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## Cyngor Bwrdeistref Sirol Pen-y-bont ar Ogwr

### Bridgend County Borough Council



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

*Rydym yn croesawu gohebiaeth yn Gymraeg.  
Rhowch wybod i ni os mai Cymraeg yw eich  
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Annwyl Cyngorydd,

#### **CABINET**

Cynhelir Cyfarfod Cabinet yn Ystafelloedd Pwyllgor 1/2/3 - Swyddfeydd Dinesig, Stryd yr Angel, Pen-y-bont ar Ogwr CF31 4WB ar **Dydd Mawrth, 22 Ionawr 2019 am 14:30.**

#### **AGENDA**

1. Ymddiheuriadau am absenoldeb  
Derbyn ymddiheuriadau am absenoldeb gan Aelodau.
2. Datganiadau o fuddiant  
Derbyn datganiadau o ddiddordeb personol a rhagfarnol (os o gwbl) gan Aelodau / Swyddogion yn unol â darpariaethau'r Cod Ymddygiad Aelodau a fabwysiadwyd gan y Cyngor o 1 Medi 2008.
3. Cymeradwyaeth Cofnodion 3 - 14  
I dderbyn am gymeradwyaeth y Cofnodion cyfarfod y 18/12/18
4. Strategaeth Ariannol Tymor Canolig 2019-20 i 2022-23 a'r Broses Ymgynghori 15 - 34  
ar y Gyllideb Ddrafft
5. Monitro Cyllideb 2018-19 - Rhagolwg Chwarter 3 35 - 70
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11. Adroddiadau Gwybodaeth i'w Nodi 161 - 180

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12. Materion Brys

I ystyried unrhyw eitemau o fusnes y, oherwydd amgylchiadau arbennig y cadeirydd o'r farn y dylid eu hystyried yn y cyfarfod fel mater o frys yn unol â pharagraff 2.4 (e) o'r Rheolau Trefn y Cabinet yn y Cyfansoddiad.

Yn ddiffuant

**K Watson**

Pennaeth Gwasanaethau Cyfreithiol a Rheoleiddiol

**Dosbarthiad:**

Cynghowrwyr

HJ David

CE Smith

Cynghorwyr

PJ White

HM Williams

Cynghorwyr

D Patel

RE Young

**CABINET - DYDD MAWRTH, 18 RHAGFYR 2018**

**COFNODION CYFARFOD Y CABINET A GYNHALIWIYD YN SIAMBR Y CYNGOR -  
SWYDDFEYDD DINESIG, STRYD YR ANGEL, PEN-Y-BONT AR OGWR CF31 4WB DYDD  
MAWRTH, 18 RHAGFYR 2018, AM 14:30**

## Presennol

Y Cyngorydd HJ David – Cadeirydd

CE Smith  
RE Young

PJ White

HM Williams

D Patel

## Swyddogion:

Gill Lewis	Pennaeth Cyllid a Swyddog 151 Dros Dro
Laura Kinsey	Pennaeth Gofal Cymdeithasol Plant
Darren Mephram	Prif Weithredwr
Mark Shephard	Prif Weithredwr Dros Dro
Susan Cooper	Cyfarwyddwr Corfforaethol - Gwasanaethau Cymdeithasol a Lles
Andrew Rees	Uwch Swyddog Gwasanaethau Democrataidd - Pwyllgorau
Lindsay Harvey	Cyfarwyddwr Corfforaethol – Addysg a Chymorth i Deuluoedd
Laura Griffiths	Prif Cyfreithiwr
David Holland	Pennaeth Gwasanaethau Rheoliadol a Rennir

## 281. DATGANIADAU O FUDDIANNAU

Dim.

## 282. CYMERADWYO COFNODION

DATRYSWYD: Dylai cofnodion cyfarfod y Cabinet ar 20 Tachwedd 2018 gael eu cymeradwyo fel cofnod gwir a chywir.

## 283. CANLYNIAD YMGYNGHORIAD 'LLYWIO DYFODOL PEN-Y-BONT'

Fe wnaeth y Pennaeth Dros Dro Cyllid a Swyddog Adran 151 gyflwyno adroddiad oedd yn hysbysu'r Cabinet am Ganlyniad ymgynghoriad 'Llywio Dyfodol Pen-y-Bont' 2018 a ofynnodd i ddinasyddion rannu eu barn ar nifer o gynigion cyllideb allweddol sy'n cael eu hystyried dros gyfnod y Strategaeth Ariannol Tymor Canolig (MTFS). Nododd, yn dilyn gostyngiadau pellach mewn cyllid gan y llywodraeth ganolog, bod yr holl Gynghorau yn parhau i newid y ffordd maen nhw'n gweithio a'r gwasanaethau maen nhw'n eu darparu er mwyn iddynt allu ymdopi gyda llai. Mae'r Cyngor wedi gwneud gostyngiadau o'i gyllideb o £30.7 miliwn dros y pedair blynedd ddiwethaf, gyda disgwyl gofyn am ostyngiadau pellach sylweddol.

Esboniodd y gofynnwyd i ymatebwyr rannu eu barn ar amrywiaeth o gynigion cyllideb, sy'n cael eu hystyried rhwng 2019-2020 a 2022-23, gan gynnwys: cynnydd arfaethedig i dreth cyngor; pa wasanaethau i'w hamddiffyn a / neu eu torri dros eraill; trafndiaeth ôl 16, addysg feithrin, cyllidebau ysgol, gwasanaethau hamdden a diwylliannol, ailgylchu a gwastraff, gwasanaethau cymdeithasol a gwasanaethau bws. Y ffordd mae'r ymgynghoriad ar y cynigion cyllideb wedi cael ei ddatblygu i gynnwys ffyrdd newydd i bobl gymryd rhan ac ymgysylltu gyda'r Cyngor, gan gynnwys arolygon, cyfryngau cymdeithasol a sesiynau galw heibio gyda phadiau clicio. Hefyd, casglwyd barn pobl ifanc, gyda disgyblion o'r naw ysgol gyfun yn cymryd rhan mewn sesiynau padiau clicio ac arolygon papur. Cynhaliwyd sesiynau rhyngweithio mewn 15 ysgol gynradd hefyd. Nododd bod trosolwg, dogfennau ac arolygon yr ymgynghoriad cyllideb ar gael ar-lein

drwy wefan y Cyngor rhwng 24 Medi ac 18 Tachwedd 2018. Nod yr ymgynghoriad oedd cyrraedd rhanddeiliaid allweddol oedd yn cynnwys dinasyddion, ysgolion, Aelodau'r Cabinet/Cynghorwyr, busnesau lleol, y trydydd sector, staff y cyngor, cynghorau tref a chymuned, sefydliadau partner, grwpiau cydraddoldeb a grwpiau cymunedol, gwasanaethau ieuenctid a'r cyfryngau lleol. Ategwyd yr ymgynghoriad gan gynllun cyfathrebu a hyrwyddo llawn. Yn ychwanegol at hyn, roedd dulliau ymgysylltu yn cynnwys arolwg, ar gael ar-lein ac mewn fformat copi caled; digwyddiadau ymgysylltu cymunedol, gweithdai aelodau etholedig; digwyddiadau rhyngweithio / cyfarfodydd eraill; dadleuon ar y cyfryngau cymdeithasol ac arolwg Panel Dinasyddion pwrpasol.

Fe wnaeth Pennaeth Dros Dro Cyllid a Swyddog Adran 151 hysbysu'r Cabinet eu bod wedi derbyn 5,228 o ymatebion oedd yn cynrychioli cynnydd sylweddol ar y flwyddyn flaenorol. Nododd bod 48% o'r ymatebwyr wedi nodi nad oeddent yn barod i dalu mwy o dreth cyngor er mwyn amddiffyn gwasanaethau (na'r cynnydd arfaethedig o 4.9%). Y gwasanaethau mwyaf poblogaidd i'w hamddiffyn oedd ysgolion, gofal pobl hŷn, gwasanaethau ar gyfer pobl anabl a gwasanaethau hamdden. Nododd fod 53% o ymatebwyr yn anghytuno gyda'r cynnig i ofyn i ysgolion wneud arbedion cyllid o 1% y flwyddyn am y pedair blynedd nesaf. Fe wnaeth 66% o ymatebwyr anghytuno gyda'r cynnig i wneud arbedion drwy leihau canolfannau dydd neu wasanaethau. O ran cynyddu refeniw, nododd 79% o ymatebwyr y dylai deiliaid Bathodyn Glas dalu am barcio, nododd 48% y dylai deiliaid Bathodyn Glas dalu'r un faint â phobl nad ydynt yn ddeiliaid Bathodyn Glas. Nododd 31% pellach y dylai deiliaid Bathodyn Glas dalu cyfradd is. Nododd 60% o ymatebwyr y byddent yn barod i dalu mwy i ddefnyddio cyfleusterau chwaraeon, pafiliynau a pharciau (nododd 10% y byddent yn hapus i dalu swm sylweddol yn fwy a 50% yn nodi swm ychydig yn fwy). Nododd 48% o ymatebwyr y dylai'r Cyngor archwilio'r opsiwn o godi ffi am shopmobility. Pan ofynnwyd am gynnydd mewn refeniw ym maes ailgylchu a gwastraff roedd 53% o ymatebwyr yn barod i dalu cost uwch i £20 am gasglu tair eitem fawr. Mewn perthynas â gwasanaethau i wneud toriadau iddynt yn fwyaf aml roedd llyfrgelloedd, canolfannau celfyddydau a theatrau, gwasanaethau chwaraeon a hamdden, chwistrellu chwyn, cyllid ar gyfer trafndiaeth ôl-16 a chasgliad ar wahân ar gyfer cynhyrchion hylendid sy'n sychu. Dywedodd Pennaeth Dros Dro Cyllid a Swyddog Adran 151 wrth y Cabinet fod 48% o ymatebwyr yn cytuno y dylid lleihau darpariaeth meithrin i 15 awr yr wythnos er mwyn gwneud arbedion cyllid, tra bod 47% o ymatebwyr yn cytuno y dylid cael gwared ar gyllid ar gyfer trafndiaeth ôl-16 er mwyn gwneud arbedion i'r gyllideb. Nododd fod 46% o ymatebwyr yn cytuno y dylid cau'r orsaf fysiau er mwyn gwneud arbedion i'r gyllideb.

Diolchodd y Dirprwy Arweinydd i'r staff oedd yn rhan o'r ymgynghoriad a chydabod y cyfraniad a wnaed gan drigolion wrth ymateb i'r ymgynghoriad, oedd wedi derbyn 5,288 o ymatebion drwy'r mecanweithiau ymgynghori amrywiol. Dywedodd fod yr ymatebion gan y trigolion yn cydfynd â blaenoriaeth'r Cabinet ac y byddai'r ymatebion yn cael eu hystyried wrth lywio'r cynigion cyllideb. Gwnaeth yr Arweinydd sylw ar y thema gyffredin oedd yn deillio o'r ymgynghoriad, bod y trigolion yn dymuno amddiffyn ysgolion a gofal ar gyfer pobl hŷn. Roedd yn falch o weld fod tîm yr ymgynghoriad wedi ymgysylltu gyda disgyblion yn yr ymgynghoriad ac fe wnaeth ganmol disgyblion am ddymuno i amddiffyn gwasanaethau ar gyfer y rhai hynny mewn mwy o angen na nhw eu hunain.

**DATRYSWYD:** Nododd y Cabinet ganlyniad yr ymgynghoriad gyda manylion pleidiau â diddordeb yn adroddiad yr ymgynghoriad.

**284. RHAGLEN CYFALAF 2018-19 I 2027-28**

Fe wnaeth Pennaeth Dros Dro Cyllid geisio cytundeb i gyflwyno adroddiad i'r Cyngor i gymeradwyo rhaglen cyfalaf ddiwygiedig ar gyfer 2018-19 i 2027-28.

Adroddodd Pennaeth Dros Dro Cyllid fod nifer o gynlluniau wedi symud ymlaen ers cymeradwyo'r rhaglen cyfalaf sy'n gofyn am gymeradwyaeth y Cyngor. Hysbysodd y Cabinet mewn perthynas â Rhaglen Band A Ysgolion y 21ain Ganrif, er gwaethaf gwaith ymchwilio ar y safle yn cael ei gyflawni cyn gosod contract adeiladu Ysgol Gynradd Pencoed, bod angen gweithgareddau torri a llenwi sylweddol ar y safle nad oeddent wedi'u rhagweld yn wreiddiol, gan arwain at gynydd o £200,000 yng nghostau'r prosiect. Cynigiwyd i ddiwallu'r gost ychwanegol hon o dan-wario arfaethedig mewn cynlluniau Band A eraill. Hysbysodd Pennaeth Dros Dro Cyllid y Cabinet fod cyllideb o £165,000 wedi'i gynnwys yn y rhaglen cyfalaf ar gyfer darparu llety ychwanegol yn Ysgol Gynradd Cwmfelin. Fodd bynnag, yn dilyn datblygiad dylunio, tybiwyd fod amcangyfrif gwreiddiol y prosiect yn annigonol, ac er gwaethaf cynnal ymarfer peirianeg gwerth, derbyniwyd cost prosiect diwygiedig o £235,000, oedd yn arwain at gyllid ychwanegol o £70,000 yn fwy na'r gyllideb a gymeradwywyd, ac awgrymwyd y dylid cael hwn o gyllideb cadw moderneiddio ysgolion.

Adroddodd Pennaeth Dros Dro Cyllid fod buddsoddiad cyfalaf o £205,000 wedi'i gymeradwyo ar gyfer sefydlu MASH. Fodd bynnag mae'r MASH wedi'i symud yn lle i Raven's Courth, gan arwain at gostau sylweddol is nag a ragwelwyd, a fyddai'n rhyddgau £45,116 o arian ar gyfer cynlluniau eraill. Adroddodd hefyd fod cyllid cyfalaf o £1.217m ar gyfer buddsoddiad TGCh wedi'i gymeradwyo i gyflawni gwaith ystywyth, a oedd yn amodol ar sicrhau tenant ar gyfer Raven's Court. Yn dilyn penderfyniadau ar ble i osod y MASH, ni fyddai marchnata gweithredol ar gyfer Raven's Court yn cael ei gyflawni bellach ac o ganlyniad nid oedd angen y buddsoddiad a nodwyd yn wreiddiol, oedd yn gadael balans o £1.201m i'w ddad-ymrwymo a'i ddefnyddio ar gyfer cynlluniau eraill.

Fe wnaeth Pennaeth Dros Dro Cyllid hefyd adrodd am £360,000 o gyllid tuag at estyniadau mynwentydd ym Mhorthcawl a Gogledd Corneli, fodd bynnag oherwydd ymchwilio pellach a gwaith dichonoldeb roedd angen £170,000 ychwanegol i'w ariannu drwy fenthycu darbodus. Adroddodd hefyd bod angen cyllideb cyfalaf o £1.64m ar gyfer prynu cerbydau cynnal a chadw priffyrdd newydd i'w ariannu o gyllidebau refeniw cleientiaid presennol, drwy gyfraniadau i gyfalaf neu fenthycu darbodus. Gwnaeth Pennaeth Dros Dro Cyllid sylw ar yr angen yn dilyn adolygiad o'r ystâd TGCh am gynydd o £226.375 i'w ariannu o gyfraniad refeniw o gyllideb y rhaglen dreigl TGCh gyfredol.

Dywedodd Pennaeth Dros Dro Cyllid fod yr ymarfer caffael ar gyfer prosiect Ffocws Buddsoddiad Arhosfan Portchawl wedi'i gwblhau a'i fod wedi cynyddu i £2,924,000; roedd angen diwygio'r gofyniad cyfatebol i £1,358,060. Roedd yr arian cyfatebol yn cynnwys ffynonellau allanol a chronfeydd Cyngor amrywiol. Nododd pe byddai cyfleoedd yn codi i fanteisio ar arian allanol pellach, naill ai drwy ERDF neu ffynonellau eraill yna y byddai'r rhain yn cael eu targed mewn ymdrech i leihau'r gofyn ymhellach am adnoddau'r Cyngor.

Adroddodd Pennaeth Dros Dro Cyllid hefyd fod diddordeb masnachol sylweddol yn y tir a'r adeilad (Ty'r Ardd) sydd yn gartref i Swyddfa'r Cofrestrydd a Llyfrgell Cyfeirio Awen. Mae cynnydd wedi bod yn y nifer o briodasau sy'n cael eu canslo oherwydd y waith sy'n cael ei gyflawni ar y tir cyfagos. Gyda gwaith yn cynyddu ar y safle, roedd yn debygol o achosi cynnydd pellach yn y nifer o briodasau sy'n cael eu canslo. Mae gwaith dichonoldeb wedi'i gyflawni ar adleoli Swyddfa'r Cofrestrydd a allai gael ei symud i lawr gwaelod Swyddfeydd y Ddinas. Byddai hyn yn darparu derbynneb cyfalaf o werthu'r tir yn ogystal ag arbedion refeniw parhau o gau'r adeilad. Nododd mai'r gyllideb cyfalaf mynegol sydd ei angen i ail-fodelu ardal y Swyddfeydd Dinesig yw £275,000, sy'n cynnwys creu ardal patio ar gyfer lluniau priodas. Disgwylir i'r elw cyfalaf disgwyliedig, a nodwyd yn yr adroddiad gwerthuso drafft, yn sylweddol uwch na chost y gwaith.

Adroddodd Pennaeth Dros Dro Cyllid fod Llywodraeth Cymru wedi rhoi £2.6m i'r Cyngor er mwyn creu darpariaeth gofal plant cyfrwng Cymraeg ym Mettws, Cwm Ogwr, Tref Pen-y-bont a Phorthcawl gyda'r pedwar prosiect yn costio £650,000 yr un.

Dywedodd Pennaeth Dros Dro Cyllid wrth y Cabinet fod y rhaglen cyfalaf diwygiedig yn cynnwys nifer o addasiadau eraill sy'n adlewyrchu ceisiadau ariannu allanol llwyddiannus newydd a newidiadau i broffiliau gwariant ar draws blynnyddoedd ariannol, oedd yn dangos rhaglen ddiwygiedig o £211.185m. O hwn, mae'r Cyngor yn diwallu £138.408m ohono o'u hadnoddau, gan gynnwys Cyllid Cyfalaf gan Lywodraeth Cymru ac mae £72.777m yn cael ei ddiwallu gan adnoddau allanol.

Dywedodd Pennaeth Dros Dro Cyllid wrth y Cabinet y byddai angen diweddaru'r rhaglen cyfalaf o bryd i'w gilydd, oherwydd ei natur dros gyfnod o 10 mlynedd; fodd bynnag mae'r rhaglen yn ariannol gadarn. Dywedodd yr Arweinydd fod prosesau caffael cadarn ar waith; fodd bynnag byddai anghysondebau yn codi ar brosiectau adeiladu ac ni fyddai modd gwybod am y rhain nes i'r gwaith ar y safle ddechrau. Nododd fod y cynnydd mewn cost yn y rhaglen cyfalaf wedi'i leihau a bod cyllid gan MASH a phrosiectau gweithio'n ystwyth wedi ei ail-ddyrannu.

Dywedodd Pennaeth Dros Dro Cyllid wrth y Cabinet y byddai'n mynd i'r afael â gorwariant mewn modd mor gadarn â phosibl.

DATRYSWYD: Y Rhaglen Cyfalaf diwygiedig i'w gyflwyno i'r Cyngor ei chymeradwyo.

#### **285. RHEOLI GWARCHODFA NATUR CENEDLAETHOL CYNFFIG**

Mae Cyfarwyddwr Corfforaethol Cymunedau wedi ceisio awdurdod i beidio ag adnewyddu Prydles Gwarchodfa Natur Cenedlaethol Cynffig pan fydd yn dod i ben ar 31ain Rhagfyr 2019 ac i roi'r rhybudd priodol ar Ymddiriedolaeth Corfforaeth Cynffig. Bydd y Cytundeb Rheoli gyda Chyngor Cefn Gwlad Cymru yn dod i ben ar 31 Rhagfyr 2019 a cheisiwyd awdurdod i gysylltu â Chyfoeth Naturiol Cymru i roi gwybod y byddai'r Cyngor yn gadael Gwarchodfa Natur Cenedlaethol Cynffig ar 31 Rhagfyr 2019.

Dywedodd fod y Cabinet yn ei gyfarfod ar 14 Rhagfyr 2010 wedi awdurdodi swyddogion i weithio gydag Ymddiriedolaeth Corfforaeth Cynffig i ddatblygu opsiynau amgen ar gyfer rheoli'r Gwarchodfa Natur. Yn ei gyfarfod ar 16 Hydref 2018 fe wnaeth y Cabinet gytuno ar newidiadau i'r ffordd mae'r gwarchodfa'n cael ei redeg oherwydd diffyg ymateb gan yr Ymddiriedolaeth i geisiadau'r Cyngor i roi caniatâd i alluogi sefydliad cymwys a phrofiadol addas i reoli'r warchodfa a manteisio i'r eithaf ar ei botensial fel atyniad ymwelwyr. Rhwng 14 Rhagfyr 2010 a chyfarfod y Cabinet ar 11 Tachwedd 2014, fe wnaeth swyddogion gyflawni amrywiaeth o gamau gweithredu i gefnogi'r Ymddiriedolaeth i nodi asiant rheoli newydd ddigon ymlaen llaw cyn i'r Cyngor adael y safle. Yn anffodus ni chafwyd penderfyniad gan yr Ymddiriedolaeth.

Yn ei gyfarfod ar 11 Tachwedd 2014, fe wnaeth y Cabinet awdurdodi Pennaeth Adfywio a Datblygu i ddod â'r broses o ymchwilio i opsiynau rheoli'r Warchodfa i ben ac i'w redeg yn unol â threfniadau cyfredol, gan flaenoriaethu rhwymedigaethau statudol y Cyngor i warchod nodweddion ecolegol y Warchodfa. Ers mis Chwefror 2015 mae swyddogion wedi datblygu a chyflawni nifer o brosiectau a ariannwyd yn allanol i ychwanegu gwerth at y gweithgareddau â blaenoriaeth yn y Cynllun Rheoli.

Adroddodd Cyfarwyddwr Corfforaethol Cymunedau fod rhaid i'r Cyngor gydymffurfio gyda'r holl delerau prydles a chyfamodau tenant hyn a nodwyd yn y Brydles a'r Cytundeb Rheoli nes y dyddiad dod i ben ar y Brydles. Yn dilyn dyddiad dod i ben y Brydles, nododd fod rhaid i'r Cyngor sicrhau fod y safle yn y cyflwr sy'n ofynnol yn ôl y

Brydles, a bod y Cyngor yn gadael y safle'n briodol gan gael gwared ar ei holl offer, peiriannau ac unrhyw arwyddion. Mae'r Brydles hefyd yn nodi y dylai'r Cyngor gael gwared ar unrhyw adeiladau ychwanegol, ychwanegiadau, newidiadau neu welliannau a wnaeth i'r safle ar ddiwedd y tymor ac i wneud iawn am unrhyw ddifrod a achoswyd drwy gael gwared ar y rhain. Gallai fod yn ofynnol i'r Cyngor ddymchwel adeilad y ganolfan ymwelwyr cyn i'r Brydles ddod i ben, er nad yw hyn wedi'i godi gan yr Ymddiriedolaeth. Os gwneir cais, bydd asesiad o'r gost yn cael ei gyflawni ac adroddiad pellach yn cael ei gyflwyno i'r Cabinet os oes angen.

Adroddodd hefyd fod Cyngor Cymunedol Corneli ar hyn o bryd yn cyfrannu yn ariannol tuag at gostau'r Cyngor ar gyfer glanhau toiledau'r ymwelwyr yn y Warchodfa. Pan fydd y Cyngor yn gadael y safle ni fydd ganddo unrhyw gyfrifoldeb mwyach ac ni fydd yn darparu unrhyw wasanaeth mewn perthynas â'r toiledau ymwelwyr.

Gwnaeth yr Aeloda Cabinet dros Addysg ac Adfywio sylw am bwysigrwydd y Warchodfa a'i ecoleg a bod swyddogion wedi ceisio datblygu opsiynau amgen i'w reoli. Nododd nad oedd y cynnig i beidio ag adnewyddu'r Brydles wedi'i gymell gan angen y Cyngor i wneud arbedion a gobeithiai y gallai datrysiad rheoli cynaliadwy gael ei ganfod. Fe wnaeth y Dirprwy Arweinydd wneud sylw ar arwyddocâd yr ardal a'i gymysgedd cyfoethog o dir a bywyd gwyllt ac roedd yn gwerthfawrogi'r ffordd roedd y Warchodfa'n cael ei rheoli. Fe wnaeth yr Arweinydd wneud sylw am pa mor unigryw oedd y safle sydd o bwys rhyngwladol a bod cyllid wedi'i ddiogelu ar gyfer gwaith cadwraeth i'r twyni drwy'r prosiect "Dunes2Dunes".

DATRYSWYD: Bod y Cabinet:

- (1) Wedi pennu na fyddai Cyngor Bwrdeistref Sirol Pen-y-bont yn adnewyddu ei Brydles oedd yn dyddio i 25ain Ionawr 2001 ar gyfer Gwarchodfa Natur Cenedlaethol Cynffig pan fydd yn dod i ben ar 31ain Rhagfyr 2019 ac y bydd y Cyngor yn rhoi Rhybudd Adran 27 (1) o dan Ddeddf Landlordiaid a Thenantiaid 1954 ar Ymddiriedolaeth Corfforaeth Cynffig.
- (2) Wedi nodi y bydd y Cytundeb Rheoli oedd yn dyddio i 25ain Ionawr 2001 yn dod i ben ar 31ain Rhagfyr 2019 ac wedi awdurdodi'r Cyngor i roi gwybod i Cyfoeth Naturiol Cymru y bydd yn gadael Gwarchodfa Natur Cenedlaethol Cynffig ar y dyddiad hwn.

286. GORCHYMYN RHEOLEIDDIO TRAFFIG / PROSES TAWELU TRAFFIG A CHROESFAN CERDDWYR

Fe wnaeth Cyfarwyddwr Corfforaethol Cymunedau adrodd ar newidiadau arfaethedig i benderfyniadau gwrthwynebiadau parhaol a wnaed mewn perthynas â chynigion i gyflwyno Gorchmynion Rheoleiddio Traffig a Phroses Tawelu Traffig a Chroesfan Cerddwyr.

Rhoddodd wybod i'r Cabinet am y broses ar gyfer gwneud y Gorchmynion Rheoleiddio Traffig (TRO) ac ar y gofynion ymgynghori i'w dilyn gan yr Awdurdod sy'n Gwneud y Gorchmyn (OMA). Fe wnaeth hefyd roi gwybod i'r Cabinet am y broses ar gyfer cyflwyno Proses Tawelu Traffig/Croesfannau Cerddwyr. Mae gwrthwynebiadau sy'n barhaol mewn perthynas â'r materion hyn ar hyn o bryd yn cael eu datrys yn yr un modd â TRO, fodd bynnag o ran y darpariaethau hyn ni wneir unrhyw Orchymyn.

Adroddodd yn yr awdurdod hwn fod gwrthwynebiadau parhaol i TROS a Phroses Tawelu Traffig a Chroesfannau Cerddwyr yn cael eu datrys drwy broses y Panel Apêl sy'n cynnwys:

- Ffurio panel o 3 aelod lleol a threfnu cyfarfod. Oherwydd ymrwymïadau calendr gallai hyn gymryd nifer o wythnosau i'w drefnu gan fod angen i'r panel gael ei gefnogi gan swyddogion gwasanaethau cyfreithiol a democrataidd.
- Gwahoddir y gwrthwynebwyr i fynychu er mwyn cyflwyno eu hachos.
- Gallai paneli wneud cais am ragor o wybodaeth ac yna bydd y panel yn ail-ymgynnull.

Golygai hyn y gallai cyflwyno cynigion traffig newydd gael eu hoedi am nifer o fisoedd tra fod trefniadau'n cael eu gwneud ar gyfer trefnu a chefnogi'r broses. Nododd fod hyn yn gofyn am lawer o adnoddau o'i gymharu â'r hyn a fabwysiadwyd gan Awdurdodau Gwneud Gorchmynion eraill. Gofynnwyd i Gymdeithas Syrffewyr Sirol Cymru ar gyfer Grŵp Gwasanaethau Traffig Cymru ddarparu gwybodaeth ar y broses a fabwysiadwyd gan OMAs eraill yng Nghymru ac ystyriwyd y wybodaeth a ddarparwyd ynghyd â deddfwriaeth / cylchlythyrau perthnasol.

Adroddodd ar gynnig a wnaed i ddiwygio'r broses ar gyfer datrys gwrthwynebiadau i'r TRO/Proses Tawelu Traffig a Chroesfannau Cerddwyr o'r broses Panel Apeliadau i swyddogaeth ddirprwyedig yr Aelod Cabinet - Cymunedau.

Diwygiad i'r Cynllun Dirprwyaethau a bod paragraffau newydd 3.5 a 3.6 yn cael eu hychwanegu at Atodlen A y Cynllun Dirprwyo Swyddogaethau fel swyddogaethau sydd wedi'u dyrannu i'r Aelod Cabinet - Cymunedau.

Dywedodd yr Aelod Cabinet dros Gymunedau fod y broses gyfredol yn gallu arwain at oedi a bod angen iddi fod yn fwy effeithiol. Fe wnaeth yr Aelod Cabinet dros Les a Chenedlaethau'r Dyfodol gais i'r broses gael ei mireinio i ganiatáu sylwadau llafar mewn amgylchiadau eithriadol ac i sicrhau hygrychedd ar gyfer y dinasyddion hynny nad ydynt yn gallu gwneud sylwadau ysgrifenedig.

**DATRYSWYD:**

Bod y Cabinet:

- (1) Wedi cymeradwyo mabwysiadu'r broses a amlinellwyd ym mharagraff 4.10 yr adroddiad;
- (2) Wedi cymeradwyo diwygio Cynllun Dirprwyo Swyddogaethau fel sydd wedi'i amlinellu ym mharagraff 4.11 yr adroddiad;
- (3) Wedi nodi'r penderfyniad a wnaeth mewn perthynas â chyhoeddi gwrthwynebiad parhaol gan yr Adran Gwasanaethau Democrataidd a'i fod yn amodol ar sesiwn Galw;
- (4) Wedi nodi y bydd Cyfansoddiad y Cyngor yn cael ei ddiwygio yn Rhan 3 i gael gwared ar swyddogaethau TRO o gyfrifoldeb y Panel Apeliadau;
- (5) Wedi cymeradwyo y bydd sylwadau llafar yn cael eu caniatáu fel rhan o'r broses mewn amgylchiadau eithriadol a nodi y bydd y Cyngor yn ystyried ei ddyletswyddau o dan Ddeddf Cydraddoldeb 2010.



**287. RHAGLEN MODERNEIDDIO YSGOLION - BAND B**

Fe wnaeth Cyfarwyddwr Corfforaethol Addysg a Chefnogi Teuluoedd geisio cymeradwyaeth i derfynu gyda Phenderfyniad y Cabinet ar 21 Tachwedd 2018 mewn perthynas â mynd ar drywydd Opsiwn 3 ar gyfer cyflwyno Band B y Rhaglen Moderneiddio Ysgolion yn ariannol. Rhoddodd wybod i'r Cabinet am y newid i gyfradd grant ymyriad cyfalaf Band B; a cheisio cymeradwyaeth i fynd ar drywydd Opsiwn 2 ar gyfer cyflwyno Band B y Rhaglen Moderneiddio Ysgolion yn ariannol, cyn ei gyflwyno i'r Cyngor.

Adroddodd fod y Fframwaith Cynllunio a Pholisi yn nodi meysydd lle dylid rhoi egwyddorion ar waith yn ymarferol. Yr egwyddorion sy'n berthnasol i Band B yw maint yr ysgolion cynradd a gwerth am arian, effeithlonrwydd ac effeithiolrwydd. Fe wnaeth hysbysu'r Cabinet am y cefndir i'r rhaglen moderneiddio ysgolion lle bu i'r Cyngor gymeradwyo gweledigaeth ar gyfer ei ysgolion ym mis Medi 2006 i'w gwneud yn addas i'r diben ar gyfer y 21ain ganrif. Ers hynny, mae'r rhaglen moderneiddio ysgolion wedi'i sefydlu fel un o brif raglenni strategol y Cyngor. Nododd fod disgwyl i Gynlluniau Band A, a ariannwyd ar sail 50/50 gyda Llywodraeth Cymru gael eu cwblhau yn 2018-19 ac amlinellodd y cynlluniau oedd wedi'u cwblhau. Roedd gwaith bron â gorffen ar y cynllun oedd yn weddill ym Mand A yn Ysgol Gynradd Gymraeg Calon Y Cymoedd.

Adroddodd fod rhestr blaenoriaeth o gynlluniau i'w cyflawni o fewn amserlen Band B wedi'i nodi. Ym mis Hydref 2017 derbyniodd y Cabinet adroddiad ar ganlyniad gwaith llif gwaith moderneiddio ysgolion a'r cyflwyniad SOP diwygiedig, ac fe wnaeth gymeradwyo i derfynu'r cynlluniau Band B gwreiddiol a chymeradwyo cynlluniau i hyrwyddo'r iaith Gymraeg a chyflwr adeiladau. Fe wnaeth hefyd roi cymeradwyaeth i ymgymryd â gwaith gwerthuso opsiynau yn ystod cyfnod Band B er mwyn paratoi ar gyfer Band C. Cyflwynodd y Cyngor gynnig i Lywodraeth Cymru i greu cyfleusterau gofal plant cyfrwng Cymraeg, mae'r Cyngor wedi derbyn cymeradwyaeth ar ffurf cyllid gweithredol o £2.6m. Ar 6 Rhagfyr 2017, fe wnaeth Llywodraeth Cymru gymeradwyo ail don buddsoddiad y Cyngor o £68.2m mewn egwyddor. Ym mis Ionawr 2018, fe wnaeth y Cyngor gymeradwyo mewn egwyddor yr ymrwymiad ariannol oedd yn ofynnol ar gyfer Band B. Nododd fod y Cabinet wedi'i gynghori ym mis Tachwedd 2018 am adolygiad Llywodraeth Cymru o'r Model Buddsoddi Cydfuddiannol.

Adroddodd fod Llywodraeth Cymru wedi cyhoeddi newid i'r gyfradd grant ymyrraeth cyfalaf lle mae ei gyfraniad ar gyfer Band B wedi cynyddu i 75% ar gyfer ysgol arbennig ac unedau atgyfeirio disgyblion a 65% ar gyfer yr holl gynlluniau eraill. Byddai cyfradd ymyrraeth y Model Buddsoddi Cydfuddiannol yn parhau ar 75%. Nododd fod swyddogion wedi adolygu goblygiadau ariannol yr opsiynau a bod cais wedi'i wneud am £23m o arian cyfatebol i ddiwallu'r pedair ysgol gynradd a nodwyd gan ddefnyddio cyllid cyfalaf cyffredinol, gyda'r balans yn cael ei ddiwallu gan gyllid Adran 106. Fe wnaeth amlinellu cymhariaeth o MIM a chynlluniau grant cyfalaf ynghyd â'r 4 opsiwn cyllid a dadansoddi opsiynau 2 a 3.

Wrth gefnogi mynd ar drywydd opsiwn 2 fe wnaeth yr Aelod Cabinet dros Addysg ac Adfywio wneud sylw fod gan y Cyngor hanes da o gyflwyno ysgolion drwy'r llwybr traddodiadol. Dywedodd y Dirprwy Arweinydd mai Band B yw prosiect blaenllaw y Cyngor a bod y cynigion yn cael eu sbarduno gan alw am leoedd mewn ysgolion a chanlyniadau addysgol gwell ar gyfer plant. Nododd na fyddai model oddi ar y silff sy'n cael ei gyflwyno drwy'r MIM yn briodol ar gyfer yr awdurdod hwn.

DATRYSWYD: Bod y Cabinet:

- (1) Wedi terfynu gyda phenderfyniad y Cabinet a wnaed ar 21 Tachwedd 2018 mewn perthynas â mynd ar drywydd

Opsiwn 3 ar gyfer cyflawni Band B y Rhaglen Moderneiddio Ysgolion yn ariannol;

- (2) Wedi nodi'r newid i gyfradd ymyrraeth grant cyfalaf Band B;
- (3) Wedi rhoi cymeradwyaeth i fynd ar drywydd Opsiwn 2 ar gyfer cyflawni Band B yn ariannol, yn amodol ar nodi a dyrannu adnoddau digonol i fodloni'r ymrwymiad cyllid cyfatebol; ac
- (4) Wedi rhoi cymeradwyaeth i gyflwyno adroddiad i'r Cyngor i ddiwygio'r rhaglen cyfalaf er mwyn adlewyrchu'r uchod.

**288. GRANT CYFALAF CYFRWNG CYMRAEG**

Fe wnaeth Cyfarwyddwr Corfforaethol Addysg a Chefnogi Teuluoedd gyflwyno diweddariad ar ganlyniad y cais a gyflwynwyd i Lywodraeth Cymru mewn perthynas â grant cyfalaf cyfrwng Cymraeg a rhoi cyngor ar y ffordd ymlaen o ran datblygu'r cynllun.

Adroddodd fod Ysgrifennydd y Cabinet dros Gyllid wedi gwneud £30m ar gael dros Gymru ym mis Mawr 2018 ar gyfer prosiectau pwrpasol i gefnogi a datblygu'r defnydd o'r iaith Gymraeg mewn addysg. Byddai'r cyllid hwn yn cynorthwyo i gyflawni ymrwymiad parhaus Llywodraeth Cymru i gael miliwn o siaradwyr Cymraeg erbyn 2050 ac roedd yn ychwanegol at y dyraniad presennol a gyhoeddwyd ar gyfer Band B y Rhaglen Addysg ac Ysgolion yr 21ain Ganrif. Rhoddwyd ystyriaeth i'r ffordd orau i gynyddu'r nifer o siaradwyr Cymraeg yn y Fwrdeistref. Nodwyd fod diffyg darpariaeth gofal plant drwy gyfrwng y Gymraeg, ac arweiniodd hyn at benderfyniad i ganolbwyntio cynigion ar ofal sesiynol, gofal plant a gofal cofleidiol cyfrwng Cymraeg.

Adroddodd fod cynnig £2.6m wedi'i gyflwyno i greu darpariaeth gofal plant cyfrwng Cymraeg ym Mettws, Cwm Ogwr, Tref Pen-y-bont a Phorthcawl. Nododd fod gwaith rhagarweiniol wedi dechrau ar ddatblygu pob un o'r prosiectau a bod tîm prosiect a grŵp llywio wedi'u sefydlu. Bydd tîm y prosiect yn cyflawni'r elfen adeiladu ar y cynllun ac mae gwaith wedi dechrau ar gamau cychwynnol y prosiect yn canolbwyntio ar werthuso opsiynau mewn perthynas â thir datblygadwy. Diben y grŵp llywio fydd cefnogi gwaith datblygu a chyflawni'r rhaglen cyfalaf cyfrwng Cymraeg.

Wrth ganmol y cynigion dywedodd yr Aelod Cabinet dros Addysg ac Adfywio fod llawer o waith cynllunio wedi mynd i nodi'r lleoliadau a'i fod yn edrych ymlaen at weld y canlyniadau. Dywedodd yr Arweinydd fod hyn yn newyddion gwych ar gyfer yr awdurdod ac roedd yn cydnabod fod Llywodraeth Cymru wedi cyfateb eu dyhead a dyhead yr awdurdod wrth ddyfarnu cyllid.

**DATRYSWYD:** Bod y Cabinet:

- (1) Wedi nodi canlyniad y cais a gyflwynwyd i Lywodraeth Cymru mewn perthynas â'r cais am grant cyfalaf cyfrwng Cymraeg; ac
- (2) Wedi cymeradwyo'r ymagweddu tuag at datblygu'r cynllun.

**289. PENODI LLYWODRAETHWYR AWDURDOD LEOL**

Fe wnaeth y Cyfarwyddwr Corfforaethol dros Addysg a Chefnogi Teuluoedd geisio cymeradwyaeth ar gyfer penodi Llywodraethwyr Awdurdod Leol i'r cyrff llywodraethu ysgolion a restrwyd.

DATRYSWYD: Fe wnaeth y Cabinet gymeradwyo'r penodiadau fel oedd wedi'u rhestru ym mharagraff 4.1 yr adroddiad.

**290. EIRIOLAETH - GWASANAETHAU PLANT**

Fe wnaeth Pennaeth Gwasanaethau Cymdeithasol Plant geisio awdurdod i ddechrau Cytundeb Rhyng-Awdurdod (IAA) gyda Chyngor Bwrdeistref Sirol Rhondda Cynon Taf (RCT) a Chyngor Bwrdeistref Sirol Merthyr Tudful (Merthyr) i reoli a goruchwyllo comisiynu gwasanaeth rhanbarthol Cwm Taf ar gyfer gwasanaeth Eiriolaeth Proffesiynol Annibynnol (IPA) a gwasanaeth Ymwelwyr Annibynnol ar gyfer Plant a Phobl Ifanc cymwys.

