heat Network (Metering and Billing) Regulations 2014, unless it is not technically possible and economically justified to implement metering and charging based on actual consumption.

Heat revenues within the Financial Model have been split into fixed and variable elements. The higher the element of Fixed Charge, the lower the demand risk, i.e. variability in income subject to demand.

The Financial Model assumes the following for the Base Case:

Heat: Fixed Charge

Heat prices have been set with respect to the cost of the counterfactual. The fixed cost component has been set to cover the costs which do not vary with the level of heat demanded:

- Annual maintenance cost; and
- Annualised Capital costs.

The Annualised Capital costs element of the fixed charge are based on the assumption that the existing boiler capacity in these buildings would be replaced with like for like plant every 20 years. The boiler capacities upon which these costs are based are taken from the TEM. Further investigation has highlighted that the boiler capacity required may be underestimated in the TEM. This is not expected to have a significant impact on the financial viability of the project but could potentially result in additional revenue from heat sales. This will be reviewed at the Final Business Case stage following procurement.

No discount to the sales price is applied to either the Public Sector Buildings or RSL flats in relation to the fixed charge.

Since the fixed charge is based on the counterfactual, customers are assured they will not pay any more in terms of fixed costs, than if they did not join the network. We note that an alternative approach would be to set the fixed charge to cover the ESCO's fixed costs (in tandem with matching variable charge against the ESCO's variable costs – see below).

Heat: Variable Charge

The variable charge has been set according to the variable costs of the counterfactual (i.e. gas cost and CCL). A variable charge for heat of 2.65p/kWh (for the Public Sector Buildings) and 2.88p/kWh (for the RSL flats) has been assumed in the Financial Model.

No discount has been applied to the counterfactual price for the Public Sector Buildings whereas a 5% discount has been applied to the RSL flats. These are indexed based on the BEIS Natural Gas Trend +RPIx rate over the life of the Project.

Since the variable charge is based on the counterfactual, customers are assured they will not pay any more in terms of variable costs, than if they did not join the network. We note that an alternative approach would be to set the variable charge to cover the ESCO's variable costs.

Connection Charges

A connection charge is a one-off contribution towards the capital cost of initiating a connection to the heat network. The connection charge could be designed to cover:

- The capital outlay required for connection to the Project;
- An amount not more than the cost which would be incurred for connection to/installation of an alternative heat source; and
- Planning Authority requirements

BCBC may wish to consider whether any of the potential customers to the Project would be willing to pay a connection charge, which may reduce the fixed/variable charges required over the life of the project.

For the purposes of the Financial Model, no connection charges have been assumed.

One potential approach to connections fees - that is understood to have been adopted in some Scandinavian DEN schemes - is that customers who sign up prior to operation are not charged (i.e. for early adopters and anchor load customers). Connection charges are then introduced for new customers when the network is operating.

Electricity income

The electricity generated by the CHP (which is not being used to support the CHP systems) can be sold via a Power Purchase Agreement (PPA). PPAs can be agreed with private wire customers or energy companies/ aggregators via the Grid. PPAs can be structured to have either a fixed or variable price and can be over a short or long period. A PPA offering lower but guaranteed revenues over the long term may be considered preferable to a shorter agreement that could potentially deliver higher but less certain revenues.

Power can be delivered to customers by private wire, a distribution network operated outside of the transmission and distribution licences. As a result, electricity can be sold from generator to a user via this network and without the need to be licenced and avoiding the constraints of transmission and distribution codes. The private wire arrangement requires an initial capital expenditure, but allows the realisation of higher income as a result of achieving an electricity sale price closer to a retail rate. Without the private wire, all of the electricity produced would have to be sold to Grid at the wholesale price, as agreed through the PPA.

The electricity price for private wire customers is based on the counterfactual price, less a discount of 10%. The electricity price has been calculated to be 10.385p/kWh. In calculating the final electricity price to customers, CCL is added to the discounted counterfactual price, to reflect what customers would pay if they did not connect to the network. This price is indexed using the BEIS Electricity trend + RPIx rate over the life of the Project.

Power can also be exported to Grid, which would usually be contracted via PPA with an energy supplier or aggregator. Power exported to Grid will be sold at a wholesale, as opposed to retail rate. The wholesale price to Grid has been assumed at £4.5p/kWh. This is over 50% lower than the assumed retail price and therefore sales to Grid will reduce revenue compared to sale over private wire.

There are a number of opportunities available to exploit peak demand periods and gain access to availability payments for generation capacity being available, including STOR and

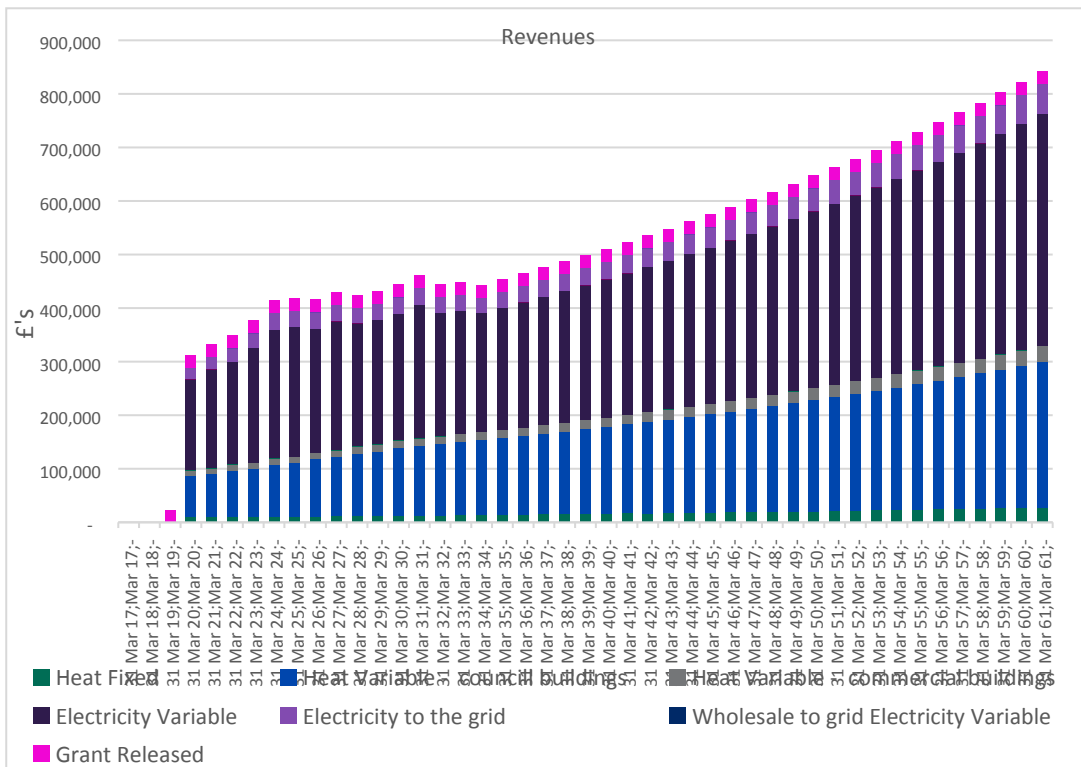
TRIADS as described below. These opportunities have not been included within the Financial Model due to uncertainties surrounding such revenues going forward.

Table 12 Electricity revenue opportunities

<p>STOR (Short Term Operating Reserve)</p>	<p>At certain times of day, the National Grid needs reserve power in the form of either generation or demand reduction to be able to deal with actual demand being greater than forecast demand and/or plant unavailability. National Grid will procure part of this requirement ahead of time through STOR. A STOR provider must be able to offer a minimum of 3MW capacity. The amount of revenue available depends on the location of the capacity and the season during which it is available, however, such contracts can be worth in the region of £10,000 – £15,000 each year per MW of electricity generation capacity.</p> <p>Noting the 3MW capacity threshold, this revenues stream is not relevant at this stage of the Project but could be considered if the Project expanded at a later date.</p>
<p>TRIADS</p>	<p>TRIAD refers to the three half-hour periods of highest electricity demand between November and February. If exporting to the network during these periods, the local network operator will recompense the generator for reducing fees payable to National Grid. The amount paid depends on the local electricity network operator, and the contract with whomever buys the electricity, but historically it has been worth in the region of £25,000 - 30,000 each year per MW of electricity generation capacity. The TRIAD periods are determined in retrospect so it is not possible to know for certain when these periods will occur. It is therefore difficult to be certain that TRIAD income will be receivable and so we have not included this income in the modelling. Furthermore, it is understood that these payments are being reduced in value – over a three-year period from 2018 to 2020, from a value of around £45/kW to £2/kW.</p>

The figure below shows the revenues for the Base Case in nominal terms. Approximately 40% relates to heat income and approximately 60% relates to electricity income. Note that in addition to the energy income, there is a revenue line for 'Grant Released', which reflects the accounting treatment to amortise grant received over the life of the project.

Figure 9 Revenues



5.4.2 Operating Costs (Opex)

The costs of operating the heat network are made up of both fixed and variable costs. The table below shows the build-up of operating costs (in nominal terms) over the life of the Project.

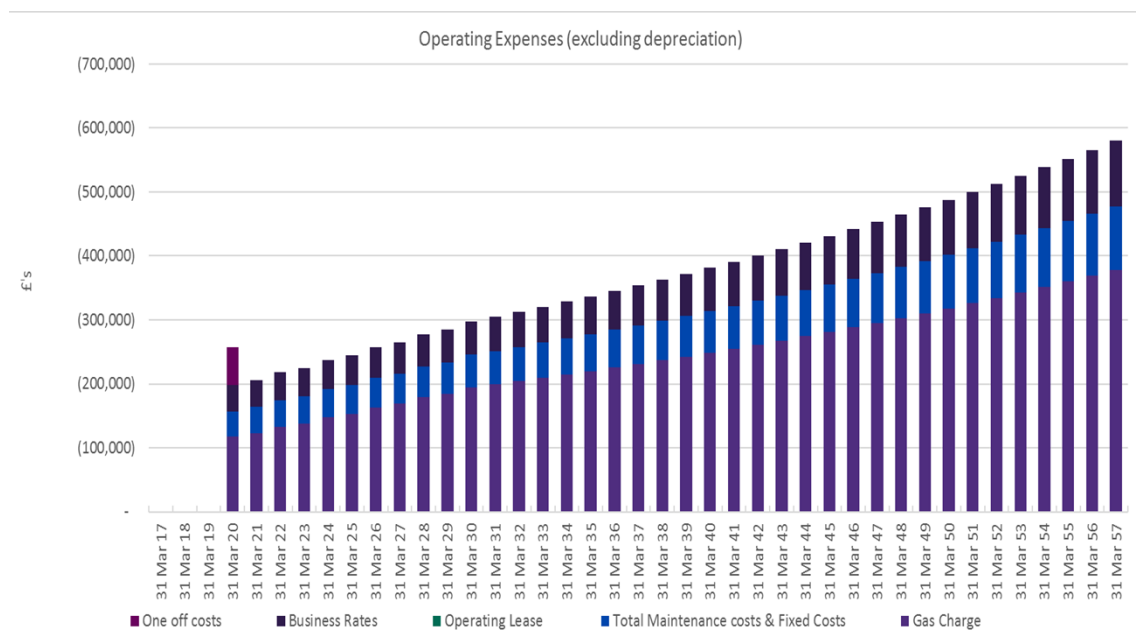
Table 13 Operating costs

Operating Cost	Total Nominal (£000s)	Assumptions
Gas consumption – Boilers & CHP	19,737	Gas is assumed to cost 1.704p/kWh (£17.04/MWh) indexed at the BEIS Gas Trend + RPIx. Gas used by the CHP is assumed to be exempt from Climate Change Levy (CCL) due to Good Quality CHP (GQCHP). It is also assumed that the top-up boiler gas is exempt from CCL under GQCHP rules.
Operating Lease	-	It is assumed the Council will lease land on which the Project is based, to the ESCO at a peppercorn rate of £1 per annum.
Maintenance costs	3,893	The maintenance profile is based on the assessed maintenance requirements of the capital equipment used in the components of the network, indexed at RPIx over the life of the Project.

Operating Cost	Total Nominal (£000s)	Assumptions
Business Rates	4,160	BEIS guidance calculates business rates on initial capital expenditure (less the cost of the CHP engine due to GQCHP) x 5% x 47.9% (as per Council's business rates team). The calculation is based on the initial capital expenditure of £1,899k less the allowable deduction of the £300k CHP engine resulting in an annual charge of £38.3kpa. This assumption should be further discussed with BCBC's business rates team to consider any further relief available to the Project.
One off cost	60	Breakage costs for the existing Halo CHP contract of £56k (unindexed). This figure has been provided for a breakage in 2017 and therefore may reduce year on year. No VAT charged on the breakage costs.
Total OPEX	27,850	

The chart below demonstrates the operating expenses incurred on an annual basis. Due to the inflation assumptions applied over the life of the Project, these can be seen to increase smoothly over time once the ESCO is fully operational. The higher charge in the first year of operations relates to the Halo breakage cost.

Figure 10 Operating Expenses



5.4.3 ESCO set up and on-going costs

BCBC has noted that the long-term aim of the ESCO is to deliver associated projects across Bridgend (e.g hospital scheme, mine water scheme etc). BCBC has therefore made the decision to exclude potential ESCO set up and ongoing costs from this Project, as they would be shared across a range of projects.

These excluded costs could be in the range of:

- Initial set up cost: £35k
- Annual costs:
 - Audit: £10k
 - Admin: £10k
 - Insurance: £15k

5.4.4 Capital costs

The following table shows the initial capital expenditure associated with the different aspects of the Project under the Base Case scenario, as provided by AECOM.

Table 14 Capex

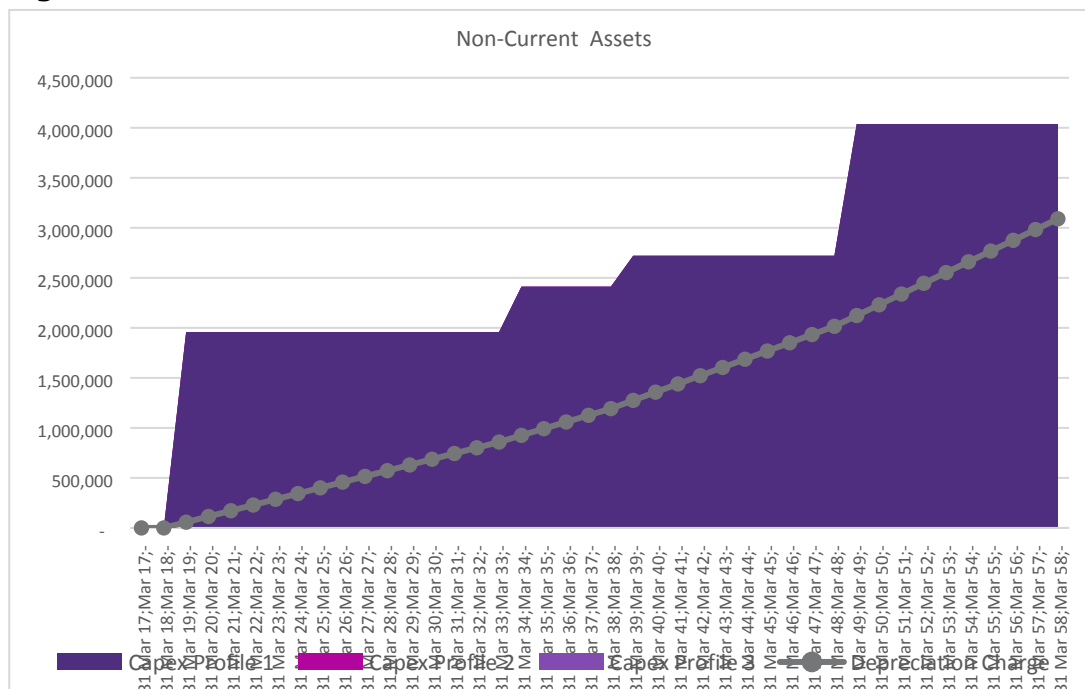
CAPEX	£
Thermal Generation	
CHP engine	300,000
Energy centre boilers	272,000
Thermal store	30,000
DH network capex installation costs	56,000
External service revisions	30,000
BWIC	212,850
Dems and Alts	65,000
Network Distribution	
DH network capex	418,400
Private wire to CCO	155,000
Gas connection	21,000
Electricity connection	136,000
Other	
Allowance for prelims, Contractor's contingencies and Overheads and profit	203,550
Total (Unindexed)	1,899,800

The £272k energy centre boiler costs shown in the table above reflect the capacity used in the Technical Feasibility Study. It is possible that the required boiler capacity may be underestimated. This is not expected to have a significant impact on the financial viability of the project. However, this will be further reviewed at the detailed design stage and responsibility for boiler capacity sizing in the energy centre will be passed to the design, build, operate and maintain (DBOM) contractor as part of any future procurement process.

In addition to the £1.9million initial capital expenditure noted above, capital replacements will be required over the 50 years of operation the CHP engine. As the CHP has a useful economic life of 15 years, it is expected to be replaced three times costing a further £0.9million (unindexed). It is possible that alternative low carbon heat sources (e.g. river source heat pump) will be adopted instead of gas fired CHP at the end of life of the initial gas fired CHP.

The figure below displays the capital expenditure profile for the Base Case. This graph shows when the capital expenditure is recognised as non-current (fixed) assets on the balance sheet, as well as the depreciation charge.

Figure 11 Non-current assets



5.4.5 Taxation

Corporation tax

Assumptions in relation to corporation tax are as follows:

- The Financial Model includes periodic tax calculations on taxable profits. As the Project entity is to be structured as an ESCO limited by shares with sales to non-members, it is assumed that corporation tax is applicable.
- The assumption has been made that the majority of capital expenditure (90%) will qualify for capital allowances, as we have seen on similar heat network projects. The Financial Model reflects a single pool with a main rate of 18%. As the Project develops through the Commercialisation phase, a more detailed view of the proposed capital expenditure should be undertaken, to confirm, for example, the eligibility of fixed assets for capital allowances and any special rates to be applied.
- No disallowed expenditure has been assumed in the Project cash flows. All transactions, including financing costs, have been assumed to be applied on an arm's-length basis.

Stamp Duty Land Tax

Stamp Duty Land Tax charges may be payable if property transactions occur as part of the Project. No such assumptions for transactions of this nature have been made, however this should be monitored further as the Project progresses.

VAT

Value Added Tax is assumed in the Financial Model on all income and expenditure flows at the standard rate of 20%. No assumptions around changes of VAT rates in future have been included. VAT on capital expenditure is considered to be VAT neutral in the month of construction i.e. it is paid and reclaimed in the same month and therefore does not form part of the funding drawdown requirements.

Given the stage of the Project, the Financial Model has been prepared on an annual basis. For this reason, VAT payments/repayments are assumed to occur in the same financial year in which the related financial expenditure/income occurred. For the Commercialisation phase of the Project, it is recommended that the Financial Model be developed further into a monthly model (for the construction phase), which will affect the timing of VAT cash flows.

Customers purchasing heat and electricity from the ESCO are assumed to be charged VAT at the standard rate of 20%. Recovery of that VAT will be dependent on each customer's VAT status.

Due to the complexities regarding the VAT status of entities involved and the recoverability of that input/output VAT, as the Project progresses into the Commercialisation phase, further specialist taxation advice will be required, to ensure developing areas around taxation are addressed appropriately.

5.4.6 Indexation

The TEM was developed on an 'unindexed' basis i.e. revenues and costs expressed in constant prices excluding the impact of real or general inflation.

The development of the TEM into the Financial Model includes applying assumptions around real and general inflation.

The HNIP application process prescribe BEIS forecasts for gas and electricity, so these are deemed the most appropriate indices in this respect.

The Financial Model uses a price base date of 1 April 2017.

The table below describes the indices used within the Financial Model.

Table 15 Indexation Assumptions

Index	Assumed to be	Applied to
RPIx	Based on Office for Budget Responsibilities Projections to 31 March 2022, then 2.5% after this date	- All items not specified below
BEIS Gas Trend	Variable based on Government Projections + RPIx	- Gas purchased from the grid - Variable heat price
BEIS Electricity Trend	Variable based on Government Projections + RPIx	- Electricity sold to the grid - Electricity sold via private wire

5.4.7 Discount Rate

In line with HMT Green Book, the NPV calculation uses discounting at a rate of 3.5% on real (unindexed) values to represent social time preference for years 1 to 30, and 3% thereafter. The discount rate is multiplied by the RPIx applied in a given year in order to calculate the discount rate for nominal values.

The discount rates are applied to calculate the NPV to consider the value of a Project over its life in present day terms. This is a best practice approach in assessing investment decisions in long-term projects.

5.4.8 Funding

Below we detail the funding structure assumed for the ESCO, which will need to be refined as the Project progresses through the Commercialisation and Procurement phases.

Equity

It is assumed that the ESCO is in the form of a company limited by shares, into which BCBC makes a pinpoint equity investment. Should other investors (e.g. Welsh Government) be identified, they could also invest pinpoint equity proportionate to the desired shareholding. The amount of such pinpoint equity reflects that it is not the primary capital funding source and is at sufficient levels required to incorporate the company. This is therefore an investment of £1 for BCBC. All dividends that arise from the ESCO will be paid out in proportion to the equity committed (i.e. 100% to BCBC).

Grant Funding

The most cost effective funding would be that which does not attract any interest. This may be through capital contributions (e.g. capital injections from the Project sponsor) or grant funding. Grant funds, which may be available to the Project, include HNDU development funding and HNIP (Heat Networks Investment Project) grant funding, albeit that will be subject to finalisation of how future HNIP funds are to be deployed.

Within the Base Case, it is assumed that HNIP grant funding based on 35% of the initial capital requirement is received (£0.665m).

Capital Injection

£500k is assumed to be available from BCBC as a capital injection.

Debt Funding

The capital requirements of the ESCO (not already met by share capital and grant funding) are assumed to be met through drawdowns of debt from BCBC. Where any cash deficit in the entity arises, this is met by an additional drawdown from BCBC.

Local authorities generally have access to borrowing at lower costs of finance than in the private sector, for example via the Public Works Loan Board (PWLB), Salix interest free loans, and internal resources. Where local authorities are lending into a Project, the interest rate must be on commercial terms otherwise, the discount against commercial terms would be considered aid under State Aid rules.

To calculate the rate which would be considered to be on commercial terms, reference was made to the European Commission Interest Base Rates⁹. At the date of preparation of the Financial Model, this interest rate was set at 0.65%. Then, via reference to State Aid requirements and exemptions¹⁰ a margin of 400 basis points was applied – the minimum margin required for lending to an entity with no trading history and therefore considered to be higher risk (which would apply to the ESCO as a new company – regardless of the ultimate ownership of the ESCO). This sets a minimum interest rate for lending from a public sector entity to an arm's length ESCO of 4.65%.

This loan is repaid on an annuity basis over 50 years, subject to sufficient cash being generated to cover those repayments.

The Financial Model has been developed on an annual basis and no provision has been made for a working capital loan. During the Commercialisation Phase, a more detailed monthly Financial Model may indicate that a small working capital loan is required in the early periods of the Project.

⁹ http://ec.europa.eu/competition/state_aid/legislation/base_rates2017_09_en.pdf

¹⁰ <http://www.bigsocietycapital.com/sites/default/files/State%20Aid%20Information%20-%20January%202017.pdf>

Once the ESCO has a proven trading record and/or assets which could be used as collateral against debt, refinancing could be explored. However, there is limited precedent in the market (in terms of sector and size of project) to suggest that this would be a likely option for this Project.

State Aid Considerations

The sum of the following constitute State Aid into the project:

- grant funding;
- capital injection; plus
- the difference between the interest charged to the ESCO by BCBC compared to that which would be charged using a commercial/arm's length rate.

Article 46 of the *General Block Exemption Regulation* (GBER) permits investment aid to be given for energy efficient district heating and cooling projects. Therefore an element of State Aid may be 'permissible/allowable' under this Article 46.

Permissible State Aid under Article 46 is considered and calculated in two parts:

Production Plant – the eligible costs for the production plant shall be the extra costs needed for the construction, expansion and refurbishment of one or more generation units to operate as an energy efficient district heating and cooling system compared to a conventional production plant. The investment shall be an integral part of the energy efficient district heating and cooling system. The aid intensity for the production plant shall not exceed 45% of the eligible costs. The aid intensity may be increased by 20 percentage points for aid granted to small undertaking and by 10 percentage points for aid granted to medium-sized undertaking. The aid intensity for the production plant may be increased by 15 percentage points for investments located in assisted areas fulfilling the conditions of Article 107 (3)(a) of the Treaty and by 5 percentage points for investments located in assisted areas fulfilling the conditions of Article 107 (3)(c) of the Treaty. We have calculated the 'allowable aid' percentage to be 60% based on the assumption the Project is within the West Wales and Valleys assisted area.

Distribution network – the eligible costs for the distribution network shall be the investment costs. The aid amount for the distribution network shall not exceed the difference between the eligible costs and the network operating profit (discounted). The operating profit shall be deducted from the eligible costs ex ante or through a claw-back mechanism. Allocating the Project operating profit between the supply of heat and the supply of electricity is open to interpretation. In particular, the CHP produces both heat and electricity. It is therefore difficult

to apportion the cost of generation of these outputs. The principal activity of the Project is the supply of heat and heat prices have been set at the cost of the counterfactual (boilers). The CHP generates less heat per unit of gas than a boiler (i.e. it is more expensive to generate heat via CHP), which suggests that the heat network element is not making a profit. This is further demonstrated through the understanding that if no electricity is sold, the Project would be running at a loss. In this way, the sale of electricity is a profitable by-product of generating heat via CHP. We have therefore used the working assumption that operating profit relates entirely to the electricity sales made under the Project.

The calculation of Allowable Aid is summarised in the table below.

Table 16 Allowable Aid

Element	Cost (£)	Comparator (£)	Difference (£)	Multiplier	Allowable Aid (£)
Production Plant	1,099,840	42,360	1,057,480	60%	634,488

Distribution Network	799,960	-	799,960	100%	799,960
Total	1,899,800				1,434,448

'Aid' (grant, capital injection and/or a soft loan) provided to the ESCO will be limited by State Aid rules. The Allowable Aid limit has been calculated in the table above at c£1.4m. Given the complexities around applying this guidance, it is recommended that further legal advice is sought if a bid for HNIP (or other funding) is made.

Summary of funding structure

The funding requirements and how these are assumed to be met in the Base Case (including the impact of RPIx) are shown in the table below. This takes into account not only loan drawdown requirements, but also grants received by the Project.

Table 17 Funding requirements

Funding source	Initial Capital	Capital refresh 2033	Capital refresh 2039	Capital refresh 2048	Capital refresh 2058	Capital refresh 2063	Total funding
Total Capital requirements	(1,958,694)	(453,218)	(309,032)	(1,317,167)	(506,386)	(950,656)	(5,495,153)
HNIP grant	664,930	-	-	-	-	-	664,930
BCBC capital injection	500,000	-	-	-	-	-	500,000
Loan drawdown	793,764			56,733			850,497
ESCO cash reserves	-	453,218	309,032	1,260,434	506,386	950,656	3,479,726

Only one additional drawdown is required by BCBC to fund the capital refreshes; the ESCO is able to build up sufficient cash reserves to finance all other capital refreshes under the Base Case.

The drawdown occurs in 2048 and includes the replacement of the energy centre boilers, CHP engine and thermal storage.

Note that the funding structure above does not maximise the Allowable Aid as calculated in the previous section. For reasons of prudence, this has been set at 35% capex (£665k) plus BCBC capital injection (£500k).

Alternative capital asset financing options

There are other options that may be considered as a means to fund the provision of assets. These are emerging areas for Heat Networks in England and Wales, however there is a growing indication that they may provide additional sources of finance to help meet the capital demands of the network. These are detailed below.

Lease Finance

Lease financing could be used as a method of acquiring the assets for the network without buying them outright. It is a type of lease in which a finance company (or other similar party) is typically the legal owner of the asset for the duration of the lease, while the lessee (in this instance the ESCO) has operating control of the asset, and therefore bears the risks and rewards of ownership.

Traditionally, lease finance has been available on assets that were movable – and could therefore be reclaimed by the financier in instances of non-payment. However, following discussion with BEIS, they have identified a number of potential investors that have

expressed an interest in providing lease finance to heat networks. While it would be unlikely that such investors would be willing to underwrite the capital spend of the entire network (particularly e.g. underground pipework and private wire), there is an argument that there may be investors willing to invest in the energy centres of the network. The key benefit of this arrangement would be to reduce the level of capital funding required for the ESCO.

The level of finance charge implicit within the lease would be subject to negotiation and would depend upon numerous factors (quantum of spend, length of lease, etc.). However, if such finance can be obtained at a level below the cost of funding being displaced, it could offer value to investors in terms of achievable returns and a reduction in the level of funding required in the network.

A reduced finance charge may be obtainable if the public sector investor is willing to underwrite the lease, recognising that such an arrangement would be subject to State Aid rules and assessment. If this option were explored further, in the first instance we would recommend seeking to understand what the charge may be with no such underwriting arrangements in place.

Tax efficient equity investment in pipework

This is still an emerging area at present. It is, however, something we understand is being actively explored by a number of potential investors. A number of wealth managers seek to achieve a return for their investors by investing in Projects that are not only able to provide a return on investment, but also qualify for tax relief.

One such scheme is HMRC’s Enterprise Investment Scheme (EIS). This Scheme seeks to encourage investment in small higher risk trading companies that might otherwise struggle to receive finance (qualifying investments must be in new shares). The scheme allows individuals to invest up to £1m in a Project and claim 30% of the investment value against tax paid, thereby reducing their tax burden.

As a result of this, investing into a Project that qualifies for EIS provides an automatic 30% return on investment. The money invested is of course at risk and investors would be keen to understand their ability to recover the investment, however as there is an immediate gain the need for high Project returns is significantly reduced, the investor will merely need to consider the extent to which the Project can be refinanced and therefore the ability to extract the investment in a timely manner.

One limitation would be that EIS arrangements cannot be put in place where the investors benefit from other subsidy arrangements. Therefore if the Project moved to a low carbon heat source which attracted Renewable Heat Incentives (RHI) for instance, this double benefit would not be permissible.

Given the significant requirements around Projects being eligible for EIS relief, careful legal structuring is required which falls out of scope of this OBC and professional advice would need to be sought to make it more likely the eligibility can be agreed with HMRC. However, if this is something that the Council were keen to progress further; this would be something that would need to be developed through the Commercialisation phase.

5.5 Modelled Scenarios and sensitivities

Below we list the scenarios (including the Base Case) and sensitivities which have been run for the Project.

Table 18 Modelled scenarios and sensitivities

1	Base Case	Heat is sold to BLC, CCO and BC (Public Sector Buildings) with no discount against the counterfactual. Heat is sold to RSL flats with a 5% discount against the counterfactual.
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		<p>Electricity is sold to RSL flats, BLC and CCO at a 10% discount against the counterfactual.</p> <p>Business rates are payable by the ESCO.</p> <p>The ESCO is subject to corporation tax.</p> <p>A grant is received from Heat Networks Investment Project (HNIP) for 35% of the initial capital costs of the Project, being £665k.</p> <p>There is a £500k capital injection from BCBC.</p> <p>The funding gap is met by debt finance provided by BCBC, which is repaid through a 50 year annuity, which reflects the project length.</p>
Project Structure Variation		
2	No Grant	As with Scenario 1, however the project receives no grant monies.
3	No business rates	As with Scenario 1, with no business rates. This is on the basis that the level of business rates is not yet determined and reliefs against the current assumption may be available to the ESCO – see 'Operating Costs' section. This scenario considers full business rate relief being available to the ESCO.
4	Charity Indication	<p>As with Scenario 1, however the ESCO does not pay business rates or corporation tax.</p> <p>Note that this scenario is generated to provide an indication of the impact of setting up the ESCO as a charity. Should the Council wish to pursue this option, further detailed analysis would be required to determine the full impact. For example, there may also be irrecoverable VAT implications of moving to a charity structure.</p>
Project length variation		
5	30 year Project length	As with Scenario 1, however the Project has an operating length of 30 years.
Financing and grant variations		
6	Base Case with revolving loan facility on public sector debt.	As with Scenario 1, however a revolving facility is assumed rather than a 50 year annuity on the public sector debt.
7	Base Case with maximised allowable grant funding	As with Scenario 1, however the maximum allowable Aid (under State Aid rules) is provided to the ESCO in the form of a grant.
Price variation		
8	Electricity tariff discount (+/-5%)	As with Scenario 1, with the discount applied to the electricity tariff varied as below:

		<p>Scenario 8a – 15% electricity discount applied to counterfactual cost</p> <p>Scenario 8b – 5% electricity discount applied to counterfactual cost</p> <p>Scenario 8c – nil% electricity discount applied to counterfactual cost</p>
9	Variables heat tariff discount	<p>As with Scenario 1, with the discount applied to the variable heat tariff varied as below:</p> <p>Scenario 9a – All customers receive a 5% discount applied to the counterfactual cost</p> <p>Scenario 9b – All customers receive a 10% discount applied to the counterfactual cost</p>
10	Capex (+/-5%)	<p>As with Scenario 1, with capital expenditure varied by +/-5%</p> <p>Scenario 10a – 5% increase in capital expenditure</p> <p>Scenario 10b – 5% decrease in capital expenditure</p>
11	Loan Interest Rate (+/- 50bp)	<p>As with Scenario 1, with the loan interest rate varied +/- 50bp</p> <p>Scenario 11a – 50bp increase in the interest rate</p> <p>Scenario 11b – 50bp decrease in the interest rate</p>

5.6 Financial Results

The tables in this section set out the outputs of the Base Case, alternative scenarios and sensitivities tested, using the following metrics:

- Project IRR – This is the nominal returns of the Project before the impact of Corporation Tax and financing
- Investor IRR – The Investor IRR is based on the total investment into the Project, being the funds provided by BCBC. Returns to the investor arise from interest on the loan, the repayment of the loan plus dividends
- Investor NPV – this is the net present value of the Project to BCBC as investor based on returns against equity and debt (i.e. does not include £500k capital injection)
- Investor Payback Period – this is the period of time required to reach a break-even point, based on returns against equity and debt (i.e. does not include £500k capital injection)

For comparison, BEIS have stated that IRRs for the portfolio of heat network Projects that are receiving support at the time of writing vary between 0% and 15%, with the majority sitting between 5% - 9%.

5.6.1 Base Case

The table below shows the results of the Base Case.

Table 19 Base Case

Scenario	Returns				Funding Structure of Initial Drawdown			Results		
	Project IRR	Investor IRR	Investor NPV £'s	Investor Payback Period	Loan at State Aid compliant rate	HNIP Grant £'s	BCBC Capital Injection	Dividends £'s	Cash at Project End	Project Viable
1 Base Case	2.71%	5.24%	(109,810)	21	793,764	664,930	500,000	(961,958)	0	Yes

The outputs of the Base Case show that the project is viable as it can repay its loans by the end of the 50 year project timeline. This Project is showing a low but positive Project IRR of 2.71%. As a result of the cash demands of the business, dividends to BCBC are not available until the Project end, after capital funding requirements and debt obligations have been met. This is reflected in the Investor IRR which is slightly higher (at 5.24%) than the loan rate (4.65%), which represents the return generated via the dividend.

5.6.2 Alternative scenarios

The 'alternative' scenarios are displayed in the table below, which reflect changes in funding structure, SPV type, and Project duration. These are considered separately to the sensitivities (i.e. +/-x% on variables) performed on the Base Case that are described in the next section.

Table 20 Scenarios

Scenario	Returns				Funding Structure of Initial Drawdown			Results		
	Project IRR	Investor IRR	Investor NPV £'s	Investor Payback Period	Loan at State Aid compliant rate	HNIP Grant £'s	BCBC Capital Injection	Dividends £'s	Cash at Project End	Project Viable
2 No Grant	2.71%	4.65%	(451,996)	25	1,958,694			-	(6,575,408)	No
3 No business rates	6.94%	6.43%	77,051	21	793,764	664,930	500,000	(4,429,376)	-	Yes
4 Charitable indication	6.94%	6.69%	138,594	21	793,764	664,930	500,000	(5,575,907)	-	Yes
5 30 Year Project period	0.32%	5.28%	(86,387)	18	793,764	664,930	500,000	(278,383)	-	Yes
6 Base Case with revolving loan facility on public sector debt.	2.71%	6.41%	23,101	9	793,764	664,930	500,000	(1,836,168)	-	Yes
7 Base Case with maximised allowable grant funding	2.71%	5.76%	(31,254)	21	558,694	900,000	500,000	(1,525,020)	-	Yes

Scenario 2: From the table above it can be seen that when no grant funding is available, the Project is not viable since the ESCO has a cash deficit £6,575k at the Project end. The ESCO is never able to repay the loan required to fund the initial capital expenditure, as it has to continually drawdown to make the loan repayments and operating requirements.

