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Bridgend County Borough Council



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Gwasanaethau Gweithredol a Phartneriaethol / Operational and Partnership Services

Deialu uniongyrchol / Direct line /: 01656 643148 /
643147

Gofynnwch am / Ask for: Andrew Rees

Ein cyf / Our ref:

Eich cyf / Your ref:

Dyddiad/Date: Friday, 8 December 2017

Dear Councillor,

CORPORATE OVERVIEW AND SCRUTINY COMMITTEE

A meeting of the Corporate Overview and Scrutiny Committee will be held in Committee Rooms 2/3 Civic Offices Angel Street Bridgend CF31 4WB on **Thursday, 14 December 2017 at 9.30 am.**

AGENDA

1. Apologies for Absence
To receive apologies for absence from Members.
2. Declarations of Interest
To receive declarations of personal and prejudicial interest (if any) from Members/Officers in accordance with the provisions of the Members Code of Conduct adopted by Council from 1 September 2008 (including whipping declarations)
3. Overview and Scrutiny Forward Work Programme 2017-18 3 - 16
4. Budget Monitoring 2017-18 - Quarter 2 Forecast 17 - 48

Invitees:

All Members of Cabinet and Corporate Management Board

5. Medium Term Financial Strategy 2018-19 to 2021-22 49 - 90

Invitees:

Councillor HJ David – Leader
Councillor HM Williams – Deputy Leader
Councillor D Patel – Cabinet Member Wellbeing and Future Generations
Darren Mepham, Chief Executive
Andrew Jolley, Corporate Director - Operational and Partnership Services;
Randal Hemingway, Head of Finance
Sarah Kingsbury, Head of Human Resources and Organisational Development

6. Urgent Items
To consider any item(s) of business in respect of which notice has been given in

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accordance with Part 4 (paragraph 4) of the Council Procedure Rules and which the person presiding at the meeting is of the opinion should by reason of special circumstances be transacted at the meeting as a matter of urgency.

Yours faithfully

P A Jolley

Corporate Director Operational and Partnership Services

Councillors:

JPD Blundell

N Clarke

J Gebbie

T Giffard

Councillors

CA Green

M Jones

RL Penhale-Thomas

B Sedgebeer

Councillors

RMI Shaw

JC Spanswick

T Thomas

CA Webster

BRIDGEND COUNTY BOROUGH COUNCIL

REPORT TO CORPORATE OVERVIEW AND SCRUTINY COMMITTEE

14 DECEMBER 2017

REPORT OF THE CORPORATE DIRECTOR – OPERATIONAL AND PARTNERSHIP SERVICES

OVERVIEW AND SCRUTINY FORWARD WORK PROGRAMME 2017-18

1. Purpose of Report.

1.1 To present:

- a) the items due to be considered at the Committee's meeting to be held on 25 January 2018 and seek confirmation of the information required for the subsequent scheduled meeting to be held on 21 February 2018;
- b) a list of responses to comments, recommendations and requests for additional information from the previous meeting of the Corporate Overview and Scrutiny Committee;
- c) a list of potential Forward Work Programme items for formal prioritisation and allocation to each of the Subject Overview and Scrutiny Committees.

2. Connection to Corporate Improvement Objectives/Other Corporate Priorities

- 2.1 The key improvement objectives identified in the Corporate Plan 2016–2020 have been embodied in the Overview & Scrutiny Forward Work Programmes. The Corporate Improvement Objectives were adopted by Council on 1 March 2017 and formally set out the improvement objectives that the Council will seek to implement between 2016 and 2020. The Overview and Scrutiny Committees engage in review and development of plans, policy or strategies that support the Corporate Themes.

3. Background.

- 3.1 Under the terms of Bridgend County Borough Council's Constitution, each Overview and Scrutiny Committee must publish a Forward Work Programme (FWP) as far as it is known.
- 3.2 An effective FWP will identify the issues that the Committee wishes to focus on during the year and provide a clear rationale as to why particular issues have been selected, as well as the approach that will be adopted; i.e. will the Committee be undertaking a policy review/ development role ("Overview") or performance management approach ("Scrutiny").

Feedback

- 3.3 All conclusions made at Overview and Scrutiny Committee meetings, as well as recommendations and requests for information should be responded to by Officers, to ensure that there are clear outcomes from each topic investigated.

- 3.4 These will then be presented to the relevant Scrutiny Committee at their next meeting to ensure that they have had a response.
- 3.5 For Subject Overview and Scrutiny Committees (SOSC), when each topic has been considered and the Committee is satisfied with the outcome, the SOSC will then present their findings to the Corporate Overview and Scrutiny Committee (COSC) who will determine whether to remove the item from the FWP or to re-add for further prioritisation at a future date.
- 3.6 The FWPs will remain flexible and will be revisited at each COSC meeting with input from each SOSC and any information gathered from FWP meetings with Corporate Directors and Cabinet.

4. Current situation / proposal.

- 4.1 Attached at **Appendix B** is the Corporate Overview and Scrutiny forward work programme which includes the items scheduled for the next two meetings to be held on 14 December 2017 and the 25 January 2018. It is for the Committee to determine any further detail to request as part of these reports including any additional invitees they wish to attend to assist the Committee in its deliberations.
- 4.2 In addition to this, the Corporate Overview and Scrutiny Committee have responsibility for setting and prioritising the overall forward work programme for the Subject Overview and Scrutiny Committees.
- 4.3 Attached at **Appendix C** is the SOSCs FWP which includes the topics prioritised and agreed by the COSC for the next set of SOSCs in Table 1, as well as a list of proposed future topics at Table 2.
- 4.4 All lists have been compiled from suggested items at meetings of each of the Overview and Scrutiny Committees. It also includes information proposed from Corporate Directors, detail from research undertaken by Scrutiny Officers and information from FWP Development meetings between the Scrutiny Chairs and Cabinet.

Corporate Parenting

- 4.5 Corporate Parenting is the term used to describe the responsibility of a local authority towards looked after children and young people. This is a legal responsibility given to local authorities by the Children Act 1989 and the Children Act 2004. The role of the Corporate Parent is to seek for children in public care the outcomes every good parent would want for their own children. The Council as a whole is the 'corporate parent' therefore all Members have a level of responsibility for the children and young people looked after by Bridgend.¹
- 4.6 In this role, it is suggested that Members consider how each item they consider affects children in care and care leavers, and in what way can the Committee assist in these areas.

¹ Welsh Assembly Government and Welsh Local Government Association 'If this were my child... A councillor's guide to being a good corporate parent to children in care and care leavers', June 2009

- 4.7 Scrutiny Champions can greatly support the Committee in this by advising them of the ongoing work of the Cabinet-Committee and particularly any decisions or changes which they should be aware of as Corporate Parents.

Identification of Further Items

- 4.8 The Committee are reminded of the Criteria form which Members can use to propose further items for the FWP which the Committee can then consider for prioritisation at a future meeting. The Criteria Form emphasises the need to consider issues such as impact, risk, performance, budget and community perception when identifying topics for investigation and to ensure a strategic responsibility for Scrutiny and that its work benefits the organisation.

5. Effect upon Policy Framework & Procedure Rules.

- 5.1 The work of the Corporate Overview and Scrutiny Committee relates to the review and development of plans, policy or strategy that form part of the Policy Framework and consideration of plans, policy or strategy relating to the power to promote or improve economic, social or environmental wellbeing in the County Borough of Bridgend.

6. Equality Impact Assessment

- 6.1 There are no equality impacts arising directly from this report.

7. Financial Implications.

- 7.1 The delivery of the Forward Work Programme will be met from within existing resources for Overview and Scrutiny support.

8. Recommendation.

- 8.1 The Committee is recommended to:
- a) Approve the feedback from the previous meeting of this Committee and note the list of responses including any still outstanding attached at Appendix A;
 - b) Identify any additional information the Committee wish to receive in relation to their items scheduled for 25 January 2018 and 21 February 2018 including invitees they wish to attend;
 - c) Confirm the items prioritised and delegated to the Subject Overview and Scrutiny Committees for January and February 2018 contained within Appendix C;
 - d) Identify six priority topics, utilising the table below, from items attached at Appendix C to allocate to the Subject Overview and Scrutiny Committees for their meetings in March and April;
 - e) Identify suitable items for Webcasting from both the COSCs and the SOSCs Forward Work Programmes.

DATE OF MEETING	COMMITTEE	SUBJECT
8 January 2018	SOSC 2	Remodelling Older Persons Accommodation
10 January 2018	SOSC 1	Schools Strategic Review
17 January 2018	SOSC 3	Community Asset Transfer
7 February 2018	SOSC 2	Economic Prosperity of Bridgend County Borough
8 February 2018	SOSC 1	Schools Standards
12 February 2018	SOSC 3	Town Centre Regeneration
7 March 2018	SOSC 2	
12 March 2018	SOSC 1	
21 March 2018	SOSC 3	
16 April 2018	SOSC 1	
17 April 2018	SOSC 2	
19 April 2018	SOSC 3	

Andrew Jolley
Corporate Director – Operational and Partnership Services

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Angel Street,
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CF31 4WB

Background documents

None

Date of Meeting	Item	Members wished to make the following comments and conclusions:	Response/Comments
15-Nov-2017	Digital Transformation	The Committee praised the presentation and expressed confidence in the current officers who are taking forward the Digital Transformation project.	NA
		Recommendations	
		1. The Committee recommend that any promotion or communication to the public of any changes relating to digitalisation needs to include reassurance to those who don't have access to IT that there will be other, non-digital, options remaining and assistance provided to them.	Noted, all promotion activity we be focused on adding additional channels such as Digital to supporting the traditional channels such as Face to Face and telephony
		2. The Committee recommend that joint services with other LAs be explored as part of the Digital Transformation such as jointly buying in, and sharing information through, web-based software such as itrent.	In terms of "Line" of business applications such as "itrent" etc. Authorities are in different cycles in terms of contract dates and application vendors. Information is shared with other Authorities with regards core "Line" of business applications being used. There are difficulties with changing "Line" of Business applications as there is a significant cost of change due to the emmbedded nature of the applications and the required re-training. This highlights a need for a robust busniess case to align applications as and when contracts expire across authorities.
		3. The Committee recommend that work be undertaken in the near future to incorporate schools as part of Digital Transformation considering aspects such as online school admissions and also expanding the current cashless catering system to optimise the available functionality to incorporate any and all payments collected by schools such as those for school trips.	The focus is currently on deliver the core components of "My Account": <ul style="list-style-type: none"> • Council Tax & Benefits • Environmental Reporting • Bulky Waste Bookings • Pest Control Bookings • Registrars Bookings • eBilling • eForms As part of the Web Site review, schools admissions has been identified as an oppportunity to drive user take up of "My Account" solutions are curre ntly being evaluated to drive schools admissions via a digital channel. Wi th regards Cashless Catering this is still an active contract, this will be revi ewed to determine feasibility to extend the scope at the point of re-proc urement.

		<p>4. The Committee supported the involvement of partner organisations in the Transformation Programme however recommended that this be a phased approach and the Authority focus first on launching the system first before looking to include partners.</p>	<p>The delivery of My Account is supported by Agilisys Digital, who were awarded the contract via a procurement exercise. The work associated with the Digital Strategy discovery is supported by Microsoft, no further partners will be involved for the interim period with the focus centred around "My Account" launch and the development of a corporate Digital Strategy.</p>
		<p>5. The Committee recommend that the Authority ensure that education of the new online services be a priority with focus on support being provided within Communities.</p>	<p>Engagement with the community programmes will be sought, to understand the feasibility of incorporating support / training for the new digital channel. In terms of digital competency currently 8 out of 10 adults within Bridgend County already regularly use the internet and nearly 100% of 16 – 34 year olds.</p>
		<p>6. The Committee requested that some form of contingency plan be put in place for any future resourcing issues, with particular emphasis on lead officers in order to ensure the project deadlines and success are achieved.</p>	<p>The current model is focusing on developing a team from within existing staff resources, as the "business process review" is carried out, champions will be identified within the service area to support the change process team. Resource implications will be monitored as the programme develops to ensure that the progress is not stymied due to resource shortages, where necessary resources will be bolstered to maintain continuity and success .</p>
		<p>7. The Committee acknowledged that in order for the project to succeed it required organisational change across the whole of the Local Authority. Members therefore recommend that Digital Transformation be considered a priority by all Corporate Directors and Cabinet Members to ensure that support is cascaded down and across all Directorates, departments and service areas.</p>	<p>As part of the Digital Discovery work, a review has been initiated that will incorporate Corporate Directors, Cabinet Members, Heads of Service and Group Managers. The review will involve a top down bottom up approach. The review will inform an overarching Digital Strategy for the Council.</p>
		<p>The Committee requested that the item of Digital Transformation be revisited on the FWP approximately 3 months after its initial launch to enable some evidence to be provided to the Committee in relation to uptake and feedback.</p>	<p>Will be put forward to Corporate OVSC</p>

Corporate Overview and Scrutiny Forward Work Programme

Meeting Date	Item	Scrutiny Officer	Author	Further Information	Invitees
14-Dec-17	Directorate Budget Consultation			Consideration of Directorate Budget for 2018/19	Cabinet and CMB; Randal Hemingway, Head of Finance;
	2017-2018 Half Year Financial Performance and Half Year Corporate Plan Performance Report			To review performance including financial performance as at 30 September 2017 against 2017-18 corporate plan commitments, milestones and indicators	Cabinet and CMB; Randal Hemingway, Head of Finance; Yuan Shen, Corporate Performance Partnership and Transformation Manager.
25-Jan-18	Budget Responses and Budget REP			Collate all OVSC and BREP feedback and comments	Cllr Hywel Williams, Cabinet Member – Resources; Andrew Jolley, Corporate Director - Operational and Partnership Services; Randal Hemingway, Head of Finance.
	Corporate Plan			To comment on the Council's draft 2018-2022 Corporate Plan including its improvement priorities, revised actions and the associated commitments and indicators for 2018-19	Cabinet and CMB; Randal Hemingway, Head of Finance; Yuan Shen - Corporate Improvement and Integrated Partnerships Manager.
21-Feb-18	2017/2018 Quarter 3 Financial Performance			To review 2017-18 financial performance as at 31 December 2017	Cabinet and CMB; Randal Hemingway, Head of Finance.
	City Deal			Revisit the City Deal item to monitor its progression. How are the Council proactively ensuring that we will benefit from the City Deal?	Leader; Deputy Leader; Darren Mephram, Chief Executive; Mark Shephard, Corporate Director Communities; Rep from Finance - Randal Hemingway?
29-Mar-18	Community Safety Partnership			To provide Members with an overview of Community Safety Partnership priorities and projects	Relevant Cabinet Member; Andrew Jolley, Corporate Director – Operational and Partnership Services; Community Safety Team Leader; Super Intendent Martin Jones.
	Business Plan 2017-2018			To comment on Directorate 2017-18 business plans including its actions, milestones and performance measures	Cabinet and CMB; Randal Hemingway, Head of Finance; Yuan Shen, Corporate Performance Partnership and Transformation Manager.

30-Apr-18	Public Service Board			Updates from Public Service Board OVS Panel	
	Central South Consortium			Updates from CSC OVS Working Group	

Items for the future
Corporate Landlord
Contract Management

Scrutiny Forward Work Programme

Table A

The following items were previously prioritised by the Subject OVS Committees and considered by Corporate at its last meeting where the top three items were scheduled in for the next round of meetings:

Date	Subject Committee	Item	Specific Information to request	Rationale for prioritisation	Proposed date	Suggested Invitees	Prioritised by Committees	Webcast
18-Jan-18	SOSC 2	Remodelling Older Persons Accommodation	To provide the Committee an update on the progress of the development of two new Extra Care Housing (ECH) schemes within the County Borough and as agreed through an exempt report to Cabinet in July 2017, to gain feedback from this Committee, as part of the consultation process in respect of the proposed plans to tender as a going concern, one of the care homes in scope for the ECH plans.	Scrutiny to act as consultee – vital to have Scrutiny input into any consultation and ensure pre-decision when necessary if any changes proposed.		Susan Cooper, Corporate Director Social Services and Wellbeing; Cllr Phil White, Cabinet Member – Social Services and Early Help; Jacqueline Davies, Head of Adult Social Care; Carmel Donovan, Group Manager Integrated Community Services.		
10-Jan-18	SOSC 1	Schools Strategic Review	Post-16 Education – proposals being consulted upon to include the relationships between secondary schools and colleges	Scrutiny to act as consultee – vital to have Scrutiny input into any consultation and ensure pre-decision when necessary if any changes proposed for schools	10 January 2017	Lindsay Harvey, Interim Corporate Director - Education and Family Support; Cllr Charles Smith, Cabinet Member for Education and Regeneration; Nicola Echanis, Head of Education and Early Help; John Fabes; Mandy Paish, CSC Senior Challenge Advisor.		
17-Jan-18	SOSC 3	Community Asset Transfer	How many CAT's have been completed. How many are in process and at what stages. What finance is remaining from the initial £1 million capital allocated several years ago to help improve community buildings and sports pavilions. What has been spent to date and on what. What support is available for businesses looking to undertake a CAT What has been the main reason for CAT's not being progressed beyond initial stages Is there appetite for the CAT process amongst the local communities. Is the process fair if one community has an active local group to progress a CAT, yet another community many not have an active group and hence lose out through no fault of their own. Need to have comparison data from other authorities along with examples of what has worked and not worked. Case study of some CAT's in BCBC Data required on condition of all BCBC sports pavilions and community buildings to have an understanding of the scale of the problem. Exploration of the introduction of definitive timelines as to when the Council will no longer be able to support the assets Allotments - what the situation is with transferring leases of allotments? Awen - related information to understand how Awen are working in taking over some assets under their remit in the county Borough		Prioritised by SOSC 3 13 September 2017	Mark Shephard, Corporate Director Communities Cabinet Member Education and Regeneration, Cllr Charles Smith Cabinet Member Communities, Cllr Richard Young Fiona Blick Community Groups Guy Smith, Community Asset Transfer officer Sports club reps who may be in need of improved buildings / facilities but do not have the capacity to consider entering into a CAT agreement Pencoed Town Council - Clerk - as they have completed successful CATs		

Page 12	18-Jan-18 SOSC 1	Residential Remodelling - Children's	<p>Following its meeting on 6 November 2017, the Committee requested that the item be re-considered at a future Special meeting to receive more detailed information. The Committee overall felt they needed a greater understanding of the current situation in order for them to be confident in making informed comments and recommendations to Cabinet on the proposed model going forward.</p> <p>The Committee therefore requested that this report include the following information:</p> <ul style="list-style-type: none"> • Occupancy levels for residential homes and over past 12 months. • Numbers and types of in house and OOC foster placements for last 1-2 years. • Detail on the approximate length of placements in Sunnybank? If extending the age that young people can be there, is this extending the length of time they are there and if so where would any other young people go who need the same support – ie. is 1 home/ 4 beds enough? How many (if applicable) with similar needs are being sent OOC? • How many OOC placements are likely to remain due to being best placed and likewise how many are we likely to be able to bring back in house? Is it only future potential OOC that are being looked at for in house placements rather than placing them OOC following remodelling? • Upfront costs for staffing and training relies on OOC being reduced but how will this be achieved without the services and changes first in place? • What evidence is there that young people will be eligible for supported people grant funding and if not, would they still be able to be supported through supported lodgings? What are the associated savings for supported lodgings in comparison to residential home placements? • Whilst supported lodgings may suit some young people 16-18, what about those who it would not be suitable for? • Members requested more information on the Business case behind the remodelling – ie. it was reported that this is part of a bigger picture but what is the bigger picture? What evidence is there that there are prospects for income generation – how would this be possible if all our residential places are full anyway? How are business efficiencies going to be improved? What does success look like? What targets are there and expected outcomes for the remodelling project? • Information on care leaver destinations – where are they 2 years after leaving care for example? (if we have this information). • How is the issue of compatibility addressed in placements – given the rising numbers and pressure for placements, what assurances are there to ensure compatibility and that young people are not being placed in even more vulnerable situations? One example is that the homes have previously been reported as not in suitable locations being in areas at risk of CSE, criminal damage, threats to kill and child abuse. • If all foster placements are full, how will 3 be freed up to undertake up-skilling to become transitional carers? • Do all Foster Carers need specialist training or should this only be targeted to a small number? – If we cannot sign them in with a contract the Authority could be paying out for a lot of training which may then benefit IFA should foster carers transfer over. • Examples of LAC feedback to consultation and engagement – what are their responses to the proposed model? • Evidence of workforce planning – what do we have and what do we need? • What evidence is there that the Authority has looked at best practice elsewhere? • Could the Committee be provided with the most recent Rota Visiting report to get an idea of the types of issues/comments being raised by Members in the recent past. 	Pre decision Scrutiny item - second meeting - further report	Susan Cooper, Corporate Director, Social Services and Wellbeing; Cllr Phil White, Cabinet Member – Social Services and Early Help; Laura Kinsey, Head of Children’s Social Care; Pete Tyson, Group Manager – Commissioning; Lauren North, Commissioning and Contract Management Officer; Natalie Silcox, Group Manager Childrens Regulated Services.		