Adroddodd Pennaeth Gofal Cymdeithasol Plant fod gan y Cyngor ddyletswydd statudol i ddarparu Gwasanaeth Eiriolaeth Broffesiynol Annibynnol ar gyfer Plant a Phobl Ifanc cymwys, yn enwedig Plant Mewn Gofal, Plant mewn Angen a'r Plant hynny sy'n cael eu hamddiffyn. Nododd fod Llywodraeth Cymru wedi sefydlu 'Dull Cenedlaethol' tuag at Eiriolaeth Plant yn seiliedig ar gomisiynu rhanbarthol, darpariaeth Cynnig Gweithredol o ran eiriolaeth ar gyfer Plant a Phobl Ifanc cymwys, ac opsiwn i gynnwys gwasanaeth Ymwelwyr Annibynnol ategol. Er mwyn parhau i gydymffurfio, fe wnaeth Gwasanaeth Eiriolaeth Plant a Phobl Ifanc ei gwneud yn ofynnol i gael newid mewn comisiynu rhanbarthol gan Fwrdd Iechyd Prifysgol Abertawe Bro Morgannwg i Fwrdd Iechyd Prifysgol Cwm Taf. Nodon fod Cwm Taf ar hyn o bryd yn derbyn gwasanaeth gan y Gwasanaeth Eiriolaeth leuenctid Cenedlaethol fel eu darparwr a'u bod yn ail-dendro i'r gwasanaeth hwn ddechrau o fis Ebrill 2019. Mae'r cynnig yn cynnwys IAA rhanbarthol gyda chaffael gwasanaethau ar y cyd yn dechrau o 1af Ebrill 2019 gyda RCT yn gweithredu fel y Prif Awdurdod ar gyfer yr ymarfer caffael rhanbarthol, gyda swyddogion BCBC yn ymwneud â'r broses dendro a'r panel gwerthuso.

Fe wnaeth yr Arweinydd groesawu cynnwys y Gwasanaeth Ymwelwyr Annibynnol ar gyfer plant yn yr ymarfer caffael.

DATRYSWYD: Fe wnaeth y Cabinet gymeradwyo'r cynnig i ddechrau Cytundeb Rhyng-Awdurdod gyda RCT a Merthyr, a nodi y bydd cymeradwyaeth i ddyfarnu contract y gwasanaeth Eiriolaeth Proffesiynol Annibynnol ac Ymwelwyr Annibynnol yn cael ei geisio drwy Bwerau Dirprwyedig (o dan Gynllun Dirprwyo BCBC) unwaith mae'r broses caffael a gwerthuso wedi'i chwblhau.

**291. DEDDF LLYWODRAETH LEOL (DARPARIAETHAU AMRYWIOL) ADRAN 65 PŴER I OSOD PRIS SIWRNAI AR GYFER CERBYDAU HACNI GWRTHWYNEBIADAU I'R CYNNIG I DDIWYGIO TARRIF PRIS SIWRNAI AR GYFER CERBYDAU HACNI**

Adroddodd y Pennaeth Gwasanaethau Rheoleiddio Cyffredinol ar wrthwynebiadau i'r cynigion oedd wedi'u cymeradwyo gan y Cabinet i amrywio cyfradd cyfredol Prisïau Siwrnai Cerbydau Hacni. Nododd fod y Cabinet yn ei gyfarfod ar 5 Medi 2017 wedi ystyried 3 chynnig i amrywio'r tabl prisïau siwrnai hacni cyfredol a phenderfynu gwrthod y cynigion hynnyac argymhell archwilio i nodweddion cyfreithiol ac ymarferol ymgynghori ar ffioedd cerbydau hacni gyda'r fasnach tacsï a'r fasnach gyhoeddus.

Adroddodd Pennaeth Gwasanaethau Rheoleiddio fod swyddogion wedi gofyn i bob un o'r ymgeiswyr ystyried cynigion eraill gyda'r bwriad o gyflwyno cais sengl pellach gyda chefnogaeth gan yr holl bleidiau. Fodd bynnag, ni lwyddwyd i ddod i gytundeb rhwng yr

ymgeiswyr ac yn ystod y cyfnod hwn derbyniwyd cais ychwanegol gan Mr Peter Renwick o Premier Cars (Caerdydd) Ltd. Cynhaliwyd ymgynghoriaeth gyda phob un o'r gyrwyr cerbydau huriant preifat/cerbydau hacni trwyddedig ym Mhen-y-bont ar Ogwr, yn gofyn am eu barn a p'un a oeddent yn ffafrio un o'r 3 opsiwn ar y cynigion ac ystyried yn flaenorol gan y Cabinet, a'r cynnig dilynol a dderbyniwyd. Cyflwynwyd canlyniadau'r ymgynghoriaeth i'r Cabinet ar 23 Hydref 2018. Fe wnaeth y Cabinet gymeradwyo Cynnig 1, a gyflwynwyd gan Mr James Borland a Richard Parrott, yn amodol ar gyhoeddi hysbysiad cyhoeddus mewn papur newydd lleol yn gwahodd gwrthwynebiadau.

Fe wnaeth Pennaeth Gwasanaethau Rheoleiddio hysbysu'r Cabinet fod yr adroddiad a gyflwynwyd iddo r 23 Hydref 2018 yn cynnwys ffigyrau anghywir am gost siwrnai 5 milltir a 15 milltir ar gyfer Cynnig 1, ond fod y wybodaeth a ddarparwyd i'r fasnach drwyddedig yn ystod y cyfnod ymgynghori yn gywir ac o'r herwydd mae canlyniadau'r ymgynghoriaeth yn seiliedig ar y ffigyrau cywir.

Fe wnaeth Pennaeth Gwasanaethau Rheoleiddio hysbysu'r Cabinet fod 3 gwrthwynebiad wedi'u derbyn yn dilyn yr hysbysiad ac fe wnaeth amlinellu'r ymatebion hynny. Nododd fod gofyn i'r Cabinet ystyried y gwrthwynebiadau a phenderfynu p'un a yw'n parhau'n fodlon gyda'r penderfyniad i gadarnhau Cynnig 1 fel yr opsiwn sy'n cael ei ffafrio yn seiliedig ar y ffigyrau cywir, neu wedi adolygu'r wybodaeth ynghylch y ffigyrau diweddaraf, i ddewis cynnig gwahanol.

Fe wnaeth yr Aelod Cabinet Llesiant a Chenedlaethau'r Dyfodol gynnig fod y Cabinet yn cefnogi Cynnig 1 gan mai dyma oedd wedi derbyn y mwyaf o gefnogaeth gan y fasnach. Nododd ei bod yn fodlon gyda'r ymgynghoriad oedd wedi'i gynnal a bod y fasnach wedi derbyn y ffigyrau cywir a'i bod yn credu y gellid adfer costau ail-galibradu. Dywedodd yr Aelod Cabinet Llesiant a Chenedlaethau'r Dyfodol hefyd fod hwn yn rhoi cap ar y pris siwrnai uchaf y gellir ei godi, ac nid oedd yn rhaid i yrwyr godi eu prisiau os nad oeddent yn dymuno. Dywedodd yr Is Arweinydd ei fod yn fodlon gyda'r ymgynghoriad a gynhaliwyd ac nad oedd ail-galibradu offer yn anorchfygol.

**DATRYSWYD:** Bod y Cabinet:

- (1) Wedi nodi sylwadau a dderbyniwyd yn Atodiad B yr adroddiad wrth ystyried y penderfyniad a wnaed gan y Cabinet ar 23 Hydref 2018 i ddiwygio'r tariff prisiau siwrnai;
- (2) Wedi penderfynu i barhau gyda Chynnig 1 a chyflwyno tariff cerbydau hacni newydd yn seiliedig ar y ffigyrau diwygiedig a nodwyd yn yr adroddiad gyda dyddiad rhoi ar waith nad oedd yn hwyrach na 2 Chwefror 2019.

**292. DATGANIAD EGWYDDORION DEDDF GAMBLO 2005**

Fe wnaeth Pennaeth Gwasanaethau Rheoleiddio Cyffredinol adrodd ar ganlyniad yr adolygiad tair blynedd ar Ddatganiad Egwyddorion Gamblo, sef y fframwaith sy'n llywodraethu'r ffordd mae'r awdurdod yn ymgymryd â'i ddyletswyddau fel yr awdurdod trwyddedu ar gyfer gamblo. Mae cymeradwyo'r Datganiad Egwyddorion ar gyfer y cyfnod o dair blynedd nesaf o 2019 yn swyddogaeth i'r Cyngor.

Adroddodd fod gofyn i'r Cyngor gyhoeddi datganiad polisi dan yr enw Datganiad Egwyddorion Gamblo bob tair blynedd sydd wedi'i adolygu, ac ymgynghoriad drafft wedi'i gynnal. Nododd fod rhaid i'r Cyngor ymgymryd ag ymarfer ymgynghori statudol, sy'n cael ei ragnodi gan reoleiddiadau gydag ymgynghorai statudol fel y Comisiwn Gamblo, Prif Swyddog yr Heddlu, un neu fwy o bobl sydd yn debygol o gael eu heffeithio gan y swyddogaethau mae'r awdurdod yn eu hymarfer o dan y Ddeddf. Mae

hyn yn cynnwys Aelodau etholedig, Cyngorau Tref a Chymunedol, cynrychiolwyr masnach, cyflenwyr peiriannau, sefydliadau diogelu (gan gynnwys gamblo problemus), y Bwrdd Gwasanaethau Cyhoeddus a'r Bartneriaeth Diogelwch Cymunedol. Cynhaliwyd yr ymgynghoriad rhwng 31 Awst 2019 a 9 Tachwedd 2019, ac arweiniodd at dderbyn tri ymateb dilys. Fe wnaeth Pennaeth Gwasanaethau Rheoleiddio amlinellu'r diwygiadau arfaethedig i'w gwneud i'r Datganiad Egwyddorion.

Wrth ganmol y Datganiad Egwyddorion dywedodd yr Aelod Cabinet Gwasanaethau Cymdeithasol a Chymorth Cynnar ei fod yn falch o nodi fod y Llywodraeth wedi cyhoeddi newid i'r arian betio mewn peiriannau gemau a elwir yn "Beiriannau Betio Ods Sefydlog". Fe wnaeth sylw hefyd ar effaith negyddol gamblo ar iechyd meddyliol ac ar deuluoedd.

**DATRYSWYD:** Fe wnaeth y Cabinet gymeradwyo'r Datganiad Egwyddorion Gamblo, gan ymgorffori diwygiadau arfaethedig 1-3 y cyfeiriwyd atynt ym mharagraffau 4.8 i 4.9.2 yn yr adroddiad a'i anfon ymlaen i'r Cyngor i'w gymeradwyo a'i gyhoeddi yn unol â'r rheoliadau.

293. **EITEMAU BRYD**

Nid oedd unrhyw eitemau brys.

294. **DARREN MEPHAM**

Cyhoeddodd y Dirprwy Arweinydd mai dyma fyddai cyfarfod olaf y Cabinet i Darren Mepham, Prif Weithredwr ei fynychu. Fe wnaeth ef ac Aelodau'r Cabinet ddiolch i'r Prif Weithredwr am y gefnogaeth a'r cyngor yr oedd wedi'u rhoi iddyn nhw a dymuno'n dda iddo yn ei yrfa yn y dyfodol. Dywedodd yr Arweinydd y gellid mesur amser y Prif Weithredwr ym Mhen-y-bont yn ôl llwyddiant y sefydliad a'i gefnogaeth i'r cymunedau yn y Fwrdeistref Sirol.

Diolchodd y Prif Weithredwr i'r Cabinet am eu geiriau caredig ac am ei groesawu i Gymru. Nododd y byddai'n ddiolchgar am ei amser yn byw ac yn gweithio yng Nghymru ac y byddai'n dilyn ffawd y Cyngor o ochr arall y Bont. Nododd mai nodwedd o'i amser yn yr awdurdod oedd y berthynas wych rhwng swyddogion ac Aelodau.

295. **EITHRIO'R CYHOEDD**

**DATRYSWYD:** O dan Adran 100A (4) Deddf Llywodraeth Leol 1972 fel y'i diwygiwyd gan Orchymyn Llywodraeth Leol (Mynediad at Wybodaeth) (Amrywiad) (Cymru) 2007, dylai'r cyhoedd gael ei eithrio o'r cyfarfod yn ystod ystyried yr eitem busnes canlynol gan ei fod yn cynnwys gwybodaeth eithriedig fel sydd wedi'i ddiffinio ym Mharagraff 14 Rhan 4 a Pharagraff 21 Rhan 5 Atodlen 12A Deddf Llywodraeth Leol 1972, fel y'i diwygiwyd gan Orchymyn Llywodraeth Leol (Mynediad at Wybodaeth) (Amrywiad) (Cymru) 2007.

Yn dilyn rhoi'r prawf diddordeb cyhoeddus ar waith wrth ystyried yr eitem hon, penderfynwyd yn unol â'r Ddeddf y cyfeirir ati uchod, y dylid ei ystyried yn breifat, gyda'r cyhoedd yn cael eu heithrio o'r cyfarfod gan y byddai'n cynnwys datgelu gwybodaeth eithriedig o'r natur a nodwyd uchod.

296. **CYMERADWYO COFNODION EITHRIEDIG**

**CABINET - DYDD MAWRTH, 18 RHAGFYR 2018**

DATRYSWYD: Bod cofnodion eithriedig cyfarfod y Cabinet ar 20 Tachwedd 2018 yn cael eu cymeradwyo fel cofnod gwir a chywir.

Daeth y cyfarfod i ben am 16:10

## BRIDGEND COUNTY BOROUGH COUNCIL

### REPORT TO CABINET

22 JANUARY 2019

#### REPORT OF THE CORPORATE OVERVIEW AND SCRUTINY COMMITTEE

#### MEDIUM TERM FINANCIAL STRATEGY 2019-20 to 2022-23 AND DRAFT BUDGET CONSULTATION PROCESS

##### 1. Purpose of the Report

- 1.1 The purpose of the report is to present Cabinet with the findings and recommendations of the Corporate Overview and Scrutiny Committee in relation to:
- a) the findings of the Budget Research and Evaluation Panel (BREP) attached at Appendix A and Appendix A1;
  - b) the responses from all the Subject Overview & Scrutiny Committees in relation to Cabinet's draft budget proposals, attached at Appendix A2.

##### 2. Connection to the Corporate Improvement Objectives / Other Corporate Priorities

- 2.1 This report assists in the achievement of the following corporate priority/priorities:-
- 1. **Supporting a successful economy** – taking steps to make the county a good place to do business, for people to live, work, study and visit, and to ensure that our schools are focused on raising the skills, qualifications and ambitions of all people in the county.
  - 2. **Helping people to be more self-reliant** – taking early steps to reduce or prevent people from becoming vulnerable or dependent on the Council and its services.
  - 3. **Smarter use of resources** – ensuring 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. Background

- 3.1 In considering the challenges associated with continued budget reductions, Members recognised the need for a 'whole Council' response to be adopted in managing anticipated cuts to services against a backdrop of increasing demand and the challenging financial outlook.
- 3.2 It was therefore recommended that a Budget Research and Evaluation Panel (BREP) be established to engage members on budget proposals as well as to enable members to feed in community intelligence gained from their representative role and to engage in shaping future service provision.

- 3.3 The Corporate Overview and Scrutiny Committee (COSC) has the overall responsibility for budget monitoring throughout the year. As such it was agreed at a meeting of Council in September 2017 that it would continue this role and appoint BREP from within its Members of the COSC.
- 3.5 The purpose of the Budget Research and Evaluation Panel was subsequently agreed as the following:
- To achieve consensus on the direction of the budget over the life of the medium term financial strategy.
  - To achieve a detailed overview and assessment of the budget proposals where the expertise and knowledge of each Committee contributes to a Corporate understanding and appreciation of the draft budget proposals;
  - To assist the Council to develop a budget for the forthcoming year that aims to meet the needs of the communities of Bridgend County Borough;
  - To facilitate firmer understanding of the budget setting process and the draft proposals in order to assist the Committees in making informed comments, constructive challenge or recommendations to Cabinet as part of the budget consultation process.
- 3.6 Members would be presented with the draft Medium Term Financial Strategy 2019-20 to 2022-23 and asked to consider the information contained in the report and determine whether they wish to make comments or recommendations for consolidation and inclusion in the report to Cabinet on the draft budget proposals as part of the budget consultation process.

#### **4. Current Situation/Proposal**

- 4.1 The Corporate Overview and Scrutiny Committee considered the findings of the BREP and all Subject Overview and Scrutiny Committees on 14 January 2019 to determine whether the recommendations should be forwarded to Cabinet as part of the budget consultation process.
- 4.2 For ease of reference Corporate have split the recommendations into separate appendices. They are set out as follows:
- A1 - BREP recommendations in relation to Medium Term Financial Strategy 2019-20 – 2022-2023
- A2 - Subject Overview and Scrutiny comments and recommendations on Medium Term Financial Strategy 2019-20 to 2022-23
- 4.3 The Committee accepted the recommendation and comments from both the BREP and all Subject Overview and Scrutiny Committees and agreed to submit them to Cabinet subject to a series of amendments which have been incorporated in the Appendices.



## **5. Effects on the Policy Framework and Procedure Rules**

- 5.1 This item relates to the role of Overview & Scrutiny Committees as consultees in respect of the budget setting process.

## **6. Equalities Impact Assessment**

- 6.1 The draft budget proposals 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 the proposals contained within the appendices, 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 All the savings proposals have been reviewed independently and a full Equality Impact Assessment will be undertaken before the final recommendations are made concerning next year's revenue budget.

## **7. Well-being of Future Generations (Wales) Act 2015 Assessment**

- 7.1 The Act provides the basis for driving a different kind of public service in Wales, with 5 ways of working to guide how public services should work to deliver for people. The following is a summary to show how the 5 ways of working to achieve the well-being goals have been used to formulate the recommendations within this report:
- Long-term - The consideration and approval of this report will assist in the budget setting process for both the short-term and in the long-term.
  - Prevention - The consideration and approval of this report will assist in the budget setting process by approving and shaping preventative measures provided by Directorates to generate savings.
  - Integration - The report supports all the wellbeing objectives.
  - Collaboration – The consideration and approval of this report will assist in the budget setting process by approving and shaping collaboration and integrated working to generate savings.

## **8. Financial Implications**

- 8.1 The report relates to the budget setting process and the financial implications associated with that.

## **9. Recommendations**

- 9.1 Cabinet is requested to consider the recommendations of the Corporate Overview and Scrutiny Committee, in response to the Medium Term Financial Strategy 2019-20 to 2022-23 and the Draft Budget Consultation Process.

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**Background Documents:**

Bridgend County Borough Council Constitution  
Part II of the Local Government Act 2000: Executive Arrangements

### **Report of the Budget Research and Evaluation Panel 2018**

- 1.1 The Budget Research and Evaluation Panel (BREP) has considered the draft budget proposals for the year 2018-19.
- 1.2 The Panel met on six occasions and were supported by a Scrutiny Officer, Interim Section 151 Officer and the Deputy Leader.
- 1.3 The October meeting involved individual presentations from all Corporate Directors and Chief Executive detailing the impact that the budget plans and proposals would make to their Directorate.
- 1.4 The work of the BREP helps to ensure financial transparency and accountability with regard to the draft budget proposals. This ensures that Elected Members have the opportunity to help to develop and shape Council policies on the delivery of services, which is particularly important at a time of increasing demand for services and the challenging financial outlook.
- 1.5 The BREP acknowledge the financial challenges facing the Authority and agreed that a forward thinking approach is required when taking into account the overall budget savings which are required from 2019-2023 and should avoid any duplication with the work of the Subject Overview and Scrutiny Committees.
- 1.6 BREP Members are aware of the pressures on each Directorate when compiling and meeting budget savings year on year which left little opportunity for BREP to suggest additional budget saving proposals, although BREP were able to provide views on what proposals were acceptable and which were not.

### **Legislative Pressures**

- 1.7 The Panel acknowledged legislative pressures with significant financial implications, such as Additional Learning Needs and Education Tribunal (Wales) Bill which are imposed by Welsh Government and note that most are enforced without any additional monies.

### **Recommendation 1**

**Members recommend that research is undertaken into how the Authority is able to deliver services imposed by Welsh Government without any additional monies as outlined in paragraph 1.7 and meet the associated additional costs - A pan Wales approach may well be more valuable. This will provide the evidence needed to enable the Council to lobby for supplementary monies to carry out legislative pressures effectively. In addition to this the Panel recommend that any lobbying for extra funding is carried out publically, to demonstrate to the public how much services costs and how much has allocated to each service.**

## **2 MTFS Budget Reduction Proposals for 2019-20 to 2022-23**

- 2.1 When the draft Budget Reduction Proposals for 2019-20 to 2022-23 were presented to BREP, Members acknowledged the numerous potential restructures and staffing reconfigurations proposed throughout each of the Directorates.

**Recommendation 2**

**Members recommend that in relation to any departmental restructure a corporate approach is instigated across all Directorates, taking a bottom up approach. The Panel further recommend that any reorganisation is carried out following discussions and thorough planning by Cabinet/CMB. The Panel identified that this may well be suitable to form one of a number of annual objectives for the new Chief Executive.**

**Communities**

- 2.2 The Panel requested and received a presentation from the Corporate Director Communities setting out the proposed budget cuts for the Directorate and the probable impact the proposals would generate on his area and the citizens of Bridgend.

**Recommendation 3**

**Members state that some of the proposed budget reductions in this Directorate will provide small savings in the short term but will incur costs in the future. The Panel used the reduction of weed spraying as a short term example, stating that in the long run it could impact on members of the public safety and highway maintenance. Therefore the Panel recommend that longer term strategic proposals are deliberated and different models of service delivery are explored, such as external businesses that could provide services more economically.**

**Collaboration with Town and Community Councils (TCCs)**

- 2.3 During their discussions Members voiced their disappointment with the lack of progress on improving communication and collaborative working with TCC's following the recommendations made by BREP the previous year. There was no information available to suggest a pro-active approach was being undertaken. The Panel concluded discussions by highlighting the need to empower TCC's as they are best placed to identify what the community requires.

**Recommendation 4**

**Although the Panel are mindful of the extra resources required to improve collaboration and communication with TCC's and also between TCC's themselves, Members recommend that a Cabinet led approach is undertaken to explore options to take this forward. The Panel also recommend Cabinet revisit the Terms of Reference of the Town and Community Council Forum to ensure the Membership of the Forum is representative and that additional powers are allocated to it, such as making recommendations. Furthermore, the Panel propose the creation of a Memorandum of Understanding between both parties.**

**Recommendation 5**

**The Panel recommend that Cabinet take the lead in approaching all stakeholders regarding their potential for Community Asset Transfer (CAT) of all outdoor leisure facilities as outlined in the Budget Reduction Proposals 2019-20 to 2022-23.**

- 2.4 The Panel identified a lack of initial communication with local Members and TCC's regarding potential Cabinet decisions relating to CAT and actual Cabinet resolution of asset closures.

**Recommendation 6**

**With reference to the lack of communication regarding potential Cabinet decisions relating to CAT, the Panel therefore recommend that Cabinet reviews its communication plan on CAT to ensure that all relevant information is distributed to all Local Members and TCC's for information.**

- 2.5 BREP feels that Recommendation 4 will ensure that Members and appropriate local councils can actively assist and support the decision-making process.
- 2.6 The Panel identified most TCC's have previously advised that they would be willing to make a contribution to services at a local level such as bus subsidies, school crossing patrols and grass cutting.

**Waste**

- 2.7 The Panel welcomed the improved performance of re-cycling across the Borough, however the Panel highlighted their concerns regarding any future changes to the current Waste Contract with Kier. This will ensure that public finances get best value and the reputation of the Council is protected.
- 2.8 The Panel discussed the reductions to the budget for the Materials Recovery and Energy Centre (MREC) and identified that MREC is a Corporate budgetary pressure.

**Recommendation 7**

**In relation to the Materials Recovery and Energy Centre (MREC) the Panel recommend that a political solution is sought to negotiate a favourable outcome for all parties involved.**

**Bridgend Bus Station**

- 2.9 During discussions regarding the possible closure of Bridgend Bus Station, the Panel expressed concerns with incorrect information being provided by some public service suppliers in relation to the closure. Members highlighted the uneasiness the information is having on members of the public and the negative impact on the Council's reputation.

**Recommendation 8**

**In relation to comments being made about the possible closure of the Bus Station the Panel recommend that a press release is provided by Corporate Communications outlining the fact that the Council are exploring alternative measures for full cost recovery for Bridgend Bus Station and that there are no plans for closure of the building on 1<sup>st</sup> January 2019.**

- 2.10 BREP agreed to revisit the budget reduction proposal regarding Bridgend Bus Station following the outcome of the Supported bus consultation 2019 to 2020.

### **Education**

- 2.11 In relation to the removal of Post 16 Transport, the Panel expressed some concern regarding the budget reduction proposal being linked to the wellbeing goal of a more equal Wales, especially when the reduction of the transport would affect students travelling to both Maesteg and Coleg Cymunedol Y Dderwen comprehensive schools, which are situated in two of the most deprived areas in the Borough. Following further discussion, the Panel suggest that the Council should signpost students requiring Post 16 transport to alternative options, some of which are outlined in Recommendation 9 and 10.

### **Home to School Transport**

#### **Recommendation 9**

**In relation to the Home to School Transport review, Members were pleased to note that all aspects of transport will be explored, including vehicles used in day centres as BREP has previously recommended - slightly amending the opening and closing times of day centres so the buses can be made available for school transport. The Panel also recommend that the Directorate consider the possibility of collaborating with other local authorities and creating an in-house resource from the current fleet for Home to School transport use.**

#### **Recommendation 10**

**The Panel recommend introducing a charge for transport over and above Welsh Government statutory distances for Home to School Transport, which should take into account and offer concessions for low income families. Members further recommended that instead of removing the provision that the Council could provide a discounted bus pass on an existing bus route.**

### **Nursery Provision**

- 2.12 In relation to the reduction in early years provision from full time to part time as per statutory minimum, the Panel identified that the Council cannot justify providing discretionary services to the detriment of struggling to provide statutory services.
- 2.13 In order to plan for the future and to ensure Members understand the impact of the possible removal of Bridgend Councils nursery provision, the Panel request that a consultation and review be undertaken taking into account the following:

- Evidence of the impact of reducing to the statutory minimum on children's education;
- To explore and review what impact the reduction would make to working parents;
- To explore the possibility for the Council to provide the statutory 10 hours and parents/guardians to pay for the additional hours;
- The impact on current funding and staffing.

#### **Recommendation 11**

**The Panel believe that the budget reduction proposal EFS49 which plans on decreasing the current nursery provision to the statutory minimum could have been implemented in previous years. Therefore Members recommend that consultation on this proposal should commence taking into consideration the proposed review process outlined in 2.13.**

#### **Efficiency savings against School Delegated Budgets**

- 2.14 The Panel discussed the budget reduction SCH1 relating to the 1% efficiency saving against school delegated budgets and observed the implementation would be a matter for the individual school to manage and that continuation of funding the nursery provision has a contributory factor to schools being required to make the saving.

#### **Recommendation 12**

**If the 1% school budget reduction is implemented the Panel recommend that the Council ensure that they work closely with all schools to provide financial support and advice to agree on a deficit plan. The Panel further recommend exploring the possibility of centralising the non-teaching aspect of all school budgets and re-charge for services which would ensure that services are properly remunerated.**

#### **Social Services and Wellbeing**

- 2.15 The Panel acknowledged the amount of savings made by the Directorate to date and were conscious of the effects of fluctuating demand, the volume of complex issues within the service area and how this could impact on future budget proposals. The Panel note the previous significant overspends in this Directorate, although Members appreciate the progress of savings made to date. BREP have requested that Corporate Overview and Scrutiny Panel receive regular updates on the plan to monitor and review its effectiveness.
- 2.16 The Panel identified that the Social Services and Wellbeing Directorate issues with the bespoke process of grant funding for essential services and Members questioned the time and effort taken in monitoring and responding to ensure future funds are provided.
- 2.17 The Panel note that a report to Council will be produced to provide an update on the progress being made to meet the proposed Health Board boundary change in April 2019 and request that the report includes details of the budgetary impact on BCBC from moving services from ABMU to Cwm Taf.

## **Chief Executive**

### **Community Action Fund**

- 2.18 While deliberating the Chief Executive proposals for budget reductions, the Panel discussed the Community Action Fund and although the Members agree with the principle of the project they cannot support the funding to continue and therefore support the removal of the Members' Community Action Fund.

### **CCTV**

- 2.19 During the Panels deliberations in relation to the review of the CCTV function and the potential impact it may pose on community safety, Members queried whether the Council had any financial contributions from the Police. The Panel also identified that this topic could be further explored by Scrutiny.

### **Recommendation 13**

**With reference to the joint responsibility between BCBC and Police for crime and disorder in the County and the integral part CCTV has to Police investigations, Members recommend that Cabinet explore joint funding with the Police for operating the CCTV service.**

## **3 Fees and Charges**

- 3.1 The Panel received a comprehensive report detailing comparison of fees and charges with other Local Authorities and Members complimented the vast amount of work that was undertaken to compile the spreadsheet.
- 3.2 Following the Panel's consideration of the Fees & Charges spreadsheet and discussions, Members note that the introduction of charges for some services would be quite straightforward - for example the replacement charges for licencing badges/plates and door stickers. Members also acknowledged the fact that the Council are not charging for advertising on Council property and for film licencing which could generate an income.

### **Recommendation 14**

**The Panel recommend that Cabinet and CMB receive the Fees & Charges – Comparison with other Local Authorities spreadsheet which collates all services that the Authority does not currently charge for where other neighbouring Councils do. The Panel further recommend that if it is financially viable that the Council introduce the appropriate charges to align with other Councils as soon as possible. The Panel also request that this topic is added to the Scrutiny Forward Work Programme to assist with income generation.**

### **Recommendation 15**

**The Panel voiced their concerns regarding the lack of inspection following work carried out throughout the Borough. Members therefore**



**recommend that the Authority undertake corporate vigilance and explore the possibility of charging companies and members of the public when they have damaged Council property. Examples of general utility works on the highway which lead to long term road surface damage were identified. The Panel also identified Members corporate responsibility in reporting issues and damages as part of their local community role.**

#### **Recommendation 16**

**The Panel identified that there may be opportunities for the Council to look into charging external companies when the Authority deals with public complaints on their behalf such as V2C, Kier, Halo and Awen. Members recommend that the Member Referrals Working Group explore this further as part of the current review of the Member Referral system.**

- 3.3 The Panel noted the ongoing Car Parking review. Members identified that this may present the Directorate with an opportunity to see what other Local Authorities are carrying out successfully in relation to residential and permit parking and undertake the same approach. Members also queried what the process for enforcement and if it was currently cost effective. The Panel request that this topic is added to the Scrutiny Forward Work Programme.
- 3.4 Members questioned whether the Council charge full cost for burials and note that a report is being drafted by Communities on Cemeteries and request that the report be to either Scrutiny or Audit.

#### **4 Presentation of Budget to the Public and Budget Consultation Process**

- 4.1 The Panel commend the work undertaken by Corporate Communications for their innovative way of working and raising engagement by 102% and responses to the consultation by 44%. However, the Panel were mindful of the possibility of the most vulnerable people of Bridgend and hard to reach groups may have been excluded from the consultation process.

#### **5 Conclusion**

- 5.1 To conclude the Panel recognised the importance of on-ongoing monitoring of the work carried out by BREP and the opportunity to integrate some if not all the recommendations into individual Scrutiny Committee Forward Work Programmes.

#### **Recommendation 17**

**Therefore the Panel recommends that the Corporate Overview and Scrutiny Committee considers the BREP work and seeks to explore options to include some work streams into individual Forward Work Programmes. The Panel concluded by stating that they welcome development proposals from Cabinet to ensure BREP are used to their full potential.**

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**BREP recommendations in relation to Medium Term Financial Strategy 2019-20  
– 2022-2023**

**Recommendation 1**

Members recommend that research is undertaken into how the Authority is able to deliver services imposed by Welsh Government without any additional monies as outlined in paragraph 1.7 and meet the associated additional costs - A pan Wales approach may well be more valuable. This will provide the evidence needed to enable the Council to lobby for supplementary monies to carry out legislative pressures effectively. In addition to this the Panel recommend that any lobbying for extra funding is carried out publically, to demonstrate to the public how much services costs and how much has allocated to each service.

**Recommendation 2**

Members recommend that in relation to any departmental restructure a corporate approach is instigated across all Directorates, taking a bottom up approach. The Panel further recommend that any reorganisation is carried out following discussions and thorough planning by Cabinet/CMB. The Panel identified that this may well be suitable to form one of a number of annual objectives for the new Chief Executive.

**Recommendation 3**

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**Recommendation 10**

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**Recommendation 11**

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**Recommendation 12**

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**Recommendation 17**

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## **Subject Overview and Scrutiny comments and recommendations on Medium Term Financial Strategy 2019-20 to 2022-23**

### **1 Social Services and Wellbeing**

- 1.1 Following the Committee's consideration of the draft budget proposals for the Social Services and Wellbeing Directorate, Members determined to make the following comments and recommendations
- 1.2 **Members recommended that a report on the MTFS proposals be brought back to the Committee once the final budget settlement from Welsh Government is announced. Members were in agreement that due to the settlement figure not yet being finalised, the figures in the report would not be accurate and therefore needed to be re-worked before members could consider them.**
- 1.3 **Members recommended that once the settlement was known and the figures had been re-worked by finance colleagues that members are presented with the budget as a whole for each directorate so Members could determine the full expenditure in each directorate and not just the areas where reductions had been proposed.**

### **Further Information**

- 1.4 The Committee asked how sustainable the delivery of the supply of Social Housing was given the base level budget was proposed to decrease from £5.8 million to £1.6 million
- 1.5 Members asked to receive information on the savings achieved for complex care in the Western Bay Partnership, specifically for Bridgend.

### **2 Communities**

- 2.1 Following the Committee's consideration of the draft budget proposals for the Communities Directorate, Members determined to make the following comments and recommendations:
- 2.2 The Committee voiced their disappointment with the disparity of cuts across the Directorate and how the Communities Directorate were looking at 8% cut to their budget whilst others - when including Growth - are only facing 1.8% cut.
- 2.3 In relation to COM14a, Members raised concerns regarding the impact of the budget reduction proposals to the cleaning services and the probability that the service will work on a reactive basis only. Therefore Members welcome the Directorates statement that any excess Council owned equipment would be provided to Town and Community Councils on a case by case basis to carry out cleaning services to counteract the probable litter on the roadside.

- 2.4 **The Committee commented that visible services should be protected from budget reductions, in particular cleaning services. Members therefore recommend that if the Council should receive any additional funds from Welsh Government that consideration should be given to retaining monies to offset COM41 and COM41a.**
- 2.5 **During their discussions regarding COM42 and COM42a, the Committee recommend that communication is distributed to Town and Community Councils and the voluntary sector to inform them of the proposed budget reductions. The Committee was pleased to hear that the Council is streamlining the process for Community Asset Transfer to assist with a more effective process for all parties.**
- 2.6 **The Committee recommend that prior to the public Budget Consultation being finalised next year that Budget Research and Evaluation Panel receive the proposed questions in the consultation to ensure there are some direct questions regarding the proposed budget reductions as opposed to more generic questions that could be misinterpreted.**

### **3 Education & Family Support**

- 3.1 Following the Committee's consideration of the draft budget proposals for the Education & Family Support Directorate, Members determined to make the following comments and recommendations:
- 3.2 In relation to EFS33, Members raised concerns with the possible removal of supervisors on primary school bus services with fewer than 8 pupils and highlighted that the removal would leave children vulnerable and cause driver distraction. The Committee concluded that the risk of children being damaged mentally or physically was too high for a potential £35,000 saving.
- 3.3 The Committee expressed some concern with budget reduction proposal EFS41 – the removal of post 16 transport, as the reduction would impact the most deprived areas within the Borough who may not continue their education without the supplied transport. Members also highlighted the negative effect the proposal would in turn have on probable increase of you people not engaged in education, employment or training. The Committee concluded that the cuts to education should be considered alongside the reduction to bus subsidies.
- 3.4 During discussions regarding the efficiency savings against School Delegated Budget - SCH1 – the Committee highlighted the need for governors to vigorously challenge head teachers on their budgets and explore all possibilities for income generation in a bid to offset the possible 1% budget cut.
- 3.5 **The Committee commented on the potential financial impact the proposed efficiency saving against the school budgets would have on schools that were already in deficit and the increased difficulty it would impose on recovering from that position within the statutory timeframe.**



**Members therefore recommend that if the Council should receive any additional funds from Welsh Government that consideration should be given to retaining monies to offset SCH01.**

#### **4 Chief Executive**

4.1 Following the Committee's consideration of the draft budget proposals for the Chief Executive Directorate, Members determined to make the following comments and recommendations:

4.2 **The Committee discussed the Members Community Action Fund and whilst Members agree with the principle of the project, they cannot support the funding to continue and therefore recommend that the Directorate continue with the removal of the Members' Community Action Fund.**

#### **5 Corporate Overview**

5.1 Members highlighted the need for the Council to undertake increased corporate vigilance which in turn could generate income. The Committee provided the following proposals:

5.2 **As outlined in Budget Research and Evaluation Panel the Committee recommend that Bridgend Council should introduce fees and charges to align with other Councils; explore the possibility of charging companies and members of the public when they have damaged Council property; explore joint funding with the Police for operating the CCTV service.**

5.3 **In addition to the aforementioned comments, the Committee recommend that the Council explore the possibility of introducing fines for members of the public that damage public property and do not adhere to the highway code by making full use of CCTV already in place in Bridgend and the BCBC owned camera car used to deter dangerous parking around schools in the Borough.**

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## BRIDGEND COUNTY BOROUGH COUNCIL

### REPORT TO CABINET

22 JANUARY 2019

### REPORT OF THE INTERIM HEAD OF FINANCE

#### BUDGET MONITORING 2018-19 – QUARTER 3 FORECAST

##### 1.0 Purpose of this report

- 1.1 The purpose of this report is to provide Cabinet with an update on the Council's financial position as at 31st December 2018.

##### 2.0 Connections to Corporate Improvement Objectives / Other Corporate Priorities

- 2.1 This report assists in the achievement of the following corporate priorities:-

1. **Supporting a successful economy** – taking steps to make the county a good place to do business, for people to live, work, study and visit, and to ensure that our schools are focused on raising the skills, qualifications and ambitions of all people in the county.
2. **Helping people to be more self-reliant** – taking early steps to reduce or prevent people from becoming vulnerable or dependent on the Council and its services.
3. **Smarter use of resources** – ensuring 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.

- 2.2 The allocation of budget determines the extent to which the Council's corporate improvement priorities can be delivered.

##### 3.0 Background

- 3.1 On 28th February 2018, Council approved a net revenue budget of £265.984 million for 2018-19, along with a capital programme for the year of £33.693 million, which has since been updated to take into account new approvals and slippage between financial years. 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 / Proposal

### 4.1 Summary financial position at 31st December 2018.

4.1.1 The Council's net revenue budget and projected outturn for 2018-19 is shown in Table 1 below.

**Table 1- Comparison of budget against projected outturn at 31st December 2018**

Directorate/Budget Area	Original Budget 2018-19 £'000	Current Budget 2018-19 £'000	Projected Outturn Q3 2018-19 £'000	Projected Over / (Under) Spend 2018-19 £'000	Projected Over / (Under) Spend Qtr 2 2018-19 £'000
<b>Directorate</b>					
Education and Family Support	108,315	110,896	111,438	542	396
Social Services and Wellbeing	67,730	70,023	70,017	(6)	1,252
Communities	26,729	26,622	26,873	251	260
Chief Executive's	3,803	19,539	18,160	(1,379)	(1,170)
Operational and Partnership Services	14,658	0	0	0	0
<b>Total Directorate Budgets</b>	<b>221,235</b>	<b>227,080</b>	<b>226,488</b>	<b>(592)</b>	<b>738</b>
<b>Council Wide Budgets</b>					
Capital Financing	9,514	9,405	6,993	(2,412)	(2,402)
Levies	7,046	7,046	7,070	24	0
Apprenticeship Levy	700	700	625	(75)	(70)
Council Tax Reduction Scheme	14,354	14,354	14,113	(241)	(114)
Insurance Premiums	1,588	1,588	1,160	(428)	(390)
Building Maintenance	900	831	831	0	0
Pension Related Costs	430	430	435	5	5
Other Council Wide Budgets	10,217	4,550	1,035	(3,515)	(2,298)
<b>Total Council Wide Budgets</b>	<b>44,749</b>	<b>38,904</b>	<b>32,262</b>	<b>(6,642)</b>	<b>(5,269)</b>
<b>Appropriations to / from Earmarked to Reserves</b>			<b>1,922</b>	<b>1,922</b>	<b>1,980</b>
<b>Total</b>	<b>265,984</b>	<b>265,984</b>	<b>260,672</b>	<b>(5,312)</b>	<b>(2,551)</b>

4.1.2 The overall projected position at 31st December 2018 is a net under spend of £5.312 million, comprising £592,000 net over spend on directorates and £6.642 million net under spend on corporate budgets, offset by net new earmarked reserves of £1.922 million. This position is better than anticipated due to the recent award of one-off grants from Welsh Government towards costs associated with supporting sustainable social services, and towards teachers' pay for 2018-19. Bridgend's share of the grants was £620,528 for social services and £718,701 for teachers' pay. Without these the net under spend would have been £3.973 million. Given the significant funding required to meet pay, prices and pensions costs in 2019-20 any uncommitted funding in 2018-19 will be carried forward to meet those pressures in the new financial year.