Scenario 3: Business rates account for 20% of the recurring costs in the ESCO. The investor IRR increases to 6.43% when they are not payable, highlighting the sensitivity of the model to business rates.

Scenario 4: This scenario provides an indication of the financial outputs if the ESCO is structured as a charity, which could provide exemption from both corporation tax and business rates. With no corporation tax or business rates due, the Investor IRR further increases to 6.69%. The main factor for this is the removal of business rates (see Scenario 3) as there is very little tax payable in the project due to low taxable profits. However, as previously stated there may also be irrecoverable VAT implications of moving to a charity structure.

Scenario 5: Under a 30 year Project period, the Project IRR drops by 2.39% from the Base Case Project IRR of 2.71%. The reason for this decrease in the investor IRR is that there is a capital re-refresh required in the final year of operations. A review of the useful economic life of the CHP could improve the economics of this scenario.

Scenario 6: This scenario evaluates the impact of a revolving loan facility. The Investor IRR has increased by 1.17% to 6.41%. The reason for the increased IRR is all surplus cash is used to repay debt as quickly as possible - the investment payback period is 9 years as opposed to 21 years in the Base Case. Due to the time value of money, quicker debt repayments offers a higher return to the investor.

Scenario 7: The maximum possible level of grant funding whilst remaining within the State Aid requirements is determined to be c.£1.4M. The impact of maximising this allowable aid (via additional £235k of grant monies) is evaluated in this scenario. The Investor IRR increases to 5.76%, which is due to lower financing costs enabling a larger dividend to be paid to BCBC at the end of operations.

5.6.3 Confirmation of the Preferred Solution

The Base Case (Scenario 1) is considered to represent the most likely option and it is shown to be viable due to generating enough cash to meet debt repayments and return a dividend to BCBC at the end of the project.

Although other scenarios may appear viable, each of these have their risks. These risks are been discussed below;

- No business rates - This an area in which we understand BEIS are developing further guidance. The outcome may confirm business rates are required.
- Charitable structure - Returns may be locked into the ESCO and therefore may not be able to be used to fund similar projects or passed onto the Council.
- 30 year project period - With a Project IRR 0.32%, the Project is only marginally viable.
- Revolving loan - There is the risk that BCBC's debt repayments to PWLB do not match the debt repayments from the ESCO which could lead to a cash shortfall.
- Additional Grant funding - There is the risk that additional grant funding is not available.

- We therefore take forward the Base Case (Option 1) for sensitivity testing, and to assess the financial benefits of this option for customers.

5.6.4 Sensitivity analysis

The table below reflects sensitivity scenarios performed on the Base Case. Each instance assesses a single point of change around one assumption in the model in order to assess the robustness of the Base Case to such changes.

Table 21 Sensitivity Analysis

Scenario	Returns				Funding Structure of Initial Drawdown			Results		
	Project IRR	Investor IRR	Investor NPV £'s	Investor Payback Period	Loan at State Aid compliant rate	HNIP Grant £'s	BCBC Capital Injection	Dividends £'s	Cash at Project End	Project Viable
8a 15% electricity discount applied to counterfactual price	1.33%	4.68%	(164,216)	21	793,764	664,930	500,000	(43,820)	-	Yes
8b 5% electricity discount applied to counterfactual price	3.83%	5.58%	(69,884)	21	793,764	664,930	500,000	(1,691,981)	-	Yes
8c nil% electricity discount applied to counterfactual price	4.80%	5.84%	(32,155)	21	793,764	664,930	500,000	(2,394,881)	-	Yes
9a All customers receive 5% discount on heat tariff	1.96%	4.94%	(140,601)	21	793,764	664,930	500,000	(439,419)	-	Yes
9b All customers receive 10% discount on heat tariff	0.97%	4.65%	(167,505)	21	793,764	664,930	500,000	-	(183,252)	No
10a 5% increase in the cost of capital expenditure	2.17%	4.91%	(161,133)	21	891,698	664,930	500,000	(439,187)	-	Yes
10b 5% decrease in the cost of capital expenditure	3.25%	5.52%	(67,266)	21	695,829	664,930	500,000	(1,371,377)	-	Yes
11a 50bp increase in the interest rate	2.71%	5.55%	(68,895)	19	793,764	664,930	500,000	(759,562)	-	Yes
11b 50bp decrease in the interest rate	2.71%	4.94%	(150,344)	23	793,764	664,930	500,000	(1,133,188)	-	Yes

The Project remains viable in all sensitivities except for Scenario 9b, where there is a 10% discount on the heat tariff to all customers. The reduction in revenues to the project reduces the ability of the ESCO to repay its debt and has a cash deficit of £183k at the period end. This shows that the project is sensitive to reductions in heat revenues and therefore refinement of these assumptions will be important as the project progresses through to the Commercialisation phase.

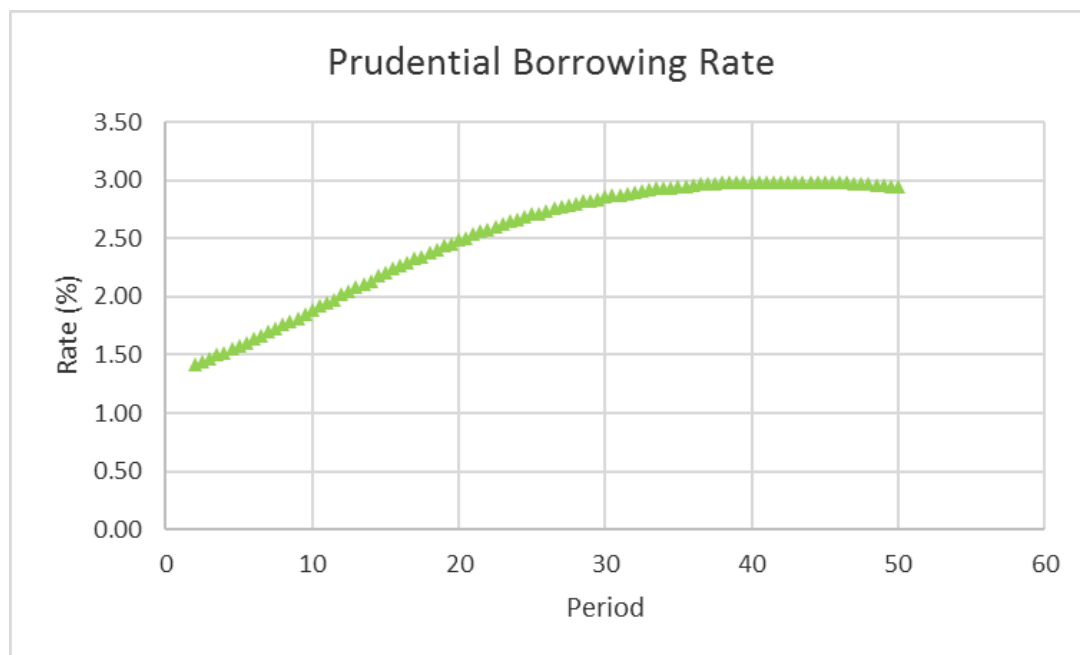
It can be seen from the table above that the project is also sensitive to reductions in electricity income. As for heat revenues, refinement of these assumptions will be important as the project progresses through to the Commercialisation phase.

5.7 Investment decision

When considering whether to invest in the Project, BCBC should compare its potential Investor IRR to the rate at which it can access capital. In the majority of instances, this would be from the PWLB. Note that this comparison would only consider the Project from an investor perspective and would not take into account potential energy cost savings.

The current prudential borrowing rates are as described in the graph below (based on access to a new PWLB Annuity), and range from 1.40% - 2.95%, depending on the period of borrowing. BCBC will need to determine its current level of Prudential Borrowing, and its limits on borrowing, in order to understand the scope for further borrowing. Borrowing rates for a 50-year annuity are in the region of 2.95%. This would indicate that BCBC could lend to the ESCO at a rate greater (say 4.65%) than its own cost of borrowing, which would generate a 'margin' (the difference between the two rates) as an income to BCBC.

Figure 12 Prudential borrowing rate



5.8 Financial Benefit to Consumers

In addition to Financial Modelling of the Project, we have also developed a consumer counterfactual. Comparing the cost to the consumer under the Project with the cost to the consumer under 'Business As Usual' allows a conclusion to be drawn on whether the project represents a financial benefit to each consumer.

This counterfactual calculates the cost to the consumer of the same heat and electricity demand as is assumed under the Project. The assumption is that all consumers would otherwise be generating heat from gas boilers. The cost of these boilers has been calculated (from the TEM) on an annualised basis, i.e. the capital cost is spread over the expected useful life of the boiler. Maintenance costs are also included. VAT has been assumed for all the businesses and buildings included in the proposed network. Indexation assumptions were applied on a basis consistent with the assumptions used in the Financial Model.

The cost of the counterfactual is then compared to the cost to customers of purchasing energy from the Project (i.e. including VAT) as well as recognising the cost/revenues related to funding the Project.

The cost to the consumer under the Project and the cost to the consumer under 'Business As Usual' (counterfactual) are then compared on an NPV basis in the table below.

Table 22 Public Sector Buildings Financial Benefit

Public Sector Buildings Financial Benefit	NPV £000s
Heat tariff	2,665
Electricity tariff	4,437
Capital injection	469
Total Cost	7,571
Margin on loan	235
Lease income	-
Dividends declared & paid	52
Business rates	879
Total Income	1,166
Cost to Public Sector Buildings under Heat Network (Net)	6,405
Boiler replacement costs	52
Boiler maintenance costs	187
Gas costs	2,280
Electricity	4,893
Cost to Public Sector Buildings under Business as Usual	7,412
Benefit for the Public Sector Buildings	1,007
Percentage benefit for Public Sector Buildings	14%

The table above shows a significant benefit to BCBC of developing the heat network of 14% (£1,007k) in NPV terms when comparing the cost under the heat network to the cost of business as usual. Discussions with Welsh Government as to whether or not BCBC would be able to retain business rates will be required to confirm this benefit. If business rates cannot be retained by the Council then the project benefit to the Public Sector will reduce to 2% (£128k). Given this sensitivity to business retention, further analysis will be undertaken through the Commercialisation phase.

The table below shows the financial benefit for RSL flats.

Table 23 RSL flats Financial Benefit

RSL flats Financial Benefit	NPV £000s
Heat Tariff	353
Cost to RSL flats under Heat Network	353
Boiler replacement costs	7
Boiler maintenance costs	23
Gas costs under	345
Heat cost to RSL under Business as Usual	375
Benefit for RSL	22
Percentage benefit for Council	6%

The financial benefit is marginal to RSL in NPV terms at 6% (£22k) when comparing the cost under the heat network to the cost of business as usual.

5.9 Heat Network Investment Programme (HNIP)

Through the Heat Networks Investment Project (HNIP), the UK Government has provided £320 million in grant and loan funding for heat networks to be allocated in the 5 years up to 2021. This section deals with the potential opportunity to access HNIP funding to offset part of the capital costs of delivering a heat network in Bridgend.

BCBC is looking to bid for a Heat Network Investment Programme (HNIP) grant for this Project. BEIS expect the main scheme to start receiving applications in autumn 2018 and allocate first year funding by March 2019.

The key financial criterion for bidding for these funds for new heat networks during the pilot phase was:

*"... this [criteria] applies to Projects that cannot go ahead without support as the Project financials (such as Internal Rate of Return), whilst positive, are not attractive enough to secure funding. The **funding gap** in this case is the capital contribution required to take the IRR without HNIP funding up to the hurdle rate IRR of the equity investors. It is expected that applicants will have explored all other reasonable sources of funding prior to applying for the scheme and will be required to provide evidence to demonstrate this."*

On this basis, BCBC will need to demonstrate that the Project could not go ahead without HNIP support (through additionality tests) and that the application reflects a funding gap.

The table below demonstrates the Investor IRR under several 'aid' scenarios.

Table 24 'Aid' scenarios

Level of 'aid' under State Aid rules, being the sum of grant and capital injection	Investor IRR %	Improvement against No 'aid' Case %	Project Viable?	Comment
Nil	4.65%	N/A	No	Project is overdrawn at operation end by £6,575k
£500k capital injection	4.65%	nil	No	Project is overdrawn at operation end by £1,889k
Base Case (£665k grant, £500k capital injection)	5.24%	0.59%	Yes	
Maximum (£900k grant, £500k capital injection)	5.76%	1.11%	Yes	

The table demonstrates that the Project cannot go ahead without grant funding as there is not sufficient cash available to repay debt. Grant income reduces the need for debt finance in the early years of the Project, allowing cash that would otherwise have been used to service debt to build cash reserves (reducing the need for future drawdowns) and to make dividend payments.

In order to understand more fully the level of HNIP funding that may be available, the Council will need to consider its own Investor IRR hurdle rates that must be met for the Project to be considered a viable investment. Alongside the calculation of the maximum allowable aid (as set out in the 'State Aid Considerations' section), this will form part of the determination of the level of grant funding which can be applied for.

5.10 Optimism bias

In preparing an Outline Business Case, it is important to incorporate the impact of Optimism Bias, to help assess the level of uncertainty over Project costs. Optimism Bias reflects the demonstrated and systematic tendency for Project appraisers to be overly optimistic when considering Project benefits and costs.

Key areas to consider relating to Optimism Bias are:

- Capital Expenditure Optimism Bias
- Operating Expenditure and Revenues Optimism Bias
- Confirmation of the Preferred Solution decision

To address this tendency, it is important to make explicit adjustments and thus determine a suitably optimism bias-adjusted outcome. These adjustments will have the effect of increasing the cost estimates, decreasing the projected benefits and extending the timescales over which

the costs and benefits are assumed to accrue, compared to the initial unadjusted estimates for each option.

The principles in Annex 4 of the Green Book and in the HMT supplementary guidance should be applied with proportionate effort in a manner that suits the circumstances. Wherever possible, the relevant adjustments should reflect local experience in preference to use of the HMT generic figures. They should be based on data from past Projects or similar Projects elsewhere, and adjusted for the unique characteristics of the Project in hand. When such information is not available, it is encouraged to collect data to inform estimates of optimism, and in the meantime use the best available data.

It is important to be satisfied that the adjustments made are realistic and justifiable in relation to local experience. They should represent a meaningful effort to improve the quality of assumptions rather than arbitrary percentage adjustments.

Consideration of Optimism Bias to date has been based on the sensitivity testing performed to demonstrate the robustness of the Project to these variables. Similarly, the base data prepared through the TEM by AECOM is based upon the collection of local data and a deep understanding of heat networks to reduce the impact of optimism bias upon the Project. For example, in respect of potential customers to the network, optimism bias has been reduced through the use of real heat and energy demand data made available by engaged stakeholders, resulting in a 'core' network rather than an expanded network that would have more customers but could be seen to be more optimistic and speculative.

As is demonstrated by the sensitivity testing the Project returns have stayed acceptable at the following sensitivity levels:

- 5% discount to all customers on the heat sales price
- Variants on electricity sales price discounts
- Capital expenditure (+/-5%)
- Interest Rates (+/- 50bp)

5.11 Accounting Treatment

The preferred commercial option represents an ESCO, with the shares owned 100% by BCBC. It is therefore a public sector controlled subsidiary.

Subsidiary companies are defined as organisations that the Shareholder controls by having power over the organisation, exposure or rights to variable returns from its investment and the ability to use its power over the organisation to affect the amount of the return.

As a subsidiary company, the financial results of the ESCO will be consolidated in to the financial results of BCBC. BCBC's Group Accounts should show the results of the ESCO, thus showing the full extent of BCBC's economic activities by reflecting the Council's involvement with its group companies and organisations.

In BCBC's single-entity accounts its interest in those companies included in its group accounts are recorded as financial assets at cost less any impairment.

6.0 Management Case

6.1 Key short and long term milestones: High level plan

The section below summarises the actions across a range of key areas which are being taken to demonstrate the achievability of the project.

Interdependencies with other projects and/or business areas

The implementation of the project is highly dependent upon agreement being reached between BCBC and GLL/Halo to the modification of the existing Healthy Living Management Agreement. To develop the principles upon which the modification will be based, the following approach is being adopted:

- Regular liaison with the BCBC Leisure Contract Manager to identify areas requiring clarification.
- Repeated contact with the GLL Energy & Environment Manager and the Halo Partnership Manager to agree in principle:
 - How the interface will work in physical terms in the Life Centre Plant room.
 - The equipment/plant that will remain the responsibility of GLL/Halo and what will transfer to the ESCo.
 - The charging mechanism for Halo/GLL for heat & electricity from the ESCo.
 - Benchmarking of current energy costs and recharges paid by Halo to BCBC.

Detailed Commercialisation and Delivery Phases

Prior to the award of a Design, Build, Operate and Maintain (DBOM) contract a procurement exercise needs to be completed that will require specialist technical, legal and financial support. The cost for providing this support is estimated at £120,000.

It is anticipated that a funding bid will be made to UK Government HNDU in January 2018 to secure part funding (67%) for this piece of work. The remaining 33% match (£39,600) will need to be provided by BCBC.

The project requires that a Special Purpose Vehicle (SPV) is created to deliver the project. Specialist legal support will be required to do this. The cost of this has been estimated as £35,000. Attempts will be made to secure support for this again from the HNDU support funding (£23,450) with the remainder of the funding being provided by BCBC (£11,550).

Delivery Phases

The project will be delivered in a single phase following the award of a design, build, operate and maintain contract in May 2019.

The Strategic Case discusses future phase expansion opportunities that could potentially happen in the future.

Fall back arrangements should the project fail to deliver

The continuation of the BCBC service delivery and public access to Leisure Services is dependent on effective heating being provided to the buildings for part of the core scheme. Hence, from BCBC's perspective the project can not be allowed to fail. A number of steps are being taken in order to guard against this possibility including:

- Guaranteeing that BCBC is adequately represented on the board of the ESCO.
- Requiring the ESCO to let a single design, build, operate and maintain (DBOM) contract for the project, thereby ensuring interface risks between construction and operation are eliminated.
- Ensuring there are step in rights for BCBC in the event that the ESCO becomes untenable.

Mitigation actions for sustainability impacts

Ensuring the project delivers its sustainability goals is vital to BCBC and other stakeholders, including Welsh Government. Hence the following actions are planned to manage these risks:

- Writing clauses into the DBOM contract to ensure that the full carbon saving potential of the plant is realised.
- Require a review of future alternative heat sources to be undertaken after 5 years of operation.
- Preparation of a heat source transition plan for the network after 10 years detailing what technology will replace the gas CHP unit at the end of its operational life.

Evidence collection and Quality Assurance activity

At certain stages key decision/approval points will depend on new evidence being produced. The table below highlights for particular decisions what key data will be collected, together with the associated timeline and how performance, evaluation and benefits evidence will be collected.

Table 25 Key data and timelines for key decisions

Decision	Key Data	Timeline	Method for collection of performance, evaluation and benefits evidence.
Apply for HNIP Capital Funding	OBC including Strategic, Economic, Commercial, Financial and Management cases	Autumn 2018	Preparation of OBC making use of previous technical feasibility work.
Begin DBOM Procurement	Development of Invitation to Tender (ITT) based on technical, financial and legal advice	March 2018	Appointment of advisors to advise on technical, financial and legal aspects of ITT
Setting up SPV	Legal advice on required arrangements related to SPV e.g. articles of association, etc.	September 2018	Legal advice from company appointed to advise on scheme.
Appointment of DBOM contractor for the project	Informed by ITT and submitted tenders.	May 2019	Advice from appointed legal, financial and technical advisors.

6.2 Stakeholder management and communications

The initial phase of Bridgend Town Heat Network project has a relatively small number of stakeholders with BCBC and GLL/Halo being the key players. The table below lists the high level stakeholders and their expectations for the project. It also summarises arrangements for obtaining up to date information on their perspective of the project.

Table 26 The role and expectations of different organisations

Organisation	Role	Expectations	Refreshing information
Bridgend County Borough Council	Project Instigator Investor Heat customer	A successful heat network, capable of expansion, is developed to meet the local authority's	Chair monthly Operations Group. Representatives from different departments on board e.g. Leisure,

		economic and environmental objectives.	Property, Finance, Communities
Welsh Government	Grant Provider	The project helps to achieve WG's objectives for decarbonisation.	Represented on the monthly project Operations Group
Greenwich Leisure Limited / Halo	Heat Customer	Heat costs are less than, and at the least no higher.	One-to-one meetings involving Council external advisors as necessary
Linc Cymru	Heat Customer	Heat costs are less than, and at the least no higher, than from alternative and heat network connection has the ability to ensure residents don't suffer from fuel poverty. Carbon emissions are lower than from gas boilers.	One-to-one meetings.

The individual stakeholder meetings listed in the table above will be the primary mechanism for disseminating information to stakeholders. However, regular communication will also take place through email and telephone discussions. Feedback from stakeholders will be passed back through internal communication channels to senior management and prioritised as necessary in relation to its importance.

6.2.1 Customers

The initial customers for the project will be BCBC buildings, albeit with two of them operated by a third party, and a registered social landlord developing in the area. However, other public sector organisations with buildings in the area and private sector owned buildings will also be able to connect to the network from a very early stage.

Heat customers will benefit from reduced heat costs on a whole life cost basis.

Individual meetings with the key stakeholders for the project have taken place to explain the plan for the project, the potential benefits and progress in developing the network plans.

6.3 Project governance

6.3.1 Governance arrangements

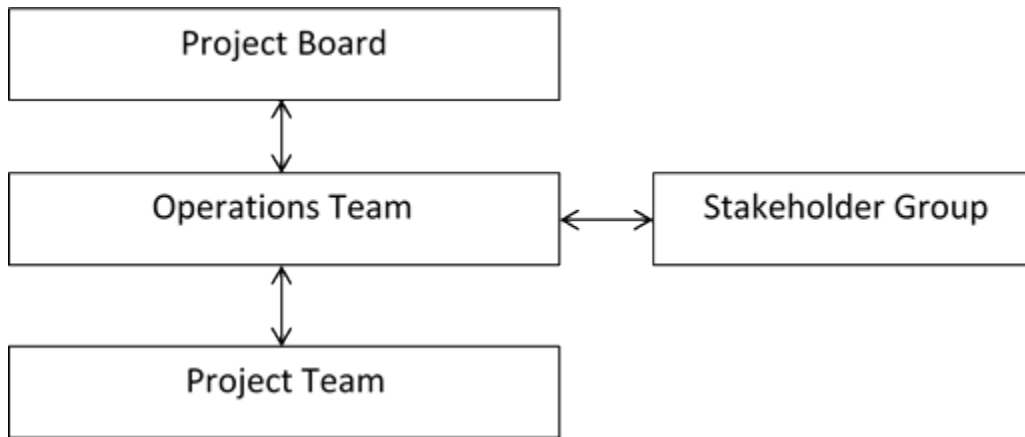
The section below summarises the proposed governance arrangements to demonstrate that the appropriate bodies, roles and processes are in place. It describes how the whole governance structure works, including lines of reporting, authority and accountability, maintenance of management information, quality assurance measures, and the involvement of key stakeholders

The development of the OBC, including all support technical, financial and commercial advice, has been overseen by the Bridgend Town Heat Network Operations Team. This was formulated in 2017 and has met on a regular basis.

The Governance arrangements for the commercialisation phase of the network are shown in the figure below and build on those adopted for the development of the project OBC. It is

envisaged that these arrangements will evolve further once the SPV is established and the single DBOM contract achieves financial closure.

Figure 13 Governance arrangements



Project Board

The network has the potential to become an important project for the Council and is a key element in the wider low carbon strategy. The implementation of the Bridgend Town Heat Network will be overseen by a Project Board. The Project Board will provide the strategic leadership for the project and provide overall oversight of the project delivery.

It is proposed that the Board will consist of the following members:

- Director of Communities, Bridgend County Borough Council (Chairman)
- Head of Finance, Bridgend County Borough Council
- SPV Project Director
- Head of ESD Capital, Decarbonisation and Energy, Welsh Government

It is intended that the Project Board will meeting quarterly, but the frequency of meetings will be reviewed at the first meeting.

Full Terms of Reference for the board will be presented at the first meeting of the board for discussion. However, in order to meet its responsibilities, it is envisaged that the Project Board will:

- Receive written and verbal briefings from the Operations Team
- Accept or reject recommendations made by the Operations Team
- Approve or reject the project proceeding to procurement, based on a recommendation from the Operations Team.
- Make recommendations to BCBC Cabinet regarding:
 - Proceeding with a Capital Grant application.
 - Proceeding with procurement of the project.
 - Setting up a Special Purpose Vehicle to deliver the project.

- Appointment of a design, build, operate and maintain contractor
- Proceeding with a HNIP grant application.

Operations Team

The Operations Team will provide the Project Board with the information and briefings required for it to make recommendations to the BCBC cabinet regarding the different stages of project implementation.

It is proposed that the Operations Team will consist of the following members:

- Team Leader Sustainable Development, Bridgend County Borough Council
- The Bridgend Town Heat Network Project Manager, BCBC
- Group Manager – Sports and Physical Activity, BCBC
- Principal Surveyor Property Services, BCBC
- Governance and Compliance Officer, BCBC
- Energy and Environment Manager, Greenwich Leisure Limited
- Partnership Manager, Halo Leisure
- Project Director, Local Partnerships
- Specialists procured to provide specialist advice to the project where required.

It is intended that the Operations Team will meeting monthly, or as agreed by the Operations Team.

During the implementation phase, the key responsibility of the Operations Team will be to agree the principles of contract variation required for the BCBC and GLL/Halo contract. Specific activities will include:

- How the interface will work in physical terms in the Life Centre Plant room.
- The equipment/plant that will remain the responsibility of GLL/Halo and what will transfer to the EScO.
- The charging mechanism for Halo/GLL for heat & electricity from the EScO.
- Benchmarking of current energy costs and recharges paid by Halo to BCBC and reflecting these in the economic and financial cases.

Project Team

An Implementation Project Team will be established within Council. This Project Team will collate information and prepare briefings to ensure that relevant parties are aware of items that need resolution.

It is proposed that the Project Team will consist of the following members:

- The Bridgend Town Heat Network Project Manager, BCBC
- Team Leader Sustainable Development, Bridgend County Borough Council
- Group Manager – Sports and Physical Activity, BCBC
- Manager Skills and Sustainable Development
- Governance and Compliance Officer

It is intended that the Project Team will meet weekly, or as agreed by the Project Team. The team will review project progress and prioritise actions for the following week. The team will bring in specialist expertise as necessary to provide detailed advice on particular project requirements.

The project team will:

- Develop an application for capital grant funding;
- Develop the necessary tender documentation to appoint the necessary specialist support needed to establish the delivery vehicle;
- Ensure the procurement documentation for the design, build, operate and maintain (DBOM) contract is developed, making use of specialist external support where necessary;
- Maintaining relationships with key stakeholders;

Stakeholder Group

Additionally, a Stakeholder Group will be established to include representatives from other organisations with an interest in the development of the Bridgend Town Heat Network project. Organisations represented may include other potential heat customers, community interest groups, etc. It is envisaged that this group will meet as and when the need arises.

6.3.2 Project organisation & resources – team members, roles & capability

Non-executive Director

A non-executive director will be appointed to the board of the SPV to oversee the commercialisation phase of the project. This appointment will be made after the creation of the SPV in September 2018.

The Non-executive Director will:

- Provide commercial experience of operating an energy business.
- Fulfill a mentoring role for SPV staff.

The Non-executive Director will provide:

- Commercial advice for BCBC prior to the appointment of the DBOM contractor
- Attendance at relevant meetings
- Advice upon DBOM contract management
- Support to the director to develop the strategy of the business.
- A monitoring of business performance and scrutiny of the performance of management against agreed objectives and targets service.
- Verification of the accuracy and integrity of financial information.
- A validation of the risk management systems, controls and processes that are in place to manage the operation.

Project Director

A project director will be appointed to lead the SPV and manage the operation of the DBOM contract with the private sector delivery partner.

The Project Director will:

- Lead the SPV and provide strategic direction.
- Provide the link between the SPV and BCBC through the Project Board.

The Project Director will be accountable for:

- Maintaining the performance of the SPV in line with its agreed objectives and targets.

- Attending the Project Board meetings
- Briefing members of the Board around specific issues.

Project Manager

A dedicated, full time project manager, located within BCBC’s Communities Directorate, will be appointed to manage the delivery of the project.

The Heat Network Project Manager will:

- Set an agenda for and chair each team meeting;
- Update the team on progress against plan;
- Identify risks and issues arising which could affect progress; and
- Issue a list of actions arising from the meeting.

The Project Manager will be accountable for:

- Procuring the specialist legal, financial and technical support necessary for delivery of the project;
- Coordinating the specialist support to develop the invitation to Tender (ITT) documentation for the Design, Build, Operate and Maintain (DBMO) contract.
- Developing the capital grant application to HNIP
- Putting in place the conditions to allow the SPV to be formulated.

6.3.3 Assurance & approvals

The table below sets out the approval steps required for implementation of the project, together with the associated timeline.

Table 27 Timetable for assurance and approval milestone

Assurance/Approval Milestone (e.g.)	Completion / Planned Date
Cabinet Member Briefing	December 2017
Draft Outline Business Case Report	December 2017
Informal Cabinet Briefing	December 2017
Comments including legal and financial comments	December 2017
Final Outline Business Case	December 2017
Cabinet Report issued with OBC attached	December 2017
Cabinet Further Investment Decision to Proceed	January 2018
Apply for Capital Grant Funding	October 2018
Set Up Special Purpose Vehicle	September 2018
Apply for HNIP grant funding	November 2018
Award DBMO Contract	May 2019

6.4 Risk management

An up-to-date risk register will be maintained by the project manager to ensure risks are identified and effective mitigation measures are put in place.

As part of the governance arrangements set out about, the risk register will be regularly presented to the Operations Team, and significant risks presented at the monthly project board.

The performance of the project will also be regularly reported in relation to the risks identified in the risk appetite statement (see strategic case section 2.3) and any deviation from the anticipated performance promptly reported.

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BRIDGEND COUNTY BOROUGH COUNCIL

REPORT TO CABINET

24 APRIL 2018

REPORT OF THE CORPORATE DIRECTOR COMMUNITIES

BRIDGEND COUNTY BOROUGH COUNCIL BIODIVERSITY AND ECOSYSTEMS RESILIENCE FORWARD PLAN, 2018-2022

1. Purpose of Report

- 1.1 To seek Cabinet approval for the Bridgend County Borough Council Ecosystems Resilience Forward Plan, 2018-2022, and the implementation of resulting actions.

2. Connection to Corporate Improvement Objectives/Other Corporate Priorities

- 2.1. This report supports the following corporate priorities:
- Supporting a successful local economy
 - Helping people to be more self-reliant
 - Smarter use of resources

3. Background

- 3.1 The Environment (Wales) Act 2016 places a new duty on public authorities, including local Councils to: enhance biodiversity; increase resilience of ecosystems; move from reactive approaches to preserve biodiversity towards proactive intervention to enhance biodiversity; and to publish and review a Biodiversity Plan which is to be reviewed every three years.
- 3.2 The approach required by the legislation is for public bodies to approach this plan using a set of core principles- called *sustainable management of natural resources* (SMNR) which include: adaptive planning; spatial collaboration; public participation; understanding evidence, risk and uncertainty; focusing on the benefits and intrinsic value of natural resources; short medium and long term and preventative ecosystem planning.
- 3.3 Bridgend County Borough Council (BCBC) has invested in a Local Biodiversity Action Plan (2014) and Supplementary Planning Guidance (SPG 19) which provide an excellent evidence base for the local 'state' of ecosystems and biodiversity. This also provides guidance to partners, developers and Council staff on the need to develop Green Infrastructure within the Borough. These are used to guide development within the development planning process.
- 3.4 To date, a wide variety of support has been offered through a small team in the Communities Directorate on biodiversity and ecosystems to support BCBC's compliance with previous legislation. This ranged from development advice, Local Nature Reserve Management and engagement of volunteer groups. This team provides detailed expert advice to all of BCBC's services, works in partnership with multi-sector and multi- agency Bridgend Biodiversity Partnership and provides

advice on strategic approaches to biodiversity, including liaison with Natural Resources Wales (NRW) and the Public Service Board (PSB).

- 3.5 This current activity provides examples of SMNR in practice. However, the Environment (Wales) Act 2016, and in particular the enhanced biodiversity and resilience of ecosystems duty (the section 6 duty) requires public authorities to take a more strategic and proactive approach to biodiversity and ecosystem planning.

4. Current Situation / Proposal

- 4.1 The enhanced biodiversity and resilience of ecosystems duty (the Section 6 duty) – a legal requirement from the Environment Act (Wales) Act 2016 - requires that public authorities must seek to maintain and enhance biodiversity so far as consistent with the proper exercise of their functions and in so doing promote the resilience of ecosystems.
- 4.2 To comply with the duty BCBC is tasked to do a number of things:
- embed the consideration of biodiversity and ecosystems in business planning, including any policies, plans, programmes and projects, as well as their day to day activities.
 - prepare and publish a plan setting out what they propose to do to maintain and enhance biodiversity, and promote ecosystems resilience.
 - have regard to a wide range of evidence and policy produced by Welsh Government, the State of Natural Resources Report (SoNaRR) the Nature Recovery Plan for Wales, Natural Resources Policy, Section 7 list of important habitats and species and the forthcoming Area Statements being produced by NRW.
 - report on what the public authority has done to comply with the duty by the end of 2019 and then every three years after this date.
- 4.3 Appendix 1 constitutes a Biodiversity and Ecosystems Resilience Forward Plan, 2018-2022, for BCBC to comply with this Duty and is intended to meet all of the above requirements. As such, it provides an enhanced organisational approach to Biodiversity and Ecosystems Resilience (BER) within the context of a wider delivery system for BER outcomes in the Borough.
- 4.4. Part of this wider delivery system includes the Local Biodiversity Action Plan (2014) produced in conjunction with Bridgend Biodiversity Partnership and Environment Systems Ltd. This provides a detailed overview and assessment of Bridgend's biodiversity and ecosystems services including detail on:
- why biodiversity and ecosystems matter to environmental, social and cultural well-being
 - an overview of key habitats and species in the Borough and the services they provide to support well-being
 - detailed ecosystems service maps and plans for 15 areas and 5 towns across the Borough including risks and recommendations for enhanced approaches to BER
- 4.5 BCBC has a number of key traditional roles to deliver BER for the Borough, these include: management of physical assets within the property portfolio; management of designated sites such as national and local nature reserves; through development control and local development planning; through infrastructural

investment; in the approach to delivering services such as parks, schools or highways maintenance; through partnership work with the Public Services Board and other partners; through regional collaboration; and in working directly with communities to enhance local environmental assets and volunteering.

4.6 The development of the Biodiversity and Ecosystems Resilience Forward Plan, 2018-2022, has involved:

- a compliance review of BCBC in relation to the Environment Act in late 2017. This focused on corporate approaches, including detailed discussions with key service areas and corporate staff resulting in recommendations on BCBCs strategic approach to the Act
- engagement with NRW and Bridgend Biodiversity Partnership on the role of the BCBC Biodiversity Forward Plan and delivery of BER outcomes
- discussions with the BCBC Local Development Plan team on pending changes to Planning Policy Wales, the LDP process in Bridgend up to 2021 and regional spatial planning.
- discussions with the Bridgend Public Service Board support team and material from a separately commissioned workshop with the PSB in February 2018 focusing on delivery of PSB objectives.
- discussions with REACH – the Rural Development Plan team for the Borough on plans for utilising EU funding on BER outputs between 2018 and 2020.

4.7 The Biodiversity and Ecosystems Resilience Forward Plan, 2018-2022, contains a range of actions which seek to deliver an enhanced approach to BER in the following categories:

- EMBED – BCBC activities which aim to ensure BER is considered in the way that it operates, delivers services and makes decisions.
- SAFEGUARD AND IMPROVE – BCBC activities which aim to safeguard and improve management of important species and habitats
- RESTORE AND CREATE –BCBC activities which aim to restore degraded habitats or habitat creation.
- TACKLE KEY PRESSURES – BCBC activities which aim to tackle key pressures on habitats and species.
- EVIDENCE BASE – BCBC activities which aim to improve BCBCs evidence base on BER
- GOVERNANCE – BCBC activities which aim to contribute to the way in which BER is managed at the highest level in the Council and its partnerships and the systems for doing this.
- COMMUNITY - activities which aim to inform the communities understanding of BER and /or engage them in management which supports it.

4.8 The following framework will support The Biodiversity and Ecosystems Resilience Forward Plan, 2018-2022:

- implementation of the Biodiversity Forward Plan will be overseen by BCBC's Corporate Management Board and be part of the Corporate Planning approach and its future revisions.
- a lead member from the Cabinet as Biodiversity Champion will act as an advocate for Plan implementation
- implementation may be reviewed by Scrutiny Committee as considered appropriate

- the Corporate Director (Communities) will be responsible for corporate working to facilitate Plan implementation
- Service Managers will be responsible for incorporating the Plan's commitments into their business plans to ensure they are acted upon and sufficiently resourced. Support will be provided by the Economy and Natural Resources team to develop capacity to deliver this.
- Actions as outlined will be dependent on core resources in the Economy and Natural Resources team being retained at current levels and external grants being secured.
- Performance Management will focus on whether each of the commitments made in this Plan has been progressed in 2019 and in 2022 and produce monitoring reports at these stages.