Page 13	07-Feb-18	SOSC 2	The Economic Prosperity of Bridgend County Borough	To include areas such as Economic Development, Worklessness Programmes, EU Funding for Skills.		SOSC 3 - prioritised for next set of meetings 17/07/2017 13/09/2017 SOSC 1 - proposed waiting until the detail of the Revenue Support Grant are known before this item is considered. SOSC 2 - 18/09/2017	Darren Mepham, Chief Executive; Cllr Huw David, Leader Mark Shepherd, Corporate Director Communities; Cllr Richard Young, Cabinet Member – Communities; Satwant Pryce, Head of Regeneration, Development and Property Services; Representative tbc from Bridgend College; Representative tbc from Bridgend Business Forum; Representative from Monmouthshire County Council.		SOSC 2 highlighted this item as suitable for webcasting.
	08-Feb-18	SOSC 1	School Standards Report 17-18	Annual school performance report from CSC	Annual school performance results form the basis of monitoring of schools which is a primary responsibility of Scrutiny.	Proposed to receive late January/early February once the school results have been formally published.	Lindsay Harvey, Interim Corporate Director - Education and Family Support; Cllr Charles Smith, Cabinet Member for Education and Regeneration; Nicola Echanis, Head of Education and Early Help; Mandy Paish, CSC Senior Challenge Advisor; Mike Glavin, Managing Director CSC		
	12-Feb-18	SOSC 3	Town Centre Regeneration	To provide members with information on the following responsibilities of the Council and how these are managed and can be developed with reduced resources <ul style="list-style-type: none"> • Car parking review – When is the car parking review going to be undertaken? Charges for staff car parking at all sites - has this been reviewed? If this was taken forward what income would this generate? • Residents Parking - when residents permit parking going to be rolled out? • Inconsiderate parking in the Borough - where are the problem areas? What are we doing to tackle these issues? Are we prosecuting? • Parking outside schools - How are we tackling bad parking at schools? Update on the introduction of the mobile camera van that was purchased to tackle such issues. What areas has this van been at. How many fines have been issued to date? • Pedestrianisation - particularly in Bridgend Town Centre. Outcomes of the consultation to allow traffic into the town • Business Rates • Strategic Building Investment • Disabled facilities 			Prioritised by SOSC 3 17 July 2017 13 September 2017 Prioritised by SOSC 2 18 September 2017	Mark Shephard, Corporate Director Communities Zak Shell, Head of Streetscene Satwant Pryce, Head of Regeneration	

Table B

The following items were deemed important for future prioritisation:

Item	Specific Information to request	Rationale for prioritisation	Proposed date	Suggested Invitees		Webcast
Empty Housing	<p>How effective has this council been on bringing back into use empty properties over the last five years?</p> <p>Does this council have the appropriate policies and process in place to fully utilise the powers that we already have to tackle empty homes?</p> <p>What are the levels of empty homes across Bridgend?</p> <p>What is the potential loss of council tax receipts due to empty homes?</p> <p>Data on levels of empty properties and homes and how long they have been empty for</p> <p>Examples of case studies from Bridgend CBC</p> <p>Good practice from across wales</p> <p>Welsh Government policy</p>		Postponed from January 2017 - needs reprioritisation	<p>Andrew Jolley, Corporate Director Operational and Partnership Services</p> <p>Mark Shepherd, Corporate Director Communities</p> <p>Satwant Pryce, Head of Regeneration, Development & Property</p> <p>Martin Morgans, Head of Performance and Partnership Services</p> <p>Cllr Dhanisha Patel</p> <p>Welsh Government contacts?</p> <p>Helen Picton, SRS (VOG)</p> <p>Jennifer Ellis (RCT)</p>	SOSC 3 and SOSC 1 reprioritised this in Dec 2017 after it was rescheduled to accommodate other report	

Prevention and Wellbeing and Local Community Coordination	<p>To include information about the number of different initiatives that are available within the community as an alternative to statutory services.</p> <p>LCC projects to be referenced under a heading for each area – Ogmore, Llynfi and Garw Valleys – to ensure ease of reference to what projects are being carried out where.</p> <p>To include information on the work being undertaken with the 3rd Sector. What initiatives are available within the community</p>		Proposed date March/April 2018	Susan Cooper Corporate Director Social Services and Wellbeing; Cllr Phil White, Cabinet Member - Social Services and Early Help Cllr Dhanisha Patel, Cabinet Member - Wellbeing and Future Generations; Jacqueline Davies, Head of Adult Social Care; Andrew Thomas, Group Manager – Prevention and Wellbeing.	SOSC3	
Dementia Care	<ul style="list-style-type: none"> • Include accurate and up to date figures on the people diagnosed with dementia in Bridgend County Borough for comparison with the number of people predicted to be living with dementia; • Provide Members with the information which can be found on the Local GP Dementia Register which highlights prevalence of dementia by area throughout the borough and type of dementia. The Panel recommend that these statistics are presented on a map diagram for ease of reference. If possible, Members wish that this data be elaborated upon to include age, and whether the numbers show if diagnosis was received prior to moving into the borough; • Provide an update on the review of joint intentions with health and the third sector and include information regarding the production of a dementia strategy and delivery plan - stating milestones, target dates and responsible officers. • Provide an update on existing discussions with nursing care providers in relation to the development of nursing residential care places for people with dementia; <p>Include facts and figures on people with dementia living in Cardiff as well as Neath Port Talbot and Swansea for comparison to Bridgend.</p> <p>Comparisons with other LAs such as Maesteg and the Vale on dementia awareness training to consider how successful the Authority has been in making Bridgend Dementia friendly.</p>		Members proposed that this be considered after Members have received Dementia Care Training in September/October	Susan Cooper Corporate Director Social Services and Wellbeing; Cllr Phil White, Cabinet Member – Social Services and Early Help; Jacqueline Davies, Head of Adult Social Care; Representative from Age Concern Wales; Representative from ABMU; Representative from Bavo.	SOSC3	Corporate and SOSC 3 highlighted this item as suitable for webcasting.
Safeguarding	<p>To include Safeguarding activity in both Children and Adult Services. To also cover:</p> <ul style="list-style-type: none"> • Regional Safeguarding Boards • Bridgend Corporate Safeguarding Policy • CSE • DOLS <p>Report to provide statistical data in relation to service demands and evidence how quickly and effectively the services are acting to those needs.</p> <p>To evidence how the two services are working together and the impact on the LAC population.</p> <p>To receive the outcome of the in depth analysis which was currently being undertaken within the Council.</p> <p>To include information on Advocacy for Children and Adults:</p> <ul style="list-style-type: none"> • The outcome from the Advocacy Pilot Scheme • The current system • Social Services & Wellbeing Act • Regional Children Services advocacy • Adult Services – Golden Thread Project 	Members stressed that this subject must be considered by Scrutiny on their FWP as is a huge responsibility of the Authority and Scrutiny must ensure the work being undertaken to protect some of the most vulnerable people is effective and achieving outcomes.	Pilot for Advocacy ends April. Therefore proposed date May/June 2018.	Susan Cooper Corporate Director Social Services and Wellbeing; Cllr Phil White, Cabinet Member – Social Services and Early Help; Jacqueline Davies, Head of Adult Social Care; Laura Kinsey, Head of Children’s Social Care; Elizabeth Walton James, Group Manager Safeguarding and Quality Assurance Richard Thomas, Strategic Planning and Commissioning Officer		
School Modernisation Band B	To advise committee on the development of the strategic outline plan for band b of the 21 st century schools modernisation programme	Scrutiny to inform the plans and refine the rationale for the development of the schools estate	Proposed by Officers - March 2018	Lindsay Harvey, Interim Corporate Director - Education and Family Support; Cllr Charles Smith, Cabinet Member for Education and Regeneration; Nicola Echanis, Head of Education and Early Help; Gaynor Thomas, Schools Programme Manager	SOSC3 SOSC 1	

ALN Reform	<p>When the Bill has been further progressed, report to include consideration of the following points:</p> <p>a) How the Authority and Schools are engaging with parents over the changes to the Bill?</p> <p>b) What the finalised process is for assessments and who is responsible for leading with them?</p> <p>c) What involvement/responsibilities do Educational Psychologists have under the Bill?</p> <p>d) Has the Bill led to an increase in tribunals and what impact has this had? This is set against the context of the recent announcement by the Lifelong Learning Minister that instead of saving £4.8m over four years the Bill could potentially cost £8.2m due to an expected increase in the number of cases of dispute resolution.</p> <p>e) Given that the Bill focuses on the involvement of young people and their parents, what support is available for those involved in court disputes?</p> <p>f) Outcomes from the Supported Internship programme.</p> <p>g) Support for those with ALN into employment.</p> <p>h) Staffing - Protection and support for staff, ALNCO support, workloads and capacity.</p> <p>i) Pupil-teacher ratios and class sizes and impact of Bill on capacity of teachers to support pupils with ALN</p> <p>j) How is the implementation of the Bill being monitored; what quality assurance frameworks are there and what accountability for local authorities, consortiums and schools?</p>	Needs revisiting to monitor implementation of the Bill and if needs are being met as well as impact on future budgets	Proposed by SOSC 1 to be revisited in next years FWP	Lindsay Harvey, Interim Corporate Director - Education and Family Support; Cllr Charles Smith, Cabinet Member for Education and Regeneration; Nicola Echanis, Head of Education and Early Help. Michelle Hatcher, Group Manager Inclusion and School Improvement Third Sector Representatives		
Early Help and Social Care	<p>The process into how the following information will be presented will be confirmed following meetings with both Directorates Corporate Directors.</p> <ul style="list-style-type: none"> Up to date figures presenting the numbers of Looked After Children by Local Authority; A breakdown of referral figures, to include statistics from local pre-school nurseries; Outcome from the review undertaken by Institute of Public Care; What services are being provided post 16, given that research indicates shows that children who have been looked after, have the increased probability that their children will also end up in the care system; Outcomes from the following Residential Remodelling project work streams: <ul style="list-style-type: none"> For moving out-of-country residential placements to in-county Upskilling of three internal foster carers to provide intensive, therapeutic step down placements. Review of the foster carer marketing and recruitment strategy at a draft/early stage to allow members input into the process <p>To evidence how the two services are working together and the impact on the LAC population.</p>			Susan Cooper Corporate Director Social Services and Wellbeing; Lindsay Harvey, Interim Corporate Director - Education and Family Support; Cllr Charles Smith, Cabinet Member for Education and Regeneration; Cllr Phil White, Cabinet Member – Social Services and Early Help; Nicola Echanis, Head of Education and Early Help. Laura Kinsey, Head of Children’s Social Care; Mark Lewis, Elizabeth Walton James, Group Manager Safeguarding and Quality Assurance	SOSC 1	
Annual Recommendations/feedback Update to each SOSC	Update on all feedback that required follow up and recommendations - Cabinet and Officer ones		Proposed for March 2018 to inform next years FWP planning	None		
Care and Social Services Inspectorate Wales (CSSIW) Inspection of Children's Services.	The Committee requested that they receive an information report detailing the progress of the plan and update Members whether or not the actions have addressed the issues raised by the Inspectorate.					

Emergency Housing	<p>Is the current emergency housing provided by BCBC meeting the needs of the service users? Is the current provision a good use of public resources? Should an alternative provision be made to ensure families, in particular children, achieve their potential. Service user numbers Service user demographic –ages, disabilities, gender Outcomes Challenges faced daily by families using provision –health, dentist, mental health, schools</p>	members asked for this item to be prioritised by the Corporate Committee to address the homelessness across the county which has increased and can be seen by the increased number of people sleeping in tents.		Andrew Jolley, Corporate Director – Operational and Partnership Services; Martin Morgans, Head of Performance and Partnership Services Cllr Dhanisha Patel, Cabinet Member - Wellbeing and Future Generations;	SOSC3 SOSC 1	
Budgetary Impacts of Parc Prison	<p>How much core funding does BCBC receive to deal with the impact of a prison being located within its boundary? What is the true cost of servicing this need? Is there a different impact due to Parc Prison being privately run as opposed to being run by the Prison Service?</p>			Susan Cooper, Corporate Director Social Services and Wellbeing Jacqueline Davies, Head of Adult Social Care Cllr P White, Cabinet Member Services and Early Help		
Waste Services Contract	<p>Members would like the report to include an update on the following: The impact of the recently recruited senior managers associated with the Bridgend contract and front line operative staff. Was recruitment successful? Have all Members now been given full inductions and training Information on the updates to the CRC centre including the instalment of the polystyrene baler and webcam so residents are able to monitor the traffic flow at the site. Change of days for the communal collections - Has this happened? Has the service shown improvements since the change? Impact of the new collection vehicles. Have they made collection rounds more efficient? Outcome of the review of BCBC in house Street Scene enforcement activity Longer term trend of flytipping. What are the figures of flytipping in the Borough? Have they improved? Domestic or business?</p>	Members requested that this item is prioritised by the Corporate Committee for June 2018 so they can monitor the contract and ensure that improvements to the delivery of the service are made. Members requested that this item remain until significant improvements are made and the service is at a satisfactory level for residents.	SOSC 3 proposed revisit item in June 2018	Mark Shepherd, Corporate Director Communities; Cllr Hywel Williams, Deputy Leader; Cllr Richard Young, Cabinet Member – Communities; Zak Shell, Head of Streetscene; Maz Akhtar, Regional Manager Kier Julian Tranter, Managing Director Kier Claire Pring, Kier		
Social Care University Fees	To provide information on the review that is underway in relation to financial support provided to care leavers with university fees and associated costs and to consult on the proposed financial option to support care leavers attending University.	Requested by the Corporate Director - Social Services for Scrutiny to receive.	Proposed by Corporate Director for 7 February in place of current item	Susan Cooper Corporate Director Social Services and Wellbeing; Cllr Phil White, Cabinet Member – Social Services and Early Help; Laura Kinsey, Head of Children's Social Care;		

The following items for briefing sessions or pre-Council briefing

Item	Specific Information to request
Overview of Direct Payment Scheme	<p>To update Members on the Direct Payments Process.</p> <p>How outcomes for individuals are being identified and monitored.</p> <p>What activities are being requested by individuals to enable them to achieve their personal outcomes.</p> <p>How the Direct Payments system is being monitored.</p> <p>To include clarification and further details on the exact costs of commissioning the IPC.</p>
Social Services Commissioning Strategy	<p>To include information on what work has taken place following the Social Services and Wellbeing Act population assessment.</p> <p>To also cover the following:</p> <ul style="list-style-type: none"> Regional Annual Plan <u>Bridgend Social Services Commissioning Strategy</u>
Western Bay Regional Report	Update on situation and way forward with WB and Regional Working?
Residential Remodelling - Extra Care Housing	Site visit to current Extra Care Housing and then to new site once work has begun

BRIDGEND COUNTY BOROUGH COUNCIL

REPORT TO CORPORATE OVERVIEW AND SCRUTINY COMMITTEE

14 DECEMBER 2017

REPORT OF THE HEAD OF FINANCE

BUDGET MONITORING 2017-18 – QUARTER 2 FORECAST

1.0 Purpose of this report

1.1 The purpose of this report is to provide the Committee with an update on the Council's financial position as at 30th September 2017.

2.0 Connections to Corporate Improvement Objectives and Other Corporate Priorities

2.1 The budget monitoring report provides an overview of the current financial position and projected outturn for the year against the budget approved by Council in March 2017. The allocation of budget determines the extent to which the Council's corporate improvement priorities can be delivered.

3.0 Background

3.1 On 1st March 2017, Council approved a net revenue budget of £258.093 million for 2017-18, along with a capital programme for the year of £63.854 million, which has since been updated to £57.574 million taking into account new approvals and slippage of schemes into 2018-19. As part of the Performance Management Framework, budget projections are reviewed regularly and reported to Cabinet on a quarterly basis. The delivery of agreed budget reductions is also kept under review and reported to Cabinet as part of this process.

4.0 Current Situation

4.1 Summary financial position at 30th September 2017

4.1.1 The Council's net revenue budget and projected outturn for 2017-18 is shown in Table 1 below.

Table 1- Comparison of budget against projected outturn at 30th September 2017

Directorate/Budget Area	Original Budget 2017-18 £'000	Revised Budget 2017-18 £'000	Projected Outturn 2017-18 £'000	Projected Over / (Under) Spend Qtr 2 2017-18 £'000	Projected Over / (Under) Spend Qtr 1 2017-18 £'000
Directorate					
Education and Family Support	108,448	108,363	108,089	(274)	(168)
Social Services and Wellbeing Communities	64,683	64,809	66,746	1,937	2,006
Operational and Partnership Services	23,858	23,789	23,670	(119)	75
Chief Executives and Finance	15,249	15,358	14,635	(723)	(1,314)
	3,886	3,921	3,810	(111)	(307)
Total Directorate Budgets	216,124	216,240	216,950	710	292
Council Wide Budgets					
Capital Financing	10,184	10,184	8,859	(1,325)	0
Levies	7,020	6,952	6,967	15	16
Apprenticeship Levy	700	700	609	(91)	(98)
Council Tax Reduction Scheme	14,254	14,254	13,805	(449)	(486)
Insurance Premiums	1,559	1,559	1,559	0	0
Building Maintenance	900	900	900	0	0
Pension Related Costs	1,258	1,203	430	(773)	(826)
Other Council Wide Budgets	6,094	6,101	5,516	(585)	(107)
Total Council Wide Budgets	41,969	41,853	38,645	(3,208)	(1,501)
Appropriations to / from Earmarked to Reserves			3	3	0
Total	258,093	258,093	255,598	(2,495)	(1,209)

4.1.2 The overall projected position at 30th September 2017 is a net under spend of £2.495 million, comprising £710,000 net over spend on directorates and £3.208 million net under spend on corporate budgets. This takes into account the draw down by directorates of £1.763 million from earmarked reserves during the year. A detailed analysis of the more significant projected under and over spends is set out in section 4.3.

4.1.3 There have been a number of virements between budgets since those reported to Cabinet at the end of quarter 1 in July 2017. The main virements are included in Table 2 below. The budgetary position is reported on the assumption that these virements have been approved:

Table 2 – Virements processed during quarter 2

Service vired from / to	Amount
Adjustment from central Education budgets, in particular special school recoupment and out of county places, to school delegated budgets to fund additional places in special schools.	£225,000
Permanent virement from Public realm fund to mitigate MTFS proposal in	£165,000

Service vired from / to	Amount
respect of blue badges	
Transfer of responsibility and budgets from Communities to Social Services and Wellbeing directorate in respect of community centres	£47,000
Additional funding for schools from the corporate budget for pay and prices following the implementation of the recommendations arising from the School Teachers' Review Body's latest report.	£47,000
Reinstatement of the Corporate Contingency budget from other corporate budgets to meet unknown pressures, following the permanent transfer of funding for asbestos management.	£76,000
One-off virement of previous budget pressure from Communities directorate in respect of administration cost of Concessionary Fares to reflect delay in implementation. This budget will be reinstated in 2018-19 at a lower rate, following receipt of further detail.	£70,000
Budget adjustment between Communities and Education and Family Support to reflect depot management responsibilities at Waterton depot following rationalisation.	£97,000

- 4.1.4 The quarter 1 report to Cabinet identified potential in-year budget pressures in respect of energy increases for both gas and electricity, and indicated that further analysis would be undertaken to establish the impact on directorate budgets. We are still not in a position to know the full impact of any price rises, following the transfer to our new energy supplier, so the position will be monitored during quarter 3 and any adjustments needed to directorate budgets will be processed as figures become more certain. Early indications were that the increase could be as high as 30%, with a financial impact of £750,000 to £1 million. This has been built into current projections for pay and prices in 2017-18. The only adjustment made to date is in respect of an inflationary increase for street lighting energy costs.
- 4.1.5 A large increase in energy prices would commit funding available within corporate budgets, which will impact on the amount of funding available for other inflationary pressures. Inflation rates are gradually increasing (CPI was 3.0% in September 2017 compared to 1.8% in January 2017), so the budget will need to be monitored closely during the remainder of the year.
- 4.1.6 The net budget for the financial year has been set assuming full implementation of the current year budget reduction requirements across the Council's budget, which amount to £5.852 million. Where proposals to meet this requirement have been delayed or are not achievable, directorates have been tasked with identifying alternative proposals to meet their requirements such as vacancy management, or bringing forward alternative budget reduction proposals.
- 4.1.7 In July 2017 an update report was presented to Cabinet on the Medium Term Financial Strategy (MTFS) for 2018-19 to 2021-22. It included a number of pressures facing Welsh Councils over the life of the MTFS. This reiterated the need to develop recurrent budget reduction proposals, based on the most likely scenario, amounting to around £35.3 million over the next four years. Since then, the Welsh Government has published its Draft Local Government Settlement on 10th October, the key headline being that core funding for local government in 2018-19 will reduce by 0.5% on a like-for-like basis compared to the current year, with a further reduction of 1.5% indicated for the following year.

Against that background it is essential that expenditure is kept within the overall approved budget and that longer term proposals continue to be developed so that the Council has as much flexibility as possible to meet the challenges which lie ahead.

- 4.1.8 At year end consideration will be given to requests from directors to carry forward any planned directorate under spends for specific purposes into the following year, in line with the Council's Reserves and Balances Protocol, as long as these can be met from within the Council's cash limited budget for 2017-18. This is in line with the reports to Cabinet and Council on the MTFs, and the Council's Financial Procedure Rules. Similarly, consideration will be given to any over spends to determine whether these should be carried forward as a first call on the directorate budget for the following year. Finally, outstanding prudential borrowing will be repaid, where possible, to reduce future capital financing charges. However, a decision will not be made until towards the end of the financial year when the overall outturn position is more definite.

4.2 Monitoring of Budget Reduction Proposals

Budget Reductions 2016-17

- 4.2.1 A report was presented to Cabinet on 27th June 2017 on Financial Performance 2016-17. In the report it was highlighted that, of the £7.477 million budget reduction proposals for 2016-17, £2.385 million were not met in full, with a shortfall in the financial year of £1.845 million. The report stated that these proposals would continue to be monitored alongside current year proposals, with mitigating action to achieve them to be identified. At quarter 1 there was still £755,000 outstanding, and this position has not changed during quarter 2. A summary of the latest position is attached as Appendix 1. This comprises the following budget reduction proposals set out in Table 3 below:

Table 3 – Monitoring of Budget Reductions 2016-17

Ref	Budget Reduction Proposal	Target Saving £000	Current Shortfall £000
RES40	Change Out of Hours Service provided by Built Environment	22	22
ASC19	Develop a Delivery Model for the Bridgend Resource Centre	108	100
CH25	Reduction in Safeguarding LAC numbers and related reduction in costs	357	357
ASC6	Management, Admin and Training Implement measures to achieve 7% and 5% across the 2 years	76	26
ASC23	Changes in Workforce	100	100
CH22	Remodelling of Children's Respite and Residential Care	200	150
Total		863	755

- 4.2.2 Directorates are seeking to identify mitigating actions to meet the balance of the 2016-17 budget reduction shortfalls in this financial year. In the longer term, these proposals must be realised or must be met through alternative budget reduction

proposals in order to deliver a balanced budget position. Some of these will be met through new models of working, such as the Corporate Landlord model or remodelling of social care.

Budget Reductions 2017-18

4.2.3 The budget approved for 2017-18 included budget reduction proposals totalling £5.852 million, which is broken down in Appendix 2 and summarised in Table 4 below. The current position is a projected shortfall on the savings target of £1.726 million, or 29% of the overall reduction target.