4.1.3 The Council has recently received its final local government settlement for 2019-20 from Welsh Government and, whilst the information is still being analysed, it is clear that there will be difficult choices to make and pressures to meet going forward. In addition, there is still one quarter of the financial year remaining and there are a number of volatile budgets which could impact upon this position, particularly during the winter months. A detailed analysis of the more significant

projected under and over spends is set out in section 4.3. The position on directorate budgets is a significant improvement on quarter 2, with the projected over spend reducing by £1.33 million, around half of which is accounted for by the unexpected grants referred to above.

- 4.1.4 There have been no budget virements since the quarter 2 forecast was reported to Cabinet in October 2018. However there have been a small number of technical adjustments in respect of outstanding pay and price inflation and allocations of corporately held funding for feasibility work. In addition, the unspent balance of funding (£53,000) for the Festival of Learning, which was approved as a one-off budget pressure, and the budget pressure to replace the Welsh Government (WG) Uniform Grant (£36,000), which has subsequently been restored by WG, have been returned to the corporate budget pressures fund.
- 4.1.5 As mentioned in the quarter 2 report, the pay award for teachers from September 2018 was agreed by Parliament in the middle of September, and additional funding was provided by the Council to schools and central education services. Welsh Government has recently announced that it will provide £718,701 of grant funding towards these costs in 2018-19, covering the period September 2018 to March 2019. This funding is additional to the local authority and will be used to replace the Council funding already allocated to schools, which will be returned to the corporate pay and price budget. Further funding has also been announced, partly through the local government settlement and partly through specific grants, towards the full year effect of the teachers' pay increase for 2019-20.
- 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 £6.123 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 November 2018 Cabinet was presented with the draft Medium Term Financial Strategy (MTFS) for 2019-20 to 2022-23. 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 £36.4 million over the next four years. Since then, the Welsh Government has published its Final Local Government Settlement on 19th December, the key headline being that core funding for local government in 2019-20 will increase by 0.2% compared to the current year, with Bridgend's reported position a reduction of -0.1%. 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 2018-19. 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 budget over spends to determine whether these should be carried forward as a first call on the directorate budget for

the following year. In addition, any opportunity to set aside funding for capital expenditure will be taken to minimise future borrowing costs. 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

### Prior Year Budget Reductions

- 4.2.1 A report was presented to Cabinet on 19th June 2018 on Financial Performance 2017-18. In the report it was highlighted that, for 2016-17 and 2017-18, there were £2.982 million of budget reduction proposals that were not met in full, with a total outstanding balance to be met of £2.523 million. Directors have been asked to identify if any of these proposals are still not likely to be achieved in full during the 2018-19 financial year, and to identify mitigating action that will be undertaken to achieve them. A summary of the latest position is attached as Appendix 1 with a summary per directorate provided in Table 2. Of the total proposals not achieved in full at year end, the Social Services and Wellbeing Directorate had already partly realised £378,000. Consequently there are still £2.604 million of prior year budget proposals outstanding, £1.917 million of which relates to the shortfall on Social Services and Wellbeing, which will need to be met in full during 2018-19 or from alternative savings proposals.
- 4.2.2 The Social Services and Wellbeing Directorate has developed a Future Service Delivery Plan, which was presented to Corporate Overview and Scrutiny Committee in March 2018, and which outlines the Directorate's response to the financial challenge facing them, not least setting out the planned actions to be undertaken in order to meet the shortfall. This will continue to be monitored throughout the remainder of 2018-19 but a number of the proposals are not likely to be achieved in full in this financial year.

**Table 2 – Outstanding Prior Year Budget Reductions**

	<b>Total Budget Reductions Required</b>	<b>Total Budget Reductions Likely to be Achieved</b>	<b>Shortfall</b>
<b>DIRECTORATE /BUDGET REDUCTION AREA</b>	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>
Education and Family Support	166	106	60
Social Services and Wellbeing	1,917	1,134	783
Communities	371	31	340
Chief Executive's	150	150	0
<b>TOTAL</b>	<b>2,604</b>	<b>1,421</b>	<b>1,183</b>

- 4.2.3 The table shows that of the £2.604 million outstanding reductions, £1.421 million is likely to be achieved in 2018-19 leaving a shortfall of £1.183 million. Proposals still not likely to be achieved include:

- Learner Transport (£60,000) due to delays in assessments of safe routes;
- Review of Car Parking Charges (£50,000) due to delay in reporting options and therefore achieving full year savings;
- Permitting Scheme for Road Works (£100,000) due to delays in approval process with Welsh Government.
- Reductions to the Materials Recovery and Energy Centre (MREC) (£200,000).

The balance mainly relates to proposals set out in the Social Services and Wellbeing Service Delivery Plan.

- 4.2.4 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 has been used to meet specific budget reduction proposals in 2016-17 and 2017-18 on a one-off basis pending alternative measures. Following agreement with the S151 officer, it is being used to mitigate the on-going shortfall on the following 2017-18 budget reduction proposal in this financial year.

COM 18	MREC	£200,000
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### **Budget Reductions 2018-19**

- 4.2.5 The budget approved for 2018-19 included budget reduction proposals totalling £6.123 million, which is broken down in Appendix 2 and summarised in Table 3 below. The current position is a projected shortfall on the savings target of £379,000, or 6.2% of the overall reduction target.

**Table 3 – Monitoring of Budget Reductions 2018-19**

	<b>Total Budget Reductions Required</b>	<b>Total Budget Reductions Likely to be Achieved</b>	<b>Shortfall</b>
<b>DIRECTORATE /BUDGET REDUCTION AREA</b>	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>
Education and Family Support	630	453	177
Schools	0	0	0
Social Services and Wellbeing	350	350	0
Communities	1,454	1,252	202
Chief Executive's	1079	1079	0
Council Wide Budgets	2,610	2,610	0
<b>TOTAL</b>	<b>6,123</b>	<b>5,744</b>	<b>379</b>

A comparison of the RAG position against quarter 2 is provided below:

	2018-19 Q3		2018-19 Q2	
	£000	%	£000	%
<b>Green</b>	3,978	65%	3,978	65%
<b>Amber</b>	1,903	31%	2,003	33%
<b>Red</b>	242	4%	142	2%
<b>Total</b>	<b>6,123</b>	<b>100%</b>	<b>6,123</b>	<b>100%</b>

There has been a slight shift from reductions classed as amber to red between quarters 2 and 3.

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

- EFS1 Phased Implementation of Learner Transport Policy (£67,000);
- COM11 Reductions to the budget for Public Conveniences (£100,000);
- COM27 Removal of Subsidised Bus Services (£188,000)

As part of the MTFS discussions it was agreed that the progression of the latter two proposals would be dependent on the outcome of public consultations, following which decisions would be made on how to proceed with these proposals. The final council tax increase agreed for 2018-19 was 4.5%, higher than the original proposed 4.2%, to provide flexibility to enable members to mitigate some of the proposed budget reductions. A report was presented to Cabinet on 15th May on the outcome of the public consultation exercise in respect of the rationalisation of supported bus services (COM27). Cabinet resolved to retain the subsidy for three routes for a period of one year to allow additional time in dialogue with bus operators and with other potential partners to try and find ways of keeping existing routes running. Consequently, £51,500 of this funding was transferred to the Communities directorate for one year only to offset this shortfall. With regard to Public Conveniences, a report was presented to Cabinet in June 2018. A number of proposals were made but, given time to implement some, the full budget saving will not be made during 2018-19, and the directorate will mitigate this shortfall with other measures.

4.2.7 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. 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.

#### 4.3 Commentary on the financial position as at 31st December 2018

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.



#### 4.3.1 **Education and Family Support Directorate**

The net budget for the Directorate for 2018-19 is £110.896 million. Current projections indicate an over spend of £542,000. The main variances are:

<b>EDUCATION &amp; FAMILY SUPPORT DIRECTORATE</b>	<b>Net Budget  £'000</b>	<b>Projected Outturn  £'000</b>	<b>Projected Variance Over/(under) budget £'000</b>	<b>% Variance</b>
Inclusion	2,838	3,224	386	13.6%
Home to School Transport	4,779	5,498	719	15.0%
Pupil Support	345	218	(127)	-36.8%
Catering Services	811	749	(62)	-7.6%
Integrated Working	1,457	1,252	(205)	-14.1%
Youth Justice	384	278	(106)	-27.6%

#### **Schools' Delegated Budgets**

Total funding currently delegated to schools in 2018-19 is £90.321 million. 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'.

At Quarter 3 in 2018-19 there are 22 primary schools, 5 secondary schools and 1 special school (47% of all schools) that are projecting a deficit balance at year end. However, Welsh Government has just provided local authorities with an additional £231,049 of grant funding towards additional costs incurred in funding additional free school meals during 2018-19 due to the rollout of Universal Credit. Taking this into account, in total the quarter 3 projections indicate an overall deficit balance for school delegated budgets of £870,000 at year end. However, the real position is a net deficit of £1.101 million.

#### **Central Education and Family Support Budgets**

##### Inclusion

- There is a projected over spend of £386,000 in the Inclusion service. £83,000 is due to an increase in demand for ancillary support in schools and difficulty in recruitment, and hence increased agency costs. £303,000 is due to recoupment costs – there were 31 out of county placements at quarter 3 compared with 27 at the end of 2017-18. Additional ancillary support has also been required at Ysgol Bryn Castell special school.

##### Home to School Transport

- There is an over spend of £719,000 on Home to School Transport. There has been a significant increase in eligible pupils for both Home to College and primary school transport of 16.5% and 18.1% respectively from 2016-2017 continuing into 2018-19. There are also significant additional pressures caused by increased numbers of eligible pupils with Additional Learning Needs, in particular those pupils with autism spectrum disorders. Although a learner travel policy was approved by Cabinet in September 2015 with subsequent budget

reductions of £1.6 million the savings generated have not been as high as anticipated due to the need to undertake safe route assessments and deal with legal challenges. Additional pressures in 2018-19 have arisen due to transport being provided to support the Council's vulnerable groups agenda, and the handing back of contracts from providers which, when retendered, have proven to be more costly.

#### Pupil Support

- The under spend of £127,000 relates primarily to the volunteer driver support service which ceased in February 2017 whilst a review was undertaken. The continued cessation of the service has been included as a saving proposal in the draft MTFS for 2019-20.

#### Catering Services

- The under spend of £62,000 has arisen as a result of a projected increase over and above the anticipated demand for school meals compared with when the budgets were set at the start of the financial year. Take up of school meals will require close in-year monitoring and projections could be affected by adverse winter weather.

#### Integrated Working

- The under spend of £205,000 relates to staff vacancies and maximisation of grant funding within the service.

#### Youth Justice

- The under spend of £106,000 is a combination of savings on the premises budget following vacation of the offices at Tremains Road, along with staff vacancy management. This will contribute towards a budget reduction proposal in the draft MTFS for 2019-20 of £41,000 against the Youth Offending Service.

### 4.3.2 Social Services and Wellbeing Directorate

The Directorate's net budget for 2018-19 is £70.023 million. Current projections indicate a net under spend of £6,000 at year end. The position has been masked by the one-off Welsh Government grant of £620,528 referred to in paragraph 4.1.2. The real position is a projected over spend of £614,000 which is a reduction of £638,000 on the quarter 2 position. The main variances are:

<b>SOCIAL SERVICES AND WELLBEING DIRECTORATE</b>	<b>Net Budget</b>	<b>Projected Outturn</b>	<b>Projected Variance Over/(under) budget</b>	<b>% Variance</b>
	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>	
Care at home for Older People	8,462	8,544	82	1.0%
Equipment and Adaptations	859	985	126	14.7%
Assessment and Care Management	4,892	4,378	(514)	-10.5%
Care at Home for Learning Disabilities	9,366	9,795	429	4.6%
Mental Health Residential Care	1,266	1,158	(108)	-8.5%
Looked After Children	11,168	12,035	867	7.8%

#### Care at Home for Older People

- Care at home includes domiciliary care services, local authority homecare services and the provision of direct payments. The net over spend is forecast at £82,000. The average number of weekly homecare and domiciliary care hours provided this financial year has increased by approximately 4.6% compared to 2017-18. The demand for direct payments has also increased from an average of 37 in 2017-18 to 53 this financial year.

#### Equipment and Adaptations

- There is a projected over spend of £126,000 as a result of increased usage of aids and equipment, along with servicing costs. These costs are seen as preventative investment aimed at keeping residents out of long term care.

#### Assessment and Care Management (ACMT)

- There is a projected under spend of £514,000 on all assessment and care management budgets, including £175,000 on assessment and care management for older people and £172,000 under spend on ACMT for people with mental health, arising mainly from staff vacancies, although the directorate still hopes to fill some of these posts during the latter part of the year. Effective vacancy management throughout the year has enabled cost savings to be achieved.

#### Care at Home for People with Learning Disabilities

- There is a projected over spend of £429,000 as a result of an increase in the number and the complexity of needs of service users receiving direct payments or receiving domiciliary care within a home setting or supported accommodation. This forecast over spend has actually reduced by £220,000 since quarter 2.

#### Mental Health Residential Care

- A projected under spend of £108,000 is likely based on current placements. Anticipated health contributions to these placements is contributing to this projection.

#### Looked After Children (LAC)

- There is a projected over spend of £867,000 on LAC. MTFs budget reductions have resulted in the budget being reduced by around £1 million over the last three years. The projected over spend has actually reduced by £485,000 since quarter 1 as the directorate has started to implement its residential and fostering remodelling projects.
- Project plans for both of these areas are now in place and the required work has gathered momentum, with significant capital work taking place in 2018-19. The plan to place more children into in-house foster placements is now in place but due to the time taken to put arrangements into place, the full saving is not likely to be realised in 2018-19.
- The average number of LAC this financial year is 376 compared with an average of 387 in 2017-18, with 11 children currently in out of county residential placements. Some individual placements can cost around £220,000 per annum. The cost of out of county placements is a considerable pressure on the budget and greatly contributing to the current forecast over spend.

- The average number of independent fostering placements (IFAs) this financial year is 62 compared to 82 in 2017-18.
- The budget is closely monitored to ensure that the current over spend is reduced and that the budget for 2018-19 is effectively managed.

#### 4.3.3 **Communities Directorate**

The net budget for the Directorate for 2018-19 is £26.622 million and the current projection is an anticipated over spend of £251,000. The main variances are:

<b>COMMUNITIES DIRECTORATE</b>	<b>Net Budget £'000</b>	<b>Projected Outturn £'000</b>	<b>Projected Variance Over/(under) budget £'000</b>	<b>% Variance</b>
Development	362	462	100	27.6%
Regeneration	2,260	2,185	(75)	-3.3%
Public Conveniences	72	168	96	133.3%
Waste Disposal	4,629	4,679	50	1.1%
Waste Collection	4,971	5,196	225	4.5%
Street lighting	1,561	1,511	(50)	-3.2%
Network Management	163	263	100	61.3%
Highways Services	2,514	2,614	100	4.0%
Fleet Services	11	151	140	1272.7%
Engineering Services	58	(162)	(220)	-379.3%
Parks & Open Spaces	2,082	2,002	(80)	-3.8%

##### Development Control

- The projected over spend in Development of £100,000 is primarily due to a forecast downturn in planning application income based on income to date and comparison with the 2017-18 outturn. Fee income is subject to considerable fluctuations between years, depending on number and type of applications.

##### Regeneration

- The projected under spend in Regeneration is primarily due to staff vacancy management.

##### Public Conveniences

- A report was presented to Cabinet on the 19th June 2018 outlining the findings of the public consultation and recommending actions against each of the town centre public toilets. Implementing these recommendations has taken some time to complete and discussions with the Town and Community Councils have taken place prior to the formal consultation with affected staff, therefore the £100,000 MTFS saving for 2018-19 will not be made in full this year.

##### Waste Disposal

- There was a budget reduction target of £200,000 for 2017-18 in respect of the MREC. There has been a procurement exercise with Neath Port Talbot Council to secure a new operator for the facility, therefore for this financial year the full MTFS saving has been funded from the MTFS Budget Reduction Contingency Reserve as outlined in paragraph 4.2.4. The balance of the projected over spend is primarily due to increased costs for disposing of street waste. There is a £36,000 budget pressure against this in the draft MTFS for 2019-20.

#### Waste Collection

- The projected over spend of £225,000 on waste collection services is due to a combination of factors. The disposal contract with Neath Port Talbot CBC is based on a fixed price, minimum tonnage. Consequently a drop in commercial waste tonnage for disposal, and subsequent reduction in income, has not generated a corresponding reduction in cost. The Council is currently working closely with Neath Port Talbot CBC to renegotiate the terms of this arrangement.

#### Street Lighting

- There is a projected under spend of £50,000 which has primarily arisen following the Local Government Borrowing Initiative (LGBI) programme for the replacement of lanterns, and subsequent reduction in energy costs. This will contribute towards a proposal in the draft MTFS for 2019-20 of £30,000 against Street lighting.

#### Network Management

- The projected over spend of £100,000 is due to the delay in realising the 2017-18 MTFS target of £100,000 in respect of introducing a permitting scheme. The timeline is not in the direct control of BCBC officers as the business case is going through multiple steps in an approval process with Welsh Government. However ultimately a positive response is expected, and this is being led by the Group Manager to ensure its successful implementation.

#### Highways Services

- There is a projected over spend of £100,000 mainly as a result of an in-year notification received regarding the cessation of the contract with the South Wales Trunk Road Agency (SWTRA) which is responsible for managing, maintaining and improving the motorways, trunk roads and associated assets throughout the South Wales region on behalf of the Welsh Government. There is a proposed £200,000 budget pressure for this in the draft MTFS for 2019-20.

#### Fleet Services

- There is a projected over spend of £140,000 across the service, similar to the 2017-18 outturn, due to a downturn in income arising from reduced spend by Directorates. The Directorate plans to undertake a review of the fleet service in the near future.

#### Engineering Services

- There is a projected under spend across the service of £220,000 due to a projected increase in the level of fee earning jobs (balance of EU/non EU funded projects and the differing chargeable rates allowed) based on income earned to date compared with 2017-18 outturn.

#### Parks & Open Spaces

- There is a projected under spend across the service of £80,000 due primarily to staff vacancies, in particular seasonal grounds maintenance staff where it has been problematic to recruit this year.

#### 4.3.4 **Chief Executive's Directorate**

The net budget for the Directorate for 2018-19 is £19.539 million and current projections anticipate an under spend against this budget of £1.379 million. The main variances are:

<b>CHIEF EXECUTIVES</b>	<b>Net Budget</b>	<b>Projected Outturn</b>	<b>Projected Variance Over/(under) budget</b>	<b>% Variance</b>
	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>	
Business Unit	1,060	933	(127)	-12.0%
Accountancy	1,523	1,423	(100)	-6.6%
Housing Benefits – Admin / Payments to Claimants	712	597	(115)	-16.2%
Member and Mayoral Services	1,823	1,486	(337)	-18.5%
HR and Organisational Development	1,637	1,484	(153)	-9.3%
ICT	3,734	3,477	(257)	-6.9%
Shared Regulatory Services	1,459	1,373	(86)	-5.9%
Communication & Marketing	1,622	1,439	(183)	-11.3%

##### **Business Unit**

- The forecast under spend of £127,000 mainly relates to staffing vacancies across the service. These vacancies are to be held whilst a review is undertaken across all Business Support.

##### **Accountancy**

- The forecast under spend of £100,000 mainly relates to staffing vacancies across the service. These vacancies will be monitored in line with business needs.

##### **Housing Benefits – Admin / Payments to Claimants**

- 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. This may possible be offset by a potential over spend on housing benefit subsidy.

##### **Member and Mayoral Services**

- This forecast under spend of £337,000 is mainly as a result of the delay in initially implementing the Members' Community Action Fund in 2017-18, which has impacted upon this year's budget. An assessment of the first year of operation was presented to Audit Committee in December. The budget for this fund is £285,000.

##### **HR and Organisational Development**

- The under spend of £153,000 is mainly due to staffing vacancies, not least the removal of the Head of HR and Organisational Development post, as part of the Chief Executive's restructuring of senior management. These savings are being considered within 2019-20 MTFS proposals.

### ICT

- The forecast under spend of £257,000 is mainly due to staffing vacancies. These vacancies are being held with future MTFS savings requirements in mind.

### Shared Regulatory Services

- The forecast under spend mainly relates to £141,000 rebate from the 2017-18 shared service final outturn position. This rebate is currently offsetting shortfalls of income elsewhere within regulatory services, resulting in a projected £86,000 under spend overall.

### Communications & Marketing

- The forecast under spend of £183,000 is mainly due to staffing vacancies. These vacancies are being held with future MTFS savings requirements in mind.

## 4.3.5 Council Wide budgets

This section includes budgets, provisions and services which are council wide, and not managed by an individual directorate. The budget is £38.904 million and the projected outturn is £32.262 million, resulting in a projected under spend of £6.642 million. The main variances are detailed below:

<b>COUNCIL WIDE BUDGETS</b>	<b>Net Budget  £'000</b>	<b>Projected Outturn  £'000</b>	<b>Projected Variance Over/(under) budget  £'000</b>	<b>% Variance</b>
Capital Financing Costs	9,405	6,993	(2,412)	-25.6%
Insurance Premiums	1,588	1,160	(428)	-27.0%
Other Council Wide Budgets	4,550	1,035	(3,515)	-77.3%

### Capital Financing

- The projected under spend of £2.412 million is mainly as a result of the change in policy in respect of repayment of debt (Minimum Revenue Provision - MRP), as approved by Council in September (£2 million saving in 2018-19). There is also an under spend on interest paid due to lower borrowing than anticipated, as the Council uses its own internal resources to finance schemes, and additional interest received from current investments. The funding released from the change in policy has been transferred to an earmarked reserve for future capital expenditure.

### Insurance Premiums

- There is a projected under spend of £179,000 as a result of the reduction in the premium for property insurance in 2018-19 following a retendering exercise. There is also a fortuitous and unexpected rebate in respect of the Maesteg PFI scheme under the contract's premium sharing agreement (£177,000).

#### Other Council Wide Budgets

- The under spend of £3.515 million is due to reduced requirements for funding for budget pressures and inflationary increases compared to the estimates provided at the start of the financial year. This includes funding returned from the Education and Family Support budget for the Festival of Learning and Uniform grant, which are no longer required. The pay award for all staff has now been agreed, so the remaining balance on these budgets should not change significantly during the remainder of the year unless any unexpected emergencies arise during the winter months. This budget has been supplemented by the additional £718,701 grant funding received from Welsh Government towards the costs of teachers' pay.
- As mentioned in previous reports, there is likely to be a significant increase in the employer's contribution to teachers' pensions from September 2019. This was significantly higher than previously indicated, and for Bridgend will result in a full year cost of around £3.5 million. Given no additional funding has been provided through the local government settlement for this, any balance of funding from provisions for pay and prices will be carried forward to meet that pressure.

It should be noted that this projection could change significantly during the financial year, depending on inflationary increases, 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.

#### **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 2018-19. The original budget approved by Council on 28th February 2018 has been further revised and approved by Council during the year to incorporate budgets brought forward from 2017-18 and any new schemes and grant approvals. The revised programme for 2018-19 currently totals £36.544 million, of which £29.595 million is met from BCBC resources, including capital receipts and revenue contributions from earmarked reserves, with the remaining £6.949 million coming from external resources.
- 4.4.2 Appendix 4 provides details of the individual schemes within the capital programme, showing the budget available in 2018-19 compared to the projected spend. Commentary is provided detailing any issues associated with these projects. The revised programme was only approved in December 2018, so there have been few amendments since then other than the following main changes:
- £3.2 million slippage in respect of the Waterton Depot upgrade into 2019-20. It is anticipated that work will not commence until at least 2019-20, following detailed design work.
  - £500,000 slippage in respect of the Children's Residential Hub as the main contract is not due to commence until 2019-20.
  - Development of a specialist supported living facility, funded by Integrated Care Funding (£350,000).



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 3 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 draw down by directorates is £4.774 million from specific earmarked reserves and there have been net additions of £1.922 million as shown in Table 4 below.

**Table 4 – Movement on Earmarked Reserves to the end of Quarter 3**

Opening Balance 01-Apr-2018 £'000	Reserve	Net Additions/ Reclassification £'000	Draw-down £'000	Closing Balance 31-Dec-2018 £'000
	<b>Corporate Reserves:-</b>			
-	Education & Family Support	(18)	(660)	-
-	Social Services & Wellbeing	-	(1,368)	-
-	Communities	(291)	(884)	-
-	Chief Executives	-	(636)	-
-	Non-Directorate	1,588	-	-
<b>39,155</b>	<b>Total Corporate Reserve</b>	<b>1,279</b>	<b>(3,548)</b>	<b>36,886</b>
	<b>Directorate Earmarked Reserves:-</b>			
463	Education & Family Support	152	(122)	493
1,661	Social Services & Wellbeing	-	-	1,661
2,448	Communities	295	(267)	2,476
1,081	Chief Executives	(5)	(386)	690
<b>5,653</b>	<b>Total Directorate Reserves</b>	<b>442</b>	<b>(775)</b>	<b>5,320</b>
	<b>Equalisation &amp; Grant Earmarked Reserves:-</b>			
339	Education & Family Support	-	(339)	-
2,314	Communities	201	(112)	2,403
254	Chief Executives	-	-	254
<b>2,907</b>	<b>Total Equalisation Reserves</b>	<b>201</b>	<b>(451)</b>	<b>2,657</b>
<b>360</b>	<b>School Balances</b>	<b>-</b>	<b>-</b>	<b>360</b>
<b>48,075</b>	<b>Total Usable Reserves</b>	<b>1,922</b>	<b>(4,774)</b>	<b>45,223</b>

#### 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 5 below details the creation of new earmarked reserves, increases to existing earmarked reserves and amounts that have been unwound from reserves since the beginning of the financial year.

**Table 5 – Net Appropriations to/from Earmarked Reserves to Quarter 3**

	Unwound up to Qtr 3 £'000	New/Additions to Reserves Qtr 3 £'000	Total to Qtr 3 £'000	Total to Qtr 2 £'000	Increase/ (Decrease) Qtr 3 £'000
<b>Corporate Reserves:-</b>					
Asset Management Reserve	(300)	0	(300)	-	(300)
Capital Programme Contribution	(153)	2,000	1,847	1,847	-
Change Management	(18)	500	482	500	(18)
ICT & Finance Systems	(250)	-	(250)	(250)	-
Insurance Reserve	-	2,320	2,320	-	2,320
Major Claims Reserve	(3,534)	700	(2,834)	(514)	(2,320)
Property Disposal Strategy	-	14	14	5	9
<b>Total Corporate Reserves</b>	<b>(4,255)</b>	<b>5,534</b>	<b>1,279</b>	<b>1,588</b>	<b>(309)</b>
<b>Directorate Reserves:-</b>					
Directorate Issues	-	232	232	232	-
Donations Reserve Account	-	1	1	1	-
Local Development Plan IT System	(20)	-	(20)	-	(20)
Human Resources Reserve	(5)	-	(5)	-	(5)
Waste Awareness Reserve	-	82	82	-	82
School Projects Reserve	-	152	152	152	-
<b>Total Directorate Reserves</b>	<b>(25)</b>	<b>467</b>	<b>442</b>	<b>385</b>	<b>57</b>
<b>Equalisation &amp; Grant Reserves:-</b>					
Local Development Plan	-	15	15	-	15
IFRS Grants	-	154	154	-	154
Highways Reserve	-	32	32	7	25
<b>Equalisation &amp; Grant Reserves</b>	<b>-</b>	<b>201</b>	<b>201</b>	<b>7</b>	<b>194</b>
<b>TOTAL RESERVES</b>	<b>(4,280)</b>	<b>6,202</b>	<b>1,922</b>	<b>1,980</b>	<b>(58)</b>

4.5.4 The new additions since quarter 2 include a reclassification of £2.320 million from the Major Claims Reserve to the Insurance Reserve to cover potential insurance claims rather than other major claims. There has also been a further reclassification of monies that had previously been received from Welsh Government into the IFRS Grants Earmarked Reserve of £154,000 and an addition of £82,000 to the Waste Awareness Reserve to continue to support the employment of waste enforcement officers. These additions have been funded from the projected under spend on other

non-Directorate budgets at the end of quarter 2 or the unwinding of existing reserves as outlined above. There are also additions which are from de-minimis capital receipts (£9,000) and highways commuted sums (£25,000).

- 4.5.5 A full breakdown of total movement on earmarked reserves at 31st December is provided in Appendix 5.

## **5.0 Effect upon Policy Framework & Procedure 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 Equalities Impact Assessment**

- 6.1 There are no implications in this report.

## **7.0 Well-being of Future Generations (Wales) Act 2015 Implications**

- 7.1 The well-being goals identified in the Act were considered in the preparation of this report. As the report is for information it is considered that there will be no significant or unacceptable impacts upon the achievement of wellbeing goals/objectives as a result of this report.

## **8.0 Financial implications**

- 8.1 These are reflected in the body of the report.

## **9.0 Recommendations**

- 9.1 Cabinet is requested to note the projected revenue and capital outturn position for 2018-19.

**Gill Lewis**  
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**January 2019**

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**Background documents:**

Individual Directorate Monitoring Reports  
MTFS Report to Council – 28 February 2018

## 2016-17 AND 2017-18 BUDGET REDUCTIONS CARRIED FORWARD INTO 2018-19

Ref.	Budget Reduction Proposal		Original RAG £000	Revised RAG £000	Amount of saving likely to be achieved in 18-19 £000	Reason why not achievable	Mitigating Action
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## RAG STATUS KEY

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

## EDUCATION &amp; FAMILY SUPPORT

EFS1	Phased implementation of Learner Transport Policy regarding statutory distances for free travel.		20		0	Delays to the assessments of safe routes have meant the policy can not be implemented. It will be implemented incrementally as routes are assessed. Red RAG status given overspend on HTST in 2017-18 and continuing overspend in 2018-19 projections.	Work with Communities Directorate colleagues to expedite the assessments
EFS2	School transport route efficiencies.		40		0	As above.	As above
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		75	This is now part of the wider Inclusion Restructure. Consultation for which is currently underway.	Vacant posts held within wider service area to cover value of saving until consultation and implementation complete.
EFS7	To review the Built Environment Service Level Agreement with Schools to achieve full cost recovery.		31		31	This proposal will be achieved through the new Corporate Landlord Model	None required.
Total Education & Family Support Directorate			166		106		

## SOCIAL SERVICES &amp; WELLBEING

SOCIAL SERVICES & WELLBEING OUTSTANDING REDUCTIONS	1,917
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## NEW PROPOSALS TO MEET SHORTFALL BETWEEN 2018-19 AND 2020-21

		Total Proposed Saving	2018-19 Proposed Saving		2018-19 Likely Saving		
SSW001	Management and admin review	203	116		116	The proposal requires staff restructuring and consultation. Full year saving likely to be achieved in 2019-20	All social services budget reduction proposals are being monitored by financial planning group which includes the Chief Executive and Section 151 Officer
SSW003	Outcome focussed assessment and review	350	350		218	There is high demand for services. As savings are being generated, new demand means additional costs are being incurred.	All social services budget reduction proposals are being monitored by financial planning group which includes the Chief Executive and Section 151 Officer
SSW004	Review of LD supported living accommodation	78	39		39	Consultation with service is required. Full year savings should be achieved in 2019-20	All social services budget reduction proposals are being monitored by financial planning group which includes the Chief Executive and Section 151 Officer
SSW006	Review of telecare monitoring contract and income generation	91	91		91		All social services budget reduction proposals are being monitored by financial planning group which includes the Chief Executive and Section 151 Officer
SSW007	Review of commissioned services	118	118		84		All social services budget reduction proposals are being monitored by financial planning group which includes the Chief Executive and Section 151 Officer
SSW008	Maximise grant funding - Childrens services	67	67		67		All social services budget reduction proposals are being monitored by financial planning group which includes the Chief Executive and Section 151 Officer
SSW009	Remodel children's residential services	245	10		10	The savings proposal has been profiled over three years. £10k savings has been identified for 2018-19.	All social services budget reduction proposals are being monitored by financial planning group which includes the Chief Executive and Section 151 Officer
SSW010	Increase in-house fostering provision	373	136		136		All social services budget reduction proposals are being monitored by financial planning group which includes the Chief Executive and Section 151 Officer
SSW011	Fairer charging legislative changes	203	203		203		All social services budget reduction proposals are being monitored by financial planning group which includes the Chief Executive and Section 151 Officer
SSW012	Additional income from health in relation to Section 117 and CHC	60	60		60	The proposal is dependent on successful negotiation with Health Board. Result is unknown at this stage	All social services budget reduction proposals are being monitored by financial planning group which includes the Chief Executive and Section 151 Officer
SSW013	Review of financial support for care leavers in Children's Services	60	60		60		All social services budget reduction proposals are being monitored by financial planning group which includes the Chief Executive and Section 151 Officer
SSW016	Restructure localised day services within LD	50	50		50		All social services budget reduction proposals are being monitored by financial planning group which includes the Chief Executive and Section 151 Officer
Total Social Services & Wellbeing Directorate		1,898	1,300		1,134		

Ref.	Budget Reduction Proposal		Original RAG £000	Revised RAG £000	Amount of saving likely to be achieved in 18-19 £000	Reason why not achievable	Mitigating Action
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**COMMUNITIES**

COM12	Broad review of car park charging including staff and elected member parking passes		50		10	Cabinet report presented 15th May 2018 and a review board now in place to ensure progress. Due to consultation required, saving will not be fully implemented until the year end.	Underspend across other service areas will have to meet projected shortfall.
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	The timeline is not in the direct control of BCBC as the project is NPT led.	BCBC officers meeting regularly with NPT and are putting resources into the finalisation of the joint agreement document for the new contract. Draw down of £200K from MTFs Contingency Reserve has been confirmed by the S151 Officer.
COM19	Permitting Scheme road works net of existing income of £95,000		100		0	Timeline not in the direct control of BCBC officers as the business case is going through multiple steps in an approval process with WG. However ultimately a positive response is expected, and this is being lead by the group manager to ensure it is followed through.	The responsible highways network budget area is committed to staying within budget irrespective of the delivery of the scheme.
COM21	Rights of Way - removal of contribution to Coity Walla		21	21	21	No reason why this should not be achieved in full in 2018-19.	None required
<b>Total Communities Directorate</b>			<b>371</b>		<b>31</b>		

**CHIEF EXECUTIVE'S****FINANCE**

CEX3	To put Council Tax and some aspects of benefits online and to collaborate with others		150		150	Will depend upon the take-up of digitalisation, and impact on staffing requirements within the service.	Digitalisation didn't go live until April 2018. Staffing will be reviewed as roll-out progresses. Some vacancies held to meet previous shortfall.
<b>Total Chief Executives</b>			<b>150</b>		<b>150</b>		

<b>GRAND TOTAL OUTSTANDING REDUCTIONS</b>		<b>2,604</b>		<b>1,421</b>		
<b>REDUCTIONS SHORTFALL</b>					<b>1,183</b>	

Ref.	Budget Reduction Proposal	Impact	Proposed 2018-19 £'000	Value Likely to be Achieved 2018-19 £'000	Reason why not likely to be achievable	Mitigating action
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**EDUCATION & FAMILY SUPPORT****CENTRAL EDUCATION & FAMILY SUPPORT**

EFS1	Phased implementation of Learner Transport Policy regarding statutory distances for free travel.	<ul style="list-style-type: none"> <li>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</li> <li>Risk of price increases from Contractors</li> </ul>	67	0	Achieving these savings is dependent on the Communities Directorate assessing all schools' routes.	Discussions with the Communities Directorate are on-going regarding increasing the speed of the assessments. Historic savings brought forward will be first call on any savings achieved. Any in-year overspends due to the delays will have to be met from underspends across other service areas.
EFS3	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	71	71	No reason why this saving should not be achieved in 2018-19. However, close monitoring of this budget will be required in-year as often circumstances outside of the control of the service area impact on the outturn - e.g. snow days.	
EFS12	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.	50	50	No reason why this saving should not be achieved in 2018-19 - restructure in place at start of 2018-19.	
EFS14	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"> <li>Relationship with schools and governing bodies may suffer</li> <li>Freedom of schools to shop around and obtain best value for money is challenged</li> </ul>	20	10	At Quarter 3, projections show a shortfall of £10,000 against this saving proposal.	Shortfall in the savings target in 2018-19 will have to be met with underspends across other service areas within the Directorate.

Ref.	Budget Reduction Proposal	Impact	Proposed 2018-19 £'000	Value Likely to be Achieved 2018-19 £'000	Reason why not likely to be achievable	Mitigating action
EFS23	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"> <li>• Posts that become vacant may be critical</li> <li>• Service resilience becomes partly dependent on longevity of current postholders</li> <li>• Natural succession of staff into more senior positions is potentially stalled, impacting retention and morale</li> <li>• Service delivery becomes potentially at risk</li> <li>• Demand overload for staff expected to pick up the 'slack'</li> <li>• Challenge from Unions over additional responsibilities/operation tasks without consideration of financial recompense for staff</li> <li>• Further restructures likely as teams reduce</li> <li>• Morale of staff may be affected</li> </ul>	50	50	No reason why this saving should not be achieved in 2018-19 given strong vacancy management. However, will require close monitoring to track achievability.	
EFS24	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.	25	25	Discussions are ongoing with a neighbouring authority.	Vacancies held to meet savings target until discussions have been finalised.
EFS25	Reduction to contribution to the Central South Consortium (CSC) of 2%	This proposal has been agreed by partner authorities for 2018-19.	12	12	No reason why this saving will not be achieved as revised contribution agreed by partner authorities.	
EFS26	Education Improvement Grant (EIG) - re-alignment of budget to reflect actual match funding contribution required	Risk that contribution in future years increases	20	20	No reason why this saving will not be achieved as reduced match funding contribution has been confirmed for 18-19.	
EFS27	Review arrangements for Special Schools Home to School Transport with a view to achieving efficiency savings	<ul style="list-style-type: none"> <li>• Historic arrangement with school - may impact on relationship with school.</li> <li>• Specialist provision narrows numbers of contractors able to transport pupils.</li> <li>• Outcome of review could mean extra rather than reduced cost.</li> </ul>	75	0	Re-tendering special school transport is unlikely to make the full saving due to additional in-year pressures on the Special School HTST budget.	Other mechanisms to achieve the additional savings are being explored
EFS28	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.	60	60	No reason why this saving will not be achieved.	
EFS29	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	50	25	This is now part of the wider Inclusion Restructure. Consultation for which is currently underway.	The additional amount will be found from elsewhere in the ALN service



Ref.	Budget Reduction Proposal	Impact	Proposed 2018-19 £'000	Value Likely to be Achieved 2018-19 £'000	Reason why not likely to be achievable	Mitigating action
EFS30	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	30	30	No reason why this saving will not be achieved. However, the nature of this budget is that it is used to meet in-year changes to school budgets, some of which are difficult to project. Close monitoring will be required in-year.	Alternative savings would have to mitigate this saving if required.
EFS32	Vacancy management factor across all staffing budgets (with the exception of grant funded/schools)	By taking a strategic approach to vacancy management on all core funded posts this saving can be achieved	100	100	Will require close monitoring as this is the first year this type of saving has been implemented. Some areas might find it difficult if they have a full staffing complement for the whole year.	Alternative non-staffing budgets would have to mitigate this saving if required.
<b>Total Education &amp; Family Support Directorate</b>			<b>630</b>	<b>453</b>		

**SOCIAL SERVICES & WELLBEING**

ASC18	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.	330	330	The scheme opening dates have been delayed but there is still confidence that full savings can be achieved due to staffing reconfiguration being implemented as planned.	
HL2	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.	20	20	Savings has been achieved in full.	
<b>Total Social Services &amp; Wellbeing Directorate</b>			<b>350</b>	<b>350</b>		

Ref.	Budget Reduction Proposal	Impact	Proposed 2018-19 £'000	Value Likely to be Achieved 2018-19 £'000	Reason why not likely to be achievable	Mitigating action
<b>COMMUNITIES</b>						
COM1	Public conveniences - Reductions to the budget for Public Toilet provision: Budget saving against the service pending the outcome of public consultation on the future provision of public toilets in Bridgend, Porthcawl and Maesteg, closure or transfer to Town & Community Councils. Whilst there will be limited toilet provision remaining, a budget will also be retained to support the Authority's comfort scheme. This will be used to grant fund businesses that open their toilets to the general public	<p>Removal of 60% of the public toilet revenue budget will result in the closure of a number of the remaining public toilets in Porthcawl, Bridgend and Maesteg, along with a number being transferred as part of the Council's Community Asset Transfer (CAT) programme.</p> <p>The budget remaining will be used to fund some limited toilet provision as well as the Council's Comfort Scheme. This scheme provides access to toilet facilities in partnership with local businesses, who are prepared to open their toilet facilities to non paying customers. In return the Council provides financial support in the form of a grant. The value of this grant is assessed in accordance with agreed terms.</p> <p>It should be noted that a White Paper being prepared by the Welsh Government is currently considering the provision of public toilets.</p> <p>In order to implement this saving it will be necessary to consult with staff and the unions.</p>	100	0	<p>A report was presented to Cabinet on the 19th June 2018 outlining the findings on the public consultation and recommending actions against each of the town centre public toilets. The report made a number of recommendations for the toilets which can be broadly categorised as: -</p> <ol style="list-style-type: none"> <li>1. transfer of the toilets to Town and Community Councils, under the Councils CAT scheme.</li> <li>2. where this is not possible closure of the toilets and replacement with the Councils comfort scheme.</li> <li>3. convert identified toilets to pay to use</li> </ol> <p>Implementing these recommendations have followed the Cabinet report with discussions with the Town and Community Councils and formal consultation with affected staff. Anticipate savings to commence from Jan 2019.</p>	<p>Continue to work with Town and Community Councils to transfer facilities. Where this is not possible toilet provision in our three main towns will be provided by the Councils comfort scheme.</p> <p>Convert toilets identified in the report to pay to use.</p> <p>Shortfall in the savings target in 2018-19 will have to be met from underspends across other service areas within the Directorate.</p>
COM11B	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	200	Savings has been achieved in full.	
COM15	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	110	110	No reason why this saving will not be achieved based on 2017-18 outturn. This saving is also predicated on the assumption that any inflationary cost pressures on energy costs will continue to be met corporately which has recently been agreed for 2018-19.	
COM16	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.	80	80	No reason why this saving will not be achieved.	

