

# Public Document Pack

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

### Bridgend County Borough Council



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

*Rydym yn croesawu gohebiaeth yn Gymraeg.  
Rhowch wybod i ni os mai Cymraeg yw eich  
dewis iaith.*

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



#### Cyfarwyddiaeth y Prif Weithredwr / Chief Executive's Directorate

Deialu uniongyrchol / Direct line /: 01656 643148 / 643147 / 643694

Gofynnwch am / Ask for: Andrew Rees

Ein cyf / Our ref:

Eich cyf / Your ref:

**Dyddiad/Date:** Wednesday, 13 February 2019

Dear Councillor,

#### **CABINET**

A meeting of the Cabinet will be held in the Committee Rooms 1/2/3 - Civic Offices Angel Street Bridgend CF31 4WB on **Tuesday, 19 February 2019 at 14:30.**

#### **AGENDA**

1. Apologies for Absence  
To receive apologies for absence from Members.
2. Declarations of Interest  
To receive declarations of personal and prejudicial interest (if any) from Members/Officers in accordance with the provisions of the Members' Code of Conduct adopted by Council from 1 September 2008.
3. Renewal of Insurance Cover 3 - 8
4. Anti-Fraud & Bribery and Anti-Money Laundering Policies 9 - 38
5. Treasury Management and Capital Strategies 2019-20 Onwards 39 - 138
6. Local Area Energy Strategy and Smart Energy Plan 139 - 286
7. School Attendance Data 287 - 312
8. Appointment of Local Authority Governors 313 - 326
9. School Admissions Policy and Arrangements 2020-21 327 - 362
10. Provision For Pupils With Additional Learning Needs (ALN) - Establishing A Learning Resource Centre (LRC) For Pupils With Autistic Spectrum Disorders (ASD) At Ysgol Gynradd Gymraeg Calon Y Cymoedd (Formerly Known As Ysgol Gynradd Gymraeg Cwm Garw) 363 - 400
11. Provision for Pupils with Additional Learning Needs (ALN) - Changes to Betws Primary School 401 - 440

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12. Forward Work Programme 441 - 450
13. Information Report for Noting 451 - 482
14. Urgent Items  
 To consider any items of business that by reason of special circumstances the chairperson is of the opinion should be considered at the meeting as a matter of urgency in accordance with paragraph 2.4 (e) of the Cabinet Procedure Rules within the Constitution.
15. Exclusion of the Public  
 The Report relating to the following item is not for publication as it contains exempt information as defined in Paragraph 14 of Part 4, and Paragraph 21 of Part 5 of Schedule 12A of the Local Government Act 1972, as amended by the Local Government (Access to Information) (Variation) (Wales) Order 2007.
- If following the application of the public interest test the Committee resolves pursuant to the Act to consider these items in private, the public will be excluded from the meeting during such consideration.
16. Bridgend Shared Lives Scheme - Proposal For Future Delivery Arrangements 483 - 526

Yours faithfully  
**K Watson**  
 Head of Legal and Regulatory Services

Councillors:  
 HJ David  
 CE Smith

Councillors  
 PJ White  
 HM Williams

Councillors  
 D Patel  
 RE Young

## BRIDGEND COUNTY BOROUGH COUNCIL

### REPORT TO CABINET

19 FEBRUARY 2019

#### REPORT OF THE INTERIM HEAD OF FINANCE AND SECTION 151 OFFICER

#### RENEWAL OF INSURANCE COVER

#### 1. Purpose of Report

- 1.1 The purpose of this report is to inform Cabinet of the result of the retender exercise for the liability and officials indemnity policies and to seek Cabinet approval to authorise Marsh UK Limited, as the Council's appointed insurance broker, to accept cover for the full range of policies, on behalf of the Council.

#### 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 Whilst the Council's insurance cover is subject to long term agreements with providers, the Council is required each year to agree annual premiums and associated claims handling costs for each policy in accordance with those agreements. This is carried out by Marsh UK Limited, who were reappointed as the Council's insurance broker in 2018.
- 3.2 The liability and officials indemnity policies are subject to long term agreements which expire on 30 March 2019. A retender exercise has therefore been carried out for these policies and the associated claims handling, via the National Procurement Service Insurance Services Dynamic Purchasing System NPS-PS-0032-15.

#### 4. Current situation/proposal

##### **Policies with Long Term Agreements in place**

- 4.1 Marsh UK Limited has undertaken the annual insurance renewal negotiations for the policies still subject to long term agreements. The net premiums, excluding insurance premium tax, are shown in Table 1 below.

**Table 1**

<b>Policy</b>	<b>2018-19 £</b>	<b>2019-20 £</b>	<b>Year on Year Change £</b>	<b>Year on Year Change %</b>	<b>Insurer</b>
Computer	9,535	9,218	(317)	(3.3)	RSA
Contractors Plant	14,700	14,650	(50)	(0.3)	Zurich Municipal
Engineering Insurance	5,528	5,772	244	4.4	Zurich Municipal
Engineering Inspection	32,504	32,875	371	1.1	Zurich Municipal
Fidelity Guarantee	24,288	25,340	1,052	4.3	QBE (via RMP)
Material Damage and Property Owners	220,637	223,937	3,300	1.5	Zurich Municipal
Medical Malpractice	5,311	5,311	0	0	Beazley
Motor Claims Handling & ancillary services	3,885	3,728	(157)	(4.0)	Gallagher Bassett
Motor Fleet	129,525	105,820	(23,705)	(18.3)	QBE (via RMP)
Personal Accident and Travel	7,371	7,645	274	3.7	Zurich Municipal
Porthcawl Harbour lock gate mechanism	780	796	16	2.1	Allianz
Professional Indemnity	6,600	7,060	460	7.0	QBE (via RMP)
School Offsite Activities	17,234	17,234	0	0	Chubb
Terrorism	9,985	9,985	(0)	(0)	Marsh
<b>Total</b>	<b>487,883</b>	<b>469,371</b>	<b>(18,512)</b>	<b>(3.8)</b>	

4.2 The negotiations have resulted in an overall reduction in premium from 2018-19 of £18,512 and the main points to note are:

- The Fidelity Guarantee premium has increased because it is rated on wages and salaries and these have gone up.
- The Motor Fleet premium has decreased due to a reduction in vehicle numbers.
- The Material Damage and Property Owners premium has increased because it has been identified that in 2018-19 the Insurer did not charge premium for some insured perils under the contents insurance.
- The Professional indemnity premium has increased because the Council has declared an increase in the fees earned from contracts with external organisations.

- 4.3 The Medical Malpractice policy premium has not yet been confirmed because the Insurer does not release renewal terms until 30 days before the renewal date. However, it is anticipated that the cost will be the same as 2018-19 which is £5,311.
- 4.4 The Terrorism policy premium has not yet been confirmed because the Insurer does not release renewal terms until 30 days before the renewal date. However, it is anticipated that the premium will be the same as 2018-19 which is £9,985.
- 4.5 An Offsite Activities insurance policy for Youth Services will not be renewed because it has been identified that the type of trips which benefit from this type of insurance are not being undertaken. This has been agreed with the service.

**Policies Re-tendered (Liability & Officials Indemnity)**

- 4.6 The Council confirmed to bidders that awards would be made to the ‘most economically advantageous’ tender, based on a weighting of 50% for price and 50% for quality. The specifications asked for tenders based on a number of long term agreement options, namely: three years, three years with an option to extend for a further two years and five years.
- 4.7 Tenders were received electronically by the deadline of 8 January 2019. One company submitted a tender but did not complete the required evaluation sheets. They were deemed non-compliant and therefore excluded from further evaluation.
- 4.8 The companies who responded in accordance with the tender instructions have been identified as companies A, B, C, and D in the second column of Table 2. Tenders have been evaluated, with the assistance of Marsh UK Limited, in accordance with the tender evaluation criteria. The responses to the tender, winning score, and recommended Insurer, are detailed in Table 2 below.

**Table 2**

<b>Policy</b>	<b>Insurer</b>	<b>Available Score</b>	<b>Winning Score</b>	<b>Recommended Insurer</b>
Liability & Officials Indemnity	A, B, C, D	100	91.06	RMP

- 4.9 Following consideration of the bids received, a five year long term agreement is recommended because of the prices achieved. The score in Table 2 above is therefore for a five year long term agreement. The current premium and claims handling costs and the new tender premium and claims handling costs are shown in Table 3 below. There is a reduction in total cost of £2,936.

**Table 3**

<b>Policy</b>	<b>2018-19 £</b>	<b>2019-20 £</b>	<b>Year on Year Change £</b>	<b>Year on Year Change %</b>
Liability & Officials Indemnity	217,010	£215,629	(1,381)	(0.6)
Liability Claims Handling	19,210	17,655	(1,555)	(8.1)
<b>Total</b>	<b>236,220</b>	<b>233,284</b>	<b>(2,936)</b>	<b>(1.1)</b>

4.10 An alternative quotation with a lower deductible was considered. However, when the past claims history was analysed it was not found to be economically advantageous.

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

5.1 There will be no direct effect on the Policy Framework & Procedure Rules.

## **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. 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 costs for 2019-20 are shown in Table 4 below, and reflect a reduction of £21,448 (3.0%) on 2018-19. Costs will be met from the 2019-20 insurance revenue budget.

**Table 4**

	<b>2018-19 £</b>	<b>2019-20 £</b>	<b>Year on Year Change £</b>
Existing Long Term Agreements	487,883	469,371	(18,512)
Re-tendered policies	236,220	233,284	(2,936)
<b>Total Price</b>	<b>724,103</b>	<b>702,655</b>	<b>(£21,448)</b>

7.2 The premiums are net figures and other than Engineering Inspection, claims handling and part of the Terrorism insurance, are subject to 12% Insurance Premium Tax. The Engineering Inspection, claims handling and part of the Terrorism insurance are subject to VAT. The total tax liability for Insurance Premium Tax is £77,955 which is a decrease of £2,432 from 2018-19.

**8. Recommendation.**

- 8.1 That Cabinet approves the acceptance of the quotations in paragraphs 4.1 and 4.9 and the renewal of the insurance programme through Marsh UK Limited as the Council's appointed Insurance Broker.

**Gill Lewis**  
**Interim Head of Finance and Section 151 Officer**  
**19 February 2019**

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Risk Management & Insurance Officer

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**Background documents**

The Risk Management & Insurance Section holds the insurance renewal tender documents and renewal report from Marsh UK Limited.

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## BRIDGEND COUNTY BOROUGH COUNCIL

### REPORT TO CABINET

19 FEBRUARY 2019

#### REPORT OF THE INTERIM HEAD OF FINANCE AND SECTION 151 OFFICER

#### ANTI-FRAUD & BRIBERY AND ANTI-MONEY LAUNDERING POLICIES

##### 1. Purpose of this report

- 1.1 The purpose of this report is to seek formal approval and adoption of the Anti-Fraud and Bribery Policy and Anti-Money Laundering Policy. These policies are attached at **Appendix A** and **Appendix B** respectively.

##### 2. Connections to Corporate Improvement Objectives / Other Corporate Priorities

- 2.1 The report relates to the following priorities:
- Smarter use of resources – ensuring that all its resources (financial, physical, human and technological) are used effectively and appropriately by putting in place process to avoid misuse of public money.

##### 3. Background

- 3.1 The Council is required to ensure the proper use and protection of public funds and assets to ensure the maximum financial resources are available to deliver its services. In order to achieve this the Council must seek to reduce fraud and misappropriation of resources to zero. The Anti-Fraud and Bribery and Anti-Money Laundering Polices set out the means to which the Council will achieve this.

##### 4. Current Situation / Proposal

- 4.1 Cabinet are required to review and approve both the Anti-Fraud and Bribery, and Anti-Money Laundering Policies on a regular basis, to ensure that they remain up to date with current legislation and to minimise the risks of fraud, bribery or money laundering occurring.
- 4.2 The Anti-Fraud and Bribery Policy has been updated to reflect changes in the General Data Protection Regulations and strengthens the definition of 'fraud' to include deception, forgery, extortion, theft, conspiracy, embezzlement and false representation, manipulating of accounts and records, dishonest contract arrangements and other financial irregularities. The policy also references the need for Members to declare any Related Party Transactions, which forms part of the Statement of Accounts year end processes.

4.3 The Anti-Money Laundering Policy has been updated to more clearly define Money Laundering and reflect new legislation including the Sanctions and Anti-Money Laundering Act 2018; the Money Laundering, Terrorist Financing and Transfer of Funds (Information on the Payer) Regulations 2017; and the Criminal Offences Act 2017. New processes for reporting suspected Money Laundering to the National Crime Agency are included and the order of the policy has been amended to provide a more logical flow to its content.

## **5. Effect upon policy framework & procedural rules**

5.1 These policies form part of the Council's governance arrangements and update procedures in relation to identifying and reporting suspected fraud, bribery, and money laundering activities.

## **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 It is considered that there will be no significant or unacceptable impacts upon the achievement of well-being goals or objectives as a result of this report.

## **8. Financial implications**

8.1 There are no financial implications of this report.

## **9. Recommendation**

9.1 Cabinet is recommended to note and approve the revised policies attached at Appendices A and B.

**Gill Lewis CPFA**  
**Interim Head of Finance and Section 151 Officer**

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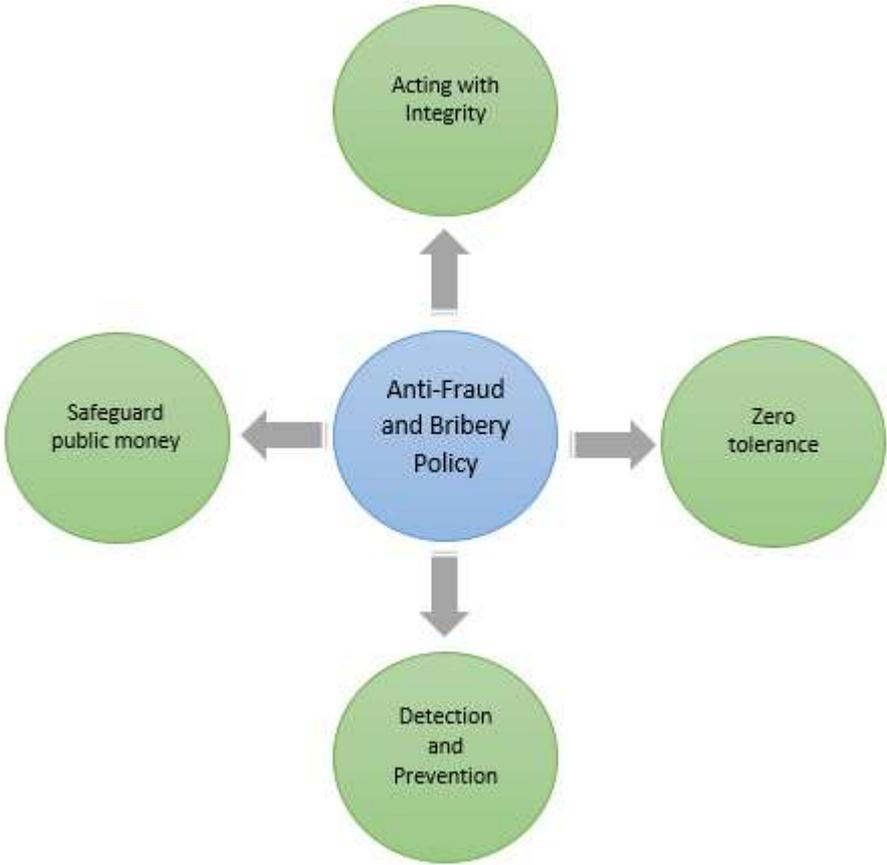
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**Background Documents:**  
None



# ANTI-FRAUD AND BRIBERY POLICY



January 2019

# CONTENTS

		<b>Page</b>
1	Introduction	3
2	Definitions	4
3	Rules and Procedures	5
4	Culture	5
5	Responsibilities and Prevention of Fraud	7
6	Detection and Investigation of Fraud	10
7	Training and Awareness	11
8	Conclusion	11
Appendix A	Fraud Risk Wheel	12

## 1 INTRODUCTION

- 1.1 In carrying out its functions and responsibilities, the Council encourages a culture of openness and fairness and expects Elected Members and employees at all levels to adopt the highest standards of propriety and accountability.
- 1.2 The Anti-Fraud and Bribery Policy recognises that the Council as a large organisation is at risk of loss due to fraud and corruption both from within the Council and outside it. In adopting this Policy, the Council seeks to demonstrate clearly that it is firmly committed to dealing with fraud, corruption and bribery and will deal equally with perpetrators from inside (Members and employees) and outside the Council. In addition, there will be no distinction made in investigation and action between cases that generate financial benefit and those that do not.
- 1.3 This Policy is one element of a wider set of arrangements in place to prevent fraud and wrongdoing which includes its Code of Corporate Governance and the Council's wider policies as set out in Section 3.
- 1.4 In meeting the Council's responsibilities relating to fraud and corruption, whether attempted internally or externally, the outcomes sought from the Council's Anti-Fraud and Bribery Policy are to:
- maintain and promote a **zero-tolerance** culture to fraud and corruption
  - **safeguard public money** by reducing losses from fraud and corruption to an absolute minimum by taking practical, risk-informed steps and maintaining a strong deterrent
  - encourage **prevention** and promote **detection** and effective investigation of suspected fraud or corruption and take robust action against those found to be committing any such acts
  - place confidence in Bridgend County Borough Council and its work by ensuring we act and are seen to **act with integrity**
- 1.5 There is an expectation and requirement that all Members, employees, consultants, contractors, and service users be fair and honest, and if able to do so, provide help, information and support to assist investigations of fraud and corruption.
- 1.6 The Council is aware of the high degree of external scrutiny of its affairs by a variety of bodies, including those listed below. These bodies are important in highlighting any areas where improvements can be made.
- Public Services Ombudsman.
  - Wales Audit Office (WAO). As part of their statutory duties, WAO is required to ensure that the Council has in place adequate arrangements for the prevention and detection of fraud and corruption.
  - Council Tax Payers – annual Inspection of the Statement of Accounts.
  - HM Revenues & Customs.
  - Department for Works & Pensions.
  - The Criminal Justice System.
- 1.7 The areas where there is potential for fraud and corruption will be periodically reviewed, and Internal Audit plans will focus on areas of greatest risk. The relative assessed levels of risk are set out in the Fraud Risk Wheel (see Appendix A).

## 2 DEFINITIONS

### Fraud

- 2.1 The Chartered Institute of Public Finance and Accountancy (CIPFA) defines fraud as “Any intentional false representation, including failure to declare information or abuse of position that is carried out to make gain, cause loss or expose another to the risk of loss”. In the UK, the term fraud is used to describe many acts such as deception, forgery, extortion, theft, conspiracy, embezzlement and false representation. The Fraud Act 2006 came into force on 15 January 2006, and is legislation that has been introduced in order to provide absolute clarity on the subject of fraud.
- 2.2 Section 1 of the Fraud Act 2006 introduces a general offence of fraud and three ways of committing it:
- Fraud by false representation (Section 2 of the Act).
  - Fraud by failing to disclose information (Section 3 of the Act).
  - Fraud by abuse of position (Section 4 of the Act).
- 2.3 All the above require dishonesty and an intent to make gain or cause loss as well as by making the representation knowing that it is or might be false or misleading; failing to disclose information where there is a legal duty to do so; and abuse of a position where one is expected to safeguard another person’s financial interests.
- 2.4 Fraud, for the purposes of this policy, goes beyond the Act and includes theft, forgery, concealment, conspiracy and bribery. Fraud may include, but is not limited to, stealing cash or equipment, submitting false expense claims, invoicing for goods not intended for Council business, unauthorised removal of Council property, manipulating accounts and records, dishonest contract arrangement and other financial irregularities.

### Bribery

- 2.5 The Bribery Act 2010 came into force on 1 July 2011. It reforms the criminal law to provide a new scheme of bribery offences and it provides a more effective legal framework to combat bribery. The Act creates the following offences relevant to the Council:-
- offering, promising or giving a bribe (active bribery)
  - requesting, receiving or agreeing to accept a bribe (passive bribery)

Furthermore, if the offence is proved to have been committed with the consent or connivance of a senior officer of the organisation, then the senior officer may be personally liable.

### Money Laundering

- 2.6 Money laundering is a term applied to any method used to convert or exchange money or assets obtained from criminal activity into money or assets that are “clean”, in such a way that the “clean” money can no longer be linked back to the criminal activity. Whilst the risk of money laundering to the Council is relatively low the Council has in place an Anti-money Laundering Policy which sets out the responsibilities of Members and employees to prevent the Council being subject to any money laundering practices. This Policy supports all staff in complying with the money laundering provisions included within the Proceeds of Crime Act 2002 and the Terrorism Act 2000.

## **3 RULES AND PROCEDURES**

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3.1 The Council has rules and procedures to ensure that its day to day operations and activities are properly controlled and these are an important part of the internal control framework.

3.2 These include:

- [The Council's Constitution](#), which includes: .
  - Financial Procedure Rules (Part 4).
  - Contract Procedure Rules (Part 4).
  - Code of Conduct for Members including declarations of interest (Part 5).
  - Code of Conduct for Council Employees (Part 5).
- Code of Corporate Governance
- Disciplinary Policy and Procedures.
- ICT Code of Conduct.
- Scheme of Delegation.
- Whistleblowing Policy.
- Anti-Money Laundering Policy.
- Equal Opportunities Policy.
- Anti-Fraud & Bribery Policy
- Regulation of Investigatory Powers Act Policy
- Effective recruitment and selection procedures.
- Training.

These are under-pinned by the following legislation:

- Fraud Act 2006.
- Bribery Act 2010.
- The Regulation of Investigatory Powers Act 2000.
- Proceeds of Crime Act 2002.
- Data Protection Act 2018 (which enshrines the General Data Protection Regulation 2016 (GDPR) into British Law).
- Human Rights Act 1998.

3.3 Failure to comply with these rules and procedures may result in formal action being taken. In the case of employees this would be through the Council's disciplinary procedures and for Members would involve the Council's Standards Committee, which hears allegations of misconduct by Members.

## **4 CULTURE**

4.1 The Council's culture is one of honesty and zero tolerance to fraud and corruption. The prevention or detection of fraud and corruption and the protection of public money are everyone's responsibility.

4.2 There is an expectation and requirement that all individuals, businesses and organisations dealing in any way with the Council will act with high standards of probity, openness and integrity and that Council employees or its agent(s) at all levels will lead by example in these matters.

4.3 The Council's Elected Members and employees play a crucial role in creating and maintaining this culture. The Council aims to promote an environment in which Members and

employees feel able to raise concerns without fear of reprisals and confident that their concerns will be thoroughly investigated. Staff who blow the whistle are protected: they will not suffer detriment or be dismissed provided the concern was raised in good faith. Members and employees are positively encouraged to raise concerns regarding fraud and corruption, irrespective of seniority, rank or status, in the knowledge that such concerns will be treated in confidence.

4.4 Concerns must be raised when Members or employees reasonably believe that one or more of the following has occurred, is in the process of occurring, or is likely to occur:

- a criminal offence
- a failure to comply with a statutory or legal obligation
- improper unauthorised use of public or other funds
- a miscarriage of justice
- maladministration, misconduct or malpractice
- endangering of an individual's health and safety
- damage to the environment
- deliberate concealment of any of the above.

4.5 As explained in the Council's Whistleblowing Policy, suspected instances of fraud can be reported to:

- Line managers
- Section 151 Officer
- Head of Audit
- Monitoring Officer
- Directors
- Chief Executive

4.6 The Council will ensure that any allegations received in any way, including by anonymous letters or phone calls, will be taken seriously and investigated in an appropriate manner.

4.7 The Council will deal firmly with those who defraud the Council, or who are corrupt, or where there has been financial malpractice. There is a need to ensure that any investigation process is not misused and, therefore, any abuse (such as employees raising malicious allegations) may be dealt with as a disciplinary matter.

4.8 When fraud or corruption has occurred because of a breakdown or weakness in the Council's systems or procedures, Directors will ensure that appropriate improvements in systems of control are implemented to prevent a reoccurrence.

4.9 Both Elected Members and employees must ensure that they avoid situations where there is a potential for a conflict of interest. Effective role separation will ensure decisions made are seen to be based upon impartial advice and avoid questions about improper disclosure of confidential information.

## **5 RESPONSIBILITIES AND PREVENTION OF FRAUD**

### The Role of Elected Members

- 5.1 As elected representatives, all Members have a duty to citizens to protect the Council from all forms of abuse and protect public monies. This is done through compliance with the Members' Code of Conduct, the Council's Financial and Contract Procedure Rules, the Anti-fraud and Bribery Policy and other relevant Policies and legislation.

The Council's Code of Conduct for Members sets out an approach to work that is honest, fair, accountable and, as far as possible, transparent. Members are required to declare the receipt of all gifts and hospitality in a Register maintained by the Monitoring Officer.

- 5.2 Members sign that they have read and understood the Members' Code of Conduct when they take office. These conduct and ethical matters are specifically brought to the attention of Members during induction and include the declaration and registration of interests. It is also a mandatory requirement that Members (and Chief Officers) formally report and sign an annual declaration of 'Related Party Transactions' to ensure that they declare any relationship with other organisations with which the Council interacts. The Monitoring Officer advises Members of new legislative or procedural requirements.

#### The Role of the Monitoring Officer

- 5.3 The Monitoring Officer has responsibility for:
- the lawfulness and fairness of decision making
  - ensuring that Elected Members are aware of the protocols, policies and procedures, as set out at the end of this policy that apply when carrying out their duties
  - jointly initiating action if fraud, bribery or corruption may have been identified along with the Section 151 Officer

#### The Role of the Section 151 Officer

- 5.4 The Section 151 Officer has responsibility for:
- the proper administration of the council's financial affairs under s.151 of the Local Government Act 1972 as amended and s.114 of the Local Government Finance Act 1988 as amended. This includes the employee nominated by them to act in their absence and any employee of their staff acting on their behalf
  - reporting to Councillors and the Wales Audit Office if either the Council, or one of its representatives makes, or is about to make a decision which is unlawful, or involves illegal expenditure or potential financial loss (Local Government Finance Act 1988 s.114)
  - ensuring that this Policy is current
  - jointly initiating action if fraud, bribery or corruption may have been identified along with the Monitoring Officer.

#### The Role of Managers

- 5.5 Managers at all levels are responsible for the communication and implementation of the Anti-Fraud and Bribery Policy in their work area. They are also responsible for ensuring that their employees are aware of all of the Council's policies, procedure rules (as detailed in 3.2 above), and that the requirements of each are being met in their everyday business activities. They are required to ensure that their staff are aware of their responsibilities in relation to safeguarding the resources for which they are responsible and for reporting suspected irregularities.

- 5.6 Managers are expected to create an environment in which their staff feels able to approach them with any concerns they may have about suspected irregularities.
- 5.7 The Council recognises that a key preventative measure in dealing with fraud and corruption is for managers to take effective steps at the recruitment stage to establish, as far as possible, the honesty and integrity of potential employees, whether for permanent, temporary or casual posts. The Council's Strategic Equality Plan will be adhered to during this process.
- 5.8 The Council has a formal recruitment procedure, which contains appropriate safeguards on matters such as written references and verifying qualifications held. Applicants complete an application form and must declare any criminal convictions that are not spent. Where appropriate, applicants may also be subject to a Disclosure and Barring Service (DBS) check.
- 5.9 The Council's disciplinary procedures apply to all employees.

#### The Role of Individual Employees

- 5.10 Each employee is governed in their work by the Council's procedure rules, as detailed in Part 4 of the Constitution, and other codes of conduct and policies (e.g. Health and Safety, Disciplinary Policy, ICT Code of Conduct). They are also governed by the Code of Conduct for Council employees (Part 5 of the Constitution). Included in these are guidelines on gifts and hospitality and codes of conduct associated with professional and personal conduct and conflicts of interest. These are issued to all employees when they join the authority or will be provided by their manager. Also employees are expected to follow any Code of Conduct related to their membership of a professional institute.
- 5.11 Employees are responsible for ensuring that they follow the instructions given to them by management, particularly in relation to the safekeeping of Council assets. These will be included in induction training and procedure manuals.
- 5.12 The Council has a protocol on secondary employment for employees. The purpose of this is to safeguard both the Council and employees' interests in recognising that some employees may wish to undertake secondary employment whilst being required to provide the highest standards of service to our customers. These could be affected if an employee were to have secondary employment which conflicted with their Council work.
- 5.13 Employees must operate within Section 117 of the Local Government Act 1972 regarding the disclosure of financial interests in contracts relating to the Council, or the non-acceptance of any fees, gifts, hospitality or any other rewards, other than their proper remuneration. Further information is available from the Monitoring Officer.
- 5.14 Employees are expected always to be aware of the possibility that fraud, corruption or theft may exist in the workplace and be able to share their concerns with management. If for any reason, they feel unable to speak to their manager they must refer the matter to one of those named in paragraph 4.5 above. Failing this, employees can, if necessary, raise concerns anonymously (by letter or phone), and via other routes, in accordance with the Council's Whistleblowing Policy.

#### The Role of Committees

- 5.15 The Standards Committee includes amongst its roles and functions the promotion and maintenance of high standards of conduct by Members, assisting Members to observe the

Member's Code of Conduct and the monitoring and operation of it. It also considers reports submitted by the Public Services Ombudsman for Wales, the Monitoring Officer or any other representations relating to alleged breaches of the Code. The Committee also monitors the operation of the Council's Whistleblowing policy.

- 5.17 The Audit Committee has to consider, as one of its functions, the effectiveness of the Council's risk management arrangements, the control environment and associated anti-fraud and corruption arrangements. It will also monitor this policy. Every year, the Committee receives the Head of Audit's annual opinion report which provides detailed information on the work of the Internal Audit Section and the effectiveness of the overall internal control environment for the Council as a whole.

#### The Role of Internal Audit

- 5.18 Internal Audit plays a vital preventative role in trying to ensure that systems and procedures are in place to prevent and detect fraud and corruption. Internal Audit investigates cases of suspected irregularity, with the exception of Council Tax Reduction and Blue Badge fraud investigations - which are undertaken by the Housing Benefits' Fraud Investigator, and Housing Benefit fraud investigations - which are undertaken by the Department for Works and Pensions' (DWP) Single Fraud Investigation Service. Internal Audit liaise with management to recommend changes in procedures to prevent or mitigate losses to the Council.

- 5.19 Internal Audit has arranged and will keep under review procedures and arrangements to develop and encourage the exchange of information on national and local fraud and corruption activity in relation to Councils with external agencies such as:

- Police.
- Society of Welsh Treasurers.
- Welsh Chief Internal Auditor's Group.
- External Audit.
- Wales Audit Office.
- National Anti-Fraud Network.
- HM Revenues and Customs.
- Welsh LA Investigation Group.
- Department for Work and Pensions.
- Single Fraud Investigation Service.
- Other outside agencies.

#### The Role of the Housing Benefits Fraud Investigator

- 5.20 The Fraud Investigator (Benefits) is responsible for all Council Tax Reduction and Blue Badge fraud investigations, in accordance with the requirements of the Human Rights Act 1998 and other relevant legislation. In cases where employees are involved, the team will work with Internal Audit, Human Resources and appropriate senior management to ensure that correct procedures are followed and that this Policy is adhered to.

#### The Role of External Audit

- 5.21 Independent external audit is an essential safeguard in the stewardship of public money. This role is delivered through the carrying out of specific reviews that are designed to test (amongst other things) the adequacy of the Council's financial systems, and arrangements for preventing and detecting fraud and corruption. It is not the external auditor's function to prevent fraud and irregularity, but the integrity of public funds is at all times a matter of general concern. External auditors are always alert to the possibility of fraud and irregularity, and will act without undue delay if grounds for suspicion come to their notice. The external auditor has a responsibility to review the Council's arrangements to prevent and detect fraud and irregularity, and arrangements designed to limit the opportunity for corrupt practices.

## **6 DETECTION AND INVESTIGATION OF FRAUD**

- 6.1 The preventative measures described in the previous section significantly reduce the risk of fraud and corruption but cannot eliminate it entirely. Financial Procedure Rules require Corporate Directors to be responsible for the accountability of employees, and the security, custody and control of all other resources including plant, buildings, materials, cash and stores appertaining to their individual Directorates in accordance with the procedures agreed with the Council's Section 151 Officer. If a Corporate Director suspects any irregularities concerning cash, inventories or other property of the Council or held on trust by the Council, the Corporate Director concerned will notify the Section 151 Officer immediately, who will take such steps as considered necessary by way of investigation and report.
- 6.2 Internal Audit plays an important role in the detection of fraud and corruption. Included in the Audit Plan are reviews of system financial controls and specific fraud and corruption tests, spot checks and unannounced visits. Any decision to refer a matter to the Police will be taken by the Head of Audit. Internal Audit may also seek informal advice from the Police in the early stages of an investigation. Care will be taken to ensure that internal disciplinary procedures are followed but do not prejudice any criminal case.
- 6.3 In addition to Internal Audit, there are numerous systems controls in place to deter fraud and corruption, but it is often the vigilance of employees and members of the public that aids detection. The Council's Whistleblowing Policy is intended to encourage and enable staff to raise serious concerns. Employees reporting concerns in this way are afforded certain rights under the Public Interest Disclosure Act 1998. All employees can raise their concerns under this policy, as well as contractors working for the Council (e.g. agency staff, builders etc.) and the voluntary sector. This would normally be with the immediate line manager. However, if the concerns are so serious or sensitive then they should be raised with a Chief Officer, for example a Director, the Chief Executive Officer, Section 151 Officer, Monitoring Officer, or the Head of Audit. This Policy also applies to suppliers of goods and services under a contract. However, this policy is not available for use by members of the public who should instead use the Corporate Complaint's Policy.
- 6.4 Within the Council's Constitution, Members and employees shall comply with the requirements of Section 117 of the Local Government Act 1972, the Bribery Act 2012, and the Members' and Employees' Codes of Conduct in respect of the declaration of interests in contracts. Such interests must be declared to the Monitoring Officer for inclusion in the appropriate registers. All are required to give notice in writing of pecuniary (financial) interests in contracts relating to the Council or the offer of any fees or rewards other than their proper remuneration. All employees must declare any offers of gifts or hospitality above a value of £20, which are in any way related to the performance of their duties.

- 6.5 Theft, fraud and corruption are serious offences against the Council and employees will face disciplinary action if the outcome of an investigation indicates improper behaviour by an employee. Depending on the circumstances of each individual case, criminal proceedings may also be instigated.
- 6.6 Members will face appropriate action if they are found to have been involved in theft, fraud or corruption against the Council. Appropriate action will be taken including referring the matter to the Monitoring Officer and/or the Public Ombudsman for Wales. Depending on the circumstances of each individual case, criminal proceedings may also be instigated.

## **7 TRAINING AND AWARENESS**

- 7.1 The Council recognises that an important aspect of its Anti-Fraud and Bribery Policy is the general awareness and responsiveness of employees throughout the Council. To facilitate this, the Council supports induction and training, particularly for employees involved in internal control systems. All employees are made aware of the Anti-Fraud and Bribery Policy via various channels of communication e.g. team meetings and the Intranet.
- 7.2 In addition the Council will seek via appropriate publicity to increase and maintain the general public awareness of the facilities available to report concerns about fraud and corruption.
- 7.3 The investigation of fraud and corruption is carried out in consultation with Services by the Council's Internal Audit Team whose skill base in investigative techniques is maintained by appropriate training. Staff within the Housing Benefits Team and Regulatory Service receives specific training on fraud and corruption and the Fraud Act to help support their work on financial investigations.

## **8 CONCLUSION**

- 8.1 The Council sets high standards, with core values of accountability and openness.
- 8.2 The Council will maintain a continuous review of all systems and procedures through its Internal Audit Plan and responding to recommendations from external regulators. The Anti-Fraud and Bribery Policy and its effectiveness will be periodically reviewed by the Audit Committee.



## APPENDIX B



# ANTI MONEY-LAUNDERING POLICY

January 2019

**ANTI-MONEY LAUNDERING POLICY**

<b>CONTENTS</b>	<b>PAGE</b>
1 Introduction	3
2. What is Money Laundering	3
3. The Obligations of the Council	4
4. The Money Laundering Reporting Officer (MLRO)	5
5. Identification of potential Money Laundering situations	5
6. Staff Responsibilities	6
7. Reporting Procedure	8
8. Failure to report Money Laundering Offences	9
9. Consideration of Disclosure Report by MLRO	10
10. Training	11
11. Conclusion	11
Money Laundering Checklist	12
Report to the Money Laundering Reporting Officer MLRO	13
MLRO Report to National Crime Agency (NCA)	14
Useful Links	15

## **1. Introduction**

- 1.1 The purpose of this document is to provide Members and staff with an understanding of “Money Laundering”, to provide them with guidance on identifying money laundering and to set out the procedures they must follow to ensure the Council complies with its legal obligations.
- 1.2 Historically, legislation to tackle the laundering of the proceeds of crime was aimed at the financial and investment sector. However, it was subsequently recognised that those involved in criminal conduct and terrorism were able to ‘clean’ criminal proceeds through a wider range of businesses and professional activities. Criminals are becoming increasingly sophisticated in the techniques they employ and local authorities could be seen as softer targets.

## **2. What is Money Laundering?**

- 2.1 Money Laundering is any process where funds derived from criminal activity including terrorist financing are given the appearance of being legitimate by being exchanged for ‘clean’ money or property. Examples of money laundering offences include tax evasion, theft, bribery, smuggling – including drug trafficking – and illegal arms sales. There are two types of offences which may be committed:

- Money laundering offences (see section 5.1).
- Failure to report money laundering offences (see section 8).

- 2.2 The main legislation covering anti-money laundering is:

- Sanctions and Anti-Money Laundering Act 2018  
This provides the basis for the detection, investigation and prevention of money laundering and terrorist financing and enable sanctions to be imposed to support this.
- The Money Laundering, Terrorist Financing and Transfer of Funds (Information on the Payer) Regulations 2017  
These regulations set out the detailed requirements for organisations and individuals engaged in regulated activities.
- Proceeds of Crime Act 2002  
This defines the money laundering offences and gives law enforcement agencies far reaching powers to deal with them.
- Terrorism Act 2000  
This defines the primary offences related to terrorism funding and requires regulated businesses to report knowledge or suspicion of offences.

Other legislation includes:

- Criminal Finances Act 2017
- Terrorist Asset-Freezing etc. Act 2010
- Counter- Terrorism Act 2008
- Anti- terrorism, Crime and Security Act 2001

2.4 Money laundering can take many forms such as:

- Concealing, disguising, converting or transferring criminal property or removing it from the UK.
- Entering into or becoming concerned in an arrangement which you know or suspect facilitates the acquisition, retention, use or control of criminal property by or on behalf of another person.
- Acquiring, using or possessing criminal property.
- Investing the proceeds of crime into other financial products or the acquisition of property/assets.
- Generating money from a transaction if you have reasonable ground to believe the money will fund terrorism.

2.5 The channelling of the money often involves the following three stages:

- **Placement**  
This is the movement of cash from its source - following a crime the monies are paid into a bank account or used to purchase an asset.
- **Layering**  
Using a number of complex transactions to hide the proceeds of crime.
- **Intergration**  
Return of the illicit funds back into the accounts to make them appear lawful.

### 3. The Obligations of the Council

3.1 The law requires those organisations in the regulated sector and conducting relevant business to:

- Appoint a Money Laundering Reporting Officer ('MLRO') to receive disclosures from employees of suspected money laundering activity.
- Implement risk sensitive policies and procedures relating to customer due diligence, reporting, record keeping, internal control, risk assessment and management, the monitoring and management of compliance and the internal communication of such policies and procedures.

3.2 Not all the Council's business is 'relevant' for these purposes. It is mainly those carried out by Customer Services, Procurement, Finance and certain company and property transactions carried out by Legal Services. However, the safest way to ensure compliance with the law is to apply it to all areas of work undertaken by the Council. Therefore, all Members and employees are required to comply with the Council's Anti-Money Laundering Policy in terms of reporting concerns about possible money laundering.

3.3 The Money Laundering, Terrorist Financing and Transfer of Funds (Information on the Payer) Regulations 2017 and the Sanctions and Anti-Money Laundering Act 2018 require appropriate systems of internal control to prevent money laundering. These controls are required to help identify possible attempts to launder money or fund terrorism, so that appropriate action to prevent or report it can be taken.

- 3.4 Systems of internal control should help identify unusual or suspicious transactions or customer activity. These include:
- Identification of relevant risks and responsibilities under this Policy;
  - Provision of information to relevant persons on suspected money laundering risks;
  - Training of relevant employees on the legal and regulatory responsibilities for money laundering and control measures;
  - Measures to ensure that money laundering risks are taken into account in the day to day operations of the organisation.
- 3.5 Where money laundering is suspected the MLRO must report the matter to the National Crime Agency.

#### **4. The Money Laundering Reporting Officer**

- 4.1 The officer nominated to receive disclosures about money laundering activity within the Council is the Section 151 Officer who can be contacted as follows:

Section 151 Officer, Bridgend County Borough Council, Civic Offices, Angel Street, Bridgend, CF31 4WB

In the absence of the Section 151 Officer, the employee should contact either the Group Manager – Chief Accountant or the Group Manager – Financial Planning and Budget Management, Bridgend County Borough Council, Raven's Court, Brewery Lane, Bridgend, CF31 4AP.

#### **5. Identification of potential money laundering situations**

- 5.1 It is not possible to give a definitive list of ways in which to identify money laundering or how to decide whether to make a report to the MLRO. The following are types of risk factors which may, either alone or cumulatively, suggest possible money laundering activity:
- Payment of a substantial sum in cash – anything which is £5,000 or more
  - Payment of lower cash sums where cash is not the normal means of payment
  - A new customer or use of new/shell companies
  - A secretive customer, e.g. refuses to provide proof of identity or other requested information without a reasonable explanation
  - Concerns about the honesty, integrity, identity or location of a customer
  - Illogical third party transaction such as unnecessary routing or receipt of funds from third parties or through third party accounts
  - Involvement of an unconnected third party without logical reason or explanation
  - Overpayments by a customer or payments of deposits subsequently requested back without a reasonable explanation
  - Absence of an obvious legitimate source of funds
  - Movement of funds overseas, particularly to a higher risk country or tax haven
  - Receipt of monies from countries outside the EU who do not have effective systems to counter money laundering or terrorist financing
  - Unusual transactions or ways of conducting business, without reasonable explanation
  - A transaction without obvious legitimate purpose or which appears uneconomic, inefficient or irrational

- Transactions with PEP (Politically Exposed Persons) or their family. These include Members of Parliament, Senior Government officials, Diplomats and high ranking officers in the Armed Forces
- The cancellation or reversal of an earlier transaction
- Requests for release of customer account details other than in the normal course of business
- Transactions at substantially above or below fair market values
- Poor business records or internal accounting controls
- A previous transaction for the same customer which has been, or should have been, reported to the MLRO
- Lack of 'traceability' of persons involved
- Individuals and companies that are insolvent yet have funds

These are just examples where money laundering can take place. If you suspect money laundering in another area you should consult with the Money Laundering Officer for advice.

## **6. Staff Responsibilities**

- 6.1 All Members and employees are required to adhere to this policy but certain financial and legal services staff are more likely to have to comply with the customer identification procedure, '**due diligence**' and the record keeping procedures.
- 6.2 There are two levels of '**due diligence**'. The 2017 Regulations require due diligence to be carried out on a risk sensitive basis, these are:

'**Simplified due diligence**' - required where there is a low risk of money laundering. For example:

- company is listed on the stock exchange a company search and evidence of the listing would suffice. (Note, for example, a company search is often undertaken / may already have been undertaken for BCBC by the Procurement Section in conjunction with the Finance Department – so further enquiry may not need to be undertaken)
- Government bodies and organisations who are regulated by a professional body.
- European Union (EU) (Currently this applies to organisations in the EU but this is subject to change following the withdrawal of the UK from the EU.)

'**Enhanced due diligence**' should be applied for those customers with a high-risk status. For example:

- Remote transactions where the customer is not physically present.
- Organisations or individuals identified as high risk of money laundering or terrorism finance.
- Organisations which Her Majesty's Revenues and Customs (HMRC) or other law enforcement authorities have identified as high risk.
- Organisations from countries identified as high risk.
- Where false or stolen documents have been provided as evidence.

- Customer is a Politically Exposed Person (defined as persons entrusted with prominent public functions either in the UK or abroad)<sup>1</sup> or an immediate family or associate of that person.
  - A transaction is complex, unusually large, or with an unusual pattern.
- 6.3 Due diligence will not have to be considered for organisations regulated by the Financial Services Authority (FSA) or supervised by a listed professional regulator e.g. the Solicitors Regulation Authority.
- 6.4 Where due diligence investigations are undertaken, evidence of the customer identification (paragraph 6.7) and the record of the relationship / transaction should be retained for at least five years from the end of the business relationship of transaction(s). If there is a criminal prosecution they must be retained until the legal proceedings are concluded.

The records that must be kept are:

- Copies of the evidence obtained to satisfy the due diligence obligations and details of customer transactions for five years after the end of the business relationship
  - The supporting evidence and records in respect of the business relationships and occasional transactions which are the subject of customer due diligence measures or ongoing monitoring
  - A copy of the identification documents accepted and verification evidence obtained
  - References to the evidence of identity, including those of the 'beneficial owner', the individual that ultimately owns or controls the organisation on whose behalf a transaction or activity is being conducted
  - Transaction and business relationship records should be maintained in a form from which a satisfactory audit trail may be compiled, and which may establish a financial profile of any suspect account or customer
  - A written account of the risk assessment
- 6.5 If satisfactory evidence of identity is not obtained at the outset of the matter then the business relationship or one off transaction(s) cannot proceed any further.
- 6.6 The customer identification procedure (paragraph 6.7) must be carried out when the Council is carrying out 'relevant business' and:
- Forms a business partnership with a customer,
  - Undertakes a one-off transaction (including a property transaction or payment of a debt) involving payment by or to a customer of €15,000 (approximately £12,500) or more,
  - Undertakes a series of linked one-off transactions involving total payment by or to the customer(s) of €15,000 (approximately £12,500) or more,
  - It is known or suspected that a one-off transaction, or a series of them, involves money laundering. The **customer identification procedure** must be completed before any business is undertaken for that customer in relation to accountancy, procurement, audit and legal services with a financial or real estate transaction.
- 6.7 **Customer Identification Procedure.** Employees must:
- Identify the person seeking to form the business relationship or conduct the transaction (an individual or company / organisation),
  - Verify their identity using reliable, independent sources of information,

<sup>1</sup> Examples include: Government Ministers, Members of Parliament, Members of political party Governing Bodies, high ranking officers in the armed forces. This is not exhaustive and if unsure please contact Finance for more information

- Identify who benefits from the transaction,
  - Monitor transactions to make sure they are consistent with what you understand about that person or country,
  - Understand the source of their funds,
  - Ensure there is a logical reason why they would want to do business with the Council.
- 6.8 This applies to existing customers, as well as new ones but evidence for transactions more than 10 years old need not be retained unless any related investigation has not concluded. In these instances they must be retained until the National Crime Agency (NCA) has given permission to destroy the data.
- 6.9 The law does not prescribe the precise form in which the records are to be retained. However, they must be admissible as evidence in any trial. In practice, most courts will accept electronic scanned documents but there maybe certain circumstances where this is not permissible.
- 6.10 Some of the information retained may constitute personal information in accordance with the Data Protection Act 2018 and the General Data Protection Regulation 2016 (GDPR). The legislation provides exemptions to permit the sharing of personal data in pursuance of anti money laundering requirements.

## 7. **Reporting Procedure**

- 7.1 The MLRO is responsible for investigating the suspicion and reporting any suspected Money Laundering activity to the National Crime Agency.
- 7.2 If you know or suspect that money laundering activity is taking place, has taken place, or that your involvement in a matter may amount to a prohibited act under the legislation, this must be disclosed immediately to the MLRO. This disclosure should be done within hours of the information coming to your attention, not weeks or months later. **If you do not disclose information immediately, then you may be liable to criminal prosecution.**
- 7.3 Your disclosure should be made using the report form attached at Appendix 2. The disclosure report must contain as much detail as possible, for example:
- Full details of the people involved (including yourself if relevant), e.g. name, date of birth, address, company names, directorships, phone numbers, etc
  - Full details of the nature of your and their involvement
  - The types of money laundering activity suspected
  - The dates of such activities, including whether the transactions have happened, are ongoing or are imminent
  - Where they took place
  - How they were undertaken
  - The (likely) amount of money/assets involved
  - Why, exactly, you are suspicious of.
- 7.4 You should also supply any other available information to help the MLRO to make a sound judgement as to the next steps to be taken and you should enclose copies of any relevant supporting documentation.
- 7.5 If you are a legal adviser and consider that legal professional privilege may apply to the information, you should explain fully in the report form the reasons why you

contend the information is privileged. The MLRO, in consultation with the Monitoring Officer (Head of Legal and Regulatory Services), will then decide whether the information is exempt from the requirement to report suspected money laundering to the National Crime Agency (NCA).

- 7.6 Once you have reported the matter to the MLRO you must follow any directions given. You must NOT make any further enquiries into the matter yourself. Any necessary investigation will be undertaken by the NCA. All employees will be required to co-operate with the MLRO and the authorities during any subsequent money laundering investigation.
- 7.7 At no time and under no circumstances should you voice any suspicions to the person(s) whom you suspect of money laundering or to any other individual without the specific consent of the MLRO. If you do so, you may commit the offence of 'tipping off'.
- 7.8 Do not make any reference on records held to the fact that you have made a report to the MLRO. If a customer exercises their right to see their record, any such note would obviously tip them off to the report having been made and may render you liable to prosecution. The MLRO will keep the appropriate records in a confidential manner.
- 7.9 In all cases no further action must be taken in relation to the transaction(s) in question until either the MLRO or the NCA (if applicable) has specifically given their written consent to proceed.

## **8. Failure to report money laundering offences or suspicions**

- 8.1 In addition to the money laundering offences, there are other offences of failure to report suspicions of money laundering. These are committed where, in the course of conducting relevant business, you know or suspect, or have reasonable grounds to do so (even if you did not know or suspect), that another person is engaged in money laundering and you do not disclose this as soon as is practicable to the MLRO.
- 8.2 Failure to report money laundering offences means that potentially any employee could be caught by the money laundering provisions if they suspect money laundering and either become involved with it in some way and/or do nothing about their suspicions.
- 8.3 Whilst the risk of contravening the legislation is low, it is extremely important that all employees understand their legal responsibilities, as serious criminal sanctions may be imposed for breaches of the legislation. However, an offence is not committed if the suspected money laundering activity is reported to the MLRO and appropriate consent obtained to continue with the transaction.
- 8.4 If you report suspected money laundering to the MLRO, you should not discuss it with anyone else: you may commit a further offence of 'tipping off' if, knowing a disclosure to the MLRO has been made, you make a disclosure to someone else which is likely to prejudice any investigation which might be conducted.
- 8.5 Even if you have not reported the matter to the MLRO, if you know or suspect that such a disclosure has been made and you mention it to someone else, this could amount to a tipping off offence. Be very careful what you say and to whom, in these

circumstances. Any person found guilty of tipping off or prejudicing an investigation is liable to imprisonment (maximum five years), an unlimited fine, or both.

## **9. Consideration of disclosure report by the MLRO**

9.1 On receipt of a disclosure report, the MLRO will record the date of receipt on the report, acknowledge receipt of it and indicate when they expect to respond.

9.2 The MLRO will consider the report and any other available internal information they may consider relevant. This may include:

- Reviewing other transactions, patterns and volumes,
- The length of any business relationship involved,
- The number of any one-off transactions and linked one-off transactions,
- Any identification evidence.

9.3 The MLRO will undertake any other inquiries deemed appropriate and will ensure that all available information has been obtained. In doing so, the MLRO will avoid any action which could tip off those involved, or which could give the appearance of tipping them off. Where appropriate, Internal Audit will investigate on behalf of the MLRO.

9.4 The MLRO may also need to discuss the report with the employee who reported the case.

9.5 The MLRO will then consider all aspects of the case and decide whether a report to NCA is required. He/she must make a timely determination as to:

- Whether there is actual or suspected money laundering taking place,
- Whether there are reasonable grounds to know or suspect that money laundering is taking place,
- Whether he needs to seek consent from the NCA for a particular transaction to proceed.

9.6 Where the MLRO concludes one or more of the above, he/she will record his/her conclusion (Appendix 3) and disclose the matter as soon as possible to NCA [online](#). The link to the website for reporting can be found in Appendix 4.

9.7 Once the MLRO has made a disclosure to NCA, their consent will be needed before you can take any further part in the transaction. Consent will be received in the following way:

- Specific consent,
- Deemed consent if no notice of refusal is received from NCA during the notice period (i.e. 7 working days starting with the first working day after the MLRO makes the disclosure),
- Deemed consent if refusal of consent is given during the notice period but the moratorium period has elapsed (31 days starting with the day on which the MLRO receives notice of refusal of consent) without any further refusal of consent.

9.8 The MLRO should make clear in the report to NCA if such consent is required, and if there are any deadlines for giving such consent, e.g. completion date or court deadline.

- 9.9 Where the MLRO concludes that there are no reasonable grounds to suspect money laundering this will be recorded appropriately and they will give consent for any ongoing or imminent transaction(s) to proceed.
- 9.10 All disclosure reports referred to the MLRO and subsequent reports made to the NCA must be retained by the MLRO in a confidential file kept for that purpose, for a minimum of five years.
- 9.11 The MLRO commits a criminal offence if they know or suspect, or have reasonable grounds to do so, through a disclosure being made to them, that another person is engaged in money laundering and they do not disclose this as soon as possible to the NCA.

## **10. Training**

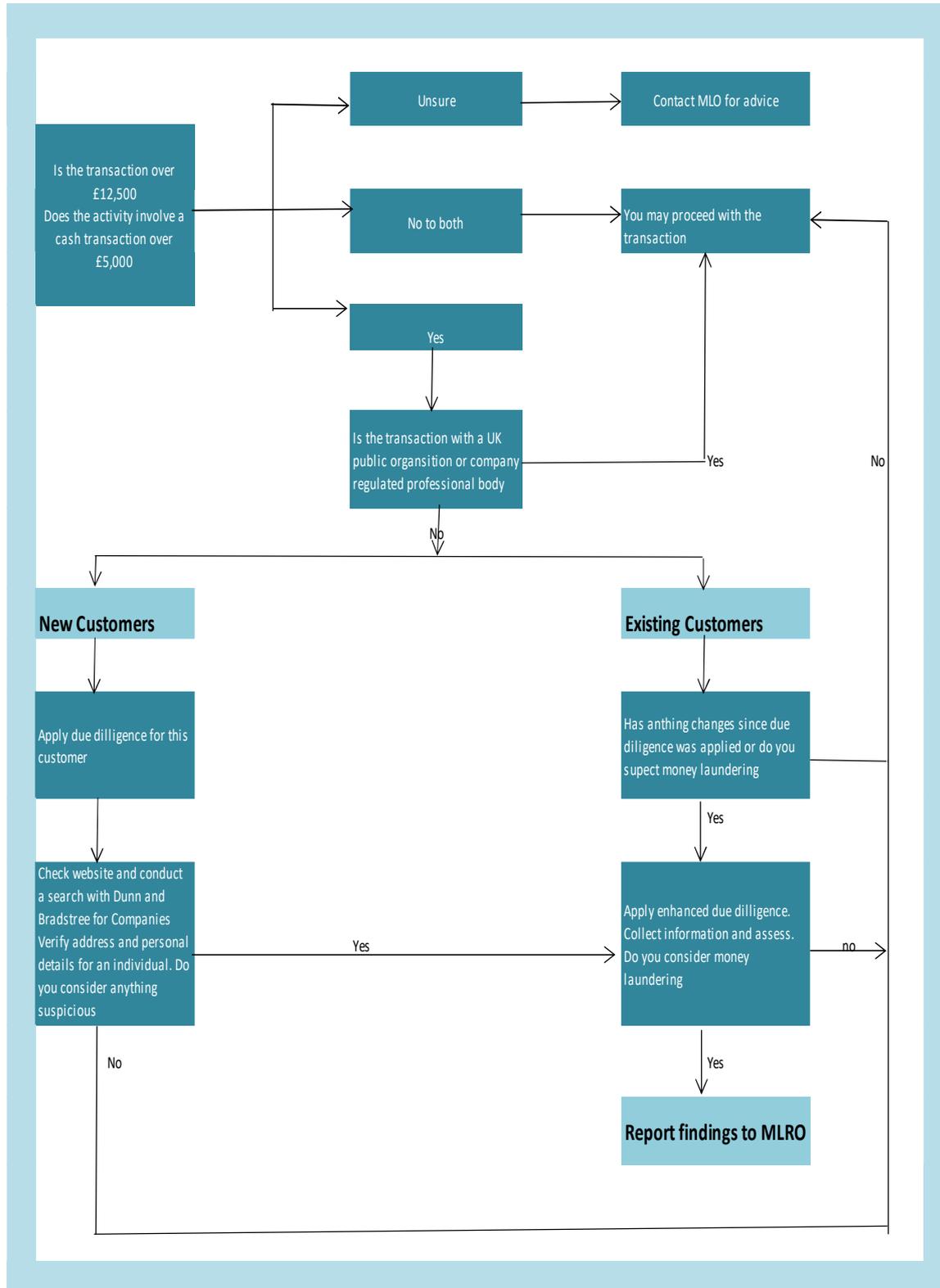
- 10.1 The Council will take appropriate measures to ensure that employees are made aware of the law relating to money laundering and will arrange targeted, ongoing, training to key individuals most likely to be affected by the legislation.
- 10.2 As part of this training staff will be directed to this document which will be updated regularly to reflect any legislative changes.

## **11. Conclusion**

- 11.1 The legislative requirements concerning anti-money laundering procedures are lengthy and complex. This document has been written to enable the Council to meet the legal requirements in a way that is proportionate to the low risk to the Council of contravening the legislation. Should you have any concerns whatsoever regarding any transactions then you should contact the MLRO.
- 11.2 The policy will be reviewed as and when required e.g. following any legislative changes and reported to Audit Committee, Cabinet and Council as appropriate.