Table 4 – Monitoring of Budget Reductions 2017-18

	Total Budget Reductions Required	Total Budget Reductions Likely to be Achieved	Shortfall
DIRECTORATE /BUDGET REDUCTION AREA	£'000	£'000	£'000
Education and Family Support	577	485	92
Schools	869	869	0
Social Services and Wellbeing	2,283	1049	1234
Communities	767	442	325
Operational and Partnership Services	535	535	0
Chief Executive & Finance	414	339	75
Council Wide Budgets	407	407	0
TOTAL	5,852	4,126	1,726

A comparison of the RAG position against quarter 1 in 2017-18 is provided below. To ensure consistent reporting across directorates a clearer definition of each RAG status is now provided as a key to Appendices 1 and 2:

	2017-18 Q2		2017-18 Q1	
	£000	%	£000	%
Green	2,604	44%	2,388	41%
Amber	1,741	30%	1,973	34%
Red	1,507	26%	1,491	25%
Total	5,852	100%	5,852	100%

Whilst the overall value and percentage of budget reduction proposals classed as GREEN has increased between quarters 1 and 2, the total and percentage classed as RED has also increased. Any non-achievement will have a significant impact on the outturn position.

4.2.4 The most significant budget reduction proposals unlikely to be achieved include:

- ASC17 Managed Service Reductions Residential and Respite Care (£414,000);
- CH25 Reduction in Safeguarding Looked After Children (LAC) numbers (£260,000);

- SSW1 Impact of the Prevention and Wellbeing agenda (£668,000);
- COM18 Reductions to the budget for the Materials Recovery and Energy Centre (MREC) (£200,000);
- CEX3 To put Council Tax and some aspects of benefits online and to collaborate with others (£150,000)

Appendix 2 identifies the projected amount of saving against these proposals and action to be taken by the directorate to mitigate the shortfall. Directors continue to work with their staff to deliver their proposals or alternatives and this is reflected in the forecast outturn for the year.

4.2.5 As outlined in the MTFS reports to Cabinet and Council, MTFS Principle 12 states that *“Resources are allocated to deliver the Bridgend Change Programme based on clear strategic plans that are kept under review by Corporate Directors to maintain alignment with the MTFS and a MTFS Budget Reduction Contingency will be maintained”*. A Budget Reduction Contingency was established in 2016-17 and used to partly mitigate shortfalls on a number of budget reduction proposals. This reserve was increased at the end of 2016-17 to provide capacity to support shortfalls on budget reduction proposals in 2017-18 and, following agreement with the S151 officer, is being used to mitigate the shortfall on the following budget reduction proposal in this financial year.

COM 18	MREC	£200,000
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During the financial year the S151 officer will consider further applications from directorates to the MTFS Budget Reduction Contingency Reserve to mitigate some of the shortfalls.

4.3 **Commentary on the financial position as at 30th September 2017**

A summary of the financial position for each main service area is attached as Appendix 3 to this report and comments on the most significant variances are provided below. A further review will be undertaken of the projected outturn at quarter 3 and any further draw down from earmarked reserves will be undertaken at that time.

4.3.1 **Education and Family Support Directorate**

The net budget for the Directorate for 2017-18 is £108.363 million. Current projections indicate an under spend of £274,000 at year end. The main variances are:

EDUCATION & FAMILY SUPPORT DIRECTORATE	Net Budget	Projected Outturn	Projected Variance Over/(under) budget	% Variance
	£'000	£'000	£'000	
Built Environment	942	836	(106)	-11.3%
Inter Authority Recoupment	(499)	(336)	163	-32.7%
Catering Services	718	641	(77)	-10.7%
Integrated Working	898	760	(138)	-15.4%
Youth Justice	366	301	(65)	-17.8%

Schools' Delegated Budgets

- The schools' delegated budget is reported as balanced as any under or over spend is automatically carried forward into the new financial year before being considered by the Director of Education and Family Support in line with the 'Guidance on Managing School Surplus Balances'.
- In quarter 1 it was reported that 21 primary schools, 3 secondary schools and 1 special school were projecting a deficit balance at year end, with a projected overall deficit balance for school delegated budgets of £1.186 million. At the end of quarter 2, 25 primary schools, 5 secondary schools and 1 special school (52.5% of all schools) are projecting a deficit balance at year end with a projected overall deficit balance for school delegated budgets of £1.234 million.

Central Education and Family Support Budgets

Built Environment

- There are two MTFS budget reductions in respect of the Built Environment service which have been put on hold pending the Corporate Landlord review. These relate to the out of hours service (£22,000 from 2016-17 MTFS) and the service level agreement with schools (£31,000 from 2017-18 MTFS). These proposals will be offset by savings generated from vacancy management within the service until the outcome of the Corporate Landlord review is known. There is an overall net under spend on the service of £106,000 mostly arising from vacant posts held pending the outcome of the review.

Inter Authority Recoupment

- There is a projected over spend of £63,000 on the recoupment expenditure budget due to an increase in out of county placements from 24 at the end of 2016-17 to 25 currently, with 3 new placements pending. In addition, there is a projected shortfall in recoupment income of £100,000 due to a reduction in other local authority placements at Heronsbridge and YBC from 33 in the Summer Term to 26 in the Autumn Term.

Catering Services

- The under spend of £77,000 has arisen as a result of higher demand for meals than anticipated when the budget was set as well as strong performance on vacancy management. Close monitoring will be required to see if there is any impact on take-up from the increase in school meal prices by 10 pence in September 2017.

Integrated Working

- There is a projected under spend of £138,000 which is due to staff savings of £85,000 within the Family Support Service and £56,000 within the Integrated Family Support Service (IFSS) due to maximisation of grant allocations. These savings are not recurring.

Youth Justice

- There is an under spend of £65,000 in respect of the premises budget.

4.3.2 Social Services and Wellbeing Directorate

The Directorate's net budget for 2017-18 is £64.809 million. Current projections indicate an over spend of £1.937 million at year end. The main variances are:

SOCIAL SERVICES AND WELLBEING DIRECTORATE	Net Budget	Projected Outturn	Projected Variance Over/(under) budget	% Variance
	£'000	£'000	£'000	
Adult Social Care - Residential	11,396	11,533	137	1.2%
Adult Social Care – Care at Home	17,766	18,353	587	3.3%
Adult Social Care – Assessment & Care Management	4,692	4,236	(456)	-9.7%
Adult Social Care – Other Services	(413)	330	743	179.9%
Learning Difficulties – Day Services	2,992	2,879	(113)	-3.8%
Physical Disability – Equipment and Adaptations	859	946	87	10.1%
Mental Health – Supported & Other Accommodation	69	163	94	136.2%
Looked after Children - LAC	10,690	11,462	772	7.2%

Adult Social Care - Residential

- There is a projected over spend of £90,000 in respect of older people's private residential placements where placements that were self-funded previously have now been reassessed and will be funded by the council under the fairer charging process. There is also a projected over spend of £94,000 in respect of learning difficulties residential placements where the cost of 24 current placements exceeds the available budget.

Adult Social Care – Care at Home

- These budgets include homecare and direct payments and the forecast over spend across adult social care is due to continued demand and cost of services provided across the county borough.

Adult Social Care - Assessment and Care Management

- There is a projected under spend of £456,000 on all assessment and care management budgets, including £181,000 on assessment and care management for people with physical disabilities, arising mainly from staff vacancies, although the directorate is aiming to fill some of these posts during the year.

Adult Social Care - Other Services

- There is a projected over spend of £743,000 across budgets for adult social care in general, mainly as a result of projected non-achievement of MTFs

budget reductions in respect of the implementation of the prevention and wellbeing agenda (£668,000 for 2017-18 across all services). The budget reduction proposal included development of the Community Resource and Reablement services, the increased use of Assistive Technology to enable people to stay independent and the development of a Local Community Co-ordination plan and the Ageing Well Strategy. It was anticipated that these proposals would lead to cost avoidance, lower demand and increased value for money but the savings have not been realised as quickly as anticipated.

Learning Disabilities – Day Services

- There is a projected under spend of £113,000 as a result of staffing vacancies across day services. These posts are currently being held vacant to help with the financial position within the directorate.

Physical Disabilities – Equipment & Adaptations

- There is a projected over spend due to increased spend on equipment and adaptations in order to allow people to live independently within their own homes. This is a more cost effective service delivery model than alternatives, which could include residential provision or even hospital stays, resulting in further social services intervention.

Mental Health - Supported and Other Accommodation

- A projected over spend of £94,000 is likely as a result of lower income than anticipated and non-achievement of the MTFS budget reduction in respect of the development of income streams for specialist Mental Health placements. The service is considering other areas to achieve the budget reductions.

Looked After Children (LAC)

- There is currently a projected over spend of £772,000 on LAC prior to the draw down of any earmarked reserves. MTFS budget reductions have resulted in the budget being reduced by around £1 million over the last three years, including a reduction of £260,000 in 2017-18. However, compared to the outturn position in 2016-17, the current financial projection represents a significant improvement, which reflects the service's strategy to place more children into in-house foster placements. Compared to the same period last year, there has been a reduction of 12 Independent Foster Agency (IFA) placements, with a corresponding increase in the number placed in-house. If the current position is maintained, it is forecast that the service expenditure will reduce by more than £500,000 versus 2016-17.
- Whilst the number of LAC at the end of September has increased to 395 compared to 390 at the beginning of April 2017, there has been a substantial change in the type of placements, which is driving the reduction in expenditure.
- The budget is closely monitored to ensure that the current over spend is reduced and that the budget for 2017-18 is effectively managed. Consideration will be given during the second half of the year to draw down of funding from the LAC earmarked reserve.

4.3.3 Communities Directorate

The net budget for the Directorate for 2017-18 is £23.789 million and the current projection is an anticipated under spend of £119,000. The main variances are:

COMMUNITIES DIRECTORATE	Net Budget	Projected Outturn	Projected Variance Over/(under) budget	% Variance
	£'000	£'000	£'000	
Development	310	400	90	29.0%
Waste Disposal	4,613	4,849	236	5.1%
Waste Collection	2,732	2,929	197	7.2%
Street Lighting	1,481	1,381	(100)	-6.8%
Highways Service (DSO)	2,602	2,452	(150)	-5.8%
Fleet Services	(95)	55	150	-157.9%
Car Parking	(369)	(280)	89	-24.1%
Engineering Services	129	(11)	(140)	-108.5%
Parks & Open Spaces	2,086	1,876	(210)	-10.1%
Streetscene Support	304	234	(70)	-23.0%
Property (Estates)	1,333	1,173	(160)	-12.0%

Development

- The projected over spend in Development is primarily due to a downturn in planning application income in Development Control (£100,000).

Waste Disposal

- There is a budget reduction target of £200,000 for 2017-18 in respect of the MREC. The procurement exercise with Neath Port Talbot Council to secure a new operator for the facility is still ongoing therefore, as outlined in paragraph 4.2.5, the MTFS Budget Reduction Contingency is being applied against this proposal. The majority of the remaining over spend (£203,000) has occurred due to ongoing issues with the classification of waste materials received at the MREC from the Council's Community Recycling Centre (CRC) sites which has resulted in increased disposal costs from those anticipated this year. Council officers continue to work on this issue with Kier, who operate the CRC sites, and NPT Recycling, who operate the MREC site.

Waste Collection

- There is a projected over spend of £197,000 on waste collection services. This is a combination of under recovery of Trade Waste Income (£202,000) due to falling demand, increased demand on Absorbent Hygiene Product (AHP) Collections (£133,000), under spends on Garden Waste Collection (£62,000) and the waste awareness budget (£63,000) and one-off income from WRAP.
- The Trade Waste pressure has arisen as a consequence of the requirement for the Council to send all of its municipal residual waste and all of the residual waste arising from its Trade Waste services to the MREC facility, and a reduction the volume of customers.
- In addition, the popularity of the AHP recycling service has been higher than expected. The AHP service was introduced to remove such products from the residual waste stream and to contribute to the Council's overall statutory

recycling target. Notwithstanding the budget pressure, the contract performance in this area is to be welcomed.

Street Lighting

- The projected under spend of £100,000 has arisen following the LGBI programme of replacements of lanterns and subsequent reduction in energy costs and requirement maintenance. It has been maintained to contribute to future MTFS targets.

Highways Services

- There is a projected under spend of £150,000 as a result of extra work with the South East Wales Trunk Road Agency (SWTRA). The projected higher level of income will need monitoring during the financial year to ensure it is achieved especially during the winter maintenance period.

Fleet Services

- There is a projected over spend across the service, in line with 2016-17, due to a downturn in income arising from reduced spend by directorates. The service will look to mitigate this during the financial year and is currently undertaking a review of the service.

Car Parking

- There is a projected over spend across the service of £89,000. Part of this is due to the projected non-achievement of the 2017-18 budget reduction target of £50,000 pending a review of car park charges, including staff and members, with the balance from historic shortfalls in car pass income. The over spend has reduced since that reported at quarter 1 due to the proposed virement from the Public Realm fund to offset unmet savings in respect of Blue Badges as reported in Table 2.

Engineering Services

- There is a projected under spend across the service of £140,000 as a result of a projected higher than budgeted level of income. This is due to the balance of work on EU/non EU funded projects compared with previous years and the differing chargeable rates allowed.

Parks & Open Spaces

- There is a projected under spend of £210,000 across the service. It is mainly due to under spends in staffing, in particular seasonal grounds maintenance staff where it has been difficult to recruit this year.

Streetscene Support

- There is a projected under spend across the service of £70,000 as a result of staffing vacancies and efficiencies on non-staffing budgets pending future MTFS budget reduction targets.

Property (Estates)

- There is a projected under spend across the service of £160,000. This is as a result of a combination of staff vacancies in the service (£200,000), and an under spend on running costs for corporate buildings (£80,000), partly offset by a projected shortfall in income targets (£120,000) primarily due to under occupancy at the Innovation Centre and Bridgend Market. This service is within the scope of the Corporate Landlord review, so may be impacted by the outcome of that review.

4.3.4 Operational and Partnership Services Directorate

The net budget for the Directorate for 2017-18 is £15.358 million and current projections anticipate an under spend against this budget of £723,000. The main variances are:

OPERATIONAL AND PARTNERSHIP SERVICES DIRECTORATE	Net Budget	Projected Outturn	Projected Variance Over/(under) budget	% Variance
	£'000	£'000	£'000	
Housing Options and Homelessness	1,556	1,406	(150)	-9.6%
Legal (including Admin)	2,510	2,320	(190)	-7.6%
Member and Mayoral Services	1,850	1,668	(182)	-9.8%
Customer Services	1,284	1,065	(219)	-17.1%
ICT	3,823	4,130	307	8.0%

Housing Options and Homelessness

- The net under spend of £150,000 is a combination of reduced costs on temporary accommodation, following the receipt of non-recurrent grant funding, and also vacancy savings across the service, including community safety. A review of budget heads was undertaken during quarter 2 and, on 4th October 2017, Council approved the use of £120,000 of the service under spend towards structural repairs at Brynmenyn Homelessness Unit. Any recurrent savings will be put towards the MTFs for next year.

Legal Services

- The under spend on legal services is due mainly to staffing vacancies, and some under spends on non-pay budgets. These will be considered as part of the MTFs for 2018-19.

Member and Mayoral Services

- The majority of the projected under spend (£145,000) is in respect of the Members' Community Action Fund following the delay in implementation after the Council elections in May. Any under spend will be carried forward and ring-fenced for members to use prior to the end of October 2018, as agreed in recent training provided.

Customer Services

- The under spend relates partly to posts held vacant in preparation for future MTFs savings, in addition to savings arising from a temporary secondment to

progress digital transformation, which is funded from an earmarked reserve (£62,000), and under spends on superannuation costs (£35,000).

ICT

- The net over spend has arisen as a result of under spends on vacancies within the team, along with an under spend of approximately £275,000 on software licences, which are offset by revenue contributions to capital for investment in PCs, digital meeting rooms, and data storage, totalling £790,000, as approved by Council on 4th October 2017. The majority of the savings on software are ring-fenced for 2018-19 MTFs savings.

4.3.5 Chief Executives and Finance

The net budget for the Directorate for 2017-18 is £3.921 million and current projections anticipate an under spend against this budget of £111,000. The main variances are:

CHIEF EXECUTIVES AND FINANCE	Net Budget	Projected Outturn	Projected Variance Over/(under) budget	% Variance
	£'000	£'000	£'000	
Internal Audit	313	283	(30)	-9.6%
Housing Benefits Administration	689	539	(150)	-21.8%
Taxation and Sundry Debtors	41	142	101	246.3%

Internal Audit

- The under spend mainly relates to a rebate in respect of a reduced number of audit days received in the 2016-17 financial year as a result of staff vacancies within the service. There is currently a review of the staffing structure in progress.

Housing Benefits Administration

- There is an under spend in respect of the administration of housing benefit arising mainly from staffing vacancies, but also changes in staffing hours and additional annual leave purchases.

Taxation and Sundry Debtors

- There is a projected shortfall of £85,000 on income from court costs, as well as an over spend on staffing arising from the delay in implementing channel shift.

4.3.6 Council Wide budgets

This section includes budgets, provisions and services which are council wide, and not managed by an individual directorate. The budget is £41.853 million and the projected outturn is £38.645 million, resulting in a projected under spend of £3.208 million. The main variances are detailed below:

COUNCIL WIDE BUDGETS	Net Budget	Projected Outturn	Projected Variance Over/(under) budget	% Variance
	£'000	£'000	£'000	
Capital Financing Costs	10,184	8,859	(1,325)	-13.0%
Council Tax Reduction Scheme	14,254	13,805	(449)	-3.1%
Pension Related Costs	1,203	430	(773)	-64.3%
Other Council Wide Budgets	6,101	5,516	(585)	-9.6%

Capital Financing

- The projected under spend of £1.325 million is a combination of an under spend on interest paid due to lower borrowing than anticipated (£1.2 million), as Council uses its own internal resources to finance schemes, and additional interest received from current investments. A review will be undertaken during the final quarter of the year to identify any further debt repayment opportunities.

Council Tax Reduction Scheme

- The projected under spend of £449,000 is a result of lower demand than forecast for the Council Tax Reduction Scheme. This a demand led budget which is based on full take up, but actual take up is not known until year end. There was a £300,000 budget reduction in the MTFs for 2017-18 and further reductions are likely for future years.

Pension Related Costs

- The projected under spend of £773,000 is a consequence of low demand on the budget for auto enrolment, with the September 2017 deadline for take-up having now passed, and low demand for funding in respect of other in-year pension or national insurance pressures.

Other Council Wide Budgets

- The under spend of £585,000 is a combination of reduced requirements for funding of pay pressures as well as under spends on the Glamorgan Records Office, following the repayment of prudential borrowing at the end of 2016-17, and the PFI equalisation reserve as sufficient reserve has now been built up. It should be noted that this projection could change significantly during the financial year, depending on inflationary increases referred to in section 4.1, the extent of inclement weather during the winter period and further demands on the Council Tax Reduction Scheme. At this point in the financial year it is prudent to assume that all other budgets will be fully spent by year end.

These budgets are being reviewed as part of the MTFs 2018-19 to 2021-22 and will be subject to significant reductions over the life of the MTFs.

4.4 Capital programme monitoring

- 4.4.1 This section of the report provides Members with an update on the Council's capital programme for 2017-18. The original budget approved by Council on 1st March 2017 has been further revised and approved by Council during the year to incorporate budgets brought forward from 2016-17 and any new schemes and grant approvals. The revised programme for 2017-18, which was approved by Council on

4th October 2017, totalled £57.574 million. This has been supplemented by £31,000 of S106 funding for pedestrian crossing works. In addition, there is a proposal to slip £11.317 million of funding into 2018-19, following discussions with directorates on scheme progress, bringing the revised programme to £46.288 million, of which £34.812 million is met from BCBC resources, including capital receipts and revenue contributions from earmarked reserves, with the remaining £11.476 million coming from external resources. The main areas of slippage are:

- Extra Care Scheme (£1.497 million) – scheme on site and due to complete in 2018-19;
- Porthcawl Sea Defences (£1.269 million) – contract has been awarded and the scheme is due to start in October / November 2017;
- Relocation of Recycling Centre (£1.320 million) – scheme currently at planning stage;
- Maesteg Town Hall Cultural Hub (£1.084 million) – a project board has been established and is actively pursuing external funding opportunities.
- Rationalisation of Depot Facilities (£4.216 million) – the project board is currently reviewing the full range of proposals for this scheme. Work at Bryncethin depot unlikely to complete until 2018-19.

4.4.2 Appendix 4 provides details of the individual schemes within the capital programme, showing the budget available in 2017-18 compared to the projected spend. Commentary is provided detailing any issues associated with these projects, and the reason for any slippage.

4.4.3 At this point in the financial year, and following discussions with directorates, it is assumed that all other projects will be in line with the budget as set out in Appendix 4. However, this will depend upon scheme progress during the financial year and any inclement weather experienced, which may place additional pressure on project timescales.

4.5 Review of Earmarked reserves

4.5.1 The Council is required to maintain adequate financial reserves to meet the needs of the organisation. The MTFs includes the Council's Reserves and Balances Protocol which sets out how the Council will determine and review the level of its Council Fund balance and Earmarked Reserves. A quarter 2 review of the particular pressures that were to be covered by earmarked reserves was undertaken and Directorates have drawn down funding.

4.5.2 The cumulative drawdown by Directorates is £1.763 million from specific earmarked reserves and there have been net additions of £602,000 as shown in Table 5 below.

Table 5 – Movement on Earmarked Reserves to the end of Quarter 2

Opening Balance 1 April 2017 £'000	Reserve	Net Additions / Reclass- ification £'000	Draw- down £'000	Closing Balance 30 Sept 2017 £'000
	Corporate Reserves:-			
-	Education & Family Support	30	(233)	-
-	Social Services & Wellbeing	-	(63)	-
-	Communities	-	(554)	-
-	Operational and Partnership Services	-	(207)	-
-	Chief Executives & Finance	-	(19)	-
-	Non-Directorate	38	-	-
39,260	Total Corporate Reserve	68	(1,076)	38,252
	Directorate Earmarked Reserves:-			
663	Education & Family Support	-	(16)	647
1,916	Social Services & Wellbeing	-	(175)	1,741
1,167	Communities	425	(106)	1,486
246	Operational and Partnership Services	100	-	346
300	Chief Executives & Finance	-	-	300
4,292	Total Directorate Reserves	525	(297)	4,520
	Equalisation & Grant Earmarked Reserves:-			
230	Education & Family Support	-	(200)	30
-	Social Services & Wellbeing	-	-	-
2,364	Communities	9	(125)	2,248
153	Operational and Partnership Services	-	(65)	88
45	Chief Executives & Finance	-	-	45
2,792	Total Directorate Reserves	9	(390)	2,411
46,344	Total Usable Reserves	602	(1,763)	45,183

4.5.3 The review also examined:-

- commitments against existing reserves and whether these were still valid;
- earmarked reserve requests from Directorates as a result of emerging issues and;
- emerging risks for the Council as a whole.