Ref.	Budget Reduction Proposal	Impact	Proposed 2018-19 £'000	Value Likely to be Achieved 2018-19 £'000	Reason why not likely to be achievable	Mitigating action
COM27	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.	188	100	This saving was subject to public consultation. Cabinet report dated 15th May 2018 resulted in 3 bus routes continuing to be subsidised for at least 12 months. However, Cabinet agreed that the shortfall against the savings target would be met from allocating funding from the small unallocated budget as a result increasing the Council Tax from 4.2% to 4.5%. The shortfall against the savings target is due to the date of implementation of the removal of subsidies due to the required consultation and notice period for bus contractors.	Shortfall in the savings target in 2018-19 has been met with underspends from the wider Transportation budget (savings included in draft MTFS 19-20).
COM31	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.	114	100	The lease to MASH from July 2018 is estimated to bring in approx. £ 54 k from external partners plus £45K from social services 2018-19 budget pressure. Full saving will be achieved in 2019-20.	Shortfall in the savings target in 2018-19 will have to be met with underspends across other service areas within the Directorate
COM36	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.	73	73	No reason why this saving will not be achieved.	
COM38	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.	15	15	No reason why this saving will not be achieved.	
COM39	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.	74	74	No reason why this saving will not be achieved.	
COM40	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	500	Based on the financial improvement plan submitted by People Too realising the proposed £ 500k saving should be achievable. However, this is a new way of working for the Council so there are inevitably some inherent risks in ensuring that the proposed savings from efficiency, procurement, IT , staff restructuring and streamlined business processes accrue entirely as planned.	Continue to work through the implementation programme and continue to closely monitor during 2018-19.
	<b>Total Communities Directorate</b>		<b>1,454</b>	<b>1,252</b>		

Ref.	Budget Reduction Proposal	Impact	Proposed 2018-19 £'000	Value Likely to be Achieved 2018-19 £'000	Reason why not likely to be achievable	Mitigating action
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**CHIEF EXECUTIVE'S****Finance**

CEX6	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	189		
CEX7	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	32	32	Amber rating because model unproven/ recovery figures are estimates.	
CEX8	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	10	10		

**Legal, Democratic and Regulatory Services**

OPS10	Review democratic staffing structure together with non-staff budgets.	Realigns Member and Scrutiny support. Member support already integrated and should not therefore provide further change of capacity to support Members or Scrutiny.	72	45	Original target revised as part of savings already made in previous years.	
OPS11	Review legal staffing structure together with non-staff budgets.	Return to corporate cover for additional litigation. Realignment of responsibility for staff and non staff budgets .	111	128		
OPS12	Reduction of procurement training budget	Planned training will be maintained.	23	10	Regrading of existing specialist officers following recent job evaluation review.	
OPS13	Review business support and registrars staffing structure together with non-staff budgets.	Will enable further integration of the service.	41	51		
OPS14	Restructure senior management	Restructure of management responsibility - reduction in number of staff.	43	56	Details of restructure have not been finalised to date.	
OPS19	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.	37	37		

Ref.	Budget Reduction Proposal	Impact	Proposed 2018-19 £'000	Value Likely to be Achieved 2018-19 £'000	Reason why not likely to be achievable	Mitigating action
<b>Housing</b>						
OPS15	Review staffing and non staffing budgets with SLA's	Re-alignment of staffing required, non staffing review undertaken.	138	138		
<b>Human Resources</b>						
OPS16	Review HR, Communications and Caretaking staffing structure together with non-staff budgets.	Reduction in staffing likely to impact on response times.	167	167		
<b>ICT</b>						
OPS17	Further rationalisation of software and hardware budgets	Rationalisation of software and hardware usage.	210	210		
<b>Performance</b>						
OPS18	Review non staff budgets for performance team	Based on line by line review of budget - minimal disruption.	6	6		
	<b>Total Chief Executive</b>		<b>1,079</b>	<b>1,079</b>		
<b>CORPORATE / COUNCIL WIDE</b>						
CWD1	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.	1,170	1,170	No reason why saving should not be achieved, unless there is a need for unplanned borrowing.	
CWD2	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.	400	400	Budget is demand led and any increase in demand may lead to over spend against budget, and saving not being realised.	
CWD3	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	80		

Ref.	Budget Reduction Proposal	Impact	Proposed 2018-19 £'000	Value Likely to be Achieved 2018-19 £'000	Reason why not likely to be achievable	Mitigating action
CWD4	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	773		
CWD5	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	187		
	Total Corporate / Council Wide		2,610	2,610		

GRAND TOTAL REDUCTIONS		6,123	5,744		
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ESTIMATED BUDGET REDUCTION REQUIREMENT (MOST LIKELY) 6,123 6,123

REDUCTION SHORTFALL		0	379		
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1,496	3,978
4,446	1,903
181	242
6,123	6,123

BRIDGEND COUNTY BOROUGH COUNCIL	Budget 2018-19			Projected Outturn	Projected Variance Over/(under) budget	% Variance
	Expenditure Budget	Income Budget	Net Budget			
	£000	£000	£000	£000	£000	
<b>EDUCATION AND FAMILY SUPPORT</b>						
School Delegated Budgets	111,623	(21,302)	90,321	90,321	0	0.0%
Health and Safety	231	(2)	228	190	(38)	-16.7%
Learning	10,786	(2,951)	6,870	7,280	410	6.0%
Strategic Partnerships & Comm	24,887	(11,411)	13,476	13,646	170	1.3%
<b>TOTAL EDUCATION AND FAMILY SUPPORT</b>	<b>147,527</b>	<b>(35,666)</b>	<b>110,896</b>	<b>111,438</b>	<b>542</b>	<b>0.5%</b>
<b>SOCIAL SERVICES AND WELLBEING DIRECTORATE</b>						
Adult Social Care	62,134	(16,267)	45,867	45,884	17	0.0%
Sport, Play and Active Wellbeing	6,124	(892)	5,232	5,098	(134)	-2.6%
Safeguarding & Family Support	19,924	(1,000)	18,924	19,656	731	3.9%
Supporting Sustainable Social Services Grant 2018-19	-	-	-	(621)	(621)	0.0%
<b>TOTAL SOCIAL SERVICES AND WELLBEING</b>	<b>88,183</b>	<b>(18,159)</b>	<b>70,023</b>	<b>70,017</b>	<b>(6)</b>	<b>0.0%</b>
<b>COMMUNITIES DIRECTORATE</b>						
Regeneration & Development	4,730	(1,978)	2,752	2,757	5	0.2%
Street Scene	34,274	(13,422)	20,852	21,118	266	1.3%
Directorate Management	144	-	144	144	(0)	-0.2%
Corporate Landlord	23,124	(20,250)	2,874	2,854	(20)	-0.7%
<b>TOTAL COMMUNITIES</b>	<b>62,272</b>	<b>(35,650)</b>	<b>26,622</b>	<b>26,873</b>	<b>251</b>	<b>0.9%</b>
<b>CHIEF EXECUTIVE'S DIRECTORATE</b>						
Chief Executive	520	-	520	512	(8)	-1.5%
Finance	54,306	(50,792)	3,514	3,527	13	0.4%
Human Resources and Organisational Development	1,937	(300)	1,637	1,484	(153)	-9.4%
Partnerships	2,562	(520)	2,042	1,809	(233)	-11.4%
Legal, Democratic and Regulatory	6,573	(1,253)	5,320	4,832	(488)	-9.2%
Elections	147	(11)	136	136	(0)	-0.2%
ICT	5,003	(1,269)	3,734	3,477	(257)	-6.9%
Housing and Homelessness	7,266	(5,730)	1,536	1,417	(119)	-7.8%
Business Support	1,211	(112)	1,099	966	(133)	-12.1%
<b>TOTAL CHIEF EXECUTIVES</b>	<b>79,526</b>	<b>(59,987)</b>	<b>19,539</b>	<b>18,160</b>	<b>(1,379)</b>	<b>-7.1%</b>
<b>TOTAL DIRECTORATE BUDGETS</b>	<b>377,507</b>	<b>(149,462)</b>	<b>227,080</b>	<b>226,488</b>	<b>(592)</b>	<b>-0.3%</b>
Council Wide Budgets	39,791	(887)	38,904	32,262	(6,642)	-17.1%
Appropriations to / from Earmarked Reserves				1,922	1,922	0.0%
<b>NET BRIDGEND CBC</b>	<b>417,298</b>	<b>(150,349)</b>	<b>265,984</b>	<b>260,672</b>	<b>(5,312)</b>	<b>-2.0%</b>

NB: Differences due to rounding of £000's

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Main Scheme	Whole Scheme Budget*	Budget 18-19 (Council 19.12.18)	New Approvals	Virement	Slippage	Revised Budget 2018-19	Total Exp to date	Projected Spend	Over / (Under) spend	Comments
	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	

Education & Family Support  
Learning

21ST CENTURY SCHOOLS BAND B	43,200	120	30	-	-	150	-	150	-	Increase to Band B Schools approved on 19 December 2018
YSGOL BRYN CASTELL	96	-	-	-	-	-	1	-	-	
PENYFAI PRIMARY	7,239	362	-	-	-	362	3	362	-	Scheme complete - compensation payments and payment to landowner expected
BRYNMENYN PRIMARY	8,500	305	-	-	-	305	(64)	305	-	Retention to be paid in current year
GATEWAY TO THE VALLEYS SECONDARY SCHOOL	39,757	155	-	-	-	155	-	155	-	
COITY PRIMARY SCHOOL	8,560	56	-	-	-	56	(127)	56	-	Scheme complete - final account to be paid in current year
GARW VALLEY SOUTH PRIMARY PROVISION	10,808	4,519	-	-	-	4,519	3,512	4,519	-	Welsh school open in January 2019
PENCOED PRIMARY	10,834	4,751	-	-	-	4,751	4,361	4,751	-	New school opened September 18
GARW VALLEY PRIMARY HIGHWAYS	400	146	-	-	-	146	-	146	-	Highways works to be completed this year
PENCOED PRIMARY SCHOOL HIGHWAYS WORKS	400	115	-	-	-	115	43	115	-	Highways works to be completed this year
BRYNMENYN SCHOOL HIGHWAYS WORK	807	181	-	-	-	181	101	181	-	Highways works to be completed this year
OGMORE COMPREHENSIVE	4,120	56	-	-	-	56	(83)	56	-	Scheme complete - final account to be paid in current year
CWMFELIN PRIMARY	235	235	-	-	-	235	20	235	-	Works underway
REDUCTION OF INFANT CLASS SIZES	750	-	10	-	-	10	-	10	-	WG grant
SCHOOLS MODERNISATION RETENTIONS	377	377	-	-	-	377	33	377	-	
HERONSBRIDGE SCHOOL	300	53	-	-	-	53	(5)	53	-	
SCHOOLS TRAFFIC SAFETY	500	297	-	-	-	297	104	297	-	
MAESTEG COMPREHENSIVE HIGHWAYS	500	88	-	-	-	88	-	88	-	Retention due to be released
EDUCATION S106 SCHEMES	97	97	-	-	-	97	19	97	-	
COMPLEX&MEDICAL NEEDS SCHOOLS	675	533	-	-	-	533	162	533	-	
TOTAL Education & Family Support	138,155	12,446	40	0	0	12,486	8,080	12,486	0	

Social Services and Wellbeing

BRYNGARW HOUSE	-	-	-	-	-	-	2	-	-	Funded from Minor Works budget
BRYN Y CAE-UPGRADE HOME	-	-	-	-	-	-	23	-	-	Funded from Care Standard budget. Works required in order to comply with regulations in the homes
VARIOUS MINOR WORKS	-	-	-	-	-	-	14	-	-	Funded from Minor Works budget
GLANYRAFON CARE STANDARDS	-	-	-	-	-	-	24	-	-	Funded from Care Standard budget. Works required in order to comply with regulations in the homes
MULTI AGENCY SAFEGUARDING HUB	87	87	-	-	-	87	86	87	-	
BAKERS WAY MINOR WORKS	-	-	-	-	-	-	31	-	-	Funded from Minor Works budget
CARE STANDARDS ACT	98	98	-	-	-	98	-	98	-	Care Standards Budget
HARWOOD HOUSE	286	-	-	-	-	-	(6)	-	-	
HERON HOUSE UPGRADE	167	-	167	-	-	167	74	167	-	Funded from ICF grant
ARCH WELLBEING CENTRE	500	500	-	-	(100)	400	-	400	-	Project being run by Halo
CHILDRENS RESIDENTIAL HUB	600	600	-	-	(500)	100	78	100	-	Works have commenced
EXTRA CARE FACILITIES	3,000	2,222	-	-	-	2,222	1,331	2,222	-	Construction underway and due to be completed this financial year
DEVELOPMENT OF A SPECIALIST SUPPORTED LIVING FACILITY	350	-	350	-	-	350	-	350	-	Purchase and refurbish of a property that will provide accommodation for people with Learning Disabilities. Funded from ICF grant
TOTAL Social Services & Wellbeing	5,088	3,507	517	-	(600)	3,424	1,657	3,424	-	

Communities  
Street Scene

PARKS PAVILIONS	1,011	161	-	-	(161)	-	-	-	-	Business plans awaiting approval so unlikely to spend this financial year
CITY DEAL	46,723	1,697	-	-	-	1,697	-	1,697	-	
PORTHCAWL TOWN SEA DEFENCE	3,301	2,241	-	-	-	2,241	1,235	2,241	-	Works progressing well - funded WG grant 75% and BCBC 25%
EASTERN PROMENADE PORTHCAWL	407	383	-	-	-	383	96	383	-	Funded WG grant 75% and BCBC 25%
CORNELLY CEMETERY EXTENSION	314	314	-	-	(314)	-	-	-	-	Works to commence next financial year
COYCHURCH CREMATORIUM WORKS	280	-	-	-	-	-	1	-	-	
PORTHCAWL CEMETERY EXTENSION	216	216	-	-	(216)	-	-	-	-	Works to commence next financial year
REMEDIAL MEASURES - CAR PARKS	215	215	-	-	-	215	25	215	-	Investigation works are underway
CIVIL PARKING ENFORCEMENT CAR	68	57	-	-	-	57	56	57	-	Scheme complete
STREET LIGHTING ENERGY SALIX	2,500	300	-	-	-	300	242	300	-	

Main Scheme	Whole Scheme Budget*	Budget 18-19 (Council 19.12.18)	New Approvals	Virement	Slippage	Revised Budget 2018-19	Total Exp to date	Projected Spend	Over / (Under) spend	Comments
	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	
SAFE ROUTES TO SCHOOL	950	950	-	-	-	950	154	950	-	Works underway. WG grant
ROAD SAFETY SCHEMES	81	81	-	-	-	81	34	81	-	Funded from Minor Works budget
HIGHWAYS STRUCTURAL WORKS	200	200	-	-	-	200	3	200	-	Annual allocation
CARRIAGEWAY CAPITAL WORKS	250	250	-	-	-	250	280	250	-	Annual allocation
ROAD SAFETY IMPROVEMENTS	730	690	40	-	-	730	237	730	-	Additional £40k WG grant for Heol Simonstone / Coychurch Road Junction Improvements
PUBLIC RIGHTS OF WAY CAPITAL	40	40	-	-	-	40	9	40	-	
CARRIAGEWAY & FOOTWAYS RENEWAL	5,704	2,000	-	-	(400)	1,600	1,009	1,600	-	
NATIONAL CYCLE NETWORK - PHASE 2	150	150	-	-	-	150	50	150	-	WG grant
REPLACEMENT OF STREET LIGHTING / RIVER PROTECTION MEASURES	608	608	-	-	-	608	197	608	-	
BRIDGE STRENGTHENING A4061	2,450	93	-	-	-	93	17	93	-	Investigations and design ongoing
COMMUNITIES MINOR WORKS	205	100	-	-	-	100	3	100	-	
RETAINING WALL REPLACEMENT BETTWS	175	137	-	-	-	137	124	137	-	Works almost complete
CARPARK PAY & DISPLAY MACHINES	85	85	-	-	-	85	81	85	-	Scheme complete
RESIDENTS PARKING BRIDGEND TOWN CENTRE	130	128	-	-	-	128	-	128	-	Able to progress when resources are available
FLEET VEHICLES	2,140	190	-	-	-	190	158	190	-	
S106 HIGHWAYS SMALL SCHEMES	61	-	-	-	-	-	1	-	-	
<b>TOTAL Streetscene</b>	68,994	11,286	40	-	(1,091)	10,235	4,012	10,235	-	

***Regeneration & Development***

BRIDGEND BUSINESS SUPPORT NETWORK	63	63	-	-	-	63	14	63	-	
PORTHCAWL RESORT INVESTMENT FOCUS	2,924	1,632	-	-	-	1,632	726	1,632	-	Construction works underway
EU CONVERGANCE SRF BUDGET	100	100	-	-	-	100	-	100	-	
BRIDGEND HEAT SCHEME	250	100	-	-	-	100	-	100	-	
MAESTEG TOWN HALL CULTURAL HUB	5,168	-	-	-	143	143	143	143	-	
TOWN & COMMUNITY COUNCIL FUND	278	278	-	-	-	278	-	278	-	
NANTYMOEL COMMUNITY FACILITIES	200	200	-	-	-	200	139	200	-	
BRIDGEND TOWNSCAPE HERITAGE	-	-	-	-	-	-	23	-	-	
PORTHCAWL TOWNSCAPE HERITAGE	1,073	265	-	-	-	265	21	265	-	
<b>TOTAL Regeneration &amp; Development</b>	10,056	2,638	-	-	143	2,781	1,066	2,781	-	

***Corporate Landlord***

ENTERPRISE HUB INNOVATION CENT	3,612	325	-	-	-	325	13	325	-	
RELOCATION OF REGISTRARS	275	30	-	-	-	30	-	30	-	Scheme approved on 19 December 2018
DDA WORKS	-	-	-	-	-	-	37	-	-	Funded from Minor Works budget
DDA WORKS AT CIVIC	-	-	-	-	-	-	14	-	-	
MINOR WORKS	1,398	1,398	-	-	-	1,398	254	1,398	-	Funded from Minor Works budget
FIRE PRECAUTIONS MINOR WORKS	-	-	-	-	-	-	31	-	-	Funded from Minor Works budget
BRYNCETHIN DEPOT FACILITIES	1,176	951	-	-	-	951	482	951	-	
NON OPERATIONAL ASSETS	480	480	-	-	-	480	-	480	-	Budget held for investment property opportunities
WATERTON UPGRADE	8,144	3,200	-	-	(3,200)	-	1	-	-	Works not likely to commence until at least 2019/20
CIVIC OFFICE ENVELOPE	2,545	54	-	-	-	54	45	54	-	
<b>Total Corporate Landlord</b>	17,630	6,438	-	-	(3,200)	3,238	877	3,238	-	
<b>TOTAL Communities</b>	96,680	20,362	40	0	-4,148	16,254	5,955	16,254	0	

***Chief Executive's***

***Housing/Homelessness***

BRYNMENYN HOMELESSNESS UNIT	120	119	-	-	-	119	79	119	-	
MANDATORY DFG RELATED EXPENDITURE	2,359	2,359	-	-	-	2,359	1,189	2,359	-	Budget committed
TARGET HARDENING GRANTS	-	-	-	-	-	-	22	-	-	Budget included above
HOUSING RENEWAL AREA	100	100	-	-	-	100	97	100	-	
EMPTY HOMES GRANTS	-	-	-	-	-	-	56	-	-	Budget included above
COMFORT SAFE & SECURITY GRANTS	-	-	-	-	-	-	4	-	-	Budget included above
EMERGENCY REPAIR LIFETIME GRANT	-	-	-	-	-	-	97	-	-	Budget included above
ENABLE-SUPPORT FOR INDEPENDENT LIVING GRANT	180	180	-	-	-	180	152	180	-	
HOMES IN TOWN GRANT	-	-	-	-	-	-	238	-	-	Budget included above
<b>TOTAL Housing/Homelessness</b>	2,759	2,758	-	-	-	2,758	1,934	2,758	-	

Main Scheme	Whole Scheme Budget*	Budget 18-19 (Council 19.12.18)	New Approvals	Virement	Slippage	Revised Budget 2018-19	Total Exp to date	Projected Spend	Over / (Under) spend	Comments
	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	

ICT

ICT LAPTOP REPLACEMENT	327	327	-	-	-	327	-	327	-	
COMPUTER EQUIPMENT	346	346	-	-	-	346	346	346	-	
DIGITAL MEETING SPACES	150	129	-	-	-	129	15	129	-	
ICT INFRASTRUCTURE SUPPORT	300	300	-	-	-	300	-	300	-	
DIGITAL TRANSFORMATION	1,000	520	-	-	-	520	-	520	-	
TOTAL ICT	2,123	1,622	-	-	-	1,622	361	1,622	-	
TOTAL Chief Executive	4,882	4,380	0	0	0	4,380	2,295	4,380	0	

GRAND TOTAL	244,805	40,695	597	-	(4,748)	36,544	17,987	36,544	-	
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## TOTAL MOVEMENT ON EARMARKED RESERVES AT QUARTER 3

Opening Balance 1 April 2018  £'000	Reserve	Movement as at Quarter 3		Closing Balance 31-Dec-2018  £'000
		Additions/ Reclassification  £'000	Drawdown  £'000	
	<b>Corporate Reserves:-</b>			
1,362	Asset Management Plan	(300)	(22)	1,040
1,023	Building Maintenance Reserve	-	(17)	1,006
354	Capital Feasibility Fund	-	(21)	333
12,082	Capital Programme Contribution	1,847	(1,035)	12,894
1,183	Change Management	482	(153)	1,512
1,000	Corporate Pressures Contingency	-	-	1,000
119	DDA Emergency Works	-	-	119
1,255	Digital Transformation	-	(181)	1,074
1,205	ICT & Finance Systems	(250)	(225)	730
2,335	Insurance Reserve	2,320	(174)	4,481
8,022	Major Claims Reserve	(2,834)	-	5,188
800	MTFS Budget Contingency	-	(200)	600
101	Property Disposal Strategy	14	-	115
57	Public Realm	-	-	57
7,957	Service Reconfiguration	-	(1,520)	6,437
300	Welfare Reform Bill	-	-	300
<b>39,155</b>	<b>Total Corporate Reserves</b>	<b>1,279</b>	<b>(3,548)</b>	<b>36,886</b>
	<b>Directorate Reserves:-</b>			
97	Chief Executive Partnership Reserve	-	-	97
1,088	City Deal Reserve	-	-	1,088
1,952	Directorate Issues	232	(675)	1,509
53	Donations Reserve Account	1	-	54
5	Human Resources Reserve	(5)	-	-
20	Local Development Plan IT System	(20)	-	-
939	Looked After Children	-	-	939
312	Porthcawl Regeneration	-	(3)	309
220	Property Reserve	-	(14)	206
78	Safe Routes to Schools	-	(22)	56
116	School Projects Reserve	152	-	268
51	Waste Awareness Reserve	82	(61)	72
722	Wellbeing Projects	-	-	722
<b>5,653</b>	<b>Total Directorate Reserves</b>	<b>442</b>	<b>(775)</b>	<b>5,320</b>
	<b>Equalisation &amp; Grant Reserves:-</b>			
22	Building Control Reserve	-	-	22
186	Civil Parking Enforcement	-	-	186
28	Election Costs	-	-	28
759	Highways Reserve	32	-	791
975	IFRS Grants	154	(451)	678
109	Legal Fees	-	-	109
213	Local Development Plan	15	-	228
615	Special Regeneration Fund	-	-	615
<b>2,907</b>	<b>Equalisation &amp; Grant Reserves</b>	<b>201</b>	<b>(451)</b>	<b>2,657</b>
<b>360</b>	<b>School Balances</b>	<b>-</b>	<b>-</b>	<b>360</b>
<b>48,075</b>	<b>TOTAL RESERVES</b>	<b>1,922</b>	<b>(4,774)</b>	<b>45,223</b>

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## BRIDGEND COUNTY BOROUGH COUNCIL

### REPORT TO CABINET

22 JANUARY 2019

### REPORT OF THE INTERIM CHIEF EXECUTIVE

#### EMPTY PROPERTY STRATEGY CONSULTATION

##### 1. Purpose of report

- 1.1 The purpose of this report is to seek approval from Cabinet to carry out a formal public consultation on the draft Empty Property Strategy 2019-2023.

##### 2. Connection to corporate improvement objectives/other corporate priorities

- 2.1 This report assists in the achievement of the following corporate priority/priorities:
- Supporting a successful economy – taking steps to make the county a good place to do business, for people to live, work, study and visit, and to ensure that our schools are focused on raising the skills, qualifications and ambitions of all people in the county.

##### 3. Background

- 3.1 Bringing empty properties back into use is a priority for the Local Authority and is a commitment for the leadership for the County Borough Council; *“turn empty properties in town centres into homes and invest more in tackling the blight of empty homes”* and *“play our part in delivering more affordable homes for local people in Bridgend to include more town centre properties”*.
- 3.2 In order to achieve this priority, an Empty Property Working Group has been formed, consisting of representatives from each service within the Authority that work with empty properties. The main objective of the Working Group is to ‘reduce the number of empty private residential and commercial properties across Bridgend County Borough by bringing them back into use’. The Working Group was initially chaired by the Head of Performance and Partnership Services but is now coordinated by the recently appointed Empty Property Coordinator.
- 3.3 One of the main actions of the Empty Property Working Group is to develop an Empty Property Strategy for the Local Authority. The purpose of the Strategy is to set out how the Local Authority and its partners shall seek to reduce empty properties across the County Borough and help contribute towards increasing the availability of housing for sale or for rent. The Working Group agreed that the focus of the strategy should be empty private sector residential properties, or properties that could be brought back into use as residential accommodation.

##### 4. Current situation/proposal

- 4.1 The Empty Property Strategy has been drafted and is attached as **Appendix 1**. One of its key features is its intention to take a ‘blended’ approach to ensure that

the focus for action is based on key facts and information. Properties will be prioritised on key criteria such as nuisance value, detriment, location and housing demand and not only on how long a property has been empty. Once prioritised, the Empty Property Working Group will determine the most appropriate actions to attempt to bring the priority properties back into use.

- 4.2 The focus of the Strategy is empty private sector residential properties. As commercial properties require a more specific approach to bring them back into use as a continued commercial property, they do not form part of this Strategy. However, should opportunities arise to bring an empty commercial property back into use as residential accommodation, this will be considered as part of the Strategy.
- 4.3 The Local Authority and its partners seek to work cooperatively with owners to bring their empty properties back into use. Therefore, regular and effective communication with the owner is paramount, to establish the most appropriate course of action. Although enforcement options are available, they will need to be proportionate and have available budgets.
- 4.4 Working corporately is a key aim of the Strategy and continued collaboration as an Empty Property Working Group is essential. Where required, a targeted approach will be taken e.g. with owners and organisations in relation to empty churches and chapels which may require a specific approach to bring them back into use.
- 4.5 The consultation will last for 12 weeks and it is possible that the Strategy will require amendment to respond to comments received through the consultation. Once the consultation period has ended, Cabinet will receive a further report to consider formally adopt the Strategy.
- 4.6 In addition to reporting on the national empty property Public Accountability Measures (PAMs), the work resulting from the Strategy will be measured and reported on in terms of the quantity of engagement and enforcement carried out, in order to demonstrate the efforts that are being made to bring empty properties back into use. This will include recording numbers of letters distributed, responses received, and enforcement action taken. A quarterly update on Strategy activities will be reported to Cabinet/CMB.

## **5. Effect upon policy framework and procedure rules**

- 5.1 There is no effect upon the Policy Framework and Procedure Rules.

## **6. Equality Impact Assessment**

- 6.1 An initial screening Equalities Impact Assessment (EIA) has been undertaken as part of the development of the Empty Homes Strategy. It identified that no further EIA is required at this time.

## **7. Well-being of Future Generations (Wales) Act 2015 implications**

- 7.1 The report contributes to the following goals within the Well-being of Future Generations (Wales) Act 2015:



- A prosperous Wales – by providing work to companies who can repair and improve the empty properties and by creating a rental or sale income for landlords.
- A resilient Wales – by improving the environmental consequences of empty properties such as rodent infestation, fly tipping and a poor impression of an area.
- A Wales of cohesive communities – by making an area more attractive to live and by improving the social consequences of empty properties such as reduced public confidence in the area.
- A globally responsive Wales – by contributing positively to communities and the housing needs of households in Wales.

7.2 A summary of the implications from the Well-being of Future Generations assessment, using the 5 ways of working, is as follows:

- Long-term                -        Bringing empty properties back into use can create long-term accommodation available for households to rent or buy.
- Prevention            -        Tackling empty properties can prevent the consequences associated with empty properties continuing or getting worse e.g. social issues such as arson, graffiti and squatting, environmental issues such as rodent infestation and dangerous structures and economic issues such as property devaluation and deterred investment.
- Integration            -        Bringing empty properties back into use can deliver economic, social, environmental & cultural outcomes as outlined in the “long-term” and “prevention” ways of working above. In addition, it can improve community cohesion in an area.
- Collaboration        -        Collaboration is paramount when bringing empty properties back into use. Whilst a number of services within the Council have different processes, powers and policies they can use, bringing empty properties back into use is a corporate responsibility. Therefore, these services will work in a more co-ordinated way as one Council to achieve the aims and objectives of the strategy. Working closely with external partners to develop new initiatives is also a key objective of the strategy.

- Involvement - The Council and its partners seek to work cooperatively with owners of empty properties to bring their properties back into use. Therefore, regular and effective communication with the owner is paramount, to establish the most appropriate course of action to bring the empty property back into use. Consultation on the strategy with all stakeholders will ensure they are involved with achieving the well-being goals.

## **8. Financial implications**

- 8.1 Services within the Authority utilise their existing budgets for any work undertaken on empty properties. Whilst there is currently budget available for the Empty Property Coordinator which resources the “front end” of the service, there is also demand on other departments within the Authority to progress any works on empty properties, which may not be currently resourced.
- 8.2 The capital programme approved as part of the Medium Term Financial Strategy for 2018-19 to 2021-22 included an allocation of funding previously used for the Caerau area housing renewal area which finished at the end of 2016-17. It was agreed to use this allocation of £100,000 to widen the scope to fund housing renewal/ deal with empty property issues across the County Borough.

## **9. Recommendation**

- 9.1 Cabinet are recommended to –
  - 9.1.1 Give approval to carry out a formal public consultation on the Empty Property Strategy and;
  - 9.1.2 Agree to receive a further report at the end of the consultation period to consider formally adopting the Strategy.

Mark Shephard  
Interim Chief Executive  
4<sup>th</sup> January 2019

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Head of Performance and Partnership Services

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**Email:** Martin.Morgans@bridgend.gov.uk

**Postal address:** Civic Offices, Angel Street, Bridgend

**Background documents:** Draft Empty Property Strategy 2019-2023

# Bridgend County Borough Council **Empty Property Strategy 2019-2023**



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## Introduction

### Purpose of the strategy

The purpose of this strategy is to set out how Bridgend County Borough Council (“the Council”) and its partners shall seek to reduce empty properties across the County Borough and help contribute towards increasing the availability of housing for sale or for rent.

The focus of this strategy is empty private sector residential properties that could be brought back into use as residential housing. Whilst commercial properties may also be empty, they require a more specific approach to bring them back into use as economically viable commercial premises and therefore, do not form part of this strategy. However, commercial properties that can be converted into residential accommodation will be considered but are outside of the current Welsh Government definition and national performance indicators for bringing empty properties back into use.

The housing market is quite fluid and there will always be empty properties for sale or rent that do not require any intervention. These are properties that are generally empty for less than six months. Although these properties are not the main focus for the Council, they can still present a concern should they remain empty for a long period of time or their condition deteriorate.

The Council is committed to tackling the blight of empty properties and adopts a proactive approach by working with owners to bring their empty properties back into use. If however, properties continue to remain empty, are in a state of disrepair, are detrimental or a nuisance to the community, the Council will consider using its legislative powers to remedy the adverse impact on the community and bring the property back into use.

Whilst a number of services within the Council have different processes, powers and policies they can use, bringing empty properties back into use is a corporate responsibility. Therefore, these services will work in a

more co-ordinated way as one Council to achieve the aims and objectives of this strategy.

### Consequences of empty properties

Empty properties are a wasted resource. Whilst they may not always be left in a state of disrepair, there are always consequences, and these can be summarised into three factors:

- **social**, such as crime including arson, graffiti, squatting, as well as reduced public confidence in the area or the Council
- **environmental**, including rodent infestation, fly tipping, dangerous structures, and a poor impression of the area
- **economic**, such as repair costs, increased burdens on councils' resources, property devaluation, deterred investment

### Causes of empty properties

There are many reasons why properties become empty and these can be summarised into three factors:

- **Individual reasons**, such as unresolved ownership following a death, bankruptcy, owners entering hospital or prison, or a lack of owner knowledge.
- **Property based reasons** such as investments not realised, or repairs and renovations being too expensive.
- **Housing market reasons** such as areas of low demand, areas of over supply or properties with negative equity.

### Benefits of bringing empty properties back into use

Bringing an empty property back into use can contribute to:

- Creating rental or sale income, rather than properties being wasted assets
- Increasing property values
- Reducing vandalism, arson or squatting, and the fear of crime

- Enhancing town centres' viability and vitality
- Creating an increased sense of community
- Boosting the supply of good quality affordable housing
- Supporting strong, balanced housing markets and community sustainability
- Improving the local environment
- Creating training and job opportunities
- increasing council tax revenues so the Council can provide a better service

## Definition and context

### National definition of an empty property

The main focus of this strategy is to bring back into use long-term empty residential properties. These are defined as **private sector residential properties which are liable for council tax and have been unoccupied for a period of six months or more**. This definition is taken from the national Public Accountability Measure that enables local authorities to give account of their performance to the public. The following properties are excluded from this definition:

- A second or holiday home
- A property owned by any of the following:
  - Registered Social Landlords (RSLs);
  - Police and Armed forces;
  - National Health Service;
  - Universities and colleges;
  - Local authorities and government;
  - Crown estate;
  - Churches and other religious bodies
- A property that is in use but for non-residential purposes
- Properties that have been un-banded by the Valuation Office Agency<sup>1</sup>

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<sup>1</sup> Welsh Local Government Association (WLGA) Public Accountability Measures (PAMs) 2018-19 Guidance for local authorities (PAM/013)

Information on empty properties is obtained from council tax data, where owners have notified the Council that the property is empty.

## The local housing market

There are around 63,762 residential properties in Bridgend County Borough<sup>2</sup>. Approximately, these are:

- 73% owner occupied
- 13% privately rented
- 14% rented from an RSL

The Council is no longer a social housing landlord as it does not own any residential properties, following the transfer of its housing stock in September 2003 to Valleys to Coast Housing Association.

The County Borough area can be identified in two parts. The southern part is a well-populated coastal belt including the towns of Bridgend and Porthcawl, together with the other urban areas close to the M4 Motorway. The northern part is a more rural, mountainous and less accessible area, with three valleys running north-south, the most westerly containing the town of Maesteg. There are major differences in house prices and economic conditions between the southern and northern areas.

There are three housing market areas in the County Borough, namely;

- Western Settlements, Ogmere, Garw & Upper Llynfi Valley (the valleys areas with the lowest house prices)
- Porthcawl and Rural (the coastal areas with the highest house prices)
- Bridgend, Pencoed & Hinterland<sup>3</sup>

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<sup>2</sup> Welsh Government dwelling stock estimates by local authority and tenure 2016-17  
<https://statswales.gov.wales/Catalogue/Housing/Dwelling-Stock-Estimates/dwellingstockestimates-by-localauthority-tenure>

<sup>3</sup> Bridgend County Borough Council Local Housing Market Assessment Update 2012



Approximately 60% of private sector residential properties in the County Borough are semi-detached houses or terraced houses. In addition, approximately only 6% of the private sector residential properties is smaller accommodation such as flats. The majority of private sector properties (approximately 80%) are over 40 years old<sup>4</sup>. These are significant factors as they suggest that a majority of empty properties are likely to be larger houses that are over 40 years old.

### **The number of empty properties**

In June 2018 there were 1,225 private sector residential properties empty for six months or more, which accounted for 2% of Bridgend County Borough's residential properties.

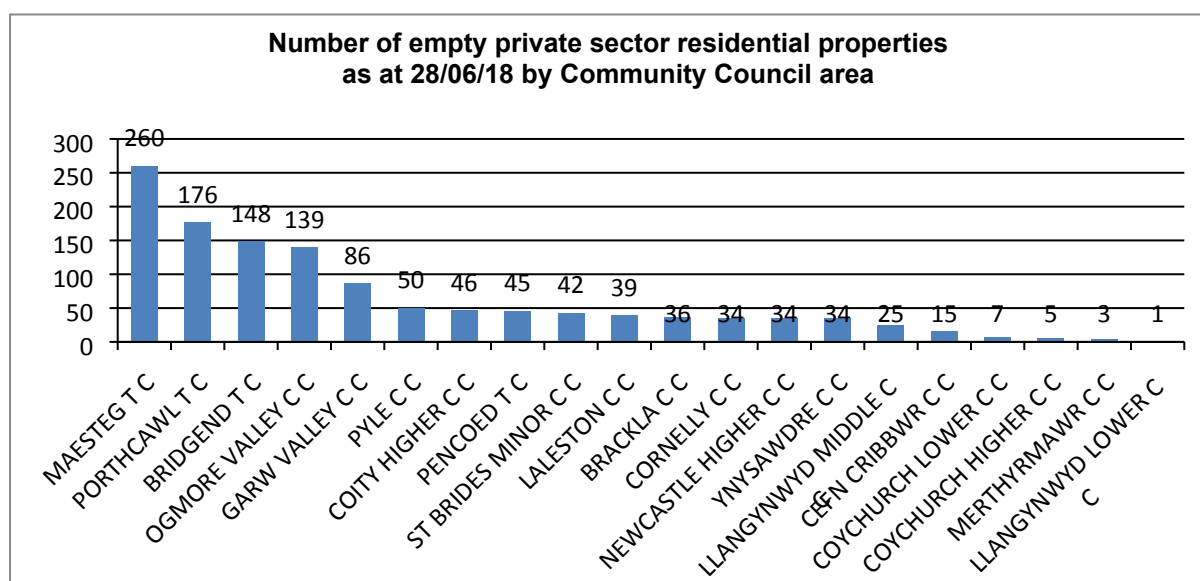
The number of empty private sector residential properties has remained relatively consistent over the past few years and therefore, this figure of 1,225 will be used as the baseline on which the Council will measure performance of the strategy. Confirmation that this is an accurate figure will be addressed as an objective within this strategy going forward.

Of these properties, 32% have been empty for six to twelve months and it is acknowledged that these properties need intervention to prevent them from becoming longer term empties. However, 42% of private residential sector properties have been empty for two or more years and these properties are more likely to have negative social, environmental and economic consequences and therefore need a particular focus. This is especially so where there is no plan to bring them back into use.