**APPENDIX 1**

**MONEY LAUNDERING CHECKLIST**



## APPENDIX 2

**Disclosure Report to Money Laundering Reporting Officer - Re suspected money laundering activity**

CONFIDENTIAL	
Report to Money Laundering Reporting Officer	
Name of Reporter	
Job Title/ Department	
Phone No	
e-mail	
Details of Suspected Offence	
Name of Person Suspected	
Reason for Suspicion	
Have investigations been undertaken (Please detail)	
Have you discussed your suspicions with someone else. If yes please detail	
Have you consulted your suspicions with any Supervisory body e.g. Law Society	
Do you have any reason why this matter should not be reported to NCA?	
Is the transaction prohibited under the Section 18 Terrorism Act 2000 or Sections 327-329 Proceeds of Crime Act but has received Consent from the NCA.	
Please provide any additional information you consider necessary to support your submission.	
Signed:	Dated:
<b>TIPPING OFF:</b> it is a criminal offence to inform the suspect or anybody other than your line manager that you are making this report. Please speak to the MLRO if you need any guidance on what to say to any third parties who are chasing you in respect of a transaction.	

**APPENDIX 3****Money Laundering Reporting Officer Report**

<b>CONFIDENTIAL</b>	
<b>For Completion by MLRO</b>	
Date report received	
Date acknowledged	
Are there any reasonable grounds for suspecting money laundering (please detail)	
Are there any reasons you do not intend reporting the matter to NCR (please detail)	
Date of report to NCA	
Please provide any additional information you consider necessary to support your submission.	
<b>Reply from NCA</b>	
Notice Period	
Moratorium Period	
Date Consent received from NCA	
Date consent given to employee to proceed	
Please provide any additional information you consider relevant	
Signed:	Dated:

**THIS REPORT TO BE RETAINED FOR AT LEAST FIVE YEARS**

## APPENDIX 4

Reporting of incidents need to be made on- line to the National Crime Agency. These must ONLY be reported by the Money Laundering Reporting Officer as appropriate.

### **Guidance notes are available at :**

Guidance on assessing for money laundering.

[https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment\\_data/file/686152/Money\\_Service\\_Businesses\\_Guidance.pdf](https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/686152/Money_Service_Businesses_Guidance.pdf)

Guidance on the submission of a form to NCA

<http://www.nationalcrimeagency.gov.uk/publications/suspicious-activity-reports-sars/916-sar-online-user-guidance/file>

### **Submitting the form:**

[https://www.ukciu.gov.uk/\(yiv1weyo05dqfpmn23r2rfrd\)/saronline.aspx](https://www.ukciu.gov.uk/(yiv1weyo05dqfpmn23r2rfrd)/saronline.aspx) .

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## BRIDGEND COUNTY BOROUGH COUNCIL

### REPORT TO CABINET

19 FEBRUARY 2019

#### REPORT OF THE INTERIM HEAD OF FINANCE AND SECTION 151 OFFICER

#### TREASURY MANAGEMENT AND CAPITAL STRATEGIES 2019-20 ONWARDS

#### 1. Purpose

- 1.1 The purpose of this report is to present to Cabinet the Treasury Management Strategy 2019-20 (**Appendix A**) which includes the Treasury Management Indicators, the Capital Strategy 2019-20 to 2028-29 (**Appendix B**) which includes the Prudential Indicators and proposed changes to the Financial Procedure Rules (**Appendix C** and **D**) before approval of Council.

#### 2. 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 Prudent treasury management arrangements will ensure that investment and borrowing decisions made by officers on behalf of the Council support smarter use of financial resources and hence assist achievement of Corporate Priorities. Also, capital investment in our assets is a key factor in meeting the Council's Priorities as set out in the Council's Corporate Plan.

#### 3. Background

- 3.1 Both Treasury Management and the control on Capital Expenditure are based in legislation. 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, develop 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 2003 Regulations also contain detailed provisions for the capital finance and accounting controls, including the rules on the use of capital receipts and what is to be treated as capital expenditure. They modify accounting practice in various ways to prevent adverse impacts on authorities' revenue resources. The Local Authorities (Capital Finance and Accounting) (Wales) (Amendment) Regulations 2018 relaxed the constraints around loan capital transactions, specific share capital transactions and bonds placing for local authorities in Wales and enables the Council to invest in certain instruments which were previously treated as capital expenditure (for example Money Market Funds (MMF)) without the potential revenue cost of Minimum Revenue Provision (MRP) and without the proceeds from sale being considered a capital receipt.
- 3.3 As well as the legislation, the Council manages its Treasury Management and Capital activities in accordance with the following associated guidance:-
- CIPFA's Treasury Management in the Public Services: Code of Practice
  - CIPFA's The Prudential Code for Capital Finance in Local Authorities
  - The Welsh Government (WG) revised Guidance on Local Authority Investments
- 3.4 In December 2017, CIPFA published new editions of Treasury Management in the Public Services: Code of Practice and the Prudential Code for Capital Finance in Local Authorities. The definition of investments in CIPFA's revised Treasury Management Code now covers all the financial assets of the Council as well as other non-financial assets which the Council holds primarily for financial return. This is in response to changes within the marketplace with Councils diversifying their portfolios with more investment properties.
- 3.5 The revised Prudential Code placed a new requirement on local authorities to determine a Capital Strategy, to be approved by full Council, which demonstrates that the Authority takes capital expenditure and investment decisions in line with service objectives and properly takes account of stewardship, value for money, prudence, sustainability and affordability. Local Authorities need to have in place a Capital Strategy that sets out the long-term context in which capital expenditure and investment decisions are made and gives due consideration to both risk and reward and impact on the achievement of priority outcomes. This needs to be in place for the financial year beginning 1 April 2019.
- 3.6 Previously, the Council has reported all its Treasury Management and Prudential Indicators, prescribed by the Codes mentioned in 3.3 above, within its Treasury Management Strategy and associated monitoring reports. As a result of the changes to the Codes, the Capital Strategy will contain the Prudential Indicators and the Treasury Management Strategy will only contain the Treasury Management Indicators.
- 3.7 The Capital Strategy should demonstrate how the Council ensures that all of its capital and investment plans and borrowing are prudent and sustainable. It is intended to give a high level overview of how capital expenditure, capital financing and treasury management activity contribute to the provision of services along with an overview of how associated risk is managed and the implications for future sustainability.
- 3.8 The Treasury Management Strategy requires that formal and comprehensive objectives, policies and practices, strategies and reporting arrangements are in place for the effective management and control of treasury management activities, and that the effective management and control of risk are the prime objectives of these activities.

#### 4. Current Situation / Proposal

- 4.1 The Treasury Management Strategy 2019-20 (**Appendix A**) confirms the Council's compliance with the Treasury Management in the Public Services: Code of Practice, which requires that formal and comprehensive objectives, policies and practices, strategies and reporting arrangements are in place for the effective management and control of treasury management activities, and that the effective management and control of risk are the prime objectives of these activities. It also fulfils the Council's legal obligation under the Local Government Act 2003 to have regard to both the CIPFA Code and the Welsh Government Guidance.
- 4.2 The Treasury Management Strategy is an integrated strategy where borrowing and investments are managed in accordance with best professional practice. The Council borrows money either to meet short term cash flow needs or to fund capital schemes within the capital programme but loans taken are not associated with particular assets. The Council is exposed to financial risks including the potential loss of invested funds and the effect on revenue of changing interest rates. The Council endeavours to minimise the risks by investing its funds prudently, and having regard firstly to the security of investments then to their liquidity and finally to the seeking the highest rate of return, or yield. The Strategy outlines the Council's definition of specified and non-specified investments, the financial limits for each category of investments and the approved counterparties with associated credit ratings.
- 4.3 The Capital Strategy 2019-20 (**Appendix B**) was presented to the Corporate Overview and Scrutiny Committee on the 11 February 2019 for information. It confirms the Council's compliance with the Prudential Code for Capital Finance in Local Authorities. It sets out the guiding principles for capital decisions as to:-
1. Focus capital investment on delivery of the Council's Objectives and Priorities
  2. Ensure strong governance over decision-making
  3. Ensure that capital plans are affordable, sustainable and prudent
  4. Maximise and promote the best use of available funds
- 4.4 The Capital Strategy sets out a framework for the self-management of capital finance and examines the following areas:
- Capital expenditure and investment plans
  - Prudential Indicators
  - External debt
  - Treasury Management
- It reports on the delivery, affordability and risks associated with the long-term context in which capital expenditure and investment decisions are made.
- 4.5 The Local Authority (Capital Finance and Accounting) (Amendment) (Wales) Regulations 2008 requires the Council to produce and approve an Annual Minimum Revenue Provision (MRP) Statement before the start of the financial year. Where a Council finances capital expenditure by debt, it must put aside revenue resources to repay that debt in later years and this is charged to revenue. This Statement is attached at **Appendix B - Schedule A**.
- 4.6 Due to the changes in both Codes of Practices as per 3.6 above, the Financial Procedure Rules within the Constitution need to be updated to reflect that there will be a Capital Strategy which will include the Prudential Indicators formerly presented within the Treasury Management Strategy. Attached are the existing Financial Procedure

Rules, with tracked changes, to show the proposed changes (**Appendix C**), plus a clean version of the revised Financial Procedure Rules for which approval will be sought by Council (**Appendix D**).

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

- 5.1 As required by 20.2 of the Financial Procedure Rules, contained within the Council's Constitution, the Chief Finance Officer will be responsible for preparing and presenting an annual Treasury Management Strategy for Council to approve prior to the start of each financial year.
- 5.2 As the Capital Strategy is a new document, the Financial Procedure Rules within the Constitution have been updated to reflect the requirement to produce one and the approval process for it. This will be the same as the Treasury Management Strategy and will be for Council to approve prior to the start of each financial year.
- 5.3 The revised Financial Procedure Rules will be included within the Constitution once approved by Council.

## **6. Equality Impact Assessment**

- 6.1 Projects within the Capital Strategy will be subject to the preparation of Equality Impact Assessments before proceeding.

## **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
  - A resilient Wales
  - A Wales of cohesive communities
  - A globally responsive Wales
- 7.2 The wellbeing objectives are designed to complement each other and are part of an integrated way of working to improve wellbeing for the people in Bridgend County Borough. In developing the Treasury Management and Capital Strategies, officers have considered the importance of balancing capital resources over the short-term and minimising the revenue costs of debt with longer-term objectives of managing the Council's long term capital programme. Both the Treasury Management and Prudential Indicators are forward looking and are set to support future sustainability.

## **8. Financial Implications**

- 8.1 The financial implications are reflected within the report.

## **9. Recommendations**

- 9.1 Cabinet is recommended to consider the Report and note that the following will be presented to Council for approval :-

- the Treasury Management Strategy 2019-20 including the Treasury Management Indicators 2019-20 to 2021-22 (**Appendix A**);
- the Capital Strategy 2019-20 including the Prudential Indicators 2019-20 to 2021-22 (**Appendix B**);
- the Annual Minimum Revenue Provision (MRP) Statement 2019-20 (**Appendix B - Schedule A**); and
- the amendments to the Financial Procedure Rules (**Appendix C**) and consequently the updated Constitution as set out in (**Appendix D**).

**Gill Lewis CPFA**  
**Interim Head of Finance and Section 151 Officer**

**11 February 2019**

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Mary Williams

Group Manager – Chief Accountant

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Background Papers:

**Background documents**

CIPFA Code of Practice on Treasury Management in Local Authorities (Fully Revised 2017)

CIPFA The Prudential Code for Capital Finance in Local Authorities (Fully Revised 2017)

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# TREASURY MANAGEMENT STRATEGY

## 2019-20

## 1.0 INTRODUCTION

Treasury management is the management of the Council's cash flows, borrowing and investments, and the associated risks. The Council is exposed to financial risks including the loss of invested funds and the revenue effect of changing interest rates. The successful identification, monitoring and control of financial risk are therefore central to the Council's prudent financial management.

Treasury risk management at the Council is conducted within the framework of the Chartered Institute of Public Finance and Accountancy's (CIPFA) *Treasury Management in the Public Services: Code of Practice 2017 Edition* (the CIPFA Code) which requires the Council to approve a Treasury Management Strategy (TMS) before the start of each financial year. In addition, the Welsh Government issued revised *Guidance on Local Authority Investments* in March 2010 that requires the Council to approve an Investment Strategy before the start of each financial year. This report fulfils the Council's legal obligation under the *Local Government Act 2003* to have regard to both the CIPFA Code and the Welsh Government Guidance.

In 2017 CIPFA also published a new version of the Prudential Code for Capital Finance in Local Authorities (the Prudential Code). The updated Prudential Code includes a new requirement for local authorities to provide a Capital Strategy, which is a summary document approved by full Council covering capital expenditure and financing, treasury management and non-treasury investments. The Council's Capital Strategy, complying with CIPFA's requirement, will be approved together with the TMS by full Council in February 2019 and will now include the Prudential Indicators which in previous years were included in the TMS, along with details regarding the Council's non-treasury investments. The CIPFA Code also requires the Council to set a number of Treasury Management Indicators which are forward looking parameters and enable the Council to measure and manage its exposure to treasury management risks and these are included throughout this TMS. The Capital Strategy and TMS should be read in conjunction with each other as they are interlinked as borrowing and investments are directly impacted upon by capital plans.

The Council has an integrated TMS where borrowing and investments are managed in accordance with best professional practice which is assessed either from internal expertise or consultation with our external advisers. The Council borrows money either to meet short term cash flow needs or to fund capital schemes approved within the capital programme. Therefore any actual loans taken are not associated with particular items of expenditure or assets. The Council is exposed to financial risks including the potential loss of invested funds and the revenue effect of changing interest rates. The successful identification, monitoring and control of risk are therefore central to the Council's TMS. In accordance with Welsh Government Guidance, the Council will be asked to approve a revised TMS should the assumptions on which this is based change significantly. Such circumstances would include, for example, a large unexpected change in interest rates, a significant change in the Council's capital programme or the level of its investment balance. There is also a half year review of the TMS which is presented to Council for approval.

The Council delegates responsibility for the implementation and regular monitoring of its treasury management policies and practices to Cabinet, and for the execution and

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

## **2.0 ECONOMIC CONTEXT**

**Economic background:** The UK's progress negotiating its exit from the European Union, together with its future trading arrangements, will continue to be a major influence on the Council's TMS for 2019-20. Following the Bank of England's decision to increase the Bank Rate from 0.50% to 0.75% in August 2018, no changes to monetary policy has been made, however, the uncertain political situation surrounding Brexit has produced the prospect of divergent paths for UK monetary policy.

**Credit outlook:** The big four UK banking groups have now divided their retail and investment banking divisions into separate legal entities under ringfencing legislation. Bank of Scotland, Barclays Bank UK, HSBC UK Bank, Lloyds Bank, National Westminster Bank, Royal Bank of Scotland and Ulster Bank are the ringfenced banks that now only conduct lower risk retail banking activities. Barclays Bank, HSBC Bank, Lloyds Bank Corporate Markets and NatWest Markets are the investment banks. Credit rating agencies have adjusted the ratings of some of these banks with the ringfenced banks generally being better rated than their non-ringfenced counterparts.

The Bank of England released its latest report on bank stress testing, illustrating that all entities included in the analysis were deemed to have passed the test once the levels of capital and potential mitigating actions presumed to be taken by management were factored in, and they did not require any bank to raise additional capital.

European banks are considering their approach to Brexit, with some looking to create new UK subsidiaries to ensure they can continue trading in the UK. The credit strength of these new banks remains unknown, although the chance of parental support is assumed to be very high if ever needed. The uncertainty caused by protracted negotiations between the UK and EU is weighing on the creditworthiness of both UK and European banks with substantial operations in both jurisdictions.

**Interest rate forecast:** Due to the short time for a Brexit withdrawal deal to be agreed and the possibility of an extended period of uncertainty over the possible outcome, the Council's treasury management adviser Arlingclose's central case scenario is forecasting one 0.25% rise in the Bank Rate during 2019-20 to take official UK interest rates to 1.00% by December 2019 as shown in table 1. The Monetary Policy Committee (MPC) bias towards tighter monetary policy remains but is unlikely to raise Bank Rate unless there is a withdrawal arrangement and the prospect of a transitional period.

The UK economic environment appears relatively soft, despite seemingly strong labour market data. Arlingclose's view is that the UK economy faces a challenging outlook as the country exits the European Union and Eurozone/global economic growth softens.

**Table 1: Arlingclose (Council's TM Advisers) central interest rate forecast January 2019**

	<b>Bank Rate</b>	3 month money market rate	1 year money market rate	5 year gilt yield	10 year gilt yield	20 year gilt yield	50 year gilt yield
Jan 2019	<b>0.75</b>	0.92	1.16	0.90	1.26	1.66	1.62
Mar 2019	<b>0.75</b>	0.90	1.20	0.95	1.30	1.70	1.65
June 2019	<b>0.75</b>	0.90	1.20	0.95	1.35	1.75	1.70
Sept 2019	<b>0.75</b>	0.95	1.25	1.00	1.40	1.80	1.75
Dec 2019	<b>1.00</b>	1.20	1.50	1.25	1.65	2.00	1.95
Mar 2020	<b>1.00</b>	1.25	1.60	1.30	1.75	2.05	2.00
Jun 2020	<b>1.25</b>	1.35	1.75	1.45	1.90	2.20	2.15
Sept 2020	<b>1.25</b>	1.40	1.75	1.45	1.85	2.20	2.15
Dec 2020	<b>1.25</b>	1.40	1.70	1.40	1.85	2.20	2.15
Mar 2021	<b>1.25</b>	1.40	1.70	1.40	1.85	2.20	2.15
Jun 2021	<b>1.25</b>	1.40	1.70	1.40	1.85	2.20	2.15
Sept 2021	<b>1.25</b>	1.40	1.70	1.40	1.85	2.20	2.15
Dec 2021	<b>1.25</b>	1.40	1.70	1.40	1.85	2.20	2.15
<b>Average</b>	<b>1.06</b>	<b>1.22</b>	<b>1.53</b>	<b>1.25</b>	<b>1.67</b>	<b>2.03</b>	<b>1.98</b>

### **3.0 EXTERNAL DEBT AND INVESTMENT POSITION**

On the 31 December 2018, the Council held £96.87 million of borrowing and £33.00 million of investments. The external debt and investment position is shown in table 2 below and more detail is provided in section 4.0 Borrowing Strategy and section 5.0 Investment Strategy. Forecast changes in these sums are shown in the balance sheet analysis in table 3 below.

Where a Council finances capital expenditure by debt, it must put aside revenue resources to repay that debt in later years and this amount charged to revenue is called the Minimum Revenue Provision (MRP). The *Local Authority (Capital Finance and Accounting) (Amendment) (Wales) Regulations 2008* requires the Council to produce and approve an Annual Minimum Revenue Provision (MRP) Statement before the start of the financial year that details the methodology for the MRP charge and this is detailed in the Council's Capital Strategy. The underlying need to borrow for capital purposes is measured by the Capital Financing Requirement (CFR), while usable reserves and working capital are the underlying resources available for investment. The Council's current strategy is to maintain borrowing and investments below their underlying levels, sometimes known as internal borrowing. This strategy is prudent as investment returns are low and counterparty risk is relatively high. The Council is forecasting an increased CFR due to the prudential borrowing in the capital programme and the new MRP policy approved by Council in September 2018.

CIPFA's *Prudential Code for Capital Finance in Local Authorities* recommends that the Council's total debt should be lower than its highest forecast CFR over the next three years. Table 3 below shows that the Council complied with this in 2017-18 and expects to comply with this recommendation during 2018-19, 2019-20 and the following two years. More detail is provided in the Capital Strategy 2019-20.

**Table 2: Council's external debt and investment position as at 31 December 2018**

	<b>Principal as at 31-12-18 £m</b>	<b>Average Rate %</b>
<b>External Long Term Borrowing:</b>		
Public Works Loan Board	77.62	4.70
Lender's Option Borrower's Option (LOBO)	19.25	4.65
<b>Total External Long Term Borrowing</b>	<b>96.87</b>	<b>4.69</b>
<b>Other Long Term Liabilities:</b>		
Private Finance Initiative *	17.16	
Llynfi Loan**	2.40	
Other LTL	0.94	
<b>Total Other Long Term Liabilities</b>	<b>20.50</b>	
<b>Total Gross External Debt</b>	<b>117.37</b>	
<b>Treasury Investments:</b>		
Banks	<b>8.00</b>	0.97
Local Authorities	<b>22.00</b>	0.87
Money Market Funds ***	<b>3.00</b>	0.77
<b>Total Treasury Investments</b>	<b>33.00</b>	<b>0.88</b>
<b>Net Debt</b>	<b>84.37</b>	

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

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

\*\*\*the funds provide instant access

Table 3 below has been produced using estimates of capital spend and forecasts on usable reserves for the current financial year and the next three years. The Capital Plans highlight that the Loans CFR, which is the Council's need to borrow to fund capital expenditure, is increasing year on year due to additional prudential borrowing together with the reduction of internal borrowing opportunities from usable reserves.

**Table 3: Balance sheet summary and forecast**

	<b>31.3.18 Actual £m *</b>	<b>31.3.19 Estimate £m</b>	<b>31.3.20 Estimate £m</b>	<b>31.3.21 Estimate £m</b>	<b>31.3.22 Estimate £m</b>
<b>CFR</b>	171	172	177	178	177
Less: Other debt liabilities	-18	-17	-16	-16	-14
<b>Loans CFR</b>	<b>153</b>	<b>155</b>	<b>161</b>	<b>162</b>	<b>163</b>
Less: Current External borrowing	-103	-103	-100	-100	-100
<b>Internal borrowing</b>	<b>50</b>	<b>52</b>	<b>61</b>	<b>62</b>	<b>63</b>
Less: Usable reserves	-81	-69	-55	-51	-44
Working capital	2	2	-	-	-
<b>Investments</b>	<b>29</b>	<b>15</b>	<b>10</b>	<b>10</b>	<b>10</b>
<b>New Borrowing - cumulative</b>	<b>-</b>	<b>-</b>	<b>16</b>	<b>21</b>	<b>29</b>

\*Accounting practice requires financial instruments in the accounts (debt and investments) to be measured in a method compliant with International Financial Reporting Standards (IFRS) so these differ from other figures in the TMS which are based on the actual amounts borrowed/invested

**Liability benchmark:** To compare the Council's actual borrowing against an alternative strategy, a liability benchmark has been calculated showing the lowest risk level of borrowing. This assumes the same forecasts as table 3 above, but that cash and investment balances are kept to a minimum level of £10 million at each year-end to maintain sufficient liquidity but minimise credit risk.

**Table 4: Liability benchmark**

	31.3.18 Actual £m	31.3.19 Estimate £m	31.3.20 Estimate £m	31.3.21 Estimate £m	31.3.22 Estimate £m
Loans CFR	153	155	161	162	163
Less: Usable reserves	-81	-69	-55	-51	-44
Working capital	2	2	-	-	-
Plus: Minimum investments	29	15	10	10	10
<b>Liability Benchmark</b>	<b>103</b>	<b>103</b>	<b>116</b>	<b>121</b>	<b>129</b>

#### **4.0 BORROWING STRATEGY**

As at the 31 March 2018, the Council held £96.87 million of long term loans, £2.62 million of short term borrowing plus £3 million as a short term loan repayable in 2019-20 as part of its strategy for funding previous years' capital programmes. The balance sheet forecast in table 3 above shows that the Council will have to borrow £29 million over the next three years as detailed below:-

**Table 5: New Borrowing**

	31.3.18 Actual £m	31.3.19 Estimate £m	31.3.20 Estimate £m	31.3.21 Estimate £m	31.3.22 Estimate £m
<b>New Borrowing</b>	-	-	16	5	8

The Section 151 Officer will monitor and update the liability benchmark assumptions on an on-going basis and report any significant changes within the treasury management monitoring reports to Cabinet, Audit Committee and Council as appropriate. This could be as a result of changes in the level of usable reserves at year end, slippage within the Capital Programme or changes within the working capital assumptions.

**Objectives:** The Council's chief objective when borrowing money is to strike an appropriately low risk balance between securing low interest costs and achieving certainty of those costs over the period for which funds are required. The flexibility to renegotiate loans should the Council's long-term plans change is a secondary objective.

Therefore the major **objectives** to be followed in 2019-20 are:-

- to minimise the revenue costs of debt
- to manage the Council's debt maturity profile i.e. to leave no one future year with a high level of repayments that could cause problems in re-borrowing

- to effect funding in any one year at the cheapest cost commensurate with future risk
- to monitor and review the level of variable interest rate loans in order to take greater advantage of interest rate movement
- to reschedule debt if appropriate, in order to take advantage of potential savings as interest rates change
- to optimise the use of all capital resources including borrowing, both supported and unsupported, usable capital receipts, revenue contributions to capital and grants and contributions

**Strategy:** Given the significant cuts to public expenditure and in particular to local government funding, the Council's borrowing strategy continues to address the key issue of affordability without compromising the longer-term stability of the debt portfolio. The uncertainty over future interest rates increases the risks associated with treasury activity. As a result the Council will take a cautious approach to its treasury strategy. With short-term interest rates currently much lower than long term rates, it is likely to be more cost effective in the short term to either use internal resources or borrow short term loans instead.

The Section 151 Officer will take the most appropriate form of borrowing depending on the prevailing interest rates at the time however, with long term rates forecast to rise modestly in future years, any such short term savings will need to be balanced against the potential longer-term costs. The Council's treasury management advisers will assist the Council with this 'cost of carry' and breakeven analysis. The last time the Council took long term borrowing was £5 million from the Public Works Loan Board (PWLB) in March 2012. As detailed above, the liability benchmark is suggesting there will be a requirement for new long term borrowing in 2019-20, 2020-21 and 2021-22. It is anticipated that this would be from PWLB and for estimate purposes it has been assumed that this will be over 30 years.

Alternatively, the Council may arrange forward starting loans during 2019-20 where the interest rate is fixed in advance, but the cash is received in later years. This would enable certainty of cost to be achieved without suffering a cost of carry in the intervening period. In addition, the Council may borrow short term loans (normally for up to one month) to cover unexpected cash flow shortages.

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

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

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

- leasing
- hire purchase
- Private Finance Initiative
- sale and leaseback

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

**LOBOs:** The £19.25 million shown in table 2 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. There are two trigger points in 2019-20 and although the Council understands that the lender is unlikely to exercise this option in the current low interest rate environment, an element of refinancing risk remains and the Council would take the option to repay these loans at no cost if it has the opportunity to do so in the future.

**Short term and variable rate loans:** These loans expose the Council to the risk of short term interest rate rises and are therefore subject to the treasury management indicator to manage interest rate exposure as shown below in tables 6 and 11 below.

**Debt rescheduling:** The PWLB allows authorities to repay loans before maturity and either pay a premium or receive a discount according to a set formula based on current interest rates. Other lenders may also be prepared to negotiate premature redemption terms. The Council may take advantage of this and replace some higher rate loans with new loans at lower interest rates, or repay loans without replacement, where this is expected to lead to an overall saving or reduction in risk.

**Maturity structure of borrowing indicator:** This indicator is set for the forthcoming financial year to control the Council’s exposure to refinancing risk with respect to the maturity of the Council’s external borrowing 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. It is the amount of projected borrowing maturing in each period as a percentage of total projected borrowing. The upper and lower limits on the maturity structure of borrowing will be:

**Table 6: Treasury Management Indicator Maturity Structure of Borrowing 2019-20**

Refinancing rate risk indicator Maturity structure of borrowing 2019-20	Upper limit	lower limit
Under 12 months	50%	0%
12 months and within 24 months	25%	0%
24 months and within 5 years	25%	0%
5 years and within 10 years	40%	0%
10 years and within 20 years	50%	0%
20 years and above	60%	25%

## **5.0 INVESTMENT STRATEGY**

The preparation each year of an Investment Strategy is central to the Welsh Government guidance on Local Authority Investments. It encourages the formulation of policies for the prudent investment of the surplus funds that authorities hold on behalf of their communities. In addition, the need for the Strategy to be approved by the full Council ensures that these policies are subject to the scrutiny of elected Members.

The Council holds surplus funds representing income received in advance of expenditure plus balances and reserves and as shown in table 2 above in section 3, the balance at 31 December 2018 was £33.00 million. Investments are estimated to drop to between £15 and £20 million by the 31 March 2019. As in previous years this is due partly to increased expenditure expected to be incurred for the capital programme and the reduction in income collected from Council Tax and National Non-Domestic Rates in February and March 2019. Based on its cash flow forecasts, the Council anticipates its investment balances in 2019-20 to range between £10 million to £55 million with an average investment rate of between 0.75% to 1.00% depending on the Bank Rate and investment types, which will be reviewed at half year and reported to Council. The actual balance varies because of the cash flow during the year as to when income is received (such as specific grant income, housing benefits subsidy and Revenue Support Grant) and payments are made (such as salaries and wages, major capital expenditure and loan repayments).

**Objectives:** Both the CIPFA Code and the Welsh Government 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, minimising the risk of incurring losses from defaults and the risk of receiving unsuitably low investment income. Where balances are expected to be invested for more than one year, the Council will aim to achieve a total return that is equal to or higher than the prevailing rate of inflation, in order to maintain the spending power of the sum invested.

The major **objectives** to be followed in 2019-20 are:

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

**Negative interest rates:** If the UK enters into a recession in 2019-20, there is a small chance that the Bank of England could set its Bank Rate at or below zero, which is likely to feed through to negative interest rates on all low risk, short-term investment options. This situation already exists in some other European countries. In this event, security will be measured as receiving the contractually agreed amount at maturity, even though this may be less than the amount originally invested.

**Strategy:** The Council's investments have historically been placed in mainly short term bank and building society unsecured deposits and local and central government, however, investments may be made with any public or private sector organisations that meet the credit criteria detailed below. Given the increasing risk and very low returns

from short-term unsecured bank investments, the Council will further diversify into more secure and/or higher yielding asset classes during 2019-20 as appropriate in consultation with the Council's treasury management advisers. The majority of the Council's surplus cash is currently invested in money market funds and with other local authorities but the Council will continue to look at investment options in line with the limits detailed below.

With short term interest rates currently much lower than long-term rates, due consideration will also be given to using surplus funds to make early repayments of long term borrowing if appropriate options become available as referred to in section 4.0 Borrowing Strategy.

**International Financial Reporting Standard (IFRS) 9:** Under the new IFRS 9 Standard, the accounting for certain investments depends on the Authority's "business model" for managing them. The Council aims to achieve value from its internally managed treasury investments by a business model of collecting the contractual cash flows and therefore, where other criteria are also met, these investments will continue to be accounted for at amortised cost.

**Approved counterparties:** The Council may invest its surplus funds with any of the counterparty types shown in table 7 below, subject to the cash limits and the time limits shown. **These cash/time limits are per counterparty and relate to principal only and exclude any accrued interest.**

**Credit rating:** Investment limits are set by reference to the lowest published long-term credit rating from a selection of external rating agencies to ensure that this lies within our agreed minimum credit rating. Where available, the credit rating relevant to the specific investment or class of investment is used, otherwise the counterparty credit rating is used. However, investment decisions are never made solely based on credit ratings, and all other relevant factors including external advice will be taken into account. **Schedule A** shows the equivalence table for credit ratings for three of the main rating agencies Fitch, Moody's and Standard & Poor's and explains the different investment grades.

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

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

**Government:** Loans, bonds and bills issued or guaranteed by national governments, regional and local authorities and multilateral development banks. These investments

are not subject to bail-in, and there is generally a lower risk of insolvency, although they are not zero risk. Investments with the UK Central Government may be made in unlimited amounts for up to 50 years.

**Corporates:** Loans, bonds and commercial paper issued by companies other than banks and registered providers. These investments are not subject to bail-in, but are exposed to the risk of the company going insolvent. Loans to unrated companies will only be made following an external credit assessment and consultation with the Council's treasury management advisers.

**Registered providers:** Loans and bonds issued by, guaranteed by, or secured on the assets of registered providers of social housing and registered social landlords, formerly known as housing associations. These bodies are tightly regulated by the Welsh Government and as providers of public services, they retain the likelihood of receiving government support if needed.

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

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

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

**Table 7: Approved investment counterparties and limits**

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

Credit Rating	Banks (including building societies) Unsecured	Banks (including building societies) Secured	Government	Corporates	Registered Providers
UK Central Government	n/a	n/a	£ Unlimited 50 Years	n/a	n/a
UK Local Authorities	n/a	n/a	£12,000,000 10 Years	n/a	n/a
AAA	£3,000,000 5 Years	£6,000,000 20 Years	£6,000,000 50 Years	£3,000,000 20 Years	£3,000,000 20 Years
AA+	£3,000,000 5 Years	£6,000,000 10 Years	£6,000,000 25 Years	£3,000,000 10 Years	£3,000,000 10 Years
AA	£3,000,000 4 Years	£6,000,000 5 Years	£6,000,000 15 Years	£3,000,000 5 Years	£3,000,000 10 Years
AA-	£3,000,000 3 Years	£6,000,000 4 Years	£6,000,000 10 Years	£3,000,000 4 Years	£3,000,000 10 Years
A+	£3,000,000 2 Years	£6,000,000 3 Years	£3,000,000 5 Years	£3,000,000 3 Years	£3,000,000 5 Years
A	£3,000,000 13 Months	£6,000,000 2 Years	£3,000,000 5 Years	£3,000,000 2 Years	£3,000,000 5 Years
A-	£3,000,000 6 Months	£6,000,000 13 Months	£3,000,000 5 Years	£3,000,000 13 Months	£3,000,000 5 Years
None	£1,000,000 6 Months	n/a	see above central government and local authority limit	n/a	£3,000,000 5 Years
Pooled Funds	£6,000,000 per fund				

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

Long-term ratings are expressed on a scale from AAA (the highest quality) through to D (indicating default). Ratings of BBB- and above are described as investment grade, while ratings of BB+ and below are described as speculative grade. The Council's

credit rating criteria are set to ensure that it is very unlikely the Council will hold speculative grade investments, despite the possibility of repeated downgrades.

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

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

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

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

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

**Specified investments:** The *Welsh Government Investment Guidance* defines specified investments as those:

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

The Council defines “**high credit quality**” organisations and securities as those having a credit rating of A- or higher that are domiciled in the UK or a foreign country with a sovereign rating of AA+ or higher. For money market funds and other pooled funds “high credit quality” is defined as those having a credit rating of A- or higher.

**Non-specified investments:** Any investment that does not fall into the criteria detailed above under the Specified investments definition. The Council does not intend to make any investments denominated in foreign currencies nor any defined as capital expenditure. Non-specified investments will therefore be limited to:

- long-term investments, i.e. those that are due to mature 12 months or longer from the date of arrangement
- investments with bodies and schemes not meeting the definition on high credit quality

The *Welsh Government Investment Guidance* requires the Council’s Investment Strategy to set an overall limit for non-specified investments which is currently set at £20 million. Table 9 below shows the non-specified categories and the relevant limits and although the total of the individual limits exceed £20 million, at any one point in time a **maximum of £20 million** could be invested in these non-specified investments.

**Principal sums invested for periods longer than a year:** All investments longer than 365 days (non-specified) will be made with a cautious approach to cash flow requirements and advice from the Council’s treasury management advisers will be sought as necessary.

Where the Council invests, or plans to invest, for periods longer than a year, an upper limit is set for each forward financial year period for the maturing of such investments. The purpose of this indicator is to control the Council’s exposure to the risk of incurring losses by seeking early repayment of long term investments. The limits on the long term principal sum invested to final maturities beyond the period end will be as shown in table 8 below.

**Table 8: Treasury Management Indicator Principal sums invested for periods longer than a year**

Price risk indicator	2019-20 £m	2020-21 £m	2021-22 £m
Limit on principal invested beyond financial year end	15	10	8

**Investment Limits:** The combined values of specified and non-specified investments with any one organisation are subject to the approved counterparties and limits shown in table 7 above and also the non-specified limits in table 9 and the investment limits detailed in table 10 below.

A group of banks under the same ownership will be treated as a single organisation for limit purposes. Investments in pooled funds and multilateral development banks do not count against the limit for any single foreign country, since the risk is diversified over many countries.

The combined secured and unsecured investments in any one bank must not exceed the cash limit for secured investments.

**Table 9: Non-specified investment limits**

	<b>Category Cash limit</b>
Total long-term investments	£15m
Total investments without credit ratings or rated below the Council's definition of "high credit quality" (A-) (except the UK Government and UK local authorities)	£10m
Total investments (except pooled funds) with institutions domiciled in foreign countries with a sovereign rating below AA+	£3m
<b>Total Non-Specified Investments Outstanding</b>	<b>£20m</b>

**Table 10: Investments limits**

	<b>Category Cash limit</b>
Any single organisation, except the UK Central and Local Government	£6m
UK Central Government	unlimited
UK Local Authorities (per Authority)	£12m
Any group of organisations under the same ownership	£6m per group
Any group of pooled funds under the same management	£6m per manager
Negotiable instruments held in a broker's nominee account	£10m per broker
Foreign countries	£6m per country
Registered providers and registered social landlords	£5m in total
Unsecured investments with Building Societies	£6m in total
Money market funds (MMF)	£20m in total

**Liquidity Management:** The Council forecasts on a prudent basis the maximum period for which funds may be committed therefore minimising the risk of the Council being forced to borrow on unfavourable terms to meet its financial commitments. A limit of £15 million (table 9 above) has been set for 2019-20 for long term investments and this has been set with reference to the Medium Term Financial Strategy and cash flow forecast as shown in the principal sums invested for periods longer than a year indicator in table 8 above. This represents just under 30% of the maximum amount of investments that the Council anticipates to have at any one point in time in 2019-20.

## **6.0 INTEREST RATE EXPOSURES BORROWING AND INVESTMENTS**

The Council is exposed to interest rate movements on its borrowings and investments. Movements in interest rates have a complex impact on the Council, depending on how variable and fixed interest rates move across differing financial instrument periods. For instance, a rise in variable and fixed interest rates would have the following effects:

- borrowings at variable rates – the interest charged to revenue within the Comprehensive Income and Expenditure Statement will rise;
- borrowings at fixed rates – the fixed rate protects the Council from increased interest charges as an equivalent loan would now cost more. The fair value of the borrowing (liability) will fall;

- investments at variable rates – the interest income credited to the Comprehensive Income and Expenditure Statement will rise;
- investments at fixed rates – the fixed rate prevents the Council from receiving higher investment income from the same principal invested. The fair value of the investment (asset) will fall.

An indicator has been set in table 11 below to measure the net impact over one year on the revenue account of both a 1% rise and a 1% fall in all interest rates for borrowing net of treasury investments. This is calculated at a point in time on the assumption that maturing loans and investments will be replaced at rates 1% higher or lower than they would otherwise have been on their maturity dates and that the treasury investment and borrowing portfolios remain unchanged over the coming year. Interest rates can move by more than 1% over the course of a year, although such instances are rare.

**Table 11: Treasury Management Indicator Interest Rate Exposures**

<b>Interest rate risk indicator</b>	<b>Indicator £'000</b>
One year revenue impact of a 1% rise in interest rates	(140)
One year revenue impact of a 1% fall in interest rates	315

The figures for the 1% fall in interest rates indicator is not the same figures as the 1% increase (but reversed) as the borrowing relates to variable LOBO loans where it is assumed that the lender would not exercise their option if there was a fall in interest rates. All other borrowing does not have a rate reset in the next year and is with the PWLB at fixed rates.

## **7.0 PERFORMANCE INDICATORS**

Performance indicators are set to assess the adequacy of the treasury function over the year. These are distinct historic indicators as opposed to the treasury management and prudential indicators which are predominantly forward looking.

One debt performance indicator is where the average portfolio rate of interest is compared to an appropriate average available such as the average PWLB Debt for Welsh and UK local authorities. The rate of return on investments can be monitored against the 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/year-end.

## **8.0 OTHER ITEMS**

In line with the CIPFA Code and Welsh Government guidance the following also forms part of the Council's TMS.

**Financial Derivatives:** In the absence of any explicit legal power to do so, the Council will not use standalone financial derivatives such as swaps, forwards, futures and options. Derivatives embedded into loans and investments including pooled funds and forward starting transactions may be used and the risks they present will be managed in line with the overall treasury risk management strategy.

**Markets in Financial Instruments Directive II (MIFID II):** From January 2018, MIFID II changed the classification of local authority investors. It reclassified local and public authorities as retail investors. The Council has opted up to professional client status with its providers of financial services, including treasury management advisers, banks, building societies and brokers, allowing it access to a greater range of services but without the greater regulatory protection afforded to individuals and small companies. Given the size and range of the Council's treasury management activities, the Section 151 Officer believed this to be the most appropriate status.

**Investment training:** The needs of the Council's treasury management staff for training in investment management are assessed every six months as part of the staff appraisal process and also if the responsibilities of individual members of staff change.

Training is received from the Council's treasury management advisers, CIPFA and other bodies in the form of training courses and seminars. The Council also supports personal development so individuals enhance their own knowledge through reading CIPFA guidance, publications and research on the internet.

**Investment advisers:** The Council appointed Arlingclose Limited as treasury management advisers following a tender exercise in August 2016. They were awarded a four year contract, to provide advice and information relating to its borrowing and investment activities and capital finance issues. The contract will be reviewed annually and either party may at any time terminate this agreement on 3 months prior written notice. The quality of this service is controlled by having regular meetings with the advisers and regularly reviewing the service provided.

**Investment of money borrowed in advance of need:** The Welsh Government maintains that the borrowing of monies purely to invest or on-lend and make a return is unlawful and the Council will not engage in such activity, however, the Council could potentially borrow in advance of need where this is expected to provide the best long term value for money. Since amounts borrowed will be invested until spent, the Council is aware that it will be exposed to the risk of loss of the borrowed sums, and the risk that investment and borrowing interest rates may change in the intervening period. These risks will be managed as part of the Council's overall management of its treasury risks.

As the Council has an integrated TMS, borrowing is not linked to the financing of specific items of expenditure. The Council's Capital Financing Requirement (CFR) as at 1 January 2019 was in excess of the actual debt of the Council as shown in table 3 above indicating there was no borrowing in advance of need. More detail is provided in the Prudential Indicators in the Council's Capital Strategy.

## Schedule A

**Credit Rating Equivalence Table**

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



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

**CAPITAL STRATEGY**  
**2019-20 TO 2028-29**

## OVERVIEW OF STRATEGY

### 1.0 INTRODUCTION

The Prudential Code for Capital Financing in Local Authorities (2017) placed a requirement on local authorities to determine a Capital Strategy, to be approved by full Council, which demonstrates that the authority takes capital expenditure and investment decisions in line with service objectives and properly takes account of stewardship, value for money, prudence, sustainability and affordability. Local Authorities should have in place a Capital Strategy that sets out the long-term context in which capital expenditure and investment decisions are made and gives due consideration to both risk and reward and impact on the achievement of priority outcomes.

This Capital Strategy is the policy framework document that sets out the principles to be used to guide the allocation of capital investment across all the Council's services and informs decisions on capital spending priorities within the Council's 10 year Capital Programme. It also reports on the delivery, affordability and risks associated with this Strategy.

### 1.1 AIMS AND PRINCIPLES

The Capital Strategy is presented to Council as a Policy Framework document, and links with the Corporate Plan, Treasury Management Strategy (TMS), Medium Term Financial Strategy (MTFS) and the Council's Asset Management Plan (AMP). It sets out:

- what is capital expenditure/investment and why we incur it;
- the Council's overall capital objectives, priorities and plans;
- how the Council's capital expenditure/investment will be funded/resourced
- how the Council's capital expenditure/investment plans will be appraised;
- how capital plans will be approved, monitored and reported upon; and
- the skills and knowledge required to deliver the capital plans.

The Capital Strategy should be read in conjunction with the Council's TMS which covers the Council's Investment Strategy and Borrowing Strategy and the Minimum Revenue Provision (MRP) policy which is attached as Schedule A to this document. The Council's borrowing and MRP policy are directly impacted by capital plans.

The capital programme is a key element of the MTFS. The MTFS provides a set of clear principles which drive the budget and spending decisions of the Council. There are fourteen principles in total, but the following three refer specifically to the capital programme and Strategy:

9. Capital investment decisions support the Council's corporate priorities and mitigate any statutory risks taking account of return on investment and sound option appraisals.
10. Prudential borrowing is only used to support the capital programme where it is affordable and sustainable within the Council's overall borrowing limits and the revenue budget over the long term.
11. Decisions on the treatment of surplus assets are based on an assessment of the potential contribution to the revenue budget and the capital programme.

The Capital Strategy sets out a number of guiding principles on the following:

<b>PRINCIPLE 1 : Focus capital investment on delivery of the Council's Objectives and Priorities</b>
<ul style="list-style-type: none"> <li>• Ensuring that capital investment plans are driven by the Council's Corporate Plan.</li> <li>• Ensuring decision-makers are clear on the positive contribution capital investment makes to corporate objectives</li> <li>• Appraising all investments in the context of objectives/priorities</li> <li>• Ensure a corporate business planning process incorporating service transformation and the impact on property assets</li> </ul>
<b>PRINCIPLE 2 : Ensure strong governance over decision-making</b>
<ul style="list-style-type: none"> <li>• Ensuring that proposals demonstrate that a rigorous process of options appraisal has been followed, requiring evidence of need, cost, risk, outcomes and methods of financing</li> <li>• Schemes will only be added once an affordable business plan is in place and it demonstrates value for money</li> <li>• All major capital schemes have a lead Project Sponsor and follow project management principles</li> <li>• The approval process within the Financial Procedure Rules contained in the Constitution are strictly adhered to</li> </ul>
<b>PRINCIPLE 3 : Ensure capital plans are affordable, sustainable and prudent</b>
<ul style="list-style-type: none"> <li>• Promote capital investment which allows invest to save outcomes and which contribute to future MTFS savings</li> <li>• Make sure assets perform at an optimal level through effective ongoing asset management and consistent with levels of investment</li> <li>• Review and challenge the Council's assets, including the need, cost and performance of the estate</li> <li>• Maximise the use of Internal Borrowing and maintain an under-borrowed position compared to its Capital Financing Requirement if feasible</li> </ul>
<b>PRINCIPLE 4 : Maximise and promote the best use of available funds</b>
<ul style="list-style-type: none"> <li>• Generate funding, where possible, from the rationalisation of existing assets with a strong Disposal Strategy</li> <li>• Minimise the use of ring-fencing capital receipts to ensure a One-Council approach</li> <li>• Bidding for external funds where possible and ensuring that there are effective working relationships with external funders</li> <li>• Have clear policies for the consumption of our reserves</li> <li>• Ensuring that there is effective pre and post project appraisal</li> <li>• Ensuring up to date property information relating to condition surveys, life cycle costs and maintenance back logs</li> <li>• An estates strategy which tracks lease covenant compliance</li> </ul>

## CAPITAL EXPENDITURE AND INVESTMENT

### 2.0 CAPITAL EXPENDITURE

Capital investment is technically described as:

**“Expenditure on the acquisition, creation, or enhancement of ‘long term assets’”**

This generally consists of land, property and plant which have a useful life of more than 1 year, but can also include funding passed on to other bodies in order for them to undertake capital works. Expenditure outside this definition will be, by definition, revenue expenditure.

Expenditure can be capitalised where it relates to the:-

- Acquisition, reclamation, enhancement or laying out of land.
- Acquisition, construction, preparation, enhancement or replacement of roads, buildings and other structures.
- Acquisition, installation or replacement of movable or immovable plant, machinery, apparatus vehicles or vessels.

Enhancement of an existing fixed asset means:-

- To lengthen the useful life of the asset; or
- To increase substantially the open market value of the asset; or
- To increase substantially the extent to which the asset can be used for the purposes of, or in connection with, the functions of the Council.

Within the Accounting Policies for the Council, expenditure on the acquisition, creation or enhancement of Property, Plant and Equipment is capitalised on an accruals basis, provided that it is probable that the future economic benefits or service potential associated with the item will flow to the Council and the cost of the item can be measured reliably. Expenditure that maintains but does not add to an asset's potential to deliver future economic benefits or service potential (i.e. repairs and maintenance) is charged as an expense when it is incurred.

All expenditure on Property, Plant and Equipment is recognised irrespective of value. Capital expenditure below £40,000 is considered non-enhancing and is immediately impaired unless cumulatively over more than one year the expenditure would amount to more than this value.

The Council currently does not make use of any capitalisation flexibilities nor capitalise any borrowing costs associated with the capital programme.

The Council's capital expenditure plans are linked to the Corporate Plan, Asset Management Plan, priorities and service delivery plans with the inclusion of the 'Future Property Needs' within the business plan template.

The Council has acquired relatively few property assets over the last few years. Its focus has been on releasing or remodelling existing assets. From time to time it has acquired property required for service developments, for example purchasing land and buildings for school modernisation projects. It has also secured £1million capital funding for commercial property investment, which has been partially spent on acquiring an income producing leased property. To date the remainder is unspent as no suitable options which meet the Council's criteria have been forthcoming. It has also recently acquired third party interests in Salt Lake car park which has enabled it take control of the regeneration and development of the site and generation of capital receipts.

In 2019-20, the Council is planning capital expenditure of £36.157 million as summarised below:

*Table 1: Prudential Indicator: Estimates of Capital Expenditure*

	<b>2017-18 Actual £m</b>	<b>2018-19 Projection £m</b>	<b>2019-20 Estimate £m</b>	<b>2020-21 Estimate £m</b>	<b>2021-22 Estimate £m</b>
Council Fund services	36.584	35.474	35.677	21.713	18.794
Investment Properties	-	-	0.480	-	-
<b>TOTAL</b>	<b>36.584</b>	<b>35.474</b>	<b>36.157</b>	<b>21.713</b>	<b>18.794</b>

## 2.1 CAPITAL FINANCING

The Council receives an annual 'General Capital Funding' allocation from Welsh Government, which comprises General Capital Grant and un-hypothecated Supported Borrowing. Revenue funding to repay the supporting borrowing is included within the Revenue Support Grant. There are a number of other funding sources available to the Council and these are detailed in Schedule B attached.

All capital expenditure must be financed, either from external sources (government grants and other contributions), the Council's own resources (revenue, reserves and capital receipts) or net financing requirement (borrowing, leasing and Private Finance Initiative). The planned financing of the expenditure outlined in Table 1 is as follows:

*Table 2: Capital financing*

	<b>2017-18 Actual £m</b>	<b>2018-19 Projection £m</b>	<b>2019-20 Estimate £m</b>	<b>2020-21 Estimate £m</b>	<b>2021-22 Estimate £m</b>
External sources	16.629	11.558	9.950	9.807	8.169
Own resources	10.102	17.999	14.978	5.659	4.387
Net Financing Requirement	9.853	5.917	11.229	6.247	6.238
<b>TOTAL</b>	<b>36.584</b>	<b>35.474</b>	<b>36.157</b>	<b>21.713</b>	<b>18.794</b>

The net financing requirement or 'debt' is only a temporary source of finance, since loans and leases must be repaid, and this is therefore replaced over time by other financing, usually from revenue which is known as MRP. As well as MRP, the Council makes additional voluntary revenue contributions to pay off Prudential or Unsupported Borrowing. The Council changed its policy on MRP in 2018-19 which is why this has reduced from 2017-18 but it is still considered a prudent provision. The total of these are shown in Table 3 below:-

Table 3: Replacement of debt finance

	2017-18 Actual £m	2018-19 Projection £m	2019-20 Estimate £m	2020-21 Estimate £m	2021-22 Estimate £m
Minimum Revenue Provision (MRP)	5.056	2.858	2.885	2.912	2.937
Additional Voluntary Revenue Provision	1.364	1.486	1.995	2.259	2.858
<b>Total MRP &amp; VRP</b>	<b>6.420</b>	<b>4.344</b>	<b>4.880</b>	<b>5.171</b>	<b>5.795</b>
<b>Other MRP on Long term Liabilities</b>	<b>0.734</b>	<b>0.641</b>	<b>0.690</b>	<b>0.743</b>	<b>0.801</b>
<b>Total Own Resources</b>	<b>7.154</b>	<b>4.985</b>	<b>5.570</b>	<b>5.914</b>	<b>6.596</b>

The existing Capital Programme will be approved by Council before the start of the financial year 2019-20 as part of the MTFS.

The Council's cumulative outstanding amount of debt finance is measured by the Capital Financing Requirement (CFR). This increases with new debt-financed capital expenditure and reduces by the MRP amount within the year. The CFR is expected to increase by £5.659 million during 2019-20. Based on the above figures for expenditure and financing, the Council's estimated CFR is as follows:

Table 4: Prudential Indicator: Estimates of Capital Financing Requirement

	2017-18 Actual £m	2018-19 Projection £m	2019-20 Estimate £m	2020-21 Estimate £m	2021-22 Estimate £m
<b>Capital Financing Requirement (CFR)</b>					
Opening CFR adjusted excluding PFI & other liabilities	149.203	153.239	154.811	161.160	162.237
Opening PFI CFR	18.235	17.640	17.000	16.309	15.566
Opening Innovation Centre	0.663	-	-	-	-
Opening Coychurch Crematorium	0.079	-	-	-	-
<b>Total Opening CFR</b>	<b>168.180</b>	<b>170.879</b>	<b>171.811</b>	<b>177.470</b>	<b>177.803</b>
Movement in CFR excluding PFI & other liabilities	3.433	1.572	6.349	1.076	0.433
Movement in PFI CFR	(0.595)	(0.641)	(0.690)	(0.743)	(0.801)
Movement in Innovation Centre CFR	(0.060)	-	-	-	-
Movement in Coychurch Crematorium	(0.079)	-	-	-	-
<b>Total Movement in CFR</b>	<b>2.699</b>	<b>0.932</b>	<b>5.659</b>	<b>0.333</b>	<b>(0.358)</b>
<b>Closing CFR</b>	<b>170.879</b>	<b>171.811</b>	<b>177.470</b>	<b>177.803</b>	<b>177.445</b>
<b>Movement in CFR represented by :-</b>					
Net Financing Need for Year (Table 2 Above)	9.853	5.917	11.229	6.247	6.238
Minimum and Voluntary Revenue Provisions	(6.420)	(4.344)	(4.880)	(5.171)	(5.795)
MRP on PFI and Other Long Term Leases (Table 3 above)	(0.734)	(0.641)	(0.690)	(0.743)	(0.801)
<b>Total Movement</b>	<b>2.699</b>	<b>0.932</b>	<b>5.659</b>	<b>0.333</b>	<b>(0.358)</b>

## THE COUNCIL'S CAPITAL PLANS

### 3.0 CAPITAL PROGRAMME BY CORPORATE PRIORITY

Within the Corporate Plan, there are three corporate priorities namely:-

- Supporting a Successful Economy
- Helping People to be more Self-Reliant
- Smarter Use of Resources

In accordance with **PRINCIPLE 1** above, the majority of schemes within the existing Capital Programme link to the Council's Corporate Priorities, but there are also schemes that relate to Core Services and Statutory Functions.

#### **Supporting a Successful Economy**

The proposed capital programme includes a number of new and existing projects which will help to support a successful economy by, for example, significant new investment in ensuring that the carriageways and footways are of a good standard to encourage the use of local services by the public and avoid the need to travel to out of town developments. There are also new allocations in respect of road safety improvements in a bid to improve access across the highway to residential and commercial areas. These supplement those existing schemes, such as the Cardiff Capital Region City Deal (CCRCD) investment which will be targeted to focus on raising economic prosperity, increasing job prospects and improving digital and transport connectivity.

#### **Helping People to be more Self-Reliant**

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

#### **Smarter Use of Resources**

One of the Council's Corporate Priorities is to ensure that we have Smarter Use of Resources and crucially this includes assets. The Council's AMP 2021 strategic aim is to have a lean sustainable estate with fewer better buildings. This is achieved through review and challenge on a geographic and service led basis. Examples of schemes within this priority include:-

- The Schools' Modernisation Programme - the Council is embarking on Band B of the 21st Century Schools Programme, which will result in further capital investment of around £70 million in the Council's schools' estate;
- Parc Afon Ewenni - the Programme Board has reviewed its depot estate and is rationalising the number of depots it holds and investing in its existing larger depot sites at Waterton and Bryncethin; and
- Porthcawl - the Council has substantial land holdings in Porthcawl which it is looking to bring forward to support regeneration of the area and to generate capital receipts.

### 3.1 OTHER KEY DRIVERS

As well as the Corporate Plan, there are other key drivers of the Council's capital plans. These are:

- Asset management requirements
- Health and Safety works

### 3.2 ASSET MANAGEMENT REQUIREMENTS

The Council's Asset Management Plan (AMP 2021) was reviewed by Wales Audit Office in 2015 as part of the Corporate Assessment and the following comment was made:

#### 2015 WAO Corporate Assessment

*The Council's Asset Management Plan (AMP 2021) : "The Council has an effective approach to corporate asset management and is on course to achieve its long-term goals". The Council's vision for property is 'to have a lean, sustainable estate' that supports delivery of the 'Best Local Services in Wales'. This is achieved by constantly reviewing and challenging our assets and whether they should be released, retained or remodelled.*

The following clear principles drive the on-going challenge and management decisions relating to our assets:-

1. The AMP 2021 supports and maintains alignment with the MTFS and the Corporate Plan, linking with other resource strategies.
2. Capital investment decisions support the Council's corporate priorities and mitigate any statutory risks taking account of return on investment and sound option appraisals.
3. Decisions on the treatment of surplus assets are based on an assessment of the potential contribution to the revenue budget and the capital programme.
4. The non-operational portfolio will deliver an annual surplus over the MTFS period anticipated to be in excess of £500,000 per annum.
5. A balance will be maintained within the non-operational portfolio between, rental income, capital receipts, economic development/ community support.
6. Capital receipts generated will support the capital programme.

In 2018, the Council introduced a Corporate Landlord Model which is working to deliver the AMP 2021. The Corporate Landlord holds all buildings and associated budgets and is responsible for their effective management on a portfolio basis. The intention is that this provides greater control and oversight on matters such as statutory compliance, as well as more efficient delivery resulting in revenue and capital savings. As part of the delivery programme the Corporate Landlord will set up effective governance for the review and challenge of the assets it holds to ensure that alternative potentially more cost effective options are fully considered.

The Council also has a Highways Asset Management Plan (HAMP). The HAMP needs to take in to account the following:-

1. Much of the infrastructure serving the northern half of the county borough was originally constructed in the early 1900's and was not designed to cope with the current demands (economic, social and environmental) placed upon it.