5. Effect upon Policy Framework & Procedure Rules

- 5.1. This report will support compliance with the legal requirements of the Environment (Wales) Act, 2016.

6. Equality Impact Assessment

- 6.1. Screening has highlighted that no issues arise as a result of this report.

7. Financial Implications

- 7.1. The Economy and Natural Resources team will take on the lead role of coordinating and supporting the Biodiversity and Ecosystems Resilience Plan, 2018-2022. The team will also lead on a number of the actions within the action plan working closely with other council departments and external partners.

- 7.2 The action plan identifies the timeframe over which it is intended actions will be delivered. It also highlights the resourcing requirements and indicates whether these are dependent on core resources or external grants. Where there is indication of a role for core and external resources it highlights that whilst a level of delivery will occur with current, core resources it will be enhanced if external resources are available.

- 7.3 The report has demonstrated a new legal duty on the Council in relation to Biodiversity and Ecosystems Resilience which can be met via a combination of current level of core and grant funded resources. Any changes to either of these funding streams would have to be assessed when/if they arise to ensure the legislation is not breached.

8. Recommendation

- 8.1. Approve the Biodiversity and Ecosystems Resilience Plan, 2018-2022.
- 8.3 Authorise the Corporate Director, Communities to implement the Biodiversity and Ecosystems Resilience Plan, 2018-2022, attached as appendix 1.

Mark Shephard
CORPORATE DIRECTOR - COMMUNITIES
April 2018

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Background documents:

Cabinet Report, Environment (Wales) Act 2016 – New Duties and Responsibilities, 29th November 2016

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Bridgend County Borough Council

Biodiversity and Ecosystems Resilience Forward Plan 2018-22

March 2018

INTRODUCTION

1.1 Like all public authorities in Wales, Bridgend County Borough Council (BCBC) is subject to an enhanced **biodiversity and resilience of ecosystems duty** (the Section 6 duty) – a legal requirement from the Environment Act (Wales) Act 2016¹. This duty requires that public authorities must seek to

maintain and enhance biodiversity so far as consistent with the proper exercise of their functions and in so doing promote the resilience of ecosystems.

1.2 To comply with the duty BCBC is tasked to do a number of things:

- **embed the consideration of biodiversity and ecosystems** in business planning, including any policies, plans, programmes and projects, as well as their day to day activities.
- **prepare and publish a plan** setting out what they propose to do to maintain and enhance biodiversity, and promote ecosystems resilience.
- have regard to a wide range of **evidence and policy** produced by Welsh Government, the State of Natural Resources Report (SoNaRR)² the Nature Recovery Plan for Wales³, Natural Resources Policy⁴, Section 7 list of important habitats⁵ and species and the forthcoming Area Statements being produced by NRW.
- **report** on what the public authority has done to comply with the duty by the end of **2019** and then every three years after this date.

1.3 This document constitutes a **Biodiversity and Ecosystems Resilience Forward Plan for BCBC** to comply with this Duty and is intended to meet all of the above requirements. As such, this document provides an enhanced *organisational approach* to Biodiversity and Ecosystems Resilience (BER) within the context of a wider delivery system for BER outcomes in the Borough.

1.4 Part of this wider delivery system includes the **Local Biodiversity Action Plan (2014)** produced in conjunction with Bridgend Biodiversity Partnership and Environment Systems Ltd. This provides a detailed overview and assessment of Bridgend's biodiversity and ecosystems services including detail on:

- why biodiversity and ecosystems matter to environmental, social and cultural well-being
- an overview of key habitats and species in the Borough and the services they provide to support well-being
- detailed ecosystems service maps and plans for 15 areas and 5 towns across the Borough including risks and recommendations for enhanced approaches to BER

¹ <http://gov.wales/topics/environmentcountryside/consmanagement/natural-resources-management/environment-act/?lang=en>

² <https://naturalresources.wales/evidence-and-data/research-and-reports/the-state-of-natural-resources-report-assessment-of-the-sustainable-management-of-natural-resources/?lang=en>

³ <http://gov.wales/topics/environmentcountryside/consmanagement/conservationbiodiversity/?lang=en>

⁴ <http://gov.wales/topics/environmentcountryside/consmanagement/natural-resources-management/natural-resources-policy/?lang=en>

⁵ <https://www.biodiversitywales.org.uk/Environment-Wales-Act>

- 1.5 This previous work provides an excellent basis and **evidence base** for organisations in the Borough, including BCBC, to identify key actions at a local level which will support BER.
- 1.6 It is recommended therefore that this document is read in conjunction with the Bridgend County Borough Local Biodiversity and Action Plan⁶ to provide detail and background on key pressures, risks and opportunities related to BER. This focus of this document is on BCBCs organisational response to this agenda.
- 1.7. The legislation requires the Council to promote the **resilience of ecosystems** through its work. This means improving the **diversity** between and within ecosystems; the **connections** between and within ecosystems; the **scale** of ecosystems; the **condition** of ecosystems (including their structure and functioning); and **adaptability** – the ability of ecosystems to adapt over time.
- 1.8 BCBC is committed to delivering actions to develop an enhanced approach to BER. This Plan will help to initiate and manage collaboration, development and delivery across Council Services and with partners to deliver BER outcomes between 2018 and 2022. It has been developed to establish and deliver an integrated and coherent approach to BER with both strategic and operational outcomes for community benefit. As a result of implementing this Plan capacity will also be built within Council deliver BER and the Council will be able to maximise funding opportunities to deliver this activity.
- 1.9 This Plan needs to be delivered in an ongoing climate of reduced public funding, stretched budgets, potential Council re-organisation and uncertainty over funding leading for BER up to and beyond Brexit. Welsh public services and partnerships are undergoing major change, and BCBC is committed to new ways of working, collaboration and delivery to address the BER agenda within this challenging context.
- 1.10 BCBC has a number of key 'traditional' roles to deliver BER for the Borough, these include: management of physical assets within our property portfolio; management of designated sites such as national and local nature reserves; through development control and local development planning; through infrastructural investment; in our approach to delivering services such as parks, schools or highways maintenance; through partnership work with the Public Services Board and other partners; through regional collaboration; and in working directly with communities to enhance local environmental assets and volunteering.
- 1.11 It is important to note that this plan is not a list of what the Council is already doing to deliver on BER through the above activity. It is a plan to build on existing work to develop an enhanced and coherent corporate response to the BER challenge between 2018 and 2022.
- 1.12 The **METHODOLOGY** for producing this Plan has involved
- a compliance review of BCBC in relation to the Environment Act in late 2017. This focused on corporate approaches, including detailed discussions with key service areas and corporate staff resulting in recommendations on BCBCs strategic approach to the Act⁷ and a set of actions for corporate adaptation.

⁶ http://naturalneighbourhoods.co.uk/media/132949/bridgendlbapandes_v2.pdf

⁷ The following services were involved in discussions: BCBC Biodiversity 'function'; Corporate Landlord/Asset Management; Corporate Planning; Democratic Services; Development Control; Finance; Flood Risk

- engagement with Natural Resources Wales and Bridgend Biodiversity Partnership on the role of the BCBC Biodiversity Forward Plan and delivery of BER outcomes
- detailed discussions with the BCBC Local Development Plan team on pending changes to Planning Policy Wales, the LDP process in Bridgend up to 2021 and regional spatial planning.
- discussions with the Bridgend Public Service Board support team and material from a separately commissioned workshop with the PSB run by NSF in February 2018 focusing on delivery of PSB objectives.
- discussions with REACH – the Rural Development Plan team for the Borough on their plans for utilising EU funding on BER outputs between 2018 and 2020.

1.13 This Draft Plan contributes to BCBCs approach to the Well-being of Future Generations Act (WBFGA) (Wales) 2015, specifically the goal for a Resilient Wales⁸,

Wales' Resilience Well-being Goal

A nation which maintains and enhances a biodiverse natural environment with healthy functioning ecosystems that support social, economic and ecological resilience and the capacity to adapt to change (for example climate change)

Once implemented the actions are likely to have multiple benefits for other well-being goals⁹ in the Act: Appendix A provides more detail on the potential contribution of actions to each goal.

1.14 The production of this draft plan has also utilised the WBFGAs **sustainable development principle** to inform its development and structure. The aim of the actions in the plan is to build a coherent, integrated approach by BCBC to Biodiversity and Ecosystems Resilience. The focus of the actions are to develop the capacity of the organisation to take long term BER outcomes into account in the way that it plans, implements and makes decisions about its activities. The actions have been identified in a collaborative process with BCBC officers with partners informed and engaged on the Plan. Many of the actions will ensure that BCBC builds its understanding of this issue preventing further negative impacts on BER.¹⁰

Management ; Green Space & Bereavement; Local Development Planning; Regeneration; Risk Management; RDP team; Schools Programme; Transport ; Waste Management; Well-being Planning

⁸ <http://gov.wales/topics/people-and-communities/people/future-generations-act/?lang=en>

⁹ WBFGA *Well-being 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 Welsh language; A globally responsible Wales

¹⁰ WBFGA *sustainable development principle*: 1.Looking to the long term so that we do not compromise the ability of future generations to meet their own needs; 2. Taking an integrated approach so that public bodies look at all the well-being goals in deciding on their well-being objectives; 3. Involving a diversity of the population in the decisions that affect them; 4. Working with others in a collaborative way to find shared sustainable solutions; Understanding the root causes of issues to prevent them from occurring.

2 DELIVERY FRAMEWORK

- 2.1 This Plan contains a wide range of actions which seek to deliver an enhanced approach to BER in the following categories:¹¹

Section 2 - **EMBED** – BCBC activities which will ensure BER is considered in the way that it operates, delivers services and makes decisions.

Section 3 - **SAFEGUARD & IMPROVE** – BCBC activities which will safeguard and improve management of important species and habitats

Section 4 - **RESTORE & CREATE** – BCBC activities which will restore degraded habitats or habitat creation.

Section 5 - **TACKLE KEY PRESSURES** – BCBC activities which will tackle key pressures on habitats and species.

Section 6 - **EVIDENCE BASE** - activities which will improve BCBCs evidence base on BER

Section 7 - **GOVERNANCE** – BCBC activities which contribute to the way in which BER is managed at the highest level in the Council and its partnerships and the systems for doing this.

Section 8 - **COMMUNITY** - activities which will inform the communities understanding of BER and /or engage them in management which supports it.

- 2.2 The following will support Plan implementation as outlined in section 3.
- i. implementation of the Biodiversity Forward Plan will be overseen by BCBCs **Corporate Management Board** and be part of the **Corporate Planning approach** and its future revisions.
 - ii. a **lead member** from the Cabinet as Biodiversity Champion will act as an advocate for Plan implementation
 - iii. implementation may be reviewed by **Scrutiny Committee** as considered appropriate
 - iv. a **Corporate Director (Communities)** will be responsible for corporate working to facilitate Plan implementation
 - v. **Service Managers** will be responsible for incorporating the Plan's commitments into their business plans to ensure they are acted upon and sufficiently resourced. Support will be provided by the Economy and Natural Resources team.
 - vi. **Actions** as outlined in the following sections will be dependent core resources in the Economy and Natural Resources team being retained at current levels and external grants being secured.
 - vii. **Performance Management** will focus on whether each of the commitments made in this Plan has been progressed in 2019 and in 2022 and produce monitoring reports at these stage.

¹¹ This structure is guided by the 6 objectives of the Nature Recovery Action Plan for Wales which aims to reverse the decline of biodiversity in Wales.

viii. BCBC will share **emerging practice with PSB** and other partners on delivery of the Section 6 Duty

2.3 Bridgend Public Services Board (PSB) is made up of public authorities and other partners working together on a **Well-being Plan**¹² for the Borough. BCBC is a core partner of the PSB. The Wellbeing Plan contains 7 key objectives including “*a ten year aim ...that people have improved mental and physical wellbeing through improving the way we use our local resources*”. The PSB is committed to:

work together to maximise the benefit from cultural, built and natural assets [by] Implementing the Bridgend Nature Recovery Plan. (the Local Biodiversity Action Plan mentioned in 1.4)

2.4 To help in this, the PSB is setting up a **PSB Assets Board** in Spring 2018 which “will develop work to advance environmental sustainability, local economic sustainability (circular economy) and the use of assets to advance wellbeing” This will also be a key delivery mechanism for BCBC activity within this Plan, and provide an opportunity for the Council and partners to share emerging practice on BER.

¹² <http://www.bridgend.gov.uk/services/public-services-board.aspx>

3. Action Plan

3.1 The action plan below is split into the following sections:

- Embed
- Safeguard and Improve
- Restore and Create
- Tackle key pressures
- Evidence Base
- Governance
- Community

3.2 The action plan identifies the timeframe over which it is intended actions will be delivered. It also highlights the resourcing requirements and indicates whether these are dependent on core resources or external grants. Where there is indication of a role of core and external resources it highlights that whilst a level of delivery will occur it will be enhanced if external resources are available.

3.3 **EMBED** – BCBC activities which aim to ensure BER is considered in the way that it operates, delivers services and makes decisions.

Area	Action	Timescale	Resources
Capacity Development	Develop communications approach on BER outcomes to staff, members, communities and partners.	2018-22	Core/ External
	Support awareness raising and capacity building In relation to BER through community ambassadors, knowledge exchange sessions, training events and BER web based material.	2018-22	Core/ External
Corporate landlord and Community Asset Transfer	Investigate options to include BER outcomes as part of Community Asset Appraisal	2018-19	Core
	Support BER through the delivery of the 2021 Asset Plan	2018-22	Core
	Research options to develop an integrated plan for managing BCBC land holdings through the Corporate Landlord approach which includes objectives and actions for BER outcomes.	2018-22	Core
Corporate functions	Provide evidence to assist with considerations of: <ul style="list-style-type: none"> • Financial and well-being implications of loss/enhancement of biodiversity • External challenge on risk register 	2018-22	Core

	<ul style="list-style-type: none"> • Whole life costing approaches • Incorporating BER into programme and project management approaches 		
Ecological advice and expertise	Continue to deliver advice on ecological matters to services and establish expert call off contract list for in depth advice on BER	2018-22	Core
Flood Risk	Provide support to: Include BER in flood options appraisals Include detail of BER options in Flood Risk works	2018-19	Core
Planning	Provide observations through the planning system as considered appropriate Report content reflects BCBC commitment to BER outcomes and specific opportunities and impacts.	2018-22	Core
	Local Development Plan - to be adopted by 2021 - to support the inclusion of BER through whole LDP adoption process, reflecting requirements of Environment Act, PPW 10 and Strategic Regional Planning and Well-being of Future Generations Act	2018-21	Core/ External
Local Transport Plan	To support consideration of BER outcomes through planned investment and maintenance of transport infrastructure	2018-22	Core
Transport Options Appraisals	To support included as part of transport options appraisal and evidenced.	2018-22	Core/ External
Parks and Highways	Support the development of a Parks and Highways Biodiversity Enhancement Plan	2018-19	External
Schools Developments	To support BER considerations in: Development of options appraisals Development of business plans	2018-22	Core/ External

3.5 SAFEGUARD AND IMPROVE – BCBC activities which aim to safeguard and improve management of important species and habitats

Area	Action	Timescale	Resources
Development Control: Advice to Developers	Support use of the SPG in discussion with developers, and work on Masterplans and Area Development Plans and land allocation.	2018-22	Core
Digital Shepherd - Managed Grazing Project	Deliver the RDP partnership managed grazing project to develop use of GPS as a management tool	2018-20	External
Local Nature Reserve: Craig Y Parcau	Delivery of Local Nature Reserve Management Plan actions including stabilisation of river bank.	2018-21	Core/ External
Local Nature Reserve: Frog Wood Pond	Delivery of Local Nature Reserve Management plan including achieving 90% open water.	2018-21	Core/ External
Local Nature Reserve: Lock's Common	Delivery of Local Nature Reserve Management Plan, including grassland mowing regime.	2018-21	Core/ External
Local Nature Reserve: Tremains Wood	Delivery of Local Nature Reserve Management Plan, including circular walk.	2018-21	Core/ External
Kenfig National Nature Reserve	Delivery the KNNR Management Plan	2018-20	Core/ External

3.6 RESTORE AND CREATE – BCBC activities which aim to restore degraded habitats or habitat creation.

Area	Action	Timescale	Resources
Biodiversity Enhancement Schemes: Ward Level	Deliver ward level biodiversity enhancement schemes involving town and community councils and schools.	2018-19	External
Dunes2 Dunes - Green Infrastructure Project	Deliver RDP partnership project to re-instate biodiverse corridors between the two sand dune areas either side of Porthcawl. Kenfig Burrows and Merthyr Mawr Warren. Funding Application Pending.	2018-20	External
Tree Management Plan and Actions	Produce a county wide holistic approach to management of trees.	2018-21	Core

3.7 TACKLE KEY PRESSURES – BCBC activities which aim to tackle key pressures which lead to habitat and species loss and fragmentation.

Area	Action	Timescale	Resource
Biodiversity & Ecosystems Resilience: Demonstration projects	Develop externally funded, multi partner demonstrator projects for BER which support place based working.	2018-22	External
Public Services Board: opportunities and risks from BER.	Support the development of a shared approach to BER across the PSB	2018-22	Core
Rural Development Plan: Regional Working	Continue to input into opportunities for regional working on South East Wales regional projects involving local authorities and businesses up to 2020.	2018-20	Core
Single Revenue Grant	SRG funding proposals incorporate enhanced BER outcomes which demonstrate compliance with enhanced Biodiversity Duty and support BCBC approach to Green Infrastructure.	2018 - 22	External

3.8 **EVIDENCE BASE** - activities which aim to improve BCBCs evidence base

Area	Action	Timescale	Resources
Flood Risk management: Historic contamination	Undertake research risk of historic contamination and flooding to biodiversity and well-being and plan for managing risk	2018-22	Core/ External
Flood Risk Management: Invasive Species	Undertake research of biodiversity and well-being risk associated with invasive species and plan for managing risk	2018-22	Core/ External
Green Infrastructure Project: Bridgend; Swansea, Neath & Port Talbot	Development and delivery of partnership project with Swansea and Neath & Port Talbot on evidence base and Green Infrastructure actions	2018-19	External
Highways Maintenance	Initiate research and planning on role of biodiversity in managing risks on highway infrastructure (drainage, tree maintenance and land management regimes)	2018-22	External
Natural Resources Wales: Area Statements	Support NRW on development of Area Statement in order for it to contribute to BER outcomes for BCBC including the LDP evidence base and Well Being Plan.	2018-21	Core/ External
Public Services Board: Well-being Assessment	Work to ensure Biodiversity Forward Plans of PSB members inform the PSB's well-being assessment and well-being planning process.	2018-22	Core/ External

3.9 GOVERNANCE – BCBC activities which contribute to the way in which BER is managed at the highest level in the Council and its partnerships and the systems for doing this.

Area	Action	Timescale	Resources
Member Leadership	Support the Biodiversity Champion to act as an advocate for BER	2018-22	Core
Decision Making: Judicial Review of BCBC Decisions	Support BCBC to manage risk of external challenge on decisions via Judicial Review	2018-22	Core
Development Control: Challenge to Decisions	Deliver coherent approach to BER through Section 6 Duty, LDP and approach to PPW (10)	2018-22	Core
Local Development Plan: SE Wales Strategic Development Plan	Support the integration of BER in the South East Wales Strategic Development Plan	2018-22	Core/ External
Public Services Board: Bridgend Assets Board	Contribute to a new board under the PSB which will develop work to advance environmental sustainability, local economic sustainability (circular economy) and the use of assets to advance wellbeing .	2018-22	Core
Public Services Board: Bridgend Nature Recovery Plan	Support the delivery of Bridgend Nature Recovery Plan through PSB activity.	2018-22	Core/ External

3.9 COMMUNITY - activities which aim to inform the communities' understanding of BER and /or engage them in management which supports it.

Area	Action	Timescale	Resources
Biodiversity Opportunity Maps: Ward Level	Production of ward maps on what to explore, what can be seen and opportunities to enhance biodiversity.	2018-19	External
Parks: Mental Health	Develop opportunities for social prescribing through PSB and RDP work with partners.	2018-22	Core/ External
Parks: Maintenance Regimes	Support an approach to informing the public view of proactive approach to biodiversity through maintenance.	2018-22	Core

APPENDIX A – BIODIVERSITY FORWARD PLAN AND WALES’ WELL-BEING GOALS

Wales’ Well- being Goals	How the Plan contributes
<p>A prosperous Wales An innovative, productive and low carbon society which recognises the limits of the global environment and therefore uses resources efficiently and proportionately (including acting on climate change); and which develops a skilled and well-educated population in an economy which generates wealth and provides employment opportunities, allowing people to take advantage of the wealth generated through securing decent work</p>	<p>BER is an integral part of the Borough’s economic prosperity, providing ecosystems services to communities, the local agricultural economy and tourism. All of commitments are designed to support these services. All sections are of relevance to this goal.</p>
<p>A resilient Wales A nation which maintains and enhances a biodiverse natural environment with healthy functioning ecosystems that support social, economic and ecological resilience and the capacity to adapt to change (for example climate change).</p>	<p>All of the actions within the Plan are designed to support this goal</p>
<p>A healthier Wales A society in which people’s physical and mental well-being is maximised and in which choices and behaviours that benefit future health are understood.</p>	<p>A healthy environment for the Boroughs’ communities is supported through all of the commitments in this Plan providing opportunities for activities which support physical and mental well-being. Of particular relevance are actions outlined in relation to evidence base and governance.</p>
<p>A more equal Wales A society that enables people to fulfil their potential no matter what their background or circumstances (including their socio economic background and circumstances).</p>	<p>The commitments in this Plan for volunteering and community engagement in BER management are opportunities to contribute to this goal. This includes the actions in the safeguard and improve section of the action plan.</p>
<p>A Wales of cohesive communities Attractive, viable, safe and well-connected communities.</p>	<p>The commitments in the Plan to developing the Borough’s Green Infrastructure for recreation and leisure and commitments that build on the BER assets which contribute to attractive local environments support this goal. Specific actions which are of relevance are in the safeguard and create and governance sections.</p>
<p>A Wales of vibrant culture and Welsh language A society that promotes and protects culture, heritage and the Welsh language, and which encourages people to participate in the arts, and sports and recreation.</p>	<p>BCBCs commitment to bilingual interpretation and web based material help to communicate the value of BER to the Boroughs social, cultural, economic and environmental well-being. Of particular are actions in the governance section.</p>
<p>A globally responsible Wales A nation which, when doing anything to improve the economic, social, environmental and cultural well-being of Wales, takes account of whether doing such a thing may make a positive contribution to global well-being</p>	<p>BCBCs commitments to enhanced approaches to habitat and species management and ecosystems resilience are contributions to slowing down global biodiversity loss. BCBC contributes through its work on this agenda to the management of local, national, and internationally designated sites. Sections relating to safeguard and improve and restore and create are of particular relevance.</p>

BRIDGEND COUNTY BOROUGH COUNCIL

REPORT TO CABINET

24 APRIL 2018

REPORT OF THE CORPORATE DIRECTOR COMMUNITIES

ENTERPRISE HUBS DEVELOPMENT PROGRAMME

1. Purpose of Report

- 1.1 The purpose of this report is to seek approval to take forward the development of the Enterprise Hub Development Programme which in total would cover the refurbishment and creation of new business premises in response to identified need at three key locations in the County Borough – Bridgend Science Park, Village Farm Industrial Estate and Brocastle.
- 1.2 The report updates on work undertaken since a previous Cabinet report on 31st January 2017 that related to the development of the Enterprise Hubs Development Project (Bridgend Science Park and Village Farm Industrial Estate) and seeks authorisation to move to the final stage of negotiations with the Welsh European Funding Office (WEFO) in relation to a funding package. The report also updates on work undertaken with Welsh Government in relation to the Enterprise Hub Development Project (Brocastle) and seeks authorisation to develop and enter into a suitable legal agreement to create and submit a proposal for investment at Brocastle and accept resulting funding offer.
- 1.3 In total, what is proposed within this report represents the largest single programme of business property development ever undertaken by Bridgend County Borough Council (BCBC).

2. Connection to Corporate Improvement Objectives/Other Corporate Priorities

- 2.1. This report supports the following corporate priorities:
 - Supporting a successful local economy
 - Smarter use of resources

3. Background

- 3.1. There are over 3,500 registered enterprises in the County Borough and 87% of these companies are self-employed and micro-enterprises, i.e. employee fewer than 9 people. These companies employ 32% of the workforce. Small companies (10-49 employees) employ 16% of the workforce and medium companies (50-249 employees) employ 13% of the workforce. The number of enterprises in Bridgend is increasing at a quicker rate than for Wales as a whole with a 10% increase from 2010 to 2015. In addition, recent research (Wavehill, 2016) highlighted that local customers and local supply chains are crucial for Bridgend companies – on average 96% of sales and 93% of suppliers are UK based.

- 3.2 However, both the number and recent growth in start-up businesses has created a situation where there are no available business premises available for rent in the County Borough for micro and small companies.
- 3.3 BCBC Property Department manages a range of business premises and keeps a comprehensive database of enquiries and expressions of interest for the units. Current demand is outstripping supply, possibly leading to a leakage of business from the local area due to the inability to secure suitable premises.
- 3.4 Similarly, Business in Focus report that at present the space they manage in the County Borough is fully let and they continue to receive a number of enquiries for space which they are unable to satisfy. Business in Focus also reports an awareness of a number of other Commercial Property owners who are having similar success.
- 3.5 Through a commitment to utilising the Public Estate, accessing external funds such as European Union (EU) funding in the pursuance of Economic Development outcomes, BCBC has an opportunity to respond to this situation in a way that supports the local economy.
- 3.6 On 31st January 2017, Cabinet approved a report entitled European Regional Development Fund (ERDF) Regional Scheme for Enterprise Hub Development. The report highlighted that in 2016 an Operation Logic Table (OLT) was prepared and submitted to WEFO by Blaenau Gwent County Borough Council in relation to the development of a regional Enterprise Hub Development Project as an 'expression of interest'. This set out the initial principles and objectives for the Project, but it did not commit the Authorities to Project delivery at that stage. Following initial consideration, WEFO then invited a full business plan for the Project.
- 3.7 In approving the report, Cabinet supported the proposal that Blaenau Gwent County Borough Council be supported as the regional lead and authorised the Corporate Director Communities to develop and submit a business plan and, subject to being satisfied that any grant conditions attached to the offer of funding are acceptable, enter into a funding agreement.
- 3.8 Since this time, WEFO have advised that each of the partners who were part of the regional project take forward their projects separately. Therefore, an OLT was prepared in May 2017 and following an invitation to move to Business Planning Stage a business plan was submitted in December 2017. The detail contained within that business plan matches that which was outlined in the Cabinet report of 31st January 2017 in relation to project aims, objectives and finances focusing on the Bridgend Science Park and Innovation Centre and other aspects of the portfolio where relevant. The main change related to the governance arrangements which have resulted in BCBC being a lead sponsor for a Bridgend specific project rather than a joint sponsor as part of a wider regional project with Blaenau Gwent County Borough Council as the lead sponsor.
- 3.9 In parallel to this, Welsh Government have secured ERDF agreement to take forward developments of site infrastructure and enablement works at three of their key strategic sites – Ty Du (Caerphilly); Cross Hands (Carmarthen), and; Brocastle (Bridgend). Following approval of outline planning permission for the Brocastle site

(P16/549OUT; P17/1044NMA), Welsh Government have approached BCBC in relation to a joint approach to the development of business premises.

4. Current Situation / Proposal

- 4.1 There are no 'start up' units currently available from Bridgend County Borough Council or Business in Focus and both have waiting lists. The Sony Incubation units at Pencoed are all occupied and there is also a waiting list there.
- 4.2 It is considered that the current market climate makes speculative private sector development in response to this unlikely. In relation to office development catering for small scale occupancy in particular, it is suggested that the achievable sales or rents coupled with current build costs present a viability issue for private sector developers to respond to current demand. This is a view supported by recent market analysis undertaken by Knight Frank (2016) for the Welsh Government in considering future options of Welsh Government owned land in Bridgend County Borough and also by Alder King (2017).
- 4.3 The Enterprise Hub Development Programme proposes to support the refurbishment and creation of business premises at Bridgend Science Park, Village Farm Industrial Estate and Brocastle and as a programme aims to deliver the following:
- Support to new business start-ups
 - Support for the development of resilience in the early years of trading
 - Access to new markets and supply chains locally, regionally and nationally
 - Provision of business premises for start-up businesses
- 4.4 In response to advice from WEFO, an OLT was prepared by BCBC in May 2017 with business plan being submitted in December 2017 for the delivery of the Enterprise Hubs Development Project (Bridgend Science Park and Village Farm Industrial Estate). WEFO have anticipated a potential approval date of April or May 2018.
- 4.5 Following approval of funding from WEFO, WG are in the process of delivering site infrastructure and enablement works at Brocastle. WG have now approached BCBC to discuss the development of new business premises at Brocastle in a manner similar to that which they are working in partnership with Caerphilly County Borough Council for the development of the Ty Du site and Carmarthenshire County Borough Council for the development of the Cross Hands site.
- 4.6 In total, the Enterprise Hubs Development Programme will result in the refurbishment of the Innovation Centre, the development of three new light industrial blocks at Village Farm Industrial Estate and the creation of 1,800m² of business premises at Brocastle as detailed below.

	Jobs accommodated*	SMEs accommodated	Premises created or refurbished (m2)	
Bridgend Science Park, Innovation Centre	Anticipated use class order B1 – 73 jobs from 1170m2 Gross Internal Floor Area (GIIFA) using an area per FTE (m2) of 12.	15	1170m2 Gross Internal Floor Area	
Village Farm Industrial Estate	Anticipated use class order B2 – 42 jobs from 1510m2 Gross Internal Floor Area (GIFA) using an area per FTE (m2) of 36.	20	1510m2 Gross Internal Floor Area, made up of 3 separate developments on 2 sites: (a) 465m2 (b) 465m2 (c) 580m2	
Brocastle	40	23	1,800m2 Gross Internal Floor Area	
Total	145	58	2680m2	

*The jobs accommodated have been calculated using the employment densities guide (2010) relating to relevant use class orders as advised in WEFO guidance.

**The SMEs accommodated have been calculated based on the number of separate units that will be created

4.7 The total funding package for the Enterprise Hubs Development Programme is outlined below:

Site	ERDF grant (65%)	Match Funding (35%)	Total Cost
Bridgend Science Park, Innovation Centre	£1,389,544	£748,216	£2,137,760
Village Farm Industrial Estate	£958,222	£515,966	£1,474,188
Brocastle	£1,243,450	£669,550	£1,913,000
Total	£3,591,216	£1,933,732	£5,524,948

4.8 The costs as currently projected have been based on work undertaken by Jones Lang LaSalle (Innovation Centre); Alder King (Village Farm), and; Knight Frank (Brocastle). In addition, details relating to Brocastle as currently considered have been provided by Welsh Government.

- 4.9 Grant funding in respect of the Enterprise Hubs Development Project (Bridgend Science Park and Village Farm Industrial Estate) will be subject to the conditions set out in the Welsh Government support for sports, multifunctional and local Infrastructure Projects General Block Exemption Regulation Scheme (State aid reference no: SA.3957348467) (the Block Exemption). The Block Exemption allows the Welsh Government "to provide investment support for...local infrastructure that contributes at a local level to improving the business and consumer environment and modernising and developing the industrial base." This Block Exemption enables the construction or upgrade of local infrastructure that contribute at a local level to improving the business and consumer environment and modernising and developing the industrial base. Upon completion, the infrastructure will be made available to interested users on an open, transparent and non-discriminatory basis. The price charged for the use or sale of the infrastructure will correspond to market price. In addition, any concession or entrustment to a third-party to operate the infrastructure will be assigned on an open, transparent and non-discriminatory basis and in line with EU procurement rules.
- 4.10 This Block Exemption contains within it a clause relating to clawback of the grant. Advice from WEFO is that it is considered that the period over which any clawback would apply would be the depreciation timeframe of the assets, estimated to be 25 years and that is part of the basis on which this application is submitted.
- 4.11 With uncertainty relating to the United Kingdom's exit from the European Union (EU) and post-EU funding it is considered that the timing of this programme not only maximises EU funding while it exists but by providing match funding for its delivery it demonstrates BCBC's commitment to the corporate priority of supporting a successful economy.
- 4.12 The Programme will deliver against a number of key economic opportunities outlined within the Welsh Government's Economic Prioritisation Framework (EPF), which is used to guide the allocation of EU funds. This will link with the targeted investment plans of Welsh Government through priority property interventions and would in turn benefit the overall economy and job market across the Cardiff Capital City Region.
- 4.13 The Programme will take into account other strategic work taking place across the region and in doing so will also link with relevant regional and national strategies and the report by the Cardiff Capital Region City Deal Growth and Competitiveness Commission. Alignment with City Deal and Valleys Task Force and as they develop opportunities will be explored to further develop the Enterprise Hubs Development Programme with additional opportunities for investment being advocated.
- 4.14 A key rationale for this Programme is the refurbishment and development of Public Sector owned business sites and premises. In doing so, the justification for investment is similar to that which Welsh Government have argued in the creation of their Property Development Fund, albeit this operation will specifically target assets in Public Ownership where opportunities for private investment does not exist.

5. Effect upon Policy Framework & Procedure Rules

- 5.1. The delivery of the Enterprise Hubs Development Project (Brocastle) will require BCBC to enter into a legal agreement with WG which is considered satisfactory by BCBC legal department.

6. Equality Impact Assessment

- 6.1. Screening has highlighted that no issues arise as a result of this report.

7. Financial Implications

- 7.1. The total Programme value is outlined in section 4.7. The match funding is proposed from the following sources and will require Council approval for inclusion within the Capital Programme:

Project	Sites	Match funding requirements (total)	Match funding amounts (BCBC only)	Secured/ Unsecured	Match funding sources
Enterprise Hubs Development Project – Bridgend Science Park and Village Farm Industrial Estate	Bridgend Science Park, Innovation Centre and Village Farm Industrial Estate	£1,264,182	£175,000	Secured	earmarked reserve
			£90,000	Secured	SRF revenue
			£200,000	Secured	Capital works
			£75,000	Secured	Capital minor works
			£180,000	Secured	SRF Capital
			£544,182	Unsecured	Prudential borrowing
Sub-total		£1,264,182	£1,264,182		
Enterprise Hubs Development Project – Brocastle	Brocastle	£669,550*	£334,775	Unsecured	Prudential borrowing
Sub-total		£669,550	£334,775		
Total		£1,933,732	£1,598,957*		

*It is currently proposed that as joint partners BCBC and WG each contribute half the £669,550 match funding requirement, i.e. 17.5% of the full project cost - £334,775. Therefore the BCBC contribution and the overall financial package is dependent on WG supplying sufficient match funding and the project requires this to proceed.

- 7.2 The costings outlined in section 4.7 and the resulting match funding outlined in section 7.1 are the amounts that form the basis of the business plan submissions

and as such value for money considerations. If as the project develops it is considered that these values may change then with a fixed budget a value engineering exercise will be undertaken to remain within budget.

- 7.3 There will be a requirement for the Council to approve the Prudential Borrowing of £544,182 for the Bridgend Science Park and Village Farm Industrial Estate project and £334,775 for Brocastle. This results in an annual revenue charge for both the repayment of the principal and interest for the amount borrowed of approximately £50,000. A cash flow forecast has been undertaken that identifies the gross rental income is sufficient to repay the prudential borrowing costs, management costs and other running costs and still leave a net projected surplus. This model forecasts that for the Innovation Centre, forecast rents would have to fall by 30% to make the Innovation Centre unviable from a value add perspective over a 10 year retention period. In the case of Village Farm, they would have to fall by 54% to make the project unviable from a value add perspective and by 71% to mean that the council did not have sufficient net cash flow to cover the initial borrowing costs. This model is subject to final approval by WEFO prior to approval.
- 7.4 From the Net Income sub-total, an amount, following a set formula from WEFO, will be transferred to an Equalisation Reserve. This will be available then to repay any clawback of grant due to Operating Profit whilst applied during the depreciation period. This reserve will be built up over the twenty- five years. The reserve will not be increased if there is a deficit during a financial year. If during the twenty five years, the grant awarded is built up in the reserve, this could be paid back to WEFO at this time which would allow the Council to benefit from 100% of the annual net project income from thereon in.
- 7.5 A consideration of the anticipated values of each asset at project completion compared to the prudential borrowing values is presented below. This shows that if the asset was to be sold then the capital receipt would be sufficient to repay any outstanding prudential borrowing. These figures do not include repayment of ERDF grant which applies during the retention period, currently advised by WEFO to be 10 years after final payment of grant. Clawback potential relating to Operating Profit would remain. This will be confirmed with WEFO prior to entering any funding agreements.