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<sup>4</sup> Bridgend County Borough council Private Sector House Stock Condition Survey 2009

## The location of empty properties



As can be seen on the above chart, most of the empty properties are in and around Maesteg, Porthcawl and Bridgend's town centres, and represent 48% of the empty properties in the County Borough. This suggests that in order to foster vibrant and viable town centres and support a successful economy, it would be beneficial to focus on these areas. Living in close proximity to town centre amenities could also help make a property more desirable to sell or to rent and the property is therefore more likely to be brought back into use.

Whilst it is important to focus on areas that have the greatest number of empty properties and which also have a greater potential of being brought back into use because of their location, it is also important to note that there are areas that have a higher density of empty properties. This is particularly evident in the valleys areas such as the Ogmoredale Valley where 4.46% of private sector properties are empty and the Garw Valley where 3.16% are empty. In comparison 1.7% of private sector properties are empty in Bridgend Town; 2.38% in Porthcawl and 3.45% in the Llynfi Valley (Maesteg).

Each area of the County Borough has its own particular geographic, social and economic characteristics which will have an impact on the

housing market in those areas. For example, in July 2018 the average value of a property in the Ogmore Valley was £97,036 and in Maesteg £115,730. Both of these areas were well below the average value of a property in Wales which was £190,210. In comparison, the average value of a property in Porthcawl in July 2018<sup>5</sup> was £251,851. The value of an empty property will be a factor in whether it can be brought back into use, as there may be little or no equity to obtain funding to carry out repair works on the property.

Both the Ogmore Valley and Maesteg were former mining communities and with the decline of the coal industry there is less employment opportunities in these areas. In addition, accessing central rail transport and the M4 motorway is more difficult. These factors have an impact on the housing market in these areas and will need to be taken into consideration when tackling empty properties in these locations.

Conversely, Porthcawl is a more affluent coastal area. Being a holiday resort, tourism plays a large part in Porthcawl's economy and there are more employment opportunities and better transport links. However, as house prices are much higher it can make it difficult for people to enter the housing market in this area and also results in owners holding high value properties with no capital to carry out repair works.

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<sup>5</sup> <https://www.zoopla.co.uk> › House prices › Bridgend

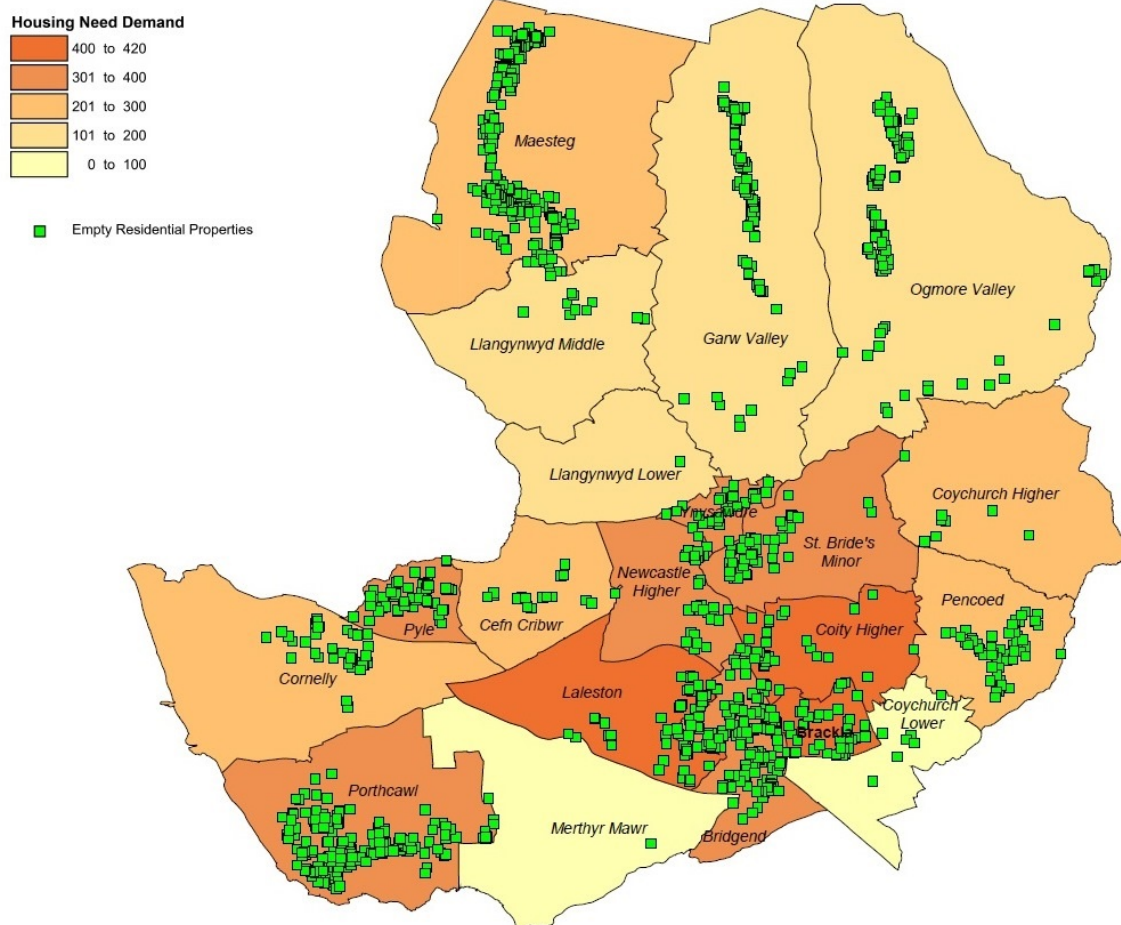
## Empty properties and housing need

Bringing empty properties back into use can contribute to meeting housing need in the County Borough. There are different types of housing needs such as the need for homes to buy, the need for homes to rent in the private sector and the need for affordable homes such as social rented housing or intermediate housing (which is housing at a cost above social rented housing, but below private rented housing or housing for sale at market value. Intermediate housing can include low cost homes for sale and intermediate rent).

There is no one solution that meets all these needs and therefore, the Council and its partners will need to work innovatively with empty property owners to meet these needs. For example, bringing back into use a larger property for sale or private rent can help meet the needs of larger families, or changing the use of a larger property into shared accommodation can help boost the availability of accommodation in the private sector for single people aged under 35. The conversion of family homes into single person accommodation such as flats could help to meet the need for both single younger people and older people as they look to downsize. It is acknowledged that such conversions are often complex and have to adhere to relevant planning permission and building regulations.

One consideration is where social housing need on the Bridgend Common Housing Register could be met by bringing back into use empty properties. An analysis of information available is shown on the map below (as at May 2018). It can be seen that the greatest demand for social housing is in and around Bridgend, Porthcawl and Maesteg's town centres and their outskirts, where there are clusters of empty properties. It can also be seen that there are a number of areas where empty properties occur but demand for social rented housing is low and therefore these areas, whilst not excluded, are unlikely to be priority areas to target.

One of the other factors to be taken into account in relation to housing need is that 64% of demand on the Bridgend Common Housing Register is for 1 bed properties. However, it is estimated that a majority of empty properties are 3 bedrooms or more, so these properties would have to be converted into single person accommodation e.g. shared housing or flats to align to the current demand on the Bridgend Common Housing Register.



## The Council's approach

The Council and its partners seek to work cooperatively with owners of empty properties to bring their properties back into use. Therefore, regular and effective communication with the owner is paramount, to establish the most appropriate course of action to bring the empty property back into use.

Owners of empty properties are likely to have their own plan or purpose for their properties. They may wish to sell or rent and will make the economic decisions that best meets their circumstances. Therefore, predicting the route an owner may wish to take is difficult and the Council and its partners will need to work closely with owners to determine the best all round solution.

The Council provides owners with help and assistance to bring empty properties back into use, including empty homes grants and empty property loans. For further information about the help and assistance available to owners of empty properties, please contact [emptyproperties@bridgend.gov.uk](mailto:emptyproperties@bridgend.gov.uk) or telephone 01656 646342.

However, where properties continue to remain empty and are in a state of disrepair, are detrimental or a nuisance to the community, the Council will consider using its legislative powers to remedy the adverse impact on the community and bring the property back into use. Appendix 1 sets out enforcement action available to the Council.

Opportunities occasionally occur to bring non-residential properties back into use as residential accommodation. This includes commercial properties, churches, chapels, and those properties which the Inland Revenue's Valuation Office Agency deletes from the Valuation List because they are uninhabitable or in disrepair. Although these properties do not form part of the national definition of empty properties, when such an opportunity arises, they will be considered on a case by case basis with performance and progress measured separately.

## How the Council prioritises empty properties

The Council uses an objective scoring mechanism, initially based on desktop information held by services with the Council, to prioritise the empty properties it will focus on. The two key determinations are:

- i. the impact the property has on the community; and
- ii. the location of the property.

An empty property is given a point for each of the scoring criteria relevant to that property. For example, if the Council has received complaints about an empty property, and it has been served a notice because the structure is dangerous, and it is in an area of high housing need, it would be given a score of 3. A property will not be given more than 1 point for each criteria, for example, if numerous complaints are received about a property, it would not receive a point for each complaint. Those properties with the highest score are the highest priority. The criteria, which is in no particular order, is explained in more detail below.

- **If the property is a nuisance** – when there has been a notice served for environmental health reasons e.g. to carry out work for the removal or destruction of rats or mice on land or to secure unauthorised entry to an empty building or prevent it becoming a danger to public health.
- **If complaints have been received** – when there has been a complaint received from a member of the public such as a neighbour, the Police, a Councillor, an Assembly Member (AM), a Member of Parliament (MP), or a Council Officer.
- **If the property is in an area of high housing need** – when the property is located in one of the areas on the Bridgend Common Housing Register that is in the top quarter of demand for social housing.

- **If the property is in disrepair** – when there has been a notice served because the building or structure is dangerous and as such there is an implied duty to address that danger.
- **If the property is detrimental to the local community** – when there has been a notice served because of matters of amenity and issues of aesthetics. This would normally be the removal of curtilage items from the public view or for broken windows to be boarded up and painted. Also included here is when the property is in a conservation area (an area of notable environmental or historical interest or importance which is protected by law against detrimental changes) and the issues are having a negative impact on the area.
- **If the property is in the town centre or outskirts** – where there are a high number of empty properties in a town centre or its outskirts, bringing them back into use could help foster a vibrant and viable town centre and support a successful economy. This is explained further in the section titled “The locations of empty properties” – please refer to page 10.
- **If there is debt owed to the Council** – when there is a council tax charging order on the property for council tax arrears, or when works in default have been carried out following notices that have been served, and a charge placed on the property.
- **The length of time empty** – this is based on the date of the council tax exemption.

Once the properties have been scored, based on the criteria above, they are then prioritised by the length of time empty.

The priority list will be reviewed routinely and, as appropriate, properties will be added or removed. The scoring mechanism enables a blended approach to the prioritisation of the properties where some are more problematic than others.



The Council's Empty Property Working Group, which consists of representatives from each service within the Authority that work with empty properties, will determine the most appropriate actions to attempt to bring the priority properties back into use.

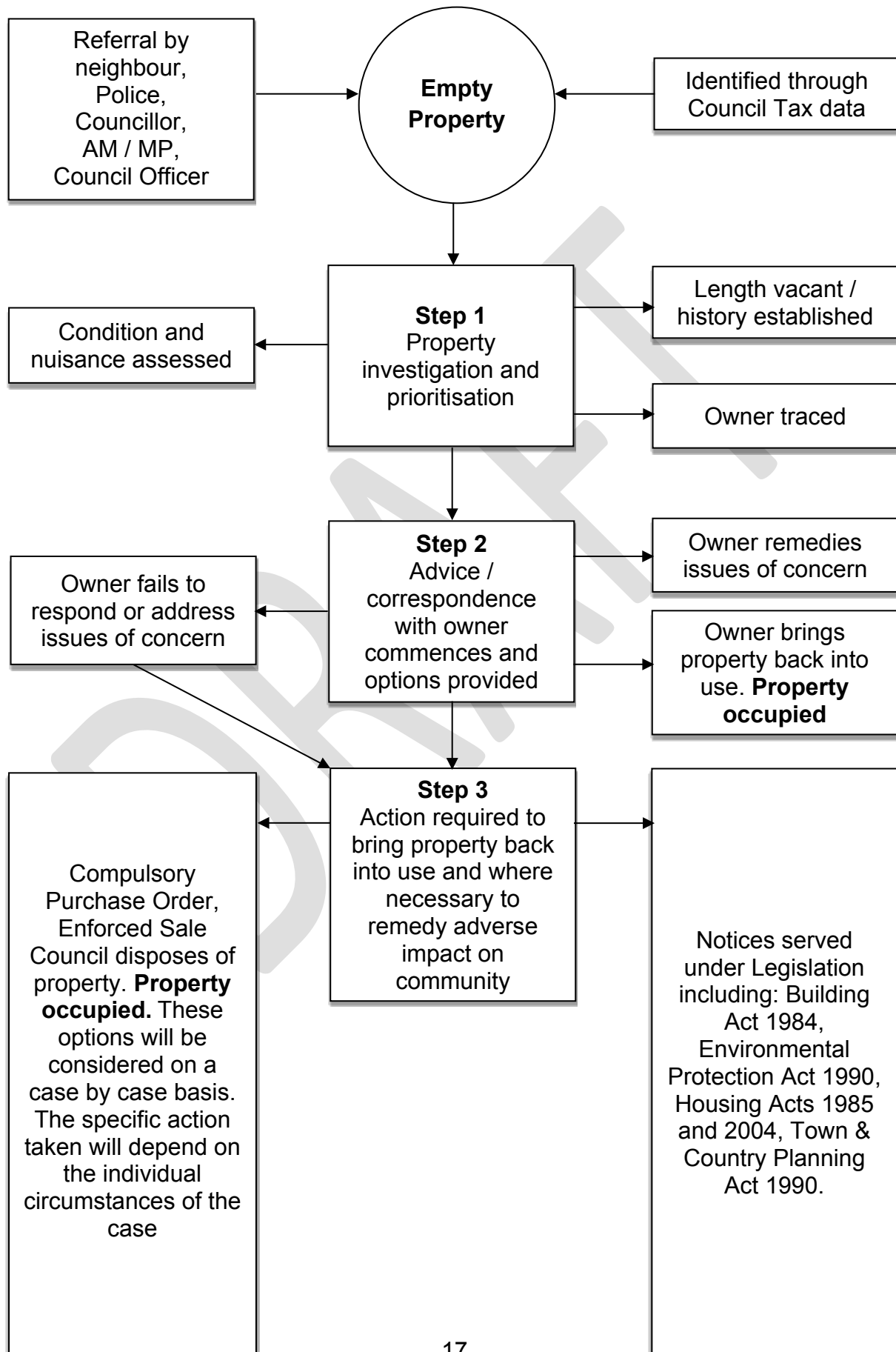
### Aims and objectives

Building upon the existing approach and acknowledging the importance of working cooperatively with partners and owners, the Council has identified the following aims and objectives in order to reinforce its commitment to seek to reduce empty properties across the County Borough.

Aims	Objectives
<b>1. Identify and prioritise empty properties.</b>	<p>Ensure Empty Property data is accurate and up to date.</p> <p>Develop and maintain a database of empty properties using council tax data and other sources of information.</p> <p>Develop a referral mechanism for services within the Council to consistently provide information about empty properties to inform prioritisation on the empty property database.</p>
<b>2. Provide help and assistance to owners.</b>	<p>Survey owners to establish why properties are empty to inform the strategy going forward.</p> <p>Make contact with owners of empty properties via a regular mailshot to advise them of the help and assistance available.</p> <p>Review the assistance provided via the Private Sector Renewal &amp; Disabled Adaptations Policy e.g. grants and loans, to ensure it is relevant and fit for purpose.</p>
<b>3. Ensure effective communication is</b>	Develop a confidential online reporting service so people are able to report an

<p><b>undertaken.</b></p>	<p>empty property and associated issues.</p> <p>Develop an empty property web page to communicate the help and assistance available to owners e.g. grants and loans.</p> <p>Identify and share success stories via the empty property web page and via social media.</p>
<p><b>4. Work closely with internal and external partners.</b></p>	<p>Collaborate as an Empty Property Working Group to ensure a coordinated approach to tackling empty properties.</p> <p>Develop new initiatives with external partners to offer to empty property owners.</p> <p>Participate in conferences and training events to share best practice and improve knowledge.</p>
<p><b>5. Consider the use of enforcement action.</b></p>	<p>Explore options for increasing the council tax premium on properties empty for two years or longer.</p> <p>Consider the use of possible enforcement action open to the Council and take enforcement action where appropriate.</p> <p>Consider the use of enforced sales, Empty Dwelling Management Orders and Compulsory Purchase Orders.</p>

## Empty property procedure following initial referral



## Monitoring the strategy

The strategy will be reported on and updated annually to take into account any new information available, any legislative changes or any new aims and objectives identified.

The success in bringing empty private sector residential properties back into use will be measured using the following Welsh Local Government Association (WLGA) Public Accountability Measures (PAMs) and performance will be compared to other Council's in Wales:

- PAM/013 – Percentage of empty private sector properties brought back into use during the year through direct action by the local authority.
- PAM014 – Number of new homes created as a result of bringing empty properties back into use

The work resulting from the Strategy will also be measured and reported on in terms of the quantity of engagement and enforcement carried out, in order to demonstrate the efforts that are being made to bring empty properties back into use.

## Contact details

If you have any queries about the strategy or would like to know more about the help and assistance available to owners of empty properties, please contact [emptyproperties@bridgend.gov.uk](mailto:emptyproperties@bridgend.gov.uk) or telephone 01656 646342.

## Privacy Notice

The General Data Protection Regulation (GDPR) and the Data Protection Act 2018 regulate the processing of information relating to individuals. This includes the obtaining, holding, use or disclosure of such information.

To make sure that the Council handle personal data lawfully and appropriately it must comply with GDPR and the Data Protection Act 2018, and in particular the Data Protection Principles.

You can view the Fair Processing Statement for the Empty Property Strategy here. Alternatively, you can request to view a copy by contacting: Legal and Regulatory Services, Civic Offices, Angel Street, Bridgend, CF31 4WB or emailing [foi@bridgend.gov.uk](mailto:foi@bridgend.gov.uk).

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## Appendix 1 - Enforcement Action

Where the Council considers enforcement action to be appropriate to bring an empty property back into use or to improve the condition of the empty property so that it is no longer in a state of disrepair or is detrimental / a nuisance to the community, the Council may use one or more of the enforcement powers available to it under legislation. Those enforcement powers are set out below. The decision to use these powers will be made on a case by case basis, taking into consideration the scoring mechanism on page 13, used to prioritise empty properties.

### Enforced Sale

Where the local authority has served notice on an owner to carry out works but they have failed to do so, the local authority has the power, under certain legislation, to carry out the works itself and recover the costs by placing a charge on the property.

The local authority can force the sale of a property to recover debts owed to the local authority that are registered as a charge on the property. This power will be used when all other negotiations have failed. Properties that have been prioritised using the scoring mechanism on page 12 will be tackled in the first instance.

### Empty Dwelling Management Orders (EDMO)

Introduced by the Housing Act 2004, Empty Dwelling Management Orders ("EDMOs") give the Local Authority the power to take management control of privately owned empty homes to secure occupation of them. The power resides in Sections 132 to 138 of the Housing Act 2004. Interim and Final EDMOs are made against the proprietor of the property, who may be either the owner, or a leaseholder where there are at least 7 years remaining on lease. The Authority, having exhausted all other avenues of encouraging the proprietor to bring the property back into use, can apply to a Residential Property Tribunal for an order.

## Interim EDMO

An interim EDMO is defined by Section 132 of the Housing Act 2004 as “an order made to enable a local housing authority, with the consent of the relevant proprietor, to take steps for the purpose of securing that a dwelling becomes and continues to be occupied.”

To make an interim EDMO, the Council must satisfy the following conditions:

- The property is not occupied (whether lawfully or not);
- A public sector body (as defined by the legislation) does not own the property or have a lease(s) over the property with an unexpired term of 7 years or more.

The Council must apply to the Residential Property Tribunal to make an interim EDMO. Before making an application to the Residential Property Tribunal, the Council:

- must make reasonable efforts to notify the owner or the lessee (who has a lease over the property for a term of 7 years or more) that it is considering making an interim EDMO and find out what steps the owner/lessee is taking to secure occupation of the property; and
- take into account not only the rights of the owner/lessee but also the interests of the wider community.

Prior to granting authorisation of an interim EDMO, the Residential Property Tribunal must be satisfied that:

- the property has been wholly unoccupied for at least 6 months or such longer period as prescribed by legislation;
- there is no reasonable prospect of the property becoming occupied in the near future;
- if the interim EDMO is made, there is a reasonable prospect that the property will become occupied;
- that the Council has complied with its obligations under Section 133 of the Housing Act 2004 and any requirements prescribed by legislation;

- does not fall within an exemption specified by the National Assembly for Wales in legislation (for example, it is used as a holiday home, property is for sale or let).

The Residential Property Tribunal must also take into account the interests of the community and the effect the interim EDMO will have on the rights of the owner/lessee and may have on the rights of third parties.

An interim EDMO comes into force when it is made and lasts for 12 months unless the order provides for it to end earlier. Once the interim EDMO is in force the Council must take appropriate steps to secure the occupation and proper management of the property. The Council must work with the owner of the property to agree how the property shall be brought back into use.

### Final EDMO

Section 132 of the Housing Act 2004 defines a final EDMO as “an order made, in succession to an interim EDMO or a previous final EDMO, for the purpose of securing that a dwelling is occupied.”

The Council may make a final EDMO to replace an interim EDMO in the following circumstances:

- where it considers that unless a final EDMO is made, the property is likely to become or remain unoccupied;
- where the property is unoccupied, it has taken all appropriate steps under the interim EDMO to secure occupation.

Under the legislation, the Council can make a new final EDMO to replace a final EDMO if the Council considers that unless a new order is made, the property is likely to become or remain unoccupied and it has taken all steps it can under the existing final EDMO to secure the occupation of the property but it remains unoccupied.

In deciding whether to make a final EDMO the Council must take into account the interest of the community and the effect the order has on the



owner/lessee and the effect it may have on the rights of third parties. The Council must also consider whether compensation should be paid to any third party due to an interference with their rights as a consequence of this order. The Council does not need to obtain the consent of the Residential Property Tribunal to make the final EDMO.

Once the final EDMO is in force the Council must take appropriate steps to secure the occupation and proper management of the property. The Council must review, from time to time, how the order operates (particularly the management scheme contained within it), if there are any appropriate steps it can take if the property is unoccupied and whether keeping the order in force is necessary to secure that the property becomes or remains occupied. If it considers that any variations are necessary to the order, it must make them. The order must be revoked if the Council considers, upon review, that there are no appropriate steps to be taken to secure occupation or it is not necessary to keep the order in force.

A final EDMO lasts for a maximum of 7 years. The Council cannot grant a lease or licence to the property unless it has obtained the consent of the owner/lessee.

The final EDMO must contain a management scheme setting out:

- how the Council shall carry out its duties;
- the Council's plan for managing the property which must include (but is not limited to):
  - details of any works to be carried out,
  - estimate the capital and expenditure incurred by the Council while the order is in force,
  - the amount of rent it would expect the property to fetch on the open market;
  - the amount of rent or other payments the Council will seek to obtain;
  - any compensation it intends to pay;
  - how the Council shall pay any surplus to the owner/lessee once deductions have been made to the monies it receives

## Appeals

An owner has the right to appeal to the Residential Property Tribunal against the making of the EDMO. A relevant person (which is defined in the legislation as any person who has an estate or interest in the property other than a tenant under a lease granted under paragraphs 2(3)(c) or 10(3)(c) of Schedule 7) may appeal against:

- the decision of the Council to make a final EDMO;
- the terms of the final EDMO; or
- the terms of the interim EDMO in so far as they do not provide for one or both of the provisions of para 5(5)(a) and (b).

An appeal against the terms of the interim EDMO can be brought at any time while the order is in force. Where an appeal is made against a final EDMO, this must be made within 28 days starting with the date specified in the notice served under Schedule 6 of the Act. However, the Residential Property Tribunal may allow an appeal to be made after the end of this period if it considers there is a good reason for the failure to appeal before the end of that period. If no appeal is brought within the period allowed for final EDMOs, then the order is final and conclusive as to the matters which may have been raised on appeal.

An appeal can also be made against a decision made by the Council to vary or revoke the interim or final EDMO or a refusal of the Council not to vary or revoke the interim or final EDMO.

Any affected person may apply to the Residential Property Tribunal for an order to require the Council to manage the property in accordance with the management scheme in the final EDMO where the Council is not doing so.

## Compensation

On authorising the Council to make the interim EDMO, the Residential Property Tribunal can order the Council to pay compensation to any third

party specified in the order due to any interference with the rights of the third party in consequence of the interim EDMO.

### Compulsory Purchase Orders (CPO)

Section 17 of the Housing Act 1985 gives the Council the power for the purposes of Part II of that Act to acquire:

- a. land to build houses;
- b. houses or buildings which may be made suitable as houses together with any occupied land;
- c. land proposed to be used for any purpose authorised by legislation (facilities to be provided in connection with housing accommodation); and
- d. land to carry out works on it for the purpose of or in connection with the alteration, enlarging, repair or improvement of an adjoining house.

This power also includes the power to acquire land in order to dispose of houses provided or to be provided on that land or to dispose of that land to a person whose intention is to provide housing accommodation on it.

The Council may acquire this land either by agreement or compulsorily by way of authorisation from the National Assembly for Wales. The Council can acquire land with the consent of the National Assembly for Wales (and subject to any conditions imposed by the National Assembly for Wales) even if it is not immediately required for the purposes of Part II of the Act. However, the National Assembly for Wales will not grant the authorisation unless it is likely that the land will be required for those purposes within 10 years from the date the CPO is confirmed.

The Council has to justify its use of the CPO to the National Assembly of Wales. Negotiations should be held with the owner of the land first. The CPO should be the last resort once negotiations with the owner have been exhausted.

## Section 215 Town and Country Planning Act 1990

If it appears to the local planning authority that the amenity of a part of their area, or of an adjoining area, is adversely affected by the condition of the land in their area, they may serve on the owner and occupier of the land a notice under this section requiring steps to be taken under Section 215 of the Town and Country Planning Act 1990. The notice will specify the steps to be taken to remedy the condition of the land. If the owner or occupier does not comply with the terms of the notice within the specified period, the owner or occupier will be guilty of an offence and liable for prosecution in the Magistrates Court (liable to a fine not exceeding level 3 on the standard scale).

Section 217 of the Act provides a right of appeal against the notice under Section 215 of the Act to the person on whom the notice is served or any other person having an interest in the land to which the notice relates. The appeal can be made on the following grounds:

- that the condition of the land subject to the notice does not adversely affect the amenity of any part of the local planning authority's area or of any adjoining area;
- that the condition of the land subject to the notice "is attributable to, and such as results in the ordinary course of events from, the carrying on of operations or a use of land which is not in contravention of Part III" of the Act;
- that the requirements of the notice are in excess of what is necessary to prevent the condition of the land adversely affecting the amenity of any part of the area of the local planning authority or of any adjoining area;
- that the compliance period specified in the notice falls short of what should reasonably be allowed.

Section 219 of the Act provides that if during the compliance period specified in the notice the work is not carried out, the local authority can enter the land, carry out the works itself, and recover any costs in doing so from the person on whom the notice is served.

The Council will, where appropriate, consider serving a notice under Section 215 of the Act. If this notice is not complied with, the Council will consider commencing prosecution proceedings.

## **Building Act 1984**

### Section 76 of the Building Act 1984

Section 76 of the Building Act 1984 provides the Council with the power to serve notice where:

- Premises are in a defective state as to be prejudicial to health or a nuisance, and
- There would be an unreasonable delay in remedying the defective state by following the procedure set out in Section 80 of the Environmental Protection Act 1990.

The notice shall be served on the person on whom it would be appropriate to serve an abatement notice under the aforementioned legislation and such notice shall state that the Council intends to remedy the defective state and specify the defects it intends to remedy.

The person on whom notice is served is entitled to serve a counter-notice on the Council stating that they intend to carry out works to remedy the defects specified in the notice. If such a notice is served, the Council cannot take any action unless it appears to the Council that no action has been taken within a reasonable period of time or work is not being progressed towards completion as seems reasonable to the Council.

The Council can recover from the person on whom notice is served its expenses for carrying out the work. However, the Council must apply to the Court to recover expenses and the Court may inquire as to whether the Council was justified in its action taken (i.e. was it correct to serve the notice in the first place) and whether the expenses should be borne solely by the defendant or by some other person.

### Section 77 of the Building Act 1984

If the Council considers a building or structure, or part of it, to be in a dangerous condition then, under Section 77 of the Building Act 1974, the Council can apply to the Magistrates Court requesting an order be made requiring the owner to carry out works to remove the danger or to demolish the building. If the owner fails to comply with the order within the specified time period, the Council may execute the order and recover its reasonably incurred expenses of doing so from the owner. The owner will also be liable to prosecution.

### Section 78 of the Building Act 1984

If the Council considers that a building or structure, or part of it, is in a dangerous condition and immediate action is required, then the Council may take such steps as are necessary to remove the danger. Before exercising this power granted under Section 78 of the Building Act 1984, the Council shall, if reasonably practicable to do so, notify the owner and occupier of the building or the property on which the structure relates of our intention to carry out the work. The Council can recover its reasonably incurred expenses from the owner (unless the Court concludes we could have reasonably proceeded under Section 77 of the Building Act 1984).

If the owner or occupier sustains damage as a consequence of the Council exercising this power, but the owner or occupier cannot claim compensation under Section 106 (1) of this Act because they have been in default, then they may apply to a magistrates court to determine whether the Council was justified in its exercise of the powers. If the Court holds that the Council was not justified, the owner or occupier is entitled to compensation.

### Section 79 of the Building Act 1984

The Council may serve notice under Section 79 of the Building Act 1984 on the owner of a building or structure which the Council considers to be seriously detrimental to the amenities of the neighbourhood because of

its ruinous or dilapidated condition. The notice may require the owner to execute repair or restoration works or, the owner may choose to demolish the building or structure or any part thereof and remove any rubbish or other materials resulting from or exposed by the demolition as necessary in the interests of amenity.

Section 99 of this Act provides the Council with the power to carry out the works itself and recover their reasonably incurred expenses. The owner will also be liable to prosecution.

The owner (who has been served with the notice) has a right of appeal in the magistrates' court on any of the following grounds:

- The notice is not justified under the legislation;
- There is an informality, defect or error in connection with the notice;
- The Council has unreasonably refused to approve the execution of alternative works or the works required by the notice are unreasonable in character or extent or the works are unnecessary;
- The time specified for the works to be completed is not reasonably sufficient;
- The notice may lawfully have been served on the occupier instead of the owner or vice versa and it would have been equitable for it to have been served that way;
- Where the works are for the common benefit of not only the property in question but other property, then some other person ought to contribute towards the expenses of executing the required works.

### **Section 80 of the Environmental Protection Act 1990**

If the Council is satisfied that a statutory nuisance exists or is likely to occur or recur in its area, the Council can serve an abatement notice requiring all or any of the following:

- The abatement of the nuisance or prohibit or restrict its occurrence or recurrence;
- Execute works and take other steps necessary for any of those purposes.

The notice must specify the time for compliance and shall be served on the person responsible for the nuisance except if the nuisance arises from any defect of a structural character in which case the notice should be served on the owner of the premises. Where the person responsible for the nuisance cannot be found or the nuisance has not yet occurred, the notice must be served on the owner or occupier of the property.

The person on whom the abatement notice is served may appeal against the notice to a magistrates' court within 21 days of the date on which he was served with the notice.

Failure to comply with the notice can lead to prosecution.

### **Housing Act 2004**

Under the Housing Act 2004, the Council must take the appropriate enforcement action where it considers that either a Category 1 or 2 Hazard exists on residential premises. Appropriate enforcement action can include the serving of an improvement notice or the making of a prohibition order. There are rights of appeal against the service of such a notice or the making of such an order provided for in the Act.

The Council must prepare a statement of the reasons for their decision to take the chosen course of action and this must accompany every notice or copy of an order served in accordance with the relevant parts of the legislation.



## BRIDGEND COUNTY BOROUGH COUNCIL

### REPORT TO CABINET

22 JANUARY 2019

### REPORT OF THE INTERIM CHIEF EXECUTIVE

#### HOMELESSNESS STRATEGY 2018-2020

##### 1. Purpose of report

- 1.1 The purpose of this report is to seek Cabinet approval for public consultation on the draft Homelessness Strategy attached as **Appendix 1**.

##### 2. Connection to corporate improvement objectives/other corporate priorities

- 2.1 This report assists in the achievement of the following corporate priority/priorities:

1. **Helping people to be more self-reliant** – taking early steps to reduce or prevent people from becoming vulnerable or dependent on the Council and its services.
2. **Smarter use of resources** – ensuring 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. Background

- 3.1 Part 2 of The Housing (Wales) Act 2014 places a duty on the Authority to carry out a Homelessness Review for its area and then formulate and adopt a Homelessness Strategy, based on the results of that review. Any review and strategy must look at the achievement of the following objectives:
- The prevention of homelessness;
  - That suitable accommodation is and will be available for people who are or may become homeless;
  - That satisfactory support is available for people who are or may become homeless.
- 3.2 An independent consultant was commissioned to undertake the review on behalf of the Authority. This offered an impartial and fresh perspective for the Strategy. This review was undertaken between July-October 2018 and the approach taken has been one of co-production of the Strategy and all key stakeholder groups were surveyed or interviewed, including people that use, or have used, homelessness services. Key performance statistics were analysed along with a review of relevant local and national policies.

3.3 The Homelessness Review has provided the necessary information to draft the Homelessness Strategy for the period 2018-2022 as per Welsh Government guidance. The key messages from the review are:

- *Homeless presentations are increasing.* There has been an 18% increase in presentations between 2015/16 and 2017/18. In 2017/18, there were 1020 households presenting to the local authority and it is projected that there will be a further 28% increase in presentations by the end of 2018/19. Of those presenting, 68% were single people and 59% were aged 34 and under (which are affected by the limited Local Housing Allowance entitlement). Presentations from people aged 55 or over and aged 16-17 have seen a notable increase;
- *The greatest reason for homelessness* was “loss of rented or tied accommodation” (19%) followed by “parent no longer able or willing to accommodate” (13%);
- *Private rented housing (38%) and social rented housing (39%)* were the most used methods for preventing homelessness.
- *Private rented housing (38%) and social rented housing (27%)* were also the most used methods for relieving homelessness for households who were actually homeless. However, supported accommodation is also increasingly being used (24%).
- *During 2017/18, 307 households were helped* by being placed into temporary accommodation. This was a 6% increase on 2016/17 and an 8% increase on 2015/16. Local Authority owned hostel accommodation was the most commonly used form of temporary accommodation, where 67% of households were placed.
- *Homelessness significantly affects health and wellbeing.* As well as addressing housing needs, homeless services can prevent deterioration of physical and mental wellbeing;
- *The cost of not addressing homelessness* has a negative financial impact across the wider public sector. This includes social services, health, the criminal justice system, and education; and
- *Prevention and relief of homelessness* should be explicit within all statutory corporate plans, including Health and Probation.

#### 4. Current situation/proposal

- 4.1 A draft Strategy (at **Appendix 1**) has been developed to respond to the findings of the review and has been submitted to Welsh Government. This has been submitted on the basis that it is subject to public consultation and final approval by Cabinet.
- 4.2 The review identified a number of areas to be developed but one of the key messages was to reinforce that homelessness is a complex, cross cutting issue which not only requires a corporate approach but also a partnership approach to tackle. To further develop corporate and partnership responses to the Strategy findings, an Action Plan is being developed and will be reported to Cabinet alongside the final Strategy.

- 4.3 Discussions have been held with many of the key stakeholders around formulating the priorities and actions that have been identified and included in the draft Strategy. This has included relevant internal and external stakeholders and the Council's key partners. It is now proposed that a wider, public consultation on the draft Strategy is carried out over a period of six weeks to ensure that members of the public who have concerns or are affected by the issues around housing and homelessness are able to formally put forward their views as well as any stakeholders or organisations who have an interest in the issues and proposed actions. The Housing (Wales) Act 2014 requires the Authority to consult with relevant stakeholders as it considers appropriate in relation to a proposed Strategy. Responses will then be taken into account and necessary amendments made, with a final Strategy being presented to Cabinet for approval in April 2019.

## **5. Effect upon policy framework and procedure rules**

- 5.1 There is no effect upon the Policy Framework and Procedure Rules.

## **6. Equality Impact Assessment**

- 6.1 An initial screening Equality Impact Assessment (EIA) has been carried out during the development of the draft Strategy which identified that no further EIA is required at this time.
- 6.2 The implementation of the Housing (Wales) Act 2014 means that the Authority has additional duties to prevent homelessness and to help to secure accommodation for eligible applicants. This has increased the help given to single people and those without dependent children.

## **7. Well-being of Future Generations (Wales) Act 2015 implications**

- 7.1 The report contributes to the following goals within the Wellbeing of Future Generations (Wales) Act 2015:
- A prosperous Wales
  - A resilient Wales
  - A Wales of cohesive communities
  - A globally responsive Wales
- 7.2 The well-being goals identified in the Act were considered in the preparation of this report. It is considered that there will be no significant or unacceptable impacts upon the achievement of well-being goals/objectives as a result of this report.

## **8. Financial implications**

- 8.1 The recommendations in this report will not incur any additional financial implications and will be managed within existing resources, however elements of the Action Plan and draft Strategy may have financial implications. These will be subject to further Cabinet reports as appropriate.

## **9. Recommendation**

- 9.1 It is recommended that Cabinet approve a period of public consultation on the draft Strategy and note that following the consultation, a final Strategy will be presented to Cabinet for approval and adoption prior to formal submission to Welsh Government.

Mark Shepherd  
Interim Chief Executive  
9<sup>th</sup> January 2018

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**Background documents:** None

# **Our Strategy to tackle homelessness in Bridgend County Borough**

**2018 - 2022**

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## **1.0 Introduction**

Homelessness can have a major impact on a person's and / or their family's life. It can be detrimental to a person's health, employment or education and training opportunities.

There are often misconceptions about homelessness. It is not always about rough sleeping and not just about the availability of accommodation. Statutory homelessness includes people living in unsuitable or temporary accommodation.

Additionally, there are often complex reasons for people becoming and remaining homeless. Many people are unable to sustain accommodation because of issues such as mental illness or substance misuse issues. Solutions therefore need to be varied and tailored to individual needs.

Homelessness also has an adverse impact on the economy and increases pressure on public services, including, health, police, education and social services. This is why it is imperative that statutory and non-statutory services, work together to make tackling homelessness a priority.

Housing and support services need to be easily accessible, readily available and designed around and responsive to the needs of the people who use them. The Local Authority needs to work in partnership with citizens to prevent homelessness, empowering people to take steps to resolve their housing issues, to have more choice, make their own decisions and retain control of their lives.

Therefore, this document sets out Bridgend County Borough Council's Homelessness Strategy for 2018-2022. The Strategy looks at the picture of homelessness in the county borough, where Bridgend County Borough Council are now, what Bridgend County Borough Council do well and ultimately a vision for where Bridgend County Borough Council wants to be. The Strategy also sets key aims and subsequent objectives to achieve the vision.



**Councillor Dhanisha Patel**  
**Cabinet Member for Wellbeing and Future Generations**

## 1.1 Executive Summary

The Local Authority has embraced the new duties under the Housing (Wales) Act 2014 and has re-configured its staffing structure, processes and policies to take on the preventative and relief duties to reduce homelessness.

The Authority has responded to the increased and changed needs of its residents who were and are facing homelessness. In collaboration with local third sector organisations, the Authority utilised Supporting People and Homeless Prevention grant funding to commission key projects for people in need. This includes additional units of temporary accommodation and increased options for people who require housing related support. Furthermore, the Authority established direct access floor space as a year round option for street homeless people, and a supplemental pilot project which offers support during specific parts of the day.

Despite this proactive response, challenges remain. Homelessness presentations are increasing, this is due to a number of factors, not least the changes to the welfare benefits system; and presentations from people with increasingly complex needs, including mental ill-health, substance misuse, and poverty of finance and opportunity. Responding to these challenges at a time of financial constraint presents a further dilemma.

In addition, there will be forthcoming extensions to duties the Local Authority owe to some people who are found to have made themselves 'intentionally homeless' and the possibility of changes to the 'priority need' categories for homeless people. This could lead to an increased demand on already limited resources, in particular temporary accommodation.

Homelessness and its impacts are wide reaching. No single organisation has the ability to overcome the challenges and as such it is important that statutory and non-statutory functions work together to tackle this cross cutting issue.

The Local Authority is determined to overcome these challenges and our vision is:

***“To work collaboratively on a corporate basis with external partners, and service users, in a responsive, creative and timely manner to prevent and relieve homelessness throughout the county borough, ensuring people can access suitable accommodation, with the support required to meet their needs”***

The following have been identified as strategic aims that recognise homelessness is not just a housing issue:

- Improve collaboration between external organisations
- Improve collaboration between the statutory functions within the Local Authority.
- Improve working arrangements between the Local Authority and Registered Social Landlords (RSLs) to facilitate co-operation in line with Section 95 of the Housing (Wales) Act 2014.
- Improve how people who are homeless or threatened with homelessness access services.
- Improve the accessibility and availability of support and accommodation options for all service users.