2. The BCBC highway network is continuously growing with no sign of abatement. The Council has seen much in the way of development over the last decade, resulting in a significant increase in the amount of asset requiring management.
3. Highway Authorities have a statutory duty to maintain highways and ensure that they are available for safe use by all.

The HAMP is an essential document that sets out how the levels of service for the infrastructure network determined by the Council will be achieved. The HAMP is therefore a “living” document that will be subject to continual review and development.

### **3.3 HEALTH AND SAFETY WORKS**

There is an earmarked reserve for Asset Management including funding for Condition Surveys. Up to date condition surveys for the whole estate will be procured which will include a planned preventative maintenance programme. This will inform the Council's budget allocation for both revenue and capital repairs, maintenance and new build. Given the limited capital and revenue funding and the currently known high level of maintenance backlog, it will require the creation of a prioritisation matrix for budget allocation. Statutory compliance and health and safety works obviously forming the highest priority. Given the potential level of funding compared to the demand for repairs and maintenance, this may lead to the closure of buildings or the drive for further capital investment in new build projects. Once fully implemented the Corporate Landlord model will be able to effectively inform the capital funding planning and decision making as it relates to asset management.

For highway structures, the current basis for prioritisation is one of reactive safety repairs, where the asset is risk assessed using a standardised matrix. This risk assessment is then considered against the individual assets Bridge Condition Indices (BCI) rating. This allows the prioritisation of schemes and allocation of the available budget to ensure the best value is achieved. A similar approach is applied to carriageway and footway schemes, where combinations of technical survey, site inspections and member of public reports determine the basis for the prioritisation of works.

In 2019-20, there will be two new Earmarked Reserves as below:-

- Capital Asset Management Fund
- Highways Asset Management Fund

The intention of these is to fund those schemes that have been prioritised by the condition surveys as posing a Health and Safety risk either within buildings or within our Highways Infrastructure. The aim will be to replenish these reserves as funding allows. The monitoring of these reserves will be provided to Corporate Management Board on a quarterly basis.

### **3.4 COMMERCIALISATION POLICY**

The Council will consider, if the opportunities arise, the purchase of land and property as an investment – to both generate an ongoing income stream or to realise an increased capital value in the future. There are two ways that an authority can generate income from investment properties namely:-

- Direct purchase of investment property – through Capital Programme
- Investment in a Property Unit Trust – through Treasury Management

The first would see authorities investing in property by directly purchasing/developing properties with the intention of securing a revenue income from that investment. Investment in property leaves the Council open to all of the risks that would go with such a policy, such as devaluations, maintenance issues and potential tenant default, as well as the potential benefits such as a long term asset on the balance sheet and rental income. The second route would be to receive income from property by investing in an appropriate property unit trust. Returns from this fund are typically in the order of 5.5%-6% per annum though at a fee from

the fund manager. It is an actively managed property fund, which means that fund managers have the potential for growth in the income as, over time, higher rents can be achieved by buying properties in areas where demand is growing, by adjusting the exposure to different areas of the market and by improving the quality of the properties as appropriate.

As well as the benefit of rental income from the direct purchase of an investment property, there might also be capital appreciation of the asset though this will only be realised once the asset is sold and a capital receipt is generated which could be then recycled to purchase replacement investment properties which would not incur then capital financing costs.

A strategy based on investment in properties does have the following risks:-

- Low liquidity and flexibility
- Physical/structural issues with buildings
- Greater exposure to economic, cultural and technological changes
- Void periods

But against this it has the potential benefits of:-

- Over a longer term a higher financial return and capital growth than other current investments
- A wider range and variety of investment tools

The Council does have an existing investment portfolio which is 100% based within the County Borough and primarily the office and industrial sectors. The income streams are generally spread between the single and multi-let office investments on Bridgend Science Park, the multi-let industrial estates and the freehold ground rent investments. The portfolio therefore does not accord with the risk balance in location and sectoral terms to the majority of investment portfolios and is also management intensive, with a large number of units relative to the overall income and value. The total value of Investment Properties was £4.360 million as at 31 March 2018 which generates a rental income of £438,000 per annum.

There are limited opportunities within the existing investment portfolio to release / sell properties, as the current emphasis is to enhance income return (as opposed to capital value). The majority of the investments held are high yielding and an improved income stream is unlikely on any re-investment.

The majority of the Council's investment portfolio has grown organically. However, within the last 5 years, the Council approved £1 million within the capital programme and spent £520,000 on acquiring an office building, which generates a rental income of £56,000 per year or just over 9% return on the investment. There is a further £480,000 available but as yet no suitable options have been identified within the Bridgend area, which would produce a reasonable return and at acceptable levels of risk. The Council may in the future wish to consider expanding its property investment portfolio and in which case would need to review the criteria and investment strategy but this would be on a risk based approach.

### **3.5 TREASURY MANAGEMENT STRATEGY (TMS)**

Treasury Management is concerned with keeping sufficient but not excessive cash available to meet the Council's spending needs, while managing the risks involved. Surplus cash is invested until required, while a shortage of cash will be met by borrowing, to avoid excessive credit balances or overdrafts in the bank current account. The Council is typically cash rich in the short term as revenue income is received before it is spent, but cash poor in the long term as capital expenditure is incurred before being financed. The revenue cash surpluses are offset against capital cash shortfalls to reduce overall borrowing.

### 3.6 BORROWING STRATEGY

The Council's major objectives when borrowing are:-

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

### 3.7 LIMITS TO BORROWING ACTIVITY

The Council's long term borrowing at 31 December 2018 was £96.87 million. External borrowing can arise as a result of both capital and revenue expenditure and timing of cash flows. As the Council has an integrated TMS, there is no association between individual loans and particular types of expenditure. The Council makes use of internal borrowing and maintains an under-borrowed position in accordance with **PRINCIPLE 3** above. The capital borrowing need (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. Projected levels of the Council's total outstanding debt, which comprises of borrowing, PFI and Other Long Term Liabilities, are shown below compared with the Capital Financing Requirement:-

Table 5: Prudential Indicator: Gross Debt and the Capital Financing Requirement

	2017-18 Actual £m	2018-19 Projection £m	2019-20 Estimate £m	2020-21 Estimate £m	2021-22 Estimate £m
Debt (incl. PFI & leases)	117.891	116.691	<b>130.458</b>	135.140	142.983
Capital Financing Requirement	170.879	171.811	<b>177.470</b>	177.803	177.445

Statutory guidance is that debt should remain below the capital financing requirement, except in the short-term. As can be seen, the Council expects to comply with this in the medium term.

To compare the Council's actual borrowing against an alternative strategy, a liability benchmark has been calculated showing the lowest risk level of borrowing. Further details of the Liability Benchmark can be found within the Treasury Management Strategy 2019-20. It does show that an additional £29 million will need to be borrowed for the period 2019-20 to 2021-22 based on the assumptions within the Capital Programme and the use of Capital Receipts and Reserves. The actual amount will be monitored and assumptions challenged and borrowing will only be taken if there is no opportunity to use Internal Borrowing.

The Council is legally obliged to set an affordable borrowing limit (also termed the authorised limit for external debt) each year. In line with statutory guidance, a lower "operational boundary" is also set as a warning level should debt approach the limit.

Table 6: Prudential Indicators: Authorised limit and operational boundary for external debt in £m

	2017-18 Actual £m	2018-19 Projection £m	2019-20 Estimate £m	2020-21 Estimate £m	2021-22 Estimate £m
Authorised limit – borrowing	140.000	145.000	<b>170.000</b>	170.000	175.000
Authorised limit – other long term liabilities	30.000	30.000	<b>30.000</b>	30.000	30.000
<b>Authorised Limit Total</b>	<b>170.000</b>	<b>175.000</b>	<b>200.000</b>	<b>200.000</b>	<b>205.000</b>
Operational boundary – borrowing	105.000	105.000	<b>115.000</b>	120.000	130.000
Operational boundary – other long term liabilities	25.000	25.000	<b>20.000</b>	20.000	20.000
<b>Operational Boundary Limit Total</b>	<b>130.000</b>	<b>130.000</b>	<b>135.000</b>	<b>140.000</b>	<b>150.000</b>
<b>Total Borrowing and Long Term Liabilities</b>	<b>117.891</b>	<b>116.991</b>	<b>130.758</b>	<b>137.710</b>	<b>144.283</b>

### 3.8 INVESTMENT STRATEGY

The Council's major objectives when investing 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

Cash that is likely to be spent in the near term is invested, for example with the government, other local authorities or selected high-quality banks, to minimise the risk of loss. Money that will be held for longer terms is invested more widely to balance the risk of loss against the risk of receiving returns below inflation. Both near-term and longer-term investments may be held in pooled funds, where an external fund manager makes decisions on which particular investments to buy and the Council may request its money back at short notice.

Table 7: Treasury management investments

	2017-18 Actual £m	2018-19 Projection £m	2019-20 Estimate £m	2020-21 Estimate £m	2021-22 Estimate £m
Cash and Cash Equivalents	1.400	1.000	-	-	-
Short term Investments	20.000	10.000	7.000	7.000	7.000
Longer term Investments	9.000	4.000	3.000	3.000	3.000
<b>TOTAL</b>	<b>30.400</b>	<b>15.000</b>	<b>10.000</b>	<b>10.000</b>	<b>10.000</b>

### Loans to Other Organisations

The Council can make investments to assist local public services, including making loans to small businesses to promote economic growth. The Council will assess these opportunities and will only consider if such investments break even after all costs. Loans to such organisations will be approved as part of the capital programme.

## 3.9 OTHER LONG TERM LIABILITIES

### Private Finance Initiative

The Council has a Private Finance Initiative (PFI) arrangement for the provision of a Secondary School in Maesteg. This forms a long-term liability for the Council (with sixteen years remaining on the term) which is £17.64 million at 31 March 2018 and includes the short term PFI liability of £0.64 million which is included as current liabilities in the Council's balance sheet in the Statement of Accounts. This is a technical adjustment and is equivalent to the amount that is paid during 2019-20.

### Loans to the Council

The Council has £2.40 million relating to a loan from the Welsh Government Central Capital Retained Fund for regeneration works within the Llynfi Valley which has not yet commenced. This is included within Other Long Term Liabilities of the Council.

### Pension Guarantees

The Council has entered into a number of long-term contracts for services that have been outsourced to service providers. These often involve the transfer of Council employees to the new service provider. Employee's rights are protected under the provision in Transfer of Undertakings (Protection of Employment) Regulations 2006 (TUPE). However, pension rights are not fully covered within TUPE regulations. The Council have thus given a pension guarantee to the Awen and Halo organisations. This guarantee means that if an admitted body fails to pay its pension obligations then the Council will be responsible for taking on those obligations.

## 3.10 REVENUE BUDGET IMPLICATIONS

Although capital expenditure is not charged directly to the revenue budget, interest payable on loans and MRP are charged to revenue, offset by any investment income receivable. The net annual charge is known as financing costs; this is compared to the net revenue stream i.e. the amount funded from Council Tax, business rates and general government grants.

Table 8: Prudential Indicator: Proportion of financing costs to net revenue stream

	2017-18 Actual £m	2018-19 Projection £m	2019-20 Estimate £m	2020-21 Estimate £m	2021-22 Estimate £m
Capital Financing Central	8.664	6.495	6.741	7.049	7.264
Other Financing costs	3.450	3.433	3.941	4.206	4.804
<b>TOTAL FINANCING COSTS</b>	<b>12.113</b>	<b>9.928</b>	<b>10.682</b>	<b>11.254</b>	<b>12.068</b>
Proportion of net revenue stream	4.72%	3.73%	3.94%	4.15%	4.43%

From the table above it is evident that the proportion of the budget set aside to finance capital expenditure is due to increase over the life of the current programme, accelerating the pressure that capital expenditure, funded from debt, puts on the revenue budget.

Table 9: Central Capital Financing Revenue Budget 2019-20

	2017-18 Actual £m	2018-19 Projection £m	2019-20 Budget £m
Interest Paid	4.567	4.671	5.447
Minimum Revenue Provision (MRP)	5.056	2.858	2.885
Other Financial Instruments	0.008	0.009	0.008
Interest Received	(0.959)	(1.009)	(0.910)
<b>Central Capital Financing Budget</b>	<b>8.672</b>	<b>6.528</b>	<b>7.430</b>

The central revenue budget for capital financing for 2019-20 is £7.430 million as detailed above. The Projection for 2018-19 is lower than the actual spend 2017-18 because of the change in MRP Policy that Council approved in September 2018. The Interest Paid budget 2019-20 reflects the need to fund the increased costs of borrowing which is anticipated to rise over the period from 2018-19 to 2021-22 by £29 million.

There are also Financing Budgets within the Directorates for Prudential Borrowing and for the payment of the PFI School and other Lease Liabilities. These are detailed in Table 10 below:-

Table 10: Directorate Capital Financing Revenue Budget 2019-20

	2017-18 Actual £m	2018-19 Projection £m	2019-20 Budget £m
Additional Voluntary MRP	1.364	1.486	2.062
PFI & Lease Liability Payments	2.086	1.947	1.981
<b>Directorate Capital Financing Budget</b>	<b>3.450</b>	<b>3.433</b>	<b>4.043</b>

Table 11 shows how there will be increased revenue pressure on the capital financing budgets over the MTF5 period:-

Table 11: Capital Financing Revenue Budget 2019-20 and Projected Costs

	2019-20 Projection £m	2020-21 Projection £m	2021-22 Projection £m
<b>Central Capital Financing Budget (Table 9)</b>	<b>7.430</b>	<b>7.430</b>	<b>7.430</b>
<b>Directorate Capital Financing Budget (Table 10)</b>	<b>4.043</b>	<b>4.043</b>	<b>4.043</b>
<b>Total Capital Financing Budget</b>	<b>11.473</b>	<b>11.473</b>	<b>11.473</b>
<b>Total Financing Costs (Table 8)</b>	<b>10.682</b>	<b>11.254</b>	<b>12.068</b>
<b>Under/(Over) Spend</b>	<b>0.791</b>	<b>0.219</b>	<b>(0.595)</b>

This would be the worst case scenario with unsupported borrowing being used for future schemes. The Council will endeavour to minimise the revenue pressure by maximising alternative capital resources such as earmarked reserves and capital receipts.

## RESOURCING STRATEGY

### 4.0 FINANCIAL CONTEXT

Whilst the aims and priorities will shape decisions around capital expenditure, there is recognition that the financial resources available to meet priorities are constrained in the current economic and political climate. The context for capital expenditure decisions is as follows:

- The Council does have capital resources and expects to receive more resources in the future with an annual allocation from Welsh Government, potential s106 Monies or grant approvals.
- The Council does have a Disposal Strategy and has capital assets which it could sell and use receipts to reinvest
- The Council is currently servicing debt of £97 million with an average interest rate of 4.7%
- The Council's MTFS shows a funding gap so any additional capital expenditure which is not funded through capital resources will increase this gap unless that expenditure delivers revenue savings or income.

There has been a steady decline in the amount of general capital funding received from Welsh Government over several financial years. However, a letter from the First Minister in November 2019 identified an additional £100 million in capital funding over the period 2018-19 to 2020-21. For 2019-20 there is an additional £30 million, and Bridgend has received an increase in general capital funding of £1.336 million. There is £20 million additional funding in 2020-21 and Bridgend is expected to receive around £890,000 in this financial year (£2.226 million total). In light of the above context, it is imperative that capital expenditure plans are affordable, prudent and sustainable.

### 4.1 PRINCIPLES FOR ALLOCATION OF CAPITAL ALLOCATION

The governing principles which underpin the allocation of capital resources are set out in the following diagram:

Nature of Capital Expenditure	Funding Source					
	General Capital Funding / Supported Borrowing	Capital Receipts / Uncommitted Reserves	Interest Loan	Free	Unsupported Borrowing - Corporate Funding	Unsupported Borrowing - Directorate Funding
Mandatory	Green	Green	Green	Green	Green	Red
Corporate Priority	Green	Green	Green	Green	Green	Red
Investments which attracts Matched Funding	Red	Green	Green	Green	Red	Green
Invest to Save / Income Generation - Commercial	Red	Red	Green	Green	Red	Green

	Eligible for funding from this source
	Not eligible for funding from this source

In summary the main principles of capital allocation are:

General Capital Funding and Supported Borrowing from Welsh Government will be prioritised towards mandatory capital investments. This includes investment required to meet health and safety requirements. This principle also applies to uncommitted capital receipts and capital reserves.

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

Unsupported (Prudential) Borrowing will be prioritised as follows:

- To mandatory capital expenditure, including health and safety requirements. This will be considered to be an inescapable budget pressure and will be included in future years' budgets as part of the annual budget setting process.
- To capital expenditure which directly supports the achievement of the Council's corporate priorities. Borrowing for such projects will be funded corporately through an increase in budget allocation, which must be approved by full Council. Such borrowing commits the Council to interest and repayments during the asset life, and therefore it must be recognised that as budgets are reduced, the financing costs must be met by budget cuts elsewhere.
- To capital expenditure which attracts a high level of matched funding. This is particularly important as the Council tries to maximise every £1 it spends on capital with schemes involving external grants or contributions from partners. The aim is for the Council to ensure that it invests in its strategic buildings and town centre infrastructure as grant funding and inward investment opportunities become available by allocating uncommitted reserves, maximising interest free loans or unsupported borrowing.
- To capital expenditure which provides a good financial return. Borrowing for such projects must be funded by the directorate, and therefore the financial benefit accruing to the directorate will be net of financing costs. This approach aligns the directorate incentives with the corporate benefit of such projects. Advantage will be taken of interest free loans where available.

## CAPITAL INVESTMENT APPRAISAL

### 5.0 CAPITAL EXPENDITURE BIDS

The Council will maintain a rolling ten year capital programme, to be updated on an annual basis (or more frequently as required) to take into account revised priorities, new schemes and changes in the availability of funding. The current year's programme is monitored on a quarterly basis by Cabinet.

The Council's Capital Programme contains a number of recurrent Annual Allocations, which are the first call on its General Capital Funding. These allocations should be reviewed annually with a view to determining whether they are still essential, relevant and achieving the outcomes expected, and amended accordingly.

Where capital resources allow as a result of additional general capital grant, earmarked reserves or capital receipts, as part of the MTFS process, Directorates will be requested from September each year to submit Expressions of Interest for new capital schemes, outlining:

- Proposed Project
- Timescale
- Potential Cost
- Potential Revenue Savings
- Link to Corporate Priorities
- Risk of not Undertaking

These will be ranked in order of fit to:

1. **Link to corporate priorities:**
2. **High level of Risk of not progressing, based on the following criteria**

High	High risk to BCBC in terms of service delivery and/or meeting MTFS Savings e.g. Urgent/ Essential Works to prevent imminent building failure and closure. Requirement to meet approved Bridgend Change Programme Project to deliver MTFS Savings
Medium	Medium risk to BCBC in terms of service delivery and/or meeting MTFS Savings e.g. identified works required over the next 2 to 5 years. Requirement to meet Proposed Bridgend Change Programme Project to deliver MTFS Savings
Low	Low risk to BCBC in terms of service delivery and/or meeting MTFS Savings e.g. identified works desirable , Requirement to meet yet to be identified Bridgend change Programme Project to deliver MTFS Savings

3. **Service is able to meet any additional revenue costs arising from the scheme e.g. increased Business Rates, running costs.**
4. **Ability to attract matched funding / high leverage ratio.**
5. **An appropriate return on investment where appropriate.**

## 5.1 EVALUATION APPROACH

As stated, the Council only has a limited amount of resources, and needs to have regard to the overall affordability of the capital programme in future years. Each scheme, therefore, needs to be evaluated to ensure it meets the Council's objectives and in accordance with **PRINCIPLE 1** above.

The business plan put forward for a capital project will be reviewed to ensure it takes account of stewardship, value for money, prudence, sustainability and affordability. Investment decisions will consider risk and reward and how the project contributes to the achievement of corporate objectives. The phasing of projects over more than one financial year will be assessed to ensure timetabling of plans and budgeting is realistic and funding is available over the life of the project.

The revenue implications for each capital bid are considered at the initial evaluation stage, covering both staffing /running costs associated with the bid and the financing costs over the lifetime of the asset created. One of the Chief Finance Officer's requirements when reviewing capital bids is to ensure that the revenue implications are realistic. The options appraisal exercise undertaken for larger projects seeks to ensure that the lifetime revenue implications of a capital project are fully considered and evaluated, are affordable and are included in the MTFS in accordance with **PRINCIPLE 2** above.

Successful projects will then be required to complete a full Business Case to be considered in more detail by Corporate Management Board and Cabinet for eventual inclusion in the Capital Programme to be incorporated in the MTFS, to be approved by Council.

The Council can also make Treasury investments including overnight deposits, fixed term investment, money market funds, property funds and government bonds. These investments are made in accordance with the TMS which is approved alongside the Capital Strategy.

### In Year Approvals

Any bids for capital funding outside of the annual MTFS bidding round should be accompanied by a full business case and be supported by the appropriate Director, Section 151 Officer and Cabinet. All funding sources should be fully identified before the bid is taken forward for Council approval for inclusion in the capital programme.

In line with the Council's Financial Procedure Rules, schemes for which external funding has been approved (grants, S106 etc) will be added to the capital programme once the funding has been accepted and included in the next capital programme report to Council.

In addition, any urgent expenditure not included in any budget approval, which needs to be agreed prior to the next meeting of Council, may only be incurred with the approval of the Chief Finance Officer, subject to a maximum value of £100,000. Any such decision requires approval by either the Chief Executive Officer (or can be sub-delegated to the Section 151 Officer) under the Scheme of Delegation, Scheme B1 paragraph 2.2.

## GOVERNANCE AND RISK MANAGEMENT

### 6.0 STRATEGY

It is important given the risks surrounding Capital Projects that the appropriate Governance framework is in place. This is highlighted in **PRINCIPLE 2** above.

The Prudential Code sets out a clear governance procedure for the setting and revising of a capital strategy and prudential indicators i.e. this should be done by the same body that takes the decisions for the local authority's budget – i.e. Full Council.

The Chief Finance Officer will prepare a Capital Programme for consideration by Corporate Management Board (CMB) and Cabinet. It must be approved by Council in accordance with the Financial Procedure Rules of the Council's Constitution.

Variations to the capital programme, other than those permitted under Rules 3.4.7 and 3.4.9 of these Rules, shall require the approval of the Council following a report of the Chief Finance Officer after taking into consideration the recommendations of the Cabinet.

### 6.1 CAPITAL EXPENDITURE/INVESTMENT DECISION

A monitoring process is in place which:

- Reports on variances in expenditure and slippage on schemes and seeks explanations from project managers to report back to CMB and Cabinet to inform future planning decisions
- Quarterly capital monitoring reports will be prepared for Cabinet which should include details of any virements between projects as well as projections of likely year end spend.

A post project appraisal of all projects in accordance with the Project Management Toolkit must be completed to demonstrate how objectives have been met, how final costs compared to budget and what revenue costs / savings materialised. This information will be reported back to feed future appraisal exercises.

### 6.2 RISK MANAGEMENT

Major capital projects require careful management to mitigate the potential risks which can arise. The effective monitoring, management and mitigation of these risks is a key part of managing the capital strategy.

General risks are those which are faced as a consequence of the nature of the major projects being undertaken. Most of these risks are outside of the Council's control but mitigations have been developed as part of the business planning and governance process.

#### Financial Instruments – Risk

The procedures for risk management are set out through a legal framework set out in the Local Government Act 2003 and the associated regulations.

The Council's activities expose it to a variety of financial risks, the key risks are:-

- **Credit risk** – the possibility that the counterparty to a financial asset might fail to pay amounts due to the Council;
- **Liquidity risk** – the possibility that the Council might not have cash available to meet its commitments to make payments;
- **Market risk** - the possibility that unplanned financial loss might arise for the Council as a result of changes in such measures as interest rates movements.

Further details of these risks can be found within the Statement of Accounts' Financial Instrument Disclosures.

### **Inflation Risk**

Construction inflation over and above that budgeted by the Council's professionals and advisers and built into project budgets could impact on the affordability of the capital programme. This is mitigated through the provision of contingencies, updating estimates regularly as they change and monitoring the impact through governance processes. This is also mitigated post the signature of contracts with construction companies and developers through fixed price contracts.

### **Change in Law Risk**

Capital schemes need to comply with the latest law and regulations which can change leading to an impact on construction costs and may be retrospective in their nature. This is mitigated by awareness of pipeline legislative changes and through contingencies.

### **Market health / Commercial Values**

The Council's capital programme relies on commercial activity as a key supporting strategy. This involves generation of income from property letting, generation of capital receipts from property sales in some cases post development, attracting developers to projects based on a potential share of profits and other revenue/capital financial flows. In some cases, it is likely that the Council will commit to large projects, property acquisitions or other forms of expenditure on the basis of further business case assumptions about the market value of future asset or economic values. Should market movements mean that these assumptions are inaccurate then the Council may suffer.

### **Management of Project Risks**

Project risks are those which relate to the delivery of capital projects which in many cases can be controlled, influenced or directly mitigated in ways other than making contingencies available. These risks would mostly be related to unforeseen project delays and cost increases which could arise from a range of circumstances.

### **Supplier Financial Stability**

Construction companies and developers contracting with the Council which experience financial instability post a significant risk. They may not be able to raise finance to cash flow operations, any potential insolvency process could lead to a costly process of changing suppliers without any guarantee of remaining within overall budget, the Council could suffer direct financial loss and any defects or other issues may not be resolvable as anticipated. To mitigate the Council carefully considers the financial robustness of any contractor and requests appropriate financial standing assurance and support wherever possible.

### **Risk of Revenue Write Off**

The Council commits to feasibility studies on many of its significant capital schemes at the point where spend is revenue in nature or when capital spend may be written off should the scheme in question not progress. This is managed through careful consideration and approval of all expenditure potentially at risk of revenue wrote off.

### **Contingencies in the Capital Programme**

In the initial stages of development, major capital projects will have significant uncertainties. For example, these may relate to the planning process, the views / interest of stakeholders who must be consulted, ground conditions, or the costs of rectifying or demolishing existing buildings (e.g. the cost of asbestos removal). For this reason, the Council has adopted a structured process of identifying and managing contingencies which is in line with guidance issued by HM Treasury. In the initial stages of a project these contingencies are necessarily broad estimates due to the number of unknown factors. As projects progressed the unknown factors become clearer and project managers focus on managing these in the most effective way possible, utilizing contingencies to do so as needed.

**Effective Business Case Development**

The Council will ensure the use of Business Cases for all larger projects. There will be a requirement for projects to maintain a risk register. Risk registers are aligned with general guidance on risk review. Highlight reports for all projects help project board and wider interested parties to be aware of progress and risks of projects on an on-going basis.

## **KNOWLEDGE AND SKILLS**

### **7.0 IN-HOUSE RESOURCES**

The successful implementation of the Capital Strategy necessitates the availability of people with the necessary experience of:

- developing capital projects
- acquiring and selling properties
- commissioning partners to deliver the capital programme
- managing properties as a landlord
- sourcing suitable opportunities that match the criteria set under the adopted strategy.

Within Finance, the Capital Programme and TMS are managed by professionally qualified accountants or staff with extensive Local Government finance experience. They all follow a Continuous Professional Development Plan (CPD) and attend courses on an ongoing basis to keep abreast of new developments and skills. The Council subscribes to the CIPFA Financial Advisory Network (FAN) and as a result has access to courses and documentation on developments within the capital and treasury management fields. The Council's Section 151 Officer is the officer with overall responsibility for Capital and Treasury activities and is a professionally qualified accountant and follows an ongoing CPD programme. All Treasury Management Practices (TMPs) are reviewed and updated as necessary.

All the Council's commercial projects have project teams from all the professional disciplines from across the Council and when required external professional advice is taken. Project management tools are used and there is a strong project management ethos within the Council. Throughout the Council is a good mix of professional qualified staff and staff with both commercial and local authority experience. There is a Corporate Landlord team consisting of skilled and professional staff that aim to introduce new energy efficiency measures such as upgraded heating, lighting, insulation and investigating new technological solutions that will enable staff to be fully agile and provide a better service, while an online portal is being developed that will provide information, process customer requests and enable staff to log jobs and track progress. The Regeneration Team within the Communities Directorate has been successful in applying for monies from various sources such as Welsh Government, Heritage Lottery and European monies.

### **7.1 EXTERNAL ADVISERS**

External Advisers are used for particular property condition surveys or valuations of Investment Properties or treasury management advisers who assist with the review of the investments and borrowing of the Council. At a time where interest rates are beginning to rise, treasury management advisers will be used to provide the Council with a breakeven analysis to see whether there is any opportunity to reduce borrowing costs going forward. External Advisers compliment in-house knowledge and skills.

### **7.2 MEMBERS**

Audit Committee has been nominated to be responsible for ensuring effective scrutiny of the TMS and policies. Audit Committee received treasury management training to assist them in their function of scrutinising treasury management, with particular emphasis on investment options available to the Council and Elected Members were also invited to attend. Members receive regular reports on the capital programme and treasury management.

**ANNUAL MINIMUM REVENUE PROVISION STATEMENT 2019-20**

The Annual Minimum Revenue Provision Statement needs to be approved by Council before the start of each financial year. The MRP charges for 2019-20 will be on the following bases:-

- i. Capital expenditure incurred before 1 April 2008 and any capital expenditure after 1 April 2008 that is government supported expenditure and does not result in a significant asset will be based on the Capital Financing Requirement after accounting adjustments on a straight line basis over 45 years
- ii. Supported capital expenditure that results in a significant asset (based on an internal assessment) incurred on or after 1 April 2008 and all unsupported capital expenditure, exercised under the Prudential Code, the MRP charge will be based on the Asset Life Method. The minimum revenue provision will be at equal annual instalments over the life of the asset. The first charge can be delayed until the year after the asset is operational but this will be at the discretion of the Section 151 Officer
- iii. for assets reclassified as finance leases under International Financial Reporting Standards (IFRS) or resulting from a Private Finance Initiative, the MRP charge will be regarded as met by a charge equal to the element of the rent/charge that goes to write down the balance sheet liability for the year
- iv. Where loans are made to other bodies for their capital expenditure with an obligation for the bodies to repay, no MRP will be charged. The capital receipts generated by the annual repayments on those loans will be put aside to repay debt instead
- v. MRP may be waived on expenditure recoverable within a prudent period of time through capital receipts (e.g. land purchases) or deferred to when the benefits from investment are scheduled to begin or when confirmed external grant payments towards that expenditure are expected.

The MRP Charge 2019-20 based on the estimated capital financing requirement is detailed below:-

	Options	Estimated Capital Financing Requirement  31-03-19  £m	2019-20 Estimated MRP   £m
Capital expenditure before 01-04-2008 and any after 01-04-2008 that does not result in a significant asset (Supported)	(i)	124.000	2.754
Supported capital expenditure that results in a significant asset, incurred on or after 1 April 2008  (Supported)	(ii)	3.288	0.131
Unsupported capital expenditure, exercised under the Prudential Code  (Unsupported)		27.523	1.995
PFI, Finance Leases and other arrangements  PFI School	(iii)	17.000	0.690
<b>TOTAL</b>		<b>171.811</b>	<b>5.570</b>

## **Sources of Capital Investment**

### **Borrowing**

The Council is able to borrow money on the money market or from the Public Works Loan Board (PWLB) to fund capital schemes or, on a short term basis, use its own internal resources (i.e. cash flow), however for all schemes initially funded from borrowing, the Council will have to fund the repayment and interest costs and any on-going related revenue support. With the exception of the Welsh Government's allocation of Supported Borrowing, all other borrowing is unsupported i.e. where associated interest and debt repayment costs must be met from Council Tax, savings or additional income generation.

The Council is only able to borrow for "unsupported borrowing" (also known as Prudential Borrowing) under the guidance contained in the CIPFA Prudential Code whereby, in summary, the Council is required to ensure that all borrowing is both prudent and affordable.

All schemes funded from Prudential Borrowing are approved by full Council, and in accordance with **PRINCIPLE 3** must be affordable and sustainable, with payback met from Directorate or Council revenue budgets over a period no longer than the life of the asset. Projects requiring funding through prudential borrowing should submit a robust business case to include forward predictions of affordability, with the aim that projects should be self-funding (i.e. create a revenue stream so that the cost of borrowing is cost neutral on Council Tax).

The potential for Prudential Borrowing is not unlimited and must be considered within the Council's overall borrowing limits. Whenever Prudential Borrowing is under consideration, the means of payment must be clearly identified. Typically this can be from:

- Income or savings generated by the investment;
- Budget reductions made elsewhere in the Directorate to compensate;
- Additional recurrent funding approved by Council as part of the budget setting process.

There may be the need for borrowing where there is no identifiable future revenue stream, for example, to repair or construct infrastructure assets. This may be to support Corporate Priorities. The cost of such borrowing falls on the council tax payer through payments of debt interest on the Council's revenue account and repayment of debt over a specified period of time. This is known as the Minimum Revenue Provision (MRP). There may still be a need for such borrowing but each proposal should be reviewed on a case by case basis with the project evaluation clearly stating how the borrowing is to be afforded. Given the significant ongoing financial challenges facing this Council, it is likely that such schemes will be an "exception".

### **External Grants**

The Council receives annual capital grant funding from Welsh Government and is able to bid for grant funding direct to other government departments or from other grant awarding bodies.

The annual funding from Welsh Government is not ring-fenced so the Council has flexibility in how it allocates this funding. It is proposed that this is earmarked in the first instance to works deemed to be of a mandatory nature e.g. health and safety, or towards corporate priorities.

Any additional capital grant funding received from external sources must be managed in line with the Council's Grants Policy. Delegated authority is required to bid for and accept any external funding, and external funding applications should be supported by a strong business case which demonstrates how the project meets the Council's Corporate Priorities and how any future revenue costs will be met.

## Capital Receipts

The Council generates capital receipts from the sale of surplus assets. Maximisation of these receipts will increase the amount that can be spent on capital investment. The Council has a statutory obligation to deliver best consideration under S123 of the Local Government Act 1972 and will seek to obtain market value in its disposals. However, there are exceptions and there will sometimes be a balance to strike where disposals can achieve social, economic or environmental policy objectives which contribute towards the Corporate Plan. In such instances, consideration will be given to Value for Money this represents. The Council has also introduced a Community Asset Transfer Strategy, where it will transfer assets to third party groups at less than best consideration in accordance with the objectives. A key principle of the Council's Capital Strategy, **PRINCIPLE 4**, is that, unless specifically agreed by Cabinet for exceptional circumstances, all capital receipts will be treated as general capital funding and allocated according to determined priorities. This supports the "One Council" approach. However, this does not negate the need for Council to approve any proposed schemes from that receipt. One example of where the Council has departed from the principle is with regards to school disposals and the ring fencing of those capital receipts to fund the Schools Modernisation Programme. There may potentially be other schemes where the Council decides to set aside receipts in this way and these will be approved within the reporting of the Capital Programme.

## Asset Disposals

The Council will aim to maximise its capital receipts, where possible, by enhancing the land prior to disposal. In relation to development sites it will produce a technical pack which will include site investigations, planning briefs, utilities and drainage information, as relevant. The Council will consider the most appropriate method of disposal by way of private treaty, tender or by public auction. Generally it will dispose of assets on the open market, in order to robustly demonstrate that it has delivered best consideration. However, there will be occasions when it will sell off market to a single bidder. In these instances it will seek an independent valuation to assess the capital receipt and to affirm that best consideration has been delivered.

In considering asset disposals, the Council also needs to take into account the guidelines on Community Asset Transfers where the Council will consider, on a case by case basis, the potential transfer of assets to an alternative provider after a full assessment of the long term (full life) risks and rewards of the transfer, including the achievement of best value including potential market value, linked to the Council's aims and objectives.

Where the Council proposes to dispose of, or grant a long lease, at nil consideration or at a value below market value, a valuation will be undertaken to ensure that the Council is fully aware of the receipt which it is foregoing, as a result of the Community Asset Transfer.

## S106 contributions

S106 monies come from developer contributions through the planning system. Any contributions received are 'ring-fenced' for the purpose as set out in the relevant S106 agreement and are applied to fund schemes within the relevant capital programme once an eligible scheme has been identified. S106 contribution agreements can be used, for example, for the provision of educational facilities, highways infrastructure, affordable housing, play areas and open spaces, in line with the Council's adopted policy on the use of section 106 agreements. Consideration of available S106 funding should be taken when agreeing the capital programme for future years to maximise the use of the available funding and reduce the reliance on other sources of funding. They are time limited in that if they are not spent within an agreed timescale, typically 5 – 10 years, dependent on what has been agreed in the S106 agreement any funds not spent in line with the agreement would have to be repaid to the developer.

## **Revenue and Reserves**

The Council is able to use revenue funding and reserves for capital schemes. However, as a result of competing revenue budget pressures and the continued reduction in government funding for revenue expenditure, the Council's policy is generally not to budget to use revenue or reserve funds to directly fund capital projects, unless funding has already been set aside.

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## **Financial Procedure Rules**

### **Section A - Financial Control**

#### **1. General**

1.1 For the purposes of these Rules:

- (a) “the Chief Executive Officer” means the officer designated by the Council as Head of Paid Service under Section 4 of the Local Government & Housing Act 1989.
- (b) “the Chief Finance Officer” means the officer designated by the Council as the officer responsible for the administration of its financial affairs under Section 151 of the Local Government Act 1972.
- (c) “Chief Officer” means any of the following:
  - The Chief Executive Officer;
  - The Corporate Director – Social Services and Wellbeing;
  - The Corporate Director - Education and Family Support
  - The Corporate Director - Communities;
- (d) “the Monitoring Officer” means the officer designated as such by the Council under Section 5 of the Local Government & Housing Act 1989.
- (e) “the Cabinet” means the Executive established under Part II of the Local Government Act 2000.
- (f) “Cabinet Member” means the Leader and any of the members of the Cabinet.
- (g) “Budget Head” means the budget for a particular service/services.
- (h) Words importing the singular number only shall include the plural and vice versa, words importing the masculine gender include the feminine and vice versa.

1.2 A Chief Officer may nominate any suitably qualified officer in his Directorate to undertake any of the duties placed upon him or exercise any power granted to him by these Rules.

1.3 Each Chief Officer shall consult with the Chief Finance Officer on any matter which is liable to materially affect the finances of the Council before any commitment is incurred and before reporting thereon to the Cabinet or the Council.

1.4 (a) Chief Officers shall be responsible for bringing these Financial Procedure Rules to the attention of staff and for ensuring the observance of these Rules throughout their respective Directorates;

(b) Staff who fail to observe these Rules may be subject to disciplinary action.

1.5 Each Chief Officer shall be responsible for the accountability of staff, and the security, custody and control of all other resources including plant, buildings,

## APPENDIX C

### Part 4 Rules of Procedure

materials, cash and stores appertaining to their individual Directorates in accordance with the procedures agreed with the Chief Finance Officer.

- 1.6 Each Chief Officer shall have a duty to endeavour to maximise the value for money obtained in running the activities within his purview.
- 1.7 Each Chief Officer shall have a duty to consult the Chief Finance Officer if he has reason to believe that any matter within his purview may result in:
  - (a) The Council incurring expenditure in excess of its approved budget;
  - (b) The Council incurring expenditure for which it has no statutory power to incur;
  - (c) The Council failing to comply with the financially related provisions of any National or European legislation;
  - (d) The Council failing to comply with the financially related provisions of any code of practice adopted by the Council.
- 1.8 Whenever any matter arises which involves or is thought to involve irregularities concerning cash, stores or other property of the Council or held on trust by the Council, the Chief Officer concerned shall notify the Chief Finance Officer who shall take such steps as he considers necessary by way of investigation and report.
- 1.9 Each Chief Officer shall have a duty to inform the Chief Finance Officer and the Monitoring Officer if he suspects that the Council or its officers are exceeding the Council's statutory powers.
- 1.10 No Chief Officer may recommend to the Council or the Cabinet that expenditure be incurred or any other action taken on the assumption that sufficient statutory power is provided by either Sections 137 of the Local Government Act 1972 and Section 2 of the Local Government Act 2000, without prior approval of the Chief Finance Officer and the Monitoring Officer.
- 1.11 The Chief Finance Officer in consultation with the Monitoring Officer shall be authorised to vary from time to time any amount included in the Rules, but any alteration shall be reported to the next meeting of Council.

#### **2. Accounting Systems**

- 2.1 All accounting procedures and accounting records of the Council and its Officers shall be subject to the approval of the Chief Finance Officer.
- 2.2 All accounts and accounting records of the Council shall be compiled by, or under the direction of, the Chief Finance Officer.
- 2.3 The following principles shall be observed in the allocation of accounting duties:
  - (a) The duties of providing information regarding sums due to or from the Council and of calculating, checking and recording these sums, shall be separated as completely as possible from the duty of collecting or disbursing them;

**APPENDIX C**  
**Part 4 Rules of Procedure**

(b) Officers charged with the duty of examining and checking the accounts of cash transactions shall not themselves be engaged in any of these transactions.

2.4 A Chief Officer shall be responsible for the financial management and audit of any private fund entrusted to him as part of his duties and will apply regulations to such funds as stipulated by the Chief Finance Officer.

2.5 Notwithstanding the duties of a Chief Officer in Rule 2.4, the Chief Finance Officer shall have the right to audit any private fund at any time.

2.6 For the purposes of these Rules "private fund" shall mean any fund in the management of which a Chief Officer of the Council is concerned and which may affect any person or property for which the Council has a responsibility, notwithstanding that contributions towards such fund shall have been made by another party other than the Council.

### **3. Budgeting and budgetary control**

#### **3.1 Council's Budget**

3.1.1 The Budget shall be approved by the Council in accordance with Rule 2 of the Budget and Policy Framework Procedure Rules;

3.1.2 In referring the Cabinet's Budget Proposals to Council the proper officer will forward to the Council a report of the Chief Finance Officer incorporating the recommendations of the Cabinet and detailing for approval of the Council :

- (a) A probable out-turn for the current year;
- (b) A revenue budget for the forthcoming year detailing the Budget Heads over which that budget is allocated to specific services and service programme areas;
- (c) A forward indication of the medium term financial strategy which will comprise the revenue budget for the first year and indicative budgets for the subsequent three years and a capital budget for the forthcoming year incorporating a capital programme of at least three years, but no more than ten years;
- ~~(d) an assessment of the impact of any prudential borrowing on revenue budgets and council tax levels;~~
- ~~(e) a Treasury Management Strategy for the forthcoming year~~
- (df) an assessment of any major financial risks which may impact on the budget;
- (eg) an analysis of reserves and balances and movements over the forthcoming financial year;
- (fh) fees and charges for the forthcoming year;

## APPENDIX C

# Part 4 Rules of Procedure

(g) A recommendation of the level of Council Tax to be levied for the forthcoming year.

3.1.3 The detailed form of the Budget will be determined by the Chief Finance Officer within the general direction of the Council and Cabinet after consultation with Chief Officers.

### **3.2 Amendments to the agreed budget (virements and technical adjustments)**

3.2.1. Each Chief Officer shall have the authority to incur expenditure on any activity under his control up to the amounts specified in respect of that activity in the revenue or capital budgets approved by the Council for the financial year, unless directed otherwise by the Chief Finance Officer.

3.2.2 Each Chief Officer, subject to the agreement of the Chief Finance Officer, may approve virements between specific revenue Budget Heads which do not amend any individual Budget Head by more than £100,000 from that approved by the Council. The relevant Chief Officer and Chief Finance Officer must jointly report to Cabinet on any virements which amend individual Budget Heads by more than £100,000.

3.2.3 Cabinet may, following a report of the appropriate Chief Officer in consultation with the Chief Finance Officer, approve virements between individual revenue Budget Heads which do not amend any individual budget head by more than £500,000 from that approved by the Council.

3.2.4 All approved virements over £100,000 must be reported to the Council for information as soon as reasonably practicable after their approval.

3.2.5 Any variations to the capital programme, other than those permitted under paragraphs 3.4.7 and 3.4.9, shall require the approval of the Council following a report of the Chief Finance Officer after taking into consideration the recommendations of the Cabinet.

3.2.6 All proposals for revenue and capital budget virements that exceed the above limits will need to be approved by the Council on receipt of a report of the appropriate Chief Officer in consultation with the Chief Finance Officer following consideration by the Cabinet. Virement proposals must also be approved by the Council if they:

- a) Imply a change in a plan, policy or strategy which would be contrary to the existing policy framework;
- b) Have a major operational impact on existing service provision;
- c) Are contrary to or not wholly in accordance with the Budget;
- d) Imply any additional revenue commitment in future years.

3.2.7 There are also technical adjustments to budgets as a result of the Council adhering to the Code of Practice on Local Authority Accounting. These could include, but are not limited to, the reallocation of budgets and spend for central support services to other areas within the Council or the

**APPENDIX C**  
**Part 4 Rules of Procedure**

allocation of capital charges across the Council. These are not subject to the authorisation limits of budget virements and the Chief Finance Officer or nominated representative can authorise these.

**3.3 Budgetary control**

- 3.3.1 The Chief Finance Officer shall provide each Chief Officer with regular information relating to income and expenditure under each approved budget head and any other relevant information available. Each Chief Officer shall be responsible for ensuring control of expenditure and income against the approved budget (attention is drawn to Rule 6.1).
- 3.3.2 A Chief Officer in consultation with the Cabinet Member responsible for the function in respect of which the service is provided will be expected to manage his 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. A Chief Officer or Cabinet Member may not incur expenditure or forego income if this will result in the approved budget being exceeded.
- 3.3.3 A Chief Officer may delegate responsibility for management of budgets within their control to other senior officers within their Directorate. Such delegation shall be within defined parameters and shall be recorded in writing.
- 3.3.4 At year end, consideration will be given to the overall financial position of the Council including the final outturn, any accrued Council Tax income, the Council's reserve levels and any new pressures or risks that need to be provided for. At that time, in line with the Council's Reserves and Balances Protocol, a Chief Officer will be invited to submit earmarked reserve requests to meet any specific unfunded one-off expenditure that they expect to arise in the following financial year and these will be considered by the Chief Finance Officer in the context of the Directorate outturn position as well as that of the Council as a whole. Chief Officers will be notified of successful earmarked reserves.
- 3.3.5 Any over-spending against budget may be carried forward at the discretion of the Chief Finance Officer. In no circumstances should this provision be seen as giving a Chief Officer power to overspend against approved budgets. Any such overspend will be treated as a breach of the Financial Procedure Rules and the respective Chief Officer held accountable. No Chief Officer or Cabinet Member may budget for a deficit. Where a net overspending occurs this will be a first call on the following year's budget.
- 3.3.6 Urgent expenditure not included in any budget approval may only be incurred with the approval of the Chief Finance Officer.
- 3.3.7 The cash limited budget only relates to the "controllable" elements of the budget and exclude:
- Capital charges
  - Central support service charges
  - Centrally controlled office accommodation budget

**APPENDIX C**  
**Part 4 Rules of Procedure**

- Joint Committee precepts

**3.4 Capital programme**

- 3.4.1 As part of the budget process the Chief Finance Officer or appropriate Cabinet Member will annually present to the Council a capital programme which shall include:
- (a) Those capital expenditure items proposed to commence during the next three years as a minimum;
  - (b) An estimate of the capital costs of those schemes together with the associated proposed funding.
- 3.4.2 Schemes for which external funding has been approved will be added to the capital programme once the funding has been accepted and included in the next capital programme report to Council.
- 3.4.3 A Chief Officer, before submitting a scheme for inclusion in the capital programme, shall satisfy himself that:
- (a) Land purchases, design planning consents and relevant studies are sufficiently advanced to ensure that the proposed year of start of a scheme is feasible, and;
  - (b) The level of expenditure envisaged is realistic, following a full feasibility assessment, and taking into account the Chief Finance Officer's forecast of capital resources available and the ability of each service directorate to meet the consequential costs resulting from prudential borrowing, if applicable, and any on-going maintenance costs.
  - (c) Each scheme in the programme has been fully appraised to ensure it is the most economic method of satisfying an identified need.
- 3.4.4 The Capital Programme upon approval by the Council shall:
- (a) Confer authorisation upon the Chief Officer concerned to take steps to enable design work to be completed and land to be acquired in due time.
  - (b) Form the basis of the annual Capital Estimates.
- 3.4.5 The inclusion of any item in the approved capital estimates shall not confer authority to incur any expenditure (except on design work and land acquisition) until:
- (a) All necessary statutory approvals have been obtained;
  - (b) Any external funding contribution to the project has been secured; and
  - (c) A tender or quotation has been received and accepted in accordance with the Contract Procedure Rules, which does not

## APPENDIX C

### Part 4 Rules of Procedure

exceed that part of the total cost included in the capital estimate in respect of the main contract work for the project by more than 10% or £100,000, whichever is lower.

- 3.4.6 If the tender or quotation exceeds the criteria in 3.4.5(c) above, its acceptance will be subject to the approval of the Chief Finance Officer, in consultation with the Cabinet Member(s) responsible for the function in respect of which the decision is required to a diversion of money from other approved schemes within the appropriate Chief Officer's control sufficient to meet any additional cost to be borne within the first year.
- 3.4.7 Chief Officers shall monitor both the progress of schemes and the totality of capital expenditure with the aim of avoiding under or overspending against the approved capital estimates. Should such a situation appear likely, a Chief Officer in conjunction with the Chief Finance Officer, shall recommend to the Council the remedial action necessary to accelerate or retard existing schemes within the approved capital programme.
- 3.4.8 Remedial action which necessitates the retardation or deletion of a scheme within the first year of the programme shall be subject to the prior approval of the Council based on a joint report of the Chief Finance Officer and Chief Officer.
- 3.4.9 The Chief Finance Officer shall give Chief Officers information relating to actual payments made for each scheme in such detail and at such time as arranged between them in order that they may carry out their responsibilities under paragraph 3.4.7.
- 3.4.10 The capital programme includes an annual allocation for capital minor works. Allocation of this funding to individual schemes is the responsibility of the Corporate Property Group (or its successor) and approval on individual schemes will not be sought from Council insofar as the overall funding allocated to schemes does not exceed the funding agreed by Council in the capital programme for that financial year.
- 3.4.11 Urgent expenditure not included in any budget approval, which needs to be agreed prior to the next meeting of Council, may only be incurred with the approval of the Chief Finance Officer. Any such decision requires approval by either the Chief Executive Officer or Solicitor to the Council , under the Scheme of Delegation, Scheme B1 paragraph 2.1.

### **3.5 Capital Strategy**

3.5.1 The Chief Finance Officer will be responsible for preparing a Capital Strategy for submission to Council for approval prior to the start of each financial year. The Strategy must demonstrate that capital expenditure and investment decisions are in line with service objectives and properly take account of stewardship, value for money, prudence, sustainability and affordability.

3.5.2 The Capital Strategy will need to comply with the requirements of the Chartered Institute of Public Finance and Accountancy (CIPFA)'s Prudential Code for Capital Finance in Local Authorities. It will incorporate the Prudential Indicators that will need to be approved by Council.

**APPENDIX C**  
**Part 4 Rules of Procedure**

3.5.3 The Chief Finance Officer shall report quarterly to Cabinet an update on the Capital Strategy and the Prudential Indicators.

**4. Internal audit**

- 4.1 The Chief Finance Officer shall have a duty to maintain an effective internal audit of the Council's operations in order to review, evaluate and test the adequacy of the Council's systems of internal control as contributions to the proper, economic, efficient and effective use of resources.
- 4.2 The Chief Finance Officer shall have the responsibility to review, appraise and report to Council, Audit Committee, Cabinet, Cabinet Member, or Chief Officer as appropriate upon:
- 4.2.1 The soundness, adequacy and application of financial and other related operations of the Council.
- 4.2.2 The extent of compliance with, and financial effect of, established policies, plans and procedures.
- 4.2.3 The extent to which the Council's assets and interests are accounted for and safeguarded from losses of all kinds arising from:
- (a) fraud and other offences;
  - (b) waste, extravagance, poor value for money or other cause.
- 4.2.4 The suitability and reliability of financial and other related management data developed within the Council.
- 4.3 The Chief Finance Officer or an authorised representative of the Chief Finance Officer shall have the authority to require any officer to:
- 4.3.1 Provide access to any Council premises or land under his control. Where sites are in the possession of a contractor or subject to any tenancy or licence to occupy, such entry will be governed by the conditions of the contract or other legal agreement.
- 4.3.2 Produce any records, documents and correspondence in his possession.
- 4.3.3 Provide explanations of matters arising from an audit.
- 4.3.4 Produce and account for any cash, stores or other Council property under his control.
- 4.4 The Chief Finance Officer shall have the authority to request the immediate suspension from duty of any officers who:
- (a) He has reasonable grounds to suspect of misappropriation of Council funds or other property;
  - (b) He believes present a threat of further misappropriation or hindering of any investigation.

## APPENDIX C

### Part 4 Rules of Procedure

4.5 Notwithstanding the duty of the Chief Finance Officer for the control and direction of Internal Audit, it shall be the duty of the Chief Internal Auditor to report direct to the Chief Executive Officer and to the Cabinet Member for Corporate Resources on any matter in which the Chief Finance Officer appears to be personally involved.

#### **5. Contracts of building, construction or engineering work**

5.1 Contracts for the execution of capital works shall only be entered into for those schemes which are included in the approved Capital Programme.

5.2 Each Chief Officer will maintain contract registers showing for each contract under his control which has a value greater than £50,000:

- (a) The contract sum;
- (b) The value of any extras or variations to the contract;
- (c) The amounts and dates of any instalments made;
- (d) The amount of any retentions held or bonds taken under any contract;
- (e) The balance outstanding to the Contractor.

5.3 Payments to contractors on account of contracts shall be made only on a certificate issued by the responsible officer.

5.4 When authorising any extra or variation to a contract the appropriate Chief Officer shall:

- (a) Estimate the cost of the variation;
- (b) Issue written instructions to the Contractor to carry out the work, except in cases of urgency a Chief Officer may issue verbal instructions but shall confirm them in writing as soon as possible, but in any case within 7 days.
- (c) Ensure that such variation is in accordance with the Council's Contract Procedure Rules

5.5 The final settlement of a contract shall not be certified by the appropriate Chief Officer until the final account has been presented to the Chief Finance Officer, who may then, at his discretion, decide to audit the final account before certification.

5.6 Claims from contractors in respect of matters not clearly within the terms of any existing contract shall be referred to the Solicitor to the Council for consideration of the Authority's legal liability and, where necessary, to the Chief Finance Officer for financial consideration before a settlement is reached.

5.7 Each Chief Officer shall as soon as practical report to Cabinet the total of extras or variations to any contract which exceeds 10% of the original contract sum, or £100,000 whichever is the greater.

**APPENDIX C**  
**Part 4 Rules of Procedure**

5.8 If the final account of any contract has not been agreed within eighteen months of the completion of works, then the Chief Officer controlling that contract shall report to the Cabinet on the outstanding items. Any report under this regulation shall include a comparison of the final or likely cost with the original contract sum together with reasons for any differences.

**6. Orders for work, goods and services**

6.1 Each Chief Officer has a duty to issue official orders for all works and services to be carried out, and all goods supplied, within their Directorate with the exception of:

- (a) Public utilities;
- (b) Periodical payments;
- (c) Petty cash purchases;
- (d) Purchases made using Purchasing Cards
- (e) Works, goods and services subject to formal written contracts, or excepted from this requirement by the Chief Finance Officer.
- (f) Framework and call off contracts.

Before issuing official orders, Officers authorising them must be satisfied that there is provision in the estimates and that the Contract Procedure Rules have been complied with.

6.2 Each official order shall be in a form prescribed and approved by the Chief Finance Officer and shall include:

- (a) A description of the works, goods and services ordered;
- (b) The name and address of the supplier;
- (c) An estimate of the cost;
- (d) The financial code to which the cost is to be charged;
- (e) Name of the authorising officer.

6.3 Verbal orders may only be placed in exceptional circumstances the details of which must be confirmed by e-mail or fax on the same day and confirmed by written official order within 3 working days.

6.4 Electronic orders will be treated in the same way as other official orders. Changes to on-line authorising officers shall be notified to the Chief Finance Officer immediately.

**7. Leasing**

**APPENDIX C**  
**Part 4 Rules of Procedure**

- 7.1 The Chief Finance Officer shall be responsible for making leasing arrangements for the acquisition of Buildings, Plant, Vehicles and Equipment.
- 7.2 No Chief Officer other than the Chief Finance Officer may enter into any type of leasing arrangements unless agreed in writing or delegated by the Chief Finance Officer.
- 7.3 Provision within revenue estimates to cover the annual costs of leasing should be made only following consultation with the Chief Finance Officer.

**8. Grant Funding and Third Party Funding**

- 8.1 It is essential that proper management of external funding or grants received, or funding awarded by the Council, is undertaken in order to safeguard the financial position of the Council and also to maximise the benefits to service delivery from the receipt of these additional funds.
- 8.2 The Council has a Grants Management Policy which all Chief Officers and their staff must adhere to in order to ensure in the proper management of grant funding and other internal and external funds. Failure to comply could result in funding being withheld by the funding body or recovered at a later date. Any failure to comply with the Grants Management Policy, which results in funding being reduced to the Council, may be reported to Audit Committee, and any shortfall in the funding borne by the responsible directorate.

**Section B - Expenditure and Income**

**9. Payment of accounts**

- 9.1 Apart from petty cash and other payments from imprest accounts, the normal method of payment of money due from the Council shall be by automated transfers from the Council's bank accounts by the Chief Finance Officer.
- 9.2 The Chief Finance Officer shall be the authorised signatory of any joint bank account opened in the name of the Council and any other party and will be responsible for the payment of any cheques into that joint bank account.
- 9.3 Each Chief Officer is responsible for examining, verifying and authorising invoices and any other payment vouchers or accounts arising from sources in his Directorate including the use of purchasing cards. Authorised officers can discharge this responsibility on behalf of the Chief Officer. Each Chief Officer will supply the names and specimen signatures for authorised officers together with authorisation limits to the Chief Finance Officer and will need to confirm the list on an annual basis.
- 9.4 The Chief Finance Officer, in consultation with a Cabinet Member, can give approval for payment in advance of goods or services in exceptional circumstances and on request from a Chief Officer.
- 9.5 Before authorising an account, the authorising officer shall be satisfied that:
  - (a) The work, goods or services to which the account relates have been received, carried out, examined and approved.