Table 6 below details the creation of new earmarked reserves, increases to existing earmarked reserves and amounts that have been unwound from reserves.

Table 6 – Net Appropriations to / from Earmarked Reserves during Quarter 2

	New/ Addition to Reserves £'000	Unwound Reserves £'000	Additions / Unwound £'000
Corporate Reserves:-			
Major Claims Reserve	1,000	(938)	62
Building Maintenance Reserve	30	-	30
ICT & Finance Systems	-	(24)	(24)
Total Corporate Reserves	1,030	(962)	68
Directorate Reserves:-			
Directorate Issues	100	-	100
City Deal Reserve	598	-	598
Car Parking Strategy	-	(175)	(175)
Donations Reserve Account	2	-	2
Total Directorate Reserves	700	(175)	525
Equalisation & Grant Reserves:-			
Highways Reserve	9	-	9
Total Equalisation & Grant Reserves	9	-	9
Total Usable Reserves	1,739	(1,137)	602

4.5.4 The additions include an additional £1 million to the Major Claims Reserve in respect of the historic deficit of the Pension Fund; a new City Deal Reserve of £598,000 to cover the capital financing costs that the Council will have to meet as a result of the City Deal Partnership and a new Directorate Issue surrounding a complex housing placement. These additions have been funded partly by a release of £1.137 million from existing reserves that were no longer deemed necessary.

4.5.5 A full breakdown of total movement on earmarked reserves at 30th September is provided in Appendix 5. Further consideration will be given by the S151 officer during the year to the establishment of new reserves to mitigate against unforeseeable pressures and commitments.

5.0 Effect upon policy framework & procedural rules

5.1 As required by section 3 (budgetary control) of the Financial Procedure Rules; Chief Officers in consultation with the appropriate Cabinet Member are expected to manage their services within the approved cash limited budget and to provide the Chief Finance Officer with such information as is required to facilitate and monitor budgetary control.

6.0 Equality Impact Assessment

6.1 There are no implications in this report.

7.0 Financial implications

7.1 These are reflected in the body of the report.

8.0 Recommendations

8.1 The Committee is requested to note the projected revenue and capital outturn position for 2017-18 and provide any comments.

Randal Hemingway
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October 2017

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Background Papers

Individual Directorate Monitoring Reports

MTFS Report to Council – 1st March 2017

Council report on 4th October 2017: Capital Programme 2017-18 to 2026-27

MONITORING OF OUTSTANDING 2016-17 BUDGET REDUCTIONS

Ref.	Budget Reduction Proposal	Original RAG 2016-17 £000	Current RAG £000	Amount of saving likely to be achieved £000	Comments
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RAG STATUS KEY

RED	Not likely to be achieved at all in this financial year or less than 25%.
AMBER	Reduction not likely to be achieved in full in financial year but greater than 25%
GREEN	Reduction likely to be achieved in full

EDUCATION & FAMILY SUPPORT

CH3	Retender Learner Transport contracts	100		100	Re-alignment of budgets within the Education and Family Support Directorate for 2017-18 (mainly from Inter Authority Recoupment budget) have mitigated the pressure from Learner Travel historic saving proposals.
CH4	Rationalise Special Education Needs transport	150		150	
CH9	School transport route efficiencies	200		200	
RES40	Change Out of Hours Service provided by Built Environment	22		0	To be delivered through the Corporate Landlord model. New structure agreed and due to commence.
Total Education and Family Support		472		450	

SOCIAL SERVICES & WELLBEING

Theme 1 - Remodel Service Delivery					
ASC19	Develop a Delivery Model for the Bridgend Resource Centre	108		8	Budget reduction of £100k unlikely to be achieved in 2017/18. Mutual ventures are currently undertaking a feasibility study exploring options around a local authority trading company which potentially would contribute to this saving.
ASC21	Transfer Family Care Service to the Community Hubs	210		210	The shortfall was met from under spends across the service in 2016-17. Full year saving should be achieved in 2017-18
CH25	Reduction in Safeguarding LAC numbers and related reduction in costs	357		0	The early intervention and safeguarding board are working to reduce the number of looked after children and related costs.
Theme 1 - Remodel Service Delivery - sub-total		675		218	
Theme 2 - Service Efficiencies					
ASC6	Management, Admin and Training Implement measures to achieve 7% and 5% across the 2 years	76		50	The shortfall was offset from underspends across the service in 2016-17. Staffing budgets being reviewed as they become vacant
ASC23	Changes in Workforce	100		0	The shortfall was offset from underspends across the service in 2016-17. Staffing budgets being reviewed as they become vacant
CH22	Remodelling of Children's Respite and Residential Care	200		50	Remodelling underway. Level of saving unlikely, so the service is developing alternative budget reduction proposals.
Theme 2 - Service Efficiencies - sub-total		376		100	
Theme 3 - Income Generation					
ASC20	Introduce charges for supplementary holiday support in Learning Disabilities	100		100	This proposal is unlikely to generate the level of savings against this particular proposal, so budgets have been realigned across the directorate.
Theme 3 - Income Generation		100		100	
Total Social Services & Wellbeing Directorate		1,151		418	

COMMUNITIES

COM9	Review of Highways maintenance/DLO Services	417		417	Restructures have now been completed and were in place for the start of the 2017-18 financial year.
COM21	Review of overtime across Highways/Streetscene	90		90	Restructures in COM 9 took into consideration overtime budgets. Restructures have now been completed and were in place for the start of the 2017-18 financial year.

Ref.	Budget Reduction Proposal	Original RAG 2016-17 £000	Current RAG £000	Amount of saving likely to be achieved £000	Comments
RES29	To rationalise the core office estate - leasing of Raven's Court	195		195	A one-off payment of prudential borrowing in 2017-18 in respect of Raven's Court to reduce future capital financing costs, has enabled the re-alignment of budgets to ensure the MTFs saving can be realised going forward.
Total Communities Directorate		702		702	

CHIEF EXECUTIVE

FINANCE					
RES27	To put Council Tax and some aspects of benefits online and to collaborate with others	60		60	Savings made elsewhere in 16-17 (Housing Benefit Admin under-spend), and restructure in 17-18 will achieve the £60k annual saving.
Total Chief Executive		60		60	

GRAND TOTAL REDUCTIONS	2,385	1,630
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REDUCTIONS SHORTFALL	755
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MONITORING OF 2017-18 BUDGET REDUCTIONS

APPENDIX 2

Ref.	Budget Reduction Proposal	Original 2017-18 £'000	Current RAG Status (RAG)	Amount of saving likely to be achieved £000	Mitigating Actions
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RAG STATUS KEY	
RED	Not likely to be achieved at all in this financial year or less than 25%.
AMBER	Reduction not likely to be achieved in full in financial year but greater than 25%
GREEN	Reduction likely to be achieved in full

EDUCATION & FAMILY SUPPORT
CENTRAL EDUCATION & FAMILY SUPPORT

EFS1	Phased implementation of Learner Transport Policy regarding statutory distances for free travel.	20		10	Underspends across other learner transport areas have met the shortfall
EFS2	School transport route efficiencies.	40		20	Underspends across other learner transport areas have met the shortfall
EFS3	Achieve full cost recovery on Catering Service, through a combination of efficiencies and price increase	79		79	None required
EFS4	Reduction in budget for Development Team	68		68	None required
EFS5	Removal of Nursery development grant to private settings - Nursery Development Grant which is currently used for Grants to the childcare sector and training to improve the quality of early years provision in Bridgend and to enable the childcare workforce to meet and fulfil their legal requirement.	30		30	None required
EFS7	To review the Built Environment Service Level Agreement with Schools to achieve full cost recovery.	31		0	Underspends from vacancy management within Built Environment will have to meet this shortfall. This MTFS proposal will have to be the first call on savings identified from the Corporate Landlord Review.
EFS10	Transfer of management of the centre to Flying Start along with efficiency review of running costs of the building	75		75	Will require close monitoring in-year to ensure target is met.
EFS13	WJEC - re-alignment of budget to reflect actual charge from WJEC.	10		10	None required
EFS15	Speech and language therapy - This is a proposal to delegate the Speech and Language Service to schools- School Based Model. Other Local Authorities such as Cardiff, Neath Port Talbot and Swansea have moved towards a school based model with the involvement of an SLA with Health which has proven to be a successful model. This proposal would negate the local authority's requirement to manage the service resulting in a release of the management structure of the service.	75		44	Vacant posts held to meet delay in implementation
EFS24	It is proposed to undertake a restructure to Business/Management Support to look for efficiencies.	74		74	None required
EFS25	Education Psychology - This proposal is predicated on losing the post of Lead Education Psychologist. Through Collaboration with other Local Authorities in the Consortia the role of the Lead Education Psychologist could potentially be shared. The Education Psychology part of this role will remain to ensure there is no reduction in EP capacity. The management capacity is what would be potentially lost.	75		0	Alternative savings put forward by the Directorate to mitigate the removal of this saving proposal (see below)
	Alternative to EFS25: Reduction to Central Special Educational Needs Budget (£20,000), Equipment budget (£26,000) and vacant posts	0		75	Permanent alternative savings across the Inclusion Service identified to meet the shortfall from EFS25 not being implemented.
Total Education and Family Support		577		485	
SCHOOLS					
SCH1	Removal of Protection to Schools Budgets	869		869	The impact of the 1% efficiency saving on schools will require close monitoring during 2017/18. Movement on current deficit/surplus balance projections throughout 17/18 will provide evidence as to how much of this saving is likely to be achieved.
Total Schools		869		869	
Total Education & Family Support Directorate		1,446		1,354	

SOCIAL SERVICES & WELLBEING

Theme 1 - Remodel Service Delivery					
ASC3	Link the work on the new assessment framework to the new national eligibility criteria as part of the Social Services and Wellbeing Act	150		150	None required
ASC7	Reprovision and remodelling of Shared Lives	50		50	None required
ASC9	Review Continuing Health Care (CHC)-eligible cases to secure appropriate contribution to packages of care	100		100	None required
ASC17	Managed Service Reductions Residential & Respite Care	414		200	Continued review of placements

Ref.	Budget Reduction Proposal	Original 2017-18 £'000	Current RAG Status (RAG)	Amount of saving likely to be achieved £000	Mitigating Actions
CH25	Reduction in Safeguarding LAC numbers and related reduction in costs	260		0	The service is continuing work to identify high cost placements and alternative lower cost placements that would benefit the child themselves
COM13	Transfer of directly operated centres and review of grant support to voluntary organisations	39		20	Shortfall will have to be met from underspends in other service areas.
SSW4	New models of service delivery within AWEN cultural trust.	101		101	None required
Theme 1 - Remodel Service Delivery - sub-total		1,114		621	
Theme 2 - Service Efficiencies					
ASC12	Continued efficiencies within LD Day Services	120		120	None required
HL2	Review Healthy Living Partnership Contract	308		308	None required
Theme 2 - Service Efficiencies - sub-total		428		428	
Theme 3 - Income Generation					
ASC10	Develop income stream for specialist Mental Health placements at Glyn Cynffig	73		0	The service is looking at other budget reduction opportunities within Glyn Cynffig following a failure to sell placements.
Theme 3 - Income Generation sub-total		73		0	
Theme 4 - Prevention and Wellbeing					
SSW1	Impact of the Prevention and Wellbeing agenda	668		0	Robust budget monitoring via the Head of Service, Group and team managers continues on a monthly basis to ensure that all possible action is taken to manage this savings target. There is a risk however that due to demographic and complex needs of individuals that this target may not be met.
Theme 4 - Prevention and Wellbeing sub-total		668		0	
Total Social Services & Wellbeing Directorate		2,283		1,049	

COMMUNITIES

COM5	Reduction to Winter Maintenance Budget	60		60	None required
COM7	Technical Surveys - Reduction in budget to cover only costs of SCRIM/SCANNER and a number of other required inspections	5		5	None required
COM8	Reduction in road marking maintenance	10		10	None required
COM9	Removal of Security budget Waterton	20		20	None required
COM12	Broad review of car park charging including staff and elected member parking passes	50		0	Underspends across other directorate areas will have to meet this shortfall
COM14	Reduction in Adult Community Learning provision	70		70	Ongoing review required of appointments of Adult Tutors to maintain this underspend.
COM16	A substantial cut of 25% was made to the service in 2015/16 on top of savings in previous years, limiting the scope for further reductions. 2017/18 - £21k – A reduction in the BCBC tourism marketing budget, and reducing the mobile TIC budget, for the financial year 2017/2018. 2018/19 -£40k cut in commissioning budget to support 3rd Sector with Community Asset Transfer. This is part of the Strategic Regeneration Fund. 2019/20 -£20k reduction in the Events budget in 2019/20. It is not possible to reduce the budget prior to this due to existing commitments (Urdd, Women's Open, Senior Open, Town Centre Events programme). This is a part of the SRF match-funding budget.	21		21	None required
COM17	Reduction to core budget for Civil Parking Enforcement Team.	50		50	Will require close monitoring in-year.
COM18	Reductions to the budget for the Materials Recovery and Energy Centre (MREC) Introduction in 17/18 of savings achieved through the current procurement being undertaken with Neath Port Talbot CBC for the provision of new operator arrangements for the MREC facility at Crumllyn Burrows.	200		0	None required
COM19	Permitting Scheme road works net of existing income of £95,000	100		25	Underspends across other directorate areas would have to meet any shortfall
COM21	Rights of Way - removal of contribution to Coity Wallia	21		21	Underspends across other directorate areas would have to meet any shortfall
COM24	AD procurement - Reduction in budget through savings in the treatment of the Councils domestic food waste, through a joint procurement exercise with the City and County of Swansea (CCS) for the treatment of food waste by anaerobic digestion (AD)	100		100	None required
COM32	Review of Lifeguard services to consider length of season and beach coverage.	60		60	None required
Total Communities Directorate		767		442	

CHIEF EXECUTIVES

FINANCE

CEX1	To reduce the number of Finance and accountancy staff	50		50	None required
CEX2	To reduce the number of Internal Audit hours commissioned from joint service	60		60	None required

Ref.	Budget Reduction Proposal	Original 2017-18 £'000	Current RAG Status (RAG)	Amount of saving likely to be achieved £000	Mitigating Actions
CEX3	To put Council Tax and some aspects of benefits online and to collaborate with others	150		75	Allocated between Housing Benefits & Council Tax. Council tax savings will not be achieved until Channel Shift has been incorporated for several months and actual savings will not be realised until 18-19. Under-spends realised elsewhere will mitigate overall.
CEX6	To reduce the number of corporate directors	120		120	None required
CEX11	Implement fines for non return of Single Person Discounts	34		34	Actual implementation will not be until middle / end of 2017-18 so should be achieved. If not, under spends realised elsewhere will mitigate overall.
Total Chief Executives		414		339	

OPERATIONAL AND PARTNERSHIP SERVICES

OPS1	Public Protection Collaboration	20		20	None required.
OPS2	Restructure of Legal, Democratic and Procurement.	150		135	Savings made elsewhere due to reallocation of target.
Housing					
OPS3	Non staff Budget, Review Service Level Agreements and Staffing.	50		50	None required.
Human Resources					
OPS4	To reduce number of staff in HR, OD and Communications and business support	140		118	Savings made elsewhere because the MTFS saving target was reallocated within the directorate.
OPS5	Non Staffing	10		10	None required.
ICT					
OPS6	Call tariff efficiency	40		25	Savings made from Software
OPS7	Review non staff budgets for communications, supplies training and equipment	65		155	
Transformation					
OPS8	Staff restructure	60		22	Remainder of target met from Performance section of Legal.
Total Operational & Partnership Services		535		535	

CORPORATE / COUNCIL WIDE

CWD2	Reduction in other Corporate budgets including pay and price provision.	107		107	None required
CWD4	Reduction in provision for Council Tax Reduction Scheme	300		300	None required
Total Corporate / Council Wide		407		407	

GRAND TOTAL REDUCTIONS	5,852		4,126	
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REDUCTIONS SHORTFALL			1,726	
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2,523	2,604
2,794	1,741
535	1,507
5,852	5,852

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BRIDGEND COUNTY BOROUGH COUNCIL	Budget 2017-18			Projected Outturn	Projected Variance Over/(under) budget	% Variance
	Expenditure Budget	Income Budget	Net Budget			
	£000	£000	£000			
				£000	£000	
EDUCATION AND FAMILY SUPPORT						
Learning	10,126	(3,159)	6,967	7,159	192	2.8%
Strategic Partnerships & Comm	133,659	(33,205)	100,454	100,094	(360)	-0.4%
Built Environment	5,378	(4,437)	942	836	(106)	
TOTAL EDUCATION AND FAMILY SUPPORT	149,164	(40,801)	108,363	108,089	(274)	-0.3%
SOCIAL SERVICES AND WELLBEING DIRECTORATE						
Adult Social Care	57,145	(15,772)	41,373	42,409	1,036	2.5%
Sport, Play and Active Wellbeing	6,044	(873)	5,171	5,171	0	0.0%
Safeguarding & Family Support	18,973	(708)	18,265	19,166	901	4.9%
TOTAL SOCIAL SERVICES AND WELLBEING	82,162	(17,353)	64,809	66,746	1,937	3.0%
COMMUNITIES DIRECTORATE						
Regeneration & Development	4,915	(2,096)	2,819	2,939	120	4.3%
Street Scene	33,734	(14,867)	18,867	18,843	(24)	-0.1%
Directorate Business Unit	527	-	527	502	(25)	-4.7%
Culture	284	(174)	110	80	(30)	-27.4%
Property Services	3,965	(2,633)	1,332	1,173	(159)	
Elections	134	-	134	133	(1)	-0.7%
TOTAL COMMUNITIES	43,559	(19,770)	23,789	23,670	(119)	-0.5%
OPERATIONAL & PARTNERSHIP SERVICES DIRECTORATE						
Legal Services and Democratic Services	5,167	(557)	4,610	4,197	(413)	-9.0%
Regulatory Services	1,838	(403)	1,435	1,305	(130)	-9.1%
Transformation, Performance and Partnerships	560	(87)	473	460	(13)	-2.8%
ICT	4,989	(1,165)	3,823	4,130	307	8.0%
Human Resources	3,807	(346)	3,461	3,137	(324)	-9.4%
Housing and Homelessness	8,736	(7,181)	1,556	1,406	(150)	-9.6%
TOTAL OPERATIONAL & PARTNERSHIP SERVICES	25,098	(9,740)	15,358	14,635	(723)	-4.7%
Chief Executives						
Chief Executive	513	-	513	502	(11)	-2.1%
Finance	53,316	(50,221)	3,096	3,026	(70)	-2.3%
Internal Audit	313	-	313	283	(30)	-9.6%
TOTAL CHIEF EXECUTIVES	54,143	(50,221)	3,921	3,810	(111)	-2.8%
TOTAL DIRECTORATE BUDGETS	354,125	(137,884)	216,240	216,950	710	0.3%
Council Wide Budgets	42,740	(887)	41,853	37,749	(4,104)	-9.8%
Appropriations to / from Earmarked Reserves				3	3	0.0%
NET BRIDGEND CBC	396,865	(138,771)	258,093	254,702	(3,391)	-1.3%

NB: Differences due to rounding of £000's

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Bridgend County Borough Council

CAPITAL MONITORING REPORT

As at 30th September 2017

APPENDIX 4

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Main Scheme	Whole Scheme Budget*	Budget 17-18 (Council 04.10.17)	New Approvals	Slippage to 2018-19	Revised Budget 2017-18	Total Exp to date	Projected Spend	Over / (Under) spend	Comments
	£'000	£'000	£'000		£'000	£'000	£'000	£'000	

Education & Family Support

Education

PENYFAI PRIMARY	7,239	392	-	-	392	30	392	-	Scheme complete - compensation payments and payment to landowner expected in 2017-18
BRYNMENYN PRIMARY	8,360	7,010	-	-	7,010	4,358	7,010	-	Construction underway
COLEG CYMUNEDOL Y DDERWEN	39,488	155	-	-	155	-	155	-	
COITY PRIMARY SCHOOL	8,560	77	-	-	77	(112)	77	-	Scheme complete - final account to be paid in current year
GARW VALLEY SOUTH PRIMARY	10,800	8,327	-	-	8,327	2,281	8,327	-	Construction underway
PENCOED PRIMARY	10,834	9,650	-	-	9,650	670	9,650	-	Construction underway
GARW VALLEY SOUTH PRIMARY SCHOOL HIGHWAYS	400	358	-	-	358	3	358	-	
PENCOED PRIMARY SCHOOL HIGHWAYS WORKS	370	332	-	-	332	105	332	-	
BRYNMENYN SCHOOL HIGHWAYS WORKS	807	807	-	-	807	77	807	-	
SCHOOL FURNITURE & EQUIPMENT	-	-	-	-	-	(1)	-	-	
SPECIAL EDUCATIONAL NEEDS PROVISION (YBC/PRU)	4,120	59	-	-	59	(88)	59	-	Scheme complete - final account to be paid in current year
MINOR WORKS	505	505	-	-	505	-	505	-	Spend incurred on revenue cost centre and transferred at year end
HERONSBRIDGE SCHOOL	300	280	-	-	280	85	280	-	
EARLY YEARS CAPITAL	966	14	-	-	14	-	14	-	
SCHOOLS TRAFFIC SAFETY	500	319	-	-	319	1	319	-	
MAESTEG COMP HIGHWAYS	500	88	-	-	88	(6)	88	-	
COMPLEX & MEDICAL NEEDS SCHOOLS	600	270	-	-	270	37	270	-	
TOTAL Education	94,349	28,643	-	-	28,643	7,440	28,643	-	