## **2.0 Where are Bridgend County Borough Council now?**

### **2.1 Understanding Homelessness in Bridgend**

#### **In 2017-18:**

- 1020 households presented to the Local Authority because they were homeless or threatened with homelessness. This is projected to increase by 28% by the end of 2018/19.
- 68% of households were single people. This is a slight increase from 2016/17 where it was 66% but similar to 2015/16 where it was 69%.
- 10% of households were people aged 55 or over. This is an increase from 2016/17 where it was 6% and from 2015/16 where it was 7%. It is projected that the percentage will remain consistent by the end of 2018/19 at 10%
- Since implementation of the Housing (Wales) Act, the number of homelessness presentations for people aged 55 or over has significantly increased from 65 in 2015/16 to a projected 134 by the end of 2018-19.
- 59% of presentations were from people aged under 34 and under. This is a slight reduction from 2016/17 where it was 60% and 2015/16 where it was 61%.
- 6% of presentations were from people aged 16 or 17 years old. This is consistent with 2016/17 where it was 5% and 2015/16 where it was 7%. It is projected that the percentage will remain consistent by the end of 2018/19 at 6%.
- Since implementation of the Housing (Wales) Act, the number of homelessness presentations for people aged 16 or 17 has increased from 57 in 2015/16 to a projected 80 by the end of 2018-19.
- The greatest reason for homelessness was “loss of rented or tied accommodation” (19%) followed by “parent no longer able or willing to accommodate” (13%) and “other relatives or friends no longer willing or able to accommodate” (13%).
- The Local Authority successfully prevented 69% of households threatened with homelessness from actually becoming homeless during this period .
- Private rented housing (38%) and social rented housing (39%) were the most used methods for preventing homelessness.
- Private rented housing (38%) and social rented housing (27%) were also the most used methods for relieving homelessness for households who were actually homeless. However, supported accommodation is also increasingly being used (24%).
- Private rented housing (20%) and social rented housing (36%) were again the most commonly used methods for securing accommodation for those whom the Council

## Appendix 1

had a 'final' duty to house, where it had not been possible to prevent or relieve the homelessness.

- 41% of people for whom the Council had a 'final' duty to house had a negative outcome, such as becoming intentionally homeless from suitable interim accommodation (for example being evicted for rent arrears or breaching accommodation rules) or refusing a suitable offer of accommodation.
- 307 households were helped by being placed into temporary accommodation. This was a 6% increase on 2016/17 and an 8% increase on 2015/16. Local Authority owned hostel accommodation was the most commonly used form of temporary accommodation, where 67% of households were placed.
- 49% of nominations from the Common Housing Register resulted in a successful allocation of accommodation. 28% of nominations were refused by the Registered Social Landlord and 23% were refused by the applicant.

### **As at November 2018:**

- 76 households are accommodated in temporary accommodation.
- 1018 households are registered on the Bridgend Common Housing Register.
- 89 households are threatened with homelessness and being helped to prevent their homelessness.
- 115 households are homeless and being helped to relieve their homelessness.
- 79 households are homeless and owed a final duty by the Local Authority to find them accommodation.
- During the annual rough sleeper count undertaken between the hours of 10pm on 8<sup>th</sup> November and 5am on 9<sup>th</sup> November 2018 there were 10 emergency bed spaces available. 5 people accessed the emergency provision, whilst 5 people did not, instead they chose to sleep rough. This is consistent with previous years.

## 2.2 Key messages from our Homelessness Review

A comprehensive statutory review was undertaken for Bridgend County Borough Council between July and October 2018, in line with the Housing (Wales) Act 2014 where local authorities have a duty to undertake a Homelessness Review and prepare a Homelessness Strategy. The key messages from the review are:

- **Homeless presentations are increasing.** There has been an 18% increase in presentations between 2015/16 and 2017/18. It is projected that there will be a further 28% increase in presentations by the end of 2018/19. Presentations from people aged 55 or over and aged 16-17 have seen a notable increase.
- **The corporate approach, involving Education, Social Services and Housing needs to be strengthened.** This is to ensure that opportunities to prevent or relieve homelessness are not being lost.
- **Research undertaken by a number of reputable organisations confirms the cost of not addressing homelessness has a negative financial impact across the wider public sector.** This includes social services, health, the criminal justice system, and education.
- **Homelessness significantly affects health and wellbeing** and is evidenced by the multiple and complex needs of many people presenting as homeless. As well as addressing housing needs, homeless services can prevent deterioration of physical and mental well-being.
- **Prevention and relief of homelessness should be explicit within all statutory corporate plans, including Health and Probation.** This needs to be more than a commitment. These plans should include detail on prevention and relief pathways for key groups at risk e.g. young people in care, people with mental health and/or substance misuse challenges.
- **'Front door' access to housing advice must be improved.** A redesign and alternative methods of triage could reduce the amount of times people have to share their personal stories, before they can access the service they require. It could also increase staff capacity, allowing for more timely interventions and reducing unnecessary and more costly escalation of issues.
- **Better use of technology and digitalisation could improve service provision.** Service users could access services and more information in a more timely and efficient manner, via a good quality website and the telephone.
- **Access to support services must be improved and diverse.** People in support services have positive experiences, but people are not necessarily aware of the support available and services are not always easily accessible. A variety of inclusive support providers and services should be available, that are accessible and dovetail one another, especially for people with mental health and/or substance misuse issues.

- **A wider variety of accommodation options should be explored.** This is particularly relevant for people with high and complex support needs and those who are not suitable for, or do not engage with traditional accommodation / support methods.
- **RSLs are keen to build on existing relationships with the Local Authority.** Section 95 of the Housing (Wales) Act 2014 introduced a duty for RSLs to co-operate, with the aim of preventing and relieving homelessness. There are some disparities in practices which require more investigation. Better and timelier information will assist with allocations and there is a need for a resettlement pathway for people with a history of arson or sexual offences.
- **Key stakeholders welcome joint strategic planning opportunities with the Local Authority.** More proactive relationships will improve co-ordination and planning of services across the wider sector. Increased opportunities for partners to meet, will allow a forum for highlighting challenges and opportunities.
- **Co-produce pathways with partners and service users.** All-inclusive, coherent pathway planning can deliver required outcomes, ensuring there is clarity around roles and responsibilities.

### **3.0 What do Bridgend County Borough Council do well?**

The Local Authority has made significant progress in adapting to and implementing the Housing (Wales) Act 2014.

#### **3.1 The Housing Solutions Team**

**Since the implementation of the Housing Wales Act (2014) in April 2015 the Team have:**

- Successfully prevented 67% of households threatened with homelessness from becoming homeless (819 households)
- Successfully relieved the homelessness of 43% of households who were actually homeless (856 households)
- Assisted 427 households to remain in their current accommodation or find alternative accommodation, utilising a Spend to Save Scheme
- Responded to homelessness by making 1380 placements into temporary accommodation
- Successfully housed 523 households threatened with or actually homeless via the Common Housing Register

The Local Authority's Housing Solutions Team work well in partnership with the Customer Contact Centre to deliver a front line information and advice service. The Contact Centre deal with initial housing queries and makes an appointment with the Housing Solutions Team when more specialist advice is needed. This process helps to prioritise cases so that the Housing Solutions Team have greater capacity to deal with more urgent cases, such as people presenting as homeless.

The Housing Solutions Team undertake a comprehensive housing and support assessment of applicants and are responsible for processing and managing all homelessness applications, including discharging the Authority's duties under the Act. Where a homelessness presentation is received from a 16 or 17 year old a joint assessment is undertaken alongside Social Services.

Where temporary accommodation is required, the Housing Solutions Team aims to accommodate households in accommodation that best meets their needs. The Local Authority has commissioned a variety of temporary accommodation options including:

- Family and young person's hostel
- Single person's hostel
- Self-contained and shared single person accommodation
- Leased private rented accommodation for families and single persons
- Refuge for women fleeing domestic abuse
- B&B accommodation
- Emergency bed provision available for short-term periods only
- Direct access floor space for rough sleepers

The Housing Solutions Team also manage applications to and nominations from the Common Housing Register.

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In preparation for the Act the Housing Solutions Team's existing case management system was redesigned to allow accurate and efficient case management of homelessness. One method the Housing Solutions Team have developed and utilise to achieve positive outcomes is the 'Spend to Save Scheme'. The scheme offers discretionary payments, which saves the Authority and other services greater expenditure by preventing the escalation of a situation.

An example of this is helping an applicant with a cash bond or rent in advance of £500 to secure a private rented property, preventing the need for costly temporary accommodation, which could cost over £4000.

### 3.2 Embedded Services

There are several non-statutory services embedded within the Housing Solutions Team. Embedding services has created positive working relationships between organisations and enables a seamless, holistic service to applicants.

The services below are currently embedded within the Housing Solutions Team and consideration will be given to further embedding of services going forward.

- A family mediation service specialising in providing mediation support to families, where a young person aged 16-25 is or is at risk of becoming homeless. The service works with both the young person and their family to improve relationships and prevent a young person being asked to leave or facilitate a return home.
- A homelessness prevention and financial advice service, which provides independent advice and support on a variety of matters including; security of tenure / possession proceedings, homelessness, disrepair, debt / money matter, maximisation of income.
- The Bond Board Scheme assists people on a low income to find and secure privately rented accommodation. The service issues bond certificates which cover the cost of a deposit on a privately rented property.
- Integrated domestic abuse services, based in the Councils domestic abuse 'one stop shop' (Assia Suite) provides confidential, specialist support to victims of domestic abuse, including supporting victims to flee from perpetrators, by accessing refuge accommodation.

### 3.3 Supporting People Programme Grant

The Supporting People Programme Grant (SPPG) from Welsh Government is an early intervention programme which prevents people from becoming homeless or helps homeless people to find and keep accommodation. It also helps some of the boroughs most vulnerable people to live independently in their own home or supported housing. In Bridgend County Borough the SPPG currently funds:

- Alarm services, including for sheltered accommodation and telecare services.
- Temporary / Supported Accommodation for:

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- ❖ Homeless adults
  - ❖ Homeless families
  - ❖ Direct access provision for those whom the Local Authority have no duty to accommodate.
  - ❖ Young persons aged 16-21
  - ❖ Those with mental health issues
  - ❖ Vulnerable and chaotic service users
  - ❖ Those with substance misuse histories
  - ❖ Those with learning disabilities
- Floating support for:
    - ❖ Generic housing related support needs
    - ❖ Private landlords and tenants
    - ❖ Those with criminal offending histories
    - ❖ Older persons
    - ❖ Refugees

Housing Support at older persons 'extra care' schemes.

- Domestic abuse services, including:
  - ❖ Refuge
  - ❖ Drop in and floating support
  - ❖ Perpetrator programme
  - ❖ Support for young persons

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As of June 2018 the SPPG funded services the county borough had the following breakdown:

<b>Fixed Supported Accommodation</b>	<b>Number of Units</b>
Alarm Services (Sheltered Accommodation & Telecare)	2886
Other	10
Families with Support Needs	16
People over 55 years of age (Extra Care)	39
People with Learning Disabilities	111
People with Mental Health Issues	21
People with Substance Misuse Issues	5
Single People with Support Needs	22
Women experiencing Domestic Abuse	13
Young people who are care leavers	12
Young People with Support Needs (16 to 24)	30
<b>Grand Total</b>	<b>3165</b>

<b>Floating Support</b>	<b>Number of Units (min)</b>
Families with Support Needs	20
Generic / Floating Support	488
People over 55 years of age	90
People with Criminal Offending History	15
People with Mental Health Issues	204
People with Physical and / or Sensory Disabilities	10
People with Refugee Status	6
Single People with Support Needs	3
Women experiencing Domestic Abuse	92
Young people who are care leavers	85
Young People with Support Needs (16 to 24)	35
<b>Grand Total</b>	<b>1048</b>



### 3.4 Private Rented Sector

Working closely with the private rented sector is imperative to successfully prevent and relieve homelessness. The Local Authority has a number of initiatives to achieve this:

- The Bridgend Landlords Forum meets regularly and is well attended by private sector landlords who let properties across the county borough. The Forum is an opportunity for the Local Authority and landlords to communicate, share information and best practice.
- The 'Early Doors' service, funded by the Supporting People Programme Grant, enables landlords to ask for help on the tenant's behalf, at a stage before the situation becomes more critical. An 'Early Doors' support worker will work impartially with both landlord and tenant to try to resolve any issues and hopefully reach an agreeable solution to avoid an eviction.
- The 'Bridgend Bond Board' issues bond certificates to cover the cost of a deposit on a rented property. This provides a guarantee to landlords that they will receive payment up to the value of the Bond if the tenancy ends prematurely. The service also supports tenants in the move and resettlement process, promoting positive relationships with local landlords.
- Working to achieve the aims of the Empty Property Strategy, the Empty Property Co-ordinator works with private sector landlords to reduce empty properties across the county borough and help contribute towards increasing the availability of housing for sale or for rent. An Empty Homes Grant is available to landlords to help with the cost of any works. Properties that receive the grant must be rented at the rate of the Local Housing Allowance for a minimum period of 3 years. Properties are rented to people nominated by the Housing Solutions Team, and includes homeless households.

### 3.5 Affordable Housing

To shape the provision of new-build accommodation and maximise the amount of Social Housing Grant and supplementary grants in partnership with Registered Social Landlords and Welsh Government, there have been 351 units of affordable housing delivered in the county borough from 2015-16 to 2017-18. This includes social rented housing and intermediate housing (housing at a cost above social rents, but below private rents or market value). Intermediate housing can include low cost homes for sale or intermediate rent.

### 3.6 Current Developments

In this Strategy Bridgend County Borough Council explore where the Local Authority wants to be by 2022 and how the Local Authority will achieve this. Work is already being undertaken to accomplish these aims and the following are examples of some of this:

- The Housing Solutions Team have recently appointed a Gateway Development Officer, whose responsibility it will be to develop and manage a Gateway for support services, including supported accommodation. A Gateway improves accessibility to support

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services and allows for better monitoring of provision, ensuring that those in most need have access to services required and those ready to move on are supported to do so in a timely manner.

- In preparation for winter 2018 the Local Authority has developed a co-ordinated approach with third sector partners, expanding and increasing services ensuring appropriate provision for homeless persons through the winter months. An afternoon service has been developed in and around Bridgend Town Centre, which will allow homeless people to access a safe, dry, warm and friendly environment to escape poor weather. This is a pilot, which will help inform future provision, with early feedback suggesting that it is having a positive impact not only on service user's welfare, but crime and anti-social behaviour, particularly in the town centre.
- The Housing Solutions Team are currently going through a commissioning exercise to procure a Housing First service. The service will specifically look to support and accommodate complex, entrenched rough sleepers using a non-traditional support method. The service start date will be 1<sup>st</sup> January 2019.
- The Supporting People Team are working closely with internal mental health and substance misuse services to develop pilot mental health and substance misuse outreach support services. One mental health outreach worker has already been recruited and it is hoped that both services will be fully operational by February 2019.
- To further build on adaptations made to our Housing Solutions I.T / case management system, a new system is being implemented which provides a customer portal, allowing people to make and manage their applications online. This will improve our triage approach, helping to reduce the need for people to repeat their story and will contribute to increasing capacity within the Housing Solutions Team.
- To develop a clear pathway for both young persons and staff, work is being undertaken to develop a joint protocol between Housing and Social Services, with regards to an accommodation pathway for looked after children and young person's presenting as homeless.

## 4.0 Where do Bridgend County Borough Council want to be?

It is our ambition to continually improve our housing and homelessness services, to realise our vision for homelessness in the county borough. The Local Authority has therefore developed four key aims to help us achieve this.

<b>Aims</b>	<b>Objectives to achieve the aims</b>
<p>Improve collaboration between external organisations and the statutory functions within the Local Authority.</p>	<p>Enable the statutory functions of the Local Authority e.g. Housing, Social Services and Education to meet more regularly with the goal of ensuring a Council wide approach to preventing and relieving homelessness.</p> <p>Ensure commitment to tackling homelessness is explicitly enshrined within all statutory plans, including Registered Social Landlords.</p> <p>Create a forum(s) where key partners, including users of services, Registered Social Landlords, private landlords and the third sector, can highlight challenges, opportunities and plan provision.</p> <p>Co-produce clear pathways that are easy to navigate for both organisations and users of services where there is clarity of roles and responsibilities.</p>
<p>Improve working arrangements between the Local Authority and Registered Social Landlords (RSLs) to facilitate co-operation in line with Section 95 of the Housing (Wales) Act 2014.</p>	<p>Enable the Local Authority and RSLs to meet more regularly to allow for consistency and improve existing processes e.g. providing timely information, sharing risk assessments and allowing opportunities for joint working.</p> <p>Work in partnership to seek alternatives to evictions for rent arrears and anti-social behaviour.</p> <p>Maximise the accommodation and support available to alleviate homelessness e.g. availability of more shared accommodation and more supported housing for people with complex needs.</p> <p>Devise mutually agreed formal agreements and/or key performance indicators.</p>
<p>Improve how people who are homeless or threatened with homelessness access services.</p>	<p>Advance existing 'triage' services utilising online and telephone methods to allow for better information and advice at the first point of contact.</p> <p>Facilitate an environment for sensitive or confidential discussions to take place and reduce the amount of times people have to share their personal and traumatic stories, before they can access the service they require.</p> <p>Increase staff capacity, allowing for more timely interventions and reducing unnecessary and more costly escalation of</p>

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	<p>issues.</p> <p>Consider opportunities to co-locate or joint manage statutory and non-statutory services, which reflect the wide, complex and co-existing challenges some homeless people face.</p>
<p>Improve the accessibility and availability of support and accommodation options for all service users.</p>	<p>Review the diversity of housing related support provision, to ensure inclusivity, especially for those people excluded from services or who re-present as homeless.</p> <p>Ensure suitable accommodation options are available for people with a history of co-existing mental health and substance misuse challenges and serious offending histories, including history of arson or sex offences.</p> <p>Consider the implications of increasing levels and the changing demographic of homeless presentations and ensure that support and accommodation options are suitable to meet needs.</p> <p>Maximise the use of existing funding streams, such as the Supporting People Grant and Social Housing Grant, responding to changing needs and explore alternative funding streams and joint collaboration, such as between statutory agencies to achieve bespoke support and accommodation options, to prevent homelessness</p>

## **5.0 How will Bridgend County Borough Council deliver and monitor the Strategy?**

A multi-agency Homelessness Strategy Delivery Group will be established to implement this Strategy. Where necessary, sub-groups will be set up to deliver specific objectives within the Strategy. The Delivery Group will prepare an annual report outlining the progress made in achieving the aims and objectives.

The Local Authority Corporate Plan and the Directorate Business Plans will specify the actions and performance indicators which will contribute towards achieving the aims and objectives within this Strategy. The Corporate Plan is prepared on a 3 year cycle and the Directorate Business Plans updated annually. The actions within the Directorate Business Plans will be monitored on a quarterly basis, and those of corporate importance will be reported to Cabinet through the quarterly Corporate Performance Assessment.

It is acknowledged that whilst the Local Authority has taken the lead in developing this document, the Strategy is owned by all statutory and non-statutory partners who work together to prevent and relieve homelessness within the county borough.

## **APPENDIX 1 – LEGISLATIVE BACKGROUND**

### **The Housing (Wales) Act 2014**

Part 2 of The Housing (Wales) Act 2014 amends and consolidates all previous homelessness legislation in Wales.

The Act ensures a greater emphasis is placed on prevention of homelessness and places new statutory duties on local authorities. Key features of the legislation include:

- A new duty to help anyone threatened with homelessness within 56 days;
- A duty to provide help to any homeless person to help them secure a suitable home;
- A power rather than a duty to apply the intentionality test;
- New powers for local authorities to discharge their homelessness duties through finding accommodation in the private rented sector;
- Stronger duties on Housing Associations to support local authorities in carrying out their homelessness duties.

The purpose of the legislation is to achieve:

- Fewer households experiencing the trauma of homelessness;
- Better, more targeted, prevention work;
- Increased help, advice and information for households who receive limited assistance under the current legislation;
- More focus on the service user, helping them to address the causes of homelessness and make informed decisions on finding solutions to their housing problem;
- More effective use of the private rented sector as a solution to homelessness;
- A stronger emphasis on co-operation and multi-agency working;
- Greater protection provided for children in households who are homeless or threatened with homelessness as well as additional help for children leaving care.

Section 50 of the Act places a duty on the Authority to carry out a Homelessness Review for its area and then formulate and adopt a Homelessness Strategy, based on the results of that review. Any review and strategy must look at the achievement of the following objectives:

- The prevention of homelessness;
- That suitable accommodation is and will be available for people who are or may become homeless;
- That satisfactory support is available for people who are or may become homeless.

### **Additional legislative and regulatory background**

In drafting this Strategy the following legislative and regulatory have also been taken into account:

- 10 Year Homelessness Plan for Wales 2009-2019
- Equality Act 2010
- Allocation of Housing and Homelessness (Eligibility) (Wales) Regulations 2014
- National pathway for homelessness services to children, young people and adults in the secure estate in Wales
- National Housing Pathway for Ex-Service Personnel
- Social Services and Wellbeing (Wales) Act 2014
- Offender Rehabilitation Act 2014
- The Homelessness (Suitability of Accommodation) (Wales) Order 2015
- Well-being of Future Generations (Wales) Act 2015
- Violence against Women, Domestic Abuse and Sexual Violence (Wales) Act 2015
- Code of Guidance to Local Authorities on the Allocation of Accommodation and Homelessness, 2016
- Bridgend County Borough Council Corporate Plan - One Council Working Together to Improve Lives 2016-20
- Wales Audit Office Report "How Local Government manages demand – Homelessness" January 2018
- Welsh Government Rough Sleeping Action Plan 2018-20
- Welfare Benefit Reforms

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## BRIDGEND COUNTY BOROUGH COUNCIL

### REPORT TO CABINET

22 JANUARY 2019

### REPORT OF THE INTERIM CHIEF EXECUTIVE

#### COMMUNITY ACTION FUND 2018-19 UPDATE

##### **1. Purpose of report**

- 1.1 The purpose of this report is to provide an update in respect of the use of the Community Action Fund (CAF) approved by Cabinet on 05 September 2017; to update on the recommendations from the Audit Committee and to seek approval for the discontinuation of the Community Action Fund.

##### **2. Connection to corporate improvement objectives/other corporate priorities**

- 2.1 This report assists in the achievement of the following corporate priority/priorities:
- Supporting a successful economy – taking steps to make the county a good place to do business, for people to live, work, study and visit, and to ensure that our schools are focused on raising the skills, qualifications and ambitions of all people in the county.
  - Helping people to be more self-reliant – taking early steps to reduce or prevent people from becoming vulnerable or dependent on the Council and its services.
  - Smarter use of resources – ensuring 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. Background**

- 3.1 The 2017-2021 Medium Term Financial Strategy which was approved by Council on 1<sup>st</sup> March 2017 included a new budget of £285,000 for the creation of a Community Action Fund. The broad aims of the fund were to create opportunities for localised intervention by Members within their own ward to the benefit of the community. It was hoped to broaden the impact which council funding can have on individual communities and provide a funding source which Elected Members can individually use to directly benefit their local ward.
- 3.2 The Community Action Fund scheme was designed with the aim of minimising administrative costs and placing responsibility for the eligibility of payments with individual Elected Members. Further assurance would then be provided through public accountability which included the reporting of payments on the Council's website and to the Audit Committee. The Council's internal audit function would undertake periodic sample based compliance testing to provide additional assurance.

- 3.3 Elected Members have significant discretion over how the money has been used with the overarching caveat that expenditure must be lawful and it must not contravene council policy. Similarly, funding should not be awarded to profit making organisations or for political purposes. It should not be used for expenditure that is recurring and would necessitate future funds.
- 3.4 Elected Members are required to attend mandatory training before they are able to submit applications for payment to ensure that the scheme operated smoothly, that administration costs and enquiries were kept to a minimum, and Members were able to comply with the conditions of the scheme and self regulate.
- 3.5 On 5 September 2017 Cabinet approved the implementation of the Community Action Fund scheme and training sessions were provided in October 2017 to ensure that all Elected Members had the necessary training before submitting funding requests. The funding of £285,000 provided for an allocation of £5,000 for each member to allocate to their ward and £15,000 towards administration costs.
- 3.6 Due to the delay in implementation of the scheme, unused funding in 2017-18 was rolled over into the 2018-19 financial year for use by the end of October 2018.
- 3.7 On 29 June 2018 a report was submitted to the Audit Committee which provided an update on fund activity to date and recommended that a full review of the Community Action Fund would be undertaken following the end of the current phase of funding.

#### **4. Current situation/proposal**

##### **4.1 Financial**

- 4.1.1 It was agreed that funding requests would be processed between 16 October 2017 - 19 October 2018. This deadline was extended to the 31<sup>st</sup> October 2018. Any unspent funding would be returned to the corporate reserve.
- 4.1.2 During the period of the scheme a total of £231,667.24 (85.8%) of the available £270,000 was provided from the Community Action Fund budget to fund 156 projects across the County Borough.
- 4.1.3 The minimum level of funding was £500. Elected Members used their allocation to fund projects of different amounts.
- 4.1.4 Elected Members used their funding for a variety of projects including:
- Christmas trees
  - Activities for young people i.e. scooter clubs,
  - Purchase of equipment for community groups,
  - Memorial garden,
  - Bus shelter

A full list of projects, Elected Members, wards and values is shown at **Appendix 1**.

- 4.1.5 At the close of the scheme 3 Members (6%) of Elected Members have not used any of their allocated funding.
- 4.1.6 During the period of the scheme significant officer time has been spent on processing the applications. Business Support and Democratic Services Officers are frequently involved in reviewing the applications and collating the information required. The Monitoring Officer and the Section 151 Officer have also dealt with significant queries in relation to the appropriate use of the scheme and clarification of the financial and governance arrangements of grant applications and payment requests. This position was not envisaged when the scheme was approved.
- 4.2 Feedback
- 4.2.1 The administration team used the checklist contained within the Payment Request form to ensure that each application met the criteria for payment. Difficulties were experienced with:
- incomplete forms or forms,
  - lack of payment request forms,
  - bank statements not being included with submission,
  - declarations of interest which needed resolution by the Monitoring Officer,
  - additional confirmation of how funding would be used,
  - 3 quotes not being provided when the request for funding was over £1000, and additional advice required from S151 and the Monitoring Officer and other officers before progressing a funding request ;
  - Slow response from Members when queries have been raised.
- 4.2.2 During the scheme period Elected Members have provided feedback on the following issues:
- Remit of scheme doesn't cover what they would like to fund
  - Doesn't allow Members the freedom to spend as they'd like
  - Difficult process
  - Difficult to get voluntary organisations to apply for the fund
- 4.3 Audit Review
- 4.3.1 In October 2018, Internal Audit undertook an audit review of the Community Action Fund to ensure that the financial controls in place were efficient and effective and that decisions made were in accordance with published guidance. During the Audit a number of strengths and good practice were identified as follows:
- All Members had attended the Community Action Fund training.
  - The monitoring of Members' spend by Business Support was accurate when compared to the Council's ledger.
  - That all applications requested by the Auditor had been retained by Business Support.
- 4.3.2 The following key issues were identified during the audit which needed to be addressed:

- A breakdown of the expenditure incurred from the fund was not available on the Council's external website although it is stated as a requirement within the Community Action Fund guidance notes.
- The administration of the grant has involved the time of a number of officers in different departments

4.3.3 During the audit it emerged that a Councillor who had completed the training had not followed the application process. The Councillor's request had gone directly to a department and this resulted in the department authorising the work out of their own budget. Democratic Services and Business Support had no knowledge of this request and therefore no official confirmation that the cost of the works would be reimbursed to the department had been obtained. Rectifying this involved the time of the Section 151 Officer as well as other Officers in the Council.

4.3.4 The Auditor also observed during testing that a number of applications had been queried by Business Support with the Section 151 Officer and the previous Corporate Director – Operational and Partnership Services, therefore utilising staff time of other departments for a scheme that was set up to be as low cost on administration and as self-regulating as possible.

4.3.5 Out of the 20 applications sampled during the audit, 14 were for funding over £1,000 and it was identified that 4 of these applications did not have 3 quotes as required in the guidance notes due to the nature of the service/item purchased. The Auditor recommended that consideration should be given to updating the application forms to allow Members to get approval from the Head of Democratic Services for any variation prior to submission.

4.3.6 The auditors recommended that the whole process is reviewed to ensure that it is efficient and effective whilst also being economical. The amount of Officer time involved should be considered alongside the controls required and the value of the funding being requested by each Member to ensure that this scheme is providing value for money.

4.3.7 Based on the assessment of strengths and weakness of the areas examined the Audit Opinion was that of 'reasonable assurance' of the effectiveness of the internal control environment.

#### 4.4 Administrative support

4.4.1 Although designed to be a low cost scheme, in reality the administrative burden has been substantial and has involved officer time across the authority including officers providing financial advice and guidance as previously referred to in paragraph 4.2.1.

4.4.2 During operation of the scheme, officers identified that in one instance grant funding had been provided retrospectively which was in breach of the terms and conditions

of the scheme. In the instance identified, the funding related to internal works undertaken by the Council before funding had been approved.

- 4.4.3 When the scheme was introduced it was anticipated that should Members want to use their allocation to fund works or services which the Council would itself carry out, incremental to existing provision, Members would be encouraged to discuss proposals at an early stage with officers in order to best accommodate requests in an efficient manner. However it was also recognised that it may not be possible to practically or economically accommodate all requests and that the relevant Corporate Director would retain the right to refuse such work. A number of schemes involving work undertaken by the Council have diverted much needed community services resources by undertaking these schemes as other planned works have needed to be rescheduled. In addition funding inwards has resulted in additional on-going cleaning and maintenance costs of street furniture which will need to be resourced.

#### 4.5 Effective Use of Resources

- 4.5.1 There has been mixed reviews by Members on their experience of the scheme, with some positive outcomes on the community benefit of the scheme and some negative outcomes in respect of the process, scheme criteria and limited interest in the scheme from eligible organisations in the area.
- 4.5.2 Given the level of budget reductions the Council needs to make over the medium term, and pressures the authority is facing, consideration needs to be given as to whether this funding could be used more strategically as part of a larger budget benefiting all residents of the borough. This would involve discontinuation of the scheme and rechanneling the £285,000 into the medium term financial strategy to alleviate other reductions in services. The funding could either be used towards meeting the cost of identified budget pressures or to mitigate shortfalls in budget reduction proposals.

#### 4.6 Audit Committee

- 4.6.1 The Audit Committee considered this matter at their meeting on the 13<sup>th</sup> December 2018. After considering all the information available to them the Committee determined to recommend to cabinet the cessation of the Community Action Fund and the transfer of the £285,000 funding back into the Medium Term Financial Strategy for consideration when setting the budget for 2019-20 to 2022-23.

### **5. Effect upon Policy Framework and Procedure Rules**

- 5.1 There is no effect on the policy framework and procedures rules

### **6. Equality Impact Assessment**

- 6.1 There are no equality implications arising from this report

### **7. Well-being of Future Generations (Wales) Act 2015 implications**

- 7.1 The well-being goals identified in the Act were considered in the preparation of this report. It is considered that there will be no significant or unacceptable impacts upon the achievement of well-being goals/objectives as a result of this report.

## **8. Financial implications**

- 8.1 There are no financial implications associated with this report.

## **9. Recommendation**

- 9.1 That Cabinet

a) Note the content of the report and

b) Approves the cessation of the Community Action Fund and the transfer of the £285,000 funding back into the Medium Term Financial Strategy for consideration when setting the budget for 2019-20 to 2022-23.

K Watson

**Head of Legal and Democratic Services**

Gill Lewis CPFA

Interim Head of Finance and Section 151 Officer

6 December 2018

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**Background documents: Report to Audit Committee 28 June 2018 -Community Action Fund 2017-18 Update**

**Report to Audit Committee – 13<sup>th</sup> December 2018 – Community Action Fund Update**

**Community Action Fund- Detailed Transaction Report**

Ward	Cllr Name	Organisation paid	Detail of Expenditure	£232,567.24	
Ward	Cllr Name	Organisation paid	Detail of Expenditure	Total	Date Paid
Aberkenfig	Cllr C. Radcliffe	Aberkenfig Girls and Boys Club	Football Equip, Gen Purpose equip and funding for coaching	1,000	11/09/18
Aberkenfig	Cllr C. Radcliffe	Aberkenfig Ministries	Laptop and Equipment	4,000	26/09/18
Bettws	Cllr Martyn Jones	Garw Valley Community Council	Bus Shelters Bettws	5,000	28/09/18
Blackmill	Cllr Hywel Williams	Ogmore Valley Priide	Community clean-up (Skips x2, Bag Hoops x2)	681.18	04/10/18
Blackmill	Cllr Hywel Williams	Blackmill & Glynogwr TRA	Defibrillators	1,490	26/09/18
Blackmill	Cllr Hywel Williams	Evanstown Community Centre	Repairs to the community centre	2,829	22/10/18
Blaengarw	Cllr Sorrel Dendy	Calon Y Cwm	Pontycymmer Youth Club 2nd Pilot	3,466.88	23-May
Brackla	Cllr Aniel Pucella	Brackla Environmental Support Group (B.E.S.T)	Cleaning of Subways etc	150	07/03/18
Brackla	Cllr Aniel Pucella	Brackla FC	Kits, footballs and training equipment	333.34	19/10/18
Brackla	Cllr Aniel Pucella	Brackla Community Chorus	Piano	306.04	07/02/18
Brackla	Cllr Aniel Pucella	Brackla Charity Fundraising Group	Purchase of equipment for fundraising activities	250	16/10/18
Brackla	Cllr Aniel Pucella	Brackla RFC	Purchase of Sports and First Aid equipment	331.68	15/10/18
Brackla	Cllr Aniel Pucella	Brackla Community Council	Replacement of two bins and polycarbonate to 8 bus stops in Brackla	2,619.94	19/10/18
Brackla	Cllr John Spanswick	Brackla Environmental Support Team (B.E.S.T)	Cleaning of Subways etc	550	07/03/18
Brackla	Cllr John Spanswick	Brackla Community Centre	Litter Bins	995	17/10/18
Brackla	Cllr John Spanswick	1092 (Bridgend) Squadron Royal Air Force Air Cadets	Mini Bus	500	08/10/18
Brackla	Cllr John Spanswick	Brackla Primary School	Outdoor trim trail	500	10/07/18
Brackla	Cllr John Spanswick	Brackla Community Chorus	Piano	306	07/02/18
Brackla	Cllr John Spanswick	2nd Bridgend (Brackla) Scout Group	Purchase of mess tent	699	19/10/18
Brackla	Cllr John Spanswick	Brackla RFC	Purchase of sports equipment	500	15/10/18
Brackla	Cllr John Spanswick	Brackla Environmental Support Team (B.E.S.T)	Trailer	950	04/06/18
Brackla	Cllr Kay Rowlands	Brackla Environmental Support Team (B.E.S.T)	Clearing of Subway in Brackla	150	07/03/18
Brackla	Cllr Kay Rowlands	Brackla FC	Kits, footballs and training equipment	333.33	19/10/18
Brackla	Cllr Kay Rowlands	Brackla Community Chorus	Piano	306.05	07/02/18
Brackla	Cllr Kay Rowlands	Brackla Charity Fundraising Group	Purchase of equipment for fundraising activities	250	16/10/18
Brackla	Cllr Kay Rowlands	Brackla RFC	Purchase of Sports & First Aid equipment	331.66	
Brackla	Cllr Kay Rowlands	Brackla Community Council	Replacement of two bins and polycarbonate to 8 bus stops in Brackla	2,619.93	19/10/18
Brackla	Cllr Tom Giffard	Brackla Environmental Support Group (B.E.S.T)	Cleaning of Subways etc	150	07/03/18
Brackla	Cllr Tom Giffard	Brackla FC	Kits, footballs and training equipment	333.33	19/10/18
Brackla	Cllr Tom Giffard	Brackla Community Chorus	Piano	306.04	07/02/18
Brackla	Cllr Tom Giffard	Brackla Charity Fundraising Group	Purchase of equipment for fundraising activities	250	16/10/18
Brackla	Cllr Tom Giffard	Brackla RFC	Purchase of sports and first aid equipment	331.66	15/10/18
Brackla	Cllr Tom Giffard	Brackla Community Council	Replacement of two bins and polycarbonate to 8 bus stops in Brackla	2,619.93	19/10/18
Bryncethin	Cllr Gary Thomas	Bryncethin RFC	Refurbish and extend building	5,000	
Bryncoc	Cllr Janice Lewis	Community Safety Partnership	supply and installation of Invica LED vehicle activated sign	4,403	18/10/18
Bryntirion	Cllr Pamela Davies	3rd Bridgend Scouts	Mess Tent	975	24/10/18
Bryntirion	Cllr Pamela Davies	Bryntirion Infants School	Swimming lessons	600	16/10/18
Careau	Cllr Gareth Howells	Caerau Christmas Tree Celebrations	Chriatmas Tree and Decorations	450	05/12/18
Careau	Cllr Gareth Howells	Caerau Development Trust	Defibrillator	989	27/04/18
Careau	Cllr Gareth Howells	Nantylfyllon Miners Institute	Essential repairs to the building	2,000	30/10/18
Careau	Cllr Gareth Howells	Maesteg Welfare Bowling Club	Improvement of bowling green	1,000	16/10/18
Careau	Cllr Paul Davies	Caerau Christmas Tree Celebrations	Christmas Tree and Decorations	450.00	05/12/18
Careau	Cllr Paul Davies	Caerau Community Growers	Compost Toilet	979.00	20/03/18
Careau	Cllr Paul Davies	Nantylfyllon Miners Institute	Essential repairs to building	600.00	30/10/18
Careau	Cllr Paul Davies	Maesteg Gleemen Male Voice Choir	Funding towards a new piano	600.00	29/10/18
Careau	Cllr Paul Davies	Harmony Choir	New Uniform for Choir	940.00	24/07/18
Careau	Cllr Paul Davies	Caerau Bowls Club	Repairs after Fire	967.16	01-May
Careau	Cllr Phil White	Caerau Community Growers	Compost Toilet	1,000	20/03/18
Careau	Cllr Phil White	Caerau Development Trust	Defibrillator	989	27/04/18
Careau	Cllr Phil White	Cleaner Streets	Fencing, Tondur Rd Lane, Maesteg	1,072	27/03/18
Careau	Cllr Phil White	Maesteg Welfare Bowling Club	Improvements to bowling green	500	16/10/18
Careau	Cllr Phil White	Nantylfyllon Primary School	Improvements to the school	930	30/10/18
Careau	Cllr Phil White	Old Parish Running Club	Purchase equipment for park run events	500	30/10/18
Cefn Cribbwr	Cllr Huw David	Cefn Cribbwr Primary School	Development of extra new space for ALN pupils	5,000	13/03/18
Cefn Glas	Cllr Jon-Paul Blundell	Mental Health Matters Wales	Arts and Crafts Materials	747	06/09/18
Cefn Glas	Cllr Jon-Paul Blundell	Llangewydd Junior School	Reading Scheme	2,000	06/09/18
Cefn Glas	Cllr Jon-Paul Blundell	Cefn Glas Infants	To buy story teller for new library and seating for playground	900	26/09/18
Cefn Glas	Cllr Jon-Paul Blundell	Young at Heart	Workshops and visits	275	28/02/18
Coity	Cllr Amanda Williams	Coity & Bridgend First Aiders	AED training device and IPAD AED	1,494	11/01/18
Coity	Cllr Amanda Williams	Bethesda Artworks	Artwork for Coity Primary	771	19/10/18
Coity	Cllr Amanda Williams	1st Coity Brownies	Purchase Equipment	800	26/09/18
Coity	Cllr Amanda Williams	Coety Primary School	Purchase of outdoor play equipment for nursery Coety Primary	1,935	18/07/18
Cornelly	Cllr Jeff Tildesley	Afon-y-Felin Primary School	Sculptures	5,000	21/03/18
Cornelly	Cllr Richard Granville	Afon Y Felin Primary	Funding to support additional reading development	1,000	28/09/18
Cornelly	Cllr Richard Granville	Ysgol Y Ferch O'r Sger	Purchase of 3 Laptops	1,000	02/10/18
Cornelly	Cllr Richard Granville	North Cornelly Community Playgroup	Purchase of interactive whiteboard	500	02/10/18
Cornelly	Cllr Richard Granville	Corneli Primary	Purchase of Lap Tops	1,000	28/09/18
Coychurch	Cllr Elaine Venables	Coychurch Community Council	50+ Club - Social Outing	500	11/05/18
Coychurch	Cllr Elaine Venables	Coychurch WI	Anniversary day trip	500	12/07/18
Coychurch	Cllr Elaine Venables	Coychurch Community Council	Defb - The Bryn	500	13/07/18
Coychurch	Cllr Elaine Venables	Coychurch Community Council	Defib - Waterton	500	13/07/18
Coychurch	Cllr Elaine Venables	Coychurch Community Council	Defib- East	500	13/07/18
Coychurch	Cllr Elaine Venables	Coychurch Community Council	Repair fencing in the play park	930	28/03/18
Coychurch	Cllr Elaine Venables	Coychurch Primary School	Resurfacing of playarea	1,070	06-Aug
Coychurch	Cllr Elaine Venables	Coychurch Youth Club	Trip to Folly Farm	500	12/07/18
Felindre	Cllr Bridie Sedgebeer	Girl Guides 2nd Pencoe	Flags and Tents	1,213	01/10/18
Felindre	Cllr Bridie Sedgebeer	Vale & Valley Community Arts	Forest School Eco Club equipment	567	12/10/18
Felindre	Cllr Bridie Sedgebeer	Friends of Salem	Internal refurbishment/redecoration of Salem Chapel	1,000	04/10/18
Felindre	Cllr Bridie Sedgebeer	Croesty Primary School	IT Equipment	2,220	17/10/18
Litchard	Cllr Sadie Vidal	Litchard Primary	Develop outdoor department	5,000	07/09/18
Llangeinor	Cllr Roz Stirman	Bridgend Valleys Railway Co. Ltd	Finger post to advertise Garw Valley	528	11/09/18
Llangeinor	Cllr Roz Stirman	Tynrhoe Primary School PTFA	Improvements to outdoor learning environment	1,000	04-Jun
Llangeinor	Cllr Roz Stirman	Tynrhoe Primary School PTFA	PTFA Storage cabinet and Lego WeDo	1,977.84	26.07.18
Llangeinor	Cllr Roz Stirman	Tynrhoe Primary School PTFA	PTFA Summer Platscheme for children	1,000	18/07/18
Llangewydd & Brynhyfryd	Cllr Charles Smith	Westward Community Centre	Kitchen Equipment	430	01/05/18
Llangewydd & Brynhyfryd	Cllr Charles Smith	Llangewydd Junior School	Outdoor clothing and equipment	500	14/03/18
Llangewydd & Brynhyfryd	Cllr Charles Smith	Cefn Glas Infants School	Outdoor Project	500	06/09/18
Llangewydd & Brynhyfryd	Cllr Charles Smith	Westward Community Centre	Refurbishment of kitchen	2,750	28/02/18
Llangewydd & Brynhyfryd	Cllr Charles Smith	Cefn Glas Scouts, Bridgend	Third Bridgend Cubs & Scouts	500	19/09/18
Llangewydd & Brynhyfryd	Cllr Charles Smith	Young at Heart	Workshops and visits	320	28/02/18
Llangynwyd	Cllr Malcolm James	Llangynwyd Village Hall Assoc	Memorial Garden at Llangynwyd Village	4,000	22/01/18