## APPENDIX C

### Part 4 Rules of Procedure

- (b) The invoice satisfies VAT regulations and that prices, extensions, calculations, trade discounts, other allowances and credits are correct.
  - (c) The relevant expenditure has been properly incurred and is within the relevant estimate provision.
  - (d) The financial code to which the expenditure is to be charged is correct and sufficient budget is available.
  - (e) The account or invoice indicates the official order number relating to the goods or services provided, or if there is no such order the reason for the omission unless it relates to services not subject to orders such as care contracts.
  - (f) Appropriate entries have been made in inventories, stores records or stock books as required.
  - (g) The account has not been previously passed for payment and is a proper liability of the Council.
  - (h) In the case of accounts for the supply of public utility services and other periodic payments relevant expenditure, and where appropriate, units of energy consumed, have been entered in records approved by the Chief Finance Officer.
- 9.6 Accounts authorised manually should be passed for payment to the Chief Finance Officer, unless alternative arrangements have been specifically agreed with the Chief Finance Officer. All payments should be processed within 30 days.
- 9.7 Where payments are electronically uploaded into the financial system via a feeder file, appropriate controls, including standardising of files and validity checks, are put in place to ensure their integrity. For any new feeder files, Internal Audit will be asked to review and give assurance on the process for authorisation before usage,
- 9.8 The Chief Finance Officer shall set down procedures for the retention of financial documentation. Such documentation must not be disposed of without the specific approval of the Chief Finance Officer. All invoices shall be retained for at least 6 years plus the current financial year. In the case of invoices relating to grant claims, these must be kept until after the grant claim has been audited even if this exceeds 6 years. It is the responsibility of the Chief Officer of the grant to ensure the correct retention period is maintained. The same retention periods apply to electronic copies of all original invoices.
- 9.9 Changes to on-line authorising officers shall be notified to the Chief Finance Officer immediately.
- 9.10 Each Chief Officer shall, no later than a date specified at the financial year end, notify the Chief Finance Officer of any outstanding expenditure relating to the previous financial year.

**APPENDIX C**  
**Part 4 Rules of Procedure**

**10. Imprest accounts**

- 10.1 Where appropriate, the Chief Finance Officer shall provide imprest accounts for such officers of the Council as may need them for the purpose of defraying petty cash and other expenses. Such accounts shall be maintained in accordance with the notes of guidance issued to imprest holders by the Chief Finance Officer.
- 10.2 Where appropriate, the Chief Finance Officer shall open an account with the Council's bankers for use by the imprest holder who shall not cause the account to be overdrawn. It shall be a standing instruction to the Council's bankers that the amount of any overdrawn balance on an imprest holder's banking account shall be reported to the Chief Finance Officer. Where an officer holds a cheque book in respect of any account he must ensure that all cancelled cheques are crossed and retained with the counterfoils of the original cheque book.
- 10.3 Any officer responsible for an imprest account shall be personally responsible for making good any deficiencies in that account.
- 10.4 No income received on behalf of the Council may be paid into an imprest account but must be dealt with in accordance with paragraph 15.3.
- 10.5 Except as otherwise agreed between the Chief Finance Officer and the Chief Officer concerned, payments out of the accounts shall be limited to petty disbursements and shall not include sums due to any tradesman with whom the Council has a current account, nor any account for goods exceeding in value a sum to be agreed from time to time by the Chief Finance Officer nor travelling expenses other than those of a casual nature.
- 10.6 An officer responsible for an imprest shall on a regular basis as specified by the Chief Finance Officer, or at any other time if so requested, provide a certified statement as to the state of the account.
- 10.7 Whenever an officer who is an imprest holder leaves the employment of the Council, or ceases to be entitled to hold an imprest advance, the officer shall account to the Chief Finance Officer for the amount advanced to him.

**11. Purchasing Cards**

- 11.1 Where appropriate, a Purchasing Card will be issued to support the current Purchase to Pay invoice process and should not be considered as a replacement mechanism to bypass the formal requisition and approval process. Expenditure shall be made in accordance with the purchasing card guidelines.
- 11.2 Each card has an individual monthly expenditure limit, individual transaction limit and restricted category types for expenditure. The cardholder will be making financial commitments on behalf of the Council and will be responsible for obtaining value for money in accordance with Contract Procedure Rules & Corporate Contracts.
- 11.3 Except, as otherwise agreed with the Chief Finance Officer, payments by purchasing card shall be limited to approved disbursements and shall not include sums due to any tradesman with whom the Council has an account. Where appropriate, invoices should be paid via the Financial System. Travelling

## APPENDIX C

### Part 4 Rules of Procedure

expenses, such as train fares, can be pre-booked and paid with use of the purchasing card; however the purchasing card cannot be used to reimburse travelling expenses nor subsistence expenses other than those of a casual nature.

- 11.4 The cardholder is responsible for updating the Barclaycard Spend Management system with costing, VAT and narrative details of the expenditure in a timely manner and in accordance with the purchasing card guidelines.
- 11.5 Whenever a member of staff who is a purchasing card holder leaves the employment of the authority, or ceases to be entitled to hold a purchasing card, the member of staff must return the purchasing card immediately on cessation of entitlement to the Corporate Procurement Manager for cancellation. Any replacement member of staff who requires a purchasing card must apply for a new card via the Corporate Procurement Manager.
- 11.6 Any person holding a purchasing card shall be personally responsible to notify the Corporate Procurement Manager of any unauthorised / unrecognised spend made on the card. The cardholder shall be personally responsible for making good any unauthorised spend that they incur on the card.
- 11.7 Where appropriate, the Chief Finance Officer shall provide a purchasing card enabled for cash withdrawal to give services access to cash for the purpose of defraying petty expenditure. Such cards shall be maintained in accordance with the notes of guidance to card holders by the Corporate Procurement Manager. There is an administration charge for cash withdrawals. Detailed records of monies withdrawn, spending of this money, including VAT split and costing information, must be kept and be available for examination on request.
- 11.8 Except as otherwise agreed with the Chief Finance Officer, payments out of the cash withdrawn from the bank by purchasing card shall be limited to petty disbursements and shall not include sums due to any tradesman with whom the authority has an account, nor travelling expenses, nor subsistence expenses other than those of a casual nature.
- 11.9 A person responsible for the cash balance held shall, if so requested, give to the Chief Finance Officer certification as to the state of the funds.
- 11.10 Whenever a member of staff who is a cash balance administrator leaves the employment of the authority, or ceases to be entitled to administer the cash balance, the member of staff shall repay to the Chief Finance Officer the unexpended cash balance of the withdrawn amount, or shall transfer monies, records and vouchers relating to the account to the new cash administrator. When a purchasing card holder leaves, the card in their name must be returned to the Corporate Procurement Manager for cancellation and a new card applied for via the Corporate Procurement Manager unless the new cash administrator is not to be allocated a purchasing card.
- 11.11 Any person holding a cash balance obtained by a purchasing card cash withdrawal shall be personally responsible for making good any deficiencies in that account.

**APPENDIX C**  
**Part 4 Rules of Procedure**

**12. Salaries, wages and Members' allowances**

- 12.1 The payment of all salaries, wages, allowances, expenses or other emoluments to all employees or members shall be made by, or under arrangements approved and controlled by, the Chief Finance Officer.
- 12.2 Each Chief Officer shall notify the Chief Finance Officer as soon as possible and in the prescribed form, of all matters affecting the payment of such emoluments and in particular:
- (a) Appointments, resignation, dismissals, suspensions, secondments, and transfers.
  - (b) Absences from duty for sickness or other reason, apart from approved leave with pay.
  - (c) Changes in remuneration.
  - (d) Information necessary to maintain records of service for superannuation, income tax, national insurance etc.
  - (e) Any failure to comply with Council or statutory regulations.
- 12.3 Appointments of all employees shall be made in accordance with the regulations of the Council and the approved establishment, gradings and rates of pay.
- 12.4 All-time records and other pay documents shall be in a form prescribed or approved by the Chief Finance Officer and shall be certified by or on behalf of the Chief Officer. The names of the officers authorised to certify such records shall be sent to the Chief Finance Officer by each Chief Officer together with specimen signatures and shall be amended on the occasion of any change. Changes to on-line authorising officers shall be notified to the Chief Finance Officer immediately.
- 12.5 No payments to staff may be made other than through the normal payroll system without the specific approval of the Chief Finance Officer. In particular, casual staff must be recorded on the payroll.

**13. Officers fees, travelling and subsistence allowances**

- 13.1 All claims for payment of fees, car allowances, subsistence allowances and travelling expenses shall be submitted, duly certified, in a format approved by the Chief Finance Officer, to the appropriate Chief Officer in accordance with the timetable set down by the Chief Finance Officer. A record of all officers authorised to approve such records shall be sent to the Chief Finance Officer together with specimen signatures and shall be amended on the occasion of any change. This applies to both manual and electronic expenses systems.
- 13.2 The certification by, or on behalf of, the Chief Officer shall be taken to mean that the certifying officer is satisfied that the journeys were authorised, the expenses properly and necessarily incurred, the vehicle used had appropriate insurance cover, the necessary receipts of expenditure retained and that the fees and allowances are properly payable by the Council.
- 13.3 Claims submitted more than three months after the expenses were incurred must be accompanied by a letter of explanation for the delay and shall be paid

**APPENDIX C**  
**Part 4 Rules of Procedure**

only with the express approval of the Chief Finance Officer who shall refer the matter to Cabinet if necessary.

- 13.4 All claims for payment of incidental expenses such as removal, lodging and disturbance allowances and training course fees etc. shall be made on the appropriate form and shall be in accordance with the appropriate scheme approved by the Council.

**14. Banking arrangements and cheques**

- 14.1 All arrangements with the Council's bankers shall be made by or under arrangements approved by the Chief Finance Officer, who shall be authorised to operate such bank accounts as considered necessary.

- 14.2 All cheques shall be ordered only on the authority of the Chief Finance Officer who shall make proper arrangements for their safe custody.

- 14.3 Any such bank account opened in respect of monies held on behalf of the Council shall be arranged in consultation with or under the direction of the Chief Finance Officer. The Chief Finance Officer shall maintain a list of authorised signatories, along with specimen signatures, for all such accounts. Any change in signatory shall be reported to the Chief Finance Officer immediately.

- 14.4 No Standing Orders or Direct Debits from the Council's bank accounts shall be set up unless arranged in consultation with or under the direction of the Chief Finance Officer. The Chief Finance Officer shall maintain a list of all officers authorised to set up Direct Debits and Standing Orders.

- 14.5 The Chief Finance Officer shall be authorised to:

- (a) Nominate officers empowered to authorise payment out of these bank accounts.
- (b) Negotiate charges with the Council's bankers.

- 14.6 The Chief Finance Officer will be responsible for ensuring that there are adequate controls in place to ensure that all payment methods, whether physical or electronic, have appropriate authorisations, approvals and signatures as necessary.

- 14.7 The Chief Finance Officer shall ensure that appropriate arrangements are in place to facilitate the monthly reconciliation of the Council's Bank Accounts,

**15. Income**

- 15.1 Each Chief Officer will be responsible for the prompt and accurate billing, collection and banking of all income due to the Council in connection with the Directorate's activities, except where in the interests of efficiency or security it is agreed with the Chief Finance Officer that all or part of the duties should be discharged by some other Chief Officer.

- 15.2 Except as agreed between the Chief Finance Officer and the Chief Officer concerned, all receipt forms, books, tickets and other such items shall be ordered and supplied to Directorates by the Chief Finance Officer, who shall be satisfied as to the arrangements for their control.

**APPENDIX C**  
**Part 4 Rules of Procedure**

- 15.3 In carrying out this function, each Chief Officer shall ensure that any officer of the staff engaged in the collection of money:
- (a) Maintains a record of receipts and bankings in a form approved by the Chief Finance Officer.
  - (b) Pays without delay any money collected either:
    - i) To the approved officer;
    - ii) To a security firm employed by the Chief Finance Officer for this purpose, or;
    - iii) To one of the Council's main bank accounts or via outlets of the nominated collector(s) as agreed by the Council.
  - (c) Makes no deduction from monies collected, except with the specific and exceptional approval of the Chief Finance Officer.
  - (d) Makes good any shortfalls in cash collected and pays in any surpluses.
  - (e) In the case of cheques received, enter on any paying-in slips details of the cheque and a reference to the related debt.
- 15.4 Personal cheques shall not be cashed out of the money held on behalf of the Council.
- 15.5 Outstanding debts which are found to be irrecoverable may be written off by the Chief Finance Officer, except where it is considered that there are matters of principle or policy which should be referred to the Cabinet.
- 15.6 Any officer holding a cash float shall be personally responsible for making good any deficiencies in that account.
- 15.7 Where an officer takes cash for works, goods or services that is either:-
- i. in excess of the level stipulated within the Council's Anti-Money Laundering Policy;
  - ii. or where there is anything suspicious regarding, but not limited to, multiple use of high denomination notes, multiple and frequent disaggregation of payment of a higher value outstanding debt

then the officer must report it immediately to the Money Laundering Reporting Officer (MLRO) in accordance with the Policy.

**16. Fees and Charges**

- 16.1 The Council has an Income Generation and Charging Policy to support the Medium Term Financial Strategy. It is intended to provide a consistent and co-ordinated approach to charging across the Council, setting out the key principles for charging and for reviewing charges and must be adhered to by all Chief Officers and their staff.

**APPENDIX C**  
**Part 4 Rules of Procedure**

- 16.2 When setting charges, there is recognition that where possible, the full cost of the service should be recovered. However, there is also a recognition that in some instances, there will be a conscious decision not to fully charge and the remaining cost will be met by the Council Tax payer.
- 16.3 In line with the Medium Term Financial Strategy, a review of fees and charges should be undertaken at least annually and any new or increased charges must receive approval from Cabinet or delegated authority under the Scheme of Delegation, Scheme A paragraph 1.6.

**Section C - Security and Assets**

**17. Security**

- 17.1 The Chief Finance Officer shall have overall responsibility to the Council for security of Council property.
- 17.2 Each Chief Officer shall be responsible for maintaining proper security at all times for all buildings, stocks, stores, furniture, equipment, cash, title deeds, securities, etc. under his/her custody.
- 17.3 Maximum limits for cash holdings shall be agreed with the Chief Finance Officer.
- 17.4 Every transfer of official money from one member of staff to another will be evidenced in the records of the Directorate concerned by the signature of the receiving officer.
- 17.5 Keys to safes and similar receptacles for the safeguarding of money or other valuables are to be carried on the person of those responsible; the loss of any such keys must be reported to the Chief Finance Officer.

**18. Data Protection**

- 18.1 Each officer shall be responsible for maintaining proper security, privacy and compliance with the General Data Protection Regulation 2016 and the Data Protection Act 2018 in respect of information held.
- 18.2 Each Chief Officer shall have a duty to notify the Solicitor to the Council of any computer system in their Directorate which holds personal data or automatically processible personal data and therefore needs to be registered under the Data Protection Act.
- 18.3 Each Chief Officer shall have a duty to ensure the safekeeping and prevention of improper use of any information held in the Directorate, regardless of the media on which it is held.
- 18.4 The Chief Finance Officer, or an authorised representative of the Chief Finance Officer, shall have access to all computer systems and records and may require and receive such explanations as are necessary, for the purposes of the Data Protection Act.
- 18.5 The security of financial systems, e.g. use of passwords, shall be maintained by adhering to instructions issued by the Chief Finance Officer and in line with the ICT Code of Conduct.

**APPENDIX C**  
**Part 4 Rules of Procedure**

**19. Stocks and stores**

- 19.1 Each Chief Officer shall be responsible for the custody of the stocks and stores in the Directorate and shall have a duty to:
- (a) Ensure that stocks are adequate but not excessive for the purpose envisaged;
  - (b) Maintain accurate and up to date records of such stocks and stores and ensure that a stock take is undertaken at year end and the certificate is submitted to Finance;
  - (c) Provide the Chief Finance Officer with such information as he requires in relation to stores for accounting, costing and financial records.
- 19.2 A Chief Officer shall arrange for periodical test examinations of stocks by persons other than storekeepers and shall ensure that all stocks are checked at least once in every year. Any surpluses or deficiencies revealed by such periodical test examinations shall be reported to the Chief Finance Officer and, after consultation with the Chief Officer, the Chief Finance Officer will decide what action to take.
- 19.3 Losses due to theft of stocks shall be reported to the Chief Finance Officer as soon as possible and, where found to be irrecoverable, shall be written off.
- 19.4 In all other instances write offs need the consent of the Chief Finance Officer following the submission of a report by the Chief Officer outlining the reasons for write off.

**20. Investments, borrowings and trust funds**

- 20.1 The Council has adopted Chartered Institute of Public Finance and Accountancy (CIPFA)'s Code of Practice on Treasury Management in the Public Services.
- 20.2 The Chief Finance Officer will be responsible for preparing and presenting an annual Treasury Management Strategy to Audit Committee prior to submission to Council for approval prior to the start of each financial year. The Strategy must include an Investment Strategy and set the Council's Treasury Management ~~and Prudential Indicators~~ for the forthcoming financial year.
- 20.3 All investments and borrowing transactions shall be undertaken in accordance with the Treasury Management Strategy with due regard to the requirements of the CIPFA's Code of Practice on Treasury Management in the Public Services.
- 20.4 All investments of money under its control shall be made in the name of the Council. Any borrowing activity must have regard to CIPFA's Prudential Code for Capital Finance in Local Authorities and the Code of Practice on Treasury Management in the Public Services.
- 20.5 The Chief Finance Officer shall report quarterly to the Cabinet, summarising borrowing and investment activity and indicating compliance with any statutory or Council approved guidelines together with a half yearly and an annual report to Council.

**APPENDIX C**  
**Part 4 Rules of Procedure**

- 20.6 The Chief Finance Officer, or an agent nominated by the Chief Finance Officer, will be the Council's Registrar of loan instruments and shall maintain records of all borrowing of money by the Council.
- 20.7 The Chief Finance Officer will have a duty to ensure a proper, efficient and effective mix of borrowing and investments.
- 20.8 The Audit Committee is responsible for ensuring effective scrutiny of the Treasury Management policies and practices. The Committee will review the Annual Report on Treasury Management as well as the Treasury Management Strategy. The Committee will make any recommendations for improvements on treasury management to the Chief Finance Officer and raise any concerns that the Council is exceeding its legal powers with the Monitoring Officer.

**21. Inventories**

- 21.1 Each Chief Officer shall be responsible for the plant, vehicles, machinery, equipment, tools, furniture and other non consumable property in the Directorate and shall have a duty to:
- (a) Maintain an up to date inventory of such goods;
  - (b) Carry out an annual physical check on goods listed in the inventory;
  - (c) As far as is practicable see that such goods are marked as Council property;
  - (d) Ensure that such goods are not removed or used except in accordance with the ordinary course of the Council's business.
- 21.2 Every transfer of items contained in the inventory from one establishment to another shall be evidenced in the records of the establishment concerned by the signature of the receiving officer.

**22. Insurances**

- 22.1 The Chief Finance Officer shall have a duty to:-
- (a) affect adequate insurance cover in accordance with the Council's Insurance Strategy contained in the Risk Management Policy. He will insure losses which would have a significant impact on budgets and the provision of services, where it must be bought by law and where the insurance provides additional benefits which enable an activity to take place,
  - (b) promptly claim any insurance loss the Council has suffered, and liaise with the Council's Insurers to settle any claim brought by another party, if it is assessed that the Council has a legal liability to do so.
  - (c) ensure that sums insured and limits of indemnity are regularly reviewed.
  - (d) maintain comprehensive records of insurance including policy documents and understand what coverage they provide.

**APPENDIX C**  
**Part 4 Rules of Procedure**

- (e) employ the services of a professional insurance broking company who can provide expert advice.
- (f) only transfer risks to Insurance Companies which are financially strong.
- (g) comply with the “duty of fair presentation” contained in the Insurance Act 2015. The Council must disclose to its Insurers all information, facts and circumstances which are, or ought to be, known to it, which is material to the risk. A material circumstance is one which would influence the judgement of a prudent Underwriter in considering whether to provide insurance and, if so, on what basis and cost.

22.2 A Chief Officer will have a duty to:

- (a) Promptly notify the Chief Finance Officer of any new risks, insurable assets or liabilities which are required to be insured under the Insurance Strategy.;
- (b) Promptly notify the Chief Finance Officer in writing of any loss, liability, damage or any event likely to lead to a claim and where appropriate inform the Police;
- (c) Promptly provide any information required by the Chief Finance Officer or the Council’s Insurers to progress a claim.
- (d) Assist the Chief Finance Officer to comply with the “duty of fair presentation contained in the Insurance Act 2015 by disclosing all relevant information.

22.3 The Chief Finance Officer shall maintain an ongoing review of all insurances in consultation with other Chief Officers as appropriate.

22.4 No indemnity shall be given in the name of the Council without the prior approval of the Chief Finance Officer.

**APPENDIX C**  
**Part 4 Rules of Procedure**

**23. Prevention of Theft, Fraud and Corruption**

- 23.1 The Chief Finance Officer is responsible for advising on effective systems of internal control to prevent fraud and corruption.
- 23.2 The Chief Finance Officer is responsible for developing, maintaining and implementing an Anti-Fraud and Bribery Policy. If a Chief Officer suspects any irregularities concerning cash, stores or other property of the Council or held on trust by the Council, they will notify the Chief Finance Officer who will take such steps as considered necessary by way of investigation and report.
- 23.3 The Chief Finance Officer is also responsible for developing, maintaining and implementing an Anti-Money Laundering Policy. The key message of this Policy is to make staff aware of their responsibilities and if they suspect that money laundering activity may be taking place or proposed, they must disclose those suspicions to the Council's Money Laundering Reporting Officer who is the Chief Finance Officer.
- 23.4 All Chief Officers are responsible for ensuring compliance with both the Anti-Fraud and Bribery Policy and Anti-Money Laundering Policy and with systems of internal control.

**24. Estates**

- 24.1 The Chief Executive Officer shall maintain a register of all properties owned by the Council recording details including:
- (a) Purpose for which held;
  - (b) Location, extent, and plan reference;
  - (c) Particulars of nature of interest held;
  - (d) Purchase details;
  - (e) Rents payable;
  - (f) Particulars of tenancies granted.
- 24.2 The Chief Finance Officer will maintain an asset register of all Council assets.
- 24.3 Where land and/or buildings are found to be surplus to requirements the responsible Chief Officer shall, as soon as possible, submit a report to the appropriate Cabinet Member for appropriate action in accordance with the Schemes of Delegation.

**25. Protection of private property**

- 25.1 The Chief Officer shall in any known case where steps are necessary to prevent or mitigate loss of or damage to moveable property, prepare in a form agreed

## APPENDIX C

### Part 4 Rules of Procedure

with the Chief Finance Officer, an itemised inventory in each case prepared in the presence of two officers.

- 25.2 All valuables such as jewellery, watches and other small articles of a similar nature and documents of title deposited with the Council for safe custody shall be recorded in a form agreed by the Chief Finance Officer.
- 25.3 All monies deposited with the Council for safekeeping shall be dealt with in accordance with guidelines agreed by the Chief Officer and the Chief Finance Officer.
- 25.4 Where a Chief Officer is required as part of his duties to hold in trust any property, valuables or cash belonging to a third party he should do so in accordance with guidelines agreed with the Chief Finance Officer.

#### **26. Risk Management**

- 26.1 The Chief Finance Officer is responsible for preparing the Council's Risk Management Strategy and its promotion throughout the Council and for advising of strategic, financial and operational risks.
- 26.2 Chief Officers shall be responsible for the identification, classification and control of all risks falling within their areas of responsibility. The risks identified shall be notified to the Chief Finance Officer for incorporation into the Risk Register, which shall be subject to periodic review at no more than annual intervals.
- 26.3 Chief Officers shall take responsibility for risk management within their areas of responsibility, having regard to advice from the Chief Finance Officer and other specialist Officers (e.g. crime prevention, fire prevention, health and safety), and shall undertake regular reviews of risk within their own Directorates.

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## **Financial Procedure Rules**

### **Section A - Financial Control**

#### **1. General**

1.1 For the purposes of these Rules:

- (a) “the Chief Executive Officer” means the officer designated by the Council as Head of Paid Service under Section 4 of the Local Government & Housing Act 1989.
- (b) “the Chief Finance Officer” means the officer designated by the Council as the officer responsible for the administration of its financial affairs under Section 151 of the Local Government Act 1972.
- (c) “Chief Officer” means any of the following:
  - The Chief Executive Officer;
  - The Corporate Director – Social Services and Wellbeing;
  - The Corporate Director - Education and Family Support
  - The Corporate Director - Communities;
- (d) “the Monitoring Officer” means the officer designated as such by the Council under Section 5 of the Local Government & Housing Act 1989.
- (e) “the Cabinet” means the Executive established under Part II of the Local Government Act 2000.
- (f) “Cabinet Member” means the Leader and any of the members of the Cabinet.
- (g) “Budget Head” means the budget for a particular service/services.
- (h) Words importing the singular number only shall include the plural and vice versa, words importing the masculine gender include the feminine and vice versa.

1.2 A Chief Officer may nominate any suitably qualified officer in his Directorate to undertake any of the duties placed upon him or exercise any power granted to him by these Rules.

1.3 Each Chief Officer shall consult with the Chief Finance Officer on any matter which is liable to materially affect the finances of the Council before any commitment is incurred and before reporting thereon to the Cabinet or the Council.

1.4 (a) Chief Officers shall be responsible for bringing these Financial Procedure Rules to the attention of staff and for ensuring the observance of these Rules throughout their respective Directorates;

(b) Staff who fail to observe these Rules may be subject to disciplinary action.

1.5 Each Chief Officer shall be responsible for the accountability of staff, and the security, custody and control of all other resources including plant, buildings,

**APPENDIX D**  
**Part 4 Rules of Procedure**

materials, cash and stores appertaining to their individual Directorates in accordance with the procedures agreed with the Chief Finance Officer.

- 1.6 Each Chief Officer shall have a duty to endeavour to maximise the value for money obtained in running the activities within his purview.
- 1.7 Each Chief Officer shall have a duty to consult the Chief Finance Officer if he has reason to believe that any matter within his purview may result in:
  - (a) The Council incurring expenditure in excess of its approved budget;
  - (b) The Council incurring expenditure for which it has no statutory power to incur;
  - (c) The Council failing to comply with the financially related provisions of any National or European legislation;
  - (d) The Council failing to comply with the financially related provisions of any code of practice adopted by the Council.
- 1.8 Whenever any matter arises which involves or is thought to involve irregularities concerning cash, stores or other property of the Council or held on trust by the Council, the Chief Officer concerned shall notify the Chief Finance Officer who shall take such steps as he considers necessary by way of investigation and report.
- 1.9 Each Chief Officer shall have a duty to inform the Chief Finance Officer and the Monitoring Officer if he suspects that the Council or its officers are exceeding the Council's statutory powers.
- 1.10 No Chief Officer may recommend to the Council or the Cabinet that expenditure be incurred or any other action taken on the assumption that sufficient statutory power is provided by either Sections 137 of the Local Government Act 1972 and Section 2 of the Local Government Act 2000, without prior approval of the Chief Finance Officer and the Monitoring Officer.
- 1.11 The Chief Finance Officer in consultation with the Monitoring Officer shall be authorised to vary from time to time any amount included in the Rules, but any alteration shall be reported to the next meeting of Council.

**2. Accounting Systems**

- 2.1 All accounting procedures and accounting records of the Council and its Officers shall be subject to the approval of the Chief Finance Officer.
- 2.2 All accounts and accounting records of the Council shall be compiled by, or under the direction of, the Chief Finance Officer.
- 2.3 The following principles shall be observed in the allocation of accounting duties:
  - (a) The duties of providing information regarding sums due to or from the Council and of calculating, checking and recording these sums, shall be separated as completely as possible from the duty of collecting or disbursing them;

**APPENDIX D**  
**Part 4 Rules of Procedure**

(b) Officers charged with the duty of examining and checking the accounts of cash transactions shall not themselves be engaged in any of these transactions.

2.4 A Chief Officer shall be responsible for the financial management and audit of any private fund entrusted to him as part of his duties and will apply regulations to such funds as stipulated by the Chief Finance Officer.

2.5 Notwithstanding the duties of a Chief Officer in Rule 2.4, the Chief Finance Officer shall have the right to audit any private fund at any time.

2.6 For the purposes of these Rules “private fund” shall mean any fund in the management of which a Chief Officer of the Council is concerned and which may affect any person or property for which the Council has a responsibility, notwithstanding that contributions towards such fund shall have been made by another party other than the Council.

### **3. Budgeting and budgetary control**

#### **3.1 Council’s Budget**

3.1.1 The Budget shall be approved by the Council in accordance with Rule 2 of the Budget and Policy Framework Procedure Rules;

3.1.2 In referring the Cabinet's Budget Proposals to Council the proper officer will forward to the Council a report of the Chief Finance Officer incorporating the recommendations of the Cabinet and detailing for approval of the Council :

- (a) A probable out-turn for the current year;
- (b) A revenue budget for the forthcoming year detailing the Budget Heads over which that budget is allocated to specific services and service programme areas;
- (c) A forward indication of the medium term financial strategy which will comprise the revenue budget for the first year and indicative budgets for the subsequent three years and a capital budget for the forthcoming year incorporating a capital programme of at least three years, but no more than ten years;
- (d) an assessment of any major financial risks which may impact on the budget;
- (e) an analysis of reserves and balances and movements over the forthcoming financial year;
- (f) fees and charges for the forthcoming year;
- (g) A recommendation of the level of Council Tax to be levied for the forthcoming year.

**APPENDIX D**  
**Part 4 Rules of Procedure**

3.1.3 The detailed form of the Budget will be determined by the Chief Finance Officer within the general direction of the Council and Cabinet after consultation with Chief Officers.

**3.2 Amendments to the agreed budget (virements and technical adjustments)**

3.2.1. Each Chief Officer shall have the authority to incur expenditure on any activity under his control up to the amounts specified in respect of that activity in the revenue or capital budgets approved by the Council for the financial year, unless directed otherwise by the Chief Finance Officer.

3.2.2 Each Chief Officer, subject to the agreement of the Chief Finance Officer, may approve virements between specific revenue Budget Heads which do not amend any individual Budget Head by more than £100,000 from that approved by the Council. The relevant Chief Officer and Chief Finance Officer must jointly report to Cabinet on any virements which amend individual Budget Heads by more than £100,000.

3.2.3 Cabinet may, following a report of the appropriate Chief Officer in consultation with the Chief Finance Officer, approve virements between individual revenue Budget Heads which do not amend any individual budget head by more than £500,000 from that approved by the Council.

3.2.4 All approved virements over £100,000 must be reported to the Council for information as soon as reasonably practicable after their approval.

3.2.5 Any variations to the capital programme, other than those permitted under paragraphs 3.4.7 and 3.4.9, shall require the approval of the Council following a report of the Chief Finance Officer after taking into consideration the recommendations of the Cabinet.

3.2.6 All proposals for revenue and capital budget virements that exceed the above limits will need to be approved by the Council on receipt of a report of the appropriate Chief Officer in consultation with the Chief Finance Officer following consideration by the Cabinet. Virement proposals must also be approved by the Council if they:

- a) Imply a change in a plan, policy or strategy which would be contrary to the existing policy framework;
- b) Have a major operational impact on existing service provision;
- c) Are contrary to or not wholly in accordance with the Budget;
- d) Imply any additional revenue commitment in future years.

3.2.7 There are also technical adjustments to budgets as a result of the Council adhering to the Code of Practice on Local Authority Accounting. These could include, but are not limited to, the reallocation of budgets and spend for central support services to other areas within the Council or the allocation of capital charges across the Council. These are not subject to the authorisation limits of budget virements and the Chief Finance Officer or nominated representative can authorise these.

**APPENDIX D**  
**Part 4 Rules of Procedure**

**3.3 Budgetary control**

- 3.3.1 The Chief Finance Officer shall provide each Chief Officer with regular information relating to income and expenditure under each approved budget head and any other relevant information available. Each Chief Officer shall be responsible for ensuring control of expenditure and income against the approved budget (attention is drawn to Rule 6.1).
- 3.3.2 A Chief Officer in consultation with the Cabinet Member responsible for the function in respect of which the service is provided will be expected to manage his 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. A Chief Officer or Cabinet Member may not incur expenditure or forego income if this will result in the approved budget being exceeded.
- 3.3.3 A Chief Officer may delegate responsibility for management of budgets within their control to other senior officers within their Directorate. Such delegation shall be within defined parameters and shall be recorded in writing.
- 3.3.4 At year end, consideration will be given to the overall financial position of the Council including the final outturn, any accrued Council Tax income, the Council's reserve levels and any new pressures or risks that need to be provided for. At that time, in line with the Council's Reserves and Balances Protocol, a Chief Officer will be invited to submit earmarked reserve requests to meet any specific unfunded one-off expenditure that they expect to arise in the following financial year and these will be considered by the Chief Finance Officer in the context of the Directorate outturn position as well as that of the Council as a whole. Chief Officers will be notified of successful earmarked reserves.
- 3.3.5 Any over-spending against budget may be carried forward at the discretion of the Chief Finance Officer. In no circumstances should this provision be seen as giving a Chief Officer power to overspend against approved budgets. Any such overspend will be treated as a breach of the Financial Procedure Rules and the respective Chief Officer held accountable. No Chief Officer or Cabinet Member may budget for a deficit. Where a net overspending occurs this will be a first call on the following year's budget.
- 3.3.6 Urgent expenditure not included in any budget approval may only be incurred with the approval of the Chief Finance Officer.
- 3.3.7 The cash limited budget only relates to the "controllable" elements of the budget and exclude:
- Capital charges
  - Central support service charges
  - Centrally controlled office accommodation budget
  - Joint Committee precepts

**APPENDIX D**  
**Part 4 Rules of Procedure**

**3.4 Capital programme**

- 3.4.1 As part of the budget process the Chief Finance Officer or appropriate Cabinet Member will annually present to the Council a capital programme which shall include:
- (a) Those capital expenditure items proposed to commence during the next three years as a minimum;
  - (b) An estimate of the capital costs of those schemes together with the associated proposed funding.
- 3.4.2 Schemes for which external funding has been approved will be added to the capital programme once the funding has been accepted and included in the next capital programme report to Council.
- 3.4.3 A Chief Officer, before submitting a scheme for inclusion in the capital programme, shall satisfy himself that:
- (a) Land purchases, design planning consents and relevant studies are sufficiently advanced to ensure that the proposed year of start of a scheme is feasible, and;
  - (b) The level of expenditure envisaged is realistic, following a full feasibility assessment, and taking into account the Chief Finance Officer's forecast of capital resources available and the ability of each service directorate to meet the consequential costs resulting from prudential borrowing, if applicable, and any on-going maintenance costs.
  - (c) Each scheme in the programme has been fully appraised to ensure it is the most economic method of satisfying an identified need.
- 3.4.4 The Capital Programme upon approval by the Council shall:
- (a) Confer authorisation upon the Chief Officer concerned to take steps to enable design work to be completed and land to be acquired in due time.
  - (b) Form the basis of the annual Capital Estimates.
- 3.4.5 The inclusion of any item in the approved capital estimates shall not confer authority to incur any expenditure (except on design work and land acquisition) until:
- (a) All necessary statutory approvals have been obtained;
  - (b) Any external funding contribution to the project has been secured; and
  - (c) A tender or quotation has been received and accepted in accordance with the Contract Procedure Rules, which does not exceed that part of the total cost included in the capital estimate in respect of the main contract work for the project by more than 10% or £100,000, whichever is lower.

## APPENDIX D

### Part 4 Rules of Procedure

- 3.4.6 If the tender or quotation exceeds the criteria in 3.4.5(c) above, its acceptance will be subject to the approval of the Chief Finance Officer, in consultation with the Cabinet Member(s) responsible for the function in respect of which the decision is required to a diversion of money from other approved schemes within the appropriate Chief Officer's control sufficient to meet any additional cost to be borne within the first year.
- 3.4.7 Chief Officers shall monitor both the progress of schemes and the totality of capital expenditure with the aim of avoiding under or overspending against the approved capital estimates. Should such a situation appear likely, a Chief Officer in conjunction with the Chief Finance Officer, shall recommend to the Council the remedial action necessary to accelerate or retard existing schemes within the approved capital programme.
- 3.4.8 Remedial action which necessitates the retardation or deletion of a scheme within the first year of the programme shall be subject to the prior approval of the Council based on a joint report of the Chief Finance Officer and Chief Officer.
- 3.4.9 The Chief Finance Officer shall give Chief Officers information relating to actual payments made for each scheme in such detail and at such time as arranged between them in order that they may carry out their responsibilities under paragraph 3.4.7.
- 3.4.10 The capital programme includes an annual allocation for capital minor works. Allocation of this funding to individual schemes is the responsibility of the Corporate Property Group (or its successor) and approval on individual schemes will not be sought from Council insofar as the overall funding allocated to schemes does not exceed the funding agreed by Council in the capital programme for that financial year.
- 3.4.11 Urgent expenditure not included in any budget approval, which needs to be agreed prior to the next meeting of Council, may only be incurred with the approval of the Chief Finance Officer. Any such decision requires approval by either the Chief Executive Officer or Solicitor to the Council , under the Scheme of Delegation, Scheme B1 paragraph 2.1.

#### **3.5 Capital Strategy**

- 3.5.1 The Chief Finance Officer will be responsible for preparing a Capital Strategy for submission to Council for approval prior to the start of each financial year. The Strategy must demonstrate that capital expenditure and investment decisions are in line with service objectives and properly take account of stewardship, value for money, prudence, sustainability and affordability.
- 3.5.2 The Capital Strategy will need to comply with the requirements of the Chartered Institute of Public Finance and Accountancy (CIPFA)'s Prudential Code for Capital Finance in Local Authorities. It will incorporate the Prudential Indicators that will need to be approved by Council.
- 3.5.3 The Chief Finance Officer shall report quarterly to Cabinet an update on the Capital Strategy and the Prudential Indicators.

**APPENDIX D**  
**Part 4 Rules of Procedure**

**4. Internal audit**

- 4.1 The Chief Finance Officer shall have a duty to maintain an effective internal audit of the Council's operations in order to review, evaluate and test the adequacy of the Council's systems of internal control as contributions to the proper, economic, efficient and effective use of resources.
- 4.2 The Chief Finance Officer shall have the responsibility to review, appraise and report to Council, Audit Committee, Cabinet, Cabinet Member, or Chief Officer as appropriate upon:
- 4.2.1 The soundness, adequacy and application of financial and other related operations of the Council.
- 4.2.2 The extent of compliance with, and financial effect of, established policies, plans and procedures.
- 4.2.3 The extent to which the Council's assets and interests are accounted for and safeguarded from losses of all kinds arising from:
- (a) fraud and other offences;
  - (b) waste, extravagance, poor value for money or other cause.
- 4.2.4 The suitability and reliability of financial and other related management data developed within the Council.
- 4.3 The Chief Finance Officer or an authorised representative of the Chief Finance Officer shall have the authority to require any officer to:
- 4.3.1 Provide access to any Council premises or land under his control. Where sites are in the possession of a contractor or subject to any tenancy or licence to occupy, such entry will be governed by the conditions of the contract or other legal agreement.
- 4.3.2 Produce any records, documents and correspondence in his possession.
- 4.3.3 Provide explanations of matters arising from an audit.
- 4.3.4 Produce and account for any cash, stores or other Council property under his control.
- 4.4 The Chief Finance Officer shall have the authority to request the immediate suspension from duty of any officers who:
- (a) He has reasonable grounds to suspect of misappropriation of Council funds or other property;
  - (b) He believes present a threat of further misappropriation or hindering of any investigation.
- 4.5 Notwithstanding the duty of the Chief Finance Officer for the control and direction of Internal Audit, it shall be the duty of the Chief Internal Auditor to

**APPENDIX D**  
**Part 4 Rules of Procedure**

report direct to the Chief Executive Officer and to the Cabinet Member for Corporate Resources on any matter in which the Chief Finance Officer appears to be personally involved.

**5. Contracts of building, construction or engineering work**

5.1 Contracts for the execution of capital works shall only be entered into for those schemes which are included in the approved Capital Programme.

5.2 Each Chief Officer will maintain contract registers showing for each contract under his control which has a value greater than £50,000:

- (a) The contract sum;
- (b) The value of any extras or variations to the contract;
- (c) The amounts and dates of any instalments made;
- (d) The amount of any retentions held or bonds taken under any contract;
- (e) The balance outstanding to the Contractor.

5.3 Payments to contractors on account of contracts shall be made only on a certificate issued by the responsible officer.

5.4 When authorising any extra or variation to a contract the appropriate Chief Officer shall:

- (a) Estimate the cost of the variation;
- (b) Issue written instructions to the Contractor to carry out the work, except in cases of urgency a Chief Officer may issue verbal instructions but shall confirm them in writing as soon as possible, but in any case within 7 days.
- (c) Ensure that such variation is in accordance with the Council's Contract Procedure Rules

5.5 The final settlement of a contract shall not be certified by the appropriate Chief Officer until the final account has been presented to the Chief Finance Officer, who may then, at his discretion, decide to audit the final account before certification.

5.6 Claims from contractors in respect of matters not clearly within the terms of any existing contract shall be referred to the Solicitor to the Council for consideration of the Authority's legal liability and, where necessary, to the Chief Finance Officer for financial consideration before a settlement is reached.

5.7 Each Chief Officer shall as soon as practical report to Cabinet the total of extras or variations to any contract which exceeds 10% of the original contract sum, or £100,000 whichever is the greater.

5.8 If the final account of any contract has not been agreed within eighteen months of the completion of works, then the Chief Officer controlling that contract shall report to the Cabinet on the outstanding items. Any report under this regulation

**APPENDIX D**  
**Part 4 Rules of Procedure**

shall include a comparison of the final or likely cost with the original contract sum together with reasons for any differences.

**6. Orders for work, goods and services**

6.1 Each Chief Officer has a duty to issue official orders for all works and services to be carried out, and all goods supplied, within their Directorate with the exception of:

- (a) Public utilities;
- (b) Periodical payments;
- (c) Petty cash purchases;
- (d) Purchases made using Purchasing Cards
- (e) Works, goods and services subject to formal written contracts, or excepted from this requirement by the Chief Finance Officer.
- (f) Framework and call off contracts.

Before issuing official orders, Officers authorising them must be satisfied that there is provision in the estimates and that the Contract Procedure Rules have been complied with.

6.2 Each official order shall be in a form prescribed and approved by the Chief Finance Officer and shall include:

- (a) A description of the works, goods and services ordered;
- (b) The name and address of the supplier;
- (c) An estimate of the cost;
- (d) The financial code to which the cost is to be charged;
- (e) Name of the authorising officer.

6.3 Verbal orders may only be placed in exceptional circumstances the details of which must be confirmed by e-mail or fax on the same day and confirmed by written official order within 3 working days.

6.4 Electronic orders will be treated in the same way as other official orders. Changes to on-line authorising officers shall be notified to the Chief Finance Officer immediately.

**7. Leasing**

7.1 The Chief Finance Officer shall be responsible for making leasing arrangements for the acquisition of Buildings, Plant, Vehicles and Equipment.

## APPENDIX D

### Part 4 Rules of Procedure

7.2 No Chief Officer other than the Chief Finance Officer may enter into any type of leasing arrangements unless agreed in writing or delegated by the Chief Finance Officer.

7.3 Provision within revenue estimates to cover the annual costs of leasing should be made only following consultation with the Chief Finance Officer.

#### **8. Grant Funding and Third Party Funding**

8.1 It is essential that proper management of external funding or grants received, or funding awarded by the Council, is undertaken in order to safeguard the financial position of the Council and also to maximise the benefits to service delivery from the receipt of these additional funds.

8.2 The Council has a Grants Management Policy which all Chief Officers and their staff must adhere to in order to ensure in the proper management of grant funding and other internal and external funds. Failure to comply could result in funding being withheld by the funding body or recovered at a later date. Any failure to comply with the Grants Management Policy, which results in funding being reduced to the Council, may be reported to Audit Committee, and any shortfall in the funding borne by the responsible directorate.

#### **Section B - Expenditure and Income**

#### **9. Payment of accounts**

9.1 Apart from petty cash and other payments from imprest accounts, the normal method of payment of money due from the Council shall be by automated transfers from the Council's bank accounts by the Chief Finance Officer.

9.2 The Chief Finance Officer shall be the authorised signatory of any joint bank account opened in the name of the Council and any other party and will be responsible for the payment of any cheques into that joint bank account.

9.3 Each Chief Officer is responsible for examining, verifying and authorising invoices and any other payment vouchers or accounts arising from sources in his Directorate including the use of purchasing cards. Authorised officers can discharge this responsibility on behalf of the Chief Officer. Each Chief Officer will supply the names and specimen signatures for authorised officers together with authorisation limits to the Chief Finance Officer and will need to confirm the list on an annual basis.

9.4 The Chief Finance Officer, in consultation with a Cabinet Member, can give approval for payment in advance of goods or services in exceptional circumstances and on request from a Chief Officer.

9.5 Before authorising an account, the authorising officer shall be satisfied that:

(a) The work, goods or services to which the account relates have been received, carried out, examined and approved.

(b) The invoice satisfies VAT regulations and that prices, extensions, calculations, trade discounts, other allowances and credits are correct.

**APPENDIX D**  
**Part 4 Rules of Procedure**

- (c) The relevant expenditure has been properly incurred and is within the relevant estimate provision.
- (d) The financial code to which the expenditure is to be charged is correct and sufficient budget is available.
- (e) The account or invoice indicates the official order number relating to the goods or services provided, or if there is no such order the reason for the omission unless it relates to services not subject to orders such as care contracts.
- (f) Appropriate entries have been made in inventories, stores records or stock books as required.
- (g) The account has not been previously passed for payment and is a proper liability of the Council.
- (h) In the case of accounts for the supply of public utility services and other periodic payments relevant expenditure, and where appropriate, units of energy consumed, have been entered in records approved by the Chief Finance Officer.

9.6 Accounts authorised manually should be passed for payment to the Chief Finance Officer, unless alternative arrangements have been specifically agreed with the Chief Finance Officer. All payments should be processed within 30 days.

9.7 Where payments are electronically uploaded into the financial system via a feeder file, appropriate controls, including standardising of files and validity checks, are put in place to ensure their integrity. For any new feeder files, Internal Audit will be asked to review and give assurance on the process for authorisation before usage,

9.8 The Chief Finance Officer shall set down procedures for the retention of financial documentation. Such documentation must not be disposed of without the specific approval of the Chief Finance Officer. All invoices shall be retained for at least 6 years plus the current financial year. In the case of invoices relating to grant claims, these must be kept until after the grant claim has been audited even if this exceeds 6 years. It is the responsibility of the Chief Officer of the grant to ensure the correct retention period is maintained. The same retention periods apply to electronic copies of all original invoices.

9.9 Changes to on-line authorising officers shall be notified to the Chief Finance Officer immediately.

9.10 Each Chief Officer shall, no later than a date specified at the financial year end, notify the Chief Finance Officer of any outstanding expenditure relating to the previous financial year.

**10. Imprest accounts**

10.1 Where appropriate, the Chief Finance Officer shall provide imprest accounts for such officers of the Council as may need them for the purpose of defraying petty

## APPENDIX D

### Part 4 Rules of Procedure

cash and other expenses. Such accounts shall be maintained in accordance with the notes of guidance issued to imprest holders by the Chief Finance Officer.

- 10.2 Where appropriate, the Chief Finance Officer shall open an account with the Council's bankers for use by the imprest holder who shall not cause the account to be overdrawn. It shall be a standing instruction to the Council's bankers that the amount of any overdrawn balance on an imprest holder's banking account shall be reported to the Chief Finance Officer. Where an officer holds a cheque book in respect of any account he must ensure that all cancelled cheques are crossed and retained with the counterfoils of the original cheque book.
- 10.3 Any officer responsible for an imprest account shall be personally responsible for making good any deficiencies in that account.
- 10.4 No income received on behalf of the Council may be paid into an imprest account but must be dealt with in accordance with paragraph 15.3.
- 10.5 Except as otherwise agreed between the Chief Finance Officer and the Chief Officer concerned, payments out of the accounts shall be limited to petty disbursements and shall not include sums due to any tradesman with whom the Council has a current account, nor any account for goods exceeding in value a sum to be agreed from time to time by the Chief Finance Officer nor travelling expenses other than those of a casual nature.
- 10.6 An officer responsible for an imprest shall on a regular basis as specified by the Chief Finance Officer, or at any other time if so requested, provide a certified statement as to the state of the account.
- 10.7 Whenever an officer who is an imprest holder leaves the employment of the Council, or ceases to be entitled to hold an imprest advance, the officer shall account to the Chief Finance Officer for the amount advanced to him.

#### **11. Purchasing Cards**

- 11.1 Where appropriate, a Purchasing Card will be issued to support the current Purchase to Pay invoice process and should not be considered as a replacement mechanism to bypass the formal requisition and approval process. Expenditure shall be made in accordance with the purchasing card guidelines.
- 11.2 Each card has an individual monthly expenditure limit, individual transaction limit and restricted category types for expenditure. The cardholder will be making financial commitments on behalf of the Council and will be responsible for obtaining value for money in accordance with Contract Procedure Rules & Corporate Contracts.
- 11.3 Except, as otherwise agreed with the Chief Finance Officer, payments by purchasing card shall be limited to approved disbursements and shall not include sums due to any tradesman with whom the Council has an account. Where appropriate, invoices should be paid via the Financial System. Travelling expenses, such as train fares, can be pre-booked and paid with use of the purchasing card; however the purchasing card cannot be used to reimburse travelling expenses nor subsistence expenses other than those of a casual nature.

## APPENDIX D

### Part 4 Rules of Procedure

- 11.4 The cardholder is responsible for updating the Barclaycard Spend Management system with costing, VAT and narrative details of the expenditure in a timely manner and in accordance with the purchasing card guidelines.
- 11.5 Whenever a member of staff who is a purchasing card holder leaves the employment of the authority, or ceases to be entitled to hold a purchasing card, the member of staff must return the purchasing card immediately on cessation of entitlement to the Corporate Procurement Manager for cancellation. Any replacement member of staff who requires a purchasing card must apply for a new card via the Corporate Procurement Manager.
- 11.6 Any person holding a purchasing card shall be personally responsible to notify the Corporate Procurement Manager of any unauthorised / unrecognised spend made on the card. The cardholder shall be personally responsible for making good any unauthorised spend that they incur on the card.
- 11.7 Where appropriate, the Chief Finance Officer shall provide a purchasing card enabled for cash withdrawal to give services access to cash for the purpose of defraying petty expenditure. Such cards shall be maintained in accordance with the notes of guidance to card holders by the Corporate Procurement Manager. There is an administration charge for cash withdrawals. Detailed records of monies withdrawn, spending of this money, including VAT split and costing information, must be kept and be available for examination on request.
- 11.8 Except as otherwise agreed with the Chief Finance Officer, payments out of the cash withdrawn from the bank by purchasing card shall be limited to petty disbursements and shall not include sums due to any tradesman with whom the authority has an account, nor travelling expenses, nor subsistence expenses other than those of a casual nature.
- 11.9 A person responsible for the cash balance held shall, if so requested, give to the Chief Finance Officer certification as to the state of the funds.
- 11.10 Whenever a member of staff who is a cash balance administrator leaves the employment of the authority, or ceases to be entitled to administer the cash balance, the member of staff shall repay to the Chief Finance Officer the unexpended cash balance of the withdrawn amount, or shall transfer monies, records and vouchers relating to the account to the new cash administrator. When a purchasing card holder leaves, the card in their name must be returned to the Corporate Procurement Manager for cancellation and a new card applied for via the Corporate Procurement Manager unless the new cash administrator is not to be allocated a purchasing card.
- 11.11 Any person holding a cash balance obtained by a purchasing card cash withdrawal shall be personally responsible for making good any deficiencies in that account.

## **12. Salaries, wages and Members' allowances**

- 12.1 The payment of all salaries, wages, allowances, expenses or other emoluments to all employees or members shall be made by, or under arrangements approved and controlled by, the Chief Finance Officer.

**APPENDIX D**  
**Part 4 Rules of Procedure**

- 12.2 Each Chief Officer shall notify the Chief Finance Officer as soon as possible and in the prescribed form, of all matters affecting the payment of such emoluments and in particular:
- (a) Appointments, resignation, dismissals, suspensions, secondments, and transfers.
  - (b) Absences from duty for sickness or other reason, apart from approved leave with pay.
  - (c) Changes in remuneration.
  - (d) Information necessary to maintain records of service for superannuation, income tax, national insurance etc.
  - (e) Any failure to comply with Council or statutory regulations.
- 12.3 Appointments of all employees shall be made in accordance with the regulations of the Council and the approved establishment, gradings and rates of pay.
- 12.4 All-time records and other pay documents shall be in a form prescribed or approved by the Chief Finance Officer and shall be certified by or on behalf of the Chief Officer. The names of the officers authorised to certify such records shall be sent to the Chief Finance Officer by each Chief Officer together with specimen signatures and shall be amended on the occasion of any change. Changes to on-line authorising officers shall be notified to the Chief Finance Officer immediately.
- 12.5 No payments to staff may be made other than through the normal payroll system without the specific approval of the Chief Finance Officer. In particular, casual staff must be recorded on the payroll.
- 13. Officers fees, travelling and subsistence allowances**
- 13.1 All claims for payment of fees, car allowances, subsistence allowances and travelling expenses shall be submitted, duly certified, in a format approved by the Chief Finance Officer, to the appropriate Chief Officer in accordance with the timetable set down by the Chief Finance Officer. A record of all officers authorised to approve such records shall be sent to the Chief Finance Officer together with specimen signatures and shall be amended on the occasion of any change. This applies to both manual and electronic expenses systems.
- 13.2 The certification by, or on behalf of, the Chief Officer shall be taken to mean that the certifying officer is satisfied that the journeys were authorised, the expenses properly and necessarily incurred, the vehicle used had appropriate insurance cover, the necessary receipts of expenditure retained and that the fees and allowances are properly payable by the Council.
- 13.3 Claims submitted more than three months after the expenses were incurred must be accompanied by a letter of explanation for the delay and shall be paid only with the express approval of the Chief Finance Officer who shall refer the matter to Cabinet if necessary.
- 13.4 All claims for payment of incidental expenses such as removal, lodging and disturbance allowances and training course fees etc. shall be made on the

**APPENDIX D**  
**Part 4 Rules of Procedure**

appropriate form and shall be in accordance with the appropriate scheme approved by the Council.

**14. Banking arrangements and cheques**

- 14.1 All arrangements with the Council's bankers shall be made by or under arrangements approved by the Chief Finance Officer, who shall be authorised to operate such bank accounts as considered necessary.
- 14.2 All cheques shall be ordered only on the authority of the Chief Finance Officer who shall make proper arrangements for their safe custody.
- 14.3 Any such bank account opened in respect of monies held on behalf of the Council shall be arranged in consultation with or under the direction of the Chief Finance Officer. The Chief Finance Officer shall maintain a list of authorised signatories, along with specimen signatures, for all such accounts. Any change in signatory shall be reported to the Chief Finance Officer immediately.
- 14.4 No Standing Orders or Direct Debits from the Council's bank accounts shall be set up unless arranged in consultation with or under the direction of the Chief Finance Officer. The Chief Finance Officer shall maintain a list of all officers authorised to set up Direct Debits and Standing Orders.
- 14.5 The Chief Finance Officer shall be authorised to:
- (a) Nominate officers empowered to authorise payment out of these bank accounts.
  - (b) Negotiate charges with the Council's bankers.
- 14.6 The Chief Finance Officer will be responsible for ensuring that there are adequate controls in place to ensure that all payment methods, whether physical or electronic, have appropriate authorisations, approvals and signatures as necessary.
- 14.7 The Chief Finance Officer shall ensure that appropriate arrangements are in place to facilitate the monthly reconciliation of the Council's Bank Accounts,

**15. Income**

- 15.1 Each Chief Officer will be responsible for the prompt and accurate billing, collection and banking of all income due to the Council in connection with the Directorate's activities, except where in the interests of efficiency or security it is agreed with the Chief Finance Officer that all or part of the duties should be discharged by some other Chief Officer.
- 15.2 Except as agreed between the Chief Finance Officer and the Chief Officer concerned, all receipt forms, books, tickets and other such items shall be ordered and supplied to Directorates by the Chief Finance Officer, who shall be satisfied as to the arrangements for their control.
- 15.3 In carrying out this function, each Chief Officer shall ensure that any officer of the staff engaged in the collection of money:

**APPENDIX D**  
**Part 4 Rules of Procedure**

- (a) Maintains a record of receipts and bankings in a form approved by the Chief Finance Officer.
  - (b) Pays without delay any money collected either:
    - i) To the approved officer;
    - ii) To a security firm employed by the Chief Finance Officer for this purpose, or:
    - iii) To one of the Council's main bank accounts or via outlets of the nominated collector(s) as agreed by the Council.
  - (c) Makes no deduction from monies collected, except with the specific and exceptional approval of the Chief Finance Officer.
  - (d) Makes good any shortfalls in cash collected and pays in any surpluses.
  - (e) In the case of cheques received, enter on any paying-in slips details of the cheque and a reference to the related debt.
- 15.4 Personal cheques shall not be cashed out of the money held on behalf of the Council.
- 15.5 Outstanding debts which are found to be irrecoverable may be written off by the Chief Finance Officer, except where it is considered that there are matters of principle or policy which should be referred to the Cabinet.
- 15.6 Any officer holding a cash float shall be personally responsible for making good any deficiencies in that account.
- 15.7 Where an officer takes cash for works, goods or services that is either:-
- i. in excess of the level stipulated within the Council's Anti-Money Laundering Policy;
  - ii. or where there is anything suspicious regarding, but not limited to, multiple use of high denomination notes, multiple and frequent disaggregation of payment of a higher value outstanding debt

then the officer must report it immediately to the Money Laundering Reporting Officer (MLRO) in accordance with the Policy.

**16. Fees and Charges**

- 16.1 The Council has an Income Generation and Charging Policy to support the Medium Term Financial Strategy. It is intended to provide a consistent and co-ordinated approach to charging across the Council, setting out the key principles for charging and for reviewing charges and must be adhered to by all Chief Officers and their staff.
- 16.2 When setting charges, there is recognition that where possible, the full cost of the service should be recovered. However, there is also a recognition that in some instances, there will be a conscious decision not to fully charge and the remaining cost will be met by the Council Tax payer.