Built Environment

SOLAR PANELS CIVIC OFFICES	40	12	-	-	12	1	12	-	Completed as part of Civic Envelope Works - to be paid in current year
TOTAL Built Environment	40	12	-	-	12	1	12	-	

TOTAL Education & Family Support	94,389	28,655	0	0	28,655	7,441	28,655	0	
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Social Services and Wellbeing

PENCOED ARTIFICIAL PITCH	187	-	-	-	-	(1)	-	-	Final retention amount - to be paid in current year
MINOR WORKS	121	43	-	-	43	-	43	-	
MULTI AGENCY SAFEGUARDING HUB	205	205	-	-	205	-	205	-	Scheme approved in October 2017
CARE STANDARDS	153	122	-	-	122	-	122	-	
HERON HOUSE/CARETAKER HOUSE	286	255	-	-	255	206	255	-	
EXTRA CARE FACILITIES	3,000	2,997	-	(1,497)	1,500	4	1,500	-	Scheme due to be completed in 2018
MODERNISATION HOMECARE WORKFORCE	72	63	-	-	63	36	63	-	
BRIDGELINK	30	30	-	-	30	-	30	-	
SPORTS FACILITIES	63	-	-	-	-	(73)	-	-	Final payment for all weather pitch to be paid when handover takes place
TOTAL Social Services & Wellbeing	4,117	3,715	-	(1,497)	2,218	172	2,218	-	

Main Scheme	Whole Scheme Budget*	Budget 17-18 (Council 04.10.17)	New Approvals	Slippage to 2018-19	Revised Budget 2017-18	Total Exp to date	Projected Spend	Over / (Under) spend	Comments
	£'000	£'000	£'000		£'000	£'000	£'000	£'000	

Communities**Street Scene**

PLAYGROUND FFORDD YR EGLWYS	75	25	-	-	25	-	25	-	
PARKS PAVILIONS	1,011	1,011	-	(900)	111	(14)	111	-	
PORTHCAWL TOWN SEA DEFENCE	3,548	3,363	-	(1,269)	2,094	48	2,094	-	Contract has been awarded and awaiting start date (anticipated October / November)
RENEWAL OF CREMATOR	1,060	-	-	-	-	(1)	-	-	
COYCHURCH CREMATORIUM WORKS	280	280	-	-	280	253	280	-	Infrastructure works approved by Joint Committee
REMEDIAL MEASURES - CAR PARKS	115	115	-	-	115	-	115	-	Investigations will commence later in the year
CIVIL PARKING ENFORCEMENT MOBILE VEHICLE	68	68	-	-	68	-	68	-	
SAFE ROUTES TO SCHOOL	711	711	-	-	711	31	711	-	Works are likely to commence end of October
ROAD SAFETY SCHEMES	241	115	-	-	115	35	115	-	
HIGHWAYS STRUCTURES	200	200	-	-	200	(1)	200	-	Anticipated start date Jan 18 for completion by end of financial year
HIGHWAYS MAINTENANCE	250	250	-	-	250	(15)	250	-	Schemes currently ongoing
PUBLIC RIGHTS OF WAY	40	40	-	-	40	8	40	-	
CARRIAGE RECONSTRUCTION	7,885	-	-	-	-	(17)	-	-	Final retentions due in current year
METRO NATIONAL CYCLE NETWORK	421	421	-	-	421	2	421	-	
REPLACEMENT OF STREET LIGHTING	500	500	-	-	500	45	500	-	
BRIDGE STRENGTHENING A4061	2,450	340	-	-	340	43	340	-	Investigations and design ongoing
COMMUNITIES MINOR WORKS	205	200	-	-	200	8	200	-	
RIVER PROTECTION MEASURES	203	203	-	-	203	1	203	-	One scheme complete. Further design and tender documents being prepared for others
RETAINING WALL REPLACEMENT BETTWS	175	175	-	-	175	9	175	-	Design complete, carrying out consultation prior to tender and construction
RESIDENTS PARKING BRIDGEND TOWN CENTRE	130	128	-	-	128	-	128	-	Able to progress when resources are available
COITY BY PASS/PARC DERWEN	-	-	-	-	-	3	3	3	
FLEET VEHICLES	500	500	-	-	500	2	500	-	Progress dependant on clarification of type and number of vehicles required
RELOCATE RECYCLING CENTRE	1,328	1,322	-	(1,320)	2	-	2	-	Scheme at planning application stage
HEOL SIMONSTONE/COYCHUR RD	297	33	-	-	33	-	33	-	
S106 HIGHWAYS SMALL SCHEMES	61	46	31	-	77	77	77	-	S106 monies received for pedestrian crossing facilities
TOTAL Streetscene	68,528	10,046	31	(3,489)	6,588	515	6,591	3	

Regeneration & Development

BRIDGEND BUSINESS SUPPORT NETWORK	120	120	-	-	120	88	120	-	
PORTHCAWL RESORT INVESTMENT FOCUS	168	168	-	-	168	17	168	-	
EU CONVERGANCE SRF BUDGET	90	90	-	-	90	-	90	-	
PORTHCAWL INFRASTRUCTURE	5,507	-	-	-	-	-	-	-	The Porthcawl masterplan and owners agreement are currently under review. This includes a fresh assessment of the infrastructure phasing plan and marketing strategy.
LLYNFI DEVELOPMENT SITE	2,400	-	-	-	-	-	-	-	Feasibility works being carried out - not likely to spend in 2017-18
SMART SYSTEM AND HEAT PROGRAM	250	-	-	-	-	-	-	-	Spend estimated to be in 2019-20
MAESTEG TOWN HALL CULTURAL HUB	3,845	1,084	-	(1,084)	-	-	-	-	A project board has been set up for this scheme
TOWN & COMMUNITY COUNCIL FUND	214	214	-	-	214	9	214	-	
NANTYMOEL COMMUNITY FACILITIES	200	200	-	-	200	-	200	-	Business Plan to be submitted
BRIDGEND TOWNSCAPE HERITAGE	2,380	415	-	-	415	56	415	-	
PORTHCAWL TOWNSCAPE HERITAGE	949	225	-	-	225	128	225	-	
TOTAL Regeneration & Development	16,123	2,516	-	(1,084)	1,432	298	1,432	-	

Main Scheme	Whole Scheme Budget*	Budget 17-18 (Council 04.10.17)	New Approvals	Slippage to 2018-19	Revised Budget 2017-18	Total Exp to date	Projected Spend	Over / (Under) spend	Comments
	£'000	£'000	£'000		£'000	£'000	£'000	£'000	
Property									
SCIENCE PARK DRAINAGE	200	200	-	-	200	4	200	-	
UPGRADING INDUSTRIAL ESTATES	40	17	-	-	17	-	17	-	
BRIDGEND MARKET	20	19	-	-	19	-	19	-	Budget due to be spent in the next couple of months
DDA WORKS	34	-	-	-	-	5	-	-	
DDA WORKS AT CIVIC OFFICES (INCL. LIFT)	120	120	-	-	120	26	120	-	
MINOR WORKS	1,288	1,182	-	-	1,182	-	1,182	-	Spend incurred on revenue cost centres and transferred at year-end
MAESTEG TOWN HALL	-	-	-	-	-	(2)	-	-	Retention payment for roof at Maesteg Town Hall to be paid this year
FIRE PRECAUTIONS MINOR WORKS	222	-	-	-	-	25	-	-	Budget held centrally for Minor Works
BRYNCETHIN DEPOT FACILITIES	4,316	4,316	-	(4,216)	100	48	100	-	The project board is currently reviewing the proposals for this scheme.
NON OPERATIONAL ASSETS	480	480	-	(480)	-	-	-	-	Unable to identify a suitable property to date
AGILE WORKING	1,201	621	-	(621)	-	-	-	-	Work will commence when a lessee is found for Raven's Court
CIVIC OFFICE ENVELOPE	2,545	1,012	-	-	1,012	694	952	(60)	Scheme scheduled to be completed this financial year
Total Property	10,466	7,967	-	(5,317)	2,650	800	2,590	(60)	
TOTAL Communities	95,117	20,529	31	-9,890	10,670	1,613	10,613	-57	
Housing/Homelessness									
BRYNMENYN HOMELESSNESS UNIT	-	120	-	-	120	-	120	-	Scheme approved in October 2017
MANDATORY DFG RELATED EXPENDITURE	3,272	3,272	-	-	3,272	888	3,272	-	Budget committed
TARGET HARDENING GRANTS	-	-	-	-	-	3	-	-	Budget included above
HOUSING RENEWAL AREA	100	100	-	-	100	55	100	-	Budget included above
EMPTY HOMES GRANTS	-	-	-	-	-	77	-	-	Budget included above
COMFORT SAFE & SECURITY GRANTS	-	-	-	-	-	2	-	-	Budget included above
EMERGENCY REPAIR LIFETIME GRANT	-	-	-	-	-	30	-	-	Budget included above
HOMES IN TOWN GRANT	-	-	-	-	-	101	-	-	Budget included above
TOTAL Housing/Homelessness	3,372	3,492	-	-	3,492	1,156	3,492	-	
ICT									
ICT LAPTOP REPLACEMENT	250	250	-	-	250	-	250	-	
COMPUTER EQUIPMENT	360	360	-	-	360	(1)	360	-	Scheme approved in October 2017
ICT DATA STORAGE	400	400	-	-	400	-	400	-	Scheme approved in October 2017
DIGITAL MEETING SPACES	150	150	-	-	150	-	150	-	Scheme approved in October 2017
DIGITAL TRANSFORMATION	1,000	-	-	70	70	70	70	-	
TOTAL ICT	2,160	1,160	-	70	1,230	69	1,230	-	
Legal & Regulatory Services									
PURCHASE OF MAYORAL CAR	23	23	-	-	23	-	23	-	Scheme approved in October 2017
Total Legal & Regulatory Services	23	23	-	-	23	-	23	-	
TOTAL Operational & Partnership Services	5,555	4,675	0	70	4,745	1,225	4,745	0	
GRAND TOTAL	199,178	57,574	31	(11,317)	46,288	10,451	46,231	(57)	

* includes previous, current and future budgets

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APPENDIX 5

TOTAL MOVEMENT ON EARMARKED RESERVES AS AT 30 SEPTEMBER 2017

Opening Balance 1 April 2017 £'000	Reserve	Movement as at Quarter 2		Closing Balance 30 September 2017 £'000
		Additions/ Reclassification £'000	Drawdown £'000	
	Corporate Reserves:-			
11,380	Capital Programme Contribution	-	(262)	11,118
8,451	Major Claims Reserve	62	-	8,513
8,103	Service Reconfiguration	-	-	8,103
2,335	Insurance Reserve	-	-	2,335
1,936	Digital Transformation	-	(167)	1,769
1,588	Change Management	-	(160)	1,428
1,268	ICT & Finance Systems	(24)	(13)	1,231
1,262	Asset Management Plan	-	(141)	1,121
1,000	MTFS Budget Contingency	-	(200)	800
718	Building Maintenance Reserve	30	-	748
500	Welfare Reform Bill	-	-	500
249	Capital Feasibility Fund	-	-	249
182	DDA Emergency Works	-	(18)	164
138	Property Disposal Strategy	-	(48)	90
146	Public Realm	-	(63)	83
4	Waste Management Contract	-	(4)	-
39,260	Total Corporate Reserves	68	(1,076)	38,252
	Directorate Reserves:-			
1,036	Looked After Children	-	(62)	974
880	Wellbeing Projects	-	(113)	767
651	Directorate Issues	100	(16)	735
175	Car Parking Strategy	(175)	-	-
-	City Deal Reserve	598	-	598
431	School Projects Reserve	-	-	431
250	Property Reserve	-	-	250
250	Porthcawl Regeneration	-	-	250
250	Waste Awareness Reserve	-	(59)	191
171	Safe Routes to Schools	-	(47)	124
-	Chief Executive Partnership Reserve	97	-	97
50	Donations Reserve Account	2	-	52
25	Human Resources Reserve	-	-	25
20	Local Development Plan IT System	-	-	20
6	Webcasting Reserve	-	-	6
66	Partnership Reserve	(66)	-	-
31	Community Safety Reserve	(31)	-	-
4,292	Total Directorate Reserves	525	(297)	4,520

Opening Balance 1 April 2017 £'000	Reserve	Movement as at Quarter 2		Closing Balance 30 September 2017 £'000
		Additions/ Reclassification £'000	Drawdown £'000	
	Equalisation & Grant Reserves:-			
832	Highways Reserve	9	(125)	716
841	IFRS Grants	-	(265)	576
533	Special Regeneration Fund	-	-	533
201	Election Costs	-	-	201
196	Local Development Plan	-	-	196
174	Civil Parking Enforcement	-	-	174
15	Building Control Reserve	-	-	15
2,792	Equalisation & Grant Reserves	9	(390)	2,411
46,344	TOTAL RESERVES	602	(1,763)	45,183

BRIDGEND COUNTY BOROUGH COUNCIL

REPORT TO CORPORATE OVERVIEW AND SCRUTINY COMMITTEE

14 DECEMBER 2017

REPORT OF THE SECTION 151 OFFICER

MEDIUM TERM FINANCIAL STRATEGY 2018-19 to 2021-22

1. Purpose

- 1.1 The purpose of this report is to present the Committee with the draft Medium Term Financial Strategy 2018-19 to 2021-22, which sets out the spending priorities of the Council, key investment objectives and budget areas targeted for necessary savings. The strategy includes a financial forecast for 2018-22 and a detailed draft revenue budget for 2018-19.

2. Connections to Corporate Improvement Objectives / Other Corporate Priorities

- 2.1 The Corporate Plan and Medium Term Financial Strategy (MTFS) identify the Council's service and resource priorities for the next four financial years, with particular focus on 2018-19.

3. Background

Corporate Plan - Policy Context

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

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

- 3.2 This draft MTFS has been significantly guided by these priorities. Although year-on-year reductions in Aggregate External Finance (AEF) have necessitated significant budget reductions across different service areas, the Council still plays a very significant role in the local economy of Bridgend County Borough and is responsible for annual gross expenditure approaching £400 million and is the largest employer in the county borough. The corporate plan will be presented to Council for approval alongside the MTFS 2018-22 in February 2018 and will be fully aligned with the MTFS including explicit links between resources and corporate priorities.

3.3 Budget Narrative

- 3.3.1 The Council aspires to improve understanding of its financial strategy, link more closely to corporate priorities and explain the Council's goal of delivering sustainable services in line with the overarching ambition of the Well-being of Future Generations (Wales) Act 2015. The 2017-2021 MTFS introduced a budget narrative, which aims to articulate the continued and significant investment in public services that the Council will make. It sets out how the Council aims to change particular areas of service delivery and the financial consequences of this.

3.3.2 Corporate Financial Overview

While the Council's net revenue budget is planned at £264.132 million for 2018-19, its overall expenditure far exceeds this. Taking into account expenditure and services which are funded by specific grants or fees and charges, the Council's gross budget will be nearly £400 million in 2018-19. Around £170 million of this amount is spent on the Council's own staff including teachers and school support staff. Much of the cost of the services provided by external organisations is also wage related – these include for example waste collection operatives, domiciliary care workers and foster carers.

As well as having reduced income to fund services, there are other pressures that squeeze resources. One of these is legislative changes. This includes regulations and legislation from Welsh Government either directly or indirectly – for example new requirements to register domiciliary care staff, new requirements arising from the Environment (Wales) Act 2016 to promote biodiversity, requirements arising from the Planning (Wales) Act 2015 such as increased obligations around pre-planning advice, consultation requirements associated with making changes to schools, schools transport and indeed most services that the Council operates.

Another significant pressure arises through demographic changes. People are living longer which is good news but that also can bring increased dependency through people living with more complex or multiple conditions. Additionally, we are seeing an increase in the number of pupils at our schools, which places increased pressure on school budgets.

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

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

efficiently as possible and support the development of resources throughout the community that can help deliver the Council's priorities.

3.3.3 Education and Family Support

The Council is proposing to spend £108 million on services delivered by the Education & Family Support Directorate in 2018-19. The majority of this money will be spent by the 59 schools across the county – Schools are the biggest single area of spend of the Council. In addition to the £88 million budget annually delegated to schools in 2018-19, which mostly pays for the salaries of teaching and other school staff and the running costs of the facilities (ongoing revenue expenditure), the Council has committed £21.5 million in building and refurbishing schools as part of our 21st century school modernisation programme (Band A). This comprises one-off capital expenditure across several years, match funded with £21.5 million of Welsh Government funding. As progress continues on our existing programme, we have been looking ahead to future requirements. The Council has submitted an expression of interest to Welsh Government in respect of our aspirations for Band B funding. Whilst it is too early to say how this will progress, the concepts proposed are based around forecast demand for places, primarily in the primary sector. Whilst this is inevitably dependent to some extent on new housing, it is likely that this will represent the most significant area of capital expenditure for the Council in future years.

The Council has a longer term goal to make the overall schools system more efficient – for example through making sure we have the right number of school places available in the right parts of the county (including ensuring enough capacity for anticipated future increases in school age population). For the 2017-18 budget, the Council introduced an annual efficiency saving of 1% for each year of the MTFS. This recognised the need for a “One Council” approach, but was relatively lower than other reductions imposed, recognising that schools have less discretion than some other areas of Council expenditure. The Council did however provide additional funding to meet nationally agreed pay awards and price inflation. The net impact of these changes was an overall cash increase. For 2018-19, the level of budget reductions required is not as great as had been feared. As a result, it has been possible to protect schools from the 1% saving for one year. However, the forecast pressure on Council budgets for future years is such that it is almost unavoidable for 2019-20 onwards, and so it will be necessary for head teachers and governing bodies to use the next year to plan ahead.

The Council has identified “Helping People to be more Self-Reliant” as a corporate priority and early intervention is an important part of this – taking steps wherever possible to prevent people becoming reliant on Council services. As well as being of great social value to individuals and communities, this approach is more cost effective: successful intervention at an early age and at an early stage can prevent needs from escalating and requiring more costly and complex help later on.

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

These grants include Flying Start, Families First and Communities First, European Social Fund grants and the Education Improvement Grant.

In seeking to protect our investment in education and early intervention the Council is making minimal changes to the services delivered at this time. We are proposing the following changes in 2018-19 that are reflected in the budget:

- We have already implemented increased efficiency and commerciality and a small increase in the price of a school meal during the 2017-18 financial year –further income should be generated in 2018-19 from a full year effect (school year vs financial year) totalling £71,000.
- We would like to reduce our contribution to the Central South Consortium over coming years – this is however subject to agreement with our partners. For 2018-19 partners have agreed a small reduction of £12,000 (2%). We will continue discussions around savings that can be made in future years.
- We will review home to school transport arrangements for pupils attending special schools – we believe we can make efficiency savings of £75,000.
- We will continue our phased implementation of the changed learner transport policy, where we have established it is safe to do so. We expect to achieve at least £67,000 for each year of the MTFS.
- We will develop collaborative arrangements for our Additional Learning Needs Service, saving £50,000.
- Between 2013 and 2019 we are investing in six 21st century school schemes. These schemes will see significant investment to replace Betws Primary, YGG Cwm Garw, Pencoed Primary and Brynmenyn Primary schools, along with the creation of special educational needs provision at Bryncethin. We are continuing to invest in improving our school estate and that includes creating more capacity at Heronsbridge Special School and ongoing road safety works in a number of schools.

3.3.4 Social Care and Wellbeing

After Education, the largest area of Council spend is on social care. This includes social care for children and for adults who are vulnerable or at risk. Within the directorate there is a strong focus on social care as a professional discipline and by the two areas working more closely together it helps to identify efficiency savings. The directorate also has a team, formally the Sport, Play and Active Wellbeing team, who focus on the development of new approaches to better support prevention, early intervention and wellbeing approaches.

There is a strong link between children's social care and early help and intervention services. Although these 2 services are located within different directorates there are mechanisms in place to ensure close working and appropriate and proportionate responses to families and children in need. There are also clear pathways for step up

and step down and close cross directorate monitoring in place. This also supports the corporate priority of 'helping people to be more self-reliant'.

Over the past four years the Council has identified savings of over £11 million in social care and its strategy for the next few years is to manage demand and introduce new ways of working in order to lessen dependency and enable people to maximise their independence. This needs to be achieved within available budgets.

In total, the Council is proposing to spend £67 million on social care and wellbeing services. In addition to this the Council provides a range of housing services plus targeted grant funding. Welsh Government has determined that Communities First as a programme will cease in March 2018. In its place are two replacement grants – Communities for Work Plus and Legacy Grant Funding. The Welsh Government published draft grants information on 24 October. Against previous total Communities First funding of £19.647 million in 2017-18, the draft 2018-19 allocation includes £6 million for Legacy Fund projects and a further £10.050 million for Communities Work plus across Wales. At an all Wales level, this is a reduction of £3.597 million (18.3%).

The Council's priority of "Helping people to be more self-reliant" is integral to our approach to Social Care and Wellbeing. Our vision is to actively promote independence, wellbeing and choice that will support individuals in achieving their full potential. The Council is responsible for the planning, commissioning, assessment and, where appropriate, the direct provision of social services. It is still early days in the development of preventative approaches. The directorate has gathered much evidence to support the positive impacts of such initiatives and the longer term cost avoidance however there is still work taking place in relation to the social capital aspects and potential financial savings.

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

Though some pressures are allowed for in planning the 2018-19 budget, we are not simply increasing the budget to meet demand. This would be unsustainable and if we increased budgets year on year to meet new demand, it would increasingly mean the Council would have to restrict other services. Therefore the Council's strategy is to transform how services are delivered. Introducing new ways of working which will be sustainable in the long term alongside a demand led service is inevitably taking time and as a result our MTFS reflects a greater proportion of savings in the outer years.

In order to be sustainable going forward, the Council is ensuring that any changes are introduced in a planned and timely way in order to take existing and future customers with us as well as the general workforce. This work has already commenced and the budget saving proposals for 2018-19 builds on the implementation plans that are already underway, such as the two new Extra Care facilities currently under construction, which are planned to open in October 2018. The re-modelling programmes focus on changing the culture and reviewing what has become 'custom and practice'. Extra Care will enable people to live more independently and will offer a real alternative to residential care.