Llangynwyd	Cllr Malcolm James	Llangynwyd Primary School	Refurbishment of the library	1,000	15/11/18
Maesteg East	Cllr Keith Edwards	Garth Primary School	Replacement of safety surface	5,000	24/05/18
Maesteg East	Cllr Tom Beedle	Maesteg Harlequins RFC	Crowd barriers at South Parade	4,200	25/04/18
Maesteg East	Cllr Tom Beedle	Maesteg Harlequins RFC	Replace worn carpets in public area	800	28-Aug
Maesteg West	Cllr Richard Collins	Maesteg Mens Shed	Assist with essential repairs	950	30/10/18
Maesteg West	Cllr Richard Collins	Nantyllyn Miners Institute	Essential repairs to building	550	30/10/18
Maesteg West	Cllr Richard Collins	Maesteg Welfare Bowling Club	Improvements to bowling green	1,500	16/10/18
Maesteg West	Cllr Richard Collins	Special Families	Sensory equipment	500	30/10/18
Maesteg West	Cllr Ross Thomas	Llynfi Valley Rivercare Group	Environmental Enhancement	1,000	29/10/18
Maesteg West	Cllr Ross Thomas	Friends of Maesteg Welfare Park	Gin Pit commemorative stone, plaque and event	1,000	31/10/18
Maesteg West	Cllr Ross Thomas	St Mary's & St Patrick's RC Primary School	Toilet improvements	2,000	30/10/18
Maesteg West	Cllr Ross Thomas	HALO	TRAINING AND EQUIPMENT KANGOO JUMPS	1,000	02/10/18
Morfa	Cllr Nicole Burnett	Penybont Primary	Adventure Trail, Foundation Play area	5,000	21/05/18
Morfa	Cllr Stuart Baldwin	The Bridge Mentoring Scheme	Coffee Machine and Office Furniture	3,828	17/01/18
Morfa	Cllr Stuart Baldwin	BAVO	ENVIRONMENTAL IMPROVEMENTS - WILDMILL PRECINCT	1,000	14/11/17
Nantymoel	Cllr David Owen	Reach Rural Development	part of the Ogmore Heritage Trial, Bike repair stand and pump	1,212	01/11/18
Newcastle	Cllr Caroline Webster	St John's House Trust	3 x A3 Display Stands and 3 x A2 Display Stands	2,014.85	06/02/18
Newcastle	Cllr Caroline Webster	YMCA	Activities for young people with ALN	2,710.15	26-Mar
Newcastle	Cllr Caroline Webster	Young at Heart	Workshops and Visits	275.00	28/02/18
Newcastle	Cllr David White	Young at Hearts	Defib for Westward Community Centre	1,500	18/07/18
Newcastle	Cllr David White	Westward Community Centre	Kitchen equipment	500	01/05/18
Newcastle	Cllr David White	Westward Community Centre	Kitchen equipment	995	03/05/18
Newcastle	Cllr David White	Bridgend Community Bereavement Support	Leaflets and craft materials	500	19/09/18
Newcastle	Cllr David White	Bridgend Warriors Kickboxing	Painting and decorating equipment	750	18/07/18
Newcastle	Cllr David White	St John's House	Printer/Laminator etc	750	18/07/18
Newton	Cllr Kenneth Watts	Porthcawl Town Council	Install Gateway Signs Entering Porthcawl	3,820	11/09/19
Newton	Cllr Kenneth Watts	Porthcawl YMCA	Pool Table	333	26/09/18
Newton	Cllr Kenneth Watts	CAPITA	Safer Routes to School	847.50	26-Jan
Nottage	Cllr Norah Clarke	BCBC - Highways	Road safety markings outside West Park Primary School	2,866.45	
Nottage	Cllr Norah Clarke	1st Nottage Scouts	Set of double doors for safe access and disabled friendly	2,133.55	30/07/18
Ogmore Vale	Cllr Dhanisha Patel	Wyndham Boys & Girls Club	Football Kit	500	15-Aug
Ogmore Vale	Cllr Dhanisha Patel	Halo	Gardening Project and Inter Valley Playscheme	640	03/10/18
Ogmore Vale	Cllr Dhanisha Patel	Nantymoel Boxing Club	Gym equipment	550	03/05/18
Ogmore Vale	Cllr Dhanisha Patel	Ogmore Vale Ladies Choir	Portable piano	629	22/05/18
Ogmore Vale	Cllr Dhanisha Patel	Ogmore Valley Priide	Skips, compost bags etc	2,680	26/09/18
Oldcastle	Cllr Lyn Walters	Bridgend YMCA	Youth Engagement & Volunteering Project	4,000	29/06/18
Oldcastle	Cllr Matthew Voisey	Mental Health Matters Ltd	Photography Club	744	25/06/18
Oldcastle	Cllr Matthew Voisey	Bridgend Town Younf Cricketers	Replacement of practice cricket nets	4,256	28/11/18
Pendre	Cllr Richard Young	1092 (Bridgend) Squadron RAF Air Cadets	Squadron Mini Bus	5,000	02/10/18
Penprysg	Cllr Alex Williams	Coychurch Higher Community Council	Bus Shelters- High Street, Heol y Cyw	4,329	10/09/18
Penprysg	Cllr Alex Williams	Coychurch Higher Community Council	Hard Standing at Bus Shelter, Heol y Cyw	620	12/10/18
Pen-y-fai	Cllr Altaf Hussain	Newcastle Higher Community Council	Two traffic calming signs in Penyfai village	5,000	30/07/18
Pontycymer	Cllr Roderick Shaw	BRIDGEND VALLEYS RAILWAY	INFORMATION BOARDS AND FINGER POST	996	25/07/18
Pontycymer	Cllr Roderick Shaw	Blaengarw RFC Social Club	Open House Service for Younger and Older people	544	25/09/18
Pontycymer	Cllr Roderick Shaw	Wales CRC	Renovation of benches	1,000	19/09/18
Pontycymer	Cllr Roderick Shaw	HALO	SKATE & SCOOTER YOUTH CLUB	2,460	22/11/17
Porthcawl East	Cllr Brian Jones	Porthcawl Primary School	Books for children with learning disabilities	2,506.27	07/06/18
Porthcawl East	Cllr Brian Jones	Newton Primary School	Play Equipment for children	903.00	24/07/18
Porthcawl East	Cllr Brian Jones	CAPITA	Safer Routes to School	847.50	26-Jan
Porthcawl East	Cllr Brian Jones	Porthcawl & Pyle Amateur Boxing Club	Training & Safety Equipment for Boxing	573.48	36/09/18
Porthcawl West	Cllr Sean Aspey	BCBC Highways Department	Provision of a new bench	1,000	19/11/18
Porthcawl West	Cllr Sean Aspey	Porthcawl Community First Responders	Provision of Camel Lifting Device	1,980	27/09/18
Porthcawl West	Cllr Sean Aspey	BCBC Highways Department	Provision of signage at Nottage Primary School	2,020	20/11/18
Pyle	Cllr Mike Kearn	Pyle Community Council	All-inclusive roundabout at Pandy Crescent	5,000	25/06/18
Pyle	Cllr Stephen George Smith	KPC Youth	Improve signage to the project	1700	23/10/18
Pyle	Cllr Stephen George Smith	Pyle Piglets Junior Section	Training equipment for Pyle Piglets	910.14	01/11/18
Pyle	Cllr Stephen George Smith	Pyle Community Council	upgrading of park at Pandy crescent	2389.86	21/11/18
Pyle	Cllr Jane Gebbie	St Theodore's Church	Funds towards refurbishment works - Parish of Kenfig Hill - Remodel of St Theodore's Church for community space	5,000	26/03/18
Rest Bay	Cllr Mike Clarke	Porthcawl YMCA	Pool Table	387.50	26/09/18
Rest Bay	Cllr Mike Clarke	Porthcawl Town Council	To support communityevent 'Fire & Water'	1855.00	30/10/18
Rest Bay	Cllr Mike Clarke	Porthcawl Town Council	Contribution to Promoting Porthcawl Committee budget for report	2750.00	19/09/18
Sarn	Cllr David Lewis	Sarn Centre Association	Defibrillator	975	19/10/18
Sarn	Cllr David Lewis	Sarn Community Garden Association	Provide extra plots, upgrade existing plots and pathways	975	19/10/18
Ynysawdre	Cllr Tim Thomas	Brynmenyn Primary School	Defibrillator	1,000	15/05/18
Ynysawdre	Cllr Tim Thomas	Aberkenfig Boys and Girls Club	Football Equip, Gen Purpose equip and funding for coaching	1,000	11/09/18
Ynysawdre	Cllr Tim Thomas	Tondu United Football Club	Funding of football development	1,000	06/03/18
Ynysawdre	Cllr Tim Thomas	Ynysawdre Community Council	Grass Verge on Maesteg Road for wild flower area	1,000	18/06/18
Ynysawdre	Cllr Tim Thomas	Brynmenyn Primary School	Bikes & Scooters	1,000	15/05/18
				0	



## REPORT TO CABINET

22 JANUARY 2019

### REPORT OF THE HEAD OF LEGAL AND REGULATORY SERVICES AND MONITORING OFFICER

#### REGULATION OF INVESTIGATORY POWERS ACT 2000

##### **1. Purpose of Report**

- 1.1 The report provides details of the current policy under the Regulation and Investigatory Powers Act 2000 (RIPA).

##### **2. Connection to Corporate Improvement Plan / Other Corporate Priority**

- 2.1 There are no direct links to the Corporate Improvement Plan and Corporate Priorities.

##### **3. Background**

- 3.1 RIPA provides a framework for certain public bodies, including local authorities to use covert surveillance to gather information about individuals without their knowledge for the purposes of undertaking statutory functions in connection with the prevention and detection of crime.
- 3.2 RIPA activity and authorisations are governed by Codes of Practice and Guidance issued by the Investigatory Powers Commissioner's Office (IPCO) and the Home Office.
- 3.3 Local authorities are subject to regular inspections from the IPCO, the most recent Council inspection having taken place successfully in May 2017. During the inspection the Council was praised for the oversight and administration and a single recommendation was issued in relation to training.

##### **4. Current situation / proposal**

- 4.1 Members are required to review the use of RIPA and set the policy at least once a year. Elected Members cannot be involved in decisions on specific authorisations, but have oversight of the process.
- 4.2 The Council has always been very sparing in its use of RIPA. It is only used in cases where it is important to obtain information to support potential criminal proceedings, and only where that information cannot be obtained by any other means. There have been no authorisations for RIPA since April 2014. It is clear that the general policy is that it should not be used unless absolutely necessary.
- 4.3 Other reasons likely to account for the reduction in the number of authorisations being sought are:

- a reduction in the number of incidents requiring investigation, and
- increased awareness of the scope of RIPA and the alternatives to covert surveillance as a result of training delivered to all Investigating and Authorising officers.

4.4 Overall responsibility for the use of RIPA lies with the Monitoring Officer who acts as the Senior Responsible Officer. The list of designated posts nominated as Authorising Officers to authorise surveillance activity within the Council (appendix 1 of the policy attached as **Appendix A**) has been reviewed and updated.

## **5. Effect upon Policy Framework& Procedure Rules**

5.1 There is no impact on the policy framework and procedure rules.

## **6. Well-being of Future Generations (Wales) Act 2015 Assessment**

6.1 The well-being goals identified in the Act were considered in the preparation of this report. It is considered that there will be no significant or unacceptable impacts upon the achievement of well-being goals/objectives as a result of this report.

## **7. Equality Impact Assessment**

7.1 There are no equality implications arising from this report.

## **8. Financial Implications**

8.1 There are no financial implications.

## **9. Recommendation**

9.1 Cabinet is recommended to note the report and approve the revised policy attached as **Appendix A** and the amended list of Authorised Officers.

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## **Background Documents**

None.

## Bridgend County Borough Council

### Policy on Directed Surveillance and Covert Human Intelligence Sources under the Regulation of Investigatory Powers Act 2000

#### Contents

- 1 Introduction to RIPA 2000
- 2 Types of Surveillance
- 3 Authorisation of Surveillance  
Necessity and Proportionality  
Duration  
Renewals  
Cancellations  
Reviews
- 4 Drive Bys
- 5 CCTV
- 6 Internet and Social Networking Sites
- 7 Covert Human Intelligence Source (CHIS)
- 8 Working With/Through Other Agencies
- 9 Record Management
- 10 General Considerations

#### Appendices

- 1 Identification of Senior Responsible Officer and Designated Authorised Officers
- 2 RIPA Authorisation Flow Chart
- 3 Home Office Local Authority Procedure Flow Chart: Application to a Justice of the Peace seeking an Order to approve the grant of a RIPA Authorisation or Notice.

## Introduction

- 1.1 In carrying out its duties the Council may need to conduct appropriate investigations into allegations or concerns brought to its attention and such investigations may necessarily require covert surveillance. The Regulation of Investigatory Powers Act 2000 (RIPA) provides a regulatory framework governing interception of communications, surveillance and associated activities. This is to ensure the powers are used lawfully and in a way that is compatible with the European Convention on Human Rights. Through the application of authorisation procedures and Magistrates Court approval it ensures that a balance is maintained between the public interest and the human rights of individuals.
- 1.2 This Policy is based upon the requirements of RIPA and Home Office's Code of Practices on Covert Surveillance and Covert Human Intelligence Sources. Copies of the Home Office's Codes of Practice are available on their website. Forms to record applications and decisions in writing are also available on the website.
- 1.3 The Council takes its statutory responsibilities seriously and will at all times ensure that any such surveillance or use of an intelligence source carried out is authorised and in accordance with the legislation. Investigations which are not authorised could leave the Council open to challenge by individuals who consider that there has been an intrusion into their privacy.
- 1.4 It is considered good practice for public authorities to appoint a Senior Responsible Officer (SRO) to be made responsible for the integrity of the process in place for the management of surveillance. The current SRO for the Council is identified in Appendix 1. Whilst legislation does not preclude her use as an Authorising Officer, it is unlikely that she would be regarded as objective if she oversees her own authorisations.

### Types of Surveillance

- 2.1 Surveillance can be overt or covert. Overt surveillance does not require authorisation under RIPA and covers all situations where surveillance is not covert. The use of such surveillance is to be commended where the required result can be achieved by this means.
- 2.2 Covert surveillance is carried out in a manner calculated to ensure that the person subject to the surveillance is unaware that it is or may be taking place.
- 2.3 There are three types of covert surveillance:

**'Intrusive Surveillance' - the Council has no statutory power to grant authorisations for intrusive surveillance but it is included here to alert officers to be aware of inadvertently breaching this rule.**

Intrusive surveillance is covert and carried out in relation to anything taking place on any residential premises or any private vehicle. Anything that occurs on residential premises or any private vehicle and involves the presence of someone on the

premises or in the vehicle or is carried out by means of a surveillance device will be intrusive. If the device is not on the premises or in the vehicle, it is only intrusive if it consistently produces information of the same quality as if it were.

Residential Premises includes any premises as is for the time being occupied or used by any person, however, temporary, for residential purposes or otherwise as living accommodation. It will not include communal areas, front gardens or driveways visible to the public.

Private vehicles will be those used primarily for the private purpose of the person who owns it or a person otherwise having the right to use it.

‘Directed Surveillance’ – this is covert surveillance that is not intrusive and is undertaken for the purposes of a specific investigation in a way that is likely to produce private information about a person. It must be necessary and proportionate to what it seeks to achieve.

‘Covert Human Intelligence Source’ (CHIS) – this is the use or conduct of someone who establishes or maintains a personal or other relationship with a person for the covert purpose of obtaining information. It must be necessary and proportionate to what it seeks to achieve.

#### Authorisation for Surveillance

- 3.1 As soon as a plan of action is decided upon which involves covert surveillance or the use of CHIS appropriate authorisation should be sought in advance.
- 3.2 All RIPA authorisations will require Magistrates Court approval in the form of an Order to take effect. The Home Office guidance on the judicial approval process for RIPA is available on the Home Office website.
- 3.3 The procedure outlined in the flowchart at Appendix 2 should be followed by Officers to ensure formal quality assurance.
- 3.4 All applications for authorisation of directed surveillance must be in writing and stipulate:
  - how the surveillance will be conducted;
  - the grounds on which authorisation is sought. Authorisations cannot be granted unless specific criteria are satisfied. **At Bridgend County Borough Council, the only ground for authorisation is for the purpose of preventing or detecting crime which -**
    - (a) constitutes one or more criminal offences, or
    - (b) is, or corresponds to, any conduct which, if it all took place in England and Wales, would constitute one or more criminal offences.

And the criminal offence or one of the criminal offences is or would be-

(a) an offence which is punishable, whether on summary conviction or on indictment, by a maximum term of at least 6 months of imprisonment, or

(b) an offence under:

- section 146 of the Licensing Act 2003 (sale of alcohol to children);
- section 147 of the Licensing Act 2003 (allowing the sale of alcohol to children);

- section 147A of the Licensing Act 2003 (persistently selling alcohol to children);
- section 7 of the Children and Young Persons Act 1933 (sale of tobacco, etc, to persons under eighteen)
- a full account of the investigation or operation (including full details of where the surveillance is to take place);
- likelihood of acquiring any confidential material as a consequence of the surveillance;
- the details of any potential collateral intrusion and an assessment of the risk of such intrusion or interference. There is an obligation on officers to ensure that collateral intrusion is minimised and is not excessive in the circumstances
- the reasons why the directed surveillance is considered to be proportionate to what it seeks to achieve (including the relevant circumstances);
- the identities, where known, of those to be the subject of directed surveillance;
- an explanation of the information which it is desired to obtain as a result of the authorisation;
- where the authorisation is sought urgently, reasons why the case is considered to be urgent;
- a subsequent record of whether authority was granted or refused, by whom and the time and date.

3.5 Applications to the Court for an approval of an authorisation must be made in accordance with the requirements of the Court. Legal Services must be consulted on the application form to the Magistrates Court.

The applicant must:

- apply in writing and serve the application on the court officer;
- attach the authorisation or notice which the applicant wants the court to approve;
- attach such other material (if any) on which the applicant relies to satisfy the court of the statutory requirements;
- attach the proposed terms of the Order (Annex B court document);
- the forms and supporting documentation **MUST** make the case it is not enough for an officer to provide oral evidence not supported by the contents of the paper;
- provide the court (on request) with a signed Delegated Power authorising the appearance of the local authority in legal proceedings.

3.6 Appendix 3 outlines the local authority procedure for seeking an order from the Magistrates Court.

3.7 The Officers within the Council entitled to grant authorisations are specified in legislation and are those whose posts appear in Appendix 1, however; it is important that all those involved in undertaking surveillance are fully aware of the extent and limits of the authorisation in question.

3.8 Wherever knowledge of confidential information is likely to be acquired, a higher level of authorisation is needed. Confidential information consists of communications subject to legal privilege, communications between a Member of

Parliament and another person on constituency matters, confidential personal information, or confidential journalistic material. So, for example, extra care should be taken where, through the use of surveillance, if it is likely that knowledge will be acquired of communications between a minister of religion and an individual relating to the latter's spiritual welfare, or between a Member of Parliament and a constituent relating to constituency matters, or wherever matters of medical or journalistic confidentiality or legal privilege may be involved. Authorisation can only be provided by the Chief Executive or in his/her absence the Monitoring Officer.

- 3.9 Authorising Officers should not be responsible for authorising their own activities. Because of the number of officers designated as Authorising Officers within the Council, this situation should be avoidable.

#### Necessity and Proportionality

- 3.10 In signing the application an Authorising Officer must give personal consideration to the necessity and proportionality of the proposed surveillance prior to applying to the Magistrates for approval and must personally ensure that the surveillance is reviewed and cancelled.
- 3.11 Proportionality will involve balancing the seriousness of intrusion into the privacy of the subject of the operation (or any other person who may be affected) against the need for the activity in investigative and operational terms. The authorisation will not be proportionate if it is excessive in the overall circumstances of the case. Each action authorised should bring an expected benefit to the investigation or operation and should not be disproportionate or arbitrary. The fact that a suspected offence may be serious will not alone render intrusive actions proportionate. Similarly, an offence may be so minor that any deployment of covert techniques would be disproportionate.
- 3.12 No activity should be considered proportionate if the information which is sought could reasonably be obtained by other less intrusive means. The following elements of proportionality should be considered:
- balancing the size and scope of the proposed activity against the gravity and extent of the perceived crime or offence;
  - explaining how and why the methods to be adopted will cause the least possible intrusion on the subjects and others;
  - considering whether the activity is an appropriate use of the legislation and a reasonable way, having considered all reasonable alternatives, of obtaining the necessary result;
  - evidencing, as far as practicable, what other methods had been considered and why they were not implemented.
- 3.13 If the Authorising Officer is unsure on any matter s/he should seek advice from the SRO.
- 3.14 Urgent authorisations should not be necessary. An authorisation is not to be regarded as urgent where the need for an authorisation has been neglected or the urgency is of the Authorising Officer's or Applicant's own making. The Magistrates Court may consider an authorisation out of hours in **exceptional** circumstances. Please refer to Appendix 3 for the procedure to be followed when an authorisation is urgent and cannot be handled the next working day.

- 3.15 Officers conducting covert surveillance will have a full briefing and be required to read the authorisation granted to ensure that their activity is based on what has been specifically authorised and not merely what has been requested.

#### Duration

- 3.16 An authorisation granted by an Authorising Officer will cease to have effect (unless renewed) at the end of a period of three months beginning with the day on which it took effect.
- 3.17 As soon as the decision is taken that directed surveillance should be discontinued, the instruction must be given to those involved to stop all surveillance. The date and time when such an instruction was given should be recorded.

#### Renewals

- 3.18 If at any time before an authorisation would cease to have effect, the Authorising Officer considers it necessary for the authorisation to continue for the purpose for which it was given, he may renew it in writing for a further period of three months. Applications for renewal should only be made shortly before the authorisation is due to expire and must be submitted to the Magistrates Court for approval before they can be effective.
- 3.19 Authorisations may be renewed more than once if necessary, provided they continue to meet the criteria for authorisation and are approved by the Magistrates Court.
- 3.20 All applications for the renewal of an authorisation should record:
- whether this is the first renewal or every occasion on which the authorisation has been renewed previously;
  - any significant changes to the information as outlined in the original application;
  - the reasons why it is necessary to continue with the surveillance;
  - the content and value to the investigation or operation of the information so far obtained by the surveillance;
  - the results of regular reviews of the investigation or operation.
- 3.21 In rare circumstances renewals may be granted orally in urgent cases but will still require the approval of the Magistrates Court.

#### Cancellations

- 3.22 The Authorising Officer who granted or last renewed the authorisation must cancel it if s/he is satisfied that the directed surveillance no longer meets the criteria upon which it was authorised. The cancellation should include how the surveillance assisted the investigation. When cancelling an authorisation, an Authorising Officer must ensure that proper arrangements have been made for the activity's discontinuance, including the removal of technical equipment. Where the Authorising Officer is no longer available, this duty will fall on one of the other Authorising Officers listed at Appendix 1.



### Reviews

- 3.23 Reviews of authorisations should be undertaken on a monthly basis to assess the need for the surveillance to continue. The results of a review should be recorded. Where the surveillance provides access to confidential information or involves collateral intrusion authorisations for such surveillance should be reviewed frequently.
- 3.24 If the Authorising Officer is in any doubt s/he should ask the SRO before any directed surveillance is authorised, renewed, cancelled or rejected.

### Drive Bys

- 4.1 'Drive by' surveillance may or may not need a RIPA authorisation and it is not acceptable to prescribe a minimum number of passes before an authorisation is required. Where an officer as part of an investigation, intends to drive by a property to establish the location of a property then an authorisation is unlikely to be required. However, if the drive by is to assess for signs of occupation and a record is to be made or the drive bys are repeated and/or systematic, then an authorisation may be required. Consideration should also be given to the likelihood of collateral intrusion.

### CCTV

- 5.1 The use of overt CCTV cameras does not normally require an authorisation as members of the public will be aware that such systems are in use (e.g. visible signage). However, where overt CCTV cameras are used in a covert and pre-planned manner as part of a specific investigation or operation, an authorisation should be considered.
- 5.2 If a law enforcement agency (eg Police) wishes to use the Council's CCTV system for directed surveillance, a copy of the authorisation will be required (redacted if necessary to prevent the disclosure of sensitive information) and the equipment will only be used in accordance with the authorisation.

### Internet and Social Networking Sites

- 6.1 Although social networking and internet sites are easily accessible, consideration must be given about whether a RIPA authorisation should be obtained if they are going to be used during the course of an investigation.
- 6.2 Care must be taken to understand how the social media site being used works. Officers must not be tempted to assume that one service provider is the same as another or that the services provided by a single provider are the same.
- 6.3 Whilst it is the responsibility of an individual to set privacy settings to protect against unsolicited access to their private information on a social networking site, and even though the data may be deemed published and no longer under the control of the author, it is unwise to regard it as an 'open source' or publicly available; the author has a reasonable expectation of privacy if access controls are applied.
- 6.4 If it is necessary and proportionate for the Council to covertly breach access controls, the minimum requirement is an authorisation for directed surveillance. An authorisation for the use and conduct of a CHIS (see paragraph 7) is necessary if a relationship is established or maintained by the officer (i.e the activity will be more

than mere reading of the site's content). This could occur if an officer covertly asks to become a 'friend' of someone on a social networking site.

- 6.5 It is not unlawful for an officer to set up a false identity but it is inadvisable to do so for a covert purpose without authorisation.
- 6.6 An officer should not adopt the identity of a person known, or likely to be known, to the subject of interests or users of the site without authorisation, and without the explicit consent of the person whose identity is used, and without considering the protection of that person.

#### Covert Human Intelligence Source (CHIS)

- 7.1 **Urgent advice from Legal should be sought should the use and conduct of a CHIS be considered.**
- 7.2 There is a separate code of practice for CHIS issued by the Home Office which officers should carefully study if a CHIS authorisation is sought. The same principles outlined above for directed surveillance apply to CHIS and should be followed.
- 7.3 Officers should consider the security and welfare of the source and the foreseeable consequences to others in relation to what they are being asked to do. A risk assessment should be carried out before any authorisation is granted, at any renewal, review and cancellation.
- 7.4 Following authorisation and approval from the Magistrates Court, one officer is to be tasked with the day to day running of the CHIS, contact with them, giving them their tasks and keeping confidential records about what they achieve. A separate officer is to be appointed to oversee the use made of the CHIS.
- 7.5 An authorisation should not be granted for the use or conduct of a source unless believed that there are arrangements in place for ensuring there is at all times a person with the responsibility for maintaining a record of the authorisation and use made of source.
- 7.6 In deciding whether authorisation is required for a test purchase operation (for example in relation to sales of age restricted products), consideration should be given to:
- whether the activity is likely to result in the obtaining of private information about any person, and
  - whether the test purchaser establishes or maintains a personal or other relationship with the seller.
- In circumstances where the exercise is considered to fall outside the scope of RIPA, the reasons for this decision should be recorded.
- 7.7 An authorisation granted in writing by an Authorising Officer and approved by a Magistrates Court for the conduct or use of a CHIS will cease to have effect (unless renewed) at the end of a period of 12 months beginning with day on which it took effect.

- 7.8 Subject to legal privileged information, material obtained from a CHIS may be used as evidence in criminal proceedings whether these proceedings are brought by the Council or by another public authority.
- 7.9 Where the product of the use or conduct of a CHIS could be relevant to pending or future criminal or civil proceedings, it should be retained in accordance with applicable disclosure requirements.
- 7.10 Subject to legal privileged information, there is nothing under the Act which prevents material obtained from authorisations for the use or conduct of a CHIS for a particular purpose from being used to further other purposes.
- 7.11 When cancelling an authorisation, an Authorising Officer must ensure that proper arrangements have been made for the activity's discontinuance including directions for the management of the product.

#### Working With/Through other Agencies

- 8.1 The Council may work in conjunction with other agencies to carry out surveillance. It will not be necessary for each party to complete its own form of authorisation and the Council can rely upon a duly authorised form completed by another agency providing that the Authorising Officer and Legal are made aware and it has been approved by the Magistrates Court if required.
- 8.2 A copy of the relevant forms and Magistrates Court approval should be obtained and copies kept in the same manner as an authorisation granted by the Council.
- 8.3 If an officer has any concerns regarding an authorisation, review or renewal completed by another agency they should refer the matter to Legal at the earliest opportunity.

#### Record Management

- 9.1 Authorising Officers must send the original of any authorisation, any cancellation, renewal or review to the SRO within 2 working days of the issue.
- 9.2 The Council must keep records relating to all authorisations, Magistrates Court approvals, reviews, renewals, cancellations and refusals. A Central Register of all authorisations, Magistrates approvals, reviews, renewals, cancellations, refusals and records of oral authorisations will be monitored and maintained by the SRO with each Department keeping their own file of copies of their authorisations.
- 9.3 The Office of the Surveillance of Commissioners can audit/review the Council's records.
- 9.4 There are separate and specific record keeping requirements under section 29(5) of the Act where use is made of CHIS. Records should be maintained in such a way as to preserve the confidentiality of the source and the information provided by that source. There should at all times be a designated person in the Council with responsibility for maintaining a record of the use made of the source.
- 9.5 Documents created under this procedure are highly confidential and shall be treated as such. Authorising Officers must ensure compliance with the appropriate data

protection requirements under the Data Protection Act 2018 and General Data Protection Regulation 2016 and any relevant codes of practice.

- 9.6 The SRO will ensure that adequate arrangements are in place for the secure handling, storage and destruction of material obtained through the use of surveillance. Where the material could be relevant to pending or future criminal proceedings, it should be retained in accordance with established disclosure requirements for a suitable period and subject to review.

#### General Considerations

- 10.1 The SRO will ensure that guidance and training on RIPA is provided to staff requiring it. A record of those receiving training will be kept by the SRO.
- 10.2 Complaints may be dealt with by means of the Council's Corporate complaints procedure and/or by virtue of a complaint to the Investigatory Powers Tribunal. Dependent upon the nature of the complaint, the complainant may also be put in touch with the Public Services Ombudsman for Wales.
- 10.3 The body responsible for the oversight of RIPA is the Investigatory Powers Commissioner's Office (IPCO). The IPCO are authorised to carry out inspections of the Council to review intelligence gathering procedures and administration processes.
- 10.4 This Policy is a public document and is operational forthwith, replacing any previous policies and procedures. It will be reviewed from time to time by the SRO and the Council's Cabinet shall set this Policy annually to ensure that it remains fit for purpose.
- 10.5 Further advice on good practice is contained within the Codes of Practice as outlined at paragraph 1.2.

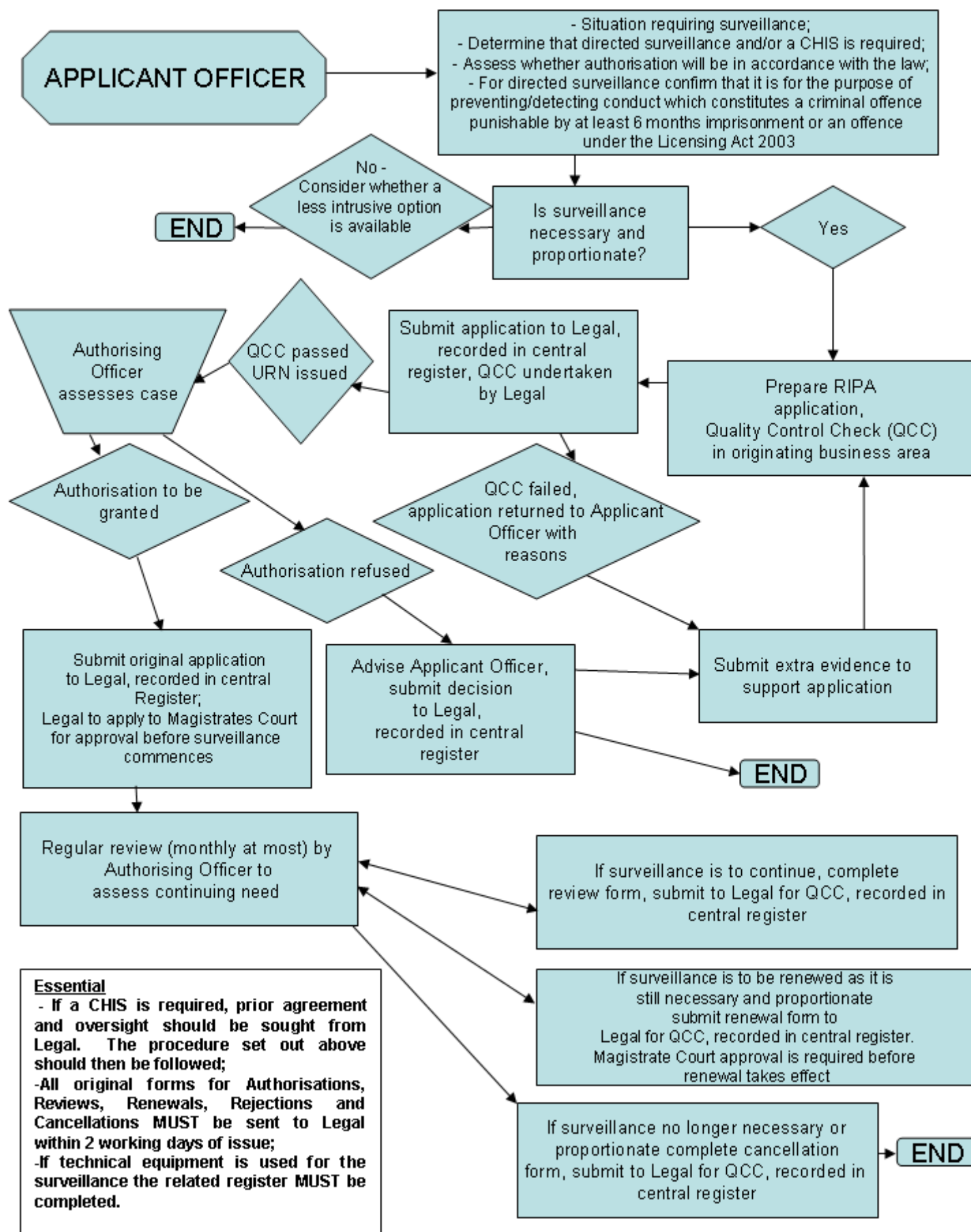
**Senior Responsible Officer**

The Monitoring Officer is authorised to act as the Senior Responsible Officer.

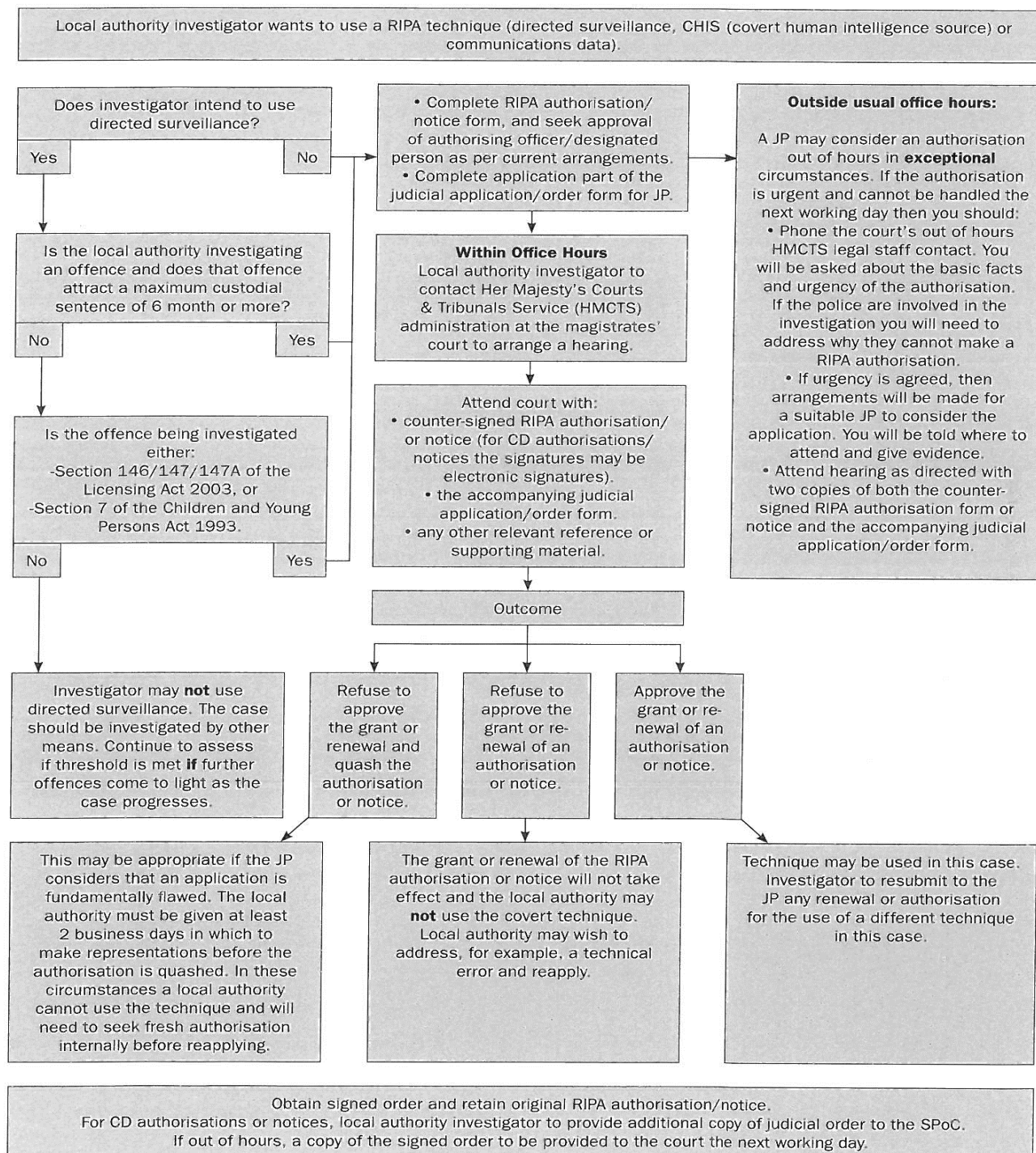
**List of Designated Posts Nominated to Authorise Surveillance Activity in Bridgend County Borough Council under the Regulation of Investigatory Powers Act 2000.**

<b><u>Post</u></b>	<b><u>Directorate/Department</u></b>
Chief Executive (Head of Paid Service)	Chief Executive
Head of Performance & Partnership Services	Chief Executive
Head of Operations – Community Services	Communities

## RIPA AUTHORISATION FLOW CHART



# LOCAL AUTHORITY PROCEDURE: APPLICATION TO A JUSTICE OF THE PEACE SEEKING AN ORDER TO APPROVE THE GRANT OF A RIPA AUTHORISATION OR NOTICE



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## BRIDGEND COUNTY BOROUGH COUNCIL

### REPORT TO CABINET

22 JANUARY 2019

#### REPORT OF THE HEAD OF LEGAL AND REGULATORY SERVICES

#### UNREASONABLE BEHAVIOUR/VEXATIOUS COMPLAINANT POLICY

##### 1. Purpose of Report

- 1.1 To present to Cabinet the Unreasonable Behaviour or Vexatious Complainant Policy for approval.