## APPENDIX D

### Part 4 Rules of Procedure

- 16.3 In line with the Medium Term Financial Strategy, a review of fees and charges should be undertaken at least annually and any new or increased charges must receive approval from Cabinet or delegated authority under the Scheme of Delegation, Scheme A paragraph 1.6.

#### **Section C - Security and Assets**

##### **17. Security**

- 17.1 The Chief Finance Officer shall have overall responsibility to the Council for security of Council property.
- 17.2 Each Chief Officer shall be responsible for maintaining proper security at all times for all buildings, stocks, stores, furniture, equipment, cash, title deeds, securities, etc. under his/her custody.
- 17.3 Maximum limits for cash holdings shall be agreed with the Chief Finance Officer.
- 17.4 Every transfer of official money from one member of staff to another will be evidenced in the records of the Directorate concerned by the signature of the receiving officer.
- 17.5 Keys to safes and similar receptacles for the safeguarding of money or other valuables are to be carried on the person of those responsible; the loss of any such keys must be reported to the Chief Finance Officer.

##### **18. Data Protection**

- 18.1 Each officer shall be responsible for maintaining proper security, privacy and compliance with the General Data Protection Regulation 2016 and the Data Protection Act 2018 in respect of information held.
- 18.2 Each Chief Officer shall have a duty to notify the Solicitor to the Council of any computer system in their Directorate which holds personal data or automatically processible personal data and therefore needs to be registered under the Data Protection Act.
- 18.3 Each Chief Officer shall have a duty to ensure the safekeeping and prevention of improper use of any information held in the Directorate, regardless of the media on which it is held.
- 18.4 The Chief Finance Officer, or an authorised representative of the Chief Finance Officer, shall have access to all computer systems and records and may require and receive such explanations as are necessary, for the purposes of the Data Protection Act.
- 18.5 The security of financial systems, e.g. use of passwords, shall be maintained by adhering to instructions issued by the Chief Finance Officer and in line with the ICT Code of Conduct.

##### **19. Stocks and stores**

- 19.1 Each Chief Officer shall be responsible for the custody of the stocks and stores in the Directorate and shall have a duty to:

**APPENDIX D**  
**Part 4 Rules of Procedure**

- (a) Ensure that stocks are adequate but not excessive for the purpose envisaged;
- (b) Maintain accurate and up to date records of such stocks and stores and ensure that a stock take is undertaken at year end and the certificate is submitted to Finance;
- (c) Provide the Chief Finance Officer with such information as he requires in relation to stores for accounting, costing and financial records.

19.2 A Chief Officer shall arrange for periodical test examinations of stocks by persons other than storekeepers and shall ensure that all stocks are checked at least once in every year. Any surpluses or deficiencies revealed by such periodical test examinations shall be reported to the Chief Finance Officer and, after consultation with the Chief Officer, the Chief Finance Officer will decide what action to take.

19.3 Losses due to theft of stocks shall be reported to the Chief Finance Officer as soon as possible and, where found to be irrecoverable, shall be written off.

19.4 In all other instances write offs need the consent of the Chief Finance Officer following the submission of a report by the Chief Officer outlining the reasons for write off.

**20. Investments, borrowings and trust funds**

20.1 The Council has adopted Chartered Institute of Public Finance and Accountancy (CIPFA)'s Code of Practice on Treasury Management in the Public Services.

20.2 The Chief Finance Officer will be responsible for preparing and presenting an annual Treasury Management Strategy to Audit Committee prior to submission to Council for approval prior to the start of each financial year. The Strategy must include an Investment Strategy and set the Council's Treasury Management for the forthcoming financial year.

20.3 All investments and borrowing transactions shall be undertaken in accordance with the Treasury Management Strategy with due regard to the requirements of the CIPFA's Code of Practice on Treasury Management in the Public Services.

20.4 All investments of money under its control shall be made in the name of the Council. Any borrowing activity must have regard to CIPFA's Prudential Code for Capital Finance in Local Authorities and the Code of Practice on Treasury Management in the Public Services.

20.5 The Chief Finance Officer shall report quarterly to the Cabinet, summarising borrowing and investment activity and indicating compliance with any statutory or Council approved guidelines together with a half yearly and an annual report to Council.

20.6 The Chief Finance Officer, or an agent nominated by the Chief Finance Officer, will be the Council's Registrar of loan instruments and shall maintain records of all borrowing of money by the Council.

**APPENDIX D**  
**Part 4 Rules of Procedure**

- 20.7 The Chief Finance Officer will have a duty to ensure a proper, efficient and effective mix of borrowing and investments.
- 20.8 The Audit Committee is responsible for ensuring effective scrutiny of the Treasury Management policies and practices. The Committee will review the Annual Report on Treasury Management as well as the Treasury Management Strategy. The Committee will make any recommendations for improvements on treasury management to the Chief Finance Officer and raise any concerns that the Council is exceeding its legal powers with the Monitoring Officer.

**21. Inventories**

- 21.1 Each Chief Officer shall be responsible for the plant, vehicles, machinery, equipment, tools, furniture and other non consumable property in the Directorate and shall have a duty to:
- (a) Maintain an up to date inventory of such goods;
  - (b) Carry out an annual physical check on goods listed in the inventory;
  - (c) As far as is practicable see that such goods are marked as Council property;
  - (d) Ensure that such goods are not removed or used except in accordance with the ordinary course of the Council's business.
- 21.2 Every transfer of items contained in the inventory from one establishment to another shall be evidenced in the records of the establishment concerned by the signature of the receiving officer.

**22. Insurances**

- 22.1 The Chief Finance Officer shall have a duty to:-
- (a) affect adequate insurance cover in accordance with the Council's Insurance Strategy contained in the Risk Management Policy. He will insure losses which would have a significant impact on budgets and the provision of services, where it must be bought by law and where the insurance provides additional benefits which enable an activity to take place,
  - (b) promptly claim any insurance loss the Council has suffered, and liaise with the Council's Insurers to settle any claim brought by another party, if it is assessed that the Council has a legal liability to do so.
  - (c) ensure that sums insured and limits of indemnity are regularly reviewed.
  - (d) maintain comprehensive records of insurance including policy documents and understand what coverage they provide.
  - (e) employ the services of a professional insurance broking company who can provide expert advice.
  - (f) only transfer risks to Insurance Companies which are financially strong.

**APPENDIX D**  
**Part 4 Rules of Procedure**

- (g) comply with the “duty of fair presentation” contained in the Insurance Act 2015. The Council must disclose to its Insurers all information, facts and circumstances which are, or ought to be, known to it, which is material to the risk. A material circumstance is one which would influence the judgement of a prudent Underwriter in considering whether to provide insurance and, if so, on what basis and cost.

22.2 A Chief Officer will have a duty to:

- (a) Promptly notify the Chief Finance Officer of any new risks, insurable assets or liabilities which are required to be insured under the Insurance Strategy.;
- (b) Promptly notify the Chief Finance Officer in writing of any loss, liability, damage or any event likely to lead to a claim and where appropriate inform the Police;
- (c) Promptly provide any information required by the Chief Finance Officer or the Council's Insurers to progress a claim.
- (d) Assist the Chief Finance Officer to comply with the “duty of fair presentation contained in the Insurance Act 2015 by disclosing all relevant information.

22.3 The Chief Finance Officer shall maintain an ongoing review of all insurances in consultation with other Chief Officers as appropriate.

22.4 No indemnity shall be given in the name of the Council without the prior approval of the Chief Finance Officer.

**APPENDIX D**  
**Part 4 Rules of Procedure**

**23. Prevention of Theft, Fraud and Corruption**

- 23.1 The Chief Finance Officer is responsible for advising on effective systems of internal control to prevent fraud and corruption.
- 23.2 The Chief Finance Officer is responsible for developing, maintaining and implementing an Anti-Fraud and Bribery Policy. If a Chief Officer suspects any irregularities concerning cash, stores or other property of the Council or held on trust by the Council, they will notify the Chief Finance Officer who will take such steps as considered necessary by way of investigation and report.
- 23.3 The Chief Finance Officer is also responsible for developing, maintaining and implementing an Anti-Money Laundering Policy. The key message of this Policy is to make staff aware of their responsibilities and if they suspect that money laundering activity may be taking place or proposed, they must disclose those suspicions to the Council's Money Laundering Reporting Officer who is the Chief Finance Officer.
- 23.4 All Chief Officers are responsible for ensuring compliance with both the Anti-Fraud and Bribery Policy and Anti-Money Laundering Policy and with systems of internal control.

**24. Estates**

- 24.1 The Chief Executive Officer shall maintain a register of all properties owned by the Council recording details including:
- (a) Purpose for which held;
  - (b) Location, extent, and plan reference;
  - (c) Particulars of nature of interest held;
  - (d) Purchase details;
  - (e) Rents payable;
  - (f) Particulars of tenancies granted.
- 24.2 The Chief Finance Officer will maintain an asset register of all Council assets.
- 24.3 Where land and/or buildings are found to be surplus to requirements the responsible Chief Officer shall, as soon as possible, submit a report to the appropriate Cabinet Member for appropriate action in accordance with the Schemes of Delegation.

**25. Protection of private property**

- 25.1 The Chief Officer shall in any known case where steps are necessary to prevent or mitigate loss of or damage to moveable property, prepare in a form agreed

## APPENDIX D

### Part 4 Rules of Procedure

with the Chief Finance Officer, an itemised inventory in each case prepared in the presence of two officers.

- 25.2 All valuables such as jewellery, watches and other small articles of a similar nature and documents of title deposited with the Council for safe custody shall be recorded in a form agreed by the Chief Finance Officer.
- 25.3 All monies deposited with the Council for safekeeping shall be dealt with in accordance with guidelines agreed by the Chief Officer and the Chief Finance Officer.
- 25.4 Where a Chief Officer is required as part of his duties to hold in trust any property, valuables or cash belonging to a third party he should do so in accordance with guidelines agreed with the Chief Finance Officer.

#### **26. Risk Management**

- 26.1 The Chief Finance Officer is responsible for preparing the Council's Risk Management Strategy and its promotion throughout the Council and for advising of strategic, financial and operational risks.
- 26.2 Chief Officers shall be responsible for the identification, classification and control of all risks falling within their areas of responsibility. The risks identified shall be notified to the Chief Finance Officer for incorporation into the Risk Register, which shall be subject to periodic review at no more than annual intervals.
- 26.3 Chief Officers shall take responsibility for risk management within their areas of responsibility, having regard to advice from the Chief Finance Officer and other specialist Officers (e.g. crime prevention, fire prevention, health and safety), and shall undertake regular reviews of risk within their own Directorates.

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## BRIDGEND COUNTY BOROUGH COUNCIL

### REPORT TO CABINET

19 FEBRUARY 2019

#### HEAD OF OPERATIONS – COMMUNITY SERVICES

##### LOCAL AREA ENERGY STRATEGY & SMART ENERGY PLAN

#### 1. Purpose of Report.

1.1 The purpose of this report is to present to and seek approval from Cabinet for the Bridgend Local Area Energy Strategy (LAES) and Smart Energy Plan.

#### 2. Connection to 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. **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 LAES and Smart Energy Plan were developed on the principles of most advantageous economic transition and therefore offers better use of resources in achieving the decarbonisation of heat through least cost application of technology.

2.3 The decarbonisation of heat offers a significant economic opportunity for the area which can help support the economy and generate jobs and opportunities for businesses within Bridgend County Borough.

#### 3. Background.

3.1 Bridgend County Borough Council (BCBC) has been engaged with the Smart System Heat (SSH) Programme since 2013 when it submitted a Pre-Qualifying Questionnaire (PQQ) to the Energy Technologies Institute (ETI) and was selected from over 70 local authorities from across the UK to be one of the shortlisted 11 prioritised authorities in the SSH Programme (see Figure 1).

**Figure 1 SSH Programme Prioritised Local Authorities**



3.2 The next stage of the Programme required BCBC to submit a Request for Proposal (RfP) in June 2014 which was again scored and then used to select 3 local authorities from the prioritised 11. BCBC submitted a RfP and was selected as one of the three demonstrator authorities for the SSH Programme (Greater Manchester Combined Authority and Newcastle City Council were the other selected authorities). Cabinet authorised BCBC participation in the SSH Programme in a report presented on the 3<sup>rd</sup> February 2015.

3.3 The SSH Programme is divided into three phases with a degree of overlap across each phase. The programme follows calendar years rather than financial with the key constituents of all three stages being:

**Phase 1 2015 - 2017**

3.4 This phase involves using the EnergyPath Network suite of tools to create a Local Area Energy Strategy for Bridgend County Borough.

**Phase 2 Development 2016 – 2018**

3.5 This phase will involve the development of a Smart Energy Plan and the creation of a “Living Lab” within Bridgend County Borough.

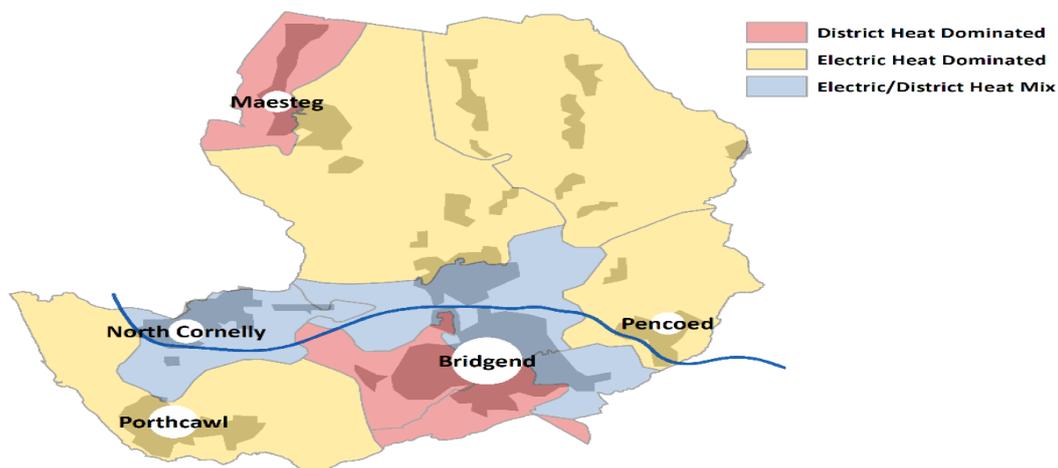
**Phase 3 Delivery 2019 – 2025**

3.6 This phase will take project proposals from the Smart Energy Plan and deploy them as live projects within Bridgend County Borough. The delivery of Phase 3 is subject to funding and partners being secured to progress with delivery.

#### 4. Current situation / proposal.

- 4.1 The development of a Local Area Energy Strategy is a cornerstone of the SSH Programme. Currently local authorities in the UK are not active players in the energy planning space, however in the future the UK Government position (articulated through the Clean Growth Strategy) is that the decarbonisation of energy and the move to a low carbon economy cannot be delivered by central government alone. Local authorities are considered best placed to drive emission reductions through their unique position of managing policy on land, buildings, water, waste and transport allowing them to embed low carbon measures in strategic plans across areas such as health, social care, transport and housing. .
- 4.2 The SSH Programme has provided BCBC with access to the EnergyPath Networks tool which is an analytical model which considers the most cost effective route for decarbonisation within Bridgend County Borough. A project team consisting of staff from BCBC, Welsh Government, Energy Systems Catapult (ESC), Western Power Distribution and Wales and West Utilities used the EnergyPath tool to identify how Bridgend could meet the UK decarbonisation targets by 2050. The development of the LAES and the Smart Energy Plan has been fully funded by UK Government through the Department of Business Energy & Industrial Strategy (BEIS) and delivered through ETI and the ESC.
- 4.3 The outputs from the EnergyPath model have been used to form the LAES which details how heat within Bridgend County Borough will be delivered in 2050 if the area is to meet its decarbonisation targets. The LAES is attached to this report at Appendix 1. A map showing a decarbonised Bridgend County Borough is shown in Figure 2.

**Figure 2 Decarbonised Heat within Bridgend County Borough 2050**



- 4.4 The LAES and Smart Energy Plan offer a route to achieving the decarbonisation of heat within Bridgend County Borough. The LAES does not adopt a traditional approach to strategy development in that it does not offer a clear what, when and how activities need to happen in order to achieve the 2050 decarbonisation targets. Rather the LAES proposes a pathway to achieving those targets and then the Smart Energy Plan provides the detail of how technologies, business models and consumer

propositions will be deployed and tested in order that scale up can happen and the 2050 targets achieved.

- 4.5 The decarbonisation transition is arguably the largest economic development opportunity Bridgend will have in the next 30 years. The LAES considers that with a local focus on the decarbonisation of heat the economic opportunity for Bridgend County Borough would be between £7.3 and 7.4 billion. The LAES allows BCBC to take a proactive role in that transition providing opportunities to develop the systems, technologies, services, business models, governance and funding solutions that will be needed and ensuring that Bridgend County Borough secures maximum economic gain from the transition.
- 4.6 The local area energy planning approach will enable the decarbonisation process to benefit all the communities in Bridgend and will enable a strong coordinated approach to be adopted between all the various key stakeholders. The alternative is to wait and hope that the market delivers the change in a way that best serves Bridgend however such an approach will almost certainly mean that the economic gain to Bridgend from the transition will be lost and decisions will be made that are not in the best interests of the communities and businesses of Bridgend.
- 4.7 The Smart Energy Plan was developed out of the LAES and considers the decarbonisation pathway presented within the LAES. It sets out the objectives to meet decarbonisation and identifies the projects and activities that will allow BCBC to respond to the challenge of decarbonising heat within the context of the wider energy system. The Smart Energy Plan is attached to this report at Appendix 2.
- 4.8 The Smart Energy Plan formally maps out the near term delivery of the first phase of the LAES (up to 2025). The Smart Energy Plan is aligned to the Welsh Government Carbon Budget time periods and identifies the projects and activities to be delivered during this period. The Smart Energy Plan aims to deliver the following benefits:
- Decarbonise heat within Bridgend County Borough
  - Stimulate economic growth
  - Provide new job opportunities
  - Attract new and existing businesses to trial initiatives and grow within the County Borough.
- 4.9 The projects listed as deliverables within the Smart Energy Plan are described as:
- Bridgend Town Heat Network Project Phase 1
  - Bridgend Town Heat Network Project Phase 2
  - Domestic Energy Efficiency Project
  - A fully targeted retrofit project using ESC developed tools
  - Hybrid Heat Pump project
  - Caerau Mine Water District Heat Project
  - Creating affordable heat network infrastructure
  - Electrification of heat through the energy as a service provision.
  - Intelligent Bridgend Energy System Design.

- 4.10 BCBC will not be funding and delivering all of these projects. The intention is that the plan acts as the catalyst for Bridgend to grow into a Low Carbon Innovation Zone where both public and private sector investment can be attracted to create the tools, models and supply chains that can be replicated across the UK to ensure that the 2050 decarbonisation targets can be met and that Bridgend can realise the economic benefits accrued from the transition within the UK energy market.
- 4.11 BCBC will not fund and deliver the Smart Energy Plan but will rather adopt the role of enabler providing places and creating the conditions within Bridgend County Borough that will attract private sector partners and the investment required to deliver the Smart Energy Plan. There will be occasions when BCBC plays an active leadership role (Bridgend Town Heat Network and Caerau Heat Scheme) or as part of a consortium (Intelligent Bridgend Energy System Design) but this will be limited. Any major energy scheme which will require internal capital resources will be subject to Council approval for inclusion within the Capital Programme. It is not anticipated that BCBC will be actively bidding for money and managing procurements and contractors to deliver projects contained within the Smart Energy Plan. Rather the role of the Council will be to build partnerships with organisations and support marketing and engagement activities within the county borough around the various decarbonisation activities underway.

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

- 5.1 There are no effects upon BCBC's Policy Framework or Procedure Rules.

## **6. Equalities Impact Assessment**

- 6.1 An equalities impact assessment will be undertaken for the projects delivered through the Smart Energy Plan where BCBC has a clear role to play.

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

- 7.1 The LAES and the Smart Energy Plan are a positive step in regard to the Council's role in complying with the Well-being of Future Generations (Wales) Act 2015. The documents show BCBC taking a positive proactive role within the decarbonisation agenda which will ensure that the significant environmental, social and economic opportunities created through the decarbonisation transition of the energy market will be captured for Bridgend.

- 7.2 In terms of meeting the 5 ways of working within the Act:

1. **Long Term:** The LAES and Smart Energy Plan will provide the template and the tools to provide Bridgend County Borough with a decarbonised heat system that meets the UK 2050 decarbonisation targets.
2. **Prevention:** The LAES and Smart Energy Plan will provide an opportunity for all to benefit from the decarbonisation transition and ensure that solutions are designed and available for everyone and not just the ability to pay market.
3. **Integration:** The LAES and Smart Energy Plan offers an opportunity to create a low carbon hub within Bridgend that will offer carbon reductions, reduced fuel bills and create economic opportunities through a clearly identified value chain.

4. **Collaboration:** BCBC is working in partnership with both UK Government and Welsh Government as well as private sector partners to deliver the decarbonisation agenda.
5. **Involvement:** The Smart Energy Plan involves working with a variety of stakeholders to deliver sustainable solutions around the delivery of decarbonised heat for residents.

## **8. Financial Implications.**

- 8.1 The LAES and the Smart Energy Plan have been funded and produced through Phase 2 of the SSH Programme which has been funded through BEIS. BCBC is not committing to funding all of the project proposals included within the the Smart Energy Plan but will play an enabling and facilitation role to bring together the funding partners and the consumers for the successful delivery of the projects. It is not anticipated that funding for all the projects identified will pass through BCBC. Projects such as the Caerau Heat Scheme and the Bridgend Town Heat Network project have clear roles for BCBC but other projects listed within the plan are expected to be delivered through the private sector with no direct financial involvement of BCBC. There maybe occasions (such as the Industrial Strategy Challenge Fund where BCBC and its consortium partners were successful in securing £173,000 from Innovate UK to deliver an energy system innovation project) where BCBC enters into consortia to bid for and deliver projects and under these situations funding would be available to offset staff time, expenses and overhead costs.
- 8.2 Within the Smart Energy Plan both the Bridgend Town and the Caerau Heat Scheme are listed as projects. Both of these schemes are being led by BCBC and whilst discussions are ongoing with UK Government and Welsh Government to meet the funding gaps which still exists on each of these projects.

## **9. Recommendation.**

- 9.1 It is recommended that Cabinet:
  1. Accepts the recommendations of the Local Area Energy Strategy; and
  2. Approves the Smart Energy Plan.

**Zak Shell**  
**Head of Operations – Community Services**  
**19<sup>th</sup> February 2019**

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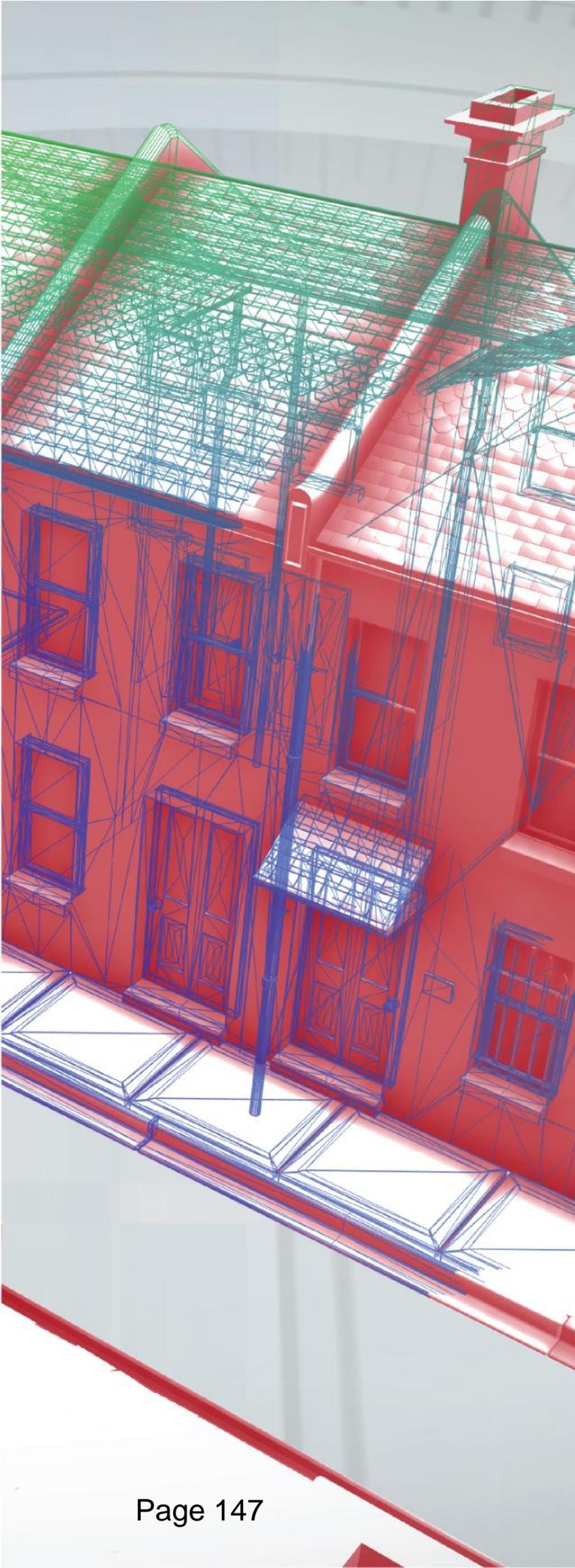
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## **Background Documents**

Energy Transition Plan: Policy and Commercial Insights for Energy System Transformation, Feb 2018

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**Bridgend County Borough  
Council**

**Local Area Energy Strategy**

ESC Project Number ESC00048

ETI Project Number SS9006

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Final

Cyngor Bwrdeistref Sirol



Delivered by

**CATAPULT**  
Energy Systems

# Contents

Executive Summary .....	3
1 Introduction .....	9
1.1 Purpose of the Local Area Energy Strategy.....	9
1.2 Context.....	11
1.3 Key Influences .....	13
2 Bridgend’s Local Energy System.....	17
2.1 Current & Future Energy Demands.....	17
2.2 Local Carbon Emissions.....	22
3 Future Local Energy Scenarios .....	24
3.1 Business-as-Usual Scenario.....	24
3.2 Bridgend’s Low Carbon Future.....	27
4 Network Choices .....	30
4.1 Prevalent Future Heating System and Network Changes.....	30
4.2 Network Choice Considerations.....	31
4.3 Network Impact .....	32
4.4 The Role of the Strategy in Supporting Network Choices.....	35
4.5 Building fabric retrofit.....	35
5 Moving the Strategy Forward .....	37
5.1 Ongoing Role of Local Area Energy Planning .....	37
5.2 Reviewing & Monitoring Delivery .....	39
5.3 The Role of Innovation.....	40
5.4 Near Term Delivery Plan .....	43
5.5 Implementation Roadmap.....	56
6 Conclusions .....	59

# Executive Summary

## The Vision

Bridgend County Borough Council has a vision to transition from the current national centralised energy system to a future low carbon decentralised energy system that works for its people, communities and businesses<sup>1</sup>. This could realise many benefits in enabling investment, economic growth and employment opportunities for the local area. This transition will require major change to Bridgend's energy networks, moving away from using fossil fuels to provide heating, increasing decentralised low carbon and renewable energy generation, taking forward planned and targeted energy efficiency programmes and utilising advanced home, building and network energy management systems; working with a wide range of technologies at different scales.

## The Approach

The council has been working with a group of stakeholders consisting of Welsh Government, Western Power Distribution, Wales and West Utilities and the Energy Systems Catapult, to pilot an advanced whole system approach to local area energy planning. Bridgend is one of three areas including Newcastle and Bury in Greater Manchester participating in the pilot project as part of the Energy Technologies Institute (ETI) Smart Systems and Heat (SSH) Programme.

This Strategy recognises that both Wales and the UK have made major carbon emission reduction commitments and provides a means for Bridgend County Borough Council to lead its own low carbon transition. Its initial focus is on decarbonising domestic heating, which is a major contributor to the borough's carbon emissions. This recognises that different homes in different locations have several possible future energy network and low carbon heating options which need to be considered and there is no one size fits all solution.

This Strategy focuses on planning for the long-term, with major energy system change anticipated to roll out from 2030. This Strategy should be revisited when substantial changes in energy technology, policy or market warrant, as well as when the approaches for decarbonising heat in all of Bridgend's non-domestic buildings, along with emissions from transportation and land use, are developed.

## Informed by Evidence

The development of this Strategy has been informed by modelling the local energy system using EnergyPath Networks, a local whole energy system design and planning analysis framework, used to investigate potential decarbonisation pathways for energy supply and demand and compare the cost-effectiveness of different routes to reduce the borough's carbon emissions by 2050<sup>2</sup>.

## Future Local Energy Scenarios

The EnergyPath Networks analysis involved the investigation of many possible future local energy scenarios. Of these, three main scenarios have been selected by the stakeholder group to demonstrate potential pathways for the decarbonisation of Bridgend's energy system. These scenarios are intended to

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<sup>1</sup> Bridgend County Borough Council, Smart Systems and Heat, June 2014 Submission in response to Request for Proposal to participate in Local Area Energy Planning pilot study

<sup>2</sup> A detailed and comprehensive supporting Evidence Base document summarises this EnergyPath Networks analysis.

provide three alternative visions of Bridgend's future energy system to 2050, dependent on what actions are taken to reduce carbon emissions.

- **Business-as-Usual.** This scenario assumes national electricity generation will decarbonise but there is no coordinated focus to decarbonise heat. This results in a **58%** reduction in carbon emissions<sup>3</sup> from a 1990 baseline. The total discounted energy and system cost to 2050 is **£6.6 billion**<sup>4</sup>.
- **A World Without Green Gas.** This scenario assumes there is a local focus on decarbonising heat; reducing local carbon emissions by 95% from a 1990 baseline. This considers various options to decarbonise including the use of electricity, biofuel and heat supplied through heat networks to provide heat. It assumes the gas network will not decarbonise significantly by 2050. High proportions of heat pump based heating systems (78%) are used to provide heat to homes, with circa 15% of homes served by heat networks; replacing the use of gas fired boilers. This scenario costs **£0.8 billion more** than business as usual.
- **A World with Green Gas.** This scenario also assumes there is a local focus on decarbonising heat, however it considers the availability of green gas that can be blended with natural gas, again reducing local carbon emissions by 95% from a 1990 baseline. This scenario has a higher proportion of homes using hybrid heating systems (+3.5%) and connected to heat networks (+3.5%) than the World Without Green Gas scenario and a lower proportion of high temperature electric air source heat pumps (-7.5%). This scenario is estimated to cost **£0.7b billion more** than business as usual.

### The Role of this Strategy in Supporting a Smart Low Carbon Energy System

In addition to developing these scenarios, the options and choices for future energy networks in specific areas of Bridgend have been investigated (as illustrated in the Figure 1-1). To cost effectively deliver Bridgend's vision this is likely to involve a combination of electrification of heating through heat pump systems and connection of existing homes to heat networks. This is informed by assessing trends for decarbonising homes from many possible decarbonisation pathways using EnergyPath Networks.

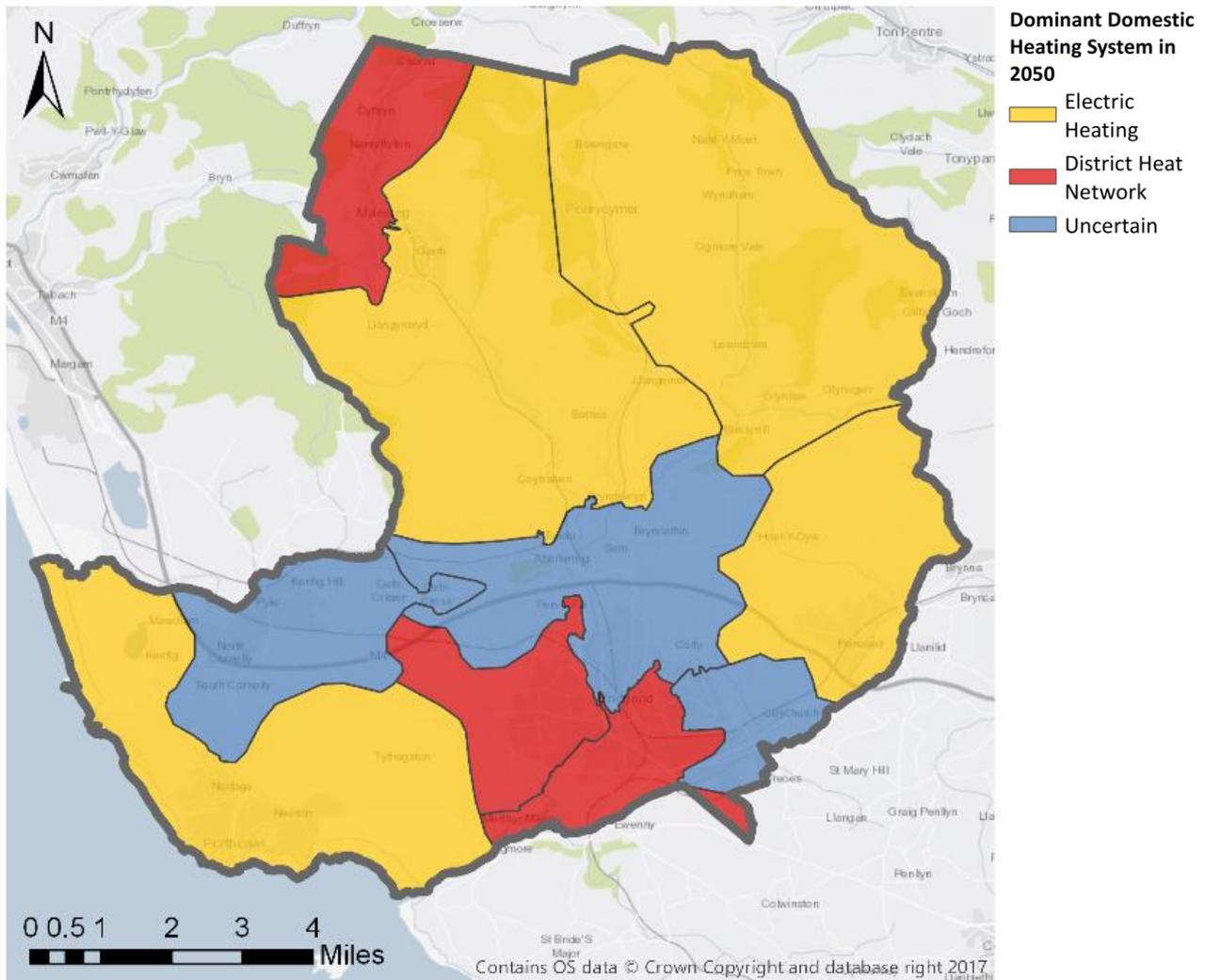
This approach provides the basis of this Strategy, through identifying recurring low carbon transition themes to be explored and tested further. This Strategy recognises that there are various uncertainties associated with the decarbonisation options. Technical, commercial, policy and regulatory barriers are identified which need to be overcome before confident local energy system decisions and long-term network choices are made. A key aspect of this Strategy is to test and demonstrate how the transition of Bridgend's energy system can be delivered, acknowledging that there is a window of opportunity for Bridgend to plan for transition of the local energy system.

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<sup>3</sup>CO<sub>2</sub> Emissions associated with providing all electricity, gas & other fuels to domestic, industrial and commercial buildings and large industrial installations; including electricity emissions associated with domestic electric vehicles.

<sup>4</sup> The total systems costs presented (and discussed throughout this Strategy) include network reinforcement, energy network/infrastructure new build and operation, changes to individual homes (including heating system changes and fabric retrofit) and the cost of the energy consumed.

Figure 1-1 Dominant heating system transitions to 2050



### Moving this Strategy Forward

To take this Strategy forward, three key areas of focus are defined, outlining areas for the council to concentrate on as it progresses this Local Area Energy Strategy, these are:

- **An on-going whole system approach to Local Area Energy Planning**

The following activities provide initial recommendations to take forward over the next few years, to continue the local area energy planning approach that has been initiated. Recognising that further activity will be required as the process of local area energy planning evolves.

- Set a local carbon emissions target.
- Establish on-going whole system planning dialogue with energy network operators.
- Work with Welsh Government to ensure that national policy aligns to local policy.
- Work with Welsh Government to determine an on-going whole system local area energy planning process.
- Support low carbon product and service developers to innovate in Bridgend.
- Develop a suitable governance framework.

- **A focus on innovation to unlock the barriers to decarbonisation of heat.**

This can be achieved through developing decarbonisation options into more mature solutions. This is important as many aspects of enabling the decarbonisation of the borough's buildings are outside of the council's direct control. However, the council can directly influence this aspect through facilitating the Development & Demonstration of the decarbonisation options discussed in this Strategy. This is significant, so that the council can focus its resources on the activity that will provide the most benefit.

#### ▪ **Implementation of the Near-Term Delivery Plan**

This strategy has identified five key activities to progress in the near term. These have been developed in response to the recurring transition themes identified through the whole system analysis; in support of Bridgend's vision and consultation with key stakeholders. The council will need to determine how, when and by whom these activities are taken forward, whether as council led initiatives, public/private partnerships or through innovators and industry.

- Better targeted retrofit.
- Developing and testing compelling customer propositions for hybrid heat pumps.
- Overcoming barriers to transitioning existing homes from gas to heat networks.
- Reducing costs of heat networks in urban centres and expanding to connect existing homes.
- Developing and testing compelling customer propositions for electric heating (heat pumps) including targeting able to pay/early adopters through council services.

#### **Realising the benefits of low carbon transition**

Decarbonisation will require the majority of households in Bridgend to decide to replace gas boilers with a low carbon heating system. Breaking the established boiler replacement cycle is unlikely unless new heating systems and products, new energy service business models and compelling customer propositions for the mass market are developed; a major transformation of the energy market is needed which may require policy and regulatory intervention. This means that there is a window of opportunity to effectively plan for major network choices and to develop, test and demonstrate integrated low carbon solutions for mass market adoption, providing confidence to investors and Bridgend's residents and businesses to develop and adopt them.

The council is already making progress, for example, as part of the Smart Systems and Heat Phase 2 programme Bridgend is working with the Energy Systems Catapult in trialling the type of advanced home energy management control that could become prevalent in homes over the next decade, supporting the design of more appealing low carbon heating solutions for consumers. It is also working on the development of the Caerau Heat Scheme<sup>5</sup> which aims to use local renewable resources to support transitioning existing homes from gas boilers to a low carbon heat network. However, many more benefits are available from implementing this Strategy, including:

- **Jobs and economic growth** – Delivering the transition will create jobs and economic growth. There is also an opportunity to develop the high value jobs that will be needed to enable the transition.

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<sup>5</sup> <http://www.bridgend.gov.uk/media-centre/2018/january-2018/19-01-2018-65m-awarded-for-uk-s-first-large-scale-mine-water-energy-project.aspx>

- **Transition** to a decentralised low carbon energy system will deliver social and economic benefits including reductions in energy consumption and carbon emissions, and wider benefits such as improvements in health (where homes are made warmer) as well as contributing to national targets to address climate change (refer Socio-Economic Report<sup>6</sup>).
- **Innovation and Collaboration** - Decarbonisation provides significant opportunity for Bridgend and any partnering organisations to develop the systems, technologies, services, business models, governance and funding solutions that will be needed. If Bridgend makes itself a more attractive location for start-ups and large company R&D, new solutions can then be exported throughout Wales, the UK and internationally.
- **Infrastructure Investment.** A clear strategy that sets out Bridgend's approach to decarbonising the area's energy system can provide confidence to investors to invest in the area.
- **Empower Residents and Businesses.** Through providing guidance that can help individuals make informed decisions on the types of energy systems and products they choose, acknowledging that some assets (e.g. a new vehicle or heating system) are significant investments.
- **Fuel poverty.** A new approach provides an opportunity to consider how a future energy system can lead to safeguarding the most vulnerable.
- **Leadership** – The council, collaborating with other key stakeholders such as the Welsh Government and Western Power Distribution and Wales and West Utilities, can act as leading examples and help to influence future strategy and policy at both local and national level.

### Implementation Roadmap

This strategy sets out an implementation roadmap to focus resource and help plan for the major change needed to the local energy system if Bridgend is to achieve its ambition of transitioning to a future low carbon decentralised energy system. This includes the role of establishing near-term delivery plans, to test and demonstrate the proposed future energy system through delivery plan activity, to enable energy network and technology choices to be made with more confidence.

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<sup>6</sup> Energy Transition Plan: Policy and Commercial Insights for Energy System Transformation, Feb 2018

**Bridgend's Local Area Energy Strategy Roadmap - Present Day to 2032**

**Prepare now by planning, testing and demonstrating ways to enable energy system change and carrying out low regret activities**

**Major energy system change rolls out in the medium term and beyond**

Implement Near-term delivery plan	Future delivery plan 1	Future Delivery Plan 2	Future Delivery Plan 3
Better targeted retrofit	Ongoing Data Gathering & Systems Analysis activity - Refining the analysis to make better local decisions		
Developing and testing compelling customer propositions for hybrid heat pumps	Ongoing Deployment activity - Deploying low carbon solutions where there is the confidence that they are the right choices for the local area		
Overcoming barriers to moving homes from gas to district heating	Ongoing Development & Demonstration - Developing the maturity of low carbon options where there is little clarity on how to realise them at scale in the current consumer, commercial and policy/regulatory environment		
Reducing costs of heat networks in urban centres and overcoming barriers to connecting existing homes to heat networks	Ongoing Research activity - Assessing potential options that might be attractive in the long term if certain technical, commercial and /or policy barriers can be overcome		
Developing and testing compelling customer propositions for electric heating targeting able to pay/early adopters through council services			
Progress Other Activities discussed in Section 5.4			
Progress activities associated with the Ongoing Role of Local Area Energy Planning discussed in section 5.1			
2018 to 2022	2023 to 2027	2028 to 2032	2032 +

**Key**

- Recommended key activities to progress over the next 5 years
- Other activity to progress over the next few years
- Further activity expected to be needed and delivered through future delivery plans until there is greater certainty to make network choices

**Continuous evaluation of this Strategy. Assessing potential impacts. Maintaining or amending this Strategy as necessary. Working with key stakeholders to collaboratively plan future activities to help shape Bridgend's future energy system**

# 1 Introduction

## 1.1 Purpose of the Local Area Energy Strategy

This Local Area Energy Strategy provides an approach to support Bridgend County Borough Council transition from the current national centralised energy system to a future decentralised and low carbon energy system. This Strategy sets out the vision, objectives and roadmap to enable the transition.

This Strategy has been developed through investigating:

- **The potential pathways, using EnergyPath Network analysis, to decarbonise Bridgend's buildings cost effectively.**
- **The changes needed to Bridgend's buildings and energy networks based on the pathways.**
- **The innovation opportunities available to the local area through decarbonising heat.**

It sits alongside the local area's other spatial planning activities, and those of the Welsh Government and other agencies and authorities. It aims to inform the decisions needed to achieve the ambition of transitioning to a decentralised low carbon energy system.

The production of this Strategy has drawn upon close collaboration with a stakeholder group consisting of Bridgend County Borough Council, the Welsh Government, Western Power Distribution and Wales and the West Utilities and the Energy Systems Catapult.

This Strategy recognises that it will be necessary to largely eliminate heat related carbon emissions by 2050<sup>7</sup> and there has been little progress made to date in a static market with just 4% of homes in the UK having low carbon heating<sup>8</sup>, whereas the decarbonisation of the electricity used in buildings is well underway<sup>9</sup>. It sets out a vision to decarbonise Bridgend's buildings by 95% from a 1990 baseline by 2050. Studies have shown the elimination of carbon emissions from buildings is more cost effective than deeper cuts in other energy sectors such as goods transport and international travel<sup>10</sup>. In time the approach to local energy planning can evolve to consider emissions from other energy uses such as industry and transportation.

### Who is it for?

This Strategy has been developed primarily for the council, to support the transition to a low-carbon future, based on the council's priorities of economic growth, job creation and reduced fuel poverty. It acknowledges that the council alone could not realise this ambition: action by several key stakeholders including network operators is also needed. Therefore, it focuses on the areas that the council can influence.

Recognising that the transition requires action by various stakeholders, the Strategy aims to aid their planning and decision-making processes. A sector-wide transformation of market structure is needed to

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<sup>7</sup> October 2016, Next Steps for UK heat policy, Committee on Climate Change

<sup>8</sup> ETI 2015 Consumer Insight

<sup>9</sup> <https://www.gov.uk/government/publications/decc-single-departmental-plan-2015-to-2020/single-departmental-plan-2015-to-2020>

<sup>10</sup> <http://www.eti.co.uk/insights/heat-insight-decarbonising-heat-for-uk-homes/>

consider and then enable the regulatory, policy and planning changes required to facilitate a low carbon future. This Strategy assumes that major physical work to energy networks and systems will take place in the medium to long-term, starting approximately from 2030. Therefore, these key stakeholders will need to work on this challenge over the next decade, to provide the guidance and governance mechanisms to deliver the transition. National Government plans to determine its position regarding the long-term future of heat<sup>11</sup> in the period 2020 to 2025 and this will drive future decision making.

This Strategy acknowledges that the council cannot deliver the transition by itself, but it can take a lead role. It is best placed to guide the transition so that it considers and benefits Bridgend's residents and businesses, just as local government does in other areas such as spatial and transport planning.

### **What does it provide?**

This Strategy is released with the intention that the council takes it forward in their preferred format. It is underpinned by a technical Evidence Base, which is published separately and presents the results of an EnergyPath Networks modelling study. It is also supported by a Socio-economic and Policy Evaluation for Energy System Transformation report, which offers suggestions on interventions that the council and the Welsh Government could implement to enable the transition.

The EnergyPath Network analysis investigated least-cost decarbonisation pathways, considering a range of possible options for decarbonising heat which are appropriate and technically feasible in Bridgend (refer to Evidence Base). This process identified several cost-optimal decarbonisation technologies, based on the use of fabric retrofit, heat pumps (and hybrid gas/electric heating solutions) and district heat networks. Heat pumps and district heat networks are the most commonly identified options.

The EnergyPath Network analysis was also used to develop three core decarbonisation scenarios, based on investigation of many different future local energy scenarios and associated sensitivity analyses, and input from the council and other key stakeholders. These core scenarios illustrate credible pathways for Bridgend's future local energy system. They illustrate the scale and cost of potential change, along with the technologies that could be part of the local energy system.

Central to this Strategy is a map of Bridgend's proposed future energy system, illustrating potential network choices to decarbonise the local energy system, based on the identification of recurring transition themes in different parts of Bridgend.

Consumer, commercial and policy factors are then considered. This Strategy recognises that current market conditions make it hard to move away from today's energy system because, for example, there is currently no clear commercial route to market for heat networks and heat pumps in owner-occupied homes. It is therefore considered too early to make definitive network choices. However, this Strategy highlights opportunities for the council and other organisations to develop and test the solutions needed to overcome these barriers. Specific activities are identified to test the future energy system before any network choices are made. The activities are also designed to support the council's priorities of economic growth, job creation and reduced fuel poverty. The council can seek new partnerships and funding opportunities to facilitate this.

A roadmap is provided to help manage delivery of the Strategy, along with the activities, and recommendations to review and evolve it over time. The Strategy aims to focus local effort and resources on testing and demonstrating solutions to enable the proposed future energy system, as well as carrying

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<sup>11</sup> HM Government, Government Response to the CCC, 2017 Report to Parliament - Meeting Carbon Budgets

out low regret activities where relevant. This testing and demonstration phase is expected to last until there is enough certainty to make firm network choices. Other stakeholders will also be working on these challenges, so it is difficult to forecast how long this will take, however, this Strategy assumes that there is a ten to fifteen-year window of opportunity before choices must be made. As such, the Strategy's roadmap illustrates a lifetime to 2032, based on taking forward activity defined in near-term delivery plans that have a 5-year timeframe.

## 1.2 Context

### Addressing Climate Change

The case for addressing climate change is overwhelming, and one of the defining issues of our time<sup>12</sup>. The UK has responded through committing to a legally binding obligation to cut greenhouse gas emissions by 80% by 2050 (against 1990 levels)<sup>13</sup>. The UK is the first country to set legally binding carbon budgets to support achieving the obligation. These place a restriction on the total amount of greenhouse gases the UK can emit over a 5-year period. The current (third) carbon budget applies for the period 2018 to 2022. In its latest annual report to parliament (published in March 2018), a 41% reduction in emissions from the 1990 base year were reported<sup>14</sup>.

### Climate Change - Welsh Government Approach

The Welsh Government approach for tackling the causes and effects of climate change is set out in their Climate Change Strategy for Wales<sup>15</sup>. The Bridgend Local Area Energy Strategy will need to consider and align with relevant and evolving Welsh Government guidance regarding climate change and energy such as:

- **The Environment (Wales) Act 2016** This sets out the approach to help Wales reduce its carbon emissions and sets a minimum of 80% emission reduction by 2050. This will be achieved through the setting of interim targets for 2020, 2030 and 2040 and five yearly carbon budgets. The Welsh Government will be laying regulations around their interim targets and first two carbon budgets by the end of 2018 and shortly afterwards by publishing a Low Carbon Delivery Plan.
- **Planning Policy Wales** – This has been under consultation until May 2018 and the conclusion of this process should be evaluated. For instance, it states that “Planning authorities should develop an evidence base to inform the development of renewable and low carbon energy policies. Planning authorities should consider the contribution that can be made by their local area towards carbon emission reduction and renewable and low carbon energy production, they are asked to assess the potential for renewable energy in their area and to set local targets in their local development plans”.
- **Renewable Energy Targets** - Welsh Government has set renewable energy targets of generating 70 per cent of Wales' electricity consumption from renewables by 2030, that 1 GW of renewable electricity capacity in Wales to be locally owned by 2030 and Renewable energy projects to have at least an element of local ownership by 2020

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<sup>12</sup> <http://en.unesco.org/themes/addressing-climate-change>

<sup>13</sup> <https://www.legislation.gov.uk/ukpga/2008/27>

<sup>14</sup> <https://www.gov.uk/government/publications/annual-statement-of-emissions-for-2016>

<sup>15</sup> <http://gov.wales/topics/environmentcountryside/climatechange/emissions/climate-change-strategy-for-wales/?lang=en>

## The Decarbonisation of Heat

Energy use in buildings is a significant contributor to carbon emissions. Heating accounts for over 40%<sup>16</sup> of the UK's total demand for energy. Decarbonising heat, and, domestic heat, is critical to achieve a decentralised low carbon energy system. 96% of Bridgend's domestic heating in homes is by natural gas, with little incentive for consumers to change. Previous emissions reductions have been achieved through relatively simple and cheap measures with clear benefits to households (e.g. cavity and loft insulation and boiler replacement). This challenge provides the context for this Local Area Energy Strategy, recognising that a new, whole system approach to planning and delivering local energy systems is vital, to create a resilient, low carbon energy system for the future. Further information can be gained by referring to ETI Insight Papers: Options, Choices and Actions<sup>17</sup>, Housing Retrofits, A New Start<sup>18</sup>, Decarbonising Heat for UK Homes<sup>19</sup>, How Can People Get the Heat They Want at Home Without the Carbon<sup>20</sup>.

## The Low Carbon Transition

Delivering a cost effective and socially accepted low carbon transition will require change to existing energy infrastructure and the types of energy that are supplied to buildings; as well as how, and when, they are used. The transition will involve switching from using fossil fuels and natural gas fired boilers to other forms of energy and heating systems, this could involve many possible components such as greater uptake of heat networks; the electrification of heating; upgraded electricity networks; repurposed or decommissioned gas grids; improving the efficiency of buildings; and systems to manage and control how energy is used in buildings.

## A Whole Energy System Perspective

This Strategy will need to consider any potential change to one part of the energy system as a component of a whole energy system, as a decision on any one element could have an impact across the whole system. For example, this Strategy includes an assumption that a proportion of Bridgend's residents (primarily those with off-road parking) will switch to electric vehicles by 2050<sup>21</sup>. If this significantly changes then the impact on the electricity network and options for decarbonising heat using electrically based systems may need to be reconsidered. Section 5.2 provides an approach for reviewing potential change. Options for decarbonising all of the local area's transportation and industry will need to be considered in conjunction with the decarbonisation of heat.

## Barriers to Decarbonisation

Achieving a desirable and effective transition will require an integrated energy system, reflecting local priorities and constraints. Policy or regulatory barriers which impede Bridgend's transition will need to be overcome. Funding will need to be drawn from public and private sources who will expect a return on their investment over a specified payback period. Consideration will be needed to work out how to work

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<sup>16</sup> October 2016, Next Steps for UK heat policy, Committee on Climate Change

<sup>17</sup> <http://www.eti.co.uk/insights/options-choices-actions-uk-scenarios-for-a-low-carbon-energy-system/>

<sup>18</sup> <http://www.eti.co.uk/insights/housing-retrofits-a-new-start>

<sup>19</sup> <http://www.eti.co.uk/insights/heat-insight-decarbonising-heat-for-uk-homes>

<sup>20</sup> <http://www.eti.co.uk/insights/how-can-people-get-the-heat-they-want-without-the-carbon>

<sup>21</sup> Electric vehicle charging profiles are based upon assumed take-up rates for electric vehicles and are based on car journeys extracted from the Department for Transport's National Travel Survey. This means that distances travelled (level of charge required) and times of arrival (time of charging) reflect the diversity of real world use. This scenario assumes that electrification continues as the main form of decarbonisation in vehicles, although it is acknowledged that this is only an assumption and that the actual situation can differ, dependent on factors such as the development and uptake of hydrogen vehicles.

with and influence the actions the key stakeholders described in Section 2.3.4, as their choices and actions will impact Bridgend's future energy system. Refer Douglas J, 2015, Decarbonising Heat for UK Homes, ETI Insight Paper<sup>22</sup>.

## 1.3 Key Influences

The following four sections discuss some of the key aspects that have influenced the development of this Strategy.

### 1.3.1 This Strategy's Vision

**To transition Bridgend from the current national centralised energy system to a future low carbon decentralised energy system that works for its people, communities and businesses. Enabling investment, economic growth and employment opportunities for the region.**

### 1.3.2 Objectives

The following objectives have been developed to support this Strategy's Vision and to enable the council to oversee and guide the important energy network related decisions and interventions that are required to decarbonise Bridgend's buildings.

- **Future Energy Approach** - To provide a whole energy system based strategy and roadmap, based on exploring many possible future pathways and defining possible future local energy scenarios, that indicate what actions are needed to move the area from its current centralised energy system to a future low carbon decentralised energy system. Supported with a Near-term delivery plan to take forward over the next five years and a structure to develop and adapt the Strategy to circa 2032<sup>23</sup>.
- **Economic Growth** – To provide opportunities that can create local and regional jobs and economic growth.
- **Emission Reduction** - To support the council in meeting future carbon budget targets, particularly where the Welsh Government determines its approach to carbon emissions reduction.
- **Investment** - To guide and facilitate investment in the areas energy networks and systems and better connect energy network decisions; recognising that current practice means that energy network decisions are made independently, without considering the whole energy system.
- **Activity Prioritisation** - To identify and prioritise activities that can help the council achieve its decarbonisation aspirations. To also demonstrate innovation in the areas of reducing carbon emissions, improving energy security, providing affordable energy and reducing fuel poverty.

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<sup>22</sup> <http://www.eti.co.uk/insights/heat-insight-decarbonising-heat-for-uk-homes>

<sup>23</sup> The Strategy is based on progressing delivery plans that have a 5-year timeframe. Delivery plans will be needed until there is certainty to adapt the areas energy system. The 2032 timeframe is based on the provision of three 5-year delivery plans

- **Local area energy planning approach** – To support an objective, evidence based and data driven local area energy planning approach that can be scaled up throughout Wales and better connected with other local planning functions.

### 1.3.3 Opportunities & Challenges

This section discusses the opportunities available from implementing this Strategy and the challenges surrounding decarbonisation and local area energy planning. Delivering a cost effective and socially desirable low carbon transition will require significant change to the way energy is currently generated, stored, distributed and consumed.

#### Opportunities

There is a significant opportunity to shape Bridgend's future energy system, providing an opportunity to cost effectively design the local energy system and inform energy network choices, thus avoiding the potential of investing in energy system stranded assets. This has the benefit of managing uncertainty, creating jobs and investing in low carbon infrastructure, and importantly creating a better, healthier and cleaner environment for citizens and future generations.

- **Jobs and economic growth** – Delivering the transition will create jobs and economic growth. There is also an opportunity to develop the high value jobs that will be needed to enable the transition.
- **Innovation and Collaboration** - Decarbonisation provides significant opportunity for Bridgend and any partnering organisations to develop the systems, technologies, services, business models, governance and funding solutions that will be needed. If Bridgend makes itself a more attractive location for start-ups and large company R&D activities, new solutions can then be exported throughout, Wales, the UK and internationally.
- **Infrastructure Investment** - A clear strategy setting out Bridgend's approach to decarbonising the local areas energy system can provide confidence to investors to invest in the area.
- **Empower Residents and Businesses** - Through providing guidance that can help individuals make informed decisions on the types of energy systems and products they choose, acknowledging that some assets (e.g. a new vehicle or heating system) are significant investments.
- **Fuel poverty** - A new approach will create an opportunity to consider how a future energy system can lead to safeguarding the most vulnerable.
- **Leadership** - The council can demonstrate leadership, working with other key stakeholders such as the Welsh Government and Western Power Distribution and Wales and West Utilities, can demonstrate leadership and influence the necessary direction of future strategy and policy at both local and national level.

## **Innovation is important, it can support economic growth in Bridgend by attracting investment in new and low carbon energy infrastructure and systems, providing new skills and employment opportunities.**

### **Challenges**

- Considering the cost to society, recognising that there will be a cost to decarbonise over the cost of maintaining the current system (referred to as Business-As-Usual (BAU) throughout this Strategy).
- Changes to the way energy is provided and used today. Such as the electrification of transport and moving away from the dominance of fossil fuels to new ways to heat buildings.
- Significant change to existing energy infrastructure and building heating systems, along with advances in technology, connectivity and digitisation.
- The role of the council in influencing the transition recognising the council's current responsibilities and resources.
- Removing barriers and reducing the risk associated with new low carbon systems; to allow more confident decisions to be made regarding changing energy networks and systems.
- The need to develop mechanisms, skills and supply chains to deliver new systems rapidly, at scale.