Project	Site	Total completed values £	Prudential borrowing value £
Enterprise Hubs Development Project – Bridgend Science Park and Village Farm Industrial Estate	Bridgend Science Park, Innovation Centre (current market value of c £630,000)	£1,200,000	£544,182
	Village Farm Industrial Estate (current land value c £100,000-200,000)	£738,000	
Sub-total		£1,938,000	£544,182
Enterprise Hubs Development Project – Brocastle	Brocastle	£900,000	£334,775
Sub-total		£900,000	£334,775
Total		£2,838,000	£878,957

7.6 The funding package will directly result in the main outcome of a greatly enhanced employment space offer and in turn an improved business environment. Without the funding, it would be unlikely that the project would proceed or if it was to proceed, scale and quality would be compromised and the impact of any spend would be insignificant and would not have the desired effect on the economy.

8. Recommendation

- 8.1. Note that further to the Cabinet report of 31st January 2017, entitled European Regional Development Fund (ERDF) Regional Scheme for Enterprise Hub Development, and in response to advice from WEFO, an OLT was prepared by BCBC in May 2017 with business plan being submitted in December 2017 for the delivery of the Enterprise Hubs Development Project (Bridgend Science Park and Village Farm Industrial Estate). The OLT and business plan propose the delivery of a County specific project with BCBC as Project Sponsor, rather than the regional project with BCBC as a joint sponsor as outlined in the report of 31st January 2017.
- 8.2 Authorise the Corporate Director, Communities, to finalise details with WEFO in relation to the Enterprise Hub Development Project (Bridgend Science Park and Village Farm Industrial Estate) and, subject to the approval of the Section 151 Officer, enter into a funding agreement to deliver the project as outlined above. In doing so, seek approval from Council for a sum of £544,182 to be met from prudential borrowing in addition to the already secured match funding, and for the scheme to be included within the capital programme for delivery once all funding sources have been approved.

- 8.3 Authorise the Corporate Director, Communities, to finalise discussions with Welsh Government in relation to a proposed Joint Venture for the development of the Enterprise Hub Development Project (Brocastle) and, in consultation with the Corporate Director, Operational and Partnership Services, enter into a satisfactory legal agreement.
- 8.4 Authorise the Corporate Director, Communities, to submit and, subject to the approval of the Section 151 Officer, accept a funding offer from WEFO for the Enterprise Hub Development project (Brocastle) to deliver the project as outlined above and in doing so seek approval from Council for a sum of £344,775 to be met from prudential borrowing, and for the scheme to be included within the capital programme for delivery once all funding sources have been approved.

Mark Shephard
CORPORATE DIRECTOR - COMMUNITIES
April 2018

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Background documents:

- Cabinet report, European Regional Development Fund (ERDF) Regional scheme for Enterprise Hub Development, 31 January 2017.
- Wavehill Research, Bridgend Business Research, August 2016
- Knight Frank, Market Analysis, February 2016
- Alder King, Commercial Property Review, May 2016
- Alder King, Development Appraisal, August 2016
- Alder King, Innovation Centre, summary and conclusions report, October 2017
- Jones Lang LaSalle, Budget Costs – Innovation Centre, Bridgend, July 2016
- Jones Lang LaSalle, Strategy report – Innovation Centre, June 2017
- WEFO, Employment Densities Guide, 2010

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BRIDGEND COUNTY BOROUGH COUNCIL

24 APRIL 2018

REPORT TO CABINET

REPORT OF THE INTERIM CORPORATE DIRECTOR – EDUCATION AND FAMILY SUPPORT

REVIEW OF POST-16 EDUCATION (PHASE TWO)

1. Purpose of report

- 1.1 The purpose of this report is to provide detailed feedback to Cabinet on the feasibility analysis of the concepts described in the report of the Post-16 Operational Board and subsequent submission by the Strategic Review Board (SRB) to Cabinet on 31 October 2017.
- 1.2 In addition, this report seeks Cabinet approval to go to public consultation on the six concepts set out at paragraph 3.6.
- 1.3 The further work undertaken has been presented in a report to the Post-16 Education (Phase Two) Board. The key objectives for this phase of work are set out at paragraph 3.

2. Connection to Corporate Improvement Objectives/other corporate priorities

- 2.1 The work covered by this report is linked to the following corporate priority:
 - Supporting a successful economy
- 2.2 The Strategic Review of Post-16 Education and Training 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 post-16 learners in the county borough.
- 2.3 Furthermore, this was amplified in the Corporate Plan 2016-2020 (reviewed for 2017-2018) where it was stated (refer to p.7):

‘Complete the review into the curriculum and schools estates for primary, secondary and post-16 education and begin consultation on the proposals, where required, with all stakeholders.’

3. Background

- 3.1 Following the Cabinet meeting on 31 October 2017, work was undertaken to define the Phase 2 programme. The key objectives for the Phase Two post-16 workstream were defined as follows:
 - to deliver a sustainable strategy for post-16 education in Bridgend underpinned by robust models, which will deliver the right education in the right place and with the best outcomes for learners; and to

- generate a feasibility report around the preferred concepts as outlined in the report to Cabinet of 31 October 2017 (the Project Initiation Document at Appendix 1 sets out further detail on how the work in Phase Two will be taken forward).
- 3.2 With the other strategic workstreams now concluded, it was agreed to merge the Post-16 Operational Board with the Strategic Review Board (SRB) into a single Post-16 Phase Two Board. The collective membership was agreed along with a Terms of Reference which can be found at Appendix 2.
- 3.3 In setting out to review the provision of post-16 education across Bridgend County Borough Council (BCBC), the Post-16 Operational Board established a set of key ambitions upon which any new system would need to deliver. It is important not to lose sight of these, a number of which were proposed by learners in our schools, and they are brought forward into this report as Appendix 3.
- 3.4 In order to make the assessment process more manageable, the Post-16 Operational Board identified the 16 most critical ambitions and each of the concepts was assessed against its ability to deliver on these 16. They are:
- quality of teaching and learning and outcomes achieved;
 - the range of the offer;
 - expert and inspiring staff with positive relationships;
 - high quality impartial advice and guidance;
 - likelihood of increased participation 16-19;
 - transport (willingness to travel, costs to learners, local authority discretionary transport costs);
 - impact on 11-16 provision in schools;
 - impact on viability of organisations already delivering post-16 provision;
 - financial aspects of provision;
 - support for learners;
 - standard of facilities including IT;
 - additional benefits to learners including extra-curricular and work experience;
 - impact for learners with additional learning needs (ALN) in mainstream settings and in ALN in specialist settings;
 - impact on Welsh-medium provisions;
 - impact on provision in school with a religious character (or 'faith' schools); and
 - contribution to 14-19 agenda in context of local partnerships and networks.
- 3.5 The original list of concepts under consideration was:
- The retention of the status quo – sixth forms in all secondary schools
 - The merger of sixth forms into a BCBC sixth form centre(s) or
 - The development of a new independent sixth form college or
 - The development of one or more sixth form centres as part of Bridgend College
 - A mixed model with some school sixth forms being retained and and others being merged

- A full tertiary education model

3.6 Following the assessment of the concepts, it was agreed that, in the light of the experience of St David's Catholic Sixth Form College as indicated in their consultation document that recommends the college re-joining the local authority as a voluntary aided sixth form college, the concept of a new independent sixth form college would not be taken any further forward.

3.7 Going forward therefore, there are six concepts under consideration. These are:

Concept 1 The retention of sixth forms in all schools – the 'status quo'

Concept 2 The closure of all sixth forms and the development of a local authority maintained sixth form centre

Concept 3 The closure of all sixth forms and the development of a further education (FE) college governed sixth form centre

Concept 4 A mix of school sixth forms with some mergers to create new local authority maintained sixth form centre(s)

Concept 5 A mix of school sixth forms with some mergers to create new FE college governed sixth form centre(s)

Concept 6 A full tertiary model governed by the FE sector

3.8 Appendix 5 outlines the key issues associated with each concept.

3.9 In addition, the SRB proposed three other elements to be considered. These were:

- an increase in the amount of collaborative or common timetabling among the school sixth forms and with Bridgend College;
- consideration of the implications of moving staff between centres rather than students; and
- the use of internet-based technology to support e-learning and using staff resource more efficiently.

3.10 Since the SRB report was presented to Cabinet on 31 October 2017, additional detailed work has been undertaken in order to gain further insights into post-16 provision. This has included:

- A detailed analysis of subject performance in sixth forms for the past three academic years has been undertaken. This has confirmed the general strength of A level performance but also revealed some areas of under-performance. This data has been used to underpin discussions on standards with individual schools.
- An audit of recent numbers in sixth forms and projections to 2029 of the future size of sixth forms and their host schools; this audit and analysis shows that

over the next decade both the overall school population and numbers in post-16 numbers will grow. There is a strong possibility that four schools may well be significantly over-subscribed (ie Bryntirion, Coleg Cymunedol y Dderwen (CCYD), Pencoed and YGG Llangynwyd) while others, notably Brynteg and Cynffig, may well have surplus places.

- A post-16 review with every secondary school (excluding special schools at this point in time); a particular issue emerging from the review is significant support for strengthening and improving the partnership and collaboration between sixth forms and also including Bridgend College.
- A closer analysis of the underlying cost of providing sixth form education; this reveals clear evidence that a number of schools are having to cross-subsidise their sixth form provision from their 11-16 income.
- The development of new software platforms to support careers advice and guidance (eg the new Bridgend Pathways to Success website).

3.11 There have been a number of significant updates since 31 October 2017, these include:

- BCBC's post-16 allocation from Welsh Government for 2018-2019 has been reduced by 7.34% or £461,581 compared to 2017-2018. This is as a result of falling student numbers.
- The reduction does not hit all schools equally but is a significant additional financial pressure for schools.
- Welsh Government has advised of a 2.5% reduction in the overall post-16 budget for Wales in 2019-2020; BCBC will also face a potential further reduction of 0.54% from a further small fall in demographics (ie lower pupil numbers).
- A 3.04% reduction in 2019-2020 would convert to a budget reduction of £177,214.
- A confirmed Band B proposal from Bridgend College for a STEAM (Science, Technology, Engineering, Arts and Mathematics) centre on the Pencoed campus with the facility, in the future, to add a sixth form centre of approximately 200 students.
- A growing profile for the Penybont Sixth Form College joint venture between Bridgend College and Pencoed Comprehensive School.
- Universal adoption of the advanced Welsh Baccalaureate in Year 12 in line with meeting the expectations of Welsh Government.
- Increasing pressure on minority subjects with more being identified as at risk of not appearing in the final options for September 2018 due to a lack of numbers and financial pressure; as a result schools are looking to add more subjects into the collaborative options in order to keep them viable.

4. Current situation/proposal

- 4.1 It is generally recognised by the local authority, schools and Bridgend College that the current partnership arrangements are not fit for purpose. From a learner perspective, there are significant anomalies and equity issues across the Borough.
- 4.2 In order to reach a position where concepts that include the development of sixth form centres can be taken forward, capital funding will need to be identified/secured. Currently, the School Modernisation Band B strategic outline business cases for work in the primary and special school sector are being prepared. There are no plans within Band B for capital to be focused on sixth form provision. The next possibility will be to include post-16 facilities in the Band C proposals which will commence from 2025 onwards. This is on the assumption that Welsh Government proceeds with a Band C allocation.
- 4.3 In the short to medium term, this paper is putting forward two distinct proposals:
- The first proposal is to seek cabinet approval to take the six concepts to public consultation with an indication of the current preferred concepts. They are concepts 4 and 5 as listed in section 3.7. These preferred concepts were arrived at by the Post-16 Operational Board through the assessment process and scoring exercise referred to in section 3.4. The 16 key criteria used in the assessment are also described in section 3.4. The consultation could be launched during the period from June to December 2018. It is anticipated that alongside an online consultation and survey, interactive workshops would be held with key stakeholders, including parents, in order to allow the public an opportunity to explore the issues and potential solutions. There would also be specific workshops with students in the schools in order to ensure a strong representation of the learner voice.
 - The detailed consultation document and process would be made available to Cabinet in May 2018.
 - The second proposal, which would be developed alongside the consultation, is to significantly improve the level and organisation of partnership and collaboration among the existing sixth forms and with Bridgend College. The target date for implementation of these changes would be September 2019. However, given the extended planning time needed to introduce major changes to the curriculum, the work on these changes would commence during summer term 2018 in order to be able to inform students in Year 11 (currently in Year 10) as they start to make their post-16 destination and subject choices in the latter part of autumn term 2018.
 - Although the changes to collaboration may be seen as a short-term measure, the integrated timetables described below will still be needed, if and when, the preferred Concepts 4 and 5 come to reality. Thus, this second approach is also very much a first step that will be part of a longer-term strategy.
- 4.4 The Penybont Sixth Form College partnership has been developed between Pencoed Comprehensive School and Bridgend College. It has established a formal management committee which is being operated under the guidance set out in the Welsh Government's regulations for the collaboration of schools and FE colleges.
- The majority of the funding is sourced through the local authority post-16 grant with further additional funds and management support from Bridgend College.

- The partnership has seen a significant rise in performance in 2017 and is able to provide access to a wider range of courses for school-based students and access to A levels for college students.
- The longer-term direction of this partnership is linked to the Band B submission by the college for a STEAM centre on the Pencoed campus. This centre would replace the outdated engineering sections on the Cowbridge Road campus. It is essentially a like-for-like proposal but upgraded to modern standards and with a growth capacity built in to respond to the projected increases in apprenticeships in engineering and construction. Currently, the Cowbridge Road site caters for around 750 students and the proposed Pencoed development would be able to cater for up to 850/900 students. This facility could also be expanded to accommodate a sixth form centre, an ambition that has been discussed by the Penybont Sixth Form College partnership. This would involve the transfer of Pencoed Comprehensive School's Sixth Form into these extended premises probably in line with Band C timescales. The capacity of this new sixth form centre could be in the region of 200 to 250.
- Consideration needs to be given as to whether this development can be included in the consultation exercise as an example of a new sixth form centre that falls within the scope of Concepts 4 and 5.

4.5 The 'status quo' concept is defined as the retention of sixth forms in all secondary school settings. For this to be effective in mainstream settings, it is recognised that collaboration between the sixth forms is essential. This was the premise behind the establishment of the original collaborations outlined in BCBC's transformation plans in 2011.

4.6 At the current time, there are shifting patterns of subject choice by learners, a much tighter fiscal environment, the loss of dedicated 14-19 grant funds to cover transport costs and a reduction in the number of subjects available in the post-16 offer.

4.7 The recent reviews with schools both individually and through forums such as the Formal Learning Group (FLG) of senior curriculum managers have revealed that the existing arrangements are unsatisfactory. Proposals to modify the model of collaboration were discussed with individual schools during the recent post-16 reviews and there was significant support for change.

4.8 Due to the lead time for applying for capital funding and undertaking detailed options analysis and consultation on the six concepts, the 'status quo' concept would need to remain in place for some years ahead. As indicated above, it is recognised that improvements need to be made to the arrangements for collaboration in order to make them more fit for purpose. The concerns over the current arrangements are set out below:

- There has been a steady erosion in the range of subjects offered with the loss of 10 subjects in the past few years and 16 potentially on the endangered list.
- The current arrangements do not allow learners to access the full choice of subjects available and this creates an issue of equality of opportunity for learners across BCBC.
- The internal offer across sixth forms in BCBC varies from 12 to 30+ subjects depending on the size of the sixth form.

- Current collaboration exists around the two common option blocks and the twilight offer at Bridgend College.
- Both of these have seen a reduction in the range of subjects being offered for collaboration although Further Maths has been added to the twilight provision.
- Options X and Y are timetabled for two afternoons per week each for both Year 12 and 13 across Monday to Thursday providing up to eight hours of contact over the two-week timetable.
- However, not all schools make all the subjects in these option blocks available to external students.
- The timetabling of these collaborative option blocks into four afternoons per week exerts a significant skew within the timetable and reduces flexibility for timetablers.
- In some schools, there is a policy of nine or ten hours of delivery rather than eight. This requirement imposes a further constraint on external students who then have to attend a third session on a Friday afternoon.
- This creates an additional cost to the visitor's home school which will have to cover the extra transport costs.
- It may also result in clashes with timetabled options back in the visiting students' 'home' school.
- There has been an overall reduction in daytime collaboration in recent years.
- The post-16 offer, from a student perspective, is still largely seen as their home-school offer plus some additional subjects through collaboration (ie it is not seen as an entitlement offer to all learners in Bridgend irrespective of their home base).
- Marketing and internal custom and practice processes tend to reinforce this – an institutional bias which is not unsurprising.
- The tighter fiscal environment and the loss of a clearly identifiable 14-19 grant has meant that schools individually bear the transport costs associated with collaboration and this means that any requests for transport are carefully scrutinised internally.
- Some subjects have become vulnerable where a single member of staff has the responsibility for delivery and the school is the only one to offer the subject. Illness or staff moving on/retiring can result in the removal of the subject from the offer whereas joint delivery between schools could help avoid such vulnerabilities.
- In the current subject option blocks there is a limited number of vocational programmes. Bridgend College, the local lead for vocational programmes, is currently not significantly engaged with daytime collaboration. Learners who would benefit from a mixed academic/vocational mix are not well served through the choices available to them nor with staff expertise and facilities. Generally, these learners are faced with a decision to follow a full-time vocational provision in college or an academic provision in sixth form with few vocational choices.

- 4.9 The local authority will commence work with schools in summer term 2018 in order to inform the planning and preparation work ahead of implementation in September 2019. Proposals to address these concerns are outlined below:
- The introduction of a common sixth form option structure for all schools which would be populated with the 50+ subjects available to all post-16 students.
 - Bridgend College would be invited to offer a range of vocational courses in each of the option blocks.
 - The option block scheduled for a Wednesday afternoon would contain opportunities for sport and other non-academic activities.
 - The options would be placed into a common timetable with each option having up to three hours in the morning and two in the afternoon to allow for up to five hours delivery per week or ten per fortnight.
 - Some schools may need to realign the timings of their school day in order to fit in with the common timetable arrangements.
 - Schools will jointly and strategically plan the post-16 offer and will take into account standards, capacity within and across schools, the possibilities of joint delivery and movement of staff, facilities and the professional development of staff.
 - A common online prospectus will be available and in time subject profiles may include subject combinations, grades, value-added data, destinations and case studies of students and their successful progression routes.
 - To ensure an efficient delivery of the new arrangements a student transport infrastructure will be developed. This will incur additional costs. The current expenditure on post-16 transport by schools is around £61k. This compares with £110k when transport was funded from the 14-19 grant and an estimated £165k for the new arrangements. Discussions will be held with headteachers as to the use of funds drawn from the 14-19 grant, the post-16 funding allocation from Welsh Government and schools' delegated budgets.
 - The existing twilight A level provision would be brought into daytime delivery reducing the length of the day for many students.
 - All minority subjects will benefit from a county-wide approach to the strategic planning of the post-16 offer and through planned increase in joint delivery the survival of some of these subjects will be enhanced through reduced reliance on a single member of staff.

Blended and e-learning

- 4.10 The topic of e-learning was raised during the course of the individual post-16 reviews with each school. Earlier experiences of distance learning via video-conferencing across Bridgend have not been regarded as successful. However, with the development of online learning platforms and digital resources new approaches to 'blended learning' are being seen in a positive light. There are

examples across BCBC of this approach making a significant impact on standards. Plans will be developed to share and expand the use of blended learning in the delivery of post-16 provision.

- 4.11 A number of BCBC schools are making good use of Google Classrooms in developing blended learning. This product will be made available by Welsh Government to all schools in Wales during summer term 2018. Here in Bridgend, the Digital Champions Network has met recently and had an opportunity to hear how the college and some local schools have been working effectively with Google Classrooms.

Movement of staff between schools

- 4.12 Discussions have also been held with schools in relation to the movement of staff rather than students between schools. Some schools in BCBC have tried this approach and it has proved to be more complicated than moving students. The problems identified include:

- Staff missed registration periods and also pastoral sessions which therefore needed to be covered and they missed specific time with their tutor groups.
- Travel time had to be factored in for staff.
- There was still a cost for staff travel and for some staff the extra claims for mileage were potentially affecting their tax bracket.
- When staff travelled for afternoon sessions, it meant they missed or were late for staff meetings, parents' evenings and other meetings/activities.
- There were issues relating to staff welfare such as lunch eaten in the car and trying to rush back for fixtures.
- It was also pointed out that some staff don't drive or don't have their own car or have car sharing arrangements.
- Traffic issues were experienced which delayed staff on their journey between schools.

Welsh-medium provision

- 4.13 In considering Welsh-medium post-16 provision, YGG Llangynwyd would be expected to continue with its partnership arrangements with YGG Llanhari in Rhondda Cynon Taf (RCT).
- YGG Llangynwyd and YGG Llanhari have adjusted the times of their school days and collaborated on timetable arrangements. There is an agreement on the sharing of student data across local authority borders via a basic version of the Common Transfer File.
 - YGG Llangynwyd continues to register students as 'guests' in line with practice across BCBC. YGG Llanhari registers visiting students as 'dual-registered' in line with Rhondda Cynon Taff (RCT) practice.

- Transport links between the two schools via taxis are established at a cost of approximately £14k per school. YGG Llanhari has bought a minibus to support the transport. This helps YGG Llangynwyd but is a significant expense for YGG Llanhari. The transport for Welsh-medium learners would be brought into any proposed plans that result from the work on transport infrastructure.
- Currently, there are up to 13 subjects included in the collaborative arrangements between the two schools.
- In the longer term, there may be an opportunity to offer post-16 provision to students from the new 11-16 Welsh-medium school, YGG Bro Dur in Neath Port Talbot.

Schools with a religious character (faith schools)

- 4.14 With respect to post-16 provision in faith schools, the intention is to secure the integration of Archbishop McGrath Catholic High School's timetable and options into the revised collaboration arrangements.
- Positive discussions have been held with both the school and the Archdiocese on this approach. Archbishop McGrath Catholic High School will also keep open the possibility of some post-16 collaboration with St. Joseph's Catholic High School in Neath Port Talbot.
 - It is noted that Archbishop McGrath Catholic High School has a good history of collaboration with local secondary schools.

Additional learning needs and special school provision

- 4.15 As identified in the previous post-16 report to Cabinet, a separate piece of work will be undertaken to produce a report on the transition and progression arrangements for students with additional learning needs.
- Individual detailed discussions will be held with the two special schools in Bridgend during summer term 2018. These meetings will be used to identify critical issues from the schools' perspective and these, together with additional research, will inform a subsidiary report on the specific aspect of ALN progression routes through 16-19 and beyond.
 - A significant amount of work has been going on across the region in preparation for the implementation of the ALN Reform Bill. The output from this research, funded by the Central South Consortium Innovation Fund, has now been concluded and will be fed into the Bridgend report on post-16 provision for students with ALN.
 - A further aspect that is being developed with reference to ALN is that of supported internships. Bridgend College is progressing within the national project and working with Elite to develop this pathway into employment for their students from age 19 plus. We will also be engaging with Elite and possibly other organisations in order to secure this type of pathway for leavers from our special schools. The scale and timing of this work will be detailed in the specific ALN post-16 report later this academic year.

5. Effect upon policy framework and procedure rules

- 5.1 There is no effect upon the policy framework or procedure rules.

6. Equality Impact Assessment

- 6.1 The Post-16 Board Operational Board (Phase Two) took account of faith, gender and Welsh language aspects of provision when considering the range of concepts.
- 6.2 A further EIA impact screening assessment has been undertaken and is attached at Appendix 4.
- 6.3 A full EIA will be undertaken when the workstream moves to detailed consideration of options.

7. Financial implications

- 7.1 In developing a transport infrastructure to support a revised model of collaboration, there will be a potential increase in the transport costs for post-16 provision of approximately £100k per year with an overall estimated cost of £165k.
- 7.2 This would be offset by savings resulting from the efficiencies made to delivery costs. An exercise based around the previous cluster collaboration model identified a reduction in teaching sets of between 8 and 13 with consequent savings of £80k to £130k. The full collaboration model would create further opportunities for efficiencies over a period of two to three years.
- 7.3 Consideration needs to be given to resourcing the costs of transport from the 14-19 grant element of the Education Improvement Grant, the post-16 funding allocation from Welsh Government, schools' delegated budgets and/or as a budget pressure to be submitted for the Medium-Term Financial Strategy 2019-2020 to 2022-2023, which will compete for limited resources against other Council pressures, and from the delivery of the efficiencies indicated at paragraph 7.2. At this time, the funding for the additional transport costs is not secured.
- 7.4 It is important to note that, depending on decisions made following consultation, the longer-term financial implications could be significant. Should any proposals require capital investment, the earliest opportunity to apply for funding would be 2024.

8. Recommendations

- 8.1 Cabinet is recommended to:
 - give approval for a public consultation on the six concepts and preferred options for post-16 provision across BCBC (the consultation will be undertaken between June and December 2018);
 - note the proposed changes to the model of collaboration for post-16 provision across BCBC for implementation from September 2019;
 - note the feedback on e-learning and the intention to develop blended learning approaches in the delivery of post-16 education;
 - note the continued collaboration and partnership arrangements for Welsh-medium post-16 provision;

- note the support from the faith schools sector for improved collaboration and to maintain dialogue between Archbishop McGrath Catholic High School and St. Joseph's Catholic High School in Neath Port Talbot;
- note the feedback from schools to the movement of staff between educational settings;
- note that a further report on post-16 progression for learners with additional learning needs will be prepared during the summer term 2018; and
- note the ongoing developments in relation to the Penybont Sixth Form College.

Lindsay Harvey
Interim Director of Education and Family Support
12/04/18

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Appendices

Appendix 1: Project Initiation Document
Appendix 2: Terms of Reference and representation on the Board
Appendix 3: Statements of Ambition
Appendix 4: Revised EIA Initial Screening

Background documents

None

Post 16 Education Phase 2

Terms of Reference

MEMBERSHIP

Chair	John Fabes	Specialist Officer Post 16 Education and Training
	Lindsay Harvey	Interim Corporate Director – Education and Family Support
	Nicola Echanis	Head of Education and Family Support
	Gaynor Thomas	School Programme Manager
	Joanne Norman	Finance Representative
	Alison Gwyther	Principal Advisor Employee Relations
	Mandy Paish	Group Manager – School Improvement
	Susan Roberts	Group Manager – School Improvement
	Michelle Hatcher	Group Manager – Inclusion
	Fiona Blick	Group Manager – Property Services
	Robin Davies	Group Manager – Business Strategy and Performance
	Simon Pirotte	Bridgend College
	Viv Buckley	Bridgend College
	Andrew Gibbs	Bridgend College
	Owen Shephard	Engagement and Progression Co-ordinator
	David Wright	Family Support Services Manager
	Satwant Pryce	Head of Regeneration, Development and Property Services
	Gary Jones	Welsh Government Representative
	Meurig Jones	Head of YGG Llangynwyd
	Andrew Slade	Head of Porthcawl Comprehensive School
	John Nash	National Training Federation
	Jayne Tilley	Careers Wales
	Deborah Exton	Finance Planning and Budget Management
	Helen Ridout	Head of Ysgol Bryn Castell
	Angela Keller	Head of Arch Bishop McGrath
	Hannah Castle	Head of Cynffig Comprehensive School
	Kath John	Head of Brackla Primary
	Andrea Lee	Legal Representative
	Tom Beedle	Bridgend Governors Association
	Sam Connell	Communication Representative
	Cath Powell	Senior Project Officer
	Sarah Griffiths	Project Officer

Nominated deputies will be permitted. These deputies should have delegated authority to make decisions.

REPORTING ARRANGEMENTS

This is the operational board for the Post 16 Education Review. It will report to the Corporate Management Board (CMB).

OVERALL OBJECTIVE

To deliver a sustainable strategy for post 16 education in Bridgend underpinned by robust models, which will deliver the right education in the right place and with the best outcomes for Learners.

CONTEXT

To agree the scope and timeframes for the feasibility studies and subsequent recommendations to cabinet.

TIMESCALE


See separate Gantt chart.

OUTPUTS

The Post 16 Board will:

Develop proposals for the strategy on behalf of the Local Authority for post 16 education which is signed off by all stakeholders and which will inform future planning. Specifically it will:

- Establish and drive forward a strategic approach to post 16 education provision in the borough.
- Co-design post 16 education provision with stakeholders.
- Evaluate the impact of the post 16 plans for education.
- Identify any opportunities for any advantageous service re-configuration including assessing the implications for other stakeholders.
- Assess the implications of any proposals and advise the Post 16 Board of those potential implications.
- To maintain open lines of communication to stakeholders especially Head teachers as the work progresses.
- To ensure timely completion of every project milestone.
- To apply a project structure and project plan to the project.
- Manage by Exception: Significant risks/issues/changes.

<p>Bridgend County Borough Council Post 16 Education Phase Two Project Initiation Document</p>	
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Version: 0.1	Author: SG	Document Status: Draft
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Project/ Programme Sponsor: Nicola Echanis	Date:
Project/ Programme Manager: John Fabes	Date: Dec 17
Approved By Project Board:	Date:

Document Control

0.1 Version Control

Version	Status	Date	Author	Amendment Details
0.1	Draft	November 17	SG	

1. Background

In 2011, BCBC in partnership with its secondary schools, developed, in response to Welsh Government’s (WG) Transformation agenda, a Strategic Outline Case (SOC) to take forward post-16 education in the borough. The case was made to develop a collaborative and distributed tertiary model whereby close partnership arrangements would be developed through clusters of schools and also across the whole post-16 network including the further education (FE) college. Significant use was made of BCBC’s 14-19 grant to support these developments and in particular to provide a transport budget that enabled learners to move between schools as well as the college in order to pursue shared subjects.

In 2013, Welsh Government asked BCBC to review the position of post-16 provision and the progress made under the SOC. BCBC agreed terms of reference with WG and commissioned Tribal to undertake the review.

Tribal noted the improvements in access to a wide range of subjects, the ability of schools to meet the requirements of the Learning and Skills Measure and an increase in the numbers of learners accessing partnership courses. Some efficiency savings were recognised alongside rationalisation of minority subjects. Participation rates were seen to be improving slowly but there was little impact seen on the quality of provision.

Among the concerns raised by Tribal were that this “distributed tertiary model” produced a slower rate of change in the anticipated outcomes and there was a need to provide a more comprehensive progression offer for learners with additional learning needs (ALN).

Anxiety was expressed over the impact of transport costs if the burden of these fell on school budgets and the need for better quality impartial advice and guidance.

The Tribal review makes reference to a number of other reports related to post-16 provision in BCBC and proposed an action plan for the Partnership Steering Group (PSG – the borough’s 14-19 Strategic Group) to take forward. The action plan was only partially implemented.

In 2015, in response to changing policy and funding conditions the Schools Task Group received a further report from the PSG. In 2016, the Director for Education and Family Support established a Strategic Review Board (SRB) with this key objective:

“A strategic review is required to evaluate education provision and curriculum delivery across Bridgend County Borough including with Bridgend College, and to determine the future direction needed by means of an options appraisal and the recommendation of a preferred option.”

A review of post-16 provisions across BCBC was one of the workstreams established under the SRB and a Post-16 Operational Board was created to oversee this work. A Post 16 Education Workstream report was approved by the SRB and a cabinet report was generated in October 2017. Cabinet approved recommendations for a Post 16 Education phase two feasibility project to commence.

2. Fit to Strategy

The work stream Post 16 Education Phase Two is linked to the following priority in the Corporate Plan:

Priority one: Supporting a Successful Economy

Bridgend County Borough Council’s Corporate Plan for 2016-2020 identifies this activity as:

“A strategic review to evaluate education provision and curriculum delivery with Bridgend College to ensure that there are clear options available to provide the best possible opportunities for learners in Bridgend.”

Furthermore this is amplified in the 2017-2018 update to:

“Complete the review into the curriculum and schools estates for primary, secondary and post-16 education and begin consultation on the proposals, where required, with all stakeholders.”

3. Project Outline

3.1 Project Aims

Develop proposals for the strategy on behalf on the Local Authority for Post 16 Education which is signed off by all stakeholders and which will inform future planning. Specifically it will:

- Establish and drive forward a strategic approach to post 16 education provision in the borough
- Co-design post 16 education provision with stakeholders
- Evaluate the impact of the post 16 plans for education

- Identify any opportunities for any advantageous service re-configuration including assessing the implications for other stakeholders
- Assess the implications of any proposals and advise the Post 16 Board of those potential implications
- To maintain open lines of communication to stakeholders especially Head Teachers as the work progresses
- To ensure timely completion of every project milestone
- To apply a project structure and project plan to the project
- Manager by Exception: Significant risks/ issues/ changes

3.2 Project Objectives

To deliver a sustainable strategy for post 16 education in Bridgend underpinned by robust models, which will deliver the right education in the right place and with the best outcomes for Learners.

To generate a feasibility report around the preferred concepts as outlined in the report to cabinet.

3.3 Assumptions/Dependencies

The Post 16 Education project is dependent on:

- The Post 16 Welsh Government planning and funding system being maintained in its current form in the short to medium term.
- The Post 16 Grant being continued

3.4 Products/Deliverables

The Post 16 Education Phase Two project will produce a feasibility report.

The report will be mindful of the deliverables which were set out in the Post 16 Education Phase one Project Brief which were:

- To evaluate the effectiveness of the current educational services to Post 16 learners and what can be done to improve this
- To determine options for Post 16 provision for the future
- A model with demonstrable efficiencies and value for money in the delivery of post 16 education services
- Methodology for appraising options
- Develop a sustainable strategy on behalf of the Local Authority (LA) for Post 16 Education that has been signed off by stakeholders and that caters for (School performance, quality and standards, Diversity of provision, local schools, size of schools, social inclusion, special educational needs, Community focused, parental preference, continuity of education post 16 learning that provides learners with a good level of education, enabling them to have positive progression choices, travel, site organisation, sustainable development, value for money, efficiency and effectiveness, consistent with Council's strategic plans, recognition of the Welsh Medium and Faith Provision)

Project/ Programme Roles & Responsibilities

4.1 Membership & Roles of Project/ Programme Board

Role	Name
Project Sponsor	Nicola Echanis
Senior User	Cabinet
Senior Supplier	Post 16 Board
Project Manager	John Fabes

4.2 Membership & Roles of Project/ Programme Team

Role	Name
Specialist Officer Post 16 Education and Training	John Fabes
Interim Corporate Director – Education and Family Support	Lindsay Harvey
Head of Education and Family Support	Nicola Echanis
School Programme Manager	Gaynor Thomas
Finance Representative	Joanne Norman
Finance Representative	Deborah Exton
Human Resources Representative	Alison Gwyther
Group Manager – School Improvement	Mandy Paish
Group Manager – School Improvement	Susan Roberts
Group Manager – Inclusion	Michelle Hatcher
Group Manager – Property Services	Fiona Blick
Group Manager – Business Strategy and Performance	Robin Davies
Principal - Bridgend College	Simon Pirotte
Deputy Principal – Bridgend College	Viv Buckley
Vice Principal – Bridgend College	Andrew Gibbs
Engagement and Progression Co-ordinator	Owen Shephard
Family Support Services Manager	David Wright
Head of Regeneration, Development and Property Services	Satwant Pryce
Welsh Government Representative	Gary Jones
Head of YGG Llangynwyd	Meurig Jones
Head of Porthcawl Comprehensive School	Andrew Slade
National Training Federation	John Nash
Careers Wales	Jayne Tilley

Head of Ysgol Bryn Castell	Helen Ridout
Head of Arch Bishop McGrath	Angela Keller
Head of Cynffig Comprehensive School	Hannah Castle
Head of Brackla Primary	Kath John
Legal Representative	Andrea Lee
Bridgend Governors Association	Tom Beedle
Communication Representative	Sam Connell
Senior Projects Officer	Cath Powell
Projects Officer	Sarah Griffiths

4.3 Stakeholders

See separate stakeholder analysis.

5 Project Schedule

5.1 Desired start and finish dates

Post 16 Education Phase two is due to start in November 2017 and is expected to be completed in April 2018.

5.2 Project Plan

See separate Project Action plan

6 Project Controls and Governance

The Post 16 Education Phase Two Operational Board will hold board meeting to update on project progress.

The board will report to the Corporate Management Board (CMB).

The board will utilise the risk and issue tracker which will be updated throughout the project.

7 Budget, Funding and Savings

There is no budget for this project and it will be delivered within existing resources.

8 Sustainability

Sustainability will be built into the feasibility study and included in the final report.

9 Risks/Issues

See Separate Risk and Issue tracker.