The Council has already made changes. In adult social care we have changed the assessment framework in order to improve the outcomes for people who need care and support whilst also reducing the numbers of people who require long term support. The Council focuses on helping people to achieve the outcomes they want for themselves, targeting our interventions on what is missing, rather than going straight to what package of care we can give them.

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

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

- Learning Disability services have benefitted from the introduction of a progression model of service delivery which is aimed at people progressing through the services to reduce their dependency with the opportunity of receiving their support from a range of different options in the community rather than from just the Council. This model has led to less dependence on day services and greater self-reliance. The success of the last three years will continue to be built upon.
- In learning disability and mental health services, there will be a reduced dependence on residential placements by targeting greater use of Shared Lives (family based care and support). This will reduce expenditure as the average weekly cost of a Shared Lives placement is only around a quarter of a week in residential placement for a person with a learning disability.
- As part of the residential care home strategy, the Council has committed up to £3 million in two new Extra Care Schemes. Extra Care housing means that people can be supported to live more independent lives than would be the case in traditional residential care. The standard charge for an extra care tenancy is again around a quarter of a residential care placement.
- Income generation has been hard to achieve as Welsh Government legislation limits the charges for services due to the application of a cap of £70 per week. In addition we are currently unable to charge in Children's Services.

3.3.5 Public Realm

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

In 2018-19 the Council is likely to spend around £4.5 million of direct Welsh Government grant on public realm services. This includes waste services, public

transport, rights of way and road safety.

In addition to delivering these grant funded services the Council proposes to spend a further £19 million net budget on these services. The fact that schools have had a high degree of financial protection in previous years and that social care is hugely led by increasing demand has meant that the Council's other services have been under considerable pressure to make savings and in many cases we have had to reduce levels of service.

Last year, with the advent of a new seven year contract, the costs associated with waste collection increased. The new contract included a new collection service for absorbent hygiene products – this has proven more popular than expected and so we need to recognise a budget pressure to meet the increased costs. Initial indications are that there has been a significant reduction in the volume of our residual waste – we expect this to benefit the Council financially over time, subject to contractual conditions with our disposal arrangements. We expect to spend in the region of £11 million on the collection and disposal of waste in 2018-19.

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

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

- In recognition of the Council's vital role in maintaining the public realm, and in response to wider Member concerns over the cumulative impact of historic budget reductions, the 2017-18 budget included for the first time the creation of a new and recurrent fund ring-fenced for this purpose. It is proposed to use the funding for 2018-19 to offset reductions in street cleaning and also cover loss of income from an original proposal to charge for disabled blue badge parking.
- It is proposed to rationalise the number of subsidised bus services. From April 2018 approximately half of the Authority supported bus service routes will potentially no longer be subsidised. Routes targeted for subsidy reduction will be those least utilised and with the best alternative public transport links. The removal in the subsidised bus routes will result in a saving in the region of £188,000 per annum. Consultation with the public on route reduction is due to commence in Winter 2017.
- To change the way that public convenience needs are met by the transfer of more of these facilities to local Town and Community Councils to operate, and closing those of the poorest quality or where there is no appetite for transfer. We will mitigate these closures by introducing a local comfort scheme whereby shops and other public facilities are funded to make their facilities more readily available to public use.

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

3.3.6 Supporting the Economy

Whilst this is a Council priority, the service has nevertheless made significant reductions to its budget over recent years. The Council has delivered this by employing fewer but more highly skilled staff, and focussing activity more narrowly on priority areas to maximise impact. Going forward, we will increasingly collaborate with the nine other Councils that make up the Cardiff Capital Region City Deal. The City Deal is creating a £1.2 billion fund for investment in the region over the next 20 years. This investment will be targeted to focus on raising economic prosperity, increasing job prospects and improving digital and transport connectivity. In order to play an effective part in the City Deal the Council will maintain as far as possible existing investment in its transport planning, spatial planning and regeneration teams. The Council will be spending in the region of £1.7 million net a year running these services, plus a further £700,000 as Bridgend's contribution to the Deal itself.

In addition, the Council is making good progress in pursuit of the development of each of our three main towns. These include the development of Cosy Corner and the Harbour Quarter in Porthcawl, the redevelopment of Maesteg Town Hall, and the redevelopment of the Rhiw in Bridgend. Much of this investment is not the Council's own money, but together, these schemes amount to around £20 million in total. Achieving this scale of leverage (around £10 for every £1 spent by BCBC) is dependent on being able to provide match-funding from the Council's own Strategic Regeneration Fund (SRF). This fund is used tactically and strategically, to deliver regeneration priorities and maximise external funding.

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

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

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

to community groups and Town and Community Councils, to develop robust plans, but the level of funding available for this will reduce by £40,000.

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

3.3.7 Other Services

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

Regulatory Services

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

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

Registrars

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

Housing

The Council does not have any housing stock of its own but retains a number of statutory functions relating to addressing housing need and combatting homelessness. The Council's housing service also oversees the Council's work on addressing domestic abuse and on collaboration with other organisations such as the police on wider community safety. Some changes to the way that services are funded are proposed for 2018-19 which we expect to contribute towards savings.

Council Tax and Benefits

Whilst not immediately recognisable as a “service”, taxation is in fact an important part of the Council’s business. If we were inefficient or ineffective in collecting Council tax, the burden of funding Council services would fall more heavily on those who do pay. The taxation service collects nearly £70 million in Council tax from around 65,000 households across the county borough. Our collection rates over the last two years have been the highest ever in the Council’s history. We are determined to maintain this high level, but we are seizing the opportunity to reduce the cost of operating the service, by offering online services. We will offer a range of secure Council tax functions online, allowing residents to self-serve at a time and location convenient to them. This will allow us to reduce the cost of running the service. In 2017-18, we are implementing fines for non-compliance of residents in receipt of Single Person Discounts and will continue this.

Benefits are funded by the central UK government but the administration of Housing Benefit and the Council Tax Reduction Scheme falls to the Council. We have reviewed the service and identified opportunities to improve our recovery rates by £32,000 as well as looking at Council’s bad debt provision and believe we can safely reduce this by £189,000 a year. Similar to the Council Tax service, the Council plans to make some significant savings through digitising this service. However, we are mindful that many of the people in receipt of benefits are not able to manage this online and we need to introduce this carefully.

In total we are targeting savings of £300,000 from digitising these services. Developing the necessary systems has taken longer than expected, so the second half of this is now planned for 2019-20, recognising the need to realise widespread take up to deliver this level of savings.

3.3.8 Behind the Scenes

There are a number of things that the Council does that support the delivery of services but which themselves are not visible to the public. We need to maintain these services with sufficient capacity to support our services whilst making them as efficient and effective as possible. Over the course of 2018-19 we are aiming to make savings totalling £484,000 through changes to the way some back office services are organised. This is in addition to specific proposals mentioned below. Our approach in each of these areas is summarised as follows:

Property and building maintenance

The Council is undertaking a review of its commercial property portfolio, to identify ways of increasing income through more intensive management and investment approaches. The review involves challenging the existing make-up and management of the portfolio, identifying asset management opportunities and the mechanisms required to deliver a sustainable increase in income. It also advises on potential future growth in the investment portfolio.

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

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

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

Legal services

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

The legal service also deals with Corporate Complaints and access to information through Data Protection and the Freedom of Information Act. The Council will make reductions in this budget through a reduction in the planned use of legal counsel, some staffing changes and minor savings to the non-staffing budgets.

Finance

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

During 2018-19 the Council will continue its existing strategy of improving the way the finance system works, making it easier to interrogate and understand the information it contains. This will make us more efficient, as well as empower budget holders from across the Council to access information directly - improving and speeding up decision making as well as freeing up resource in the finance team. We will also continue work to streamline invoice payments. This will provide an improved service, speeding up supplier payments, reducing workload across both the finance team and client departments, and will further enable more agile working.

Human Resources and Organisational Development

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

The Council will determine a revised structure for this service however in the medium term we anticipate needing more resource to support the organisational development needed to deliver new ways of working and this will be financed from a dedicated change fund that the Council has established.

ICT

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

Because of the market in the ICT sector we have struggled sometimes to recruit in this area. Therefore our strategy has been and will continue to be one of building skills and enabling career progression in-house. This includes a number of successful apprenticeship schemes and in 2018-19 we will be developing more formal training to complement the actions already undertaken.

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

Digital Transformation

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

Procurement

The Council has a central team that provides procurement support across the range of services that we provide. Effective procurement is essential to ensuring good value for money across the Council, but we will still continue to seek corporate wide efficiencies in the operation of this service.

Democratic Services

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

These democratic processes require support to ensure accountability and transparency in decision making and elected members are paid salaries that are set independently.

The Council will target future efficiency savings in this service.

Audit

All public bodies have audit functions. Our internal audit is provided by a joint service that we share with the Vale of Glamorgan. The service carries out investigations and routine checks to ensure that the Council maintains good governance – especially as it relates to the proper accountability of money and other resources. We have reduced spend in this area over recent years, and following a recent restructure wish to ensure stability before making any further decisions.

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

4. Current Situation

The Financial Context

- 4.1 The Council's MTFS is set within the context of UK economic and public expenditure plans, Welsh Government's priorities and legislative programme. The MTFS articulates how the Council plans to use its resources to support the achievement of its corporate priorities and statutory duties, including the management of financial pressures and risks over the next four years. It helps the Council to work more effectively with partners in other sectors and provides a strategy for the use of balances to meet changes in resources or demands from year to year without impacting unduly on services or Council tax payers.
- 4.2 The MTFS includes:
- The principles that will govern the strategy and a four year financial forecast, comprising detailed proposals for 2018-19 and outline proposals for 2019-20 to 2021-22.
 - The capital programme for 2018-19 to 2027-28, linked to priority areas for capital investment and the Capital Financing Strategy, which will be updated and included in the final MTFS in February 2018.
 - The Treasury Management Strategy and Corporate Risk Register, which will both be updated and included in the final MTFS in February 2018.
- 4.3 In the Spring Budget 2017 the Chancellor of the Exchequer, Philip Hammond, announced that as the UK begins the formal process of exiting the European Union, he would put economic stability first. Following a period of robust economic growth, record levels of employment and a falling deficit, it set out further progress in restoring the public finances to health. The Office for Budget Responsibility (OBR) now forecast

that the UK economy would grow by 2% in 2017, a slightly slower rate in 2018, before returning to 2% in 2021. The OBR expects that borrowing will fall to 0.7% of GDP by 2021-22, which was forecast to be the lowest level as a share of GDP in two decades. To achieve this, and to ensure the UK lives within its means, he stated that the government would maintain discipline on public spending.

Subsequently, GDP growth figures released in October 2017 by the Office for National Statistics revealed a quarterly rise of 0.4% compared with 0.3% in each of 2017's first two quarters. The OBR's most recent announcement on government borrowing reported the smallest budget deficit for any September in the last 10 years, further indicating an improving picture in public sector finances.

Set against this are the risks to Westminster government budgets of a relaxation of public sector pay restraint, rising inflation and increased calls for additional funding, not only to support the Brexit process, but also for core spending areas such as policing and defence, neither of which are devolved functions. In recent weeks there are also cross party calls for consideration to be given to a pause in the rollout of the Universal Credit programme, which is closely aligned to bringing down the deficit. At the time of writing, there are currently no further details until the Chancellor's Autumn Budget on 22 November. A verbal update will be provided during the meeting.

- 4.4 The Welsh Government announced its draft budget for 2018-19 on 3 October. The most significant headline change was an additional £230 million in 2018-19 and £220 million in 2019-20 for the Welsh NHS, which now accounts for around half of the Welsh Government budget. The Cabinet Secretary highlighted the risk to the Welsh Government of the UK Government's £3.5 billion of unallocated cuts for 2019-20, which could mean a further cut of up to £175 million to the Welsh budget depending on where the unallocated cuts fall.

Welsh Government Provisional Local Government Settlement 2018-19

- 4.5 Councils received their provisional settlements from Welsh Government on 10 October. The headline figure is a reduction of £19 million, or 0.5%, across Wales and, for Bridgend, a reduction of 0.6% in Aggregate External Finance (AEF), or £1.16 million. However when adjustments are made for new responsibilities in respect of homelessness prevention (£236,000 for Bridgend), the true impact for Bridgend is estimated to be a like-for-like reduction of £1.396 million or -0.73%. Welsh Government has reported that the settlement also includes an additional £42 million across Wales in recognition of social services pressures and £62 million in respect of school funding, but these amounts, which are not ring-fenced or notified at individual authority level, are already included in the figures above. The settlement also includes £1.8 million floor funding to ensure that no authority has to manage with a reduction of more than 1% to its Revenue Support Grant next year.
- 4.6 The provisional settlement compares favourably to the -3.2% "most likely" assumption that is contained within the Council's original MTFs for 2018-19 and is better even than the "best" case scenario assumption of -1.5%.

Settlement Implications for 2018 to 2022

- 4.7 The Cabinet Secretary for Finance and Local Government, Mark Drakeford, stated that this is a realistic settlement that continues to protect local government from significant cuts against a backdrop of reducing budgets from the UK Government. He said that while Welsh local government continues to be protected from the impact of

austerity, he recognised that this settlement is still a real terms cut in core funding, when authorities face real pressures from such things as an ageing population, pay and other inflationary pressures.

Unlike previous years, Welsh Government has provided an indication of funding levels for 2019-20. The Cabinet Secretary stated that the indicative local government settlement in 2019-20 is a further reduction of 1.5% (albeit individual Council's settlements will vary). This is predicated on the impact on the Welsh Government budget of the £3.5 billion unallocated cuts which the Chancellor of the Exchequer has previously indicated he intends to impose in 2019-20. However, the Cabinet Secretary also stated that if the Chancellor follows Welsh Government's advice and does not proceed with the cuts in the Autumn Budget then his first priority would be to look again at the cuts they have been forced to make, including for local government.

Transfers into and out of the 2018-19 Revenue Settlement

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

- The Waste element of the Single Revenue Grant has been transferred into the RSG, with £1.503 million for Bridgend. The balance has been retained as a specific grant for Local Environment Quality and Natural Resource Management, however this amount has reduced by £6 million across Wales.
- A number of social care grants have transferred into the RSG, including £1.203 million for the Welsh Independent Living Fund, £846,000 for the Social Care Workforce Grant, £337,000 in respect of grants for Looked After Children, and £134,000 for the Carer's Respite Care Grant. As a consequence, the Council's net budget for social services will appear to rise, whereas a significant proportion of any change is accounted for by these transfers.
- Social care provision for prisoners in the secure estate has in previous years been funded through a specific grant. This was worth £217,000 to Bridgend in 2017-18. For 2018-19, the grant has also transferred into the RSG, but under the standard social services funding formula. As a consequence, Bridgend has in effect lost almost all this funding, and faces the largest impact of any Council given both the size and demographic of Parc prison population.
- The settlement also includes additional funding for new responsibilities in respect of homelessness prevention, a total of £236,000 for Bridgend.

4.9 Additionally the information provided by Welsh Government on grants included a reduction of £15 million to the Education Improvement Grant (EIG). A significant proportion of this funding is delegated to schools and helps to underpin ongoing investment in the foundation phase.

Council Tax

4.10 In line with assumptions set in the July 2017 report to Cabinet, the draft 2018-19 draft Revenue Budget, shown in Table 7, assumes a Council tax increase of 4.2%. Whilst the settlement is more favourable than had been assumed, the scale of the financial challenge remains considerable once external pressures and risks have been taken

into consideration. An assumed annual increase of 4.5% has been included for 2019-2022.

Welsh Government Capital Settlement

4.11 In March 2017 Council approved a capital programme for 2016-17 to 2026-27, based on the assumption that annual Welsh Government capital funding would be flat lined from 2017-18 onwards. Council has approved revised versions of the capital programme during the financial year to incorporate budgets carried forward from 2016-17 and any new schemes and grant approvals. The draft local government capital settlement provides this Council with £6.328 million capital funding for 2018-19, which is £40,000 more than 2017-18. No indications have been given for 2019-20 or beyond.

Current Year (2017-18) Financial Performance

4.12 The in-year financial position as at 30 September 2017 is shown below.

Table 1- Comparison of budget against projected outturn at 30 September 2017

Directorate/Budget Area	Original Budget 2017-18 £'000	Revised Budget 2017-18 £'000	Projected Outturn 2017-18 £'000	Projected Over / (Under) Spend Qtr 2 2017-18 £'000	Projected Over / (Under) Spend Qtr 1 2017-18 £'000
Directorate					
Education and Family Support	108,448	108,363	108,089	(274)	(168)
Social Services and Wellbeing	64,683	64,809	66,746	1,937	2,006
Communities	23,858	23,789	23,670	(119)	75
Operational and Partnership Services	15,249	15,358	14,635	(723)	(1,314)
Chief Executives and Finance	3,886	3,921	3,810	(111)	(307)
Total Directorate Budgets	216,124	216,240	216,950	710	292
Council Wide Budgets					
Capital Financing	10,184	10,184	8,859	(1,325)	0
Levies	7,020	6,952	6,967	15	16
Apprenticeship Levy	700	700	609	(91)	(98)
Council Tax Reduction Scheme	14,254	14,254	13,805	(449)	(486)
Insurance Premiums	1,559	1,559	1,559	0	0
Building Maintenance	900	900	900	0	0
Pension Related Costs	1,258	1,203	430	(773)	(826)
Other Council Wide Budgets	6,094	6,101	5,516	(585)	(107)
Total Council Wide Budgets	41,969	41,853	38,645	(3,208)	(1,501)
Appropriations to / from Earmarked to Reserves			3	3	0
Total	258,093	258,093	255,598	(2,495)	(1,209)

- 4.13 The overall projected position at 30 September 2017 is a net under spend of £2.495 million, comprising £710,000 net over spend on directorates and £3.208 million net under spend on corporate budgets. This takes into account the draw down by directorates of £1.763 million from earmarked reserves during the year. Directorates are seeking to identify mitigating actions to meet the balance of the budget reduction shortfalls in this financial year, and the Section 151 officer will give consideration to further allocations from the MTFS Budget Reduction Contingency in quarter 3 to meet some of these shortfalls. In the longer term, these proposals must be realised or must be met through alternative budget reduction proposals in order to deliver a balanced budget position and relieve any pressure on Council funds. These will continue to be closely monitored and draw down from this contingency fund will be made as part of the overall review of earmarked reserves.
- 4.14 In accordance with the Council's Financial Procedure Rules any planned over spends or under spends by directorates may be carried forward into next year to meet known funding pressures. Fortuitous under spends in budgets may be applied to offset over spends on other budgets.

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

- 4.15 This section of the report sets out the proposed MTFS for the Council for the next four financial years, based on the latest information available from the Welsh Government. It does not include fixed funding, expenditure or activity projections, but sets best, worst and most likely scenarios for the resources that will be available. The MTFS is reviewed regularly and amended as additional information becomes available, with the detail for future years being developed over the period of the strategy.
- 4.16 The development of the MTFS 2018-19 to 2021-22 is led by Cabinet and Corporate Management Board (CMB) and takes into account auditors' views, the recommendations of the Budget Research and Evaluation Panel and issues arising during 2017-18, underpinned by the ongoing aim to embed a culture of medium term financial planning closely aligned with corporate planning.
- 4.17 Implementation of the MTFS will continue to be led by Cabinet and CMB, supported by financial and performance data. Cabinet and CMB will seek to ensure that it is widely understood by internal stakeholders (Members, employees and Unions) and external stakeholders (citizens, businesses and partners).

MTFS Principles

- 4.18 As well as consideration of future income and expenditure scenarios, the MTFS provides a set of clear principles which drive the budget and spending decisions over 2018-2022 and which Members and others can examine and judge the Council's financial performance against. The fourteen key principles are to ensure that:
1. The Council continues to meet its statutory obligations and demonstrates how it directs resources to meet the Council's corporate priorities.

2. Adequate provision is made to meet outstanding and reasonably foreseen liabilities.
3. The financial control system is sufficiently robust to support the delivery of financial plans and mitigate corporate risks.
4. Budgets will be reviewed annually to ensure existing and forecast spend is still required and to identify further efficiency savings as required to meet inescapable budget pressures.
5. Financial plans provide an optimum balance between income and expenditure for both capital and revenue.
6. All services seek to provide value for money and contribute to public value.
7. Balances are not used to fund recurrent budget pressures or to keep down Council tax rises unless an equivalent budget reduction or increase in Council tax is made in the following year in recognition that balances are a one-off resource.
8. The Council Fund balance will be maintained at a minimum of £7 million over the MTFS period and reach 2.7% of Gross Revenue Expenditure by 2019-20.
9. Capital investment decisions support the Council's corporate priorities and mitigate any statutory risks taking account of return on investment and sound option appraisals.
10. Prudential borrowing is only used to support the capital programme where it is affordable and sustainable within the Council's overall borrowing limits and the revenue budget over the long term.
11. Decisions on the treatment of surplus assets are based on an assessment of the potential contribution to the revenue budget and the capital programme.
12. Resources are allocated to deliver the Bridgend Change Programme based on clear strategic plans that are kept under review by Corporate Directors to maintain alignment with the MTFS and a MTFS Budget Reduction Contingency Reserve will be maintained.
13. Other resource strategies (including the Workforce Development Plan, Treasury Management Strategy, ICT Strategy and Asset Management Plan) are kept under review to maintain alignment with the MTFS and the Corporate Plan.
14. Budgets will be managed by Corporate Directors in accordance with the Council's Financial Procedure Rules.

The MTFS Budget Reduction Contingency Reserve referenced in Principle 12 enables the Council to manage delays or unforeseen obstacles to the delivery of significant MTFS budget reduction proposals. There has only been one allocation so far during 2017-18 in mitigation of the following proposal:

Table 2: MTFS Proposals supported by Budget Reductions Contingency Reserve in 2017-18

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

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

MTFS Resource Envelope

4.19 The 2018-19 AEF figure is a reduction of -0.6% based on the published Provisional Settlement. In the July report to Cabinet on the MTFS, it was stated that the Council would continue to work towards a most likely scenario in its planning assumptions for 2018-22 of an annual reduction in AEF of -3.2% and an assumed increase in Council tax of 4.2% in 2018-19 and 4.5% for each year thereafter, recognising the ongoing uncertainty around our funding in future years. However, as outlined in paragraph 4.7 the Cabinet Secretary has stated that the indicative settlement for 2019-20 is a further reduction of 1.5%. Given this message, and in recognition both of the twin risks around public sector pay (uncertainty around future pay awards and possible equal pay issues driven by the National Living Wage) and elevated inflation, it is proposed that the 2019-22 MTFS assumptions are adjusted to include:

- A most likely annual reduction of -1.5% in AEF, with best and worst case scenarios of -1.0% and -3.0% respectively
- An uplift to the assumed annual provision for pay, prices, demographic and unavoidable pressures for the outer three years of the MTFS.