##### 2. Connection to Corporate Improvement Plan / Other Corporate Priority

- 2.1 The Policy contributes to maintaining the probity of the Council and its ability to implement the Corporate Improvement Plan and all Corporate Priorities.

##### 3. Background

- 3.1 Most of the contact the Authority has with members of the public (customers) is positive. However in a minority of cases the contact is not positive and customers pursue their requests for a service or complain in a way that is unreasonable. This can have a negative impact on the way that their complaint is handled and on the Authority's ability to provide services to other customers.
- 3.2 The Authority does not currently have a policy to deal with unreasonable customer behaviour and complaints and vexatious requests. Having a policy will help officers to understand clearly what is expected of them, what options for action are available and who can authorise these actions. It can also be shared with customers and help manage their expectations and explain that certain behaviours should not be tolerated.
- 3.3 It is recommended that a customer should be given an opportunity to moderate their behaviour and in particular with persistent complaints any actions should be proportionate to the nature and frequency of the complainant's current contacts.

##### 4. Current situation / proposal

- 4.1 The policy attached as **Appendix 1** sets out how the Authority will deal with unreasonable customer behaviour or vexatious complaints.
- 4.2 In summary, the key provisions of the policy include:
- Aggressive or abusive behaviour
  - Unreasonable demands
  - Unreasonable persistence
  - Reviewing a decision to restrict contact

## **5. Effect upon Policy Framework& Procedure Rules**

5.1 There is no impact on the policy framework and procedure rules.

## **6. Well-being of Future Generations (Wales) Act 2015 Assessment**

6.1 The well-being goals identified in the Act were considered in the preparation of this report. It is considered that there will be no significant or unacceptable impacts upon the achievement of well-being goals/objectives as a result of this report.

## **7. Equality Impact Assessment**

7.1 There are no equality implications.

## **8. Financial Implications**

8.1 There are no financial implications.

## **9. Recommendation**

9.1 Cabinet is recommended to approve the Policy attached as Appendix 1.

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## **Background Documents**

None

# **Bridgend County Borough Council**



## **Unreasonable Behaviour or Vexatious Complainant Policy**

# **Unreasonable Behaviour or Vexatious Complainant Policy**

## **1. Policy objective**

- 1.1** This policy and procedure sets out an agreed understanding of what is considered unacceptable customer complaint behaviour or vexatious complainants when dealing with officers and Elected Members of Bridgend County Borough Council. It applies to all members of the public (customers) in their interaction with the Council.
- 1.2** The Council is committed to dealing with all complaints fairly and impartially, and to making our services of a high quality and as accessible as possible.
- 1.3** Most of the contact that the Council has with customers is positive. However, there may be occasions when customers act in an unreasonable or unacceptable manner. In some cases the frequency and the nature of their contact with the Council can hinder the consideration of their own or other people's enquiries. In some instances the sheer number or nature of their inquiries lead them to be considered as 'persistent' or 'vexatious' in their dealings with staff.
- 1.4** This policy explains the Councils:
- Definition of unreasonable customer behaviour
  - Definition of vexatious request
  - Process for dealing with customers who behave in an unreasonable way
  - Process for dealing with vexatious requests
- 1.5** This policy should only be used in exceptional circumstances after all reasonable measures have been taken to try to resolve the complaints under the council's corporate complaints procedures.

## **2. Definitions**

### **Unreasonable Customer Conduct**

- 2.1** It is difficult to produce a comprehensive list of the actions that would be deemed unreasonable customer conduct. Ultimately it will be a matter for the Council's Complaints Officer and Monitoring Officer to decide whether a particular customer's actions or behaviour are inappropriate, having regard to the circumstances of each case. Examples of conduct which may be considered unreasonable are listed below but the list is not exhaustive:
- Acts or threats of violence or aggression by an individual toward staff, Elected Members or any third party. Where the behaviour is so extreme that it threatens the immediate safety and welfare of staff the Council may report the matter to the police or consider taking legal action. In such cases, the Council may not give the complainant prior warning;
  - Persistent failure to show respect in dealings with staff or Elected Members, or acting in a threatening or abusive way. Examples of such behaviour include shouting, verbal abuse, unsubstantiated allegations, derogatory remarks, inflammatory statements;

- Malicious, unwarranted or defamatory comments or making remarks which are related to any protected characteristics as defined by the Equality Act 2010;
- Hindering objective consideration of an enquiry or operation of a service by the nature or frequency of contact with the Authority;
- Attempting to pursue any matter, having exhausted all stages of the corporate or other statutory complaints procedure. This will include where the substance of a complaint is the same as that originally made;
- Contacting the Council through different routes about the same issue in a persistent manner. This may include other parties, such as Elected Members or the Ombudsman;
- Excessive demands on the time and resources of officers with the expectation of an immediate response;
- Being unable to identify the precise issue a customer wants the Council to deal with or investigate despite the Council having taken reasonable steps to assist the Customer with this task;
- Focusing on a trivial matter to an extent which is out of proportion to its significance and continue to focus on this point. It is recognised that determining what is 'trivial' can be subjective and careful judgments will be used in applying this criteria;
- Changing the substance of a complaint or continually raising new issues or seeking to prolong contact;

### **Vexatious requests**

**2.2** The Council defines this as any request which is likely to cause distress or disruption, without any proper or justified cause. Examples would include:

- High volume of correspondence, or combining requests with accusations and complaints;
- Requests for information that has already been provided, or to reconsider issues that have already been dealt with;
- When compliance with the request would impose significant burden on the Council in terms of expense and negatively impact on the Council's ability to provide service to others.

## **3. Strategy for dealing with Unreasonable behaviour or vexatious requests**

- 3.1** If an officer of the Council is of the opinion that a customer's actions or behaviour are unreasonable or to classify a request as vexatious, they shall, in the first instance discuss this with their line manager in order to consider any informal steps that can be followed to resolve the concerns. Every effort will be made to satisfy the request or resolve the issue that has been made. For complaints, this will include exhausting both stages of the Council's complaints procedure.
- 3.2** In the event that no informal steps are appropriate or informal attempts to resolve the concerns do not work, the Directorate will note the comments, and a decision to classify a customer's behaviour as unreasonable or a request as vexatious, will be considered by an Appropriate Officer (as defined in 3.3 below) on an individual basis in consultation with the Monitoring Officer. Each case will be viewed individually and decided on its merits. However, a customer may be deemed to have unreasonable behaviour or be vexatious if previous or current contact with them shows that they meet the criteria, dependent upon degree.

- 3.3** The “Appropriate Officer” to determine the action to be taken will depend upon the circumstances of each case provided that no officer may undertake the role of “Authorising Officer” if he/she has had an involvement in the complaint. This may be a Group Manager, Head of Service or Complaints Officer acting on behalf of the Chief Executive.
- 3.4** The Appropriate Officer in consultation with the Monitoring Officer will determine what action to take including:
- (a) Restricting the manner in which the customer may contact the Council;
  - (b) The times at which the customer may contact the Council;
  - (c) Restrict contact through a designated officer;
  - (d) Notify the customer that the Council has responded fully to the points raised and has tried to resolve the complaint but there is nothing more to add and continuing contact will serve no useful purpose and advise them to contact the Ombudsman;
  - (e) Withdraw contact with the customer either in person, by telephone, by email or any combination of these, provided at least one form of contact is maintained. The Council shall not, without the consent of the Monitoring Officer, withdraw or not provide any services to which the customer or his/her family are entitled to receive;
  - (f) Inform the customer that the Council reserves the right to pass the matter to the Council’s legal services which may result in legal action against the customer;
  - (g) Removal from the Council offices by a senior manager or the police if the behaviour is considered to be a public nuisance offence; and
  - (h) Other suitable options will be considered in light of the customer’s circumstances.
- 3.5** The Appropriate Officer will write to the customer to:
- (a) Detail the action that will be taken and why as outlined at paragraph 3.4;
  - (b) Explain what this means in terms of contact with the Council;
  - (c) Advise how long any restrictions will be in place and when they will be reviewed;
  - (d) Enclose a copy of this policy.
- 3.6** The Monitoring Officer shall maintain a central register of decisions relating to the above.
- 4. Review**
- 4.1** Any restriction imposed shall be subject to a regular review and the timing of such reviews will be notified to the customer. Reviews will be based on the individual circumstances of the case but could typically be for a period of 6 months, dependent on the severity of the situation.
- 5. Social Media**
- 5.1** The Council will remove, without notice, offensive or abusive posts from its social media channels. Additionally, the Council reserves the right to take any action it considers necessary where derogatory comments are made about officers of the Council.

## **6. New complaints**

- 6.1** New complaints from individuals whose behaviour has previously been deemed unreasonable or their complaints vexatious will be treated on their merits. Restrictions imposed in respect of an earlier complaint will not automatically apply to a new matter. An Appropriate Officer will decide if any restrictions which have been applied before are still appropriate and if necessary in relation to the new complaint or request.
- 6.2** However, persistent unreasonable behaviour, or exceptionally unreasonable behaviour may result in a refusal of future contact on any matter.

## **7. Monitoring Arrangements**

- 7.1** Information will be presented quarterly to the Cabinet and Corporate Management Board with details of customers who have been categorised as vexatious or have unreasonable behaviour.

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## BRIDGEND COUNTY BOROUGH COUNCIL

### REPORT TO CABINET

22 JANUARY 2019

#### REPORT OF THE HEAD OF LEGAL AND REGULATORY SERVICES

##### INFORMATION REPORTS FOR NOTING

**1. Purpose of Report .**

- 1.1 The purpose of this report is to inform Cabinet of the Information Report for noting which has been published since its last scheduled meeting.

**2. Connection to Corporate Improvement Objectives.**

- 2.1 The report relates to the Corporate Priority Smarter Use of Resources, ensuring 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. Background.**

- 3.1 At a previous meeting of Cabinet, it was resolved to approve a revised procedure for the presentation to Cabinet of Information Reports for noting.

**4. Current situation / proposal.**

4.1 Information Report

The following information report has been published since the last meeting of Cabinet:-

<u>Title</u>	<u>Date Published</u>
Treasury Management – Quarter 3, 2018-19	23 January 2019

4.2 Availability of Documents

The documents have been circulated to Elected Members electronically via Email and placed on the BCBC website, and also are available from the date of publication.

**5. Effect upon Policy Framework and Procedure Rules.**

- 5.1 This procedure has been adopted within the procedure rules of the Constitution.

**6. Equality Impact Assessment**

- 6.1 There are no negative equality implications arising from this report.

**7. Wellbeing of Future Generations (Wales) Act 2015 Implications**

7.1 The well-being goals identified in the Act were considered in the preparation of this report. It is considered that there will be no significant or unacceptable impacts upon the achievement of well-being goals/objectives as a result of this report.

**8. Financial Implications.**

8.1 There are no financial implications regarding this report.

**9. Recommendation.**

9.1 That Cabinet acknowledges the publication of the documents listed in this report.

**K Watson**  
**Head of Legal and Regulatory Services**  
**15 January 2019**

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**Background documents:** Report referred to in Paragraph 4.1 of this report.

**BRIDGEND COUNTY BOROUGH COUNCIL**

**INFORMATION REPORT TO CABINET**

**22 JANUARY 2019**

**REPORT OF THE INTERIM HEAD OF FINANCE & SECTION 151 OFFICER**

**TREASURY MANAGEMENT – QUARTER 3 2018-19**

**1. Purpose of the Report**

1.1 The purpose of this report is to:-

- Comply with the requirement of the Chartered Institute of Public Finance and Accountancy's 'Treasury Management in the Public Services: Code of Practice' (the Code) to produce interim Treasury Management reports;
- Report on the projected Treasury Management and Prudential Indicators for 2018-19.

**2. Connection to Corporate Improvement Objectives / Other Corporate Priorities**

2.1 This report assists in the achievement of the following corporate priority:

- Smarter use of resources – ensuring 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. Background**

- 3.1 The Council's Treasury Management activities are regulated by the Local Government Act 2003 which provides the powers to borrow and invest as well as providing controls and limits on this activity. The Local Authorities (Capital Finance and Accounting) (Wales) Regulations 2003 as amended, develops the controls and powers within the Act. This requires the Council to undertake any borrowing activity with regard to the Chartered Institute of Public Finance and Accountancy's (CIPFA) Prudential Code for Capital Finance in Local Authorities and to operate the overall treasury function with regard to the CIPFA Code of Practice for Treasury Management in the Public Services.
- 3.2 The Council is required to operate the overall treasury function with regard to the Code and this was formally adopted by the Council in February 2012. This includes a requirement for the Council to approve a Treasury Management Strategy (TMS) before the start of each financial year which sets out the Council's and Chief Financial Officer's responsibilities, delegation, and

reporting arrangements. Council approved the TMS 2018-19 on 28 February 2018. CIPFA published new editions of Treasury Management in the Public Services: Code of Practice and the Prudential Code for Capital Finance in Local Authorities in late December 2017 however the TMS 2018-19 and this report have been produced using the 2011 Codes.

- 3.3 The Welsh Government (WG) issued revised Guidance on Local Authority Investments in April 2010, which requires the Council to approve an Investment Strategy prior to the start of each financial year and this is included in the TMS.
- 3.4 In March 2018, the Welsh Government also published an amendment to the Local Authorities (Capital Finance and Accounting) (Wales) Regulations. This enables the Council to invest in certain instruments which were previously treated as capital expenditure (for example Money Market Funds) without the potential revenue cost of Minimum Revenue Provision (MRP) and without the proceeds from sale being considered a capital receipt.

#### **4 Current Situation/Proposal**

##### **4.1 External Debt and Investment Position 1 April to 31 December 2018**

- 4.1.1 The Council's external debt and investment position for 1 April to 31 December 2018 is shown below in table 1; more detail is provided in section 4.3 the Borrowing Strategy and Outturn and section 4.4 the Investment Strategy and Outturn.
- 4.1.2 Although not classed as treasury management activities and therefore not covered by the CIPFA Code or the WG Guidance, the Council may also purchase property for investment purposes and may also make loans and investments for service purposes, for example in shared ownership housing, or as equity investments and loans to the Council's subsidiaries. Such loans and investments will be subject to the Council's normal approval processes for revenue and capital expenditure and need not comply with the TMS. The Council's existing non-treasury investments relate to investment properties and the balance as at 31 March 2018 was £4.36 million.

**Table 1: Council's external debt and investment position 1 April to 31 December 2018**

	<b>Principal 01-04-18 £m</b>	<b>Average Rate 01-04-18 %</b>	<b>Principal 31-12-18 £m</b>	<b>Average Rate 31-12-18 %</b>
<b>External Long Term Borrowing:</b>				
Public Works Loan Board	77.62	4.70	77.62	4.70
Lender's Option Borrower's Option	19.25	4.65	19.25	4.65
<b>Total External Borrowing</b>	<b>96.87</b>	<b>4.69</b>	<b>96.87</b>	<b>4.69</b>
<b>Other Long Term Liabilities (LTL):</b>				
Private Finance Initiative (PFI)*	17.64		17.16	
Llynfi Loan**	2.40		2.40	
Other LTL	0.98		0.94	
<b>Total Other Long Term Liabilities</b>	<b>21.02</b>		<b>20.50</b>	
<b>Total Gross External Debt</b>	<b>117.89</b>		<b>117.37</b>	
<b>Treasury Investments:</b>				
Banks	7.40	0.58	8.00	0.97
Building Societies	2.00	0.54	-	-
Local Authorities	21.00	0.64	22.00	0.87
Money Market Fund***	-	-	3.00	0.77
<b>Total Treasury Investments</b>	<b>30.40</b>	<b>0.62</b>	<b>33.00</b>	<b>0.88</b>
<b>Net Debt</b>	<b>87.49</b>		<b>84.37</b>	

\* (PFI) arrangement for the provision of a Secondary School in Maesteg 15.25 years remaining term

\*\* Loan from the WG Central Capital Retained Fund for regeneration works within the Llynfi Valley which has not yet commenced

\*\*\*the fund provides instant access

4.1.3 It should be noted that the accounting practice required to be followed by the Council requires financial instruments in the accounts (debt and investments) to be measured in a method compliant with International Financial Reporting Standards (IFRS). The figures shown in the above table and throughout the report are based on the actual amounts borrowed and invested and so may differ from those in the Statement of Accounts, which include accrued interest or are stated at fair value in different instances.

4.1.4 The Council's treasury management advisors are Arlingclose. The current services provided to the Council include:-

- advice and guidance on relevant policies, strategies and reports
- advice on investment decisions
- notification of credit ratings and changes
- other information on credit quality
- advice on debt management decisions
- accounting advice
- reports on treasury performance

- forecasts of interest rates
- training courses

## 4.2 External Context

- 4.2.1 The interest rate views incorporated in the Council's TMS 2018-19, were based upon officers' views supported by a selection of City forecasts provided by Arlingclose. When the TMS 2018-19 was prepared in January 2018 it was forecast that the Bank Rate would remain at 0.50% during 2018-19.
- 4.2.2 The Bank Rate started the financial year at 0.50% and remained at that rate until 2 August 2018 when the Bank of England's Monetary Policy Committee (MPC) increased the rate by 0.25% to 0.75%. The current forecast is that the Bank Rate will remain at this level until the end of March 2019.

## 4.3 Borrowing Strategy and Outturn 1 April to 31 December 2018

- 4.3.1 The Council's primary objective for the management of its debt is to ensure its long term affordability. The majority of its loans have therefore been borrowed from the Public Works Loan Board (PWLB) at long term fixed rates of interest.
- 4.3.2 With short-term interest rates lower than long term rates, it is likely to be more cost effective in the short term to either borrow short term loans or use internal resources. Short term and variable rate loans expose the Council to the risk of short term interest rate rises and are therefore subject to the limit on the net exposure to variable interest rates as shown in the treasury management indicators in **Appendix B**. However, with long term rates forecast to rise in the coming years, any such short term savings will need to be balanced against the potential longer-term costs. Arlingclose will assist the Council with this 'cost of carry' and breakeven analysis.
- 4.3.3 The £19.25 million in table 1 above relates to Lender's Option Borrower's Option (LOBO) loans which have a maturity date of 2054, however these may be re-scheduled in advance of this maturity date. The LOBO rate and term may vary in the future depending upon the prevailing market rates, the lender exercising their option to increase rates at one of the bi-annual trigger points and therefore the Council being given the option to accept the increase or to repay the loan without incurring a penalty. The next trigger point is 22 January 2019 and the lender has not exercised this option (given the current low interest rate environment) however, an element of refinancing risk remains. Following advice from Arlingclose, the Council approached the LOBO's lender for potential repayment options in 2017-18 but the premium was deemed too excessive to action but the Council would take the option to repay these loans at no cost if it has the opportunity to do so in the future.

The current average interest rate for these LOBO's is 4.65% compared to the PWLB Loans average interest rate of 4.70%.

- 4.3.4 The last time the Council took long term borrowing was £5 million from the PWLB in March 2012 and it is not expected that there will be a requirement for any new long term borrowing in 2018-19, however for cash-flow purposes short term borrowing will be taken and £3m million short term borrowing was taken and repaid between 1 April and 31 December 2018. Market conditions have meant that there has been no loan rescheduling so far this year however, in conjunction with Arlingclose, the loan portfolio will continue to be reviewed for any potential savings as a result of any loan rescheduling.
- 4.3.5 The Council is currently maintaining an under-borrowed position. This means that the capital borrowing need (the Capital Financing Requirement), has not been fully funded with loan debt as cash supporting the Council's reserves, balances and cash flow has been used as a temporary measure. This is known as Internal Borrowing. This strategy is prudent as investment returns are low and counterparty risk is relatively high.

#### **4.4 Investment Strategy and Outturn 1 April to 31 December 2018**

- 4.4.1 Both the CIPFA Code and the WG Guidance require the Council to invest its funds prudently and to have regard to the security and liquidity of its investments before seeking the highest rate of return, or yield. The Council's objective when investing money is to strike an appropriate balance between risk and return, balancing the risk of incurring losses from defaults against receiving unsuitably low investment income.

The major objectives during 2018-19 are:-

- To maintain capital **security**
  - To maintain **liquidity** so funds are available when expenditure is needed
  - To achieve the **yield** on investments commensurate with the proper levels of security and liquidity
- 4.4.2 The Annual Investment Strategy incorporated in the Council's TMS 2018-19 includes the credit ratings defined for each category of investments and the liquidity of investments. The Council's investments have historically been placed in short term bank and building society unsecured deposits and local and central government, however, investments may be made with any public or private sector organisations that meet the minimum credit criteria specified in the Investment Strategy and any new instruments used will be in full consultation with Arlingclose.
- 4.4.3 As previously reported to Cabinet and Council, the Council opened a Money Market Fund (MMF) in August 2017 which is an approved financial instrument in the TMS and provides instant access to the funds. The Council set up additional MMFs in September 2018 (all approved by Arlingclose) and also set up a web based portal (at no cost to the Council) to simplify and introduce efficiencies to all aspects of MMFs, from account maintenance through to trading and reporting. These MMFs offer same-day liquidity and very low or no volatility and are a good alternative to instant access bank accounts.

- 4.4.4 Investment decisions are made by reference to the lowest published long-term credit rating from Fitch, Moody's or Standard & Poor's to ensure that this lies within the Council's agreed minimum credit rating. **Appendix A** shows the equivalence table for these published ratings and explains the different investment grades. Where available the credit rating relevant to the specific investment or class of investment is used, otherwise the counterparty credit rating is used. In the current climate, relying mainly on credit ratings is considered to be inappropriate and the Council understands that credit ratings are good, but not perfect, predictors of investment default. Full regard is therefore given to other available information on the credit quality of the organisations in which it invests, including credit default swap prices, financial statements, information on potential government support and reports in the quality financial press. No investments will be made with an organisation if there are substantive doubts about its credit quality, even though it may meet the credit rating criteria.
- 4.4.5 On a day to day basis, the Council potentially has positive cash balances arising from the cash flow e.g. timing differences between grants being received and making various payments. These are invested on the market via brokers, direct with the institution or held in deposit accounts or a money market fund with instant access. The Council usually invests for a range of periods dependent on cash flow requirements and the interest rates on offer having regard to the Investment Strategy.
- 4.4.6 The Council's primary objective for the management of its investment portfolio is to give priority to the security and liquidity of its funds before seeking the best rate of return. As shown in the tables below, the majority of investments in 2018-19 have been held as short term investments with UK Local Authorities and banks of high credit quality. This has therefore resulted in more of the investment portfolio being moved into investment instruments with lower rates of return but higher security and liquidity.
- 4.4.7 Occasionally, investments are placed with the UK Debt Management Office (DMO - Executive Agency of UK Government) but only for very short term deposits and after all other options have been explored. The interest rates offered by this facility are lower than most other counterparties but this is commensurate with the high level of security and reduced risk offered. It provides another option when examining potential investments and ensures compliance with the Council's investment objective that security takes priority over yield. There were no deposits outstanding at 31 December 2018.
- 4.4.8 Favourable cash flows have provided positive cash balances for investment and the balance on investments at 31 December 2018 was £33.00 million as shown in Table 2 below which details these investments by counterparty type. The average investment rate in the period 1 April to 31 December 2018 was 0.68% compared to the average Bank Rate of 0.64%.



**Table 2: Investments Profile 1 April to 31 December 2018**

Investment Counterparty Category	Balance 01 April 2018 (A) £m	Investments Raised (B) £m	Investments Repaid (C) £m	Balance 31 Dec 2018 (A+B-C) £m	Interest Received ** £'000	Average Original Duration of the Investment Days	Weighted Average Investment Balance Apr - Dec 2018 £m	Weighted Average Interest Rate Apr-Dec 2018 %
Government DMO	-	64.10	64.10	-	2.27	4	0.87	0.35
Local Authorities	21.00	114.10	113.10	<b>22.00</b>	167.93	133	26.17	0.70
Building Societies	2.00	6.00	8.00	-	13.03	97	1.76	0.65
Banks (Fixed Maturity)	5.00	10.00	11.00	<b>4.00</b>	40.01	205	5.09	0.69
Banks Instant Access/Notice Period *	2.40	88.58	86.98	<b>4.00</b>	16.99	n/a	6.03	0.63
Money Market Fund (Instant Access)*	-	23.40	20.40	<b>3.00</b>	16.65	n/a	3.76	0.68
<b>Total/Average</b>	<b>30.40</b>	<b>306.18</b>	<b>303.58</b>	<b>33.00</b>	<b>256.88</b>	<b>110</b>	<b>36.17</b>	<b>0.68</b>

\* An average duration is not shown as there is no original duration as instant access or notice period and money is added and withdrawn to/from these accounts as required by cash-flow

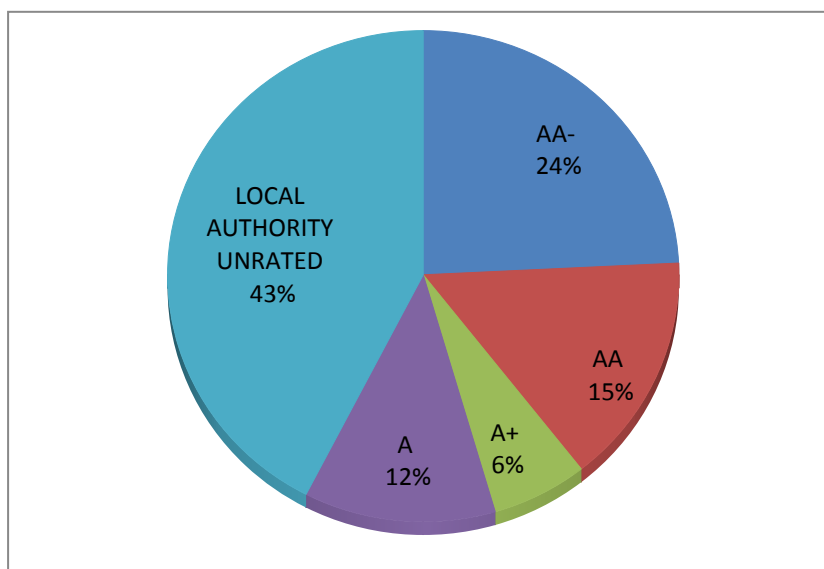
\*\* Received in the Council's bank account not interest earned

4.4.9 There are four long term investments (original duration of 12 months or more) outstanding at 31 December 2018 totalling £9 million with Local Authorities shown in table 3 below. £5 million maturing in 2019-20 and £4 million maturing in 2020-21. All other investments at 31 December 2018 were short term deposits including MMFs, instant access and notice accounts. Table 3 below details these investments by counterparty type based on the remaining maturity period as at 31 December 2018:

**Table 3: Investments Outstanding Maturity Profile 31 December 2018**

Counterparty Category	Instant Access £m	Deposits Maturing Within 1 Month £m	Deposits Maturing Within 2-3 Months £m	Deposits Maturing Within 4-12 Months £m	Deposits Maturing Within 1-2 Years £m	Total £m
Local Authorities	-	7.00	6.00	5.00	4.00	22.00
Banks	-	-	4.00	4.00	-	8.00
Money Market Fund	3.00	-	-	-	-	3.00
<b>Total</b>	<b>3.00</b>	<b>7.00</b>	<b>10.00</b>	<b>9.00</b>	<b>4.00</b>	<b>33.00</b>

4.4.10 The Council defines high credit quality as organisations and securities having a credit rating of A- or higher. The pie chart below summarises the above table by credit ratings and shows the £33.00 million investments at 31 December 2018 by percentage outstanding. Most Local Authorities do not have credit ratings whilst the remainder of the investments all had a credit rating of A or above.



4.4.11 The rate of return on investments can be monitored against the average rate of return on investments against the Bank Rate and the average rate of return on investments as compared to the average rate of Arlingclose's Welsh local authority clients at each relevant quarter end. The Council's average rate of return on investments at the end of the first three quarters in 2018-19 is shown below but due to the timing of the report comparative data from other Arlingclose Local Authority clients is not yet available for 31 December 2018.

2018-19	Principal	Bridgend CBC Average Rate of Return on Investments	Bank Rate	Principal	Arlingclose Welsh Local Authority Unitary Clients Average Rate of Return on Investments
	£m	%	%	£m	%
30-06-18	39.30	0.65%	0.50%	29.80	0.69%
30-09-18	34.30	0.81%	0.75%	25.50	0.70%
31-12-18	33.00	0.88%	0.75%		

## 4.5 Review of the Treasury Management Strategy 2018-19

4.5.1 CIPFA's Code of Practice for Treasury Management requires all local authorities to conduct a mid-year review of its treasury management policies, practices and activities. As a result of this review it was not deemed

necessary to make any major changes to the TMS 2018-19, although Council approved a revised MRP policy for 2018-19 on 19 September 2018.

- 4.5.2 Under regulation 21 of the Local Authorities (Capital Finance and Accounting) (Wales) Regulations 2003, local authorities are required to charge MRP to their revenue account for each financial year to account for the principal cost of their debt in that financial year. The revised MRP policy for 2018-19 amends the method of calculating a prudent annual amount to charge to revenue to repay capital financing costs. The revision of the MRP Policy 2018-19 for calculating MRP on capital expenditure funded from supported borrowing has resulted in a change from a 4% reducing balance method to a straight-line method over 45 years.

#### **4.6 Treasury Management and Prudential Indicators 2018-19**

- 4.6.1 The 2011 Treasury Management Code and Prudential Code require the Council to set and report on a number of Treasury Management Indicators within this report, however, the Council has decided to report on all indicators in this report so the Prudential Indicators are also included. The indicators either summarise the expected activity or introduce limits upon the activity, and reflect the underlying capital programme. **Appendix B** details the estimate for 2018-19 set out in the Council's TMS and also the projected indicators for 2018-19. These show that the Council is operating in line with the approved limits.

#### **5. Effect upon Policy Framework and Procedure Rules**

- 5.1 As required by Financial Procedure Rule 20.3 within the Council's Constitution, all investments and borrowing transactions have been undertaken in accordance with the TMS 2018-19 as approved by Council with due regard to the requirements of the CIPFA's Code of Practice on Treasury Management in the Public Services.

#### **6. Equality Impact Assessment**

- 6.1 There are no equality implications.

#### **7. Well-being of Future Generations (Wales) Act 2015 Implications**

- 7.1 The well-being goals identified in the Act were considered in the preparation of this report. As the report is for information only and is retrospective in nature it is considered that there will be no significant or unacceptable impacts upon the achievement of well-being goals/objectives as a result of this report.

#### **8. Financial Implications**

- 8.1 The financial implications are reflected within the report.

## **9. Recommendation**

9.1 It is recommended that:

- Cabinet note the Council's treasury management activities for the period 1 April 2018 to 31 December 2018;
- Cabinet note the projected Treasury Management and Prudential Indicators for 2018-19 (**Appendix B**).

**Gill Lewis**

**Interim Head of Finance and Section 151 Officer**

**4 January 2019**

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### **Background documents:**

Treasury Management Strategy 2018-19

## APPENDIX A

**Credit Rating Equivalence Table**

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

## APPENDIX B

### 1 TREASURY MANAGEMENT INDICATORS 2018-19

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

The Council needs to set the upper limits to its **Interest Rate Exposure** for the effects of changes in interest rates. There are two treasury management indicators that relate to both fixed interest rates and variable interest rates. These limits have been calculated with reference to the net outstanding principal sums and are set to control the Council's exposure to interest rate risk as shown in the table below. Fixed rate investments and borrowings for the purpose of this indicator are those where the rate of interest is fixed for at least 12 months, measured from the start of the financial year or transaction date if later and all other instruments are classed as variable. The majority of the Council's investments are less than 12 months and even though interest rates may be fixed for the investment duration these would be classed as variable.

No.		TMS 2018-19 £m	Projection 31-03-2019 £m
	Total Projected Principal Outstanding on Borrowing 31 March 2019	96.87	<b>96.87</b>
	Total Projected Principal Outstanding on Investments 31 March 2019	20.00	<b>15.00</b>
	<b>Net Principal Outstanding</b>	<b>76.87</b>	<b>81.87</b>
1.	<b>Upper Limit on fixed interest rates (net principal) exposure</b>	130.00	<b>68.62</b>
2.	<b>Upper Limit on variable interest rates (net principal) exposure</b>	50.00	<b>13.25</b>

The Section 151 Officer will manage interest rate exposures between these limits in 2018-19.

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

The 19.87% shown in the table below relates to £19.25 million Lender's Option Borrower's Option (LOBO) loans which may be re-scheduled in advance of their maturity date of 2054, as detailed in paragraph 4.3.3 of the

main report. The Code requires the maturity of LOBO loans to be shown as the earliest date on which the lender can require payment, i.e. the call date of January 2019 so the maturity date is actually uncertain but is shown in the “Under 12 months” category as per the Code.

No	Maturity structure of fixed rate borrowing during 2018-19	Upper limit	lower limit	Projection 31-03-19
3.	Under 12 months	50%	0%	19.87%
	12 months and within 24 months	25%	0%	-
	24 months and within 5 years	25%	0%	-
	5 years and within 10 years	50%	0%	13.91%
	10 years and within 20 years	60%	0%	23.49%
	20 years and above	100%	40%	42.73%

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

No.		TMS 2018-19 (Limit) £m	Projection Principal Outstanding Over 364 days 31-03-19 £m
4.	Upper Limit for Total Principal Sums Invested for more than 364 days	15	4

## 2 PRUDENTIAL INDICATORS 2018-19

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

The 2011 Code requires the Council to formally adopt CIPFA’s Treasury Management Code and this was adopted by Council on 22 February 2012.

### 2.1 Prudential Indicators for Prudence

- 2.1.1 The following Prudential Indicators are based on the Council’s capital programme which is subject to change. The Council’s capital expenditure plans are summarised below and this forms the first prudential indicator for Prudence. The total capital expenditure is funded from capital grants and contributions, capital receipts and revenue with the remainder being the **Net Financing Need for the Financial Year** to be met from borrowing.

No.	Prudential indicators For Prudence	Estimate TMS 2018-19 £m	Projection 31-03-19 £m
1.	<b>Total Capital Expenditure (Non HRA)</b>	33.69	36.54
	<b>Total Capital Expenditure</b>	<b>33.69</b>	<b>36.54</b>
	<b>Financed by :-</b>		
	Capital Grants and Contributions	6.84	9.34
	Capital Receipts	9.18	13.24
	Revenue Contribution to Capital	7.49	8.14
	<b>Net Financing Need for Year</b>	<b>10.18</b>	<b>5.82</b>

The capital expenditure figures have changed from the Treasury Management Strategy 2018-19 as the capital programme approved by Council on 28 February 2018 has been amended to include new approved schemes and to incorporate slippage of schemes from 2017-18 and a change in the profile of funding and prudential borrowing. This has resulted in a decrease in the Net Financing Need for 2018-19 which is a decrease in Unsupported Borrowing.

The process for charging the financing of capital expenditure to revenue is a statutory requirement and is called the Minimum Revenue Provision (MRP). The actual MRP charge needs to be prudent and the methodology is detailed in the Council's MRP policy in the TMS 2018-19. The updated methodology was approved by Council 19 September 2018 as referred to in section 4.5 in the main report. Directorates who receive Council approval for capital schemes via Unsupported Borrowing make annual contributions to the capital costs of their schemes known as Voluntary Revenue Provisions (VRP) or additional MRP. This type of borrowing is only approved when Directorates have the necessary revenue resources to make VRP to fund the capital costs though this will be deferred in some cases until the asset becomes operational in accordance with the Council's MRP Policy.

- 2.1.2 The second Prudential Indicator is the **Capital Financing Requirement (CFR)** for the Council and is shown in the table below. This shows the total outstanding capital expenditure that has not been funded from either revenue or other capital resources. It is derived from the actual Balance Sheet of the Council. It is essentially a measure of the underlying need to finance capital expenditure and forms the basis of the charge to the Council Fund in line with the Prudential Code. The MRP requirement for the Maesteg School PFI Scheme will be equivalent to the write down of the liability for the year and is met from existing budgets.



No.	Prudential indicators For Prudence	Estimate TMS 2018-19 £m	Projection 2018-19 £m
<b>2.</b>	<b>Capital Financing Requirement (CFR)</b>		
	Opening CFR (1 April 2018) adjusted excluding PFI & other liabilities	152.56	153.24
	Opening PFI CFR	17.64	17.64
	Opening Innovation Centre*	0.60	-
	<b>Total Opening CFR</b>	<b>170.80</b>	<b>170.88</b>
	Movement in CFR excluding PFI & other liabilities	3.62	1.47
	Movement in PFI CFR	(0.64)	(0.64)
	Movement in Innovation Centre CFR	(0.06)	-
	<b>Total Movement in CFR</b>	<b>2.92</b>	<b>0.83</b>
	<b>Closing CFR (estimated 31 March 2019)</b>	<b>173.72</b>	<b>171.71</b>
	Movement in CFR represented by :-		
	Net Financing Need for Year (above)	10.18	5.82
	Minimum and Voluntary Revenue Provisions**	(7.26)	(4.99)
	<b>Total Movement</b>	<b>2.92</b>	<b>0.83</b>

\*Innovation Centre accounting adjustment at 01-04-18 now included in the opening CFR so not shown separately

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

## 2.2 Limits to Borrowing Activity

2.2.1 The Council's long term borrowing at the 31 December 2018 was £96.87 million as detailed in section 4 of the main report. External Borrowing can arise as a result of both capital and revenue expenditure and timing of cash flows. As the Council has an integrated Treasury Management Strategy there is no association between individual loans and particular types of expenditure. Therefore, the Capital Financing Requirement and actual external borrowing can be very different especially when a Council is using Internal Borrowing as highlighted in paragraph 4.3.5 in the main report.

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

No.	Prudential indicators For Prudence	Estimate TMS 2018-19 £m	Projection 31-03-19 £m
	<b>Gross Debt 31 March</b>		
<b>3.</b>	External Borrowing	96.87	96.87
	Long Term Liabilities (including PFI)	20.24	20.12
	<b>Total Gross Debt</b>	<b>117.11</b>	<b>116.99</b>

2.2.2 Within the Prudential Indicators, there are a number of key indicators to ensure the Council operates its activities within well-defined limits. One key control is to ensure that over the medium term debt will only be for a capital purpose. The Council needs to ensure that external debt does not, except in

the short term, exceed the Capital Financing Requirement for 2018-19. The table below shows that the Council is on target to comply with this requirement.

No.	Prudential indicators For Prudence	Estimate TMS 2018-19 £m	Projection 31-03-19 £m
<b>4.</b>	<b>Gross Debt &amp; the CFR</b>		
	Total Gross Debt	117.11	116.99
	Closing CFR (31 March 2019)	<b>173.72</b>	<b>171.71</b>

2.2.3 A further two Prudential Indicators control the Council's overall level of debt to support Capital Expenditure. These are detailed below and confirms that the Council is well within the limit set :-

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

No.	Prudential indicators For Prudence	TMS 2018-19 £m	Projection 31-03-19 £m
<b>5.</b>	<b>Authorised limit for external debt -</b>		
	Borrowing	140	
	Other long term liabilities	30	
	<b>Total</b>	<b>170</b>	
<b>6.</b>	<b>Operational Boundary</b>		
	Borrowing	105	
	Other long term liabilities	25	
	<b>Total</b>	<b>130</b>	
	<b>Borrowing</b>		<b>96.87</b>
	<b>Other long term liabilities</b>		<b>20.12</b>
	<b>Total</b>		<b>116.99</b>

## 2.3 Prudential Indicators for Affordability

2.3.1 The **Ratio of Financing Costs to Net Revenue Stream** indicator demonstrates the trend in the cost of capital against the total revenue amount to be met from local taxpayers and the amount provided by the Welsh Government in the form of Revenue Support Grant. The estimates of capital financing costs include interest payable and receivable on treasury

management activities and the MRP charged to the Comprehensive Income and Expenditure Statement. The revenue stream is the amount to be met from government grants and local taxpayers. The projection has reduced from the TMS estimate due to the change in the MRP policy detailed in paragraph 4.5.2 of the main report.

No.	Prudential Indicator for Affordability	Estimate TMS 2018-19 %	Projection  2018-19 %
7.	Ratio of Financing Costs to Net Revenue Stream	4.55	3.73

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