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Appendix 3: Post 16 Operational Board Phase 2 - Statements of ambition

Learner support

1. Learner wellbeing is supported by excellent pastoral systems
2. Regular access to 1:1 tutoring
3. There are excellent social /extra-curricular and peer support networks
4. Excellent impartial and aspirational advice delivered in partnership with external stakeholders and supported by a strong communication strategy. This results in seamless transitions and high retention on courses as a result of excellent decision making by learners. Academic, vocational and apprenticeship pathways are all clearly represented in this area of work.
5. Excellent additional support for learners is available as and when needed. The provision is person centred, timely and matched to need. It is delivered by experts (such as counsellors, therapists, psychologists) and is clearly signposted and well-coordinated.
6. 24 hour helpline available as well as support for students online through email.
7. Strong emphasis on developing Life Skills including personal financial management and work experience

Progression

1. Post 16 learners have a strong awareness of and access to a complete range of progression opportunities that lead to high levels of achievement producing high skilled learners.
2. The curriculum offer and outcomes reflect labour market needs and generate learners with comprehensive sets of skills allowing them to compete locally, nationally and globally. National and regional Learning and Skills Partnership plans are taken into account when planning the curriculum
3. The curriculum offers equal opportunities for all with regard to choice, breadth and access.
4. The curriculum recognises and is responsive to diverse needs including ALN, preferred language of delivery and faith.
5. Curriculum provision is matched to the ability and needs of learners.
6. The destinations of learners post 16 and post 18 are accurately mapped. This data is used to assess the effectiveness of the curriculum offer and to provide insights into potential progression routes for subsequent generations of learners.

Student Outcomes

1. Resilient learners who are ready for work and/or able to participate meaningfully in their chosen communities and society.
2. Excellent provision which offered equal access to all learners and delivered high standards equally through the medium of English and Welsh.
3. Learners have comprehensive skills sets drawn from experiences of the Welsh Bac, Essential Skills Wales, and Employer Compacts. They have the

ability to understand their own learning needs and be self-directed, independent learners.

4. Learners have appropriate connections to employment (sandwich courses/work trial element) and greater awareness of their place within local/global economy. Employers benefit from a potential workforce that is very well prepared for employment.
5. Many constructive opportunities for work experience
6. Excellent grades to fulfil learners' academic ambitions
7. Improved academic transition from GCSE to AS in support of high standards

Teaching and Learning

1. All learners have access to excellent specialist and inspirational staff for a wide variety of courses. These are delivered at an appropriate level through the medium of either English or Welsh.
2. Excellence in the leadership of teaching and learning exists at all levels within organisations
3. The teaching and learning experience exposes learners to innovation in learning and the concepts of enterprise and entrepreneurship.
4. Teaching and learning is underpinned by a culture of quality assurance at an appropriate level and accountability for outcomes.
5. Variety in pedagogy / methods – focus groups, seminars, working at own pace, mix more in groups, students able to select learning method
6. Knowledgeable and interesting staff. Lessons made fun. Variety of learning techniques. More practical learning. Different ways of assessing.
7. Teaching should be consistent and clear, with regular student assessments/feedback to help improve learner experience.
8. Positive relationships with teachers – approachable staff who know you well
9. Teaching to meet the needs of the individuals: learning should be personalised for different needs
10. New technologies (including updated software) to learn from & communicate with teachers; resources on digital platforms, iPads / laptops / own devices, designated computer room, Wi-Fi (free) – increased access to learning via these routes

Curriculum

1. The curriculum offer delivers the Welsh Government's Youth Guarantee
2. The curriculum offer :
 - Is broad (lots of choice including Welsh and Games), flexible and accessible
 - Is balanced between vocational and academic subjects both in choice and esteem
 - Is available through the medium of Welsh & English
 - Provides for all types of learners
 - Aims to provide learners with their first preference in choice of subjects
 - Delivers on skills as well as qualifications

- Is enhanced through innovation
3. Increased collaboration and a reduction in unnecessary duplication in the delivery of the curriculum in order to make it cost effective and good value for money.
 4. Outward looking curricular contexts linked to industry & commerce with extra-curricular enrichments.

Built Environment

1. Capital investment is targeted to provide excellent learning environments for all learners including facilities for independent learning.
2. A future-proofed IT infrastructure
3. Planned accommodation is matched to current and projected demand for 16-19 provision avoiding over capacity and ensuring value for money.
4. Appropriate rationalisation of transport arrangements
5. For all pathways learners have access to excellent teaching and learning facilities, resources and IT infrastructure for both class and independent study.
6. Quality/modernised environment to encourage respect in learning environment
7. State of the art facilities for 21st century learning to include Specialist facilities and others including health (gym), leisure (common room games), Restaurant, access to designated 6th form space / computer room/ library and up-to-date technology for research & car parking

Standards

1. Challenging and successful education for all that delivers great value added enabling all learners to reach their full potential.
2. To have a high ambition for the standard of outcomes for 16-19 year olds and to ensure that standards are maintained or improved through a period of change.
3. High aspiration and support from pastoral staff
4. Every student should have the opportunity to reach their full potential and leave post 16 education fully qualified and prepared for the future

Inclusion

1. Inclusive curriculum offer that delivers on the Welsh Government's Youth Guarantee
2. Courses and progression routes for all learners
3. No barriers to progression which should be seamless.
4. Inclusive to allow students to study their passions and to discover a different way of learning

5. No racism, sexism, homophobia. Zero tolerance. Welcoming everyone no matter what. Respect all pupils and tutors/staff.
6. No matter what needs and abilities, everyone in the Centre should be included and not left out of lessons and activities.
7. Make sure any racial bullying is banned and people with disabilities or additional needs are included.
8. Every pupil to be involved in some way in the schools/college council system

Values

1. A sense of purpose and community.
2. Safe and happy, learner wellbeing is a high priority.
3. Aim to give learners the best chance for successful progression post 18, retaining the learners' interests at heart.
4. The values and morals that are taught within faith schools are essential to their learning and growth as people and they want to be able to express their faith in a school community.
5. Caring, Community focus, Ambitious, Capable , Entrepreneurial , Ethical , Serious, Challenging , Focused

Equality impact assessment (EIA) screening form

Department	Completed by (lead)	Date of initial assessment	Revision date(s)
Education and Family Support	John Fabes	1 st March 2018	
Name of policy being screened:	Post 16 Education		
Who is responsible for delivery of the policy?	Lindsay Harvey		
Is this an existing or new function/ policy, practice, procedure or decision?	The post-16 education project is looking to change the existing post-16 education model.		
Brief description and aim of policy:	<p>The Post-16 Education phase two project aims to develop proposals for the strategy for Post-16 Education which is signed off by all stakeholders and which will inform future planning.</p> <p>The strategy for post-16 education in Bridgend will be underpinned by robust models, which will deliver the right education in the right place and with the best outcomes for learners.</p>		
Does this policy relate to any other policies (please state)	<p>The following legislation, principles, and policies which will assist in the development of the policy and to be considered are:</p> <ul style="list-style-type: none"> • United Nations Convention on the Rights of the Child • The Well-being of Future Generations (Wales) Act 2015 • 2050, A Million Welsh Speakers • Action Plan, Cymraeg 2050 • One Wales: One planet, a new sustainable development scheme for Wales May 2009 or any successor strategy • Child Poverty Strategy for Wales (issued February 2011 information document number 95/2011) or any successor strategy • Faith in Education • Local plans for economic or housing development • Welsh in Education Strategic Plans (made under Part 4 of the School Standards and Organisation (Wales) Act 2013 • Children and young Peoples Plans (or successor plans) • 21st Century Schools – Capital Investment Programme and the relevant wave of investment • Learner Travel Statutory Provision and Operational Guidance 2014 		

	<ul style="list-style-type: none"> Measuring the capacity of schools in Wales, Circular No: 021/2011
Who is affected by this policy (e.g. Staff, residents, disabled people, women only?)	Staff, Schools, Pupils, Parents/Carers/Guardians
What evidence has been used to inform the assessment and policy? (please list only)	Informal consultation completed Options appraisal on concepts completed Formal Consultation and engagement due to be held June/December 2018
If this is a review or amendment of an existing policy, has an EIA been carried out? Please include date of completion:	No previous EIA in place
If an EIA exists, what new data has been collected on equality groups since its completion?	N/A

	Yes	No	Unknown
Is this policy an important or large scale function	✓		
Is it likely the policy will impact upon a large number of staff, residents and/or contractors?	✓		

Is it possible that any aspect of the policy will impact on people from different groups in different ways?					
Characteristic	High (H)	Med (M)	Low (L)	None	Explanation of impact
Age	✓				This policy directly impacts on post-16 education learners.
Disability	✓				The policy will be considering post-16 education for learners with additional learning needs
Gender Reassignment				X	
Race				X	
Religion/ Belief	✓				The policy will be considering post-16 education for faith-based learners.
Pregnancy and maternity				X	
Sexual Orientation				X	

Sex				X	
Civil Partnerships and Marriage				X	
Welsh Language	✓				The policy will be considering post-16 education for Welsh-medium learners.
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 notes for list of protected characteristics?)					
The risk is minimal because the policy is aiming to provide all learners with an access to the right post-16 education.					
What action has been taken to mitigate this risk?					
As part of the post-16 education review a children's rights impact assessment and a Welsh impact assessment will be completed. Full consultation is scheduled. The school organisation code is being consulted. The appropriate religious bodies and the Archdioceses will be consulted before the consultation document is published.					

Could any aspect of the policy help BCBC to meet the main public sector duties? Bear in mind that the duty covers nine protected characteristics.			
Duty	Yes	No	Unknown
Eliminate discrimination, harassment, victimisation and any other conduct that is prohibited by the Act	✓		
Advance equality of opportunity between persons who share a relevant protected characteristic and persons who do not share it	✓		
Foster good relations between persons who share a relevant protected characteristic and persons who do not share it	✓		
Please set out fully your reasoning for the answers given above including an awareness of how your decisions are justified.			
The project is aiming to provide all post 16 learners with access to the right education. The proposals will ensure equality of opportunity for pupils regardless of geographical location.			

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			
	Yes	No	Unknown
The policy would impact on people's opportunity to a) use the Welsh language in a positive or negative way and b) treat both languages equally	✓		

The policy could be changed to have a positive effect or increase the positive effect on a) people's opportunity to use the Welsh language and b) treating both languages equally	✓		
The policy could be changed to minimise or remove any adverse effects on a) people's opportunity to use the Welsh language and b) treating both languages equally	✓		

Is this policy likely to impact on community cohesion?
This policy may impact positively on the education community as greater links would be made between institutions.
However, this policy may negatively impact on the residential community as sixth forms may be removed from local comprehensive schools or located outside of the local community.

	Yes	No	Unknown
Procurement: Are there any procurement implications to the activity, proposal or service. (Please take the findings of this assessment to your procurement plan).		✓	
Human Resource: Are there any HR resource implications to the activity, proposal or service	✓		

What level of EIA priority would you give to this policy?			
High full EIA within 6 months, or before approval of policy	Medium Full EIA within one year of screening	Low Full EIA within three years of screening	Screen out No further EIA required at this time
✓			

Please consider if timescale for EIA will be affected by any other influence e.g. Committee deadline, external deadline, part of a wider review process?

Please explain fully the reasons for this judgement, where "screened out" here you must include information how your decisions are justifiable and evidence based.
This policy is an important and large scale function. It will be impacting on a wide range of people and will impact on protected characteristic groups. The policy will enhance equality of opportunity for learners and could positively impact on the ability to use the Welsh Language.
A full consultation and engagement exercise is being arranged to take place between June and December 2018. Following consultation a full equalities impact assessment will be completed.

Who will carry out the full EIA?	Specialist Officer: Post 16 Education and Training
Full EIA to be completed by (Date):	September/ October 2018

Date EIA screening completed:	
Approved by (Head of Service):	

When complete, this form must be retained by the service area. The EIA screening should be recorded as complete on share point (your business manager has access to share point). The EIA screening should be referenced and summarised in the relevant cabinet report for this policy. Where a full EIA is needed this should be included as an appendix with the cabinet report and therefore available publically on the website.

If you have queries in relation to the use of this toolkit please contact the Equalities Team on 01656 643664 or equalities@bridgend.gov.uk

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Appendix 5 Key issues relating the six concepts

Concept 1 Retention of sixth forms and change to model of collaboration

Positives	Concerns	Revised collaboration
<ul style="list-style-type: none"> • The retention of sixth forms is seen as essential in some areas in response to community aspirations • Maintaining the link between sixth form students and the rest of the school, especially as role models and supporting younger learners • Sixth forms add to the overall ethos of the school • Perceived as popular with parents, staff, students, governors • Some schools believe they can have a viable sixth form under this approach • Faith-based and Welsh-medium schools see this as a highly desirable/only acceptable model • Least disruptive approach • Stability in staffing 	<ul style="list-style-type: none"> • Ability to maintain curriculum breadth; some traditional subjects are already being lost in schools • Resources/budgets/funding all set to reduce and many regard this model as unsustainable • Does not address the issue of surplus places • Does not provide value for money and in small sixth forms is likely to lead to cross-stage subsidisation • The transport costs of current collaborative arrangements are a drain on resources and will be difficult to maintain • Withdrawal of transport grants may require students to pay for own transport or remain in their home school with consequential reduction in subject choice • Where subjects are delivered in small groups this is not always conducive to high standards and a dynamic learning environment • Increasing challenge to meet the Learning and Skills Measure in smaller sixth forms 	<ul style="list-style-type: none"> • Maintains curriculum breadth • Some efficiencies gained but the economies of scale present in larger post-16 settings still not achieved • Still won't address issue of surplus places • Will provide better value for money but is not the most efficient scale of delivery • Transport costs built in but accounted for centrally and removes the decision-making from individual school level • The proposed model sets out a structured transport system at a cost to schools and the local authority not to students • Small groups confined to minority subjects with low take up across all sixth form and college settings • Will be capable of delivering on the Learning and Skills Measure in all settings • Greater collegiality in the planning and delivery of subjects

Concepts 2 and 3 Closure of all sixth forms and developing new sixth form centre(s) run either by the local authority or Bridgend College

Positives	Concerns
<ul style="list-style-type: none"> • Equality of offer to all learners • Produces economies of scale • Could enable a distinctive and appropriate level 2 offer in sixth form without duplicating FE provision • Breadth retained in level 3 offer • Viable class sizes and hence value for money • Deals with class size, finances, cross-subsidy • Could have a positive effect on Year 11 as they become the senior students and greater maturity is expected from them • Rationalisation of provision • Improve quality of sixth form facilities 	<ul style="list-style-type: none"> • Finding suitable sites and significant capital funds • Transport costs would increase overall • Might weaken retention rates and impact on young people aged 16-24 who are not in education, employment or training (NEETs) figures due to the effect of travel and non-familiar settings • Some schools are concerned that pastoral support and preparation for UCAS (Universities and Colleges Admissions Service for the UK) may not be as effective in a large sixth form centre compared to individual school settings • Danger of creating two-tier, post-16 solution with students pursuing academic subjects in the sixth form centre and the rest following a technical studies route via further education (FE)

BCBC sixth form centre	Bridgend College sixth form centre
<ul style="list-style-type: none"> • If the new centre is under BCBC then the issue of surplus places in schools will still exist although this may ease the pressure for places in some schools • Some reduction in staffing due to efficiencies but less disruptive because most would continue to be employed by BCBC but working on a split site timetable • Lessens de-stabilising effect and staff recruitment issues 	<ul style="list-style-type: none"> • If the new centre is under Bridgend College then this will create increased surplus capacity in schools with a need to release staff either to work in new centre(s) or through redundancy • Significant system change with potential for de-stabilising standards of performance • College has limited experience in successful delivery of A levels • Loss of school staff to a new FE-based sixth form could have a de-stabilising effect on schools and make staff recruitment more difficult especially in shortage subjects

Concepts 4 and 5 Mix of some sixth forms being retained while others merge into new sixth form centre(s) run either by the local authority or Bridgend College

Positives	Concerns
<ul style="list-style-type: none"> • Equality of offer to all learners • Breadth retained in level 3 offer • Rationalisation of provision • Viable class sizes and hence value for money • Deals with class size, finances, cross-subsidy • Improve quality of sixth form facilities • Produces some economies of scale • Could enable a more robust level 2 offer in sixth form • Retention of pastoral care associated with sixth form provision • Least disruptive model to develop after the status quo • Sixth forms would be of a good size but not too large 	<ul style="list-style-type: none"> • Finding suitable sites and significant capital funds • Over location of merged sixth form and whether this creates an impression of a “better” school • Consequences for intake into Year 7 if parents choice is influenced by presence/absence of a sixth form • Leakage of certain pupils to a school with a sixth form centre • Travel arrangements - transport costs would increase overall • Might weaken retention rates and impact on NEETs figures due to the effect of travel and non-familiar settings • Some schools are concerned that pastoral support and preparation for UCAS may not be as effective in a large sixth form centre compared to individual school settings • Danger of creating two-tier, post-16 solution with students pursuing academic subjects in the sixth form centre and the rest following a technical studies route via further education (FE) • Lines of accountability and Estyn reporting • Impact of merging students from different communities • Managing greater timetable collaboration • Identity of students post-16

BCBC sixth form centre	Bridgend College sixth form centre
<ul style="list-style-type: none"> • If the new centre is under BCBC then the issue of surplus places in schools could be addressed through the proposed combinations for mergers • This route may ease the pressure for places in some schools 	<ul style="list-style-type: none"> • If the new centre is under Bridgend College then this will create increased surplus capacity in schools with a need to release staff either to work in new centre(s) or through redundancy • Significant system change with potential for de-stabilising standards of performance • College has limited experience in successful delivery of A levels

<ul style="list-style-type: none"> • Some reduction in staffing due to efficiencies but less disruptive because most would continue to be employed by BCBC but working on a split site timetable • Lessens de-stabilising effect and staff recruitment issues 	<ul style="list-style-type: none"> • Loss of school staff to a new FE-based sixth form could have a de-stabilising effect on schools and make staff recruitment more difficult especially in shortage subjects
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Concept 6 Full tertiary model under the governance of Bridgend College

Positives	Concerns
<ul style="list-style-type: none"> • Equality of offer to all learners • Maximises the breadth of the level 3 offer • Produces economies of scale • Rationalisation of provision • Viable class sizes and hence value for money • Improve quality of post-16 facilities • Could have a positive effect on Year 11 as they become the senior students and greater maturity is expected from them • Will be capable of delivering on the Learning and Skills Measure in full • Potential to link with other developments such as City Region and regeneration of Bridgend Town Centre • Avoids the danger of creating a two-tier, post-16 solution • All students attend the same institution without discrimination and aligns with comprehensive education principles • Provides capability to mix and match academic and vocational programmes • Implies a new build to house at least the 1600 students currently in sixth forms and therefore potentially state of the art facilities 	<ul style="list-style-type: none"> • Finding suitable sites and significant capital funds • Might weaken retention rates and impact on NEETs figures due to the effect of travel and non-familiar settings • Loss of school staff to a full tertiary college could have a de-stabilising effect on schools and make staff recruitment more difficult especially in shortage subjects • Significant system change with potential for de-stabilising standards of performance • Bridgend College has limited experience in successful delivery of A levels by comparison with school sixth forms • Significantly increases the number of surplus places in secondary schools by a factor of at least 1600 on top of any current surpluses • Travel arrangements - transport costs would increase overall as students travel to centralised campuses • Some schools are concerned that pastoral support and preparation for UCAS may not be as effective in a large institution compared to individual school settings

BRIDGEND COUNTY BOROUGH COUNCIL

REPORT TO CABINET

24 APRIL 2018

REPORT BY THE INTERIM DIRECTOR OF EDUCATION AND FAMILY SUPPORT

APPOINTMENT OF LOCAL AUTHORITY GOVERNORS

1. Purpose of report

- 1.1 The purpose of this report is to seek approval from Cabinet for the appointment of local authority governors to the school governing bodies listed at paragraphs 4.1 and 4.2.

2. Connection to Corporate Improvement Plan/other corporate priorities

- 2.1 The work of local authority governors supports the raising of educational standards and the wellbeing of children, young people and their local communities; in particular, their work contributes to the following corporate priority:

- Supporting a successful economy.

3. Background

- 3.1 In accordance with the Council's '*Guidance on the appointment of local education authority governors*' approved by Cabinet on 14 October 2008, officers have considered applications received for current and forthcoming vacancies for local authority governor positions on school governing bodies (see paragraphs 4.1, 4.2, and Appendix A).

4. Current situation/proposal

- 4.1 For the six schools below, all five applicants met the approved criteria for appointment as local authority governors and there was no competition for any of the vacancies. Therefore, the recommended appointments are:

Cllr Hywel Williams	Abercerdin Primary School
Mrs Cleone Westwood	Bryntirion Comprehensive School
Mr Mal Reeves	Garth Primary School
Mr Andrew Dix	Llangewydd Junior School
Mrs Andrea Jones	Mynydd Cynffig Primary School
Mr Andrew Dix	Tremains Primary School

- 4.2 There was competition, however, for one vacancy at three schools. The officer panel scrutinised the applications received and recommends the following appointments:

NAME OF SCHOOL	APPLICANTS
----------------	------------

Brackla Primary School	Mr Phillip Hayter Mr Andrew Dix
In accordance with the Council's selection criteria, it was agreed to recommend Mr Phillip Hayter due to his current experience as a governor.	

NAME OF SCHOOL	APPLICANTS
Litchard Primary School	Ms Claire Laidler Miss Sadie Vidal
In accordance with the Council's selection criteria, the officer panel determined that both applicants possess appropriate skills and/or experience. The panel recommends the appointment of Miss Sadie Vidal as she meets the first tiebreaker criterion - 'local ward member for any part of the school's catchment area'.	

NAME OF SCHOOL	APPLICANTS
Pen y Fai Church in Wales Primary School	Mrs Kate Gapper Cllr Altaf Hussain
In accordance with the Council's selection criteria, the officer panel determined that both applicants possess appropriate skills and/or experience. The panel recommends the appointment of Cllr Altaf Hussain as he meets the first tiebreaker criterion - 'local ward member for any part of the school's catchment area'.	

4.3 Subject to the above appointments being approved, there are still 16 vacancies that need to be filled in 13 schools (see Appendix A).

5. Effect upon policy framework and procedure rules

5.1 There is no effect upon the policy framework or procedure rules.

6. Equality Impact Assessment

6.1 An assessment of the appointment of local authority governors shows that there are no equalities issues related to this report.

7. Financial implications

7.1 There are no financial implications regarding this report.

8. Recommendation

8.1 Cabinet is recommended to approve the appointments listed at paragraphs 4.1 and 4.2.

Mr Lindsay Harvey
Interim Corporate Director of Education and Family Support

Contact Officer: Mandy Jones
Learner Support Officer

Telephone: (01656) 642629

E-mail: amanda.jones@bridgend.gov.uk

Postal Address Education and Family Support Directorate
Bridgend County Borough Council
Civic Offices
Angel Street
Bridgend
CF31 4WB

Background documents

- Bridgend County Borough Council's 'Guidance on the appointment of local education authority governors', approved by Cabinet on 14 October 2008.
- The Government of Maintained Schools (Wales) Regulations 2005.

List of local authority governor vacancies as at 31 May 2018

NAME OF SCHOOL	List of current and forthcoming vacancies
BRYNTIRION COMPREHENSIVE SCHOOL	1
YSGOL GYFUN GYMRAEG LLANGYNWYD	1
ABERCERDIN PRIMARY SCHOOL	1
AFON Y FELIN PRIMARY SCHOOL	2
CAERAU PRIMARY SCHOOL	1
CEFN GLAS INFANTS SCHOOL	1
LLANGYNYWD PRIMARY SCHOOL	2
NOTTAGE PRIMARY SCHOOL	1
PLASNEWYDD PRIMARY SCHOOL	2
ST MARY'S PRIMARY CATHOLIC SCHOOL	1
TYNYRHEOL PRIMARY SCHOOL	1
WEST PARK PRIMARY SCHOOL	1
YSGOL GYMRAEG BRO OGWR	1
TOTAL VACANCIES	16

BRIDGEND COUNTY BOROUGH COUNCIL

REPORT TO CABINET

24 APRIL 2018

REPORT OF THE INTERIM CORPORATE DIRECTOR – EDUCATION AND FAMILY SUPPORT

PROVISION FOR PUPILS WITH ADDITIONAL LEARNING NEEDS (ALN) - ESTABLISHING A LEARNING RESOURCE CENTRE FOR PUPILS WITH AUTISTIC SPECTRUM DISORDERS AT PENCOED PRIMARY SCHOOL

1. Purpose of report

- 1.1 The purpose of this report is to inform Cabinet of the outcome of the consultation on the proposals to establish a learning resource centre (LRC) for a maximum of eight pupils with autism spectrum disorders (ASD) at Pencoed Primary School.

2. Connection to Corporate Improvement Plan/other corporate priorities

- 2.1 These proposals are related to the Corporate Plan (2016-2020) and the Education Inclusion Programme and, in particular, to the following corporate priority:

- Supporting a successful economy.

3. Background

- 3.1 In December 2011, Cabinet received an update on the review of support and provision for the inclusion of children and young people with additional learning needs (ALN).
- 3.2 Currently, in conjunction with this proposal there is also a proposal which has been approved by Cabinet to establish a Welsh-medium ASD LRC at Ysgol Gyfun Gymraeg Llangynwyd, this provision opened in March 2018.
- 3.3 In addition, a proposal to open an ASD LRC in one of the Welsh-medium primary schools will be submitted to Cabinet during 2018, to undergo a consultation exercise.
- 3.4 The pupil admission number (PAN) of Pencoed Primary School will increase from seventy to seventy two with the new build. However, the LRC is a dedicated space and therefore it is not included in the capacity calculation that is used to identify the PAN.
- 3.5 The Council supports the principles that, when possible, children should be educated within a mainstream school environment and as near to their home as possible. The proposal to open an ASD LRC at Pencoed Primary School would afford those children with ASD living in the east locality of Bridgend County Borough to be educated locally.

4. Current situation/proposal

- 4.1 In order to progress a proposal to establish the ASD LRC at Pencoed Primary School, consultation exercises were carried out between 9 February 2018 and 23 March 2018 with staff, governors, parents and pupils of Pencoed Primary School and also the wider community in accordance with the Statutory School Organisation Code.

A copy of the consultation document was also made available during this time on the Council's website:

www.bridgend.gov.uk/consultation

- 4.2 The consultation document invited views and opinions to be submitted in respect of the proposal.
- 4.3 Under the Statutory Code referred to above, the Council is required to publish a consultation report summarising any issues raised by consultees and the Council's response and setting out Estyn's view of the overall merit of the proposals.
- 4.4 If approved by Cabinet, the next stage of the process is to publish a statutory notice outlining the proposals which would need to be published for a period of 28 days and any formal written objections would be invited during this time.
- 4.5 If there are no objections during the Public Notice period, then the proposal can be implemented with Cabinet's approval.
- 4.6 If there are objections at this Public Notice stage, an objections report will be published summarising the objections and the authority's response to those objections. Cabinet will need to consider the proposal in light of objections. Cabinet could then accept, reject or modify the proposal.

5. Effect upon policy framework and procedure rules

- 5.1 There is no effect upon the procedure rules.

6. Equality Impact Assessment (EIA)

- 6.1 The Council has a duty to consult and fully consider the implications of any proposal on all members of the local community who may be affected unfairly as a result of the proposal being carried out.
- 6.2 An initial EIA was undertaken. The full EIA can be found in Appendix (vi). The full EIA holistically evaluates the pupils affected by the introduction of the proposal.
- 6.3 A Community Impact Assessment has been carried out and there is no negative impact on the community.

7. Financial implications

- 7.1 The funding for the LRC would be allocated through the mainstream school's delegated budget, via the school's formula allocation, and using a combination of

class allocation and the age-weighted pupil unit (AWPU) element. One-off funding for the set-up costs would be £5k.

- 7.2 Funding levels would be derived from notional current staffing needs and are based on the salary of a teacher and two support staff.
- 7.3 As part of the medium-term financial strategy budget-setting process for 2017-2018, a total of £263k was allocated under budget pressures to establish additional LRCs for pupils with ASD in two Welsh-medium schools and two English-medium schools with effect from the academic year 2017-2018. This was supplemented in the 2018-19 budget-setting process by an additional £51k to meet the full year effect of the 2017-18 budget pressure application. These allocations will be used to fund the LRC at Pencoed Primary School if the proposal goes ahead.

8. Recommendations

8.1 Cabinet is recommended to:

- note the outcome of the consultation with interested parties as detailed in the attached Consultation Report (refer to Appendix 1);
- approve the attached Consultation Report for publication; and
- authorise the publication of a Statutory Public Notice on the proposal.

Lindsay Harvey

Interim Corporate Director – Education and Family Support

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Appendices

Appendix 1 Consultation Report

Appendix (i) Consultation Meeting with School Council
Appendix (ii) Consultation Meeting with Parents
Appendix (iii) Consultation Meeting with Staff
Appendix (iv) Consultation Meeting with School Governors
Appendix (v) Estyn response
Appendix (vi) Full Equality Impact Assessment

Background documents

Education Inclusion Programme: Reviewing and developing support and provision for the inclusion of children and young people with ALN (report to Cabinet, December 2011).

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BRIDGEND COUNTY BOROUGH COUNCIL

CONSULTATION REPORT

24 APRIL 2018

REPORT OF THE INTERIM DIRECTOR OF EDUCATION AND FAMILY SUPPORT

**PROVISION FOR PUPILS WITH ADDITIONAL LEARNING NEEDS (ALN)-
OUTCOME OF CONSULTATIONS ON PROPOSAL TO ESTABLISH A LEARNING
RESOURCE CENTRE FOR PUPILS WITH AUTISM SPECTRUM DISORDERS AT
PENCOED PRIMARY SCHOOL**

1. Purpose of report

- 1.1 The purpose of this report is to inform Cabinet of the outcome of the consultation on the proposals to establish a learning resource centre (LRC) for pupils with autism spectrum disorders (ASD) at Pencoed Primary School.

2. Connection to Corporate Improvement Plan/other corporate priorities

- 2.1 These proposals are related both to the Corporate Plan 2016-2020 and the Education Inclusion Programme and, in particular, the following corporate improvement priority:
- Supporting a successful economy.

3. Background

- 3.1 In December 2011, Cabinet received an update on the review of support and provision for the inclusion of children and young people with ALN.
- 3.2 Currently, in conjunction with this proposal there is also a proposal approved by Cabinet to establish a Welsh-medium ASD LRC at Ysgol Gyfun Gymraeg Llangynwyd.
- 3.3 In addition, a proposal to open an ASD LRC in one of the Welsh-medium primary schools will be submitted to Cabinet during 2018, to undergo a consultation exercise.
- 3.4 The Council supports the principles that, when possible, children should be educated within a mainstream school environment and as near to their home as possible. The proposal to open an ASD LRC at Pencoed Primary School would afford those children with ASD living in the east locality of Bridgend County Borough to be educated locally.

4. Current situation/proposal

4.1 In order to progress a proposal to establish the ASD LRC at Pencoed Primary School consultation exercises were carried out between 9 February 2018 and 23 March 2018 with staff, governors, parents and pupils of Pencoed Primary School and also the wider community in accordance with the Statutory School Organisation Code. A copy of the consultation document was also made available during this time on the Council's website:

www.bridgend.gov.uk/consultation

4.2 The consultation document invited views and opinions to be submitted in respect of the proposal.

4.3 Under the Statutory Code referred to above the local authority is required to publish a consultation report summarising any issues raised by consultees and the local authority's response and setting out Estyn's view of the overall merit of the proposals.

4.4 If approved by Cabinet, the next stage of the process is to publish a statutory notice outlining the proposals which would need to be published for a period of 28 days and any formal written objections would be invited during this time.

4.5 If there are no objections during the Public Notice period then the proposal can be implemented with Cabinet's approval.

4.6 If there are objections at this Public Notice stage, an objections report will be published summarising the objections and the authority's response to those objections. Cabinet will need to consider the proposal in light of objections. Cabinet could then accept, reject or modify the proposal.

5. Summary of written presentations

5.1 Key points from the consultation exercises were as follows, with full details appended at the end of this report.

Pupil consultation

5.2 Pencoed Primary School Council met with Bridgend County Borough Council (BCBC) representatives on 26 February 2018 to discuss the proposal (full details can be found at Appendix i).

5.3 Pupils raised questions regarding as to whether the pupils will be mixing with other pupils in the school; how many pupils and teachers will be in the class; the age groups of the pupils and what will they learn.

5.4 Pupils also asked if the pupils will be from different places in the County Borough and what the classroom will be like.

- 5.5 Further questions were asked specifically about autism, such as are there different types; is it rare and the involvement of a doctor.
- 5.6 Pupils noted that it was a great idea to have the ASD LRC and that when the pupils do subjects like physical education (PE) they can make friends.

The local authority response is as follows:

- 5.7 It was emphasised that it is important for the pupils to feel part of the school. There would be a maximum of eight pupils from Years 3 to 6 in the class with one teacher and two learning support officers (LSOs). The curriculum will be tailored to meet individual's needs.
- 5.8 It was noted that the provision is a county provision and that pupils from other schools in Bridgend could attend. The headteacher is working with the local authority to look at the best space for the classroom in the new school.
- 5.9 It was explained that there is an autistic spectrum and that pupils will have a diagnosis of ASD to be admitted into the LRC.

Parent consultation

- 5.9 A consultation meeting was held for parents and interested parties to discuss the proposal with BCBC representatives at Pencoed Primary School on 26 February 2018 (full details can be found at Appendix ii).
- 5.10 Parents stated that it is a very positive proposal and they asked if it was a new provision or would resources be diverted from the moderate learning difficulties (MLD) LRCs.
- 5.11 Parents also enquired as to whether the pupils would come from just the Pencoed area and whether the LRC would reduce the capacity for local children to attend.
- 5.12 Parents raised further questions regarding additional one-to-one support for the pupils in the LRC; exit criteria for the provision and what would happen if the pupils needed time out.

The local authority response is as follows:

- 5.13 It was explained that the ASD LRC is new provision for key stage 2.
- 5.14 It was noted that the provision is a LA provision and pupils would come from across the County Borough and that Welsh Government does not fund surplus places and the school is near capacity.
- 5.15 An explanation was given in relation to each pupil being treated on an individual basis with their needs met accordingly. A panel decides whether a pupil exits the provision using the exit criteria, however a pupil can go back into the LRC if

sufficient progress is not being made. It was highlighted that the new school does not have specific break-out areas but there are flexible areas in which the school can meet the needs of the pupils.

School staff consultation

- 5.16 A consultation meeting was held with Pencoed Primary staff on 26 February 2018 (full details can be found at Appendix iii).
- 5.17 Staff raised questions with regards to staffing of the LRC; when it would open and whether it was an additional resource.
- 5.18 Further questions were raised in relation to team-teach training and how the pupils will access the provision.

The local authority response is as follows:

- 5.19 It was explained that there would be one teacher and two LSOs; the proposed opening is September 2018 and that the ASD LRC is an additional resource.
- 5.20 An explanation was given with regards to team-teach training being available for all staff at Pencoed Primary School and that the panel would determine the pupils who can access the provision using entry criteria.

Governing body consultation

- 5.21 A consultation meeting was held with Pencoed Primary School Governors on 26 February 2018 (full details can be found at Appendix iv).
- 5.22 The governors asked questions regarding the size of the ASD LRC and where the pupils would be taught.
- 5.23 Further questions were raised regarding the integration into a secondary school and if the ASD LRC was an additional resource.

The local authority response is as follows:

- 5.24 It was explained that there would be a maximum of eight pupils with one teacher and two LSOs in the ASD LRC, taught in a classroom but also accessing mainstream education where appropriate.
- 5.25 It was highlighted that there are ASD LRCs at secondary schools in the County Borough in order for pupils to transfer into one, if appropriate at this stage of their education. It was noted that the ASD LRC at Pencoed Primary school is a new resource.

Summary of written presentations

5.26 There were no items of direct correspondence received during the consultation

6. The view of Estyn, her Majesty's Inspectors of Education and Training in Wales

6.1 Estyn has considered the educational aspects of the proposals (see Appendix v).

6.2 It is Estyn's opinion that the proposal to establish a LRC at Pencoed Primary School is likely to improve the standard of educational provision for those pupils with ASD living in the east locality of Bridgend County Borough.

6.3 Estyn states that Bridgend County Borough Council has presented a clear rationale for the proposed opening of a LRC at Pencoed Primary School.

6.4 Estyn acknowledges that the LRC will increase the expertise amongst the staff at Pencoed Primary School, to accommodate the needs of other pupils who are known to demonstrate ASD traits in the absence of a formal diagnosis.

6.5 Estyn comments that there are no perceived risks associated with this proposal and that there will only be advantages compared to the status quo.

6.6 Estyn notes that the Council correctly identifies that this proposal will have no impact on current travel arrangements for pupils who attend Pencoed Primary School as transport is already available for those pupils who are eligible for a place at a LRC. However, consideration will have to be given to the most appropriate mode of transport for those pupils with ASD who would be accessing the LRC

6.7 The local authority's response to Estyn's comment is that the most appropriate mode of transport is discussed for each pupil who will access the ASD LRC based on their individual needs.

6.8 Estyn states that the plan has taken sufficient account of the possible impact of the proposal on Welsh-medium provision within the local authority. Also the proposal gives appropriate consideration to alternative provision and concludes reasonably that these would not support the needs of pupils with ASD in the most appropriate way.

6.9 It is Estyn's opinion that the Council's evaluation of educational aspects of the proposal is in line with the most recent Estyn inspection (January 2011). Estyn notes that it is therefore unlikely that the proposal will have a negative impact on vulnerable groups, including children with Special Educational Needs.

6.10 Estyn acknowledges that the local authority identifies that leaders at Pencoed Primary School demonstrate a very strong capacity to plan and implement change and sustain improvement successfully in nearly all aspects.

7. Impact assessments

7.1 Community Impact Assessment

There is no significant negative impact on the community.

7.2 Equality Impact Assessment.

An initial EIA was undertaken. The full EIA can be found at Appendix (vi). The full EIA holistically evaluates the pupils affected by the introduction of the proposal.

8. Financial implications

8.1 The funding for the LRC would be allocated through the mainstream school's delegated budget, via the school's formula allocation, and using a combination of the age-weighted pupil unit (AWPU) element, plus a per place factor.

8.2 Funding levels would be derived from notional current staffing needs. If pupil numbers remain constant, then the cost of the provision would be largely unchanged. The number of places would be reviewed annually and agreed with the headteacher to enable staffing stability and to assist in school planning.

8.3 These proposed funding arrangements are similar to those implemented for secondary schools in 2013-2014, that were part of the annual consultation with governing bodies and the School Budget Forum on changes to the schools' funding formulae. One-off funding for the set-up costs would be £10k.

8.4 As part of the medium-term financial strategy budget-setting process for 2017-2018, a total of £263k was allocated under budget pressures to establish additional LRCs for pupils with ASD in two Welsh-medium schools and two English-medium schools with effect from the academic year 2017-2018. This was supplemented in the 2018-19 budget-setting process by an additional £51K to meet the full year effect of the 2017-18 budget pressure application. These allocations will be used to fund the LRC at Pencoed Primary School if the proposal goes ahead.

9. Statutory process in determining proposals

9.1 Provisional timetable:

24 April 2018	Report to Cabinet on the outcomes of the consultation.
2 May 2018	Publish Consultation Report on BCBC website, hard copies of the report will be available on request.
3 May 2018	If agreed by the Cabinet of Bridgend County Borough Council, a Public Notice will be published and there

will be a period of 28 days in which to submit any objections to the proposal in writing.

31 May 2018 End of Public Notice period. Cabinet will consider any objections and make decision based on all the information available.

1 September 2018 Potential Implementation

Hard copies of this report are available on request.

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**Consultation Meeting with
 School Council
 Re. Proposal to establish provision for
 pupils with additional learning needs
 (ALN) at Pencoed Primary School
 26 February 2018 – 2.45pm**

Present: Michelle Hatcher - Group Manager, Inclusion and School Improvement
 Classroom Teacher
 11 Pupils

Michelle Hatcher introduced the consultation meeting and set out the purpose of the meeting, nature and process of the consultation and outlined the proposal.

Questions/Issues

Answer/Comments

Will they be mixing with mainstream pupils?

The panel decides who goes into the LRC. Where possible, individual pupils are included into mainstream. It is important to feel part of the school.

How many pupils and teachers?

There will be a maximum of 8 pupils, 1 teacher and 2 LSOs. There will not always be 8 pupils to start. It depends on who has met the criteria and the panel will decide this.

What things will they learn?

They will learn the same as other pupils. The curriculum is tailored to meet individual's needs.

What age groups will be in the LRC?

Key stage 2 (years 3 to 6) – 7 to 11 years.

Will the children be from different places?

It is like the MLD LRCs at Pencoed. It is a county provision. Pupils from other schools in Bridgend could attend here.

How many boys and girls in the class?

There will be a maximum of 8 pupils.

Who will decide how big the classroom is?

The headteacher will look at how the classroom works with the LA and look at the best space.

Will they be doing PE with other pupils?

It is a good idea. The spare classroom can be used for children with autism. I like how they can attend with other children.

Are there different types of autism?

Does a doctor have a say?

Is autism rare?

It is a great, great, great idea to have the classroom.

When pupils do PE with others, they will be able to make friends, which is a good thing.

They have already spoken.

Depends on how the school wants to mix. It is important to integrate and for the children to feel part of the school.

There is an autistic spectrum – a range of different needs on that spectrum.

Pupils have a diagnosis of ASD – classroom - Specialist staff will work with the school. The LA will provide money to the school to help set up the classroom.

No. More and more people are being diagnosed with autism.

**Consultation Meeting with
 Parents
 Re. Proposal to establish provision for
 pupils with additional learning needs
 (ALN) at Pencoed Primary School
 26 February 2018 - 5.30pm**

Present: Michelle Hatcher - Group Manager, Inclusion and School Improvement
 Alison Gwyther – Principal Advisor Employee Relations - Schools
 Headteacher – Pencoed Primary School
 7 parents

Michelle Hatcher introduced the consultation meeting and set out the purpose of the meeting, nature and process of the consultation and outlined the proposal.

Questions/Issues

It is a very positive proposal; would resources be diverted from the other MLD classes to this new class?

The current MLD classes are organic, they change with the needs of the children, and will this provision be similar to this?

Will the class be for key stage 1 and 2?

Will the unit just take children from the Pencoed area?

The new school is at full capacity and there is new building in Pencoed, would this unit reduce the capacity and local

Answer/Comments

No, this is a new provision and given new funding, the MLD classes are separate.

Yes, children will be on the autistic spectrum, children will be integrated into mainstream where appropriate; the specialist teacher will share expertise to other staff in the school to benefit all children at Pencoed. Staff currently has a broad range of skills and this unit will allow development and ability to build on these skills. The class will open with the new school in September.

Just key stage 2 as we currently have observation classes for children in key stage 1.

They would be discussed at panel and their decision would place the children in the LRC. We want to reduce children travelling to schools across the County Borough.

Welsh Government does not fund surplus places and the school is near capacity.

children will not be able to attend the school?

In the future will the class increase in pupil numbers?

ASD children may need one -to -one support; will the school have to fund this?

Once the unit is full, will these pupils remain in the unit?

What age is key stage 2?

If children exit the provision do they remain in Pencoed or go to their catchment area?

Does the new school have breakout areas if the children need time out?

When will we know if the proposals have been agreed?

No, there is a maximum of 8 pupils

The LA looks at each individual case, it is unlikely that this highly staffed unit require more, however if there is a pupil with specific need then we must meet that need.

The panel will access exit and entrance to the unit and children are reviewed.

Year 3 to 6

The panel would decide on the exit of children and these children may relapse and go back in, they would usually stay in Pencoed, each case discussed with all stakeholders.

The school does not have specific areas, however the new school has flexible areas and are confident that the new school can meet the needs of all children in Pencoed.

Cabinet will make a final decision around June time to open in September. There will be ongoing discussions to ensure the LRC has the correct resources and staffed appropriately for September. There may not be a full class in September there may be a gradual increase.

Consultation Meeting with Staff
Re. Proposal to establish provision for pupils with additional learning needs (ALN) at Pencoed Primary School
26 February 2018 - 3.40pm

Present: Michelle Hatcher - Group Manager, Inclusion and School Improvement
 Alison Gwyther – Principal Advisor Employee Relations - Schools
 Headteacher – Pencoed Primary School
 20 members of staff

Michelle Hatcher introduced the consultation meeting and set out the purpose of the meeting, nature and process of the consultation and outlined the proposal.

Questions/Issues

Answer/Comments

Will the resource base be open in September?

Yes if the proposal is approved.

What staffing will be required for this unit?

1 teacher and 2 LSOs.

As the children will be in the school will all staff be offered training in Team-teach?

The LA will train staff and this has been offered, if the school feel it is appropriate, staff can be trained. Some staff may not wish to be trained and may not feel comfortable, it is personal choice. We want all the staff equipped and prepared for the proposed opening in September. We will be consulting with SLT of the school to assist and advise.

This is a positive consultation as we are an inclusive school. Can you confirm this is an additional resource and there will be no change to the other MLD classes in the school?

This is a new resource with additional funding and £10k set up cost being given to the school to purchase the appropriate resources as required.

How will the children access the provision?

There is a panel that will assess entry and exit into the LRC, there is a process in place, and children would need to have a diagnosis in

Will the unit accommodate pupils on need basis or location?

ASD to access this LRC.

We are trying to limit children travelling and to accommodate them locally, children would need to have a diagnosis and it would be a panel decision.

**Consultation Meeting with
 School Governors
 Re. Proposal to establish provision for
 pupils with additional learning needs
 (ALN) at Pencoed Primary School
 26 February 2018 - 4.30pm**

Present: Michelle Hatcher - Group Manager, Inclusion and School Improvement
 Alison Gwyther – Principal Advisor Employee Relations - Schools
 Headteacher – Pencoed Primary School
 1 School Governor

Michelle Hatcher introduced the consultation meeting and set out the purpose of the meeting, nature and process of the consultation and outlined the proposal.

Questions/Issues

Answer/Comments

Are the new ASD units in schools the same size?

Yes, 8 pupils, 1 teacher and 2 LSO.

This was discussed at governors, we are an inclusive school, is this an additional resource?

Yes this is new funding and a new provision.

Will the pupils be taught in a classroom in the school?

Yes and they will be integrated into the school as appropriate

The pupils will be in the unit to year 6 where will they integrate into a secondary school?

Currently there are LRC's in Maesteg, Bryntirion and YGG Llangynwyd we are looking for another school currently at key stage 3.

Estyn's response to the proposal to establish provision for pupils with additional learning needs (ALN) at Pencoed Primary School

Introduction

This report has been prepared by Her Majesty's Inspectors of Education and Training in Wales.

Under the terms of the School Standards and Organisation (Wales) Act 2013 and its associated Code, proposers are required to send consultation documents to Estyn. However Estyn is not a body which is required to act in accordance with the Code and the Act places no statutory requirements on Estyn in respect of school organisation matters. Therefore as a body being consulted, Estyn will provide their opinion only on the overall merits of school organisation proposals.

Estyn has considered the educational aspects of the proposal and has produced the following response to the information provided by the proposer and other additional information such as data from Welsh Government and the views of the Regional Consortia which deliver school improvement services to the schools within the proposal.

Summary/ Conclusion

The proposal to establish a learning resource class (LRC) at Pencoed Primary School is likely to improve the standard of educational provision for those pupils with autistic spectrum disorders (ASD) living in the east locality of Bridgend County Borough.

Description and benefits

Bridgend County Borough Council has presented a clear rationale for the proposed opening of a LRC would open in conjunction with the opening of Pencoed Primary School on a new site in September 2018. The LRC will increase the expertise amongst the staff of Pencoed Primary School to accommodate the needs of other pupils who are known to demonstrate ASD traits in the absence of a formal diagnosis. There are no perceived risks associated with this proposal. There will only be advantages for these pupils compared to the status quo.

The Council correctly identifies that this proposal will have no impact on current travel arrangements for pupils who attend Pencoed Primary School as transport is already available for those pupils who are eligible for a place at an LRC. However, consideration will have to be given to the most appropriate mode of transport for those pupils with ASD who would be accessing the LRC

The plan has taken sufficient account of the possible impact of the proposal on Welsh medium provision within the local authority. Currently, in conjunction with this proposal there is also a proposal to establish a Welsh-medium ASD LRC at Ysgol Gyfun

Gymraeg Llangynwyd, which is at public notice stage of the consultation process. In addition, the council are planning to present a proposal to open an ASD LRC in one of the Welsh-medium primary schools. This will be submitted to Cabinet once the feeder primary school has been identified.

The proposal gives appropriate consideration to alternative provision and concludes reasonably that these would not support the needs of pupils with ASD in the most appropriate way.

The proposal will not involve any potential transfer or disposal of land. Other than the planned building of the new school, there are no additional planned building associated with the proposal.

Educational aspects of the proposal

The Council has considered the current quality of outcomes, provision and leadership and management at Pencoed Primary School using the National Categorisation School Report 2016/17 as the source of evidence. Analysis of the school's own data shows that it has a very good track-record in raising the achievement of nearly all pupils, including vulnerable learners over at least a three-year period. Nearly all pupils identified as having special educational needs make progress in line with their stage of development. The local authority's evaluation concludes that all staff have a shared understanding of the characteristics of excellent and good teaching and demonstrate these in classroom practice. The proposal notes that the quality of teaching across the school, and the impact on nearly all pupils' learning and progress, is consistently good and often excellent. This evaluation is in line with the most recent Estyn inspection (January 2011). It is therefore unlikely that the proposal will have a negative impact on vulnerable groups, including children with Special Educational Needs.

The local authority identify that leaders at Pencoed Primary School demonstrate a very strong capacity to plan and implement change and sustain improvement successfully in nearly all aspects.

The community impact assessment concludes that there will be no significant negative impact on the local community or other schools.

Full Equality Impact Assessment

Name of project, policy, function, service or proposal being assessed:	Proposal to change the provision for pupils with additional learning needs (ALN) at Pencoed Primary School
Date assessment completed	4 March 2018

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](#)

An Initial Equality Impact Assessment Screening was undertaken on this proposal on **INSERT** The recommendation from the EIA Screening was that a Full Equality Impact Assessment would be required.

The consultation is to invite your views on the proposal to establish a learning resource centre for a maximum of 8 pupils with ASD at Pencoed Primary School.

A consultation exercise lasting from 9 February 2018 to 23 March 2018 sought the views of staff, parents, pupils, interested parties and the governing body as the first step in the statutory process. If the proposals are supported they would come into effect on 1 September 2018.

1. Consultation

		Action Points
Who do you need to consult with (which equality groups)?	Within each of the protected characteristic groups the council will need to consult with: Headteacher, teachers, governing body, parents, carers and guardians of children and the general public.	The consultation tools and mechanisms to be used should include: Focused Meetings, Public Meetings, a consultation document and associated questionnaire, publication of all information on the council's website and school websites, press releases, information on the council's customer service screens, all partners, social media, Bridge members, schools texting service, Local Service Board, citizens panel
How will you ensure your consultation is inclusive?	The council is mindful that as wide a range of consultation and engagement	

	<p>activities and tools need to be deployed in order to reach as wide an audience of consultees as possible. Consultation and engagement must be maximised in order that public views and concerns are “heard and considered” by the council to identify better ways of working and influence difficult decision making from a representative group.</p> <p>Methods of consultation will include (where appropriate) bilingual (Welsh / English) materials, information produced in languages other than English and Welsh, large print documents, easy read versions of information, provision of audio information and will include a mix of hard copy documents and provision of online forms and information. The council recognises that, key to the council’s consultation and engagement strategy is the commitment to visiting the public and other consultees in their own locations / communities at times that are convenient to them. Another key element is liaising with pupils of the school through engagement with the school council.</p>	
<p>What consultation was carried out? Consider any consultation activity already carried out, which may not have been specifically about equality</p>	<p>Interested / impacted parties were invited to consider the proposal and submit views as to whether or not they supported the proposal to establish a learning resource</p>	

but may have information you can use	centre for pupils with ASD at Pencoed Primary School via consultation meetings held on 26 February 2018 for the different interested parties. Interested and impacted parties were invited to attend meetings to hear an explanation of the proposal, put questions and express any views or concerns.	
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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
Members of School Council of Pencoed Primary School	26 February 2018. Further details are included in this EIA	Feedback documents were circulated to all attendees at the event for individual considered views to be shared with the council	Please see tables within this Full EIA.
Pencoed Primary School school staff	26 February 2018. Further details are included in this EIA	Feedback documents were circulated to all attendees at the event for individual considered views to be shared with the council.	Please see tables within this Full EIA.
Governing Body of Pencoed Primary School	26 February 2018. Further details are included in this EIA	Feedback documents were circulated to all attendees at the event for individual considered views to be shared with the council.	Please see tables within this Full EIA.
Parents of pupils at Pencoed Primary School	26 February 2018. Further details are included in this EIA	Feedback documents were circulated to all attendees at the event for individual considered views to be shared with the council.	Please see tables within this Full EIA.

2. 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.

The attached Cabinet Report provides a summary of Consultation responses, data and feedback.

Gender	Impact or potential impact	Actions to mitigate
Identify the impact/potential impact on women and men.	None	Neither men nor women will be disproportionately negatively affected by this proposal.
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).	None	Disabled people will not be negatively impacted by this proposal.
Race	Impact or potential impact	Actions to mitigate
Identify the impact/potential impact of the service on Black and minority ethnic (BME) people.	Black and minority ethnic people will not be disproportionately negatively affected by this proposal.	None
Religion and belief	Impact or potential impact	Actions to mitigate
Identify the impact/potential impact of the service on people of different religious and faith groups.	There will be no impact on Religion and Belief as a result of this proposal if it is approved.	None

Sexual Orientation	Impact or potential impact	Actions to mitigate
Identify the impact/potential impact of the service on gay, lesbian and bisexual people.	There will be no impact on Sexual orientation as a result of this proposal if it is approved.	None
Age	Impact or potential impact	Actions to mitigate
Identify the impact/potential impact of the service on older people and younger people.	There will be no impact on Age as a result of this proposal if it is approved.	None
Pregnancy & Maternity	Impact or potential impact	Actions to mitigate
	There will be no impact on Pregnancy and Maternity as a result of this proposal if it is approved.	None
Transgender	Impact or potential impact	Actions to mitigate
	There will be no impact on Transgender people as a result of this proposal if it is approved.	None
Marriage and Civil Partnership	Impact or potential impact	Actions to mitigate
	There will be no impact on Marriage and Civil Partnership as a result of this proposal if it is approved.	None

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. The 42 rights are detailed below.

Article 1: Everyone under 18 years of age has all the rights in this Convention.

Article 2: The Convention applies to everyone whatever their race, religion, abilities, whatever they think or say and whatever type of family they come from.

Article 3: All organisations concerned with children should work towards what is best for each child.

Article 4: We should make these rights available to children.

Article 5: We should respect the rights and responsibilities of families to direct and guide their children so that they learn to use their rights properly.

Article 6: All children have the right of life. We should ensure that children survive and develop healthily.

Article 7: All children have the right to a legally registered name, a nationality and the right to know and, as far as possible, to be cared for by their parents.

Article 8: We should respect children's right to a name, a nationality and family ties.

Article 9: Children should not be separated from their parents unless it is for their own good, for example if a parent is mistreating or neglecting a child. Children whose parents have separated have the right to stay in contact with both parents, unless this might hurt the child.

Article 10: Families who live in different countries should be allowed to move between those countries so that parents and children can stay in contact

Article 11: We should take steps to stop children being taken out of their own country illegally.

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.

Article 13: Children have the right to get and to share information as long as the information is not damaging to them or to others.

Article 14: Children have the right to think and believe what they want and to practise their religion, as long as they are not stopping other people from enjoying their rights.

Article 15: Children have the right to meet together and to join groups/ organisations, as long as this does not stop other people from enjoying their rights.

Article 16: Children have a right to privacy. The law should protect them from attacks against their way of life, their families and their homes.

Article 17: Children have the right to reliable information from the mass media.

Article 18: Both parents share responsibility for bringing up their children. We should help parents by providing services to support them.

Article 19: We should ensure that children are cared for, and protect them from violence, abuse and neglect by anyone who looks after them.

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

Article 21: When children are adopted the first concern must be what is best for them.

Article 22: Children who come into a country as refugees should have the same rights as children born in that country.

Article 23: Children who have any kind of disability should have special care and support so that they can lead full and independent lives.

Article 24: Children have the right to good quality health care and to clean water, nutritious food and a clean environment so that they will stay healthy.

Article 25: Children who are looked after by their local authority rather than their parents should have their situation reviewed regularly.

Article 26: We should provide extra money for the children of families in need.

Article 27: Children have a right to a standard of living that meets their physical and mental needs. We should help families who cannot afford this.

Article 28: Children have a right to an education. Discipline in schools should respect children's human dignity.

Article 29: Education should develop each child's personality and talents to the full.

Article 30: Children have a right to learn and use the language and customs of their families.

Article 31: All children have a right to relax and play, and to join in a wide range of activities.

Article 32: We should protect children from work that is dangerous or might harm their health or their education.

Article 33: We should provide ways of protecting children from dangerous drugs.

Article 34: We should protect children from sexual abuse.

Article 35: We should make sure that children are not abducted or sold.

Article 36: Children should be protected from any activities that could harm their development.

Article 37: Children who break the law should not be treated cruelly.

Article 38: Governments should not allow children under 15 to join the army.

Article 39: Children who have been neglected or abused should receive special help to restore their self - respect.

Article 40: Children who are accused of breaking the law should receive legal help. Prison sentences should only be used for the most serious offences.

Article 41: If the laws of a particular country protect children better than the articles of the Convention, then those laws should stay.

Article 42: We should make the Convention known to all parents and children.

Impact or potential impact on children aged 0 – 18	Actions to mitigate
<p>In terms of this policy, the relevant articles to be considered are articles 3, 12, 28 and 30.</p> <p>Article 3: The council works towards what is best for each child.</p> <p>There is no impact of this policy on article 3.</p>	<p>The Corporate Improvement Plan.</p> <p>These proposals are related to the Corporate Plan (2016-2020) and the Education Inclusion Programme and, in particular, in</p>

<p>Article 12: Children have been given the opportunity to say what they think as they have been included in the consultation and engagement programme. Their views and opinions have been taken into account. There is, therefore, no impact on article 12.</p> <p>Article 28: Children in Bridgend County Borough Council have a right to an education. The methods of discipline in our schools respect children’s human rights and dignity. There is, therefore, no impact on article 28.</p> <p>Article 30: Children in Bridgend are supported and encouraged to learn and use the language and customs of their families. There is, therefore, no impact on article 30.</p>	<p>the Corporate Plan Improvement priority one</p> <ul style="list-style-type: none"> • Supporting a successful economy. <p>2.2 In order to achieve this improvement priority, it is important to work with our partners to support pupils with additional learning needs (ALN). The focus needs to be upon raising their skills, ambition and qualifications, and support them to take advantage of opportunities to succeed. This will improve the future prospects for our children and young people. We have already contributed to this priority by improving the provision in mainstream schools for pupils with ALN.</p>
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The council is mindful that a further period of time is required to enable a full and meaningful assessment of the impact of this proposal to be made. The council will need to address a number of questions:

- the impact of the closure on the outcomes of the pupils directly affected by the closure,
- a clearer understanding (based on further evaluation and assessment) of the realignment of the council’s provision for pupils with additional learning needs.

The council has already carried out an Initial Screening Equality Impact Assessment and this identified a number of potential risks which have been addressed in this Full Equality Impact Assessment. These risks include the impact of the closure on future service need and the possible impact of increased class sizes. It recognises appropriately that a full assessment of the impact on attainment levels needs to be included together with more information on ages and levels of disability of the pupils in receipt of the service.

This Full Equality Impact Assessment is considered to be a live document and its fluidity will be reflected in the ongoing assessment of the impact on Children with Additional Learning Needs of the policy.

The full EIA holistically evaluates the pupils affected by the introduction of the proposal.

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

3. Action Plan

Action	Lead Person	Target for completion	Resources needed	Service Development plan for this action
Monitoring of the EIA	Group Manager Inclusion and School Improvement	January 2019	Time	Inclusion- establishing ASD LRCs

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

Emma Blandon, Communication, Marketing and Engagement Manager

Signed: Michelle Hatcher Date: 4 March 2018

4. Publication of your results and feedback to consultation groups

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

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

Please send completed EIA form to [Emma Blandon, Communication, Marketing and Engagement Manager](#)

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BRIDGEND COUNTY BOROUGH COUNCIL

REPORT TO CABINET

24 APRIL 2018

REPORT OF THE INTERIM CORPORATE DIRECTOR - EDUCATION AND FAMILY SUPPORT

SERVICE LEVEL AGREEMENT BETWEEN BRIDGEND COUNTY BOROUGH COUNCIL AND G4S CARE AND JUSTICE SERVICES (UK) LIMITED INVISIBLE WALLS WALES

1. Purpose of report

- 1.1 To seek approval for the continuation of the service level agreement between Bridgend County Borough Council (BCBC) and G4S Care and Justice Service (UK) Limited (G4S) Invisible Walls Wales Service.

2. Connection to Corporate Improvement Objectives/other corporate priorities

- 2.1 This project contributes to the following corporate priorities:

- Making smarter use of resources
- Helping people become more self-reliant

3. Background

- 3.1 The local authority has worked in partnership with G4S and the Invisible Walls Wales (IWW) service since 2012. This was at a time when the project was funded via a significant Big Lottery grant for five years. This grant was secured to work with offenders and their families around three core aims. These aims were to:

- reduce the risk of re-offending;
- reduce the risk of intergenerational offending; and to
- improve outcomes for children and families affected by parental imprisonment.

- 3.2 The partnership between Bridgend County Borough Council (BCBC) and G4S included the appointment of a social worker to assist the service with advice and guidance around child protection and safeguarding issues.

- 3.3 An evaluation of the service was undertaken during this period and highlighted positive outcomes linked to the work undertaken by IWW. These included:

- a reduced risk of re-offending due to employment and accommodation issues being resolved for offenders;
- reduce risk of intergenerational offending due to improved pupil engagement in education; and
- improved family dynamics between family members following IWW support.

3.4 The social work role has played a critical part in the success of the project and G4S are keen to maintain this partnership arrangement.

4. Current situation/proposal

4.1 Due to the success of the IWW service during the five-year Big Lottery funding, G4S has secured additional monies to ensure the service continues. This includes the ongoing employment of the IWW social worker within the service. The attached service level agreement (Appendix 1) sets out the ongoing partnership arrangements that have predominately been in existence since 2012.

5. Effect upon policy framework and procedure rules

5.1 There is no effect upon the policy framework and procedure rules.

6. Equality Impact Assessment

6.1 No equality impact assessment has been completed to date.

7. Financial implications

7.1 The extension of the service level agreement (SLA) until December 2018 may result in increased redundancy liabilities for the Council, if and when the SLA comes to an end. These potential costs will need to be met by the Education and Family Support Directorate budget in the event that the SLA is discontinued, however all redeployment opportunities would be explored at this point in time.

8. Recommendation

8.1 It is recommended that:

- Cabinet agrees the ongoing partnership and authorises the Interim Corporate Director of Education and Family Support, in consultation with the Corporate Director of Operational and Partnership Services, to enter into the SLA as referenced at Appendix 1.

Lindsay Harvey

Interim Corporate Director – Education and Family Support

16 April 2018

Contact Officer:

David Wright - Family Support Services Manager

Telephone:

(01656) 815424

E-mail:

david.wright@bridgend.gov.uk

Background documents:

Appendix 1 – SLA between BCBC and G4S



Invisible Walls Wales II

**G4S Care & Justice Services (UK) Limited
Bridgend County Borough Council Service Level Agreement**

**G4S Care & Justice Services (UK) Limited (G4S)
&
Bridgend County Borough Council (BCBC)**

1. Introduction

- 1.1 This Agreement specifies the arrangements for the provision of professional services by the staff of BCBC who are providing specialist services to G4S for the Invisible Walls Wales (IWW) II project (the Service).
- 1.2 The Agreement sets out the relevant management responsibilities of the Parties. The specific details of Service delivery are set out in Annex A. The Agreement also sets out the agreed staff complement and its projected cost to the IWW project.

2. Management

- 2.1 The Director of HMP/YOI Parc will appoint a Head of Family Interventions (G4S Senior Manager) to oversee the project and that person will report to the Head of Community Engagement for contract and line management purposes.
- 2.2 The G4S Senior Manager will appoint an operational Invisible Walls Wales Service Delivery Manager (IWW Manager) who will oversee the day-to-day operation of the three components of the Invisible Walls Wales project model i.e. Prison Hub, Transitional Hub and Community Hub as outlines in the project delivery specification (Annex A).
- 2.3 BCBC will appoint a Family Support Services Manager (BCBC Manager) to oversee the provision as outlined in the BCBC Service Specification (Annex C). There is an expectation that structures will be in place to enable full collaboration between G4S and BCBC management at all levels
- 2.4 For performance/governance collaboration, BCBC Manager and G4S Senior Manager will participate in a multi-agency high level steering group for the project along with representatives, as required from the partnership.
- 2.5 It is the responsibility of the G4S Senior Manager and the BCBC Manager to maintain close liaison to ensure they identify and are able to discuss concerns about the operation of this Agreement at an early stage and ensure the maintenance of good working relationships and the effective delivery of the professional Services described herein.

3. Line Management and Recruitment

- 3.1 Staff deployed to IWW will be directly employed by BCBC, which shall have liability for all employment matters in relation to the contract of employment. They will be line managed by a BCBC manager, and recruited in accordance with the BCBC policies and procedures. All decisions about recruitment will be made in accordance with good employment practice and in recognition of UK employment law requirements.
- 3.2 The G4S Senior Manager will be consulted on branding and the composition of the interviewing panel of the recruitment process, and where possible will be a member of the recruitment panels.

The G4S Senior Manager will be included in the consultation and decision making process for the appointment of deployed staff, having due regard to the relevant employment law requirements that are needed to support decisions.

- 3.3 BCBC shall establish and implement a vetting policy for its employees engaged in connection with the provision of Service and all its sub-contractors and their staff who are directly engaged in carrying out the Services under this Agreement to ensure as far as is reasonably practicable that there is no question relating to their honesty and integrity.
- 3.4 G4S, in line with Prison Service procedure reserves the right to audit the procedure to vet the individual employees and sub-contractors of BCBC engaged in connection the Service at its discretion. G4S may in its absolute discretion require that a particular employee of BCBC or its sub-contractors shall not be engaged on the provision of Services in connection with this Agreement.
- 3.5 BCBC shall notify G4S immediately on identifying any of its employees or any of its sub-contractors or their staff engaged in connection with the provision of the Services whose honesty and integrity has been called into question.
- 3.6 Any employee of BCBC or any of its sub-contractors or their staff who may work at the prison must be vetted to a minimum DBS standard in advance to G4S' own vetting policy standards.
- 3.7 All recruitment for IWW will be conducted as open, external recruitment.

4. Business Plan

- 4.1 All staff employed within the IWW project will contribute to the achievement of the core milestones and key objectives of the project as specified in the original IWW business plan, and as formally set out in Annex E – Milestones for IWW.
- 4.2 The G4S Senior Manager and BCBC Manager will be responsible for conducting rolling quality audits of work to demonstrate the contribution to business outcomes including any research and evaluation requirements. This will form the basis of the formal annual review of the Agreement and the performance framework for the work undertaken by BCBC on behalf of Invisible Walls.

5. Working Hours and Salary Levels.

- 5.1 As agreed in the BCBC Service Specification and Business submission (Annex C)

6. Appraisal

- 6.1 The supervision and appraisal framework will be clearly linked to the annual IWW work plan and through this process, the BCBC Manager will monitor the achievement of individual targets designed to ensure work plan compliance. The IWW Manager will have a direct contributing role to all annual appraisals for IWW contracted staff, and the IWW Manager will have sight of all completed appraisals.

7. Training

- 7.1 BCBC staff will undertake all relevant prison and IWW specific training as required. BCBC specific training outside of the prison will be undertaken and the G4S Senior Manager and IWW Manager will be informed about the training plan. Any additional training needs identified for individual staff will be the responsibility of BCBC. Any training in relation to the prison and IWW will be facilitated by G4S and HMP Parc.

8. Absence Management

- 8.1 Staff will be managed in accordance with the BCBC absence management policies. If it is envisaged that an individual is going to be absent for a continuous period of over one month BCBC will ensure that there is no loss of continuity to the IWW work plan by replacing staff as appropriate and ensuring that the relevant skills are in place. In all such instances, notification to the IWW Manager must be adhered to. Absence in excess of two weeks will trigger a service provision replacement review, to ensure continued integrity of the project.

9. Code of Conduct

- 9.1 Any breach of the prison code of conduct or security rules will be dealt with through the existing prison rules. BCBC staff deployed to work in the prison will be expected to co-operate with any prison internal investigation, whether related to them as individuals or other staff working at the prison. In light of any prison security breach, The Director HMP/YOI Parc will retain the right to terminate the deployment of staff within the prison and/or within the Invisible Walls Wales project if deemed appropriate.
- 9.2 BCBC staff will attend a Prison Awareness course that will outline the standards of behaviour and conduct that the prison requires of all staff. Deployed staff will be expected to adhere to all prison security and confidentiality requirements. These will be outlined during the Prison Awareness course.
- 9.3 Any breach of the BCBC Code of Conditions will be managed through the BCBC policy and procedures. The IWW Manager must be informed of any such instances as soon as they become known.

10. Agreement Review & Performance

- 10.1 The G4S Senior Manager and BCBC Manager will meet annually to review progress against the stated objectives set out in Annex A, and at the end of each

project year (*dates to be confirmed*) to review this Agreement in line with any changes to the delivery plan.

- 10.2 In the event of emerging evidence of failure to deliver any aspect of this Agreement a formal meeting will be convened between the G4S Senior Manager, BCBC Manager and IWW Manager to produce an appropriate performance plan to seek to remedy the failure. This will include a review of related costs.
- 10.3 In the event that the IWW funding body request contract amendment in either operational, reporting or any other aspect G4S, the grant holder, will cascade this requirement to BCBC, and any other partners, as appropriate.

11. Variation of Agreement

- 11.1 The Agreement can be varied by joint agreement with a minimum notice period of three months. Notice will be provided in writing to the G4S Senior Manager or BCBC manager.

12. Termination of the Agreement

- 12.1 Either party will have the right to terminate this Agreement by notice in writing to the other:
- (i) forthwith, if one party is in breach of any material provision of this Agreement and fails to remedy such breach within 30 days after written notice has been given to such party requiring the remedy of such breach;
 - (ii) forthwith, if one party becomes insolvent or enters into any arrangement with its creditors generally or suspends payment of its debts;
 - (iii) forthwith, if one party commences liquidation, whether compulsory or voluntary, (except for the purposes of amalgamation or reconstruction) or administration, or if a Receiver or Administrative Receiver is appointed over the whole or any part of such party's assets;

Termination by either party under the above provisions will be without prejudice to any rights and liabilities accrued prior to the date of such termination.

- 12.2 BCBC agrees that if G4S' Principal Contract (Bridgend Custodial Services) is terminated this Agreement shall automatically terminate at no cost to G4S. Similarly, BCBC agrees that if G4S' funding agreement with HMPPS terminates, for any reason, then this agreement may also be terminated at no additional cost to G4S.
- 12.3 Without affecting any other right or remedy available to it, either party may terminate this agreement on giving not less than six months' written notice to the other party.

13. Insurance and Indemnity

- 13.1 BCBC staff deployed within the prison will be covered by the same insurance and liability arrangements as prison staff. Additionally, BCBC will extend its employer

liability insurance arrangements to those staff deployed to work in the prison and within the IWW project generally.

13.2 BCBC will indemnify and hold G4S harmless from and against any and all legal liabilities for death, illness or injury to any person and for loss of or damage to the property of G4S and its personnel and against all claims costs demands proceedings and causes of action resulting there from, which are due to any negligent act or default on the part of BCBC and its personnel in the performance or contemplated performance of any of its obligations under this Agreement.

13.3 BCBC shall produce evidence to the satisfaction of the G4S of the insurance affected and maintained by BCBC for the purposes of this Agreement

13.4 BCBC shall each notify G4S within twenty (20) business days of any claim in relation to this Agreement or the Services provided under it where the amount of the claim is likely to exceed five thousand pounds sterling (£5,000) under any of the insurances accompanied by full details of the incidents giving rise to the claim.

14. Environmental Accreditation

14.1 Deployed staff will be expected to actively contribute to any environmental or greening initiatives developed by the prison.

15. Legal and Legislation

15.1 BCBC staff will be expected to adhere to all legal, legislative and health and safety policies and procedures relevant to work within the prison, any relevant G4S community based policy, and the IWW project and BCBC own policies and procedures.

16. Health and Safety

16.1 The prison will ensure that deployed staff work within an environment which has been risk assessed to ensure high standards of health, safety and welfare.

17. Access to Premises

- 17.1 The prison will provide full access to all relevant prison areas, and for those directly employed to G4S, a set of keys required to carry out day-to-day duties where appropriate and subject to G4S vetting and clearance. The Director of HMP/YOI Parc reserves the right to withdraw keys and access at any time. In such instances, the IWW senior manager will immediately inform and consult with BCBC.

18. Intellectual Property Rights

- 18.1 G4S may make available to BCBC from time to time certain branded or badged items such as literature, manuals and other items of intellectual property. Such items and all intellectual property rights attaching to them belong to G4S (or relevant third parties) and a license to use such items will continue only for the duration of this Agreement, and for purposes directly connected to the operation of this Agreement.
- 18.2 Deployed staff will be expected to maintain confidentiality and to treat any materials, information or programmes 'owned' by the prison/G4S with complete discretion. Failure to do so will at the Director's discretion result in removal from the prison and/or the IWW project. This includes all information, written and verbal, pertaining to the evaluation and monitoring project within IWW. Any failure to comply with this expectation will be immediately referred to the BCBC CEO.
- 18.3 Neither party shall without the written consent of the other (the giving of which consent shall be at the sole discretion of that party) advertise, publicly announce or provide to any other person information relating to the existence or details of the Agreement or use the other party's name in any format for any promotion, publicity, marketing or advertising purpose.