### **1.3.4 Key Stakeholders**

This Strategy has been developed for Bridgend County Borough Council. Taking this Strategy forward will require collaboration with and consideration of many key stakeholders including the Welsh Government, UK Government, the energy industry (including the electricity and gas network operators), energy retailers, product developers, innovators, property investors and Bridgend's residents and businesses. This section explains the roles and relationships between the various key stakeholders, summarised in Table 1-1, that will influence the successful delivery of this Strategy.

Local ambition cannot be achieved without the national energy system adapting (such as the decarbonisation of the electricity system) and the council is aware of the influence of national decisions (including policy and regulation) and their effect on the local energy landscape. Organisations will need to develop low carbon products and solutions with mass market appeal; recognising that there has been little uptake of low carbon heating system to date. Decarbonisation will be reliant on building owners and individuals changing from business-as-usual (e.g. using fossil fuels for heating) to adopting new low carbon products or solutions. This will need a market transformation which is much more likely to be successful under a supportive carbon policy environment. Market transformations are not uncommon if the market can provide the right solutions, such as the uptake of broadband in the telecoms sector, where consumers were willing to pay more for a better experience (replacing dial-up internet).

Table 1-1 Key Stakeholders

Stakeholder	Relationship with the Strategy
<b>National Government (including Regulators)</b>	Establish UK level energy system policy, decisions and regulation that can influence and affect Bridgend's current and future energy system.
<b>Welsh Government</b>	Establish Welsh Government energy, climate change and emission reduction related policy, decisions and regulation that can influence and affect Bridgend's current and future energy system.
<b>Bridgend County Borough Council and other Local Government</b>	Bridgend County Borough Council can support the transition by providing local leadership and guidance. It can also use its current planning remit to make decisions on energy related aspects e.g. land allocation for new energy generation systems and infrastructure. Bridgend County Borough Council should also work with other regional Local Government organisations, such as the Cardiff Capital Region to ensure a coordinated approach for the region.
<b>Western Power Distribution &amp; Wales and West Utilities (Network operators)</b>	Own and operate Bridgend's current energy networks. Consideration will be needed to plan what changes will be needed to energy networks (including potential new and adapted networks) to enable Bridgend's low carbon future.
<b>Energy sector organisations such as energy generators &amp; suppliers and energy service &amp; product / technology providers</b>	These organisations make decisions on how energy is supplied to and used by Bridgend's residents and businesses. Decarbonisation will require new and improved ways of providing Bridgend's energy along with new low carbon products and services.
<b>Bridgend's residents, businesses, industry and building owners</b>	Decarbonisation will mean that these key stakeholders will use energy differently (such as charging electric vehicles) and will need to use new types of products and services to provide heat.

This Strategy has been developed with these key stakeholders in mind, to provide a framework and evidence base to support their decision-making process. A low carbon future can only be achieved through acknowledging that coordination is essential as these key stakeholders will make many interdependent choices and decisions that can impact the whole energy system. In addition, it is important to highlight that local area energy planning cannot be viewed in isolation from the wider national energy system as "decisions taken in one locality can affect the interests of consumers in another"<sup>24</sup>.

This Local Area Energy Strategy has been developed to support the key stakeholders through providing vital insight into potential future energy infrastructure changes and investment needs from a whole system perspective.

<sup>24</sup> [https://www.ofgem.gov.uk/system/files/docs/2017/01/ofgem\\_future\\_insights\\_series\\_3\\_local\\_energy\\_final\\_300117.pdf](https://www.ofgem.gov.uk/system/files/docs/2017/01/ofgem_future_insights_series_3_local_energy_final_300117.pdf)

## 2 Bridgend’s Local Energy System

This Strategy focuses on developing an approach to meet the area’s current and future energy demand whilst ensuring security of supply and affordability for the people and businesses of Bridgend. Consideration is also needed to ensure that Bridgend’s future energy system can meet changing expectations of consumers for comfort and smart control, but within the constraint of a carbon target that falls to near-zero by 2050.

### 2.1 Current & Future Energy Demands

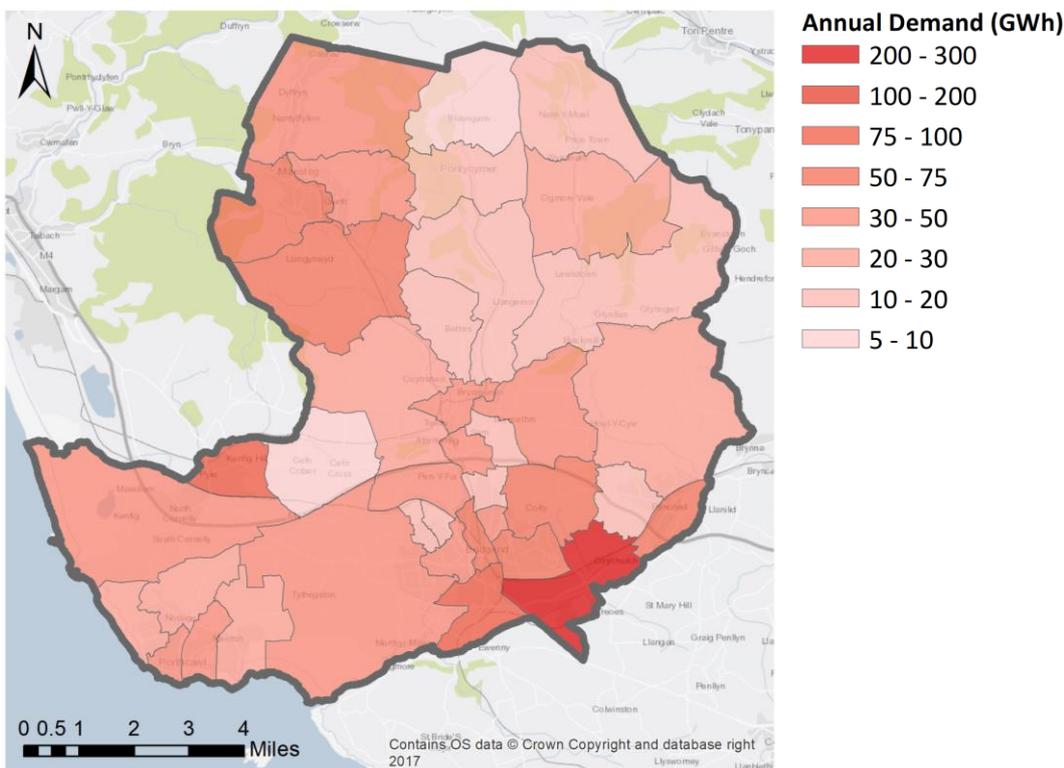
#### 2.1.1 The Local Area

The Bridgend County Borough covers 255 km<sup>2</sup> and has a population of approximately 142,000. There are around 62,000 domestic buildings, of which 3% (2,060) are not connected to the gas network, and 5,600 non-domestic buildings.

The modelled local electricity network consists of 10 high voltage and 759 low voltage sub stations. The local electricity network is made up of a network length of approx. 3,340 km.

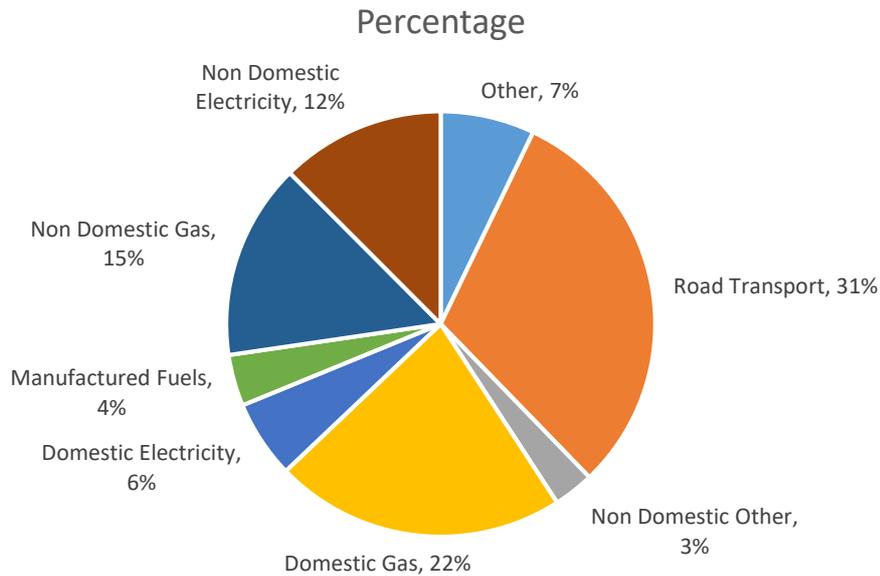
The annual gas and electricity demands in 2016 for Bridgend were 1,259 GWh and 616 GWh respectively shown by ward in Figure 2-1.

**Figure 2-1 Energy Used for Heat in Bridgend’s Buildings<sup>25</sup>**



<sup>25</sup> Domestic and non-domestic buildings (non-domestic includes gas used for process use)

## Bridgend uses 3,416 GWh/year of energy

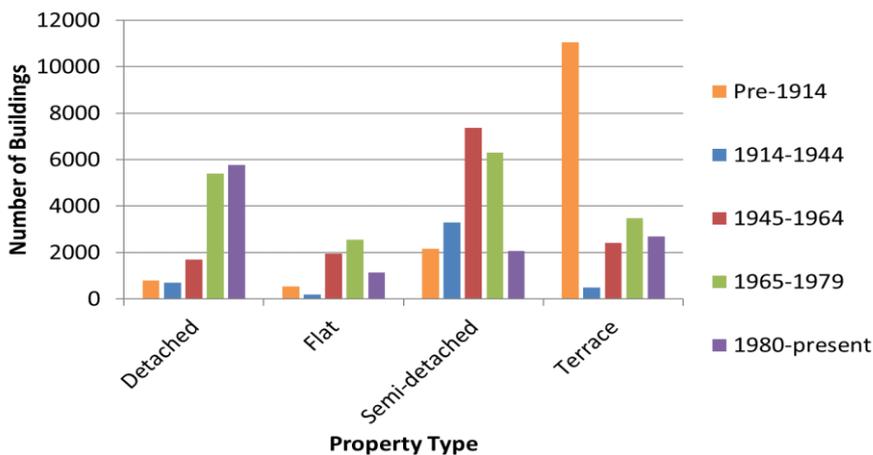


**Figure 2-2 Breakdown of Bridgend's Energy Use<sup>26</sup>**

A breakdown of Bridgend's energy use is shown in Figure 2-2.

- **28%** of Bridgend's energy use is attributed to the domestic sector. 37% is used by the non-domestic sector and the majority of the remainder is used by the road transport sector (31%).
- Gas is the primary heating fuel for homes in Bridgend (**22% of all energy**), with domestic electricity consumption accounting for 6%.

## Bridgend has a wide range of housing types of different ages which influences energy consumption.



**Figure 2-3 Breakdown of Bridgend's Housing Types and Age Including Planned New Homes**

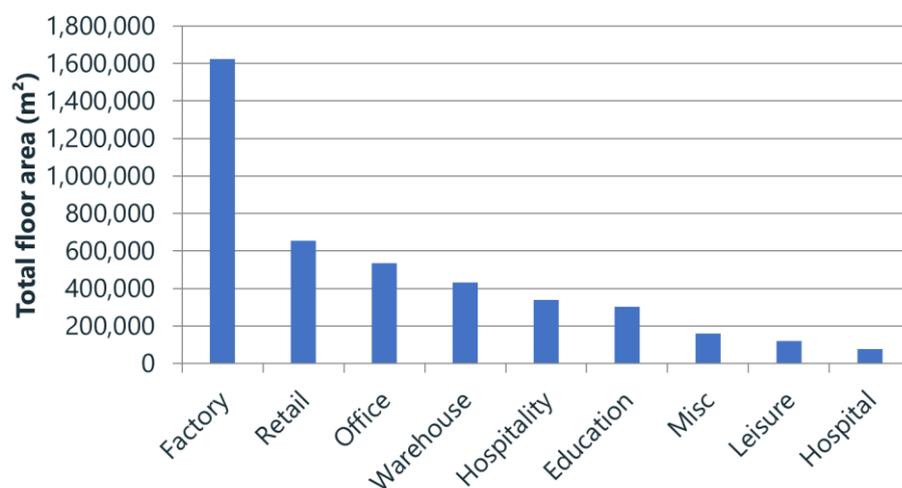
<sup>26</sup> BEIS, Sub-national total final energy consumption data, 29<sup>TH</sup> September 2016. Road transport represents the energy used (tonnes of oil equivalent) by all road using vehicles, based on fuel consumed (i.e. petrol and diesel), within the borough in a year.

A breakdown of Bridgend's housing types and age is shown in Figure 2-3.

- The greatest proportion of Bridgend's housing stock was built between **1965-1979**, with approximately **21%** being **pre-1914** and over **20%** built **between World War 1 and 2**. The pre-1914 and some of the world war 1 to 2 stock are generally more difficult to treat from an energy efficiency perspective<sup>27</sup>.
- **23% of Bridgend households** are estimated to be in **fuel poverty**<sup>28</sup> with the greatest areas of fuel poverty concentrated in Nant-y-moel, Pontycymmer, Caerau and Bleangarw.
- **76% of homes are owner occupied and 10% are private rented versus a 14% of social housing stock**<sup>29</sup>. Therefore, the council has little influence over **86%** of the housing stock. Consumer/commercial solutions will need to be found for decarbonising the owner-occupier and private rented homes. This has traditionally not been a priority for the council and will require a new way of thinking.
- Most of **the existing homes in Bridgend are likely to be still in use by 2050**. Identifying cost effective pathways for the domestic retrofit of energy efficiency and low carbon heating systems to these homes is essential to support Bridgend's long-term decarbonisation targets.

### Bridgend also has a wide range of non-domestic buildings

There are a broad range of building types in Bridgend that make up the 5,600 non-domestic buildings. The total floor area for the top nine combined archetypes is illustrated in Figure 2-4. The greatest proportion of floor area is classed as factory type. This sector also generally has a higher average energy use per square metre than other types, particularly in the industrial and manufacturing sectors.



**Figure 2-4 Non-Domestic Building Archetypes by Floor Area (top nine categories)**

The council should increase its understanding of Bridgend's non-domestic buildings (as recommended in Section 5.4.1), so that it can further develop this Strategy. This will involve understanding how and where energy is used, recognising that there are many aspects to consider. For example, energy use in sectors

<sup>27</sup> These homes are generally more expensive to insulate than home built with cavity walls suitable for retrofit cavity wall insulation

<sup>28</sup> <http://lle.gov.wales/map/fuelpoverty#b=europa&l=209h,0.8;396h,0.7;398hi,0.7;220,0.5;223h,0.5;263h;&m=-3.37408,51.90948,8>

<sup>29</sup> Bridgend County Borough Council, CASH Local Action Plan

such as industry and manufacturing can be diverse and is dependent on a site's activities and processes. Therefore, a robust data set is required for the non-domestic sector in the first instance, so that decarbonisation options can be developed further for Bridgend's non-domestic buildings in the future.

## 2.1.2 The Modelling Approach

The modelling approach is summarised here and described in detail in the accompanying Evidence Base.

### **EnergyPath Networks**

This Strategy has been supported by EnergyPath Networks. The Energy Technologies Institute (ETI) developed EnergyPath Networks, as part of the Smart Systems and Heat programme<sup>30</sup>, to support an evidence based whole system approach to local area energy planning. This aims to engage relevant stakeholders to investigate possible cost effective future local energy scenarios and systems designs and better inform future network planning and choices.

### **Whole System Optimisation**

EnergyPath Networks is a whole energy system optimisation analysis framework that provides a robust, technology neutral techno-economic evidence base. It considers the technical aspects of the whole energy system and is built on a detailed local area representation of the energy system. It has been designed in partnership with local authorities to develop cost-effective local energy system options for the UK.

### **Multi Scenario and Limitations**

Using EnergyPath Networks, many possible scenarios have been generated to inform this Strategy. These look across a range of assumptions and constraints to identify lowest-cost decarbonisation pathways for the Bridgend's energy system. It is important to highlight that EnergyPath Networks has its limitations, as will any model of the future. Hence the outcomes that have informed this Strategy cannot provide a conclusive indication of the future. Further information regarding the EnergyPath Networks Modelling Approach is explained in the supporting Evidence Base document.

### **Consumer, Commercial and Policy/Regulatory Aspects**

This Strategy has been informed by the Bridgend Local Area Energy Planning Evidence Base alongside a consideration of related consumer, commercial and policy/regulatory aspects. This is a critical component of effective Local Area Energy Planning. Considering these factors is crucial if informed investment based decisions are to be made in the future.

### **Future Updates**

Future consideration will be needed:

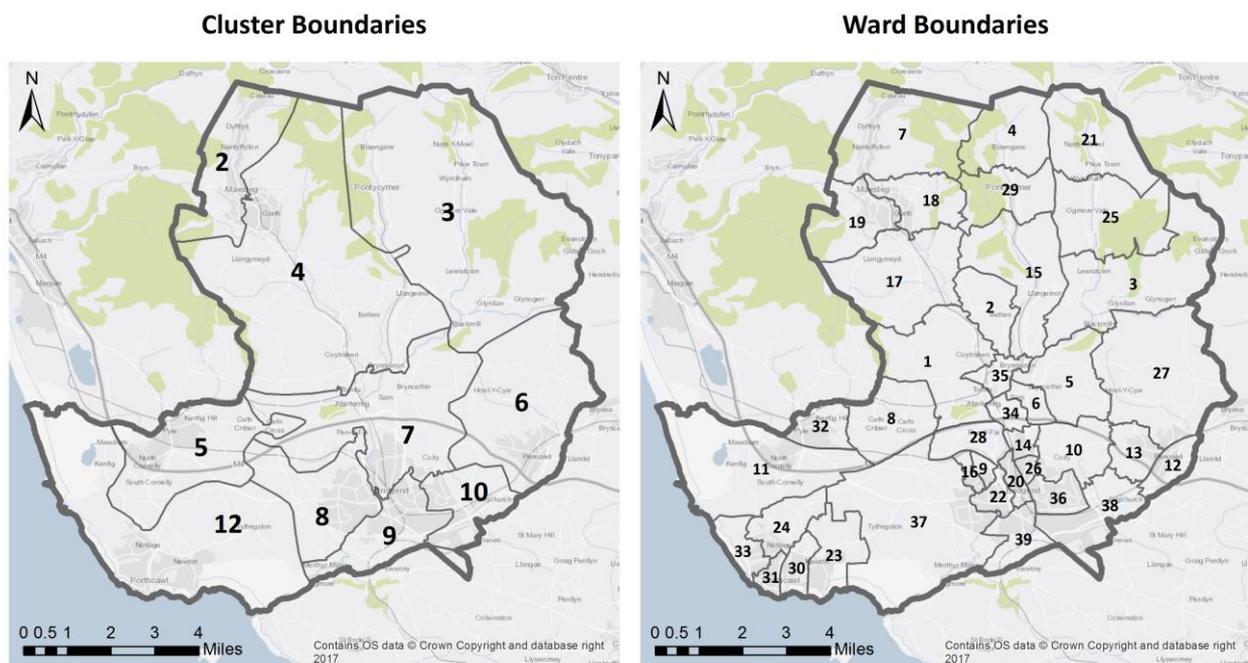
- As the practice of local area energy planning incorporating whole energy system analysis develops.
- To also encompass industry and transportation decarbonisation analysis.
- Considering the relationship between the local system (which this Strategy has focused upon) and the wider regional and national energy systems.

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<sup>30</sup> <http://www.eti.co.uk/programmes/smart-systems-heat>

## 2.1.3 Analysis Areas

The EnergyPath Network modelling approach is based on the consideration of ten analysis areas as illustrated in Figure 2-5. This figure shows the relationship between analysis areas and ward boundaries. The analysis areas are based on High Voltage (HV) substations and all buildings and electrical network infrastructure served by them. Due to the number of buildings and the complexity of the energy networks within Bridgend this Strategy takes an area based approach for considering future network choices. Rationale behind this methodology is discussed in the supporting Evidence Base.



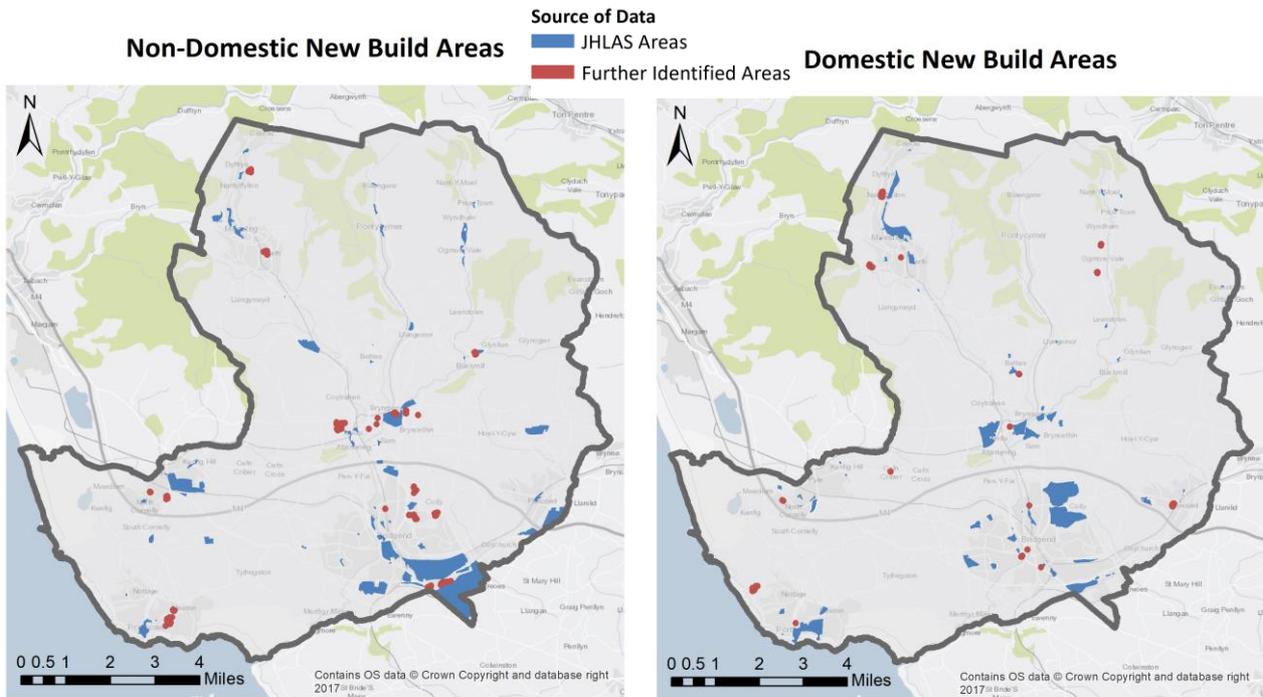
**Figure 2-5 Bridgend's Ward Boundaries & Relationship with EnergyPath Networks Analysis Areas**

## 2.1.4 Planned Growth

This Strategy has considered the impact of planned growth from over 5,900 new homes and 1,200 non-domestic buildings in the region<sup>31</sup> (Figure 2-6). New build homes are assumed to be constructed in accordance with Welsh Government sustainable building standards. Increased energy demand from space heating and hot water demand is estimated at less than 40 GWh/yr. This is around 6% of total heat related energy demand used for buildings in Bridgend. The new gas demand from new homes under business as usual could increase carbon emission by ~7,000 tCO<sub>2</sub>/year (equating to circa 1% of assumed 2020 emissions).

<sup>31</sup> Building types allocated based on the Joint Housing Land Availability Study (JHLAS)

<https://democratic.bridgend.gov.uk/documents/s10059/290916%20-%20JHLAS%202016%20INCLUDING%20APPENDIX.pdf?LLL=0> where details available. Otherwise, breakdown suggested by BCBC planning department was used.



**Figure 2-6 Bridgend's Planned Domestic and Non-Domestic Growth Areas**

## 2.2 Local Carbon Emissions

Reducing carbon emissions from buildings and the local energy system is essential to achieve a low carbon decentralised energy system that works for the borough's people, communities and businesses. This Strategy has explored cost-effective pathways to decarbonise Bridgend's buildings.

### 2.2.1 Scope of Emissions

In scope CO<sub>2</sub> emissions include those associated with providing all electricity, gas & other fuels to domestic, industrial and commercial buildings and large industrial installations. Carbon emissions out of scope relate to those associated with agriculture, land use change and transportation (apart from the electricity associated with the assumed electric vehicle take-up rate discussed in section 1.2 which are in scope).

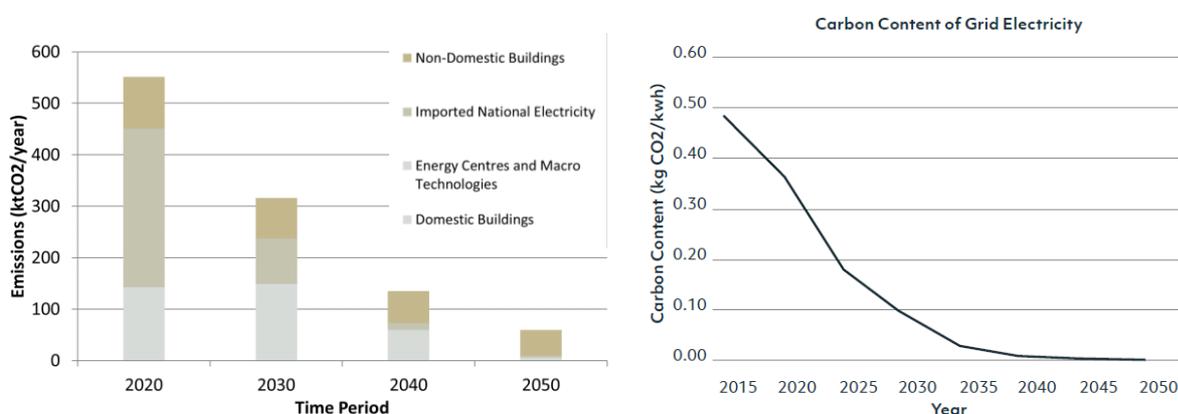
### 2.2.2 Local Carbon Target

This Strategy considers a future where carbon emissions associated with providing energy to all buildings are reduced by 95% compared to a 1990 baseline. Figure 2-7 and Table 2-1 illustrate the outcome if this future vision were followed. The 95% local carbon target was agreed with the project stakeholder group. The remaining 5% of emissions are predominantly associated with heat used in the non-domestic sector (such as in manufacturing processes).

**Table 2-1 Modelled Emission Reduction in Bridgend Through Delivering the Strategy**

Year	Emissions (ktCO <sub>2</sub> /yr.) <sup>32 33</sup>	% Reduction from 1990
1990	1086	
2020	556	49
2030	330	70
2040	154	86
2050	58	95

The table and figure depicts the carbon emissions associated with providing energy to all the borough's buildings (domestic and non-domestic). They show that around a 50% reduction is assumed to have been achieved (by 2020) from 1990 levels predominantly due to a reduction in industrial related carbon emissions. Followed with a further expected reduction to be achieved by 2030 through the assumed decarbonisation of the UK's electricity system. This, of course, is based on electricity decarbonising in-line with the scenario illustrated in Figure 2-8 and any deviation from this would need to be assessed.



**Figure 2-7 Illustrative Carbon Emissions Projection to Decarbonise Bridgend's Buildings by 95% and Figure 2-8 Assumed Grid Decarbonisation<sup>34</sup>**

Figure 2-7 highlights that most carbon emissions associated with domestic buildings are assumed to be eliminated by 2050. The remaining carbon emissions in the 2050 period are predominantly associated with energy use in Bridgend's non-domestic buildings; where future consideration will be needed to determine an approach for reducing these emissions. It is appreciated that it can be more difficult to decarbonise non-domestic carbon emissions, as acknowledged by the Committee on Climate Change<sup>35</sup>. This Strategy recommends that on-going discussion and consideration of all building and site owners is essential as it is vital to plan for a clean future that provides advantages to the region's businesses and industries.

<sup>32</sup> Presented carbon emissions are calculated by EnergyPath Networks. These are derived from a 1990 baseline.

<sup>33</sup> In scope carbon emissions include those associated with: Domestic, Industrial and Commercial electricity, gas & other fuels and large industrial installations. Out of scope relate to carbon emissions associated with: Agriculture, Land Use Change and Transportation.

<sup>34</sup> Based on future projections of UK grid carbon sourced from the ETIs ESME model; Patchwork Scenario.

<sup>35</sup> <https://www.theccc.org.uk/2015/03/27/industrial-decarbonisation-and-energy-efficiency-roadmaps-to-2050/>

## 3 Future Local Energy Scenarios

There are many possible energy system pathways to decarbonise Bridgend's energy system and it is not practical to represent every possible scenario. Insights were drawn from over 100 scenarios assessed in the EPN modelling analysis, from which the three most feasible future local energy scenarios were selected for inclusion in the Strategy.

These scenarios have been developed in collaboration with the project stakeholder group using EnergyPath Networks. This process involved incorporating feedback from the stakeholder group to consider factors outside the modelling framework, with the emphasis on ensuring outputs represent cost-effective scenarios for the borough's future energy systems, reflected in a credible and detailed local evidence base, with due regard to local priorities and constraints.

The three scenarios are not intended to predict the future (which would not be possible), but they suggest credible pathways for Bridgend's future local energy system. The scenarios illustrate the technologies and energy systems that are likely to be part of the local energy system dependent on what action is taken. A key objective of presenting these scenarios is to stimulate debate and facilitate an on-going process of local area energy planning.

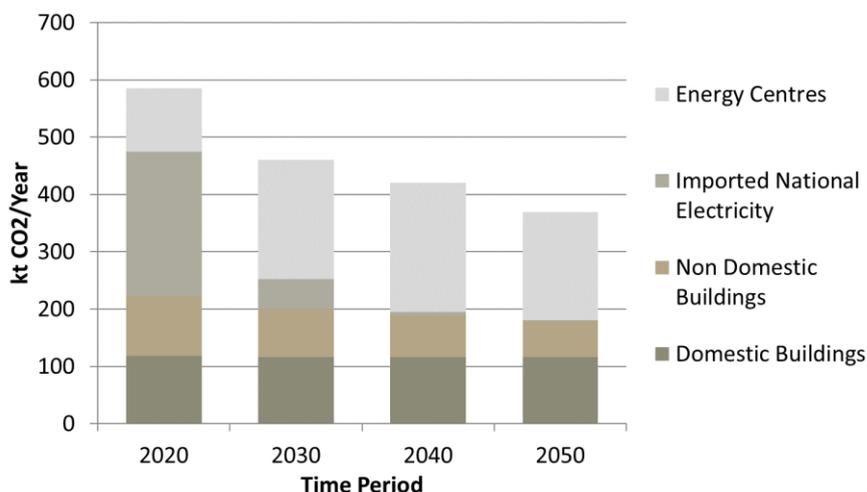
### 3.1 Business-as-Usual Scenario

It is important to consider the assumed Business-as-Usual (BAU) scenario. This has been generated for Bridgend using the EnergyPath Networks model of the local area's existing energy system with no local carbon emissions reduction target being set.

The assumption is made that imported national electricity generation will decarbonise driven by national policy initiatives regardless of any local action in Bridgend. This scenario assumes that there will be limited coordination between the key stakeholders to collaboratively adapt the whole energy system and few consumers pro-actively adopting low carbon technologies, with the retention of gas boilers in most homes by 2050.

There is some assumed modest growth of district heating around the town centre, predominantly associated with expansion of the planned town heat network, between now and 2050 under business-as-usual, but no other significant change to heating infrastructure. Natural gas remains the predominant form of heating for most homes and new homes continue to be fitted with gas boilers. Where district heat networks are built, gas fuelled energy centres are utilised in preference to low carbon alternatives. Some retrofit and improvement in the thermal efficiency of Bridgend's existing homes is undertaken, predominantly through low cost measures such as fitting cavity wall, loft insulation and double glazing where this is cost-effective or part of typical refurbishment cycles.

The total energy system cost to 2050 under business-as-usual is estimated at **£6.6b**<sup>36</sup>. All costs illustrated in this Strategy are discounted<sup>37</sup> to 2015 values and represent the total energy cost to society. In general, the business-as-usual scenario represents a continuation of today's market arrangements, with consumers continuing to use and be charged for gas and electricity as they do today (with some change due to expected electric vehicle and district heating uptake), adjusted to account for future cost variation. The modelled reduction in carbon emissions achieved under Business as Usual is illustrated in Figure 3-1 below.



**Figure 3-1 Illustrative Carbon Emissions Projection Under BAU**

The assumed 2020 CO<sub>2</sub> emissions from energy used in buildings is 586ktCO<sub>2</sub>/yr. In the BAU scenario, comparing 2050 CO<sub>2</sub> levels without the implementation of the local decarbonisation target, CO<sub>2</sub> emissions are expected to reduce to 369 ktCO<sub>2</sub>/yr. as illustrated in Table 3-1. This reduction is based on the emissions already reduced from 1990 levels and the assumed decarbonisation of the UK's electricity system, expected building retrofit and heating systems changes (predominantly more efficient boilers), along with the increase of Heat Networks<sup>38</sup>. This scenario equates to a 58% reduction from a 1990 baseline; highlighting that without co-ordinated action to decarbonise heat used in Bridgend's buildings, there is a significant shortfall in achieving the 95% CO<sub>2</sub> emissions reduction target.

**Table 3-1 Projected Variation in Carbon Emissions Between BAU and 95% Reduction**

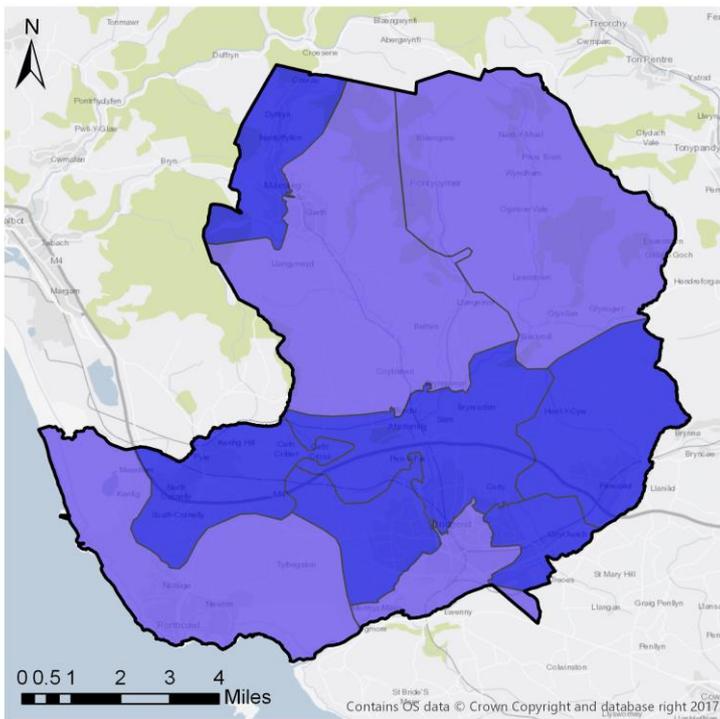
Year	BAU Emissions (ktCO <sub>2</sub> /yr.)	95% Reduction Emissions (ktCO <sub>2</sub> /yr.)
1990	1086	1086
2020	586	556
2030	461	330
2040	421	154
2050	369	58

<sup>36</sup> The total systems costs presented (and discussed throughout this Strategy) include network reinforcement, energy network/infrastructure new build and operation, changes to individual homes (including heating system changes and fabric retrofit) and the cost of the energy consumed

<sup>37</sup> Discounting is a process that accounts for costs and benefits with different time spans to be compared on a present value basis. This is considered as the value of money will vary over time, where due to factors such as inflation, a £ today is worth more than it would be in a years' time.

<sup>38</sup> The business-as-usual scenario assumes a small level of heat networks development under current market conditions.

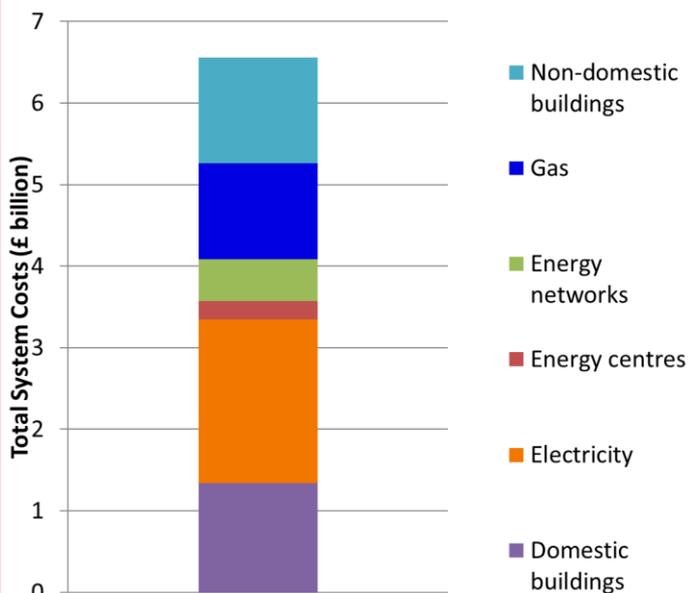
## 2050 Dominant Heating System Business as Usual



**Proportion of Homes with Gas Boiler**

<span style="display:inline-block; width:15px; height:15px; background-color:blue; border:1px solid black;"></span> 95% - 100%
<span style="display:inline-block; width:15px; height:15px; background-color:lightblue; border:1px solid black;"></span> 90% - 95%

## Total discounted energy system cost to 2050



## Business as Usual

**Under BAU no local heat decarbonisation target is set. The scenario assumes national policy will drive decarbonisation but there is no local co-ordinated focus on decarbonising heat.**

- By 2050 over 95% of properties remain on gas boilers, less than 2% are connected to a heat network.
- Only 255 non-domestic buildings are connected to a heat network.
- The total discounted energy system cost to 2050 is estimated to be £6.6 billion, attributed to:
  - £2.0b and £1.2b to electricity and gas imports.
  - £1.3b spent on changes to individual homes, this includes heating system changes (replacement of gas boilers) and fabric retrofit. The same amount is spent for non-domestic buildings.
  - £0.23b on building energy centres.
  - £0.5b spent on reinforcing, operating and maintaining gas, electricity and heat networks.
- A small number of energy centres are built for local heat generation, they are powered by gas technologies.
- Gas peak network demand varies from 485 MW (2020) to 451 MW (2050).
- Electricity peak network (at 11kV) demand varies from 205 MW (2020) to 221 MW (2050).
- Heat network peak heat demand increases from 0 MW (2020) to 12 MW (2050).

## 3.2 Bridgend's Low Carbon Future

Two main low carbon future local energy scenarios have been developed as alternatives to Business-as-Usual and illustrate how Bridgend might cost effectively decarbonise its local energy system.

- **Scenario 1 - A World without Green Gas.** A least cost decarbonisation pathway that considers various options to decarbonise including the use of electricity, biofuel and heat supplied through heat networks to provide heat. It does not assume that the national gas grid will decarbonise, although the use of natural gas is considered where needed.
- **Scenario 2 - A World with Green Gas.** This provides another decarbonisation pathway, based on assessing the potential availability of Green Gas<sup>39</sup>. This scenario assumes the availability of low carbon gas which is blended with natural gas, assessing what role this could play in contributing to the cost-effective reduction of carbon emissions when considered alongside other options.

Both these future local energy scenarios are based on transitioning from using fossil fuels to alternative forms of low carbon heating along with a projection of the associated transition cost. They have been developed based on EnergyPath Networks cost-optimisation modelling analysis and outputs. This analysis has been combined with assessment of the practical limitations to network and technology choices that were not considered by the modelling, based on feedback from the project stakeholders group.

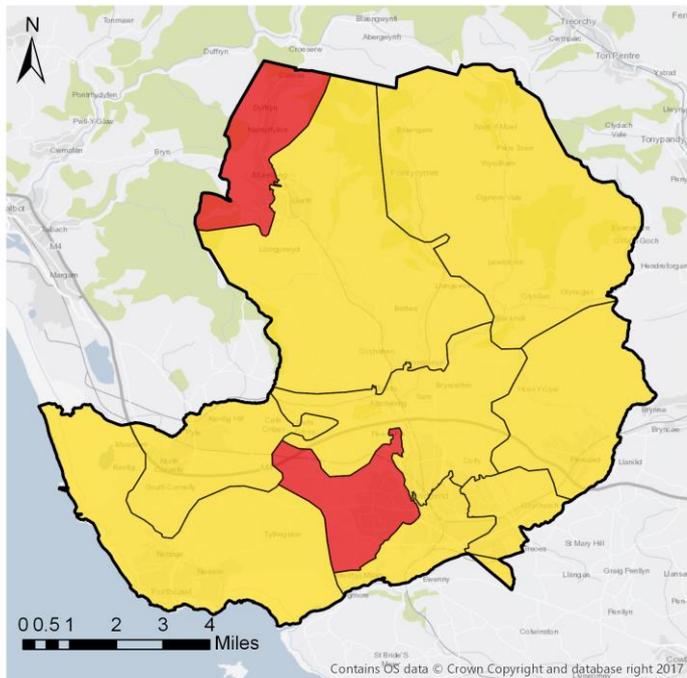
The scenarios represent a vision of Bridgend's low carbon future energy system informed by the energy system modelling and analysis using EnergyPath Networks. Whilst the scenarios are a modelled vision of the future, they provide a good indication of the scale of change that will be needed to transition to a decarbonised energy system.

**Importantly, the costs discussed are entirely dependent on transitioning to a modelled, low carbon future.** This means that the modelled scenarios assume a well-managed low carbon transition. In reality, it is appreciated that the transition will not follow an orderly modelled view of the future. This will of course impact the actual cost of decarbonisation.

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<sup>39</sup> Green Gas derived from biomethane and bio-Synthetic Natural Gas (SNG). The methodology for assessing and determining the availability of Green Gas is discussed in the supporting Evidence Base.

## 2050 Dominant Heating System Without Green Gas



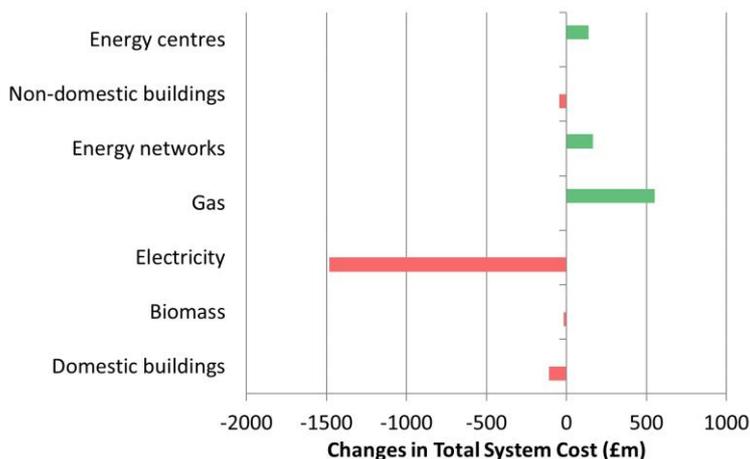
**Heating System**

- District Heating
- Electric Heat Pump

## A World Without Green Gas

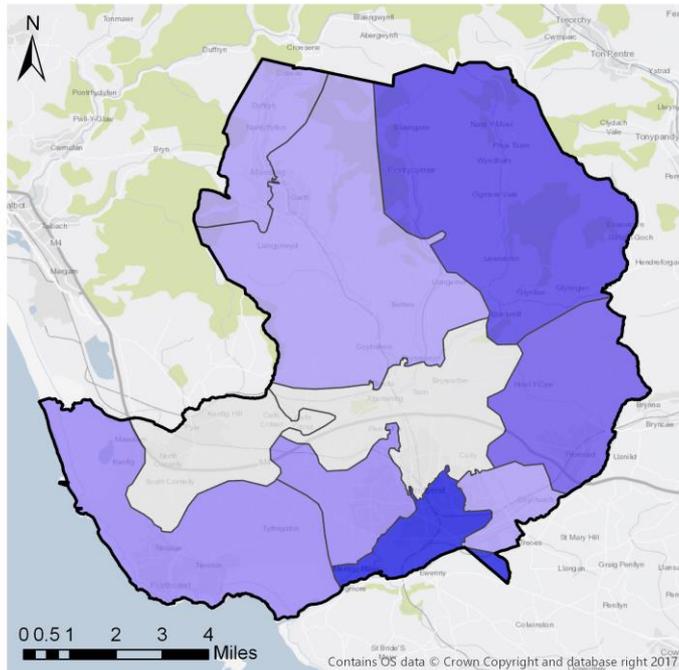
**A 2050 low carbon transition scenario where electric heat pump based systems provide nearly 80% of heat.**

- Consisting of 47% high temperature Air Source Heat Pumps, 24% Ground Source Heat Pumps & 7% hybrid heat pumps. This leads to almost 650MW of electricity network reinforcement.
- By 2050 10,500 homes (circa 15% of total) are connected to a heat network.
- The total discounted energy system cost to 2050 is £7.4 billion, attributed to;
  - £3.5b and £0.6b on electricity and gas imports
  - £1.4b spent on changes to individual homes, this includes heating system changes and fabric retrofit. Non-domestic spend is estimated at £1.3b.
  - £89m on building energy centres.
  - £350m spent on reinforcing, operating and maintaining gas, electricity and heat networks.
- Gas peak network demand varies from 451 MW (2020) to 87 MW (2050)
- Electricity peak network (at 11kV) demand varies from 205 MW (2020) to 285 MW (2050)
- Heat network peak demand increases from 0 MW (2020) to 53 MW (2050)



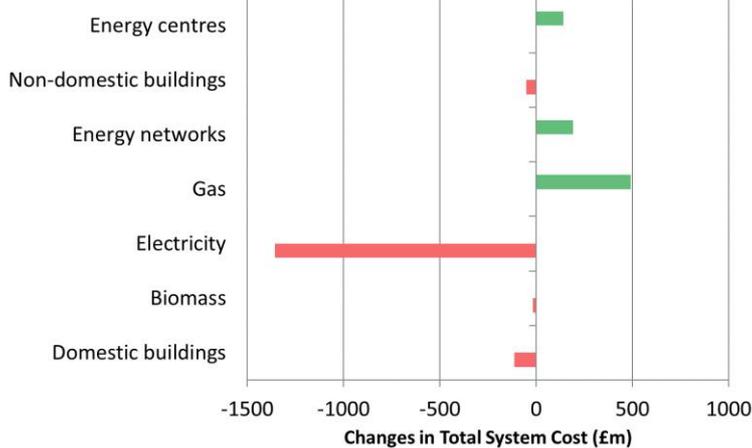
The figure above illustrates where there has been a change in total energy system cost compared to BAU. Green bars indicate where more money is spent under BAU compared to this World Without Green Gas scenario. For example, under BAU more money is spent on using gas because consumers continue to use fossil fuels to heat their homes. Red bars indicate where less money is spent under BAU. For example, under BAU far fewer buildings use electricity based heating systems, therefore less money is spent on using electricity.

## Extra gas used under the carbon target with Green Gas available



**2050 Increase in Annual Gas Usage (MWh)**

25,000 - 35,000	2,500 - 7,500
10,000 - 25,000	0 - 2,500
7,500 - 10,000	0



The figure above illustrates where there has been a change in total energy system cost compared to BAU. Green bars indicate where more money is spent under BAU compared to this World with Green Gas scenario. For example, under BAU more money is spent on using gas because consumers continue to use fossil fuels to heat their homes. Red bars indicate where less money is spent under BAU. For example, under BAU far fewer buildings use electricity based heating systems, therefore less money is spent on using electricity. Availability of green gas has made some changes to the transition of heating system type but does not significantly impact the cost of transition.

## A World with Green Gas

A 2050 low carbon transition scenario based on the availability of Green Gas.

- Domestic heating systems are predominantly electrically heated with an increase in hybrid heat pumps (additional 2,500) due to the lower carbon content of gas. Fabric retrofit is less critical to decarbonise and effectively prioritised and target at those where it delivers best value
- There are more properties connected to heat networks (13,000) in this scenario. This is because the lower carbon content of gas allows higher gas consumption in energy centres. Heat networks are assumed to be supported at a national level and planned effectively at a local level enabling development at scale in the local area.
- Annual electricity demand in 2050 is 32,000 MWh/y less than the world without green gas scenario.
- The total discounted energy system cost to 2050 is £7.3 billion, attributed to;
  - £3.3b and £0.68b on electricity and gas imports
  - £1.4b spent on changes to individual homes, this includes heating system changes and fabric retrofit. For non-domestics this was £1.3b.
  - £88m on building energy centres.
  - £320m spent on reinforcing, operating and maintaining gas, electricity and heat networks.
- Gas peak network demand varies from 450 MW (2020) to 109 MW (2050)
- Electricity peak network (at 11kV)

## 4 Network Choices

In addition to developing the future local energy scenarios for Bridgend discussed in Section 3, this Strategy has explored the most prevalent forms of decarbonisation options that are repeatedly identified in the modelling for specific areas of Bridgend. This is based on assessing trends across the many scenario and sensitivity analyses considered, including the World With and Without Green Gas scenarios.

This multi scenario approach identifies the recurring transition themes that should be explored and tested further. This has involved analysing different system choices and adjusting cost and performance characteristics to understand the impact on Bridgend's future energy system. This provides an understanding of the most valuable combinations of technologies under different conditions, and which combination of network choices occur consistently across a wide range of input assumptions. The different scenarios that have been considered in this analysis are discussed in the supporting Evidence Base document.

This approach is based on looking for consistent transition themes. For example, if under multiple cost and input assumptions, EnergyPath Networks consistently identifies transition to a heat network or electric heat pump based solutions in a particular area as the most cost effective in decarbonising the local energy system, then this provides evidence to inform future network choices and local energy system designs for the area.

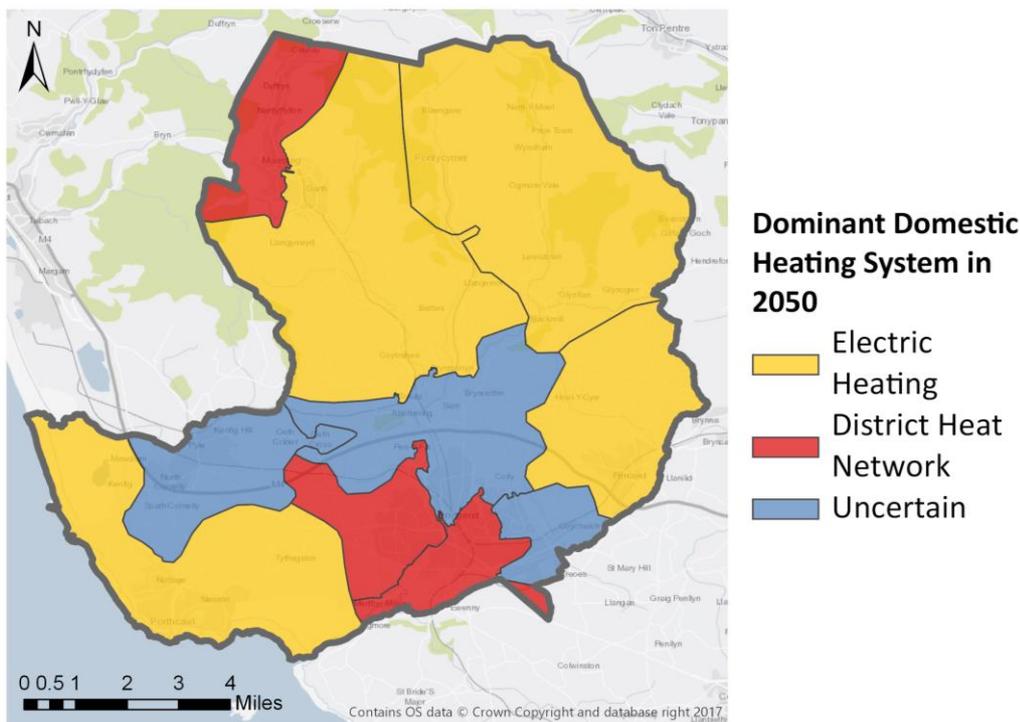
### 4.1 Prevalent Future Heating System and Network Changes

Figure 4-1 illustrates the most prevalent transitions identified across all scenarios, where the objective is to achieve the lowest cost transition. These relate to replacing fossil fuel based heating systems (primarily the use of gas) with electric heating using heat pump based systems, with heat networks selected in areas of denser development. This identifies the areas<sup>40</sup> of Bridgend where heat network and electric heat pump transition occurs under a wide variety of circumstances. **These outputs illustrate the most prevalent heating system network options identified across multiple scenarios, based on current information.**

Figure 4-1 also shows that there are areas where there is no prevalent form of future network option, illustrated as the "Uncertain" areas, these generally follow the route of the M4 motorway through the region, where homes are decarbonised through a combination of solutions.

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<sup>40</sup> Based on the analysis areas explained in Section 2.1.3



**Figure 4-1 Dominant Energy Networks and Systems by Area**

## 4.2 Network Choice Considerations

### 4.2.1 Factors that need to be considered in relation to network choices

There are many factors that will influence whether this represents a realistic vision of the future. Therefore, a key focus of the Strategy is based on planning, testing and demonstrating how these changes to the energy system could be progressed before any network choices should be made; where barriers to transition need to be overcome and opportunities to enable are required.

This strategy is not suggesting that all buildings in the analysis areas illustrated in Figure 4-1 would transition to one type of energy network. Even in areas where a dominant network choice is illustrated, other options will still be needed as there are many different aspects to consider regarding suitability of system and technology to building type. Importantly, such a widescale transformation of the local energy system would be highly disruptive to the energy sector and market and consideration relating to consumer, commercial and policy/regulatory factors is needed.

Decisions will need to be made regarding Bridgend's existing electricity and gas networks, along with the development of new energy infrastructure. For this Strategy to deliver its vision it must enable the key stakeholders to work together in planning and developing the low carbon networks of the future.

### 4.2.2 Area by Area Influences on Network Choices

There are many factors that contribute to whether a particular heating system is a suitable option for a specific building. For example, where areas contain buildings of similar construction, area based trends can

occur. EnergyPath Networks is a sophisticated model that trades off domestic & non-domestic building level options, network options and energy centre & macro level technology options. Therefore, it is impossible to conclude that a particular energy system option is completely dependent on one or two inputs. However, it is useful to consider potential contributing metrics as it can help to consider solutions and approaches for planning future energy system transition. The supporting Evidence Base document discusses key metrics that have influenced network choices; examples include:

- The district heat dominated areas have higher levels of semi-detached and terrace buildings than detached buildings. Analysis areas 3, 4 and 6 (refer to Figure 2.5 for area locations) also have higher levels of semi-detached and terrace buildings, although these areas are much larger and the building density is sparser.
- Building age and condition does have a significant impact on heating system, however, building age can impact what type of electric solution is chosen. For example, low temperature ASHPs may not be able to meet the heat demand of inefficient properties that are very costly to retrofit (e.g. large pre-1914 buildings with uninsulated solid walls). Instead, a high temperature system or a hybrid system may be necessary.

### 4.3 Network Impact

The modelled impact on peak gas, electricity and heat network demand (for the three scenarios discussed in Section 3) is illustrated in figure 4-2 below. This illustrates the likely scale of change over time to the local area's energy networks in each scenario.

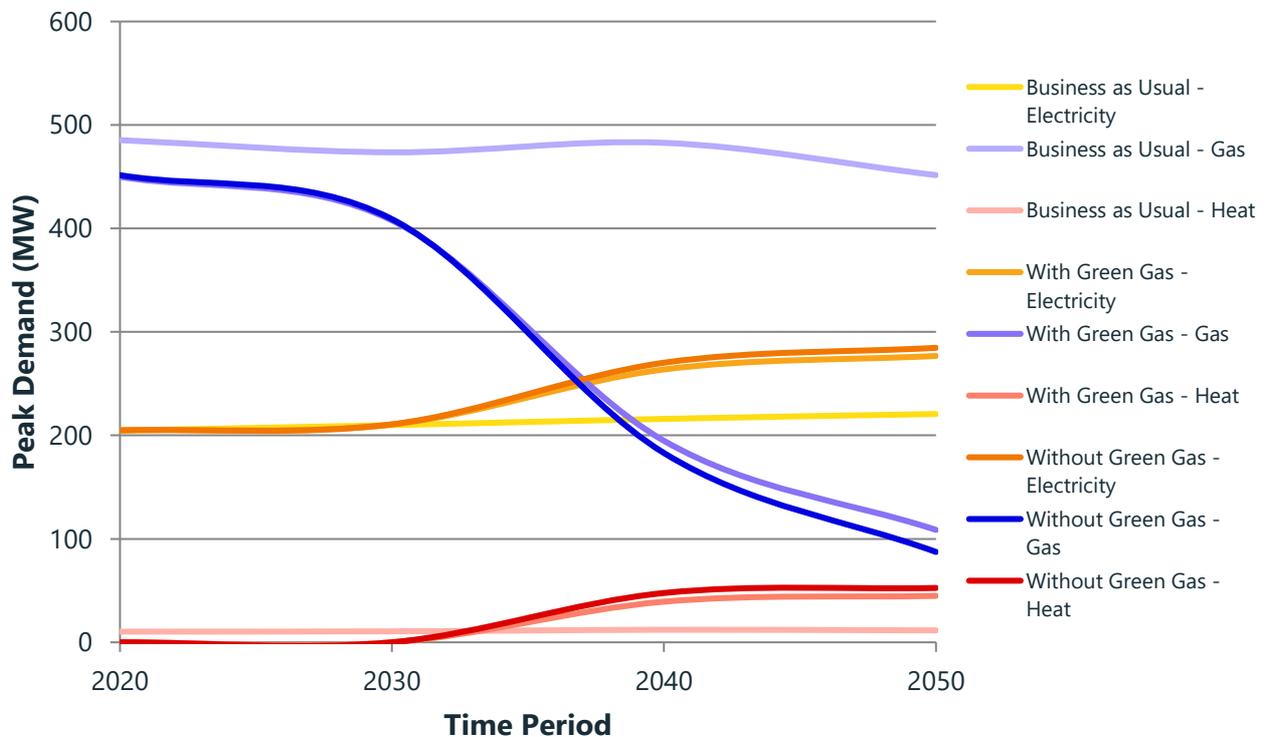


Figure 4-2 Change in Peak Network Demand for Gas, Electricity and Heat for the 3 Scenarios

Under BAU, Bridgend continues to be reliant on imported gas, with a minor increase in electricity network peak demand and no significant change in heat network peak demand.