The MTFS will be regularly reviewed against service performance and external economic and fiscal information to ensure that early action can be taken as necessary to keep it and the Corporate Plan on track. In view of the uncertainties, the MTFS has been developed taking into account possible resource envelope scenarios, based on percentage changes in AEF shown in Table 3.

Table 3 – MTFS Scenarios: % Change in AEF

	2018-19	2019-20	2020-21	2021-22
Best Scenario	-0.6%	-1.0%	-1.0%	-1.0%
Most Likely Scenario	-0.6%	-1.5%	-1.5%	-1.5%
Worst Scenario	-0.6%	-3.0%	-3.0%	-3.0%

4.20 Table 4 shows the Council’s potential net budget reduction requirement based on the forecast resource envelope, inescapable spending assumptions and assumed Council tax increases.

Table 4: MTFS Potential Net Budget Reductions Requirement

	2018-19	2019-20	2020-21	2021-22	Total
	£000	£000	£000	£000	£000
Best Scenario	6,123	7,503	7,336	6,161	27,123
Most Likely Scenario	6,123	9,457	9,266	7,068	31,914
Worst Scenario	6,123	12,318	11,998	9,675	40,114

Managing within the MTFS Resource Envelope

- 4.21 The financial forecast for 2018-22 is predicated on £31.914 million budget reductions being met from Directorate and Corporate budgets and these are referred to later in the report. It is also predicated on a number of spending assumptions, including:
- Projections for demographic changes, including an ageing population and an increasing number of young people with complex disabilities living into adulthood and adding progressively to the demand for care.
 - Inflationary uplifts to support specific contractual commitments. This is a much more significant risk compared to previous years as CPI has risen from around 1% a year ago to currently 3% at the time of writing.
 - Potentially significant increases in energy costs following a relative decrease in previous years, which appears to be reversed in 2017-18.
 - The future impact of national policies and new legislation which may not be accompanied by commensurate funding such as the ALN Reform Bill.
 - Fees and Charges will increase by the statutory minimum or CPI (at prevailing rate, currently +3.0%) plus 1%.
 - Significant increases in staffing cost as a result of the increase in the national living wage from April 2018. Whilst this has already been an issue in respect of external contracts in the last two budgets, it is forecast to increasingly affect upon not only the lowest pay grades of Council employees but also has the potential to impact upon the pay spine itself over the MTFS period.

Net budget reduction requirement

- 4.22 Table 5 shows the current position in respect of addressing the most likely forecast budget reduction requirement of £31.914 million. It shows that £13 million of budget reduction proposals have already been identified over the period of the MTFS, including the full £6.123 million required for 2018-19. The table shows that the Council still needs to develop proposals to the value of £18.7 million and a range of options are under consideration including:
- Digital transformation of wider Council services
 - Income generation opportunities
 - Further reductions in employee numbers
 - Reconfiguration of post 16 education provision;

- Working with partners to asset transfer and protect community facilities;
- Further implementation of the Corporate Landlord Model.

Table 5 - Risk Status of Budget Reduction Proposals 2018-19 to 2021-22

Year	GREEN: Proposal developed and deliverable	AMBER: Proposal in development but includes delivery risk	RED: Proposals not fully developed and include high delivery risk	Budget reductions Identified so far	Budget reductions not yet developed	Total Required
	£000	£000	£000	£000	£000	£000
2018-19	1,127	4,882	114	6,123	0	6,123
2019-20	0	1,572	1,886	3,458	5,999	9,457
2020-21	0	947	1,719	2,666	6,600	9,266
2021-22	0	947	0	947	6,121	7,068
Total	1,127	8,348	3,719	13,194	18,720	31,914
Percentage of total required	4%	26%	12%	41%	59%	100%

Risk Status Key:

RED Proposals not fully developed and include high delivery risk

AMBER Proposal in development, but includes delivery risk

GREEN Proposal developed and deliverable

4.23 The budget reduction proposals identified can be categorised as:

- I. Smarter Use of Resources
- II. Managed Service Reductions
- III. Collaboration and Service Transformation; and
- IV. Policy Changes

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

Table 6 – Budget Reduction Proposals Identified 2018-19 to 2021-22

	2018-19 £000	2019-20 £000	2020-21 £000	2021-22 £000	Total £000	%
Smarter Use of Resources	4,590	2,248	2,591	872	10,301	78%
Managed Service Reductions	566	170	0	0	736	6%
Collaboration & Service Transformation	570	230	0	0	800	6%
Policy Changes	397	810	75	75	1,357	10%
Total Identified as at 9.11.17	6,123	3,458	2,666	947	13,194	

4.25 The table shows that three quarters of the proposed budget reductions identified so far will come from Smarter Use of Resources, for example through:

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

4.26 Budget reduction proposals relating to Collaboration and Service Transformation amount to 6% of the total budget reductions. These include implementation and roll-out of the Corporate Landlord model. Policy changes amount to 10% and include reducing services to the statutory minimum as well as cutting some discretionary services. The policy change proposals are subject to consultation.

4.27 All of the proposals have implications for the Council workforce given that around two thirds of the Council's net revenue budget relates to pay costs. It follows that annual real terms' reductions in Council budgets over the next four years will lead to a reduced workforce over the MTFS period. The intention is to manage such a reduction through the continuation of strong vacancy management, redeployment, early retirements and voluntary redundancies, but some compulsory redundancies will continue to be necessary.

Scrutiny and Challenge

4.28 A full consultation "Shaping Bridgend's Future" was launched in early October and runs until 3 December. This covers a range of budget proposals under consideration as well as seeking public views on resource allocation, priorities and the principles around budget protections and taxation levels. The consultation includes an online survey, community engagement workshops and social media debates. Members have had the opportunity to take part in two budget workshops similar to the public engagement events. The results will be collated and presented to Cabinet on 19 December in order to further inform decisions on the final MTFS.

2018-19 Draft Revenue Budget

4.29 The following table shows the draft revenue budget for 2018-19.

Table 7 – Draft Revenue Budget 2018-19

	Revised Budget 2017-18	Specific Transfers to/ (from) WG	Inter-Directorate Transfers incl. Corporate Landlord	Pay / Prices / Demographics	Budget Pressures	Budget Reduction Proposals	Revenue Budget 2018-19
	£000	£000	£000	£000	£000	£000	£000
Service Directorate Budgets:							
Education & Family Support							
Education & Family Support	21,154	263	-1,411	159	389	-630	19,924
Schools	87,209			663	500		88,372
	108,363	263	-1,411	822	889	-630	108,296
Social Services & Wellbeing							
Communities	64,791	2,474	-313	742	88	-350	67,432
Operational & Partnership Services	23,824	1,503	2,052	54	758	-1,454	26,737
Chief Executives / Finance	15,358	236	-150		37	-848	14,633
	3,921					-231	3,690
Total Directorate Budgets	216,257	4,476	178	1,618	1,772	-3,513	220,788
Corporate Budgets:							
Capital Financing	10,184				500	-1,170	9,514
Levies	6,952				86		7,038
Repairs and Maintenance	900						900
Council Tax Reduction Scheme	14,254			500		-400	14,354
Apprenticeship Levy	700						700
Pension Related Costs	1,203					-773	430
Insurance Premiums	1,559			29			1,588
Other Corporate Budgets	6,084		-178	3,181		-267	8,820
Total Corporate Budgets	41,836	0	-178	3,710	586	-2,610	43,344
Net Budget Requirement	258,093	4,476	0	5,328	2,358	-6,123	264,132

Council Tax Implications

- 4.30 Based on the proposed budget of £264.132 million, the Council tax increase for 2018-19 will be 4.2%.

Pay, Prices and Demographics

- 4.31 National pay increases for public sector workers have been capped at 1% for a number of years, with only those on the lowest pay grades receiving higher levels of pay to keep in line with the National Living Wage. Over recent months, pay offers to both the police and fire services have both been above 1%, implying, if perhaps not a total abandonment, then at least a relaxation of pay restraint. The RSG reduction of 0.6% does not take into account any pay and price increases, which will create an additional budget pressure for the Council. Whilst no agreement has yet been reached for national pay bargaining, 1% has been assumed in the 2018-19 draft budget. Any increase above this will undoubtedly place additional pressure on Council resources, and may result in further budget reductions if not funded by Welsh Government. Funding for pay increases will be retained centrally until further information is known.
- 4.32 Price inflation has been allocated to service budgets, where known, and includes provision for contractual increases in food costs, social care provision and other commitments. These will be further reviewed for the final budget and amended where necessary with updated inflation rates.

- 4.33 The remaining inflationary provision will be retained centrally within corporate budgets and allocated during the year as any unknown or unforeseen contract price inflation is agreed, in particular where the index is set after the Council's budget is approved.

Schools' Budgets

- 4.34 The Council's 2017-18 Budget and MTFs included an annual 1% efficiency target for schools. This recognised that school funding accounts for around a third of net revenue expenditure, and that protection inevitably leads to increased pressure on other budgets. Following the better than expected settlement, it has been possible to remove this proposal for 2018-19. The budget will include allowances for inflationary and inescapable pressures. Furthermore, in recognition of the detrimental impact which the Welsh Government's decision to reduce the Education Improvement Grant is forecast to have, it is recommended that an additional £500,000 be delegated to school budgets to maintain educational improvement.

It should however be noted that the efficiency target is maintained for 2019-20 and beyond, in recognition of both forecast reductions to the settlement and mounting external pressures across Council services.

Unavoidable Pressures

- 4.35 During 2017-18 a number of unavoidable 2018-19 service budget pressures have arisen totalling £1.212 million, detailed in Appendix A. A number of the figures are provisional at this stage and will be refined as further information becomes available, for example specific information on Welsh Government grants. As such they may change between draft and final budget.

Discretionary Budget Growth

- 4.36 In the context of continued pressure on budgets, the Council remains committed to the delivery of high quality services which improve people's lives. To support service improvement, there are a number of areas which it is proposed to increase in the draft budget. In contrast to inescapable pressures and contractual inflationary costs, these represent the conscious choice of members to invest in enhancements, and are set out in Table 8 below.

Table 8: Discretionary Budget Growth Items

Item	Value £000	Description
Delegated School Budgets	500	To support Educational Improvement despite WG grant reduction
Unsupported Borrowing	500	Funding to support borrowing for future capital investment projects. Depending on schemes supported, estimated capital capacity of between £5 million - £15 million
Festival of Learning	65	To provide funding for a one-off week of knowledge-sharing events involving schools and Bridgend College to share best practice and, in particular, address an Estyn recommendation
Valleys Taskforce	44	One-off funding for a fixed term appointment to identify and improve funding outcomes for our valley communities
Empty Properties	37	Creation of a new role to provide a co-ordinated approach to tackling empty properties
TOTAL	1,146	

A full breakdown of budget pressures is provided in Appendix A

Budget Reduction Proposals

- 4.37 Budget reduction proposals of £6.123 million have been identified from service and corporate budgets to achieve a balanced budget, detailed in Appendix B.

Corporate Budgets

- 4.38 Corporate budgets include funding for the Council Tax Reduction Scheme, costs of financing capital expenditure, levies, centrally held pay and prices provisions, insurance budgets, discretionary rate relief and provision for redundancy related costs. A thorough review of recent years' under spends within corporate budgets has been undertaken, including an assessment of the risks associated with budget reductions to, in some cases, demand led expenditure. As a result, it is proposed to implement budget reductions totalling £2.610 million to corporate budgets, and to set aside an earmarked reserve which can provide one off temporary relief in the event of unforeseen over spends. This will mitigate against the need to make urgent, undesirable adjustments to directorate budgets in this scenario. Consideration to this reserve will be given by the Section 151 Officer once the draft budget is approved.

Fees and Charges

- 4.39 Generally, income from fees and charges will be increased by CPI (at the prevailing rate, currently +3.0%) plus 1%, subject to rounding, or in line with statutory or service requirements. Schedules of fees and charges will be reported separately, as usual, under Delegated Powers.

Council Reserves

4.40 In line with the MTFs principle 8, the Council will maintain its general fund at no less than £7 million in 2018-19. Details of the Council's earmarked reserves position at 30 September 2017 (as previously reported to Cabinet) are shown in Table 9. These are kept under review, and will be drawn down where required, and the position will be updated in the Final MTFs report to Council in February 2018.

Table 9 – Usable Earmarked Reserves

Opening Balance 1 April 2017 £'000	Reserve	Net Additions/ Reclass- ification £'000	Draw- down £'000	Closing Balance 30 Sept 2017 £'000
	Corporate Reserves:-			
-	Education & Family Support	30	(233)	-
-	Social Services & Wellbeing	-	(63)	-
-	Communities	-	(554)	-
-	Operational and Partnership Services	-	(207)	-
-	Chief Executives & Finance	-	(19)	-
-	Non-Directorate	38	-	-
39,260	Total Corporate Reserve	68	(1,076)	38,252
	Directorate Earmarked Reserves:-			
663	Education & Family Support	-	(16)	647
1,916	Social Services & Wellbeing	-	(175)	1,741
1,167	Communities	425	(106)	1,486
246	Operational and Partnership Services	100	-	346
300	Chief Executives & Finance	-	-	300
4,292	Total Directorate Reserves	525	(297)	4,520
	Equalisation & Grant Earmarked Reserves:-			
230	Education & Family Support	-	(200)	30
-	Social Services & Wellbeing	-	-	-
2,364	Communities	9	(125)	2,248
153	Operational and Partnership Services	-	(65)	88
45	Chief Executives & Finance	-	-	45
2,792	Total Directorate Reserves	9	(390)	2,411
46,344	Total Usable Reserves	602	(1,763)	45,183

Capital Programme and Capital Financing Strategy

4.41 This section of the report deals with the proposed Capital Programme for 2017-18 to 2027-28, which forms part of, but extends beyond the MTFs. It also covers the Council's capital financing strategy (including prudential borrowing and capital receipts

forecast). Both have been developed in line with the MTFS principles and reflect the Welsh Government draft capital settlement for 2018-19, which provides general capital funding (GCF) for the Council for 2018-19 of £6.328 million of which £3.934 million is provided through un-hypothecated supported borrowing and the remainder £2.394 million as general capital grant. No indicative allocations have been provided for 2019-20, so for now it is assumed that this level of funding will remain constant for the years after 2018-19, but this will be indicative only.

4.42 The Programme was last revised in October 2017. Since then a review has been underway to identify the Council's capital investment requirements for 2018 to 2028, compared to available capital funding, against the following criteria:

- Mandatory requirements linked to delivery of statutory services and health and safety risks to both Council staff and the wider public;
- Link to corporate priorities;
- Investments linked to delivery of the Council's corporate priorities and the continued delivery of financially sustainable public services;
- Financial returns either through cost savings or increased income generation.

Whilst it is not possible to give details of specific schemes at this stage, the most significant areas (by value) under consideration are:

Schools – a requirement for the Council to provide 50% match funding for 21st Century Schools Band B Programme. The overall scale is highly dependent upon the future requirement for school places, but the overall investment (at 100%) is currently estimated to be in the range of £60 - £70 million. The period to 2028 will also include potential match funding requirements for Band C, though it is too early to begin to quantify these.

Highways – there is a forecast need to increase investment in the highways network to maintain current standards. In previous years there have been a number of different external funding sources, such as Welsh Government Local Government Borrowing Initiative Schemes (LGBI). However there is currently no indication of any forthcoming future support of this kind. Over the next decade the scale of investment required is indicatively estimated at around £20 million to maintain current standards.

Energy Efficiency – the Council has identified the opportunity to reduce energy costs on an “invest to save” basis. This includes further rollout of LED streetlights as well as implementation of low energy solutions to both the corporate and schools' estate. It is foreseen that the scale of investment required may be in excess of £10 million, with payback periods of specific measures typically ranging from 5-15 years. The Council is exploring the possibility of targeted external funding such as interest free Salix loans to support this.

Commercial Property Investment – the previous year's budget consultation indicated both public and member support for the Council to invest in commercial property within the County Borough. Such investments are not without risk, and the returns must be considered after the cost of borrowing has been taken into account.

Sea Defences – the need to both maintain our existing coastal infrastructure as well as the likely need for improvements to enable future regeneration.

ICT – Providing the right tools for the continued operational requirements of the Council is likely to require £10 - £20 million over the next decade. Consideration is being given to the possibility of increased use of “cloud” based solutions, however these will have increased ongoing revenue costs.

4.43 The capital programme also contains a number of annual allocations that are met from the total general capital funding for the Council. The allocations for 2017-18 are shown in Table 10 below, and amounted to 95.9% of the indicative 2018-19 general capital funding:

Table 10 – 2017-18 Annual Allocations of Capital Funding

	2017-18 £'000
Highways Capitalised Repairs	200
Transportation Capitalised Repairs	250
Disabled Facilities Grant	2,350
Housing Renewal Schemes	100
Special Regeneration Funding	540
Minor Works	1,100
Community Projects	100
Bridgeline / Telecare replacement	30
Street lighting / Bridge infrastructure replacement	400
Contribution to 21 st Century Schools	1,000
Total	6,070

4.44 These annual allocations are also in the process of being reviewed for any further opportunities to release capital for new schemes. In particular, consideration is being given to:

- The future scale of Disabled Facilities Grants, as the Council’s current allocation exceeds the level of WG funding by around £400,000 annually.
- Whether there is potential for Housing Renewal Scheme funding to be used differently in future.

Capital Financing Strategy

4.45 The Capital Financing Strategy is underpinned by the Council’s Treasury Management Strategy. The two key principles used in the Capital Financing Strategy are:

1. Decisions on the treatment of surplus assets are based on an assessment of the potential contribution to the revenue budget and the capital programme.

2. Prudential borrowing is only used to support the capital programme where it is affordable and sustainable within the Council's overall borrowing limits and the revenue budget over the long term.

Capital Receipts

- 4.46 The Council estimated that around £21 million could be generated as part of the enhanced disposals programme which commenced in 2014. So far, circa £15.8 million has already been delivered, with circa £5.2 million to be realised over the next 2 years (2018-2020). Of the £21 million, £8.8 million relates to school buildings and land vacated through the 21st Century Schools Programme, to be used as match funding for the programme. It excludes any receipts anticipated from the sale of the Waterton or Porthcawl Regeneration sites. Receipts are subject to the exchange of contracts, so it is prudent not to commit them until we have a contractual agreement.

Prudential (Unsupported) Borrowing

- 4.47 Total Prudential Borrowing taken out as at 1 April 2017 was £35.83 million, of which £22.45 million was outstanding. It is estimated that the total borrowed will increase to £42.18 million by the end of this financial year.
- 4.48 Future prudential borrowing will include an estimated £5.66 million of Local Government Borrowing Initiative (LGBI) funding towards the costs of the 21st Century Schools Programme.
- 4.49 In recognition of the scale and importance of future capital expenditure requirements, the 2018-19 draft revenue budget includes £500,000 as a recurrent revenue budget to meet the costs of additional unsupported borrowing. In line with prudent accounting practice, the costs of any investments made will be repaid within the life of the particular asset. Whilst the funding has not yet been earmarked for specific investments, it is estimated that the funding will provide between £5 - £15 million of capital works, depending upon the type of investments approved by Council.

5. Effect on Policy Framework and Procedure Rules

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

6. Equality Impact Assessment

- 6.1 The proposals contained within this report cover a wide range of services and it is inevitable that the necessary budget reductions will impact on the local population in different ways. In developing these proposals, consideration has been given to their potential impact on protected groups within the community and on how to avoid a disproportionate impact on people within these groups.
- 6.2 An Equality Impact Assessment will be carried out and included within the Final MTFS in February 2018.

7. Financial Implications

- 7.1 The financial implications are reflected in the report.

8. RECOMMENDATIONS

8.1 Committee Members are asked to:

- i) Consider the information contained in the report and attached appendices;
- ii) Determine whether it wishes to make any comments or recommendations for consolidation and inclusion in their report to Cabinet on the draft budget proposals as part of the budget consultation process.