19. STAFF

- 19.1 Should the provisions of TUPE be found applicable to this Agreement BCBC and G4S will co-operate to effect a smooth transfer of staff working in the Service under any contract of employment, other employment relationship or collective agreement ("Transferring Employees") so that their employment transfers to the other.
- 19.2 BCBC will indemnify G4S and hold G4S harmless from all costs, claims, liabilities and expenses (including reasonable legal fees) which G4S may incur pursuant to the provisions of TUPE, relating to or arising out of any act or omission by BCBC during the term of this Agreement in relation to any of its employees providing Services to G4S under this Agreement.
- 19.3 BCBC will be responsible for the recruitment, training and provision of suitable staff, in the optimum numbers for provision of the Services without discrimination against any person, with respect to opportunity for employment or conditions of employment, because of race, colour, religion, national origin or sex.
- 19.4 BCBC will ensure that deployed staff are competent and possess qualifications commensurate with the tasks they are undertaking.
- 19.5 The Parties shall provide sufficient operational support to staff as maybe necessary

to ensure that the Service meets requirements of this Agreement.

20. Payment/Financial aspects

- 20.1 BCBC will receive payment in line with the finalised payment schedule for this Agreement (Annex D). The invoice will outline agreed details of the work completed and costs incurred in line with the delivery plan and any other agreed costs. Financial records will need to be accurately maintained from the outset of the project. Any capital expenditure will need to be detailed appropriately, with submitted invoices to the IWW senior manager within three months of purchase. BCBC will supply regular accurate records of all expenditure, and any underspend, to the IWW senior manager, in order to contribute to the projects six monthly accounts audit.
- 20.2 Any amounts not in dispute and properly due under the Agreement and not paid by the due date will bear interest at 1% over the prevailing rate of National Westminster Bank plc pertaining from time to time.
- 20.3 The Value Added Tax position is as set out in Annex D.

21 CORPORATE AND SOCIAL RESPONSIBILITY

- 21.1 BCBC will conduct its business in accordance with relevant legislation.
- 21.2 BCBC will act in accordance with local employment law and the Fundamental Conventions of the International Labour Organisation (where permitted by local legislation).
- 21.3 BCBC will take reasonable steps to identify and minimise the environmental impact of the Service. BCBC will ensure compliance with all relevant environmental legislation and will act to prevent pollution and dispose of waste in a responsible manner. Furthermore, BCBC will disclose all breaches of environmental legislation relevant to the Service to G4S.
- 21.4 BCBC is committed to ensuring its supplier selection processes are transparent, objective and non-discriminatory and provide fair and equal opportunities for all organisations including Small and Medium Enterprises (SMEs), Black Asian and Minority Ethnic (BAME), and organisations owned by under-represented groups.

22. ANTI-BRIBERY CLAUSE

- 22.1 BCBC shall:
- (a) comply with all applicable laws, statutes, regulations, and codes relating to anti-bribery and anti-corruption including but not limited to the Bribery Act 2010;
 - (b) not engage in any activity, practice or conduct which would constitute an offence under sections 1, 2 or 6 of the Bribery Act 2010 if such activity, practice or conduct had been carried out in the UK;
 - (c) have and shall maintain in place throughout the term of this agreement its own policies and procedures, including but not limited to adequate procedures under the Bribery Act 2010, to ensure compliance with clause (b), and will enforce them where appropriate;

- (d) promptly report to G4S any request or demand for any undue financial or other advantage of any kind received in connection with the performance of this agreement;
- (e) immediately notify G4S (in writing) if a foreign public official becomes an officer or employee of BCBC (and BCBC warrants that it has no foreign public officials as officers, employees or direct or indirect owners at the date of this agreement);

22.2 BCBC shall ensure that any person associated with them who is performing Services in connection with this Agreement does so only on the basis of a written contract which imposes on and secures from such person terms equivalent to those imposed on BCBC in this clause 23. BCBC shall be responsible for the observance and performance by such persons and shall be directly liable to G4S for any breach by such persons.

22.3 Breach of this clause shall be deemed a material breach under clause 12.1.

22.4 For the purpose of this clause, the meaning of adequate procedures and foreign public official and whether a person is associated with another person shall be determined in accordance with section 7(2) of the Bribery Act 2010 (and any guidance issued under section 9 of that Act), sections 6(5) and 6(6) of that Act and section 8 of that Act respectively. For the purposes of this clause a person associated with BCBC includes but is not limited to any subcontractor of BCBC.

23. WAIVER

23.1 A waiver of any right under this Agreement is only effective if it is in writing and it applies only to the circumstances for which it is given. No failure or delay by a party in exercising any right or remedy under this Agreement or by law shall constitute a waiver of that (or any other) right or remedy, nor preclude or restrict its further exercise. No single or partial exercise of such right or remedy shall preclude or restrict the further exercise of that (or any other) right or remedy.

23.2 Unless specifically provided otherwise, rights arising under this Agreement are cumulative and do not exclude rights provided by law.

24. SEVERANCE

24.1 If any provision of this Agreement (or part of any provision) is found by any court or other authority of competent jurisdiction to be invalid, illegal or unenforceable, that provision or part-provision shall, to the extent required, be deemed not to form part of this Agreement, and the validity and enforceability of the other provisions of this Agreement shall not be affected.

24.2 If a provision of this Agreement (or part of any provision) is found illegal, invalid or unenforceable, the provision shall apply with the minimum modification necessary to make it legal, valid and enforceable.

25. ENTIRE AGREEMENT

- 25.1 This Agreement constitutes the whole agreement between the parties and supersedes all previous agreements between the parties relating to its subject matter.
- 25.2 Each party acknowledges that, in entering into this Agreement, it has not relied on, and shall have no right or remedy in respect of, any statement, representation, assurance or warranty whether made negligently or innocently other than for breach of contract, as expressly provided in this Agreement.
- 25.3 Nothing in this condition shall limit or exclude any liability for fraud.

26. ASSIGNMENT

- 26.1 BCBC shall not, without the prior written consent of the G4S, assign all or any of its rights or obligations under the Agreement.
- 26.2 G4S may at any time assign, transfer, charge, mortgage, subcontract or deal in any other manner with all or any of its rights under the Agreement and may sub-contract or delegate in any manner any or all of its obligations under this Agreement to any third party or agent.
- 26.3 Each party that has rights under the Agreement is acting on its own behalf and not for the benefit of another person.

27. DISPUTE RESOLUTION

- 27.1 In the event of a dispute or difference arising between the Parties to this Agreement then such dispute or disagreement shall be referred to the Chief Executives or Managing Directors (or their nominated representatives) of the Parties, who will attempt in good faith to negotiate a settlement.
- 27.2 If such dispute or difference cannot be resolved in accordance with the procedure specified in this Clause then such dispute or difference shall be referred to an arbitrator to be appointed by agreement between the Parties. The Parties agree that the decision of the arbitrator shall be final and binding on both Parties and that the provisions of the Arbitration Act 1979 shall apply. In any reference to an arbitrator each Party shall be responsible for its own costs unless the arbitrator awards otherwise.

28. NO PARTNERSHIP OR AGENCY

- 28.1 Nothing in this Agreement is intended to, or shall be deemed to, constitute a partnership or joint venture of any kind between any of the parties, nor constitute any party the agent of another party for any purpose. No party shall have authority to act as agent for, or to bind, the other party in any way.

29. RIGHTS OF THIRD PARTIES

A person who is not a party to the Agreement shall not have any rights under or in connection with it.

30 GOVERNING LAW AND JURISIDCITION

- 30.1 The Agreement, and any dispute or claim arising out of or in connection with it or its subject matter or formation (including non-contractual disputes or claims), shall be governed by, and construed in accordance with, the law of England and Wales.
- 30.2 The parties irrevocably agree that the courts of England and Wales shall have exclusive jurisdiction to settle any dispute or claim that arises out of, or in connection with, the Agreement or its subject matter or formation (including non-contractual disputes or claims).

Signed by G4S Care and Justice Services (UK) Limited

Authorised Signatory

Print Name: _____ Signed by:

Date: _____

THE COMMON SEAL of)
BRIDGEND COUNTY BOROUGH)
COUNCIL was hereunto affixed in)
the presence of:-

.....
Mayor/Leader

.....
Authorised Signatory

Date: _____

Annex A C SLA BCBC Updated 2017

SECTION 4: STRATEGIC CONTEXT

Three core aims and objectives of Invisible Walls.

- A. To reduce the likelihood that the prisoner participants return to a criminal lifestyle post release and ultimately another custodial sentence.
- B. To improve the quality of life for the children and family participants, as well as their pro-social community inclusion.
- C. To reduce the likelihood of intergenerational offending with the children participants.

Why these objectives

The 'Prisons With A Purpose' Sentencing and Rehabilitation Revolution Green Paper (2010) identified that the current system and provision isn't working and 65% of prisoners are convicted of further crimes within two years of release. The need for a rehabilitation revolution is evident and endorsed by the Home Office. It is suggested that the immediate goal should be to reduce re-offending and research has shown that recidivism can be reduced through well-designed, appropriate programmes by up to 20% (Lawrence Sherman, 'Preventing Crime: What works, what doesn't, what's promising' National Institute of Justice, 1997).

The fundamental need for the Invisible Walls project arises from the very evident need to reduce the amount of prisoners who go on to re-offend again and return to custody. The work of the Government Social Exclusion Unit Taskforce from 2002 to date, has been to investigate and report upon the common factors that contribute significantly to men, women and children in the UK experiencing social exclusion and the criminal lifestyle that is synonymous with this demographic. The SEU reports have consistently evidenced the crucial difference that can be made to the likelihood of a prisoner returning to custody, if he has received support and help to repair and develop his family relationships.

The Government commissioned investigative reports from Lord Carter from 2003, which have also highlighted the positive impact upon recidivism that can be harnessed through engaging the prisoner, his children and family and working with them together towards criminal desistance and better social inclusion. This work also evidenced that in the UK, two thirds of the prison population will return to custody within two years of release, at enormous financial cost.

The last ten years has seen a groundswell of Government commissioned reports into the impact and relevance that children and families have upon prisoners, pre and post release and the results have all indicated the clear link between strong, healthy, pro-social family support and the likelihood of a significant drop in re-offending.

On the 1st of June 2004 following recommendations from amongst others the Lord Carter report, the National Offender Management Service was formed in an attempt to create a more integrated and efficient service that brought the prison and probation services closer together than ever before. One of the core frameworks to emerge from NOMS has been the seven Pathways to Reducing Re-offending:-

1. Accommodation

2. **Employment, Training, Education**
3. **Mental and Physical Health**
4. **Drugs and Alcohol**
5. **Finance, Benefit and Debt**
6. **Children and Families of Offenders**
7. **Attitudes, Thinking and Behaviour**

The HMPPS approach has been to advocate prioritisation of these seven areas in order to impact positively on reducing re-offending across England and Wales.

Throughout the ten years that the Government has been gradually encouraging a strategic approach to the children and families of offenders remit, there has also been a growth in the numerous local and national charitable organisations that work to support this remit (e.g. Action for Prisoners Families, Partners Of Prisoners, Kids VIP, Prison Advice Care Trust, Safe Ground UK, as well as international organisation such as 'The fatherhood Institute USA' reflecting an international accord). As the children and families area has gathered official momentum charitable groups have been able to attain a relevance and mainstream acceptance that was previously lacking.

Because of the growing evidence-base for children and families-based activity with offenders, the need for growth and innovation with this agenda has evolved from what was often perceived as a philanthropic service to a formalised strategic approach to reducing re-offending.

Another key aspect supporting the need for a project such as Invisible Walls is with regard to the transmission of intergenerational offending.

'There is no doubt that offending runs in families. Criminal parents tend to have criminal children' (Farrington and Welsh, 2007).

The charitable organisation Action for Prisoners Families, amongst others (e.g. 'Ormiston Trust') have highlighted that in the UK if you identify 10 male prisoners who have sons under the age of 15, 6 of those sons are likely to end up serving custodial sentences like their fathers.

'Conclusions: the intergenerational transmission of offending may be mediated by family, socio-economic and individual risk factors. Intervention to reduce intergenerational transmission could target these risk factors.'

(Family factors in the intergenerational transmission of offending' Farrington, Coid, Murry. 2009)

As the report from the 'New Philanthropy Capital' (April 2011) detailed, each prisoner comes with a cost implication, as does recidivism, as does, therefore, intergenerational offending.

- ✓ Through working with the children and families of offender's agenda, the likelihood of reoffending and prison can be reduced.

- ✓ This in turn reduces the impact upon victims, families and communities.
- ✓ All of which brings a reduction in cost: crime – arrest – court – custody – community license – community exclusion - ‘fear of crime’ - etc.
- ✓ Reducing the likelihood of intergenerational offending therefore reduces the impact on potential future victims, family, communities and society, as well as all the associated costs (future prison / re-offending etc.) (research and evaluation can explore these cost / saving implications).

Similarly, Invisible Walls will also have the central aim of eliciting the motivation and activity required to build and maintain a better quality of life, one that is less centered on criminogenic attitude and influence potentially resulting in a family life that is more community focused, pro-social and satisfying.

This family focus on community inclusion, is again in keeping with the findings and recommendation of the Social Exclusion Unit Taskforce, which highlights the critical importance of tackling the factors most commonly present in those individuals and groups classed as ‘socially excluded’, factors such as substance misuse, crime, education, employability, housing, mental and physical health and self-worth. These are the very factors that the Family Intervention Mentors, with the support of integrated activity with the Local Authority Connecting Families statutory service fast-tracking, will be working to address with all participants of the project.

More recently, July and August 2017, the Chief Inspector for Prisons published new Expectations, including detail on how prisons will be measured to evidence they are reaching the required standards for supporting prisoners, children and families. Similarly the Lord Farmer Review was launched with full MoJ backing in which recommendations are made for prisons to maximise the potential with the family agenda.

Invisible Walls will recognise and work with the belief that families who experience community inclusion, are far less likely to drift into antisocial, criminal behaviour and therefore less likely to experience the catastrophic outcomes that follow.

The outcomes and benefits of the objectives

Further detail regarding expected outcomes and benefits of the Invisible Walls objectives will be include within Section 9: Research and Evaluation, but in essence these will centre upon the following:

Prisoner Participant

Short term: (first 3 months) – The prisoners involved with the project will develop a motivated and pro-social engagement that can be measured by their behaviour and progress whilst in the Family Interventions Unit, e.g. participation in the interventions, remaining drug free, attaining ‘Enhanced’ regime status, involving and supporting family etc.

Medium term: whilst progressing through the project goals, the prisoners involved will be expected to take up resettlement services pre and post release that will assist and support with desistance from criminal behaviour and promote active employment, training or education and an improved responsibility and purpose within the family. The participant will become actively involved in his and his families agenda for change.

Longer term: post release, the ex-prisoner would be expected to continue to complete his resettlement plan with his family as the central focus and motivation, including maintaining his probation license conditions and not re-offending with a reduction in the likelihood of a return to custody. He should also experience more active social inclusion within the local community.

Partner / Family Supporter Participant (to be referred to generally as 'partner' – but recognising this can also be, for example, mother, sister etc.)

Short term: whilst the prisoner is in custody, the partner will be expected to engage fully with the project and participate in the Community and Transitional Hub aspects of interventions. It is expected that the partner will remain motivated during this period with an increased sense of being supported and guided through their own and the family's agenda for change.

Medium Term: Approaching release of the prisoner, the partner should have arrived at a point through progression within the Community and Transitional Hubs, where they are prepared for the changes release will bring to their family, as well as being personally equipped to continue with their family's agenda for change. They should also be experiencing, for themselves and their children, a more positive social inclusion within their local community.

Longer term: post release, the partner participant will be expected to follow through and complete the resettlement aspect of the project with their whole family. The expectation is that the partner should experience the transition from a criminally focused lifestyle to a pro-social family focused lifestyle that features community involvement and a greater sense of 'happiness' and satisfaction for themselves and for their partner and children.

Children Participants

Short term: (first 3 months) the children participants of the families involved with the project will be expected to engage where appropriate with the interventions that are relevant to them within the Community and Transitional Hubs. More information on this will be detailed in Section 5 Project Delivery. In the short term it is expected that parents should start to see the potential for positive change in the children, e.g. with their behaviour/attitude at home, in school, or relationships with immediate family members, local community activity.

Medium term: as the parents progress through the interventions and prepare for the changes release and resettlement will bring, it is expected that the children will also progress in developing, learning, responding and they will remain a key focus within the family agenda for change.

Longer term: following release from custody of the father, the children involved in the project should be experiencing the benefits of the transition from a criminally influenced parenting style, to one marked by more pro-social attitudes and behaviours. It is expected that this progression will be measurable in terms of the children's behaviour/ performance at school, as well as at home, relationships and as part of the local community. Ultimately, there should be a reduction in the likelihood that the children become offenders themselves.

Further outcomes and benefits of the project objectives:

- It is anticipated that Invisible Walls will produce a measurable impact upon the wider families of those participating. The wider families should experience some form of benefit. This may be in changes to relationship dynamics, a decrease in family crisis or problems and a greater sense of 'happiness', stability and community inclusion.
- The local communities of participating families should also experience some form of measurable benefit. It is likely to be that some of the families involved will be well known within the local communities. There will undoubtedly be negative feelings, perceptions and experiences of some of the family members involved in Invisible Walls, resulting in fear of crime perceptions and passive and active social exclusion. It is expected that the project will have a positive impact upon some of these perceptions and experiences.
- The impact of Invisible Walls is expected to have a positive cost implication. The prisoners, children, families and communities that will be targeted, have a measurable cost impact upon local and national statutory and voluntary services. Not only in terms of the cost of crime and the criminal justice process but also in terms of the variety of benefits and expenses incurred as service users within local authorities. The project aims to reduce these costs by empowering and supporting the families through their own agendas for change and therefore reducing the reliance on and need for state funded provision.

Transition and Replication

Lastly, the intention in the long term is that Invisible Walls becomes a model of transition and replication nationally. The project has been designed with sustainability and replication as a key consideration. Both the FIU and the ILVC are models that can, with the correct guidance and support, be created in other custodial establishments. To date a number of other prisons in the UK and beyond have adopted this model successfully.

Similarly, the potential for the prison with a developing FIU and ILVC to form a partnership with their Local Authority and their version of 'Connecting Families' (Bridgend Authority) is potentially realistic within every prison location area of England and Wales, as all Local Authority areas have their own accountabilities for the delivery of a Family Intervention strategy. With the potential for BIG Lottery (or other) funding streams to support the Invisible Walls model, replication is clearly a viable option longer term.

Participant Profile

The criteria for family participation in Invisible Walls will primarily derive from those necessary for prisoner participation as residency within the Family Interventions Unit is a fundamental requirement for inclusion. Following this, suitability of the prisoner's family to take part will be considered. The prisoner suitability will be the primary factor regardless of whether the initial referral comes from either the prison's Offender Management Unit, or from the Local Authority.

Prisoner Profile

- ✓ Upwards of 18 years old
- ✓ Convicted and serving a custodial sentence at HMP & YOI Parc
- ✓ Minimum of 4 months left to serve
- ✓ Maximum of 12 months left to serve
- ✓ No sexual offences

- ✓ Resettling with family in Bridgend Borough or neighbouring Authority
- ✓ OASys risk assessment completed – criminogenic factors appropriate (e.g. family/relationship issues) Multi Agency Public Protection Arrangements considered.

Family Profile

The profile for the partner/family supporter is much broader, as their involvement is on account of the prisoner's participation. They need to be living in the Bridgend borough or neighbouring Authority and have some form of consenting contact with the prisoner involved, not only for themselves, but also as primary carer for any children that will be included within the project.

If it is apparent following assessment, that the prisoner's family are in no need of additional support or intervention, then that will be a factor for non-inclusion, which in turn would affect the involvement of the prisoner. In such cases, alternative existing referral procedures will be used within the prison to assist and support the prisoner's needs.

Conditions for participation, such as agreeing to sign a compact that has inclusion and de-selection criteria will be mandatory for all participants.

It is anticipated that approximately 80 families will graduate through the Invisible Walls project in its 4 year life cycle, amounting to an estimated 240 individual participants, representing prisoners, partners/family supporter and children.

The anticipated needs for this group will be established via existing referral and assessment processes and will largely, but not exclusively, reflect the factors most common in the socially excluded. Additionally, as previously cited, the NOMS 7 Pathways will again feature in terms of key indicators of anticipated need.

As with the established procedures within the PSF interventions, which has over the last five years provided us with a stable range of service user (and provider) needs and requirements, regular feedback and evaluation will be elicited from the participants of the project, so as to ensure the service provision is mutual, relevant and effective.

Strategic Choice

As detailed in Section 3: Project Background, the decisions / choices that have led to the development of the Invisible Walls as a proposed project, have been based upon a combination of experience of interventions with offenders at Parc over the last twelve years and guidance from national and international best-practice models.

There is a wealth of evidence to support the effectiveness of some interventions undertaken with offenders in prison - similarly with the effectiveness of community-based interventions with children and families. In terms of the most effective method of working with offenders, the pre and post release model is, in our experience, most productive. In terms of working with offenders on family based interventions, the model of engaging the whole family together has yielded the best results, not only in the experience of PSF, but also the national organisations who specialise in this field and who have conducted their own independent research e.g. safe Ground UK, Ormiston Trust, Action for Prisoners Families, Partners Of Prisoners, etc. (e.g. 'Effectiveness of Family Support Work' Boswell 2010 – 'Impact of Family Man' University of East Anglia March 2011)

Therefore with Invisible Walls it is anticipated that a combination of working with the whole family, pre and post release, will integrate two models in order to produce the best possible results.

Invisible Walls will take existing models of best practice and integrate them with the specific PSF innovations with the FIU and the ILVC, then add pre and post release transitional aspects, which will dovetail with the Local Authority and third sector community based services. PSF believe that this approach to Invisible Walls will enhance all parts of the model.

Lastly, the Invisible Walls concept and delivery plan represents a model that combines established intervention method with contemporary innovation and vision which have been developed in alignment with criminological shifts.

SECTION 5a: PROJECT DELIVERY (see Diagram H)

Key factors within the Operational Model

1. **Shared intelligence cell:** this represents for instance the sharing of information between prison, Local Authority, Police, Probation and third sector etc. that will inform the referral process for the project. Some referrals will be initiated from the prison and some from the community. As participants progress through the stages of the project, information will be shared as appropriate, between the internal and external parties – in line with agreed protocols and relevant legislation.
2. **Initial interview:** This will be the first point of contact between the Invisible Walls Family Integration Mentors (FIM) and the potential participants. The task of the FIMs will be to elicit positive engagement and consent to join the project, using a motivational interviewing approach.
3. **Targeting / access suitability for the programme:** This represents the assessment process that the prisoner and the family participants will all need to complete with the FIM, in order to guarantee the appropriate people are included and selected for the project.
4. **Engaged and compacted:** This is to ensure that when ready to begin, all participants, custody and community, have agreed and signed the compact of expectations, including de-selection criteria.
5. **Prison Hub:** This is where various interventions will be available within Invisible Walls for prisoner participants. Many of these interventions are designed to work with the whole family and include programmes focusing upon employment, training, education, resettlement and social enterprise. These interventions will be delivered by a combination of the FIMs, the staff from the FIU and Working Wing as well as external providers.
6. **Transitional Hub:** This is the core structural framework through which all the participants progress. The agenda for change remains the same for everyone, but the manner in which they progress and the particular combination of interventions will depend on personal circumstances. This also represents inside meeting outside and joint working is created all the way through to release, so that prisoner participant and family participants progress at the same time, to the same plan.
7. **Community Hub:** This represents the specific aspects of the project that are particular to the family participants, both adults and children. Some of the interventions will involve coming to the prison as part of the Transitional Hub, others will be delivered within the community, at designated premises or in some cases in the family home. The interventions will be delivered by a combination of FIMs, FIU staff and external providers.
8. The pre and post release part of Invisible Walls is a particularly crucial aspect of the project. Many innovations fail because they do not include a 'transitional continuity' aspect, i.e. a planned process that firmly links the work completed prior to release, with the whole family plans for post release. The FIMs will be pivotal in ensuring the transition is handled securely and effectively, bridging pre and post release, prisoner and family, custody and community. This team will also include a specialist 'Crisis Mentor' position, which will enable a focused, 'fresh pair of eyes' on situations that will inevitably occur around relationship break down, debt, substance relapse, etc.
9. **The role of the Family Integration Mentor (FIM)** is central to the Invisible Walls operational model. The staff recruited will have excellent interpersonal skills as their key role will be to effectively engage family members and then to support and motivate them through the various stages of the model. The work will therefore be very wide ranging and the role is designed to meet a need and fill a gap i.e. so the Invisible Walls participants are worked with to understand and improve their engagement with services, rather than merely be 'signposted' to those services.

We have also built in to the model – capacity for one mentoring post from our existing mentoring provision (which has been tried and tested over seven years via the Transitional Support Scheme) to support the Invisible Walls project. There is likely to be a significant amount of need for general motivational activity across Parc prison to encourage / enable prisoners to make the shift to engage with family focused work – so as to increase the pool of candidates for the FIU and therefore Invisible Walls. Additionally, if and when families are deselected from Invisible Walls because of, for instance, any one part of the family unit opting out then there will be a need to ensure some level of interim support / guidance to ensure participants cope with situations as appropriately as possible. This work will not be central to the work of the specialist FIMs – who will need to focus on active Invisible Walls participants across all three Hubs. However, prisoners and families who fail to engage for whatever reason may go through a period of 'chaos' and strained relationship dynamics – this may require the support of a generic mentor to ensure a focus on avoidance by individual parties of criminal or high risk activity. We have tried therefore to ensure that the model strives for a professional, realistic and ethical approach by providing 'back-up support for any deselected or opt out situations that may leave people vulnerable, angry and 'at risk'. The Research will look at themes emerging from this aspect.

10. **Health and Safety practice and mobility of FIMS:** we have considerable experience of mentoring provision. We have a good reputation for our existing services which are 'professionalised' to a significant degree. This means we have an operational model and mentoring infrastructure which ensures that we deliver services within a 'business framework'. This ensures a high level of attention to mentor safety – for example, each mentor is issued with G4S Identicom which is a lone-worker tracking device and which has functionality that can enable immediate alerts in the event of problems occurring.

Additionally our approach incorporates:

- Robust case management / supervision.
- Lone worker policies.
- Community-based Operating Policies.
- H&S – standard agenda item.
- Company cars (for mentors).
- Appropriate IPE / comms equipment etc.
- Offender management-based risk assessment.
- Task risk assessments (includes external environment consideration i.e. geographical location).
- National Mentoring and Befriending Approved Provider Standard for practices around our mentoring provision in the community.

11. **Transitional continuity** will continue to a period of up to 6 months post release for the whole family. Delivered by the FIMs but with the support of project agency partnerships, as well as statutory services. This period will also provide support to the participants with employment, training and education needs that have been mapped and worked upon thus far.

Details of Invisible Walls Interventions

The interventions component of the project is where much of the catalyst for personal change will occur. It is therefore important to describe how the different interventions will work, who they target and what they do.

It is worth reiterating at this point, that as detailed in Section 3: Project Background, the FIU and ILVC are interventions in their own right. Both areas have been designed and operated on the basis of promoting family engagement, eliciting motivation from the individual and supporting an agenda for sustainable change for families. Similarly, the staff and management team that operate these two areas, do so with a commitment to the underpinning objective of reducing re-offending, improving lives and derailing intergenerational offending.

For prisoners, residing on the FIU has a tangible effect in terms of engagement and motivation, which has already been subject to a research paper conducted by University Wales Institute Cardiff (March 2011). A similar effect has been experienced with the ILVC (July 2010 UWIC). Both these areas, along with the interventions within the project will be included in the Invisible Walls research and evaluation component – see Section 9: Research and Evaluation.

- The participant profiles for the project were described in Section 4: Strategic Context, however in terms of the interventions, these will be assigned in accordance with need and risk assessment with priority reference to Offender Management assessment and recommendation.
- It is estimated by the Ministry Of Justice, as well as the leading prison charities, Action for Prisoners Families, Partners Of Prisoners etc. that all prisoners who have a family contact, which is estimated to be approximately 92% (MOJ/APF, etc.) no matter how shattered, would benefit from an enhanced family focused intervention to promote reduced re-offending.
- The concentrated dosage of family focused work that is delivered within the FIU, involves a population churn of approximately 100 prisoners and their families in a 12 month period, of which, not all will be in specific need of Invisible Walls.
- With an expected participation rate of 20 prisoners and their families graduating through Invisible Walls a year, for the 4 year life of the programme and taking account of an approximate 50 prisoners from the FIU who will not require the project, therefore Invisible walls is estimated to reach 40% of the appropriate FIU population and their families each 12 month period
- The interventions will be delivered in a location appropriate to individual circumstance and situation, with a range of options available for one-to-one work, group work, parent to child work and whole family work.

Options will primarily include:

- ✓ Family Interventions Unit, group rooms and associated offices.
- ✓ Interventions Led Visits Complex, main hall, Family Interventions Lounge, smaller rooms and office space in the PSF visits waiting area.
- ✓ Barnardo's premises in Neath and Cardiff, group rooms, individual office/interview rooms.
- ✓ G4S Community Contracts premises throughout South Wales.
- ✓ Use of room space with Bridgend County Borough Council, Probation Trust, Bridgend Youth Offending Team

- ✓ Some work in the community will be appropriately conducted in the family home of the participants.
- ✓ Occasional hired/free use of local community halls, Boys and Girls Clubs, Community First, YMCA, Mothers Union, etc.

➤ **Intervention - Family Man – Safe Ground UK (G4S funded)**

Family Man is a 7-week course about family relationships. It uses drama and group work to enable participants to find new ways of thinking and behaving in prison and on release.

Adding up to 140 intensive hours, it teaches prisoners how to work with others, how to reflect and act on their responsibilities as a family member and how to articulate their own ambitions.

The finale is a presentation that allows the students to show off their new knowledge and skills (and the benefits of the course) to a wider audience. This spreads awareness among other prisoners and also internal and external agencies.



SAFE GROUND

Candidates attending can achieve nationally recognised NOCN qualifications;

- Family Relationships, level one.
- Developing Personal Development Skills, level one.
- Developing Group and Teamwork Communication Skills, level one.

If students achieve two of the above units they will also receive a certificate for a full qualification called a Level 1 Award in Progression.

The course was co-developed with HM Prison Service. Six hundred prisoners and their families were also essential to its development. More than 2,000 prisoners nationally have now completed the course.

Extensively revised

Parc introduced the revised Family Man course, which features two principal new developments:

- New guidelines and activities now enable a prisoner to involve a ‘family supporter’ (a prisoner’s adult relative or significant other) in the course. Joint Family Action Plans are shared with Offender Managers.
- Both students and supporters now have the opportunity to meet representatives from various internal and external agencies that are responsible for providing support in the 7 key areas identified by NOMS. This approach helps to establish more robust and achievable progression opportunities for the Family Man student.

Parc completed its pilot course with 100% success and retention, with all candidates successfully completing and producing a presentation to the Director, senior staff, Offender Supervisors and external Offender Managers to demonstrate their skills and

knowledge. The finale of the course includes a family centred visit during which the candidates perform the presentation again for their families and friends and are awarded their certificates.

➤ **Intervention - Fathers Inside (G4S funded)**

Following the success of the current parenting programme and the Family Man programme, Parc are now introducing the Safe Ground Fathers Inside course.

Each year in the UK there are 150,000 children with a parent in prison. Fathers Inside is a course about parenting skills, specifically helping prisoners to engage in their children's education while in prison. One example is the issue of getting children interested in books.



Fathers Inside assumes nothing and instead gets students to consider, for instance, whether giving their child a book is a good thing and, if so, what sort of book is suitable. As a consequence, prisoners come to see how they can support their child's education. The course also makes them reflect on how they themselves learn.

This is an intensive 75-hour course that uses storytelling and drama techniques to engage and motivate learners of mixed ability. Over 800 prisoners and staff from 12 establishments helped to create it in collaboration with Safe Ground and the OLSU. The benefits to participants include:

- Graduate eligibility for three awards
- Immediate results
- Credibility with prisoners, prison staff and teachers
- Helps achieve Key Performance Targets
- Promotes parenting and key skills education
- Provides access to further education
- Promotes progression routes into offending behaviour programmes
- Prepares the participant for work
- Helps prevent institutionalisation and social exclusion

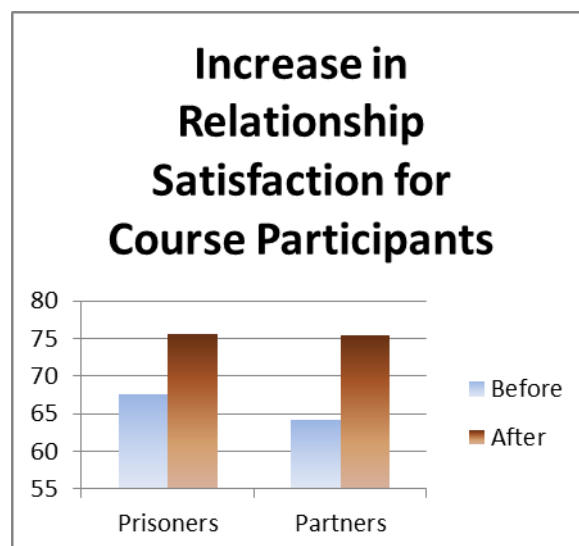
Awards

NOCN Progression Qualifications
Developing Parenting Skills, Level 1
Developing Group & Teamwork Communication Skills

Intervention - Learning Together Club – PSF (G4S funded)

The Learning Together Club (LTC) is an innovative PSF project that gives fathers a chance to spend time with their children and maintain relationships that develop the family unit.

All children attend a visit with their fathers without their mothers/carers on two evenings per month, enabling children and fathers to interact. The children bring in work from school to show their fathers and work together. Parc provides educational resources for all curriculum and key stages for children who do not bring anything.



The librarian also attends and operates a book lending service. Play Area workers support the fathers with younger children and encourage learning through play. Originally the LTC was aimed at fathers and their children, but that developed to include the wider family unit including grandchildren and younger siblings.

Success stories include a father and teenage son who didn't communicate at all. The father knew nothing about what his son was doing at school, but through the LTC, soon became aware of his son's Year 10 options, encouraged him through his exams and the son achieved unexpected GCSEs. Other fathers have experienced supporting their children for the first time. Previously they had taken no part in schoolwork or even reading to their children when they were at home.

There have also been several cases where children afraid to come to the prison on normal visits have 'broken the ice' by attending the LTC, which is a more relaxed and informal setting; they have then continued to visit.

The LTC has developed over the last two years as a result of the passion and commitment of the staff and volunteers involved. The LTC has further developed in response to the needs of the families and in June of this year, children under the age of two also attended.

Everyone attending the LTC attends a short course to learn about key stages, the national curriculum, how children learn and the importance of supporting learning. This has developed in response to changes in the school curriculum and in future groups additional topics will be included such as:

- The importance of family learning and its contribution to raising the achievement of their child
- A variety of ways in which family members/carers can help their child with literacy and numeracy skills

Intervention – Parenting For Dads – PSF (G4S funded)

This 10 session intervention works with prisoners who are fathers or 'fathers-to-be' to focus upon issues such as: The fact that statistical research indicates that parental imprisonment is linked to various negative outcomes:

- Children of prisoners are three times more likely to engage in antisocial behaviour.
- 65% of boys with a convicted father go on to offend themselves.
- Poor performance at school – bullying, truanting and failure to achieve.
- Children of prisoners are twice as likely to suffer mental health problems.
(*Supporting Prisoners' Families – Barnardo's, Nov. 2009*)

This course is designed to assist fathers to be the best parent they can in the confines of their circumstances. Parenting for Dads provides fathers with the opportunities to meet other dads, share experiences and have access to advice and information as well as developing important skills such as:

- Understanding the role of a father.
- Exploring a variety of parenting styles.
- Developing an awareness of how best to deal with misbehaviour/challenging behaviour in children.
- Understanding the impact of parenting on self-esteem.
- Increasing awareness of what effective parenting entails.
- Understanding how positive influences can make a difference in a child's life.
- Exploring the many ways in which (absent) fathers can maintain family ties.
- Investigating where to access further help, advice and support as a parent.

Intervention – MPACT – PSF & Action On Addiction (Licence costs for MPACT – costed within IW budget)

Moving Parents And Children Together – this is a pilot intervention PSF is developing in conjunction with the charity Action On Addiction. The programme focuses on the impact and support needed for prisoners who misuse substances within a family setting. Each group lasts approximately six weeks.

The programme offers a 'Whole Family Approach', working with parents and children from up to eight families at any one time in different group combinations. The programme has 10 sessions; this includes an individual family assessment, eight consecutive weekly core sessions and a family review session. The programme is run by experienced professionals who work with the young people and parents to reduce the harmful impact that parental substance misuse and addiction has on family life.

The programme has been evaluated by the Mental Health Research & Development Unit (MHRDU) at the University of Bath. Their findings have shown that all the families involved felt that they had been helped by attending the programme. Following solicitation of PSF by Action On Addiction, this will be the first time MPACT has ever been delivered in a prison setting and as such the model will continue to be evaluated both independently and as part of the wider Invisible Walls research, the former research integrating with the latter.

M-PACT (UK) is the result of a growing awareness that services for children and young people suffering the consequence of parental substance misuse have been limited,

fragmented or non-existent across the UK. Subsequently the model, with PSF led adaptations, will fit well within the remit of Invisible Walls, providing a specialism in the area of substance misuse and families.

Intervention – Time Out Series: Positive Parenting – Care For The Family & PSF (Training for Trainer for these programmes costed into Invisible Walls budget as a one-off payment)

This is a series of 8 separate but integrated mini programmes, all 4 – 6 day sessions in length that can work either with just the father or the parents together. They also have the added dimension of being able to empower and support the parents to then deliver aspects of the programmes to their children. The programmes will be delivered by PSF/Invisible Walls staff trained by the charity Care For The Family, the costs for which have been negotiated with the charity and will be within Section 7: Project costs.

1. Time Out For Parents (Early Years 0 – 3)

- What Children Really Need
- Developing Emotional Security
- Setting Loving Limits
- Keeping Children Safe

2. ADHD (Attention Deficit Hyperactivity Disorder)

- What is ADHD?
- Social, Emotional, Physical & Academic Difficulties
- Consequences & Sanctions
- Managing Attention Deficit Behaviours
- Managing Hyperactive Impulse Behaviours
- Coping Strategies For Parents

3. Time Out From ASD (Autistic Spectrum Disorder)

- What Is ASD?
- Communication Difficulties
- Social Interaction
- Basic Principles Of Behaviour Management
- Managing Rage Or 'Melt Down'
- How Adults Can Make Things Worse!

4. Time Out From Anger Managing The Adult's Anger

- Effects Of Anger
- Emotional Triggers
- The Anger River
- Avoiding Arguments

5. Managing The Children's Anger

- Anger Rules For The Family
- Coping Strategies
- Safe Ways For Children To Deal With Anger
- What To Do When Children Have 'Gone Over The Edge'

6. Time Out For Teenagers

- Why It's Tough Being A Teenager – Self-esteem

- Parenting Styles – House Rules
- Communication - Listening
- Tools For Handling Conflict - Negotiation
- Problem Solving – Sanctions & Boundaries

7. Drug Proof Your Children

- Drugs: just how bad is it?
- Why kids take drugs
- How to educate kids to make good choices
- Prevention tools for parents
- Learning to intervene – and where to get help
- A parent's guide to handling relapse

8. Quidz In gives the knowledge parents need to talk with their children about money from a very early age. Through an informal and practical six-session course, participants learn how the world of finance works: everything from budgeting through to spending and saving for the future. Quidz In is about becoming financially aware, understanding how money works and how to get the best out of it. For children aged 8 through to teens.

➤ **Intervention - Family Centred Visits PSF (G4S funded)**

Family visits have long been recognized as important in maintaining family ties and the relationship between a prisoner, their children and other young relatives in whose care and upbringing they have played a significant role. Good relationships between parents and children not only contribute to a reduction in re-offending risk, but also to the healthy development of the child. This is true for stepchildren, siblings and other younger family members.



Family Centered Visits are organised by PSF and will be offered to all Invisible Walls prisoners on the last Wednesday of each month. These visits are designed to maximise the engagement between families and serving prisoners at Parc.

This is achieved through a multi-disciplinary approach to the event, with numerous activities staged for children and families such as arts and crafts, face painting, table-top games as well as more physically active challenges, well-being clinics, interventions awareness, competitions, book shares, certificate presentations and themed events. Prisoners can also book to have two photographs taken of themselves and their family on the day.



Refreshments are provided through free drinks and later in the day, a buffet that is partly paid for by the prisoners on the visit, allowing them the opportunity to provide for their family.

The Family Centered Visit is more than 'just another visit' and aims to provide a positive intervention. It works on three levels.

Participant accessibility and equality principles

Invisible Walls will mobilise and operate within the equality principles outlined by the BIG Lottery:

- ✓ **Promoting accessibility**
 - ✓ **Valuing cultural diversity**
 - ✓ **Promoting participation**
 - ✓ **Promoting equality of opportunity**
 - ✓ **Promoting inclusive communities**
 - ✓ **Reducing disadvantage and exclusion**
-
- The very nature of the Invisible Walls project will require awareness and delivery of equal opportunities and diversity. Many of the prisoners at Parc and their families tend to be experiencing social exclusion and as such represent an often marginalised group.
 - The project is aimed at those on the fringes of our communities. Those families often described by the authorities as 'chaotic'. Those who potentially participate in the project will have been targeted, approached, selected and assessed as suitable – 'suitable' as in 'most in need' of the services and support Invisible Walls will provide.
 - Key issues surrounding community inclusion, fairness of opportunity, discrimination, The Rehabilitation of Offenders Act 1974, cultural diversity and engaging positive participation, are all central to Invisible Walls. These agendas form part of the challenges that the project seeks to overcome, not only with the participants, but also indirectly with stereotypical or discriminatory attitudes and behaviours around crime and rehabilitation.
 - In terms of meeting equality principles, the three core objectives of Invisible Walls are fundamentally built upon the drive to instill change in areas of basic social exclusion.

Below are some examples of the Diversity Statements that Invisible Walls will adhere to with all its participants and staff, both in custody and in the community operation.

Interventions Department

✓ **Diversity Statement.**

It is the policy of HMP & YOI Parc to provide an environment free from all forms of discrimination and intimidation. Staff will not tolerate any aspect of this type of behaviour. This statement is also about us striving to recognise that participants will have a range of experiences and needs that may affect their participation in programmes.

This policy extends to the Interventions Department within HMP & YOI Parc where all staff are expected to promote an environment that is based on mutual respect and fairness of treatment; an environment where prisoners, young people and their families are treated as individuals and not as members of any group about whom stereotypical views may be held.

The Interventions Department is committed to treating all prisoners, young people and their families with humanity and respect and to actively promote this within prisoner/prisoner relationships also.

Therefore, opportunity will be given for any individual embarking on any group work (and/or one to one work) to make known to the relevant staff member/s, any concerns they have regarding discrimination or intimidation of any kind. We recognise that group members will have a range of experiences and needs which may affect their ability to work effectively in this setting. We will ensure that we are ready to listen and discuss any such matter and, where necessary, work to arrange a suitable alternative approach.

The above information has been explained to me by an Interventions member of staff.

Name : -

Number : -

Date : -

Staff Member Name : -

✓ **Equality Statement**

HMP & YOI Parc is committed to equality and fairness. We adhere to the NOMS Cymru Equality Statement.

We acknowledge that people are unique and different.

We are committed to eliminating discrimination, harassment and victimisation of both offenders and staff. We will seek to promote equality and good relations between different people. We have a legal obligation to do this in relation to:

- Age
- Disability
- Gender
- Gender reassignment
- Marriage and Civil partnership
- Pregnancy and maternity
- Race
- Religion and belief
- Sexual orientation

We want to create an environment where diversity is valued and people respect each other.

If you think we can improve in this area, please let us know how.

Contact the **Diversity Team** by general application form or speak to your personal officer, who can contact us.

Signed



Date

1 January 2011

Director HMP & YOI PARC

Invisible Walls & BCBC – Social worker interface

The close collaboration from point of referral has been agreed and relevant information sharing and liaison over suitable offenders and families will be embedded within both services. A Social Worker post is required to ensure that the benefits of G4S / BCBC collaboration are maximised to bring an important dimension of added value to the project. The post will:

- Support and advice on early identification of potential candidates for Invisible Walls through the IWW referral forum.
- Ensure that all protective factors for clients are monitored in line with statutory social service policy and practice throughout their time with IWW, and actions/referrals made as appropriate.
- Deliver appropriate social services / children's services intervention where necessary with IWW clients.
- Work with the IWW Service Delivery Manager to ensure staff are working in accordance with appropriate risk and protective factors.



ANNEX D

INVISIBLE WALLS WALES

PAYMENT SCHEDULES (G4S/BRIDGEND COUNTY BOROUGH COUNCIL)

Contact Eilish Thomas for their quarterly schedule of payments before issuing PR/PO

Payments based on the following calculation and applied throughout Years 1& 2 payment schedules. These figures are net. VAT can be charged where appropriate.

Payment Terms XXX 2017 – XXX 2019	Service Provided: Social Worker, Invisible Walls Wales	Total:
Quarterly in arrears		£42,934pa

Payment Period	Covering Period	Amount	Date PR Issued	Date PO Issued
1	22 nd January – 31 st March 2018	£9,694.77		
2	1 April – 30 th June 2018	£10,733.50		
3	1 st July – 30 th September 2018	£10,733.50		
4	1 st October – 31 st December 2018	£10,733.50		
5				
6				
7				
8				
9				
10				
11				
12				
13				
14				



Invisible Walls Wales Data Capture v3 - 102017

Age 232

Initials:		M	F	Case ID:		FIM initials:	
Case type (CODE):				Referral source:			
IWW start date:				IWW completion date:		Release date:	

Case type: (1) Standard IWW (2) Re-activation IWW (3) IWW Brief Intervention - Custody (4) IWW Brief Intervention - Community

FAMILY DETAILS

Initials	Relationship	M/F	Age

VISITS

Visits (1)	Quality of visits (1)	Visits (2)	Quality of visits (2)

Visits (1) - number of visits 3 months prior to IWW
 Visits (2) - number of visits at transition to community

FAMILY INTERVENTIONS

INTERVENTION	CODE	FAMILY MEMBER

CHILDREN - IMPACT/STABILITY

INITIALS	SCHOOL ATTENDANCE			TEACHER FEEDBACK			SOCIAL SERVICES			PEER RELATIONSHIPS			ACTIVITIES / HOBBIES			FAMILY RELATIONSHIPS			HEALTH			EMOTIONAL WELLBEING			PRISON VISITS		NOTES	
	S	R	C	S	R	C	S	R	C	S	R	C	S	R	C	S	R	C	S	R	C	S	R	C	S	C		

Record school attendance as % Other categories: (3) POSITIVE (2) NEUTRAL / MIXED (1) NEGATIVE (0) No involvement (Social Services & Peer Relationships)

I EP STATUS

S	F

(B) Basic
(S) Standard
(E) Enhanced

OASys SCORES

OGP		OVP	
S	F	S	F

RISK OF SERIOUS HARM (TO OTHERS)

S	F

(4) Low (2) High
(3) Medium (1) Very High

SENTENCE PLANNING ENGAGEMENT

(from Open Referral Forum)

S	F

(3) POSITIVE (2) NEUTRAL / MIXED (1) NEGATIVE

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BRIDGEND COUNTY BOROUGH COUNCIL

REPORT TO CABINET

24 APRIL 2018

REPORT OF THE CORPORATE DIRECTOR – OPERATIONAL AND PARTNERSHIP SERVICES

General Data Protection Regulation And Data Protection Bill

1. Purpose of Report

- 1.1 The purpose of the report is to inform Cabinet of the provisions under the General Data Protection Regulation (GDPR) which is due to be enforced on 25th May 2018 and the Data Protection Bill which was announced in the Queen's speech in June 2017.
- 1.2 To seek approval of the updated Data Protection Policy and note the updated Code of Practice for Data Breaches.

2. Connection to Corporate Improvement Plan / Other Corporate Priority

- 2.1 There is no direct link to the Corporate Improvement Plan / Other Corporate Priority.

3. Background

- 3.1 The European Union's GDPR will require all data controllers and processors that handle the personal information of EU residents to implement appropriate and technical and organisational measures to ensure the ongoing confidentiality, integrity, availability and resilience of processing systems and services. The GDPR introduces stricter requirements than under the current Data Protection Act 1998.
- 3.2 The Data Protection Bill updates data protection laws in the UK, supplementing the GDPR as well as extending data protection laws to areas which are not covered by the GDPR. It is intended to provide a comprehensive package to protect personal data. The Bill now sits in the House of Commons and the plan is for it to have completed its parliamentary passage and be ready to take effect in May when the EU laws take effect.

4. Current situation / proposal

- 4.1 The GDPR's provisions and the obligations which they bring are extensive, but the following stand out as materially new, or varied, concepts:
- 4.2 Consent
The conditions for obtaining consent have become stricter. The data subject must have the right to withdraw consent at any time; and there is a presumption that consent will not be valid unless separate consents are obtained for different processing activities and there is a presumption that forced, or 'omnibus' consent mechanisms will not be valid.

4.3 Children

Under GDPR children are able to give their lawful consent to the processing of their personal data, in connection with the provision of information services, when they are at least 16 years old. However, the GDPR allows for Member States to lower the age, but no younger than 13. The Bill confirms that in the UK children from the age of 13 can give consent for the processing of their personal data in relation to information services. Those under the age of 13 will require the consent of a parent/guardian. The Bill also clarifies that the reference to “information services” does not include preventative or counselling services.

4.4 Transparency

Data Controllers (a person who determines the purposes for which and the manner in which personal data are or are to be processed) must continue to provide transparent information to data subjects at the time their personal data is obtained. Existing forms of fair processing notices will have to be re-examined as the requirements in the GDPR are much more detailed. The information to be provided is more comprehensive and must inform the data subject of certain of their rights and the period for which the data will be stored. The Authority will need to consider its forms of fair processing notices with these new obligations in mind and check that the information is being provided in a clear and easily accessible format.

4.5 Enhanced rights for individuals

The GDPR enshrines a wide range of existing and new rights for individuals in respect of their personal data. These include the right to be forgotten, right to restrict processing, the right to request the porting of one’s personal data to a new organisation, the right to object to certain processing activities and also to decisions taken by automated processes.

4.6 Data Protection Officer

The GDPR lays out the requirements for appointing a Data Protection Officer (DPO) as well as their specification, role, duties and relationships with other entities (such as data subjects, controllers and processors). The DPO shall be designated on the basis of professional qualities and, in particular, expert knowledge of data protection law and practices. The DPO is responsible for ensuring that the controller, processor and employees who process personal data understand their obligations, and for providing advice on meeting those obligations. While this obligation explicitly applies to GDPR, it would make sense that the DPO should also be responsible for providing advice for any other data protection laws that are applicable to the Authority.

4.6.1 The DPO’s second task is to monitor compliance, including the assignment of responsibilities, awareness-raising and training staff involved in processing operations, and the related audits.

4.6.2 The Information Officer has been appointed as the DPO for the Authority.

4.7 Data Breach Notification

Data controllers must notify data breaches to the Information Commissioner’s Office (ICO) where there is likely to be a high risk to the rights and freedoms of natural persons. This must be done without undue delay and within 72 hours of awareness. A reasoned justification must be provided if this timeframe is not met. In some cases, the data controller must also notify the data subject affected without

undue delay. This is burdensome on data controllers however the ICO already expects to be informed about all “serious” breaches. The Authority already has internal procedures in place for handling data breaches and the Code of Practice for Data Breaches (**Appendix 1**) has been updated accordingly.

4.8 Controller and Processor

Data controllers must implement appropriate measures to ensure that the processing of personal data complies with the legislation. A controller must be able to evidence these measures to others, including the ICO. GDPR imposes stringent new requirements for the appointment of processors by controllers including prescribing various matters which must be stipulated in a contract or other legal act.

4.9 Data Protection Impact Assessments (DPIA)

The DPIA is one of the specific processes mandated by the GDPR and will be used to identify specific risks to personal data as a result of processing activities. The process will help the Authority identify and minimise privacy risks and will usually be conducted ahead of implementing new processes, projects or policies. The aim will be to seek out potential problems so that they can be mitigated ahead of time, thereby reducing the likelihood of occurrence and the associated costs.

4.10 Schools

To date, the Authority has provided two training sessions and several monthly updates to Headteacher colleagues in respect of GDPR. A two day workshop event will also take place in May designed to support senior leaders at schools and school governors. While schools are their own data controllers (ie not the local authority), going forward, the Authority will continue to support schools in respect of data protection regulation compliance.

4.11 Next steps

In readiness for GDPR an Implementation Group has been established with appropriate representation from each Directorate.

4.11.1 The Data Retention Policy was approved by Cabinet in January 2018 and stipulates data retention periods for each business area. There is a requirement under current data protection law to not keep information for longer than is necessary and this will continue to apply under GDPR.

4.11.2 A new Data Protection E-Learning Module has been launched which will be mandatory for all staff who process personal data and all Elected Members.

4.11.3 The Data Protection Policy (**Appendix 2**) and Code of Practice for Data Breaches have been updated to ensure they remain fit for purpose.

4.11.4 The relevant pages of the intranet and internet will be updated accordingly.

5. Effect upon Policy Framework & Procedure Rules

5.1 The Data Protection Policy will be amended accordingly.

6. Equality Impact Assessment

6.1 There are no equality implications arising from this report.

7. Financial Implications

- 7.1 CMB have approved the purchase of redaction software for the Authority to assist with data subject access requests at an estimated cost of £7467 (for three years and three licences) and also the appointment of an Apprentice to support the Information Team and the Social Services and Wellbeing Directorate (where possible to do so). The Apprentice will cost around £40,000 with on-costs for the two years. These costs will be met from a specific earmarked reserve.

8. Recommendation

Cabinet is recommended to:

- Note the report and the enforcement of the GDPR and Data Protection Bill;
- Approve the updated Data Protection Policy attached as **Appendix 2** to take effect from 25th May 2018;
- Note the updated Code of Practice for data breaches attached as **Appendix 1** to take effect from 25th May 2018.

Contact Officer: P A Jolley
Corporate Director – Operational and Partnership Services

Telephone: (01656) 643106
E-mail: Andrew.Jolley@bridgend.gov.uk

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Bridgend,
CF31 4WB

Background Documents

None

CODE OF PRACTICE – DATA BREACHES

Statement and Purpose

This Code of Practice has been developed to assist the Council in responding effectively to personal data breaches. The Council holds substantial amounts of personal and special categories data and care must be taken to avoid a data breach. In the unlikely event of there being a breach, it is vital that appropriate action is taken as soon as possible to minimise any associated risk.

Legal Context

The GDPR and Data Protection Act 2017 make provision for the regulation of the processing of information relating to individuals including the obtaining, holding, use or disclosure of such information.

The crux of the legislation is that it imposes an obligation on all data controllers to comply with the six data protection principles. The sixth principle deals with security and states that organisations which process data must process data *“in a manner that ensures the appropriate security of the personal data, including protection against unauthorised or unlawful processing and against accidental loss, destruction or damage, using appropriate technical or organisational measures (‘integrity and confidentiality’)*.

The Council must have security measures in place which are appropriate to the harm that could result from a loss of the particular data or its unauthorised processing. In practice, this means that the Council must assess the security options available in light of the potential harm, cost of the security measure, level of sensitivity of the data, and the technology available; different levels of security may be appropriate to different types of data.

Types of Breach

Data Breaches can be caused or exacerbated by a variety of factors, affect different types of personal information and give rise to a range of actual or potential harms to individuals, agencies and organisations.

‘Personal Data Breach’ for the purpose of this document means a breach of security leading to the accidental or unlawful destruction, loss, alteration, unauthorised disclosure of, or access to, personal data transmitted, stored or otherwise processed.

Data Breaches occur in a number of ways:

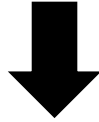
- Lost or stolen laptops or paper records containing personal information;
- Mistakenly providing personal information to the wrong person for example by sending information to the wrong address;
- Human error;
- Hacking;
- Databases being illegally accessed by individuals outside the Council;
- Unforeseen circumstances such as fire or flood

Each breach will be dealt with on a case-by-case basis, undertaking an assessment of the risks involved and using that risk assessment as the basis for deciding what actions to take in the circumstances.

The following key steps must be followed when responding to a breach:

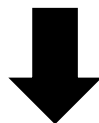
Take immediate steps to limit the breach

- Stop the unauthorised practice, shut down the system, recover the files, change computer access, alert relevant staff.



Escalate the matter as appropriate

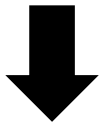
- The person who discovers/receives a report of a breach must inform the Data Protection Officer without undue delay. If the breach occurs or is discovered outside normal working hours, this should begin as soon as is practicable
- Consider whether anyone externally needs to be notified (eg if the breach involves criminal activity then notify the police)



Investigation

- The relevant manager must fully investigate the breach. The investigation should consider:
- What type of personal information is involved?
- Who is affected by the breach? Is someone at risk of harm?
- Is there a risk of ongoing breaches?
- What was the extent of the breach?
- Consider whether the personal information is adequately encrypted, anonymised or not easily accessible
- Has the personal information been recovered?
- How many individuals are affected by the breach? (Remember that while the number of affected individuals will help to gauge the severity of the breach, sometimes a breach involving one individual can be very serious)
- Is this an isolated incident or a systemic problem? Consider whether similar breaches have previously occurred.
- What harm could result from the breach? (threat to physical safety, financial loss, identity theft)
- Have appropriate measures been taken to mitigate the possible adverse effects of the breach?

A clear record should be made of the nature of the breach and the actions taken to mitigate it.



Notification

The GDPR introduces a legal duty on organisations to report a serious personal data breach which interferes with the rights and freedoms of the data subject to the ICO within **72 hours** of becoming aware of it. The Data Protection Officer in consultation with legal will determine whether the breach falls into this category.

- The Data Protection Officer will be responsible for notifying the ICO. Notification must include :
 - (a) a description of the nature of the personal data breach including where possible, the categories and approximate number of data subjects concerned and the categories and approximate number of personal data records concerned;
 - (b) the name and contact details of the contact point from whom more information can be obtained;
 - c) a description of the likely consequences of the personal data breach;
 - (d) a description of the measures taken or proposed to be taken by the controller to address the personal data breach, including, where appropriate measures to mitigate its possible adverse effects.
- Individuals affected by the breach must be notified directly by the relevant line manager as soon as is practicable by phone or in person and this should ideally be undertaken by someone who has a direct relationship with that affected individual where possible (e.g social worker)



Review and Evaluate

- The Head of Service should review the causes of the breach and the effectiveness of the response to it and take any necessary action to prevent future breaches.
- If systematic or ongoing problems are identified, then an action plan must be drawn up to put these rights.
- Appropriate changes to policies, procedures and staff training practices will be undertaken where necessary.
- All breaches will be reported to the Information Governance Board and Corporate Management Board from time to time.

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Bridgend County Borough Council



Data Protection Policy

Version:	Version 1
Date:	April 2018
Author/s:	Data Protection Officer
Consultee/s:	Corporate Management Board; Senior Information Risk Owner; Legal Services; Information Governance Board
Approved by:	Cabinet
Review frequency:	Every 2 years
Next review date:	April 2020

Data Protection Policy

1. Policy objective

- 1.1 Bridgend County Borough Council will at all times comply with its duties under the Data Protection Act 2017 and General Data Protection Regulation 2016 ((EU) 2016/679) and, in particular is committed to the observation, wherever possible, of the highest standard of conduct mandated by the legislation.
- 1.2 This policy describes Bridgend County Borough Council's approach to personal data.

2. Scope and definitions

- 2.1 This policy covers the Council's obligations under all legislation applicable in the UK covering data protection and privacy, and references the definitions in the General Data Protection Regulation 2016 (GDPR).
- 2.2 'Personal data' is defined as any information relating to an identified or identifiable person who can be directly or indirectly identified. Special categories of personal data are subject to additional protections, and include:
 - Criminal allegations, proceedings, outcomes and sentences
 - Physical or mental health or condition
 - Politics
 - Racial or ethnic origin
 - Religion or other beliefs of a similar nature
 - Sex life
 - Sexual orientation
 - Trade union membership
 - Genetics
 - Biometrics (where used for identification purposes)
- 2.3 The 'Data Controller' (the Council) determines the purposes and means of processing personal data. The GDPR places further obligations on the Council as data controller to ensure its contracts with processors comply with the GDPR.
- 2.4 A 'Data Processor' is any organisation responsible for processing data on behalf of the data controller. The GDPR places specific legal obligations on processors including the requirement to maintain records of personal data and processing activities. A processor will have legal liability if responsible for a breach.
- 2.5 'Processing' personal data means any activity involving personal information throughout the information lifecycle, from collecting and creating the personal information, to using it, making it available to others when necessary, storing it, and disposing of it when no longer required.
- 2.6 This policy applies to all employees, Elected Members, and other individuals/organisations acting on behalf of the Council who have access to personal data that the Council is responsible for. Detailed procedures accompany

this policy to direct the processing of personal information in a fair, lawful and transparent manner.

3. Data protection principles

3.1 Personal data of all stakeholders – current, former and prospective service users, employees, suppliers and others - will only be processed in compliance with laws on privacy and data protection, specifically adhering to the GDPR principles that personal information must be:

- processed lawfully, fairly and in a transparent manner;
- collected for specified, explicit and legitimate purposes;
- adequate, relevant and limited to what is necessary;
- accurate and, where necessary, kept up to date;
- kept in a form which permits identification of data subjects for no longer than necessary; and
- processed in a manner that ensures appropriate security, including protection against unauthorised or unlawful processing and against accidental loss, destruction or damage, using appropriate technical or organisational measures.

3.2 The Council will demonstrate accountability in adhering to the rights of individuals set out in data protection law, including their right:

- to be informed
- of access
- to rectification
- to erasure
- to restrict processing
- to data portability
- to object
- and rights in relation to automated decision making and profiling.

4. Accountability and monitoring

4.1 A statutory Data Protection Officer (DPO) is designated to oversee the management of personal data Council-wide, reporting to the Council's Senior Information Risk Owner (SIRO).

4.2 Heads of Service as Information Asset Owners adhere to the Council's data policies, supported by the Data Protection Officer.

4.3 Data Protection/Privacy Impact Assessments will be undertaken at an early stage whenever use of personal data is proposed and particularly during new projects.

4.4 A record of personal data processing activities is maintained by each Service Area and the DPO, and the way that the information is managed is regularly evaluated using Data Protection Impact Assessments where appropriate.

- 4.5 Clear and timely privacy notices are communicated that enable the subject of the data to understand how their personal data is being used.
- 4.6 Sharing of personal information is carried out in compliance with approved protocols, including the Wales Accord on Sharing Personal Information, Data Disclosure Agreements and Data Processing Agreements.
- 4.7 Disposal of personal information will be strictly in line with the Council's Data Retention Policy.
- 4.8 Everyone processing personal information understands their responsibilities and receives appropriate information to support them, including data protection training.

5 Complaints and data security incidents

- 5.1 The Council is dedicated to being compliant with the legislation. Any individual wishing to report concerns relating to data protection should contact the Data Protection Officer.
- 5.2 Failure to comply with the law on data protection may result in:
- Serious consequences for individuals that the data relates to, including embarrassment, distress, financial loss
 - Irreparable damage to the Council's reputation and loss of confidence in the Council's ability to manage information properly
 - Monetary penalties and compensation claims
 - Enforcement action from the Information Commissioner
 - Personal accountability for certain criminal offences and for breaching the Employee or the Elected Member Code of Conduct

6 Training

- 6.1 The Council has developed an online training policy in data protection. It is mandatory for Elected Members and all staff who process personal data.

7 Status of this policy / related policies and resources

- 7.1 This policy does not form part of the contract of employment for staff but it is a condition of employment that staff will abide by the rules and policies of the Council.
- 7.2 This policy should be read in conjunction with ICT policies and documents, the Code of Practice for Data Breaches and the Data Retention Policy.
- 7.3 Additional guidance and resources:
- For the public – please see the Council's website page on data protection

- For employees – the data protection pages on the intranet

8 The Information Commissioner

- 8.1 The Information Commissioner is the supervisory authority in the UK responsible for monitoring the application of the applied GDPR and Data Protection Act in order to protect the fundamental rights and freedoms of natural persons relating to processing. The Information Commissioner's Office (ICO) provides information and advice, and their website contains useful sources of best practice documents and practitioner guides: www.ico.org.uk.
- 8.2 The ICO are able to conduct an assessment or audit of the Council's processing of personal data in order to establish whether that processing follows good practice.

9 Further Information

- 9.1 Further Information is available from Data Protection Officer, Tel (01656) 643565, E-mail: Charlotte.Branford@bridgend.gov.uk.

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BRIDGEND COUNTY BOROUGH COUNCIL

REPORT TO CABINET

24 APRIL 2018

REPORT OF THE MONITORING OFFICER

AMENDMENT TO THE SCHEME OF DELEGATION – GLYN CYNFFIG

1. Purpose of Report

- 1.1 The purpose of the report is to seek approval for a series of amendments which have been made to the Scheme of Delegation of Functions.

2. Connection to Corporate Improvement Objectives / Other Corporate Priorities

- 2.1 The amendment of the Scheme of Delegations will support effective decision making and the achievement of all the Corporate Priorities.

3. Background

- 3.1 Glyn Cynffig, is an accommodation and rehabilitation facility which provides support to individuals over the age of 18 with Mental Health issues, Mild to Moderate Learning Disabilities Vulnerable individuals who are at risk of or experiencing self-neglect, homelessness and significant exploitation; and individuals who have experienced alcohol and substance misuse and require support with rehabilitation.
- 3.2 Glyn Cynffig is registered with the Care Inspectorate Wales (CIW) as a domiciliary care agency and provides short term support for up to 2 years as well as providing transitional support for up to six weeks before individuals move on to alternative accommodation.
- 3.3 Glyn Cynffig is registered to provide personal care and support services to individuals who stay at the service. The service provides twenty four hour support including a sleep in service and / or a wake in service. This support is responsive to individual needs and may range from focused input for only a few hours, to more intensive 1:1 support twenty four hours a day.

4. Current situation / proposal

- 4.1 Currently there are no short term tenancy agreements in place for service users staying in the provision for up to 2 years.
- 4.2 It is therefore recommended that the Corporate Director Social Services and Wellbeing be given the following delegations at Scheme B2:

5.14	To authorise and agree terms for licences to occupy pursuant to the Care Standards Inspectorate for Wales Domiciliary Care Standards
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5.15	To sign on behalf of the Council licences to occupy pursuant to the Care Standards Inspectorate for Wales Domiciliary Care Standards
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5. Effect upon Policy Framework & Procedure Rules

5.1 The Scheme of Delegations will be updated accordingly.

6. Equality Impact Assessment

6.1 There are no equality implications arising from this report.

7. Financial Implications.

7.1 None.

8. Recommendation.

8.1 Cabinet is recommended to approve the amendment to the Scheme of Delegations as set out in paragraph 4.2 of the report.

P. A. Jolley
Corporate Director Operational & Partnership Services and Monitoring Officer

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Background documents:

None

BRIDGEND COUNTY BOROUGH COUNCIL

REPORT TO CABINET

13 APRIL 2018

REPORT OF THE CORPORATE DIRECTOR OPERATIONAL & PARTNERSHIP SERVICES

CABINET, CABINET COMMITTEE CORPORATE PARENTING AND CABINET COMMITTEE EQUALITIES

1. Purpose of Report .

1.1 The purpose of this report is to:

- a. seek approval for the schedule of meetings of Cabinet, Cabinet Committee Corporate Parenting and the Cabinet Committee Equalities for the period May 2018 – April 2019.
- b. propose Children's and Equalities Champions who will chair the Cabinet Committee Corporate Parenting and the Cabinet Committee Equalities.
- c. confirm the process for nomination of Champions from each of the Overview and Scrutiny Committees to the Corporate Parenting Cabinet Committee.
- d. seek approval of the invitees to attend meetings of the Cabinet Committee Equalities as nominated by each of the political groups represented on Council.

2. Connection to Corporate Improvement Plan / Other Corporate Priority.

2.1 Effective arrangements for the Authority's decision making processes and the establishment of Committees and other bodies will fulfill the requirements of the Constitution and contribute to the achievement of the Corporate Themes and Priorities. The schedule of meetings will allow internal management planning for the production and presentation of reports and inform the general public of the future dates of meetings.

3. Background.

3.1 The proposed dates for Cabinet, Corporate Parenting Cabinet Committee, Equalities Cabinet Committee and Joint Committee meetings will be reported for noting in the proposed schedule of meetings to be reported to the Annual Meeting of Council on 16 May 2018. This prevents meetings dates of Cabinet, Council or their Committees conflicting with each other.

4. Current situation / proposal.

4.1 Cabinet

4.1.1 Meetings of Cabinet proposed below, are planned to continue on a four weekly cycle with meetings commencing at 2.30pm.

4.1.2 The proposed schedule of Cabinet meetings for the period May 2018 – April 2019 is as follows:

2018	2019
19 June	22 January
17 July	12 February
18 September	19 February
23 October	19 March
20 November	16 April
18 December	

4.2 Cabinet Committee Corporate Parenting

4.2.1 The proposed Schedule of meeting dates for the Corporate Parenting Cabinet Committee is detailed below:

Cabinet Committee Corporate Parenting
11 July 2018
17 October 2018
10 January 2019
6 March 2019

4.2.2 It is proposed that the Cabinet Member for Social Services and Early Help be appointed as the Lead Member for Children and Young People and Children and Young People Champion. It is therefore appropriate that the portfolio holder be appointed as the Chairperson for the Cabinet Committee Corporate Parenting.

4.2.3 Cabinet at its meeting on 5 September 2017 established the principle of appointing one invitee from each of the Overview and Scrutiny Committees as Corporate Parenting Champions together with the Chairperson of the Subject Overview and Scrutiny Committee 2 which takes the lead on social services items as invitees to attend meetings of the Cabinet Committee Corporate Parenting. A report will be presented to the first meetings of each of the Overview and Scrutiny Committees seeking the appointment of invitees to attend meetings of the Cabinet Committee Corporate Parenting. Cabinet at its meeting on 5 September 2017 also approved the appointment of the Group Leaders of the Independent Alliance, Conservative, Plaid Cymru and Llynfi Independents Groups or their nominated substitute to represent their political groups at meetings of the Corporate Parenting - Cabinet Committee. A report

will then be presented to a future meeting of Cabinet to advise of the Corporate Parenting Champions appointed by each of the Overview and Scrutiny Committees.

4.3 Cabinet Committee Equalities

4.3.1 The proposed schedule of meeting dates for the Cabinet Committee Equalities is detailed below:-

Cabinet Committee Equalities
16 July 2018
19 November 2018
26 March 2019

4.3.2 The Cabinet Member Wellbeing and Future Generations (the portfolio then known as the Cabinet Member Childrens Social Services and Equalities) was appointed by Cabinet at the meeting on 10 May 2016 as Lead Member for Equalities and it is appropriate that the portfolio holder continues to be the Equalities Champion and be appointed as the Chairperson for the Cabinet Committee Equalities.

4.3.3 Following discussion with the Group Leaders, the following nominations have been received to sit as invitees on the Cabinet Committee Equalities on the basis of 4 Labour Group Members, 2 Conservative Group Members, 2 Independent Alliance Group Members and 1 each from the Llynfi Independents and Plaid Cymru Groups:

Cabinet Committee Equalities - 10 Invited Members

<u>Political Group</u>	<u>Councillors</u>
1 Labour	Councillor SE Baldwin
2 Labour	Councillor JE Lewis
3 Labour	Councillor J Gebbie
4 Labour	Councillor G Howells
5 Conservative	Councillor K Rowlands
6 Conservative	Councillor S Vidal
7 Independent Alliance	Councillor S Dendy
8 Independent Alliance	Councillor E Venables
9 Llynfi Independents	Councillor T Beedle
10 Plaid Cymru	Councillor JC Radcliffe

5. Effect upon Policy Framework & Procedure Rules.

5.1 There will be no direct effect on the Policy Framework & Procedure Rules but, if approved, the report will provide a sound structure for Executive decision making, improve corporate planning within the Authority and provide greater accessibility and understanding for the residents of the County Borough.

6. Equality Impact Assessment

6.1 There are no negative equality implications arising from this report.

7. Financial Implications.

7.1 There are no financial implications regarding this report.

8. Recommendations.

- 8.1 That Cabinet approves the schedule of meeting dates for Cabinet, Cabinet Committee Corporate Parenting and the Cabinet Committee Equalities meetings for the period May 2018 – April 2019 as outlined in Paragraphs 4.1.2, 4.2.1 and 4.3.1 of the report.
- 8.2 That the Cabinet Member for Social Services and Early Help be appointed as Lead Member for Children and Young People, Children and Young People Champion and Chairperson of the Cabinet Committee Corporate Parenting.
- 8.3 That the process for determining the invitees for the Cabinet Committee Corporate Parenting as outlined in paragraph 4.2.3 be approved.
- 8.4 That the Cabinet Member Wellbeing and Future Generations be appointed as the Equalities Champion and as Chairperson of the Cabinet Committee Equalities.
- 8.5 That Cabinet approve nominations of the invitees to the Cabinet Committee Equalities on the basis of 4 Labour Group Members, 2 Conservative Group Members, 2 Independent Alliance Group Members and 1 each from the Llynfi Independents and Plaid Cymru Groups.

P A Jolley
Corporate Director Operational & Partnership Services
13 April 2018

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Background documents: None