Under the modelled future low carbon scenarios there is a major decline in peak demand for gas, a significant increase in electricity peak demand and minor increase in heat network peak demand. The variation in network demand scenarios highlights why it is essential to plan for an evolving energy system.

### Wales & West Utilities Statement

“Whilst the project has demonstrated that changes to the energy system may be required, there are some further opportunities which haven’t necessarily been considered in detail which could be a cheaper and less disruptive way of meeting the challenge of decarbonisation. We suggest that the opportunity offered by additional vectors such as hybrid appliances, needs to be fully evaluated. This may provide for a more integrated approach across different energy networks and potentially a more optimal solution.

Work undertaken in piloting EnergyPath Networks and a whole system approach to local area energy planning and informing this strategy along with WWU’s project Freedom all highlight that more flexible networks and systems will be required to make best use of intermittent renewable energy that may be available in the future if we want to maintain the levels of reliability we are used to.

It is key that network operators can invest in networks that can be operated in a way that delivers flexibility across a range of demand supply scenarios. Interactions between networks need to be identified and planned for, including some less well recognised impacts such as a requirement to transport more gas to feed gas fired power stations where these are required to support the additional power requirement resulting from the increased use of Electric Vehicles. We would also anticipate that integrated System Operation across power and gas, and transmission and distribution, will be key in order to allow the best use of the networks, based on their design.

We see central Government as the key influencer of local policies which will encourage both networks and our customers (homes and businesses) to invest in the most appropriate way to minimise their CO<sub>2</sub> emissions. This assumes they implement appropriate levers to either ban or penalise use of less appropriate solutions and / or provide subsidies for those that are more optimal to our total (gas and electric) energy system. When considering how appropriate a solution is we would anticipate consideration being given to its impact on the total energy system.

Energy networks are currently unable to invest in speculative infrastructure and only build new capacity once the need for it has been confirmed either via general load growth or a specific enquiry. Our arrangements are also currently focussed on meeting the highest demand we would anticipate in 20 years. New arrangements or incentives to allow returns for investment based on total system (gas and electric, transmission and distribution) efficiency or reduction in UK CO<sub>2</sub> emissions would be required in order to enable us to invest in and support the development of plans for future energy systems such as those demonstrated by this project.”

## Western Power Distribution Statement

“The development of Bridgend’s local area energy strategy has highlighted the major changes to electricity supply and demand that we can expect in the future. WPD has prepared for the changes in supply and demand by using innovation projects to learn about the potential technical and commercial solutions to meet the challenges of the proliferation of low carbon technology. This has resulted in solutions, such as alternative connections and active network management, that enable the connection of renewable generation faster and at lower cost. We have recently set out our strategy for transition to a distribution system operator, which outlines how we will respond to the requirements to operate more flexible networks and to plan using a whole system approach.

Distribution Network Operators can support the local authority planning process by providing the information to assess the potential impacts and costs of various options. In the case of the project in Bridgend, we were able to provide network data for third party analysis and we are continuing to investigate how we can provide stakeholders with similar information via our project on the Common Information Model. It is important for the various parties involved in long term planning to share their information and assumptions. We have built on the National Grid scenarios for our analysis of the regional impact of the changes in load and demand and have publicised the local impacts in our set of sub-transmission reports.”

### 4.3.1 Potential Future Role of Hybrid Heating Solutions

This Strategy has considered the use of hybrid solutions recognising that they could have an important role in decarbonising heat, just as they have in the transport sector. For example, hybrid heating solutions could help overcome issues associated with practical constraints to deployment of electric heat pump technologies and the impact of moving peak heat demand onto Bridgend's local electricity distribution network. The supporting Evidence Base illustrates the average proportion of buildings within each analysis area that were found to be cost-effective to transition to hybrid heat heating across all the scenarios analysed. However, hybrid heat pumps could have a greater role if they are proven to provide greater benefits than the alternative options.

The development of hybrid heating technologies provides a good example of how technology development may result in the need to reconsider this Strategy, particularly when combined with the use of low carbon gas, either hydrogen or green gas. Continued collaboration with Wales and West Utilities to assess any low carbon gas and hybrid technology developments is recommended.

**Recognising the potential role of hybrid heating solutions, the Near-term Delivery Plan Activity in section 5.4.1 provides a project concept to improve the understanding of the potential role of hybrid heating.**

### 4.3.2 Potential Future Role of Hydrogen

Significantly, this Strategy has not assessed the option for repurposing the gas grid to a hydrogen-based system, lacking (at the time of the study) sufficient, robust data to include in the analysis. It is recognised that work is ongoing across the UK assessing the potential of using hydrogen to provide heat in the residential, commercial and industrial sectors. Whilst hydrogen supplied fuel cells or gas engines could also provide potential future options for local electricity generation. This Strategy will be updated to consider hydrogen’s use (along with any other form of low carbon gas) when valid and robust data is available and if

a cost-effective and sufficient supply of low carbon hydrogen is planned for the region. This is a key requirement of this Strategy, so that it evolves and considers any significant change to the energy sector and system. This potential scenario, along with other examples of possible areas of significant change, are discussed in Section 5.2.

## 4.4 The Role of the Strategy in Supporting Network Choices

Section 4.1 illustrated what the prevalent future heating system and network changes might look like in Bridgend's future energy system. Section 4.2 Network Choice Consideration, 4.3.1 Potential Future Role of Hybrid Heat Pumps and 4.3.2 Potential Future Role of Hydrogen, highlighted that there are many aspects that need to be addressed before it is possible to consider formalising any network choices.

This Strategy's focus is over the short to medium term (over the next five to ten years) exploring how heat can be provided at scale through district heating and the electrification of heat using heat pumps. The outcomes from this activity is expected to coincide with greater certainty on the potential of using hydrogen as a replacement for natural gas. The combined evidence will provide greater confidence in local area energy planning and decision making, discussed further in Section 5 Moving this Strategy Forward.

### 4.4.1 The Role of Testing and Demonstration to Overcome Uncertainty

A key challenge and opportunity for this Strategy is to work out what scale of transition using district heating and the electrification of heat using heat pumps could evolve when all factors are considered. Importantly, there is not enough certainty, or the right conditions (e.g. from a market and policy perspective), to make major decisions on infrastructure choices now. Therefore, significant innovation, test and demonstration is needed over the next decade to inform network choices and de-risk the decarbonisation of heat in Bridgend. Section 5.3 The Role of Innovation provides a recommended approach for taking this theme forward.

## 4.5 Building fabric retrofit

In the majority of homes, analysis has shown that widescale and extensive energy efficiency improvement is not a cost-effective option for decarbonisation. It does not significantly affect network choices, particularly where retrofit measures become more difficult and costly to implement e.g. solid wall insulation. As the level of emission reduction target increases, retrofit alone cannot meet the level of reduction required<sup>41</sup>. Therefore, a low carbon heating system is also required and once the capital investment of installing the new heating system is made, it becomes more cost-effective to fit a higher power heating system than to fit a lower power system combined with improvements to building thermal performance. This is also influenced by the cost of whole house retrofit which is very expensive and is

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<sup>41</sup> Whole house retrofit, which can involve more extensive energy efficiency measures such as solid wall insulation, floor insulation and mechanical ventilation with heat recovery system, can achieve high levels of emission reduction. However, renewable systems, such as photo-voltaic panels and solar thermal hot water systems are typically required to reduce carbon emissions more than 80%.

unlikely to deliver cost-effective carbon savings to justify the work at current energy prices (especially without a carbon price on gas used for heating).

It's important to recognise that fabric retrofit can deliver wider social benefits such as reducing fuel poverty and improved comfort. Therefore, consideration is needed to determine where fabric retrofit can be used to manage the cost of decarbonisation to Bridgend's residents. However, extra insulation aimed at reducing fuel poverty and/or increasing comfort may reduce running costs for the targeted residents, but will increase total systems costs, and so should be considered holistically.

In addition, analysis has shown that some level of basic retrofit of thermal efficiency measures is cost-effective and better suited to some housing types and areas of Bridgend than others. Lower cost items such as topping up loft insulation, filling the last 'easy-to-fill' cavity walls and fitting double glazing where properties still have single glazing should be prioritised. The supporting Evidence Base document describes the average percentage of homes where an insulation package (of cavity wall and loft insulation) is selected by EnergyPath Networks. The Near-term Delivery Plan Activity in section 5.4.1 provides a project theme to improve the building fabric of targeted homes across Bridgend.

## 5 Moving the Strategy Forward

This section provides activities, tools and processes to both progress and deliver this Strategy and manage, review and evolve it over time.

### 5.1 Ongoing Role of Local Area Energy Planning

To ensure this Strategy's success, this Strategy will need to continually evolve and develop over time, aligning with relevant Welsh and National Government policy and guidance and developing supporting initiatives and projects accordingly. In the first instance, there are several activities to proactively consider before progressing the Near-term Delivery Plan Activity described in section 5.4.1. These activities provide initial recommendations to take forward, to continue the local area energy planning approach that has developed through this project, recognising that further activity will be required as the process of local area energy planning evolves:

- **1. Set a local carbon emissions target.** A local carbon emissions target should be set combined with developing supporting policy with ambitious but achievable interim targets. Setting local carbon targets aligned to the evolving Welsh Government approach referenced in Section 2.2 could be an effective means of incentivising local low carbon transition. This should include a mechanism for monitoring progress of domestic sector emission reduction alongside emissions for other sectors.
- **2. Establish on-going whole system planning dialogue with energy network operators.** The Strategy has already been developed through consultation with Western Power Distribution, and Wales and West Utilities. To support the delivery of this Strategy, continued collaboration is needed with these organisations along with considering how local and Welsh Government engages with the regulator (Ofgem). Joint local area energy planning decisions will need to be made, seeking consensus where possible, to ensure that Bridgend plans for and delivers the lowest-cost transition, recognising that considerable investment<sup>42</sup> is needed to achieve decarbonisation.
- **3. Work with Welsh Government to ensure that national policy aligns to local policy.** It is expected that Welsh Government will be working with central government departments such as BEIS, in conjunction with ongoing collaboration between network operators, to support and or influence the development of policy with respect to:
  - Decarbonisation of the National electricity generation in a way that provides affordable, secure and reliable supplies for Bridgend County Borough.
  - National policies that support development and expansion of new energy networks and low carbon and energy efficient solutions in areas such as addressing market structures, liquidity and pricing issues; supporting new technologies with effective financial and regulatory measures and regulation of District Heat Network operation in a similar framework to that used for other energy network operators.

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<sup>42</sup> For example, this Strategy has illustrated that the additional cost of transition to a low carbon energy system between 2016 and 2050 is estimated to be between £0.7 billion and £0.8 billion to achieve a 95% emission reduction

The council should work with Welsh Government to ensure any developments in these areas reflect and consider the needs of Bridgend's residents and businesses.

- **4. Work with Welsh Government to determine an on-going whole system local area energy planning process.** The council should work with the Welsh Government to consider an ongoing approach for local area energy planning. This recognises that decisions on network choices will also need to consider interaction with other local areas served by the existing energy system. The council should also consider how this Strategy aligns and interacts with relevant and evolving Welsh Government policy and guidance.
- **5. Support low carbon product and service developers to innovate in Bridgend.** The council should consider initiatives to support product and service developers to introduce low carbon offerings that building owners and occupiers want to use. Initiatives such as development & demonstration projects can be used as potential mechanisms as these also facilitate research and innovation. The decarbonisation themes that would benefit from such initiatives are discussed in Section 5.4.1 (Near-term Delivery Plan Activity).
- **6. Develop a governance framework.** The council should develop and implement a suitable governance framework. This will also ensure that this Strategy is regularly reviewed and updated, and therefore relevant over time. The Governance Framework should set out the roles, responsibilities and procedures to manage the delivery of this Strategy, recognising that this Strategy will require the resource and capability within the Council to deliver.

In addition, the council could develop and implement a low carbon heat transition consumer charter. Acknowledging that it will be the council that will be directing the transition. A charter should be developed to ensure that any decisions benefit, protect and improve the quality of the energy services to its residents and businesses over other market influences. The charter will also be used to influence the products and services brought forward by any third-party organisation so that they benefit and protect consumers, meeting agreed standards of service in a just, affordable, sensitive and inclusive manner. These products and services should be based on consumers' needs.

The Charter should consider any conclusion from the Fair Futures initiative<sup>43</sup> which is being developed to better understand the issues faced by a range of vulnerable energy consumer groups and identify the areas where commercial, governmental, community and householder needs and motivations could be aligned to provide more and effective innovative policies, products and services.

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<sup>43</sup> The ESC is partnering with organisations from various sectors to develop the Fair Futures programme

## 5.2 Reviewing & Monitoring Delivery

**This Strategy will need to be flexible throughout its lifetime and will involve numerous iterations. Recognising that the Strategy is based on planning for the future, so that important, informed and tested, energy network related decisions can be made to support the vision.**

### Reviewing Delivery

Where the Dominant Energy Networks and Systems by Area map in Figure 4-1 has indicated the prevalence of certain energy networks by area, it is critical to reiterate that these are based on modelling analysis, using present day assumptions. Significant work is required to ascertain applicability in the consumer, commercial and policy/regulatory environment.

For example, if no credible route evolves to enable the provision of wide scale heat network development in low rise residential areas (which is a UK wide risk), then this Strategy would need to be updated to reflect this reality.

Whilst not an exhaustive list, this example along with other types of potential change that may affect this Strategy and would need to be assessed by the review process, are described below. Any potential impact can be discussed with key stakeholders as further evidence and decarbonisation options become available, new information may need to be assessed through further research, assessment and modelling.

### Potential Changes

- Policy & Regulation
- Political Change
- Market Forces & Consumer Behaviours
- Technology Developments
- Evolving Carbon Emissions Targets
- Decarbonisation Option Maturity<sup>44</sup>
- Development of Local Area Energy Planning and Whole Energy System Analysis

Dependent on the nature of the change, there is expected to be instances where an updated whole system model is generated. Example scenarios include:

- If new or repurposed gas grids using a low carbon form of gas, such as hydrogen, become a feasible, alternative decarbonisation option, then the new solution would need to be assessed to determine if it should be part of Bridgend's future energy system.

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<sup>44</sup> 'Maturity' refers to when a decarbonisation option is classed as being ready for deployment. Readiness is dependent on the option being mature across four components (1. Consumer, 2. Commercial, 3. Technical & 4. Policy/Regulation)

- Evolving this Strategy to further consider the approach for decarbonising heat in Bridgend's non-domestic buildings, along with carbon emissions from other sectors such as industry and transportation

Defining an ongoing analytical process to support future updates will be essential for maintaining the validity of this Strategy.

## 5.3 The Role of Innovation

### Managing Uncertainty

The predominant decarbonisation options (based on either using electric heat pump based systems or heat networks) that are discussed throughout this Strategy are not proven at scale in the UK. It is therefore difficult to make major energy network and system choices today.

At a high level, this Strategy is based on considering the use of new or adapted energy network choices to provide heat. This will result in replacing products and solutions that individuals are familiar with and like using (e.g. natural gas boilers) with new solutions. However, market conditions currently prevent such a major transformation. For example, when individuals need to replace their existing heating system, currently they are likely to buy a like for like replacement, rather than replace it with a low or zero carbon alternative.

Therefore, to have confidence in the proposed energy system changes, and before making area-based energy network choices, confidence is needed that the proposed energy system transition is achievable. This means that the uncertainties associated with the proposed energy system and network transition needs to be managed. For example, the electrification of heat could play a significant role in the future provision of decarbonised heat. However, there are many areas that need to be addressed before this can become a reality.

### Necessary Market Conditions

#### **The right market conditions should be in place before network choice decisions are made.**

When making network decisions, confidence is needed that the right market conditions will emerge to support them. Products or services develop towards market readiness across the four components described in Table 5-1 below. A product/service could be technically mature, but not commercially as there is no route to market. Therefore, ideally all four components should be at or nearing maturity.

Confidence may also be possible before maturity is reached, particularly when there is significant momentum developing. For example, there is substantial impetus building regarding the electrification of vehicles. This is developing before all components are mature; technical componentry is still evolving (e.g. charging infrastructure) and the policy/regulatory environment hasn't been fully established. However, major decisions are being based on its use. The market is in part driving this change based on key influences such as consumer demand.

Table 5-1 Components of a Mature Solution

Component	Description
<b>Consumer</b>	A product/service should be accepted and wanted by consumers. Confidence is needed to a point where it is regarded as either normal to use, or something that a consumer aspires to want as they believe in the benefit it will provide.
<b>Commercial</b>	A product/service needs a viable business model and route to market to succeed. If the product/service is not provided in an appealing way to consumers, then they will not want to buy or use the solution.
<b>Technical</b>	Technologies need to be at a point where mainstream use has started to take off, past the point of being an emerging or improving technology, where all prototyping and testing is complete and all relevant technical componentry is effectively integrated.
<b>Policy / Regulation</b>	Solutions require a supportive policy and regulatory environment, along with a suitable legal framework to succeed. Organisations will want this to initially support the uptake of products and then to sell in an established market. Likewise, many consumers will want to know they are protected and supported when buying and using solutions.

### Developing Mature Solutions

**Developing market-ready solutions is important to provide confidence that an option is deployable before significant investment decisions are made.**

Figure 5-1 illustrates the perceived maturity levels of electric heating (heat pumps) and heat networks. Neither is currently considered sufficiently mature across all aspects (consumer, commercial, technical, policy and regulation) for mass market uptake by existing homes in support of decarbonising heat<sup>45</sup>. These solutions need to be sufficiently mature across all aspects to be confident in mass market appeal and inform network choices.

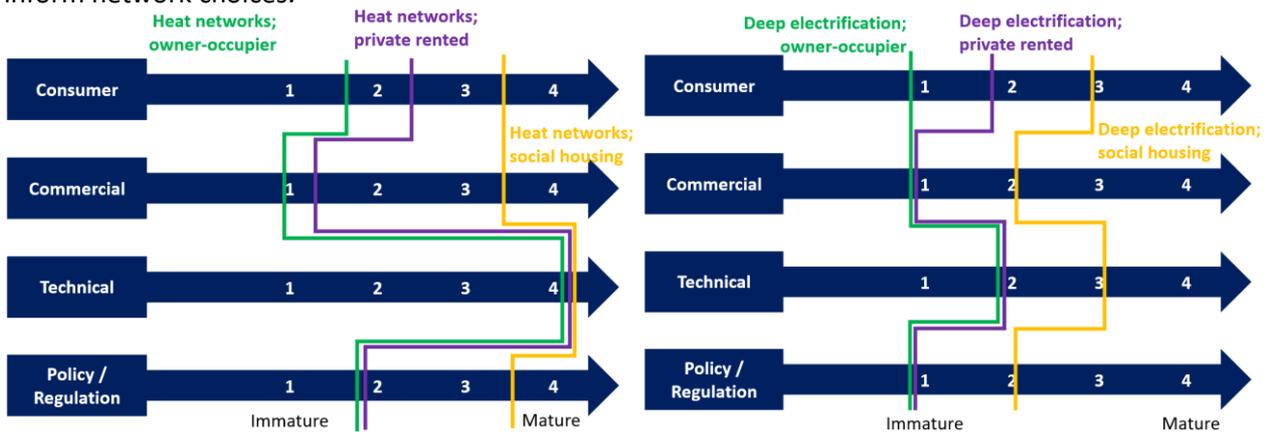


Figure 5-1 Indicative Market Readiness of the Electrification of Heat using Heat Pumps & Heat Networks

<sup>45</sup> For example, access to consumers for the electrification of heating is considered more mature for social housing owing to the role of social landlords as integrators to many consumers, and a policy environment supporting improving energy efficiency of rented properties. In the UK, retrofitting heat networks to existing social housing is much more mature both commercially and from a consumer perspective (with a number of heat networks serving social housing) than for the private renters and owner occupiers.

The purpose of highlighting these technology specific challenges is to:

- Provide focus for all future Strategy activity.
- So that resource can be targeted in developing SMART project objectives.
- Enabling solution development and demonstration that is Specific, Measurable, Achievable, Relevant and Time-bound.

The council should use this understanding when considering any future variation to this Strategy. For example, if hydrogen were to be considered as a decarbonisation option for Bridgend, then confidence is needed that it is a deliverable solution before this Strategy could plan on its use.

### **Development & Demonstration**

Development & Demonstration is a key component of this Strategy and should be used to build the maturity of heat network and heat pump based systems. Many aspects of enabling the decarbonisation of Bridgend's buildings are outside of the council's direct control. However, the council can directly influence this aspect through facilitating the Development & Demonstration of the options.

Heat networks and heat pumps will need significant Development & Demonstration over the short to medium term. Some aspects of the following Section 5.4.1 (Near Term Delivery Plan) detail the Development & Demonstration activity to take forward over the next five years, based on the activity discussed and agreed with the project stakeholder group.

This Strategy recognises that ongoing Development & Demonstration will be needed, accepting that all the uncertainties will not be solved in one Development & Demonstration project, where it is likely that a project will identify new questions that need to be assessed. These challenges, as they develop, will need to be explored through future delivery plans, as illustrated in this Strategy's Roadmap (see section 5.5).

**A programme of projects is needed to build capability through practical demonstration and experience. Local Authority leadership will help facilitate the establishment of industrial scale capability and stimulate private sector participation, innovation and investment.**

### **Coordinating Future Activity to Benefit Bridgend and Align with Welsh Government Strategy**

Not all aspects of decarbonising heat in buildings need to be addressed specifically in Bridgend, where it is recognised that similar challenges are relevant throughout Wales, the UK and internationally. Therefore, decisions will need to be made on whether Bridgend directly leads on the subject, supports, contributes to or monitors progress on other national projects. The H21 project led by Northern Gas Networks is a good example. This project investigated decarbonising the UK's gas distribution network from a technical and economic perspective through converting the existing gas network in Leeds to 100% hydrogen. The project looked in detail at the Leeds area but also considered the implications and options for a wider roll out across the UK.

## **The scale of innovation and solution development required to be able to decarbonise heat is significant.**

Therefore, focusing resource towards solving specific challenges is recommended. The council should ascertain what activity to focus on, based on progressing the aspects that would provide the most benefit to Bridgend and align with relevant and evolving Welsh and UK Government Strategy, such as the UK Clean Growth and Industrial Strategies.

Consideration should be given to aspects such as existing local capability (in industry and academia), regional collaboration and local ambition for green growth, whilst also having an ongoing understanding of other regional and UK (and any relevant International) development & demonstration type projects to assess any lessons learnt and implications for Bridgend's future energy systems. This is particularly relevant as there will be many organisations considering the same challenges. **Working to this strategic approach should facilitate partnering, funding and innovation opportunities that can then lead onto more focused green growth activity.**

Participating in this solution development space is also important so that the council has confidence in the solutions being recommended, whilst also providing opportunities to forge new partnerships with energy system innovators.

## **Solution development is essential if Bridgend wants to benefit from embracing the transition, through developing the systems, technologies, services, business models, governance and funding solutions that will enable a low carbon future.**

Consideration will be needed to determine how the council considers the actions of the various key stakeholders, so that relevant low carbon products and services are brought to the market that building owners and occupants want to use. Recognising that the council has limited influence over the type of heating system individuals choose to use and when they will replace their existing system.

The council should use this appreciation, that there is a need to manage uncertainty associated with technologies, services and solutions, to help inform the development of the Strategy; using this understanding to set the scope and objectives for testing and developing the future projects and activities that will be needed to achieve the low carbon transition.

## **5.4 Near Term Delivery Plan**

This section describes the near-term delivery plan that has been developed to take forward Bridgend's Local Area Energy Strategy over the next five years. Figure 5-2 shows the near-term delivery plan alongside other illustrative future delivery plans. This highlights that these (future delivery plans) will need to be developed around every 5 years as and when further evidence is available, until there is certainty around making major area based decisions. This approach recognises that the Strategy is based on planning for the medium to long term. The council will need to develop the detail of each future Delivery Plan with relevant stakeholders, developing specific objectives and aligning focus to a rapidly evolving energy sector.

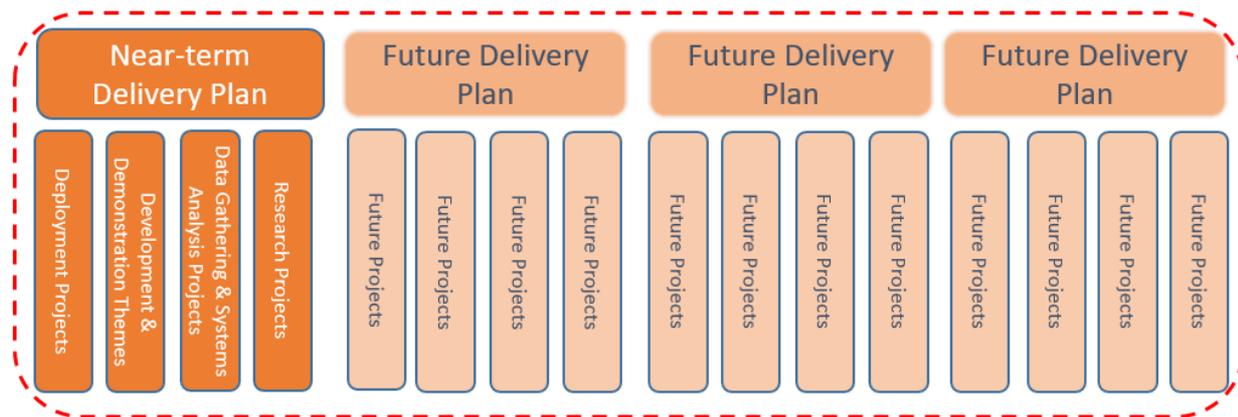


Figure 5-2 Near-term Delivery Plan and the Requirement to Develop Future Delivery Plans

**The Near-Term Delivery Plan provides the focus for targeting resources and explores how the proposed energy system changes illustrated in Figure 5-1 could be progressed.**

#### 5.4.1 Near-term Delivery Plan Activity

The near-term delivery plan activity provides recommended activity to both continue and prepare for Bridgend's decarbonisation, describing the themes and activities that should be progressed in the near term. This consists of the following five activities:

- Better targeted retrofit.
- Developing and testing compelling customer propositions for hybrid heat pumps.
- Overcoming barriers to moving homes from gas to district heating.
- Reducing costs of heat networks in urban centres and overcoming barriers to connecting existing homes to heat networks.
- Developing and testing compelling customer propositions for electric heating targeting able to pay/early adopters through council services.

The Delivery Plan Activity has been developed through collaboration with the project stakeholder group. This process involved considering the proposed energy system change illustrated in Figure 5-1, alongside other evidence resulting from the EnergyPath Networks analysis.

Acknowledging that there are many potential activities needed to enable the transformation of Bridgend's energy system, focus has been given to five activities based on:

- Subjects that considered the drivers and priorities of the project stakeholder group.
- Prioritising activities that are objective and informed by the EnergyPath Networks evidence base.
- Addressing the challenge of decarbonising heat.

- A combination of innovation and deployment<sup>46</sup> projects, but with a focus on innovation to unlock the barriers to transforming the borough's energy system.

These activities are summarised below followed by **Other Activity** to consider progressing as identified and discussed during the development of this Strategy.

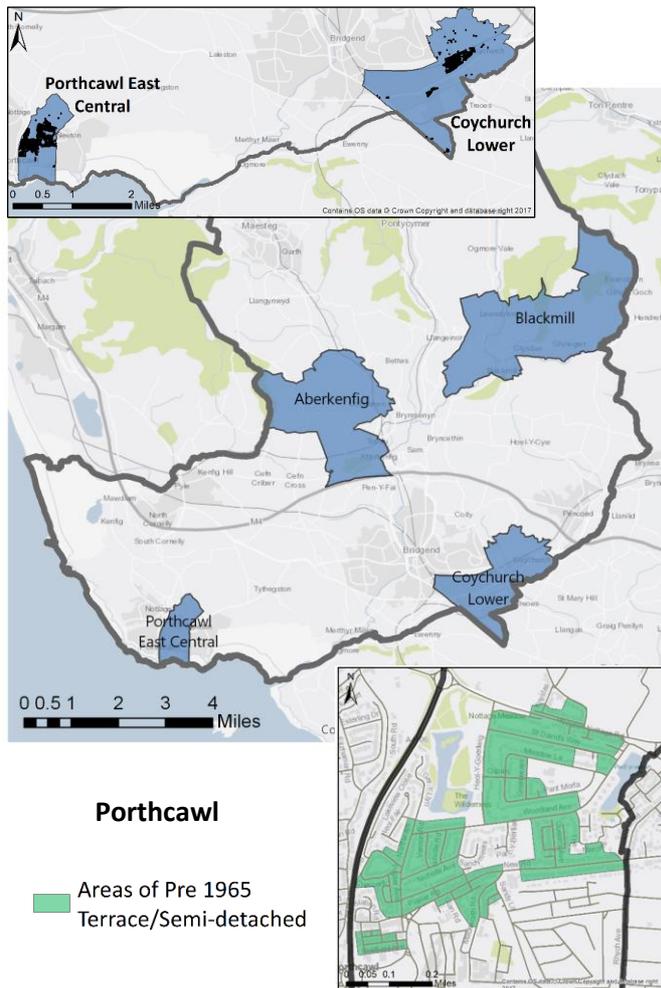
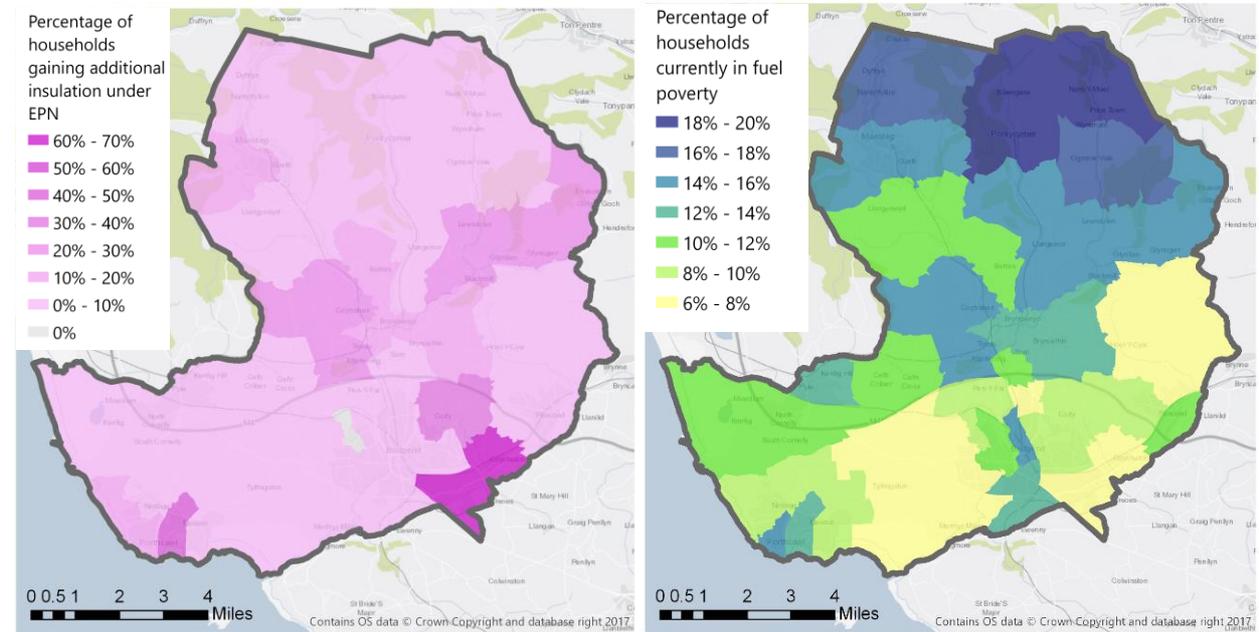
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<sup>46</sup> Deployment Projects are considered to be low regret, short-term opportunities where there is certainty that they are the right solution and there is clarity on how to realise them in the current consumer, commercial and policy/regulatory environment.

Activity No.1 Description	Deployment of Better Targeted retrofit. Refer EPN Supporting maps/data below.
<b>Activity Context</b>	<p>Improving the energy efficiency of buildings is a key opportunity to reduce carbon emissions.</p> <p>This activity focuses on fabric retrofit which means improving the thermal performance of the building so it uses less energy to heat. This has the added benefit of reducing energy costs regardless of the type of system that is used, both currently (e.g. a gas boiler) and in the future.</p>
<b>Activity Objectives</b>	<ul style="list-style-type: none"> <li>▪ Build on available data and past projects to better target homes in need of fabric retrofit, prioritising areas of fuel poverty.</li> <li>▪ Identify new business models that can self-finance wide scale deployment; this could involve providing integrated solutions incorporating other measures alongside retrofit. Reducing dependency on public grants.</li> <li>▪ Work with Welsh Government to identify any mechanisms and available funding to initiate.</li> <li>▪ Consider procurement options and service delivery partners.</li> <li>▪ Develop new forms of service provision as different approaches will be needed for different areas and consumer segments.</li> <li>▪ Focus on: developing and delivering new retrofit service offers and business models that also improve quality of homes/comfort; defining target areas and consumer segments; and adopting a means of performance contracting to ensure outcomes rather than measures are achieved</li> </ul>
<b>Supporting Evidence</b>	<p>EnergyPath Networks selects fabric retrofit for over 4,700 homes (average number across all scenarios) across Bridgend. The illustrations below highlight the areas EnergyPath Networks selects where it is cost-effective to do so (from a least cost decarbonisation perspective), showing a relationship with areas of fuel poverty. This is based on typically installing cavity wall and loft insulation. The data is derived from assessing EPCs and the council's building stock data where available. Installing these measures could save over 1,200 tonnes of CO<sub>2</sub> at an average cost of £1,900 per dwelling. As EnergyPath Networks works on the basis of achieving a least cost emission reduction target, additional opportunities to improve energy efficiency will be available where the objective is to reduce energy use and cost.</p>

**Activity No. 1 - EnergyPath Networks Supporting maps/data**

The figure below highlights the proportion of properties by ward identified for basic fabric retrofit measures under the business as usual scenario, meaning that it is cost effective to progress even without working to a carbon target. This is shown alongside the average percentage of homes assumed to be in fuel poverty, where providing initial focus in areas of perceived fuel poverty would be beneficial.



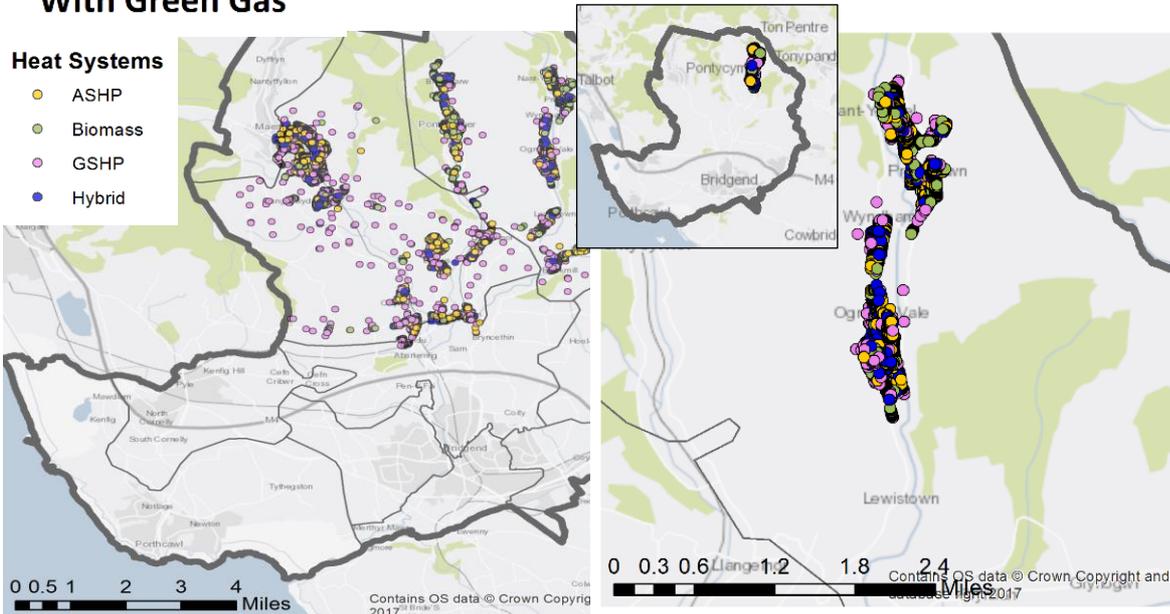
Considering the areas with the highest perceived levels of fuel poverty and greatest proportion of properties that could benefit from basic fabric retrofit measures results in the four areas illustrated below, in the wards of Aberkenfig, Blackmill, Porthcawl East Central and Coychurch Lower. These provide potential focus areas to consider for this activity. Coychurch Lower, whilst not flagged as a fuel poverty area, contains 594 homes, of which nearly 70% are detached/semi-detached built since 1980, concentrated in two major housing estates. Porthcawl East contains nearly 3 times as many homes with 1,520, with more of a variety of types and ages. Semi-detached and terraced properties built prior to 1965 make up 57% of all homes in this area, which are likely to have a high energy demand and poorer thermal efficiency than the more modern homes of Coychurch Lower. The data suggests that they are also much more likely to be lived in by fuel-poor residents which makes them an ideal priority target for retrofitting insulation measures.

<b>Activity No.2 Description</b>	<b>Innovation - Developing and testing compelling customer propositions for hybrid heat pumps. Refer EPN Supporting maps/data below.</b>
<b>Activity Context</b>	Hybrid heat pumps combine an electric heat pump with a gas boiler. They provide the benefit of switching between both system types, dependent on the optimum time to use each system. Lower carbon forms of gas can also be used if supplies develop as suggested by the Freedom project. They can be perceived as being less disruptive and more appealing for residents.
<b>Activity Objectives</b>	<ul style="list-style-type: none"> <li>▪ Understand value of hybrids – is it transition technology or a long term 2050 solution.</li> <li>▪ Develop and test compelling customer propositions that are attractive to customers so they buy-in to the transition.</li> <li>▪ Build on Freedom Project. For example, consider interaction with private rented/owner occupiers as the pilot worked with the social housing sector.</li> <li>▪ Assess value of looking at more clustered deployment; understanding potential benefits to electricity and gas networks.</li> <li>▪ Consider benefits of hybrid v electrification, potentially alongside fabric improvement.</li> <li>▪ Provide further evidence on potential role of hybrid solutions before making energy network decisions</li> </ul>
<b>Supporting Evidence</b>	EnergyPath Networks selects the greatest average number of hybrid heat pumps in analysis areas 3 and 4 comprising the Ogmore and Garw valleys. However, electric heat pumps and biomass boilers are also selected in nearby dwellings. Further consideration is needed to understand the potential role of hybrids in these and other comparable areas. If hybrid solutions were to be used in specific areas, then further thought is needed to assess the impact of increasing/reducing uptake e.g. utilising hybrid solutions instead of all electric heat pumps or biomass systems. For example, the project stakeholder group raised concerns over the use of biomass systems. These are often the least cost option in dwellings where it is not practical or is too expensive to use an electric heat pump, hence hybrid solutions could provide an alternative option.

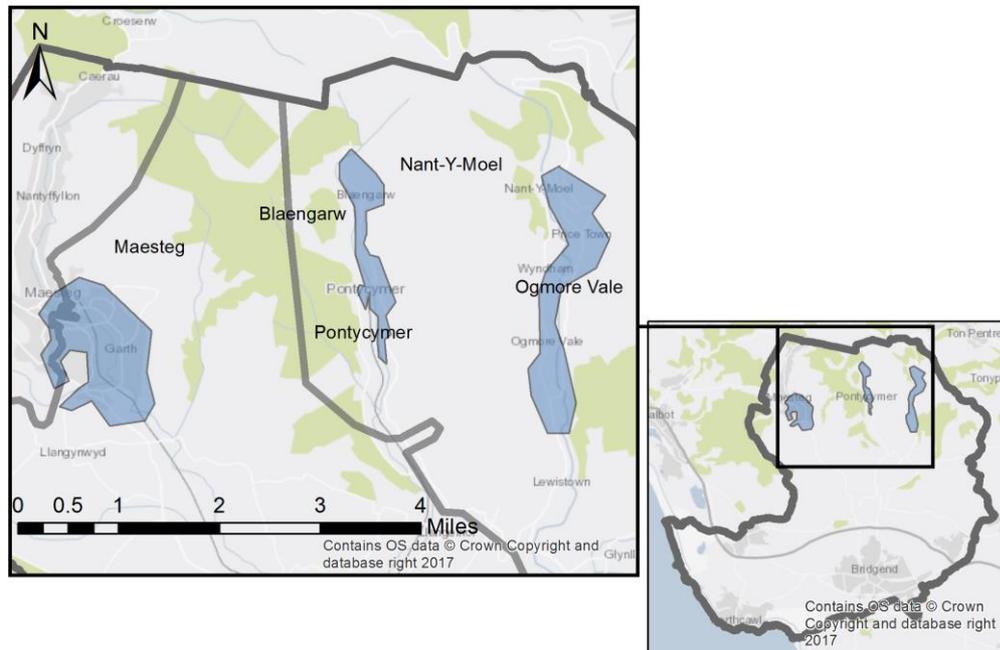
**Activity No. 2 - EnergyPath Networks Supporting maps/data**

The figure below illustrates the variation in heating systems selected as the least cost decarbonisation option for one of the scenarios assessed in analysis areas 3 and 4. Highlighting a mixture of Air and Ground Source Heat Pumps, Hybrid Heat Pumps and Biomass systems.

**With Green Gas**



**Identified Zones to Develop and Test Compelling Customer Propositions for Hybrid Heat Pumps**

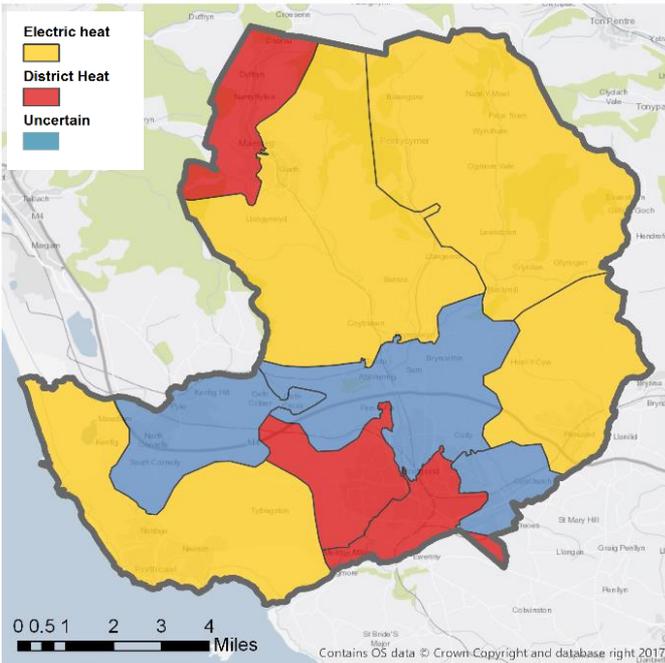


This activity could be focused on the three zones illustrated below. These comprise the largest clusters of homes modelled to transition to a form of heat pump, based around east Maesteg/Garth, Blaengarw/ Pontycymer &

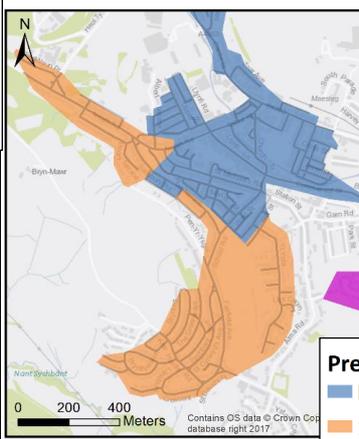
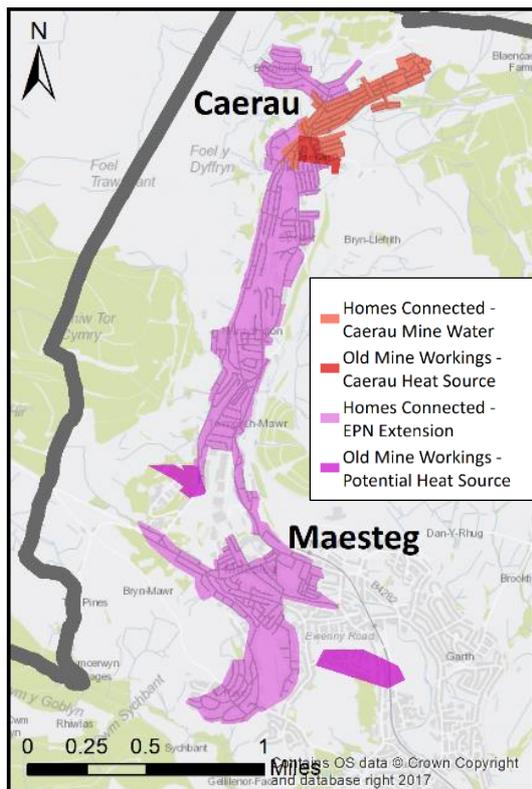
Nant-Y-Moel/ Price Town/ Ogmore Vale. For example, there are over 2000 buildings in the Ogmore Vale valley to consider. The majority of are terraced (62.82%) homes, whilst there are 18% semi-detached homes, 10% flats and 8% detached homes. In the Green Gas scenario, over 55% of homes transition to air source heat pumps, 20% to hybrid heat pumps, 17% to biomass and 8% to GSHPs illustrating that further thought is needed before network choices for this and similar areas can be made.

<b>Activity No.3 Description</b>	<b>Innovation – Overcoming barriers to moving homes from gas to district heating. Refer EPN Supporting maps/data below.</b>
<b>Activity Context</b>	District heating has been consistently highlighted, across multiple scenarios, as providing the optimised decarbonisation option for many homes in and around Caerau. However, there are many barriers to overcome before the planned network could be expanded. Learning from this activity is essential if other heat network schemes, serving existing residential areas, are to be developed en-masse.
<b>Activity Objectives</b>	<ul style="list-style-type: none"> <li>▪ Understand insights from Caerau Heat Network scheme to identify barriers and opportunities to extend the scheme in the areas illustrated below.</li> <li>▪ Provide key learning to inform other potential residential retrofit schemes to similar groups of housing.</li> <li>▪ Focus on understanding aspects such as: <ul style="list-style-type: none"> <li>▪ Successful consumer engagement methods. Considering aspects such as the social demographic.</li> <li>▪ Commercial considerations. Key actual cost and economic data can be assessed to understand the financial implications of retrofitting heat networks to existing low rise residential areas.</li> <li>▪ Consumer’s experience – what are the key aspects to focus on to encourage further uptake?</li> </ul> </li> </ul>
<b>Supporting Evidence</b>	EnergyPath Networks has identified an average of over 70% of homes transitioning to heat networks in analysis area 2 which comprises Caerau and Maesteg, equating to over 3,800 homes. District heating has been identified as a cost-effective transition option, for reasons such as the density and type of dwellings in this area. For example, electric heat pumps are likely to be inadequate to heat the pre-1914 dwellings which make up a large proportion of dwellings in this area (accounting for 64% of all dwellings).

Activity No. 3 - EnergyPath Networks Supporting maps/data



The figure opposite re-illustrates that district heating has been identified as the dominant least cost network option for the analysis area surrounding Caerau (top left area), where the planned Caerau mine water heat network scheme would be built. Numerous barriers need to be overcome before the planned network, or other heat networks could be built/expanded.



The figure opposite illustrates the proposed Caerau Mine Water Heat Network Scheme in relation to other homes, extending south from Caerau to Maesteg, where district heating has been modelled as the least cost option. This also shows the location of the proposed mine water heat source for the Caerau scheme in relation to other mine water heat sources.

In Maesteg, pre-1914 terraced properties dominate the north of the town while the south comprises mainly semi-detached homes built between 1914-1964, where district heating was modelled as the least cost option for circa 160 of these homes.

<b>Activity No.4 Description</b>	<b>Innovation - Reducing costs of heat networks in urban centres and overcoming barriers to connecting existing homes to heat networks. Refer EPN Supporting maps/data below.</b>
<b>Activity Context</b>	Market conditions combined with the cost of developing heat networks currently restrict heat network development throughout the UK. Innovation could be used to reduce the capital cost of schemes to facilitate increased uptake. Similarly, extending urban centre heat networks schemes to connect nearby existing residential areas faces many technical, commercial and consumer barriers. The effective planning for development and expansion of heat networks along with development of compelling customer propositions for people to connect to networks in the future could help to overcome such barriers.
<b>Activity Objectives</b>	<ul style="list-style-type: none"> <li>▪ Assess options of reducing cost of heat networks; focusing on proposed Bridgend Town Centre scheme. Utilising resources such as ETI Heat Infrastructure Development project: Reducing the capital cost of district heat network<sup>47</sup>.</li> <li>▪ Provide insights relevant to other potential comparable urban centre schemes.</li> <li>▪ Consider aspects relevant to extending from urban centres to existing residential areas.</li> <li>▪ Determine if compelling residential value propositions can be developed to support expansion from town centre non-domestic heat networks.</li> <li>▪ Develop new forms of service provision as different approaches will be needed for different areas and consumer segments.</li> <li>▪ Focus on overcoming barriers to connecting existing homes to heat networks</li> </ul>
<b>Supporting Evidence</b>	EnergyPath Networks has identified an average of nearly 70% and over 90% of homes (in one scenario) transitioning to heat networks in analysis areas 8 and 9 respectively, consisting of areas around Bridgend's town centre. This would equate to circa 10,000 homes transitioning to a heat network that are currently served by gas boilers. These homes are shown below, highlighting their proximity to the location of the proposed town centre scheme. Should the town centre scheme develop, it provides an opportunity to consider expansion to these nearby homes, acknowledging that barriers to connecting existing homes to heat networks need to be overcome beforehand.

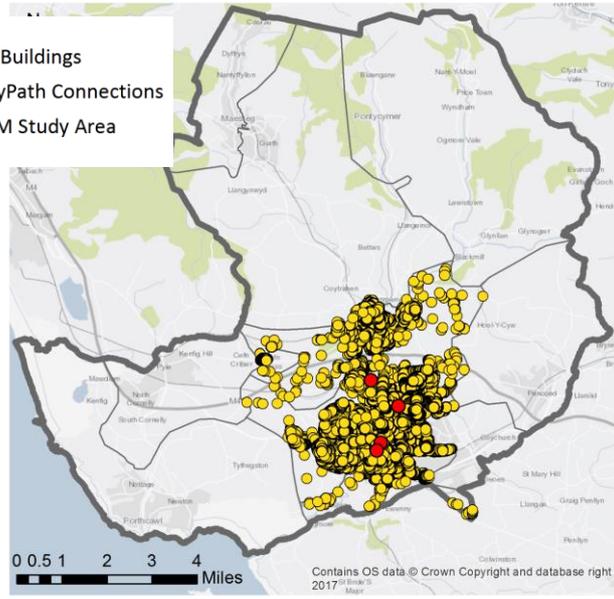
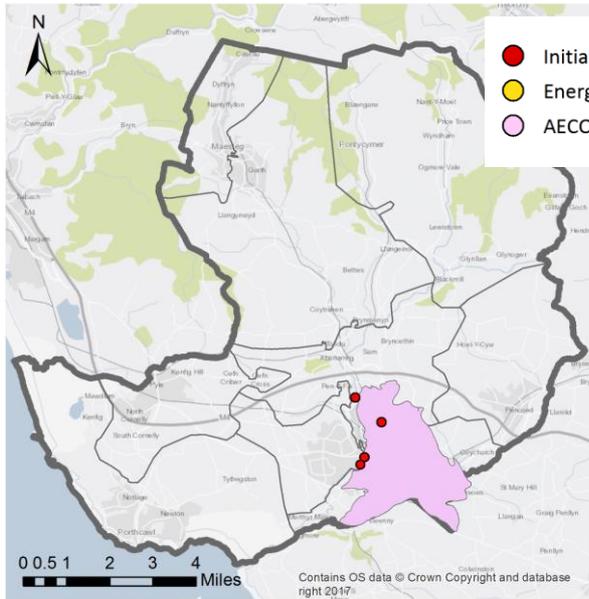
<sup>47</sup> <http://www.eti.co.uk/programmes/energy-storage-distribution/heat-infrastructure-development>

**Activity No. 4 - EnergyPath Networks Supporting maps/data**

The figure below shows the non-domestic buildings already proposed to connect to potential Bridgend Town Centre heat network scheme (red dots), alongside the other domestic and non-domestic buildings in the vicinity where district heating is selected as the least cost decarbonisation option (yellow dots). An existing heat network study covering the shaded polygon area is available for supporting information.

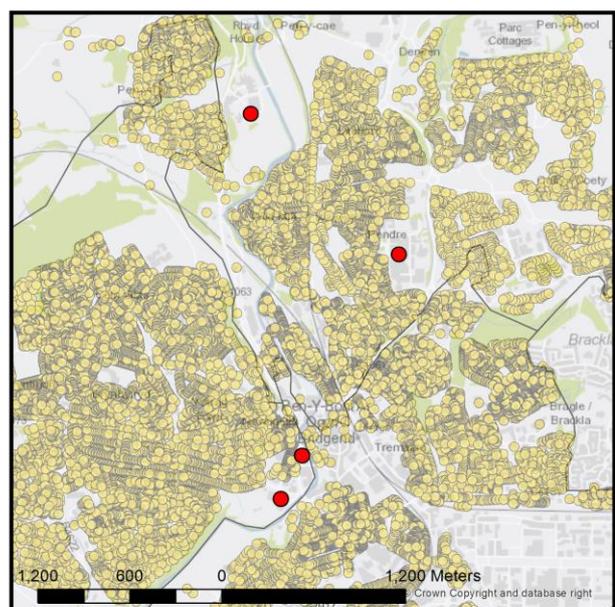
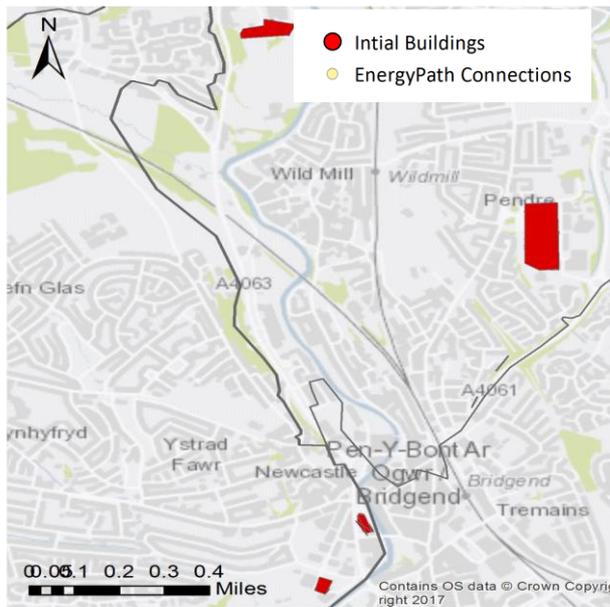
**Aecom Study Area**

**Energy Path Networks Average Connections**



**Aecom Study Area**

**Energy Path Networks Average Connections**

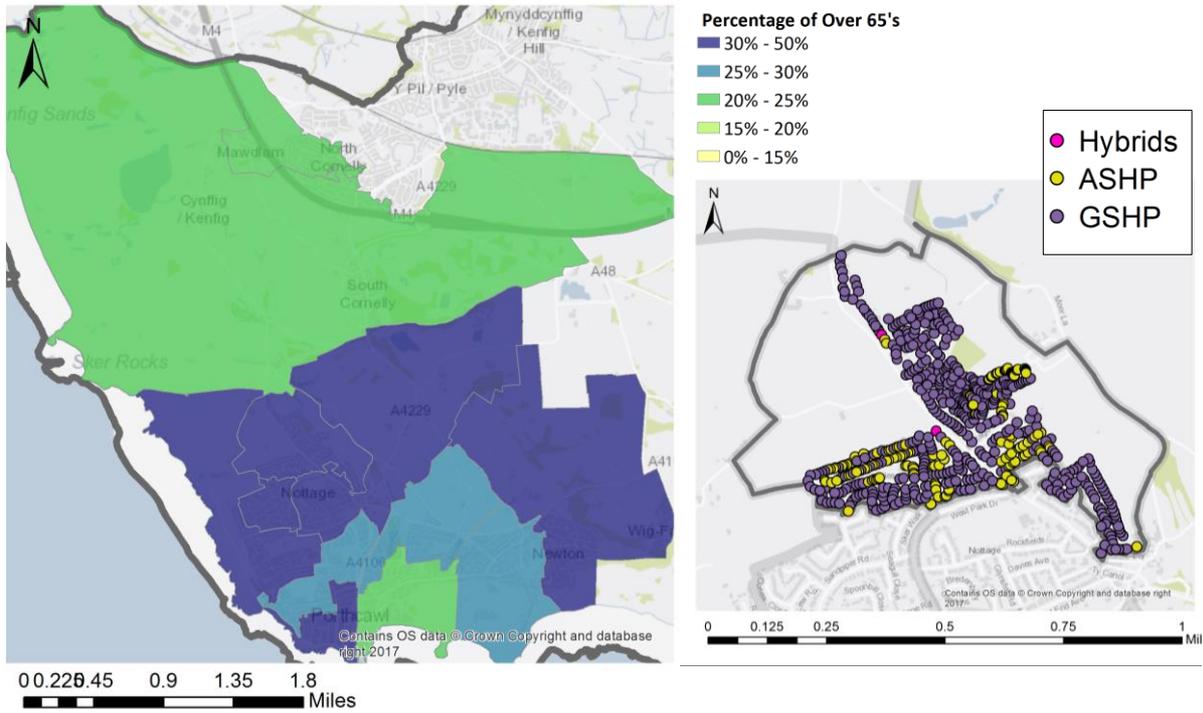


<b>Activity No.5</b>	<b>Innovation - Developing and testing compelling customer propositions for electric heating targeting potential early adopters through council services. Refer EPN Supporting maps/data below.</b>
<b>Activity Description</b>	
<b>Activity Context</b>	EnergyPath Networks selects the use of electric heat pump systems under multiple scenarios as the optimal decarbonisation solution for a significant proportion of Bridgend's housing stock. Whilst there are many barriers that prevent such a transition, having a compelling product and finding successful ways to engage with end users is critical to support the transition to new types of heating systems. Social care and other council services have been identified as a potential engagement route. This approach has been used in the UK as a means of providing energy efficiency measures. Testing the concept in the coastal areas of Bridgend has been suggested (e.g. Porthcawl) due to the location of perceived technology early adopters, due to socio demographic factors.
<b>Activity Objectives</b>	<ul style="list-style-type: none"> <li>▪ Develop and test compelling customer propositions that are attractive to customers so they buy-in to the transition.</li> <li>▪ Develop new forms of service provision as different approaches will be needed for different areas and consumer segments.</li> <li>▪ Establish partners and test approaches through council services such as social care.</li> <li>▪ Consider targeting perceived early adopters in coastal areas.</li> <li>▪ Consider integration with fabric retrofit - creation of integrated service offer and new business models.</li> </ul>
<b>Supporting Evidence</b>	EnergyPath Networks selects heat pumps as the least cost transition option in over 70% of homes in analysis area 12, comprising Porthcawl and surrounding areas. However, the technology type is not critical; the main challenge is to offer consumers a compelling electric heat product to switch to in the first place. The figure below highlights potential focus areas to test propositions based on areas with a high level of over 65s who may be utilising council services such as social care.

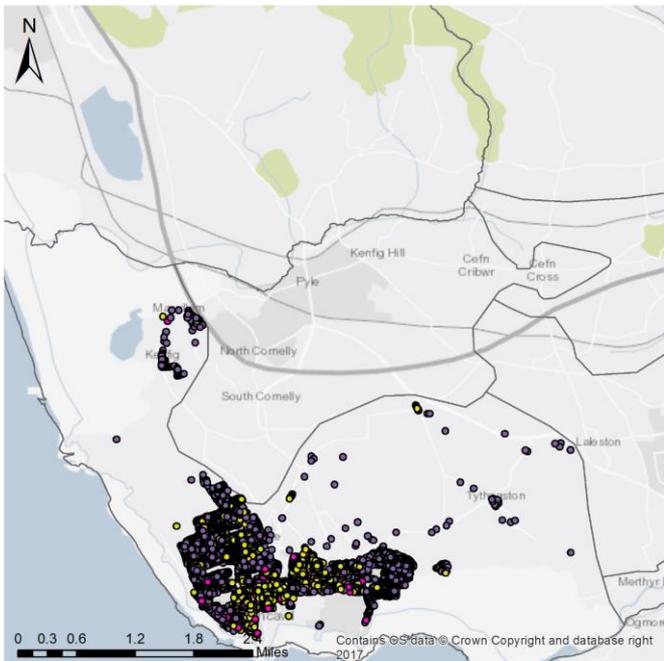
**Activity No. 5 - EnergyPath Networks Supporting maps/data**

The figure below highlights the areas surrounding Porthcawl with the greatest proportion of over 65s.

**Map of Proportion of Over 65s by LSOA in Cluster 12**



**With Green Gas (Analysis Area 12)**



**Heat Systems**

- ASHP
- GSHP
- Hybrids

The figure opposite highlights the dwellings in the vicinity where electric heat pump based systems are selected as the least cost decarbonisation option for a representative scenario. This shows clusters of Air and Ground Source Heat Pumps, generally selected due to the type of dwelling.

The figure illustrates the modelled least cost option for the northern parts of Nottage which could be an area to consider for this activity due to the high proportion of over 65s.

## Other Activity

**Table 5-2 Other Activity Identified During the Project**

Context	Description
<b>A detailed and robust data set for of non-domestic buildings is required to update the whole system analysis, assess impact on this Strategy and evolve where relevant.</b>	Develop understanding of: <ol style="list-style-type: none"> <li>1) Actual sector classification and use of buildings</li> <li>2) The construction method and thermal performance of buildings.</li> <li>3) Heating Ventilation &amp; Air Conditioning system in use</li> <li>4) Current energy use</li> <li>5) Breakdown of energy end uses</li> </ol>
<b>If district heating is going to be used at scale, suitable sources of low and zero carbon heat will be needed to decarbonise the heat supplied to heat networks.</b>	A research activity could be progressed to gain a better understanding of the locations, magnitude and feasibility of potential low and zero carbon heat sources that can be used or upgraded. For example, identifying sources and feasibility of ground, water, mine water and industrial waste heat.
<b>EnergyPath Networks consistently identifies heat pumps as the least cost heating system across a wide range of building types including terraced homes and converted flats.</b>	Current planning policy may make installation problematic. Particularly in dwellings where planning guidance restricts the positioning/location of heat pumps in proximity to the dwelling. Consideration of relevant planning policy is recommended.

## 5.5 Implementation Roadmap

Successful delivery of the energy system transition will rely on effective evidence-based planning, proactive stakeholder engagement and a programme of activities to implement this Strategy. An indicative high level ‘road map’ has been developed to illustrate this Strategy’s implementation and ongoing delivery. This shows:

- The near-term delivery plan to take forward between 2018 to 2022.
- Development of future delivery plans (approximately every 5 years).
- Use of whole system analysis to support the identification of activity.

Leading to certainty around making major area based decisions.

**The Implementation Roadmap highlights that the Strategy’s aim is to focus resource and to plan for the medium to long-term, when the major decisions regarding energy network and technology choices must be made.**

The roadmap illustrates that the main transition to low carbon building heating systems is expected to take place around 2030 onwards, by which time some network based decisions and deployments may have occurred. Timescales and focus will change, keeping pace with an evolving energy sector.

The near-term delivery plan (for the period 2018 to 2022) provides a guide to take forward the Strategy over the next 5 years. The period post 2023 (to 2032) continues with the ongoing identification of focusing resource, recognising that options will need to be assessed to determine the lowest cost transition, identifying what energy network and system choices are recommended by area; whilst considering conclusions from the projects tested during the near-term plans. The future delivery plans will need to be developed over the Strategy's lifetime, as further priority projects / activities are identified.

### **This ongoing process should prioritise activity that both benefits the local area and progresses the vision of Bridgend's future energy network and system.**

#### **Near-term Implementation Period (2018 to 2022) Key Points**

- This illustrates progressing the near-term delivery plan activity over the next 5 years.
- This contains the five activities discussed in Section 5.4 to take forward, informed by the whole system analysis. One of the core objectives of these activities is to inform the ongoing development of the Strategy.
- Innovation activities are expected to be progressed through multiple projects, recognising that there is significant uncertainty to overcome before major network and system choice decisions can be made. Some of these themes may move onto deployment projects in the medium to long term.
- The council will need to review the activities and develop compelling projects to take forward. This process will be supported by SSH Phase 2<sup>48</sup> and the appointment of a SSH Phase 2 Local Development Officer.

#### **Period Post 2023 Key Points**

- There is a requirement for ongoing development & demonstration, data gathering & systems analysis and research activities before this Strategy can prioritise and plan on the use of the specific energy networks and systems that are proposed by area. The actual activities will need to be determined.
- A continuous process of evaluation is needed as this Strategy will need to be regularly updated.
- Future deployment activity, such as the widescale use of low/zero carbon district heating and electric heating systems to domestic homes, can be progressed where these are proven to be the correct solution. These significant transitions (where a new system takes over from Business-as-Usual) are expected to be market-led, in parallel with other large-scale transitions<sup>49</sup>.
- It is assumed that most of the major energy system change will occur in the later stages of this Strategy (post 2030). **This provides Bridgend with a window of opportunity to plan for the major change that will be needed, as the pathway to decarbonisation becomes clearer.**

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<sup>48</sup> The Energy Systems Catapult has been awarded a £9.8m grant from the Department of Business, Energy and Industrial Strategy (BEIS) to deliver Phase Two of the Smart Systems and Heat (SSH) project

<sup>49</sup> Such as the widespread adoption of electric vehicles (EV), the reinforcement of the electricity grid to support increased demand, the decarbonisation of the electricity grid from fossil fuel produced electricity to renewable and nuclear sources; and the potential repurposing of the gas grid to a low carbon form of gas (such as hydrogen or Bio-SNG).

**Bridgend's Local Area Energy Strategy Roadmap - Present Day to 2032**

**Prepare now by planning, testing and demonstrating ways to enable energy system change and carrying out low regret activities** **Major energy system change rolls out in the medium term and beyond**

Implement Near-term delivery plan	Future delivery plan 1	Future Delivery Plan 2	Future Delivery Plan 3
Better targeted retrofit	Ongoing Data Gathering & Systems Analysis activity - Refining the analysis to make better local decisions		
Developing and testing compelling customer propositions for hybrid heat pumps	Ongoing Deployment activity - Deploying low carbon solutions where there is the confidence that they are the right choices for the local area		
Overcoming barriers to moving homes from gas to district heating	Ongoing Development & Demonstration - Developing the maturity of low carbon options where there is little clarity on how to realise them at scale in the current consumer, commercial and policy/regulatory environment		
Reducing costs of heat networks in urban centres and overcoming barriers to connecting existing homes to heat networks	Ongoing Research activity - Assessing potential options that might be attractive in the long term if certain technical, commercial and /or policy barriers can be overcome		
Developing and testing compelling customer propositions for electric heating targeting able to pay/early adopters through council services	<p><b>Key</b></p> <p>Recommended key activities to progress over the next 5 years</p> <p>Other activity to progress over the next few years</p> <p>Further activity expected to be needed and delivered through future delivery plans until there is greater certainty to make network choices</p>		
Progress Other Activities discussed in Section 5.4			
Progress activities associated with the Ongoing Role of Local Area Energy Planning discussed in section 5.1			
2018 to 2022	2023 to 2027	2028 to 2032	2032 +

**Continuous evaluation of this Strategy. Assessing potential impacts. Maintaining or amending this Strategy as necessary. Working with key stakeholders to collaboratively plan future activities to help shape Bridgend's future energy system**

## 6 Conclusions

This Strategy has been developed to help Bridgend County Borough Council in collaboration with key stakeholder's plan for the transformation of Bridgend's local energy system and to benefit its people, communities and businesses.

### Benefits

Bridgend has been the first Welsh region pilot a new whole system approach to local area energy planning. During the development of this Strategy, the Welsh Government noted that the Bridgend County Borough, with its mix of urban, rural, valley and coastal areas, provides a representation of the whole of Wales. This provides the council with an exciting opportunity to pioneer its low carbon transition and to realise the benefits from innovation and green growth and solutions developed in the local area can be exported throughout Wales and the UK. This should lead to the council establishing new partnerships with the many organisations that will be needed to provide a new low carbon future.

The benefits and advantages of implementing this Strategy are summarised as:

**Jobs and economic growth** – Enabling and delivering the transition will create jobs and economic growth. An estimated 120 full-time jobs could be created in the time period 2035 – 2050 for just physically delivering the transition.

**Innovation and Collaboration** - Providing opportunities for the council and any partnering organisations to develop the systems, technologies, services, business models, governance and funding solutions that will be needed. This provides opportunities for further job creation through enabling the transition.

**Infrastructure Investment** - A clear strategy setting out Bridgend's approach to decarbonising the local area's energy system can provide confidence to investors to invest in the area.

**Energy Savings** - Progressing the transition in line with the scenarios of Bridgend's Low Carbon Future discussed in this Strategy, could deliver net positive energy savings of c. 25TWh/year compared to the business-as-usual reference case.

**Carbon Savings** – providing emissions savings of c. 10.5 million tonnes of CO<sub>2</sub>.

**Empower Residents and Businesses** - Through providing guidance that can help individuals make informed decisions on the future energy systems and products they choose.

**Fuel poverty** - A new approach will create an opportunity to consider how a future energy system can lead to safeguarding the most vulnerable.

**Comfort and Health** – Changing the way energy is delivered to homes provides an opportunity to improve the comfort of Bridgend's homes. This could result in a wider benefit from better health of c. £5 million (through having warmer homes).

## Energy System Change

### The Challenge

- Wales and the UK have committed to reducing greenhouse gas emissions by 80% by 2050 (against 1990 levels). This is a significant opportunity to fundamentally change the way energy is provided which is likely to be highly disruptive to the entire energy industry, and will require all major stakeholders to adapt from a business-as-usual position. The transition will directly impact the energy networks which will need to be adapted by reducing capacity in some places and increasing it in others.
- The lifespan of domestic heating systems, which predominantly use natural gas fired boilers, means that most homes in the borough are unlikely to have their boilers replaced more than twice between now and 2050. Natural gas boilers are expected to remain the predominant form of heating for many homes in the borough throughout the 2020s. This results in a window of opportunity, over at least the next 10 years or so, to effectively plan for major network infrastructure choices and to develop, test and demonstrate integrated low carbon solutions for wide-scale adoption.
- There are only a limited number of technology-based options currently available to decarbonise heat and there isn't a 'one size fits all' solution. A whole system analysis has identified that the electrification of heat and the use of heat networks are the predominant, currently available, technology choices to decarbonise Bridgend's buildings. However, significant work is required demonstrate that these solutions can be turned into attractive consumer propositions which can be delivered commercially at scale. In addition, some areas are more expensive to decarbonise than others and consideration will be needed to address this challenge. Other emerging solutions, for example the use of hydrogen, may also need to be considered for future iterations of this Strategy.

### What Needs to Happen?

- This Strategy has provided various examples, highlighting that a successful low carbon transition is dependent on the ability to consider and manage multiple interdependencies including: consumer, commercial, technology and engineering based challenges; national and local influences; policy & regulation; economics and social impacts and benefits.
- Co-ordinated planning and action to decarbonise the national electricity supply is needed which falls outside of the council's control and influence. However, as this Strategy is taken forward, there will be opportunities for the local area and Welsh Government to consider how local changes and energy generation can reduce reliance on centralised power generation.
- Business-as-Usual without any local carbon target will not drive the change needed to buildings and local energy infrastructure. An ongoing whole system approach is needed to determine what future energy systems are used, requiring collaboration between the various responsible stakeholders who own, manage and regulate the borough's energy infrastructure. For example, if the electrification of heat is proven as a significant decarbonisation component, then coordination is required to determine if, and how, the additional electricity can be generated and distributed. Depending on building level choices, coordination will be required between decarbonising the electricity supply, building upgraded networks, changing the appliances at the customer premises and, potentially, implementing new digital solutions for matching supply-demand.

- Energy system change in Bridgend County Borough will also depend on the support and engagement of its local people and communities. Over 85% of homes in the borough are owner-occupied or privately rented properties. This means that new low carbon technologies and services that consumers want will be needed, providing significant opportunities for the council to work with organisations who can step up to the challenge.
- Greater clarity is needed on the potential role of hybrid heating solutions and low carbon gas (e.g. hydrogen), along with the development of heat networks and heat pumps so that they are market ready, before network decisions can be made.

## Cost

- The total modelled cost of the borough's energy system from present day to 2050 under Business-as-Usual is estimated at £6.6 billion. The additional modelled cost of transition to a low carbon energy system (based on reducing in scope carbon emissions by 95% from 1990 levels) is estimated to be between £0.7 billion and £0.8 billion<sup>50</sup>. This increase in cost highlights the need for society to think about how the cost of decarbonisation is managed.
- There are many factors that are outside of the council's control that can impact on costs and hence local energy system and network choices. For example, changes to national energy policy can influence the most cost effective local solution. Hence why this Strategy recommends monitoring and reviewing major change.
- This increased cost is offset by a direct benefit of c. £414 million from a reduction of c.10.5 million tonnes of CO<sub>2</sub> emissions saved when a value is placed on CO<sub>2</sub>, plus a wider benefit from better health of c. £5 million. The supporting Socio-economic and Policy Evaluation report discusses these points and the value of carbon further, along with identifying potential related policy initiatives which could help overcome some of the barriers to decarbonisation.
- These figures are based on a modelled, low carbon future, where the modelled scenarios assume a perfectly managed low carbon transition. However, the actual transition will be different to a modelled view of the world. In addition, changes intended to save cost in one part of the energy system typically transfers the cost to another part of the system. These factors highlight the importance of adopting a whole system perspective to plan and manage the cost of decarbonisation.
- A key focus of this Strategy is based on benefiting economically from the innovation and collaboration needed to enable the transition. Between 2000 and 2008, innovation accounted for 51% of UK productivity growth<sup>51</sup>, and Innovate UK's schemes (for example) return an average of £6 Gross Value Added to the economy for every £1 invested. The Governments Clean Growth Strategy highlights that more than 430,000 UK jobs in low carbon businesses and their supply chains have already been created and "the UK low carbon economy could grow by an estimated 11 per cent per year between 2015 and 2030 – four times faster than the rest of the economy –and could deliver between £60 billion and £170 billion of export sales of goods and services by 2030"<sup>52</sup>

<sup>50</sup> These costs reflect all energy related costs within Bridgend (e.g. energy system and network related), as well all the energy consumed in Bridgend. Within the current energy system, a large proportion of energy costs are recuperated via consumers energy bills.

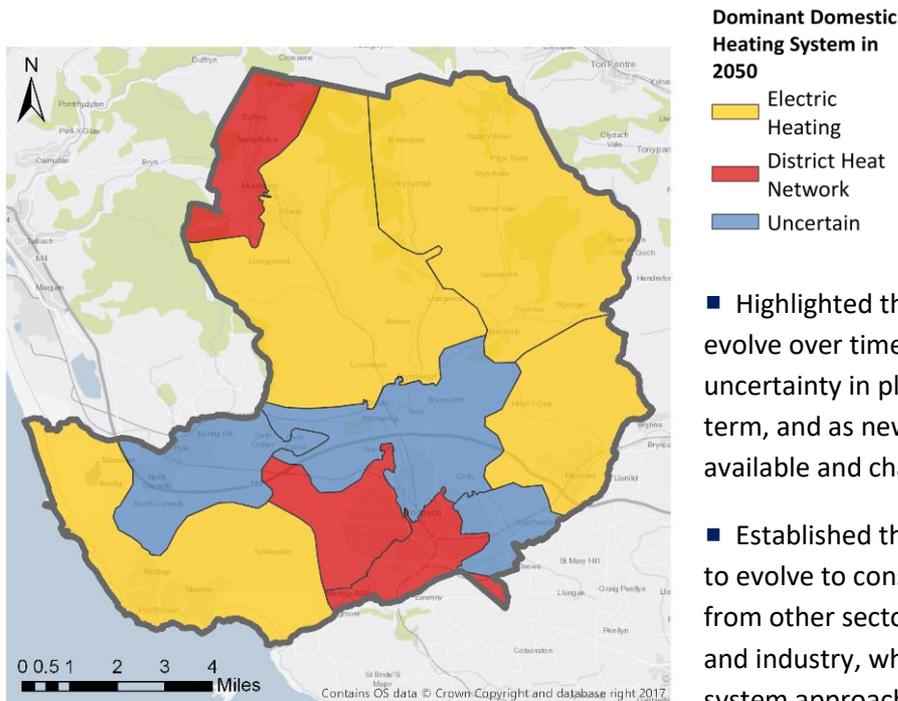
<sup>51</sup> Royal Academy of Engineering Report, 2015

<sup>52</sup> <https://www.gov.uk/government/publications/clean-growth-strategy>

## Bridgend's Future Energy System

Good progress has been made in beginning to address the challenge of climate change. Examples include the Council's key involvement in the SSH programme, activity in developing heat networks in Caerau and Bridgend Town Centre, and Bridgend's success in attracting an industry first project, the Freedom project, led by Western Power Distribution Wales & West Utilities. Moving forward, this Strategy provides a vision to transition the borough from the current national centralised energy system to a future low carbon decentralised energy system that works for its people, communities and businesses. This will help enable new investment, economic growth and employment opportunities for the region. The Strategy:

- Provides an evidence base and roadmap, to help prioritise and plan energy networks and systems for specific areas of the borough, to enable decarbonisation. It has identified, through a whole system analysis, a range of potential future pathways for the transition of the borough's local energy system.
- Provided a summary of the most prevalent decarbonisation themes within the local area, shown in the map below, and provides a vision of the borough's future low carbon energy system based on present day assumptions.



- Highlighted that the actual pathway will evolve over time given the inherent uncertainty in planning for the longer term, and as new information becomes available and challenges are addressed.
- Established that this Strategy will need to evolve to consider carbon emissions from other sectors such as transportation and industry, where a whole energy system approach will be needed.
- Clarified that it is not possible to make major area based energy network choice decisions today. A key focus of the Strategy is to test and evaluate - through innovation, development and demonstration - if and how the identified decarbonisation of heat themes can be rolled out at scale, and provide evidence to reduce uncertainty and increase confidence for planners, investors and businesses.

## What Next?

Section 5 identified a series of activities associated with the ongoing role of Local Area Energy Planning for the Council and the Welsh Government to consider how to progress. These activities are initial recommendations to be taken forward over the next few years, and to be re-evaluated as part of a continuous evolving process of local area energy planning.

A Near-Term Delivery Plan is proposed which recommends the following key activities for the council to progress over the next five years. The activities focus on testing and progressing the recurring transition themes identified in the Strategy and its Evidence Base and will help target and prioritise effort and resources to enable Bridgend to realise its vision of a future low carbon decentralised energy system.

- Better targeted retrofit informed by whole system analysis and data to help prioritise what should be done, where and when.
- Developing and testing compelling customer propositions for hybrid heating solutions.
- Overcoming barriers to moving existing homes from gas to heat networks.
- Reducing costs of heat networks in urban centres and overcoming barriers to expansion and connecting existing homes.
- Developing and testing compelling customer propositions for electric heating targeting able to pay/early adopters through council services.

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12/02/2019	2.2	Additional copyright/footnote information added
01/02/2019	2.3	Updated to Bridgend County Borough Council branding

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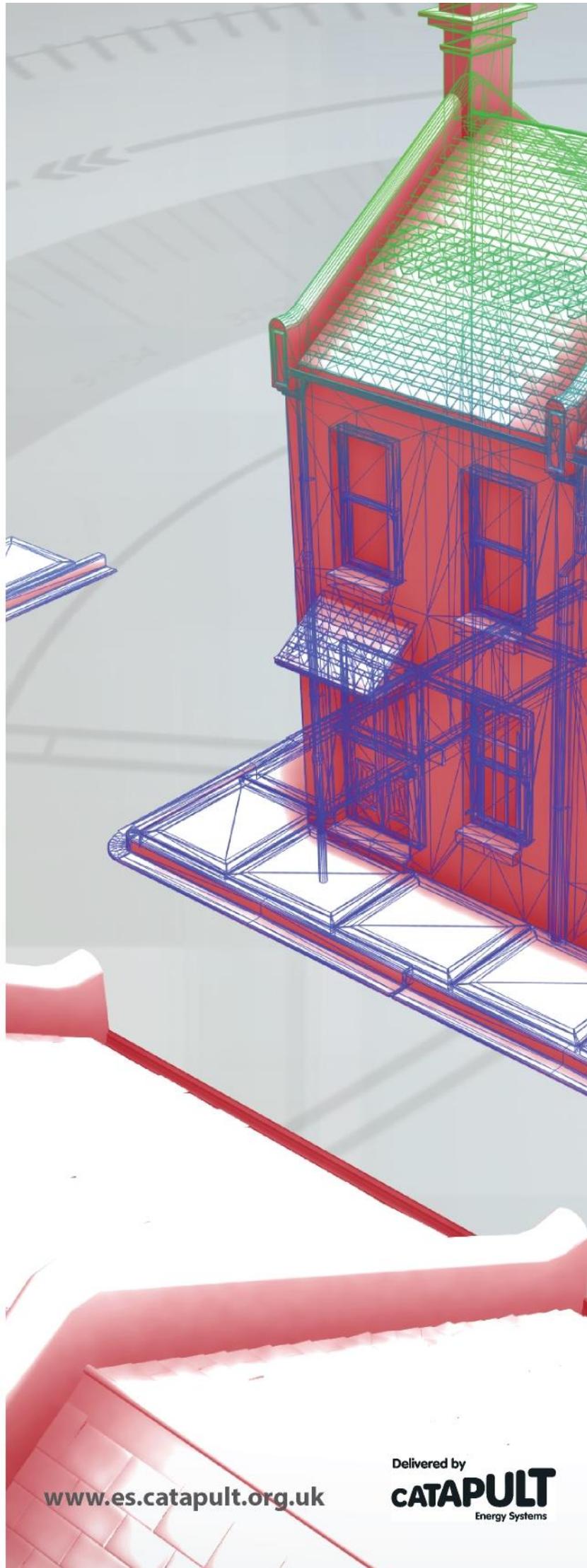
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## SSH Phase 2

# D37 / D38: Smart Energy Plan – Bridgend County Borough Council

Cyngor Bwrdeistref Sirol



Department for  
Business, Energy  
& Industrial Strategy

**CATAPULT**  
Energy Systems

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Description	Owner	Category*
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Local Area Energy Planning Bridgend County Borough Council Evidence Base 2018	ETI	Public
Energy Transition Plan: Policy and Commercial Insights for Energy System Transformation: Bridgend	ETI	Public
Well-being of Future Generations (Wales) Act 2015 The Essentials	Welsh Government	Public
Wales' Commitment to Tackling Climate Change	Welsh Government	Public
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Energy Generation in Wales	Welsh Government	Public
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## Contents

Abbreviations.....	1
1. Preface.....	2
2. Executive Summary.....	3
3. Introduction.....	7
3.1. BCBC’s Vision.....	7
3.2. UK Strategy.....	7
3.3. Welsh Strategy.....	8
3.4. The Smart Systems and Heat Programme.....	9
3.4.1. Work Undertaken to Date.....	10
3.4.2. The Local Area Energy Strategy.....	12
3.4.3. Smart Energy Plan.....	13
3.4.4. Bridgend’s Strategic Objectives.....	14
3.4.5. 2050 Decarbonisation Target.....	16
3.4.6. Stakeholders and Steering Group.....	17
4. Local Challenges and Opportunities.....	21
4.1. Political/Legal Factors.....	21
4.1.1. Well-Being and Sustainable Development.....	21
4.1.2. Planning.....	23
4.1.3. Carbon Targets and Decarbonisation of Heat.....	23
4.2. Environmental Factors.....	25
4.3. Social Factors.....	28
4.3.1. Health.....	28
4.3.2. Deprivation.....	29
4.3.3. House Ownership.....	30
4.3.4. Community Energy Engagement.....	32
4.4. Technical Factors.....	32
4.4.1. Gas Network Coverage.....	32
4.4.2. Electricity Network Constraints.....	34
4.4.3. Digitalisation.....	34
4.5. Economic Factors.....	35
4.5.1. Employment.....	35
4.5.2. Energy Support Programmes.....	37
5. Near-term Project Delivery Plan (up to 2025).....	40

5.1.	Deployment Projects – Project Summaries.....	42
5.1.1.	Deployment Project 1: Bridgend Town Lower Carbon District Heat Network	42
5.1.2.	Deployment Project 2: Bridgend Town Lower Carbon District Heat Network Phase 2	43
5.1.3.	Deployment Project 3: Energy Efficiency Projects .....	44
5.2.	Innovation Projects.....	45
5.2.1.	Innovation Project 1: Fully Targeted Retrofit.....	45
5.2.2.	Innovation Project 2: Hybrid Heat Pumps and Full Electrification.....	47
5.2.3.	Innovation Project 3: Caerau Mine Water Gas-to-District Heating Transition	49
5.2.4.	Innovation Project 4: Affordable Urban Heat Networks.....	51
5.2.5.	Innovation Project 5: Electrification of Heat through Energy as a Service .....	53
5.2.6.	Innovation Project 6: Intelligent Bridgend Energy Systems Design.....	55
5.2.7.	Innovation Project Relationship with SSH and the Local Context.....	56
5.3.	Other Near Term Deliver Non-Project Specific Activities .....	60
5.4.	Near-Term Decarbonisation Road Map.....	61
6.	Conclusions.....	64

## Abbreviations

Abbreviation	Definition
AI	Artificial Intelligence
BCBC	Bridgend County Borough Council
BEIS	Department of Business, Energy and Industrial Strategy
CHP	Combined Heat and Power
DBOM	Design, Build, Operation and Maintenance
DH	District Heating
DP	Deployment Project
EPN	EnergyPath Networks™
ESC	Energy Systems Catapult
ETI	Energy Technologies Institute
EU	European Union
HESG	Homes Energy Services Gateway
HN	Heat Network
HNDU	Heat Network Development Unit
HP	Heat Pump
InP	Innovation Project
LDP	Local Development Plan
RE	Renewable Energy
RSL	Registered Social Landlord
SA	Strategy Activity
SSH	Smart Systems and Heat programme
WG	Welsh Government
WPD	Western Power Distribution

## 1. Preface

This Smart Energy Plan has been produced as a deliverable of the Smart Systems and Heat Programme Phase 2.

The purpose of the plan is to describe a roadmap of projects and activities that will enable Bridgend County Borough to respond to the challenge of decarbonising heat within the wider energy system.

While this version of the plan is a deliverable of a wider programme of work it should be considered as a live document. The strategy, priorities, objectives, success criteria and project pipeline detailed within this document are driven by BCBC and set against the local context and vision. The intention is that the plan will be adopted by Bridgend County Borough Council and will be updated as further information is gathered; opportunities become available and project scopes are developed.

## 2. Executive Summary

Bridgend County Borough Council (BCBC) has a vision **to make Bridgend a decarbonised, digitally connected smart County Borough**. In doing so it will transition to a low carbon, decentralised energy system that works for its individuals, communities and businesses<sup>1</sup>.

Energy Systems Catapult (ESC) has previously worked with BCBC, Welsh Government (WG) and other stakeholders to undertake Local Area Energy Planning in Bridgend<sup>1</sup>. The Strategy has provided insight into the potential pathways for securely and affordably achieving a targeted 95% reduction in emissions (from a 1990 baseline) from Bridgend County Borough's buildings by 2050. This Smart Energy Plan, the "Plan", formally maps out the near-term delivery of the first phase of the Strategy (up to 2025). The Plan is aligned to the Welsh Government's carbon budget periods<sup>2</sup> and identifies the projects and activities to be delivered within the Plan period. Many of the projects and activities are at the early stages of development. As such the Plan should be considered as a live document and updated as further information is gathered or opportunities become available.

In achieving its vision of a decarbonised, digitally connected smart county borough, BCBC aims to:

- **decarbonise the energy sector,**
- **stimulate economic growth,**
- **provide new job opportunities, and**
- **attract new and existing businesses to trial initiatives and grow within the county borough.**

In deploying this Smart Energy Plan, BCBC will put consumers at the heart of their activities to ensure that their needs and well-being are safeguarded throughout the smart energy transition.

The Bridgend local area energy planning, Strategy and Smart Energy Plan development have been delivered under the Smart Systems and Heat programme (SSH). SSH is a collaborative project exploring how to accelerate to market innovations that decarbonise domestic heating. Whilst SSH is focused on decarbonising domestic heating BCBC are committed to decarbonising and developing localised solutions for heat, power and transport (across both domestic and non-domestic sectors). As such, BCBC would like to lead, encourage and facilitate complementary projects focused on decarbonisation of power and transport, alongside heating projects within Bridgend.

Through delivery of the projects and activities, BCBC aims to achieve the following strategic objectives:

- **to be a test bed for new energy system ideas and concepts; providing real-life case studies,**
- **to lead the decarbonisation agenda; by introducing new products and concepts to consumers,**

---

<sup>1</sup> ETI (2018) *Bridgend Local Area Energy Strategy*

<sup>2</sup> UK CCC (2018) *Reducing UK emissions - 2018 Progress Report to Parliament*. Available at: <https://www.theccc.org.uk/wp-content/uploads/2018/06/CCC-2018-Progress-Report-to-Parliament.pdf> (Accessed: 26 October 2018)

- **to attract new and existing energy and digitalisation businesses to trial ideas and grow within the county,**
- **to stimulate the local economy and develop employment opportunities through innovation and deployment of low carbon energy projects,**
- **to develop a joined-up approach to the energy transition engaging local academia, communities and businesses.**

Bridgend has already hosted the delivery of some innovative energy projects:

- **The Living Lab:** Energy Systems Catapult has installed a Home Energy Services Gateway in 30 residential properties in Bridgend to monitor energy usage within the home and conduct trials of innovative service offerings, within a real-world environment.
- **FREEDOM:** Wales and West Utilities, Western Power Distribution and PassivSystems delivered the FREEDOM (Flexible Residential Energy Efficiency Demand Optimisation and Management) project in Bridgend, which looked “...to better understand if hybrid heating systems are technically capable, affordable and attractive to customers as a way of heating homes.”<sup>3</sup>. Reports relating to the FREEDOM project are available on Western Power Distribution’s website: <https://www.westernpower.co.uk/documents>.
- **Local Area Energy Planning:** Energy Systems Catapult have used their EnergyPath Networks™ (EPN) tool to undertake whole systems Local Area Energy Planning of Bridgend County Borough. The outputs of this work have been used to inform a Local Area Energy Strategy<sup>4</sup> to decarbonise emissions from buildings within the county borough by 95% (from a 1990 baseline) by 2050.

Table 1.1 summarises the near-term project/activities planned, and the proposed project locations are provided in figure 1.1.

---

<sup>3</sup> Western Power Distribution (no date) *FREEDOM*. Available at: <https://www.westernpower.co.uk/projects/freedom> (Accessed 10 October 2018)

<sup>4</sup> ETI (2018) *Bridgend Local Area Energy Strategy*

Table 1.1: Near-Term Project/Activity Timescales

2018	2019: <i>FIT scheme closes - UK leaves EU</i>	2020: <i>WG carbon target/budget end - Smart meters rolled-out - WG elections</i>	2021: <i>RHI planned closure - Current Arbed end date - Local elections</i>	2022 <i>UK elections - Current WG RE Support Service end date</i>	2023 <i>ERDF funding ends</i>	2024	2025: <i>WG elections (if not earlier) - WG carbon budget (2021-25)</i>
<b>DP1 Bridgend Town Lower Carbon District Heat (DH) Network Phase 1:</b> 1 <sup>st</sup> step to decarbonising Bridgend town.							
<b>DP2 Bridgend Town Lower Carbon DH Network Phase 2:</b> Build on DP1 business case and extend heat network.							
<b>DP3 Energy Efficiency Projects:</b> Tackle fuel poverty by installing energy efficiency measures in areas in need.							
<b>InP1 Fully Targeted Retrofit:</b> Understand the benefits of dynamic modelling and performance monitoring and how these can help develop more compelling retrofit offerings for consumers.							
<b>InP2 Hybrid Heat Pumps and Full Electrification:</b> Build on the success of the FREEDOM project and further explore the role of hybrid heat pumps in the overall decarbonisation of the Bridgend energy system.							
<b>InP3 Caerau Mine Water Gas-to-District Heating Transition:</b> Deliver a demonstrable example of a low carbon DH system which transitions existing residential consumers from gas heating to DH.							
<b>InP4 Affordable Urban Heat Networks (HNs):</b> Establish solutions for reduced HN costs & improved efficiencies.							
<b>InP5 Electrification of Heat through Energy as a Service:</b> Deliver energy as a service to heating consumers via different electrified heating technology packages and gain insights to assist further roll-out if successful.							
<b>InP6: Intelligent Bridgend Energy System Design:</b> Explore the benefits that arise from integration of heat, electricity & transport systems							
						<b>Activity A Non-Domestic Building Data:</b> Gather data on Bridgend's non-domestic buildings and update the Strategy.	
<b>Activity B Low &amp; Zero Carbon DH Energy Sources:</b> Identify and investigate potential lower and zero carbon heat sources for DH networks to feed-in to future projects.							
<b>Activity C Planning Policy Alignment with Decarbonisation Strategy:</b> Ensure the new LDP accounts for the Local Area Energy Strategy.							
<b>Activity D Establishing Bridgend as a Centre for Innovation:</b> Effectively market Bridgend as an area to trial innovation projects and stimulate economic growth.							
<b>Activity E Identify Power, Transport and Digitalisation Projects:</b> Develop complementary electricity, transport and digital infrastructure projects alongside the heating projects to ensure that decarbonisation takes place in a joined-up manner.							
				<b>Activity F Scoping Future Delivery Plans:</b> Ensure continual learning to achieve large-scale deployment initiatives.			

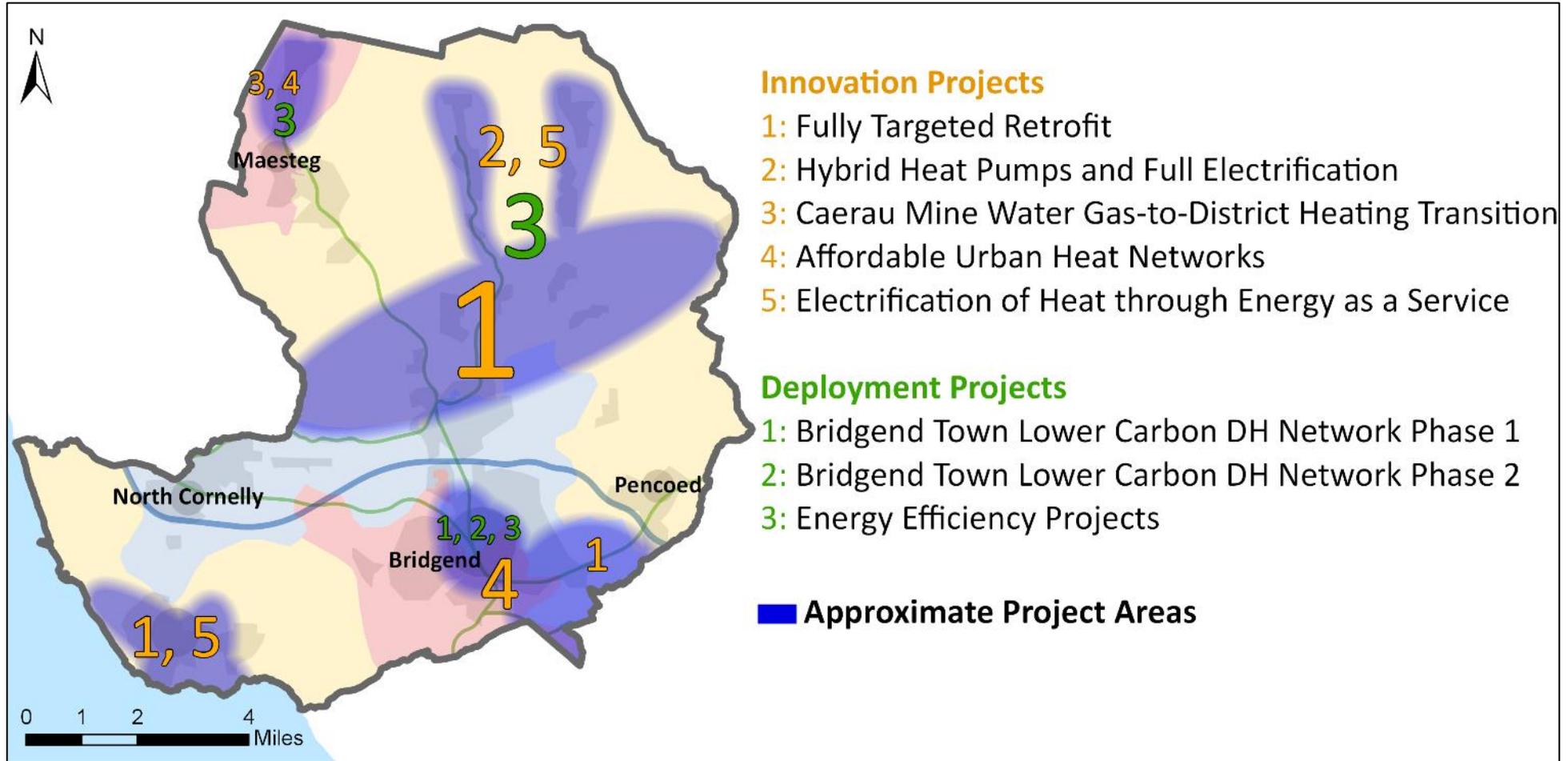


Figure 1.1. Target Project Locations

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### 3. Introduction

BCBC have developed this Smart Energy Plan with support from Energy Systems Catapult (ESC), Welsh Government (WG), the Energy Technologies Institute (ETI) and other stakeholders. It builds on the strategic activities identified in the Local Area Energy Strategy, “the Strategy”<sup>5</sup> and the project details and recommendations provided in the Draft Smart Energy Plan<sup>6</sup>. It focuses on a pipeline of innovation projects that has been established through the work undertaken under the Smart Systems and Heat Phase 2 programme. The strategy, priorities, objectives, success criteria and project pipeline detailed within this document are driven by BCBC and set against the local context and vision. Learning from the innovation projects will be collected and used alongside learning from projects undertaken elsewhere to revisit and update the preferred pathways to decarbonisation for Bridgend and the UK. The projects and activities described in this document will not be driven and delivered by BCBC alone. BCBC will seek to establish the county as a “Centre for Innovation”, creating an attractive and supportive environment, in which BCBC will act as an enabler for innovators to introduce and deliver decarbonisation projects, products and concepts to local consumers.

#### 3.1. BCBC’s Vision

BCBC has a vision **to make Bridgend a decarbonised, digitally connected smart County Borough**. In doing so it will transition from the current national, centralised energy system to a future low carbon, decentralised energy system that works for its individuals, communities and businesses<sup>5</sup>.

In achieving this vision, it aims to not only decarbonise the energy sector, but stimulate economic growth; providing new job opportunities to residents and attracting new and existing businesses to trial initiatives and grow within the county borough. This aim aligns with the vision outlined in BCBC’s Regeneration Strategy (2008-2021), that; *“By 2021, Bridgend County Borough will be recognised as a self-contained, productive sub-regional economy with a skilled and utilised workforce in a place where people and businesses want to be”*<sup>7</sup>.

#### 3.2. UK Strategy

The UK’s Industrial Strategy<sup>8</sup> aims to increase productivity and UK income generation by focusing on four grand challenges:

- Artificial Intelligence (AI) and the Data Economy
- The Future of Mobility
- Clean Growth, and
- Meeting the needs of the Ageing Society

---

<sup>5</sup> ETI (2018) *Bridgend Local Area Energy Strategy*

<sup>6</sup> Energy Systems Catapult (2017) *Developing a Smart Energy Project Plan for Bridgend County Borough Council*

<sup>7</sup> BCBC (2008) *Fit for the Future Bridgend County Borough’s Regeneration Strategy*. Available at:

<https://www.bridgend.gov.uk/media/1129/fit-for-the-future-bridgend-regeneration-strategy-2008-2021.pdf> (Accessed: 15 October 2018)

<sup>8</sup> BEIS (2017) *Industrial Strategy*. Available at:

[https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment\\_data/file/664563/industrial-strategy-white-paper-web-ready-version.pdf](https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/664563/industrial-strategy-white-paper-web-ready-version.pdf) (Accessed: 30 July 2018)

Clean growth refers to “growing our national income while cutting greenhouse gas emissions”<sup>9</sup> this will be achieved through development of and a transition to low carbon technologies and more efficient resource use, which is highlighted as “one of the greatest industrial opportunities of our time”<sup>10</sup>. As a way of advancing the clean growth challenge, the Industrial Strategy strongly endorses the idea of taking a whole-systems approach to the decarbonisation of energy<sup>10</sup>, a concept which has been central to the local area energy planning undertaken to inform Bridgend’s Local Area Energy Strategy<sup>11</sup>. Since 1990 the UK economy has grown by two-thirds alongside a 42% reduction in carbon emissions<sup>9</sup> – potentially showing that the two challenges can be met concurrently.

The UK government’s objectives through the Clean Growth Strategy<sup>9</sup> are:

1. “To meet our domestic commitments at the lowest possible net cost to UK taxpayers, consumers and businesses; and,
2. To maximise the social and economic benefits for the UK from this transition.”<sup>9</sup>

These objectives mirror BCBC’s own objectives for delivery of their local decarbonisation agenda. To meet these objectives innovation is required to develop improved products, processes and services which will cause costs associated with clean technologies to reduce<sup>9</sup>. Whilst Climate Change is a global issue requiring global action, the Clean Growth Strategy acknowledges that “Local areas are best placed to drive emission reductions through their unique position of managing policy on land, buildings, water, waste and transport”<sup>9</sup>. This context reinforces the need for BCBC to have a decarbonisation strategy implemented through a series of delivery plans.

### 3.3. Welsh Strategy

Under the Environment (Wales) Act Welsh Ministers are required to ensure that net emissions in Wales are at least 80% lower than the baseline set in legislation<sup>12</sup>. In 2018, Welsh Government undertook a consultation to gain views on how Wales could reduce greenhouse gas emissions by 45% between 2018 and 2030<sup>13</sup>. The consultation document identifies a large range of actions that could assist with meeting this target<sup>13</sup>. The document identifies the importance of innovation to achieve the emissions targets, and identifies the following specific opportunities:

- “Buildings: new products and delivery models for low-carbon new-builds and retrofitting
- Industry: new technologies and processes, including Carbon Capture Use and Storage (CCUS)
- Power: new holistic solutions to reduce energy consumption at source, generate renewable energy and optimise its distribution
- Resource management: new processes to optimise the sustainable use of resources and assist our transition to a Circular Economy”<sup>13</sup>

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<sup>9</sup> BEIS (2017) *Clean Growth Strategy*. Available at:

[https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment\\_data/file/700496/clean-growth-strategy-correction-april-2018.pdf](https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/700496/clean-growth-strategy-correction-april-2018.pdf) (Accessed 10 October 2018)

<sup>10</sup> BEIS (2017) *Industrial Strategy*. Available at:

[https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment\\_data/file/664563/industrial-strategy-white-paper-web-ready-version.pdf](https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/664563/industrial-strategy-white-paper-web-ready-version.pdf) (Accessed: 30 July 2018)

<sup>11</sup> ETI (2018) *Bridgend Local Area Energy Strategy*

<sup>12</sup> Welsh Government (2018) *Decarbonisation programme*. Available at:

<https://gov.wales/topics/environmentcountryside/climatechange/emissions/?lang=en> (Accessed: 29 October 2018)

<sup>13</sup> Welsh Government (2018) *Welsh Government Consultation Document Achieving our low-carbon pathway to 2030*. Available at:

<https://beta.gov.wales/sites/default/files/consultations/2018-08/low-carbon-pathway-to-2030-consultation.pdf> (Accessed: 29 October 2018)

Recent target announcements from Welsh Government<sup>14</sup> have put an emphasis on local energy generation and ownership, with:

- 70% of Welsh electricity consumption to be generated from renewable energy by 2030.
- 1 GW of Welsh renewable electricity capacity to be locally owned by 2030.
- Renewable energy projects to include an element of local ownership by 2020.

This prioritisation of local ownership, was driven by the view that it would give rise to more local benefits, including social benefits and financial benefits, e.g. through job creation<sup>14</sup>. This viewpoint echoes BCBC's view that engaging with the decarbonisation agenda can stimulate economic benefits within the local area if it is executed to do so.

### **3.4. The Smart Systems and Heat Programme**

Heating accounts for almost one third of total UK carbon emissions. To achieve the 2050 target of an 80% reduction in carbon emissions, the UK must decarbonise the domestic heating market at the rate of 20,000 homes a week by 2025 – the current rate is less than 20,000 homes a year.

The Smart Systems and Heat (SSH) programme is designed to help innovators address this market failure and unlock the commercial opportunity of low carbon heating, by:

- Addressing the technical, regulatory, economic and social barriers that block new low carbon heat products, services and business models getting to market,
- Establishing a range of platforms, insights and modelling tools to help innovators discover new low carbon heating solutions that consumers value,
- Bringing innovators, businesses, local authorities, networks, policy-makers, regulators and consumers together to create new markets that deliver low carbon heating solutions at scale.

#### **Smart Systems and Heat – Phase 1**

The Energy Technologies Institute (ETI) launched the SSH programme and funded Phase 1, which was delivered by the Energy Systems Catapult and its partners.

The Smart Systems and Heat Phase 1 programme has developed software tools to design location-specific smart energy systems. Phase 1 undertook consumer behaviour, technology development, business modelling and supply-chain activities to support the decarbonisation of domestic heat using services that meet consumer needs. Phase 1 worked with Local Authorities to create a small number of project opportunities and roadmaps to support decarbonisation of heat specific to those communities.

#### **Smart Systems and Heat – Phase 2**

The Smart Systems and Heat Phase 2 programme aims to establish an open shared 'ecosystem' that brings together a diverse range of organisations, including: energy providers, product companies, networks, policy-makers, regulators and consumers to interact both technically and commercially across physical energy systems, market systems and information systems – to accelerate the decarbonisation of the domestic heating market. Phase 2 is funded through a grant

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<sup>14</sup> Welsh Government (2018d) *Locally Owned Renewable Energy – A Call for Evidence*. Available at: <https://gov.wales/topics/environmentcountryside/energy/renewable/local-renewable-energy-generation/call-for-evidence/?lang=en> (Accessed: 30 July 2018)

agreement with the Department for Business, Energy and Industrial Strategy (BEIS) and builds on the concepts developed in Phase 1 (funded by the ETI).

The initial focus of the Local Area Energy Strategy, developed under the Smart Systems and Heat Phase 1 programme, is on decarbonising domestic heating which is a major contributor to Bridgend County Borough's carbon emissions<sup>15</sup>. Decarbonising heat is critical to achieve a low carbon energy system and is a local and national challenge yet to be addressed. The near complete decarbonisation of domestic heating and hot water is required and there isn't a "one size fits all" solution<sup>15</sup>. Individual homes in different locations have several possible low carbon heating options which need to be considered<sup>15</sup>, and decisions need to be made at a local level. As such it is an appropriate challenge for BCBC to focus on. BCBC are, however, committed to decarbonising and developing localised solutions for power and transport as well as heat (across both domestic and non-domestic sectors). As such, whilst the projects and activities outlined within this Plan are primarily focused on decarbonising heat, BCBC would also like to lead, encourage and facilitate complementary projects that address decarbonisation of power and transport within Bridgend.

### **3.4.1. Work Undertaken to Date**

Table 2.2 summarises the major activities undertaken with BCBC to date.

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<sup>15</sup> ETI (2018) *Bridgend Local Area Energy Strategy*

Table 2.2: Smart Systems and Heat Programme Progress Timeline

<b>Date:</b>	<b>2016</b>	<b>Jan 2016 – May 2017</b>	<b>December 2017</b>	<b>March 2018</b>
<b>Activity:</b>	<b>Bridgend Scope Priorities and Constraints:</b> set the Local Area Energy Planning project scope, stakeholder priorities/ expectations and criteria for decision making, consensus and acceptance.	<b>Local Area Energy System Modelling:</b> applied a whole system approach to investigate decarbonisation pathways in the local area, for a given set of constraints and understand cost-effective transition pathways initially focused on decarbonising heat. This identified potential scenarios including a business-as-usual, a world with green gas and a world without green gas in Bridgend.	<b>Developing a Smart Energy Project Plan for BCBC<sup>16</sup>:</b> a starting point of a process of engagement, consultation and collaboration to develop a ‘Smart Energy Project Plan’ to outline a pipeline of domestic heat decarbonisation projects.	<b>Policy and Commercial Insights for Energy System Transition<sup>17</sup>:</b> describes policy, economic and commercial perspective of the Local Area Energy Strategy. Quantifies the social benefits that will arise from the Strategy. Makes policy recommendations.
<b>Date:</b>	<b>May 2018</b>	<b>May 2018</b>	<b>Current</b>	<b>2017 – 2019</b>
<b>Activity:</b>	<b>Local Area Energy Planning Evidence Base<sup>18</sup>:</b> Provides the technical analysis and area specific evidence, summarising the whole systems optimisation analysis and supporting information which has been used to inform future network choices in the local area.	<b>Local Area Energy Strategy<sup>19</sup>:</b> provides a long-term framework (2020-2050) for reducing carbon emissions in Bridgend’s buildings by 95%, and identifies near-term strategic activities required to progress the Strategy.	<b>Smart Energy Plan (this document):</b> builds on the near-term delivery activities identified in the Local Area Energy Strategy and provides a near-term delivery plan (2018-2025).	<b>The “Living Lab” and Home Energy Services Gateway (HESG):</b> digital infrastructure installed in 30 homes in Bridgend (79 elsewhere) to monitor energy usage within the home and conduct trials of innovative service offerings, within a real-world environment.

<sup>16</sup> Energy Systems Catapult (2017) *Developing a Smart Energy Project Plan for Bridgend County Borough Council*

<sup>17</sup> ETI (2018) *Bridgend Energy Transition Plan: Policy & Commercial Insights*

<sup>18</sup> ETI (2018) *Local Area Energy Planning Bridgend County Borough Council Evidence Base*

<sup>19</sup> ETI (2018) *Bridgend Local Area Energy Strategy*

### 3.4.2. The Local Area Energy Strategy

Bridgend piloted a whole system approach to local area energy planning as part of SSH. This investigated cost-effective pathways for reducing carbon emissions from buildings by 95% by 2050 and the near-term activities and innovation opportunities needed to enable this. The assessment of many possible future local energy scenarios was used to identify areas within Bridgend considered at this stage more likely to be suitable for development of district heat, hybrid and electric-heating solutions in combination with different levels of targeted fabric retrofit, as shown in figure 2.1. District heating emerged as the most dominant heat type selected for the more densely populated areas of Bridgend. Where no prevalent form of future network option was identified the areas in figure 2.1 are marked as Electricity/District Heat Mix, these generally follow the route of the M4 and a combination of measures are likely to be required for decarbonisation<sup>20</sup>.

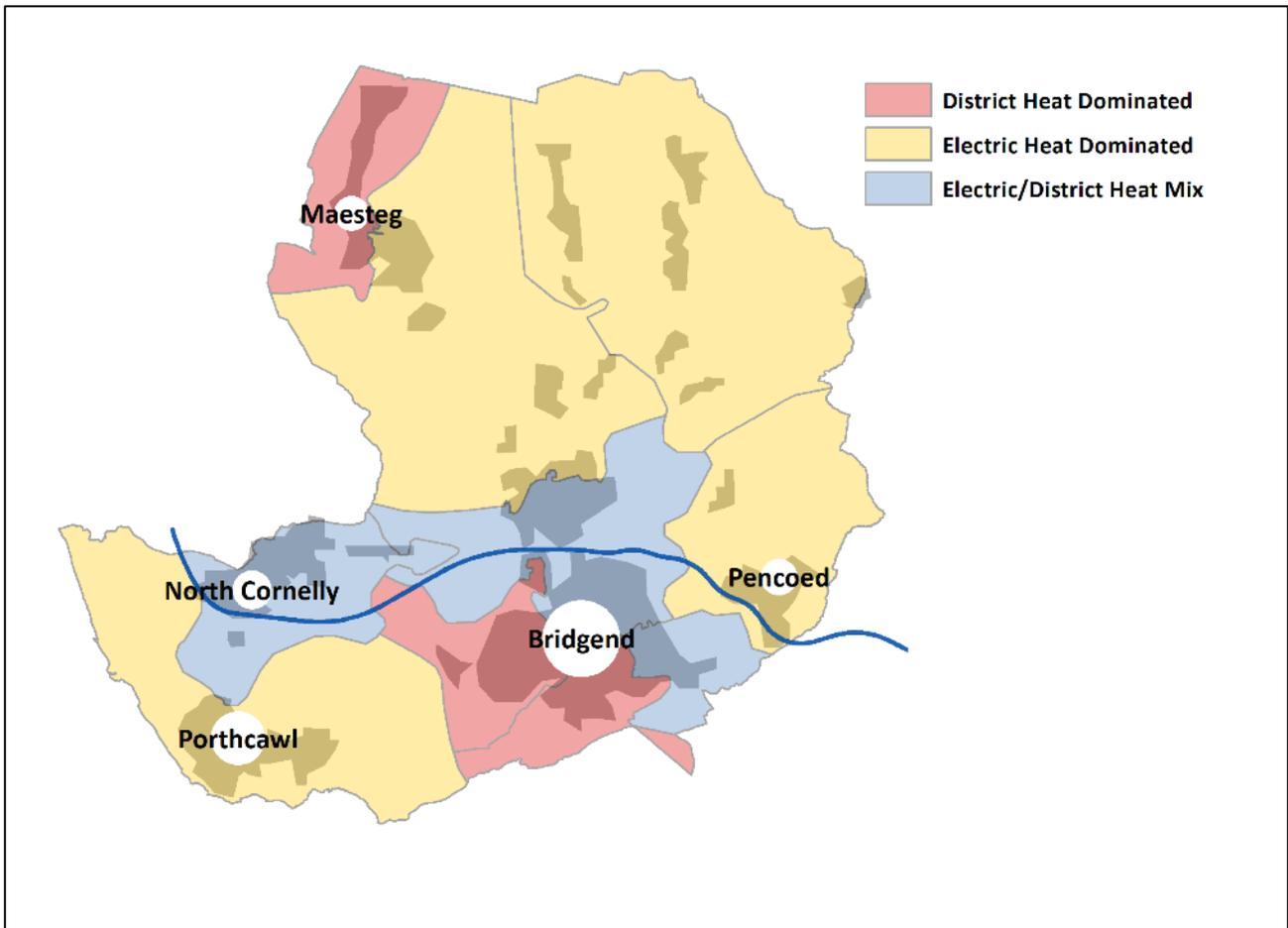


Figure 2.1: Dominant Heating Systems in 2050 by Area

(OS data © Crown copyright and database right 2018)

Whilst pre-dominant heating systems have been identified, the Strategy highlights that some uncertainties associated with these decarbonisation options remain, with innovation and market transformation required to overcome these. As such, the Strategy cautions that major decisions on energy network choices should not be made today but should be made following activities that

<sup>20</sup> ETI (2018) *Bridgend Local Area Energy Strategy*

“...test and evaluate - through innovation, development and demonstration - if and how the identified decarbonisation of heat themes can be rolled out at scale...”<sup>20</sup>. This period of testing, development and demonstration needs to take place in the near-term to ensure that sufficient evidence and insights are collected for long-term decisions to be made and overall decarbonisation targets to be achieved.

The Local Area Energy Strategy<sup>21</sup> identified five near-term delivery plan activities to enable Bridgend to start the process of testing through innovation:

- *Deployment of Better Targeted Retrofit;*
- *Developing and testing compelling customer propositions for hybrid heat pumps*
- *Overcoming barriers to moving homes from gas to district heating,*
- *Reducing costs of heat networks in urban centres and overcoming barriers to connecting existing homes to heat networks,*
- *Developing and testing compelling customer propositions for electric heating targeting potential