Randal Hemingway CPFA
Head of Finance and Section 151 Officer
28 November 2017

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Background Papers:

Cabinet Report – Medium Term Financial Strategy 2018-19 to 2021-22 – 25 July 2017
Council Report – Capital Programme 2017-18 to 2026-27 – 4 October 2017

BUDGET PRESSURES 2018-19

APPENDIX A

Directorate	Improvement Priority	Service Area	Description of pressure	Recurrent Pressure	One-Off Pressure
UNAVOIDABLE PRESSURES					
				£'000s	£'000s
Education & Family Support	Core services & statutory functions	Education	Increased Provision to meet demand for Autistic Spectrum Disorder (ASD) and Welsh Medium places - full year effect of 17-18 growth bid	51	
Education & Family Support	Core services & statutory functions	Education	Continued growth in number of ASD Pupils. Funding provided for additional provision	150	
Education & Family Support	Core services & statutory functions	Education	Transport costs for the Welsh Government Junior Apprenticeship programme		42
Education & Family Support	Core services & statutory functions	Education	Increase in costs of Learner Travel due to re-tender exercise that took place in 2017-18	81	
Social Services and Wellbeing	Core services & statutory functions	Adult Social Care	New Welsh Government legislation requiring all domiciliary care staff to be registered	12	31
Social Services and Wellbeing	Helping people to be self-reliant	Childrens services	Contribution to the running costs of the Multi Agency Safeguarding Hub	45	
Communities	Core services & statutory functions	Waste	Reduction in Welsh Government Environment and Sustainable Development Directorate Revenue Grant	279	
Communities	Core services & statutory functions	Waste	Increased demand for Absorbent Hygiene Products (AHP) registrations/collections treatment	285	
Communities	Core services & statutory functions	Planning	Appointment of additional Technical Officer in Development section, which is required to meet additional obligations arising from the Wales Planning Act	23	
Communities	Core services & statutory functions	Planning	Appointment of a Highways Development Officer to meet the increase in planning workload from new requirements to undertake pre-application assessment and advice which do not attract a fee	32	
Communities	Core services & statutory functions	Public Realm	Increased frequency of street lighting electrical inspections to improve public safety	55	
Communities	Supporting the Local Economy	Public Realm	Appointment of a Compliance Officer to provide technical support to client departments. A number of breaches following incident investigations have become apparent. The post will be a hands on individual who will work with managers across departments to rectify gaps identified in Health and Safety department audits	40	
Council Wide	Core services & statutory functions	Fire Service Precept	Increase in precept by 1.36% to meet additional pressures faced by the service	86	
TOTAL UNAVOIDABLE PRESSURES				1,212	
DISCRETIONARY GROWTH ITEMS					
Education & Family Support	Core services & statutory functions	Schools	Funding to mitigate the Welsh Government reduction in the Education Improvement Grant, through school delegated budgets	500	
Education & Family Support	Core services & statutory functions	Education	Week-long 'Festival of Learning' across all Bridgend schools during Summer Term 2018		65
Communities	Core services & statutory functions	Regeneration	Creation of Valleys Taskforce Officer Post to deliver the Valleys Taskforce and Our Valleys Our Future Action Plan, to avoid the risk that there is insufficient capacity to enable Bridgend's valleys to benefit from the opportunity for external funding, for the 'quality of life' services that have been cut hardest in BCBC in recent years		44
Operational and Partnership Services	Supporting the Local Economy	Housing	Empty Properties Officer	37	
Corporate	Core services & statutory functions	Capital Financing	Revenue Funding to meet the costs of unsupported borrowing, to support the capital programme	500	
TOTAL DISCRETIONARY GROWTH ITEMS				1,146	
Total Budget Pressures				2,176	182
				2,358	

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Budget Reduction Proposals 2018-19 to 2021-22

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

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

CATEGORIES

- SUR - Smarter Use of Resources
- MSR - Managed Service Reductions
- CST - Collaboration and Transformation
- PC - Policy Changes

RAG STATUS KEY

- RED** Proposals not fully developed and include high delivery risk
- AMBER** Proposal in development but includes delivery risk
- GREEN** Proposal developed and deliverable

EDUCATION & FAMILY SUPPORT

CENTRAL EDUCATION & FAMILY SUPPORT

EFS1	Corporate Business	IP3	PC	Phased implementation of Learner Transport Policy regarding statutory distances for free travel.	<ul style="list-style-type: none"> • Savings should occur naturally as a result of the policy application year on year, however dispersed learners and contractual pressure from operators as routes become more untenable may mean it becomes increasingly difficult to find the identified savings • Risk of price increases from Contractors 	Home to school transport - £4,746K	6%	20	67	67	75	75
EFS3	Wise	IP3	SUR	Reduction to Catering Service Budget	Recent and planned MTFS efficiencies have reduced the ability of the service to reinvest, in particular in improving and maintaining school kitchens to a high standard. Although the recently agreed 10p increase in the cost of a school meal may provide additional income over time, historically there is a reduction in the take-up of meals during the short to mid-term following a price increase. Whilst all school kitchens were recently rated as the highest rating of five for food hygiene, one of our kitchens has since dropped to a rating of four due to the condition of the fabric of the kitchen	718	21%	79	71			
EFS12	Wise	IP3	SUR	Restructure Integrated Working and Family Support Service.	Limited impact on operational delivery as existing tasks will be picked up across the service or by other stakeholders.	292	17%		50			
EFS14	Wise	IP3	CST	Traded Services Schools brochure - It is proposed to revise the current approach to offering traded services under the current SLAs where such services impact upon the LAs statutory responsibilities. A new traded brochure will offer services from the LA but mandate certain services where these impact upon the LAs statutory responsibilities or where the risk to the schools, their users or LA are high	<ul style="list-style-type: none"> • Relationship with schools and governing bodies may suffer • Freedom of schools to shop around and obtain best value for money is challenged 	Nil budget - new income target	N/a		20			

Budget Reduction Proposals 2018-19 to 2021-22

Ref.	Links to Population Outcome	Improvement Priority 2016-20	Categories	Budget Reduction Proposal	Impact	Budget 2017-18 £'000	Total Budget Reduction 2017-2022 as % of 2017-18 Budget	2017-18 Budget Reductions £'000	Proposed 2018-19 £'000	Indicative 2019-20 £'000	Indicative 2020-21 £'000	Indicative 2021-22 £'000
EFS19	Wise	IP3	CST	Reduced financial contribution to YOS Team	This proposal is at a very early stage with significant delivery risk attached. Any potential changes will be subject to discussions and agreement with partners Neath Port Talbot and Swansea which have not yet been held. - The amalgamation of the 3 local authority Youth Offending teams of Neath Port Talbot, Swansea and Bridgend in 2014 has already achieved savings for the Local Authorities simultaneously managing reductions in grant funding. This shows the effectiveness of bringing the services together across a regional footprint. Performance has been maintained whilst significant savings have been made. However, in order to make further savings the service would need to undergo further staff reorganisation.	366	8%			30		
EFS23	Corporate Business	IP3	SUR	Staff vacancy management - It is proposed to implement strong vacancy management arrangements within the Directorate. This will ensure that all posts that progress to recruitment have been robustly challenged and vacant posts which cannot be justified will not be filled	<ul style="list-style-type: none"> • Posts that become vacant may be critical • Service resilience becomes partly dependent on longevity of current postholders • Natural succession of staff into more senior positions is potentially stalled, impacting retention and morale • Service delivery becomes potentially at risk • Demand overload for staff expected to pick up the 'slack' • Challenge from Unions over additional responsibilities/operation tasks without consideration of financial recompense for staff • Further restructures likely as teams reduce • Morale of staff may be affected 	£12,136k (Staff budget exc schools/ grant funded posts and Built Env)	0%	50				
EFS24	Corporate Business	IP3	SUR	Proposal to amalgamate the Health and Safety service with neighbouring authorities.	Initial discussions have been undertaken by Heads of Service and agreement in principal has been granted by CMB. A project officer has been allocated to develop a project brief and establish a structure to drive the amalgamation. It is anticipated that the savings would be derived from a reduction in management costs. Agreement and full commitment of the partner authority is required to effect proposed savings.	251	10%		25			
EFS25	Corporate Business	IP3	SUR	Reduction to contribution to the Central South Consortium (CSC) of 2%	This proposal has been agreed by partner authorities for 2018-19.	608	2%		12			
EFS26	Corporate Business	IP3	SUR	Education Improvement Grant (EIG) - re-alignment of budget to reflect actual match funding contribution required	Risk that contribution in future years increases	480	4.2%		20			
EFS27	Corporate Business	IP3	SUR	Review arrangements for Special Schools Home to School Transport with a view to achieving efficiency savings	<ul style="list-style-type: none"> • Historic arrangement with school - may impact on relationship with school. • Specialist provision narrows numbers of contractors able to transport pupils. • Outcome of review could mean extra rather than reduced cost. 	150	50%		75			
EFS28	Corporate Business	IP3	SUR	Post 16 grant - maximise centrally retained element from 2% to 3%	The impact would be a small reduction in the individual grant allocation to each school sixth form. On average this would be £6,666 per school. Risk that Post 16 grant is reduced in future years which would impact on this saving proposal and allocation to schools.	5,951	1%		60			

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EFS29	Corporate Business	IP3	CST	Develop collaborative arrangements around the Additional Learning Needs Service	Consider the sensory review and any cost effective savings that could be achieved through collaboration with other local authorities	2,512	2%		50			
EFS30	Corporate Business	IP3	SUR	Reduction to Schools Contingency budget (held centrally)	Risk that there is insufficient funding to meet any in-year changes to school budgets - e.g. increased rateable values	133	23%		30			
EFS32	Corporate Business	IP3	SUR	Vacancy management factor across all staffing budgets (with the exception of grant funded/schools/Built Environment posts)	By taking a strategic approach to vacancy management on all core funded posts this saving can be achieved	£12,136k (Staff budget exc schools/ grant funded posts and Built Env)	1%		100			
EFS33	Corporate Business	IP3	PC	Home to School Transport - removal of Escorts on primary school service with fewer than 8 pupils	Public consultation will be necessary based on legal advice. Escorts are seen by parents to be critical to the safety of pupils. There is a risk that if drivers feel unable to manage or guarantee the safety of pupils on the service the full savings identified may not come to fruition as planned.	Home to school transport - £4,746K	0%			13		
				Total Education and Family Support					630	110	75	75
SCHOOLS												
SCH1	Wise	IP3	SUR	Removal of Protection to Schools Budgets	The annual saving represents a 1% efficiency per annum against individual schools budgets. Risk of increased school deficit positions. Implementation will be a matter for individual schools - potential to result in some teacher redundancies. If efficiency is made solely from staffing budgets, this could range from a minimum of 1 teacher in our larger Primary Schools to 5 teachers in our larger Comprehensive schools over the MTFs period	£87,161k total Individual Schools Budget	3%	869		872	872	872
				Total Schools					0	872	872	872
				Total Education & Family Support Directorate					630	982	947	947
SOCIAL SERVICES & WELLBEING												
Theme 1 - Remodel Service Delivery												
ASC18	Healthy & Wise	IP2	PC	Development of Extra Care Housing	All service users transitioning from the existing residential establishments will receive an assessment of their need, taking into account their wellbeing outcomes, when planning their future care with their family and carers. The transition will be a collaborative approach, with timely transfer of care to the newly built scheme or, if not appropriate, to an alternative provision which will better meet their assessed needs, with the safeguarding of individuals being of paramount importance throughout the transition process.	2,209	30%		330	330		

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Ref.	Links to Population Outcome	Improvement Priority 2016-20	Categories	Budget Reduction Proposal	Impact	Budget 2017-18 £'000	Total Budget Reduction 2017-2022 as % of 2017-18 Budget	2017-18 Budget Reductions £'000	Proposed 2018-19 £'000	Indicative 2019-20 £'000	Indicative 2020-21 £'000	Indicative 2021-22 £'000
SSW2	Healthy & Wise	IP2	PC	Develop and implement personalised budgets across Adults and Children.	This could potentially see a reduction in the types of services the directorate needs to commission as individuals explore new ways of meeting their social care outcomes. No further work completed at present as it is too early. Strategy to be developed during 2017-18.	Approx. £23m - commissioned services	N/A			400		
Theme 1 - Remodel Service Delivery - sub-total									330	730	0	0

Budget Reduction Proposals 2018-19 to 2021-22

Page Ref.	Links to Population Outcome	Improvement Priority 2016-20	Categories	Budget Reduction Proposal	Impact	Budget 2017-18 £'000	Total Budget Reduction 2017-2022 as % of 2017-18 Budget	2017-18 Budget Reductions £'000	Proposed 2018-19 £'000	Indicative 2019-20 £'000	Indicative 2020-21 £'000	Indicative 2021-22 £'000
Theme 2 - Service Efficiencies												
HL2	Healthy	IP3	SUR	Review Healthy Living Partnership Contract	The £20k is the final part of a proposal to deliver £509k of savings from the healthy living partnership between 2016-17 and 2018-19. The negotiations with the contractor have remained positive throughout and the management fee has been reduced without the creation of detriment to the service that would have required compensation. A larger than scheduled efficiency of £308k was delivered a year early in 2016-17. The £20k balance will be found through improvements in energy efficiency measures.	1,527	1%	308	20			
Theme 2 - Service Efficiencies - sub-total									20	0	0	0
Theme 3 - Income Generation												
Theme 5 - Corporate Transformation												
SSW19	Healthy	IP3	SUR	New models of Integrated care with partners including the health and voluntary sectors	This would explore new models of care with our key partners in health and the voluntary sector . This potentially would be a transformational change in partnership and integrated services . Early discussions have taken place and a plan for strategic development is being carried out in 2017-18.					984	1,332	
Theme 5 - Corporate Transformation sub-total									0	984	1,332	0
Total Social Services & Wellbeing Directorate									350	1,714	1,332	0

COMMUNITIES

COM1	Corporate Business	IP3	MSR	Public conveniences - Reductions to the budget for Public Toilet provision: Budget saving against the service pending the outcome of public consultation on the future provision of public toilets in Bridgend, Porthcawl and Maesteg, closure or transfer to Town & Community Councils. A budget will be retained to support the Authority's comfort scheme. This will be used to grant fund businesses that open their toilets to the general public	Removal of the substantive part of the public toilet revenue budget will result in the closure of the remaining public toilets in Porthcawl, Bridgend and Maesteg, with the exception of those toilets transferred as part of the Council's Community Asset Transfer (CAT) programme. The proportion of the budget remaining will be used to fund the Council's Comfort Scheme. This scheme provides access to toilet facilities in partnership with local businesses, who are prepared to open their toilet facilities to non paying customers. In return the Council provides financial support in the form of a grant. The value of this grant is assessed in accordance with agreed terms. It should be noted that a White Paper being prepared by the Welsh Government is currently considering the provision of public toilets. In order to implement this saving it will be necessary to consult with staff and the unions.	168	60%		100			
COM4	Place	IP3	SUR	Review of School Crossing Patrol service in line with GB standards	This proposal builds on the 2015-16 budget reduction to cut the school crossing patrol budget and focus on those sites where there is greatest assessed risk based on the GB standard. This may impact on high risk routes to achieve the full saving, and could conflict with learner travel savings.	69	29%			20		
COM11	Place	IP3	MSR	Other cleaning - The service reduction identified for 2019-20 will see the removal of one of the Council's main three 7.5 tonne street cleaning sweepers. Sweeping routes will be re-allocated and covered with the remaining two sweepers.	The reduction of the sweeper will result in a reduction in frequency of road sweeping across the borough. Whilst priority will be given to problematic areas the sweeping frequency reduction will inevitably lead to increased street litter and detritus.	1,234	6%			70		

Budget Reduction Proposals 2018-19 to 2021-22

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COM11B	Place	IP3	SUR	Permanent transfer from the public realm fund.	This proposal mitigates a need to balance the budget through a reduction of £200,000 in street cleaning. It will however reduce the potential to make new improvements to the public realm				200			
COM15	Healthy and Wise	IP3	MSR	Street lighting - Budget reduction based on energy savings generated through completed LED street lighting installations	A limited number of individual concerns have been raised regarding the perceived increased brightness provided by the LED lanterns, but largely the LED changeover has been welcomed by the public in areas completed	1,415	8%		110			
COM16	Place	IP3	MSR	Regeneration - £40k cut in commissioning budget to support 3rd Sector with Community Asset Transfer and £20K reduction (equivalent to 33%) in the Events budget. £20K reduction to Core Budget within the Economic Development Unit (not SRF)	These cuts will limit the extent to which the Council is able to harness the economic potential of major events, including the Urdd, Elvis Festival, Women's Open, Senior Open etc. The tourism sector currently accounts for 4,000 jobs locally, and is a sector that has shown consistent growth, both locally and nationally, in the last 5 years. The £40k cut in the commissioning budget will limit the package of support that is currently available to support the Third Sector with Community Asset Transfer in 2018/19. The impact of this could result in either the inability to safeguard community services, and/or failure to realise savings elsewhere in the Council. The reduction to the Economic Development unit budget does not relate to staff cuts but to cuts in non staffing budgets that support the work of the core team and allow assistance to be given to local businesses. The impact therefore will be around being less able to provide timely targeted support.	584	17%	21	80			
COM20	Place	IP3	MSR	Highways Dept Management Structural Savings Target	Loss of experienced, competent and qualified managers to deliver statutory functions. Reduced resilience for response to highway issues.	325	31%			100		
COM26	Place	IP2	CST	Target full cost recovery for shop mobility	Unless full cost recovery can be achieved, either the saving cannot be realised or it could result in the service having to close.	20	100%			20		
COM27	Place	IP3	MSR	Removal of Subsidised bus services	Potential reputational risk. Requirement for consultation and Equalities Impact Assessment (EIA). Risk of isolation of communities. Risk of no commercial services to fill the gap in terms of early or later services thus could be a barrier to employment, healthcare, education and services for the community. Risk that WG reconsider their element of the bus subsidy for Bridgend.	320	59%		188			
COM31	Corporate Business	IP3	SUR	To rationalise the core office estate - Secure tenant for Raven's Court and move staff into the Civic Offices, in order to generate a rental income and save on running costs	Proposal is dependent on the property market and tenant may not be secured. Whilst there has been tenant interest, to date it has not been possible to complete on the lease with two successive tenants. The property may need to be split and marketed on this basis. This may result in less attractive terms to the council.	176	65%		114			
COM33	Place	IP2	SUR	Review of parks and playing fields service - currently being undertaken by external consultants.	The first £150k might be achievable by various further efficiency savings and changes in working practices. The additional £350k identified in 2020-21 relates to possible closure of buildings and facilities, but will need to be informed by discussions around the future direction of CAT and the appetite for a model of delivery based on fewer strategic sites or hubs and the sharing of resources among user clubs.	2,086	24%			150	350	
COM36	Corporate Business	IP3	SUR	Efficiency saving for Streetworks (including vacancy management)	This saving is based simply on making the service make an additional 1% efficiency saving on top of all of the savings already identified. The specific impact has not yet been identified but it is likely that it will have a further detrimental impact on capacity and resilience.	8,967	1%		73			

Budget Reduction Proposals 2018-19 to 2021-22

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Ref.	Links to Population Outcome	Improvement Priority 2016-20	Categories	Budget Reduction Proposal	Impact	Budget 2017-18 £'000	Total Budget Reduction 2017-2022 as % of 2017-18 Budget	2017-18 Budget Reductions £'000	Proposed 2018-19 £'000	Indicative 2019-20 £'000	Indicative 2020-21 £'000	Indicative 2021-22 £'000
COM38	Corporate Business	IP3	SUR	Efficiency saving target for Business Unit, including reduction in software and agency staff budget	A further minor saving from the central Communities Business Unit predicated on reducing budgets that have been underspent over recent years but again removing any financial resilience in this area.	527	3%		15			
COM39	Corporate Business	IP3	SUR	Reduction to core budget within the Engineering section with the aim of achieving a break-even position	The aim of this saving would be to make the engineering service run at break even. Productivity rates will have to be managed closely to ensure this target is met. Risk that European Funded projects might impact on ability to meet targets due to inability to charge overheads to these projects.	129	57%		74			
COM40	Corporate Business	IP3	CST	Introduction of Corporate Landlord Model	The savings will be delivered in a number of ways including operational efficiencies, streamlined business processes, IT investment, improved procurement and contract management, and some deletions of vacant posts.				500			
				Total Communities Directorate					1,454	360	350	0

CHIEF EXECUTIVES

FINANCE

CEX1	Corporate Business	IP3	SUR	To reduce the number of Finance and accountancy staff	This would represent a further reduction of several posts within the accountancy team which will further reduce both resilience and support provided by the team	2,027	6%	50		77		
CEX2	Corporate Business	IP3	CST	To reduce the number of Internal Audit hours commissioned from joint service	Reduced internal audit capacity within the Council focused increasingly on statutory work only, increasing risk of failure of internal controls.	403	22%	60		30		
CEX3	Corporate Business	IP3	CST	To put Council Tax and some aspects of benefits online and to collaborate with others	Digitisation should result in better customer access and service, but savings are likely to be delivered through a mixture staff reductions and freed capacity to focus on recovery work from putting council tax and some benefits on line.	2,198	14%	150		150		
CEX6	Corporate Business	IP3	SUR	To reduce the annual bad debt provision for housing benefit	Necessary accounting work has been carried out as part of 2016-17 closing which shows that annual additions to the provision are no longer required	189	100%		189			
CEX7	Corporate Business	IP3	SUR	Extra recovery income from Housing Benefit	Target £100,000 additional recovery, necessitates investment in staffing estimated at 1 FTE - assume gradual ramp up. Amber rating because model unproven/ recovery figures are estimates	387	17%		32	33		
CEX8	Corporate Business	IP3	SUR	Additional Annual leave purchase	Two years data has shown that staffing budget can be top sliced for additional annual leave purchase. There is always the risk that it is not taken up by staff in future years	n/a - service wide budgets	0%		10			
				Total Chief Executives					231	290	0	0

OPERATIONAL AND PARTNERSHIP SERVICES

Budget Reduction Proposals 2018-19 to 2021-22

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OPS1	Corporate Business	IP3	SUR	Directorate Wide Restructure	Staffing restructures will result in reduced capacity within teams	8,071	10%	300	484			
OPS2	Corporate Business	IP3	SUR	Reduction of procurement training budget	Limited resource available for training.	23	100%		23			
OPS3	Corporate Business	IP3	SUR	Efficiencies from Shared Regulatory Service	The project is intended to reduce costs and maintain resilience. It is important that the project provides proportionate savings to the Directorate budget cuts to avoid other services taking disproportionate cuts. Agreement of the partner authorities is required to effect savings as even if savings are made from a reduced service to Bridgend it is likely that this will impact on other authorities.	1,712	12%	20	37	112	37	
				Total Legal, HR, Democratic and Public Protection					544	112	37	0
Housing												
OPS4	Place	NONPTY	MSR	Review non staff budgets and SLAs with third party organisations	Based on line by line review of budget - minimal disruption.	1,567	9%	50	88			
				Total Housing					88	0	0	0
ICT												
OPS5	Corporate Business	IP3	SUR	Further rationalisation of software and hardware budgets	Reduce resource available to invest in software and hardware across the Council	1,496	21%	105	210			
				Total ICT					210	0	0	0
Performance												
OPS6	Corporate Business	IP3	SUR	Review non staff budgets for performance team	Based on line by line review of budget - minimal disruption.	195	34%	60	6			
				Total Performance					6	0	0	0
				Total Operational & Partnership Services					848	112	37	0

CORPORATE / COUNCIL WIDE

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

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WD5	Corporate Business	NONPTY	SUR	Removal of equalisation budget for Private Finance Initiative (PFI) Scheme	Budget was originally established to equalise the funding available from Welsh Government with actual annual costs of the scheme, and is not needed in future years.	187	100%		187			
				Total Corporate / Council Wide					2,610	0	0	0

GRAND TOTAL REDUCTIONS								5,852	6,123	3,458	2,666	947
ESTIMATED BUDGET REDUCTION REQUIREMENT (MOST LIKELY)									6,123	9,457	9,266	7,068
REDUCTION SHORTFALL									0	5,999	6,600	6,121

1,127	0	0	0
4,882	1,572	947	947
114	1,886	1,719	0
6,123	3,458	2,666	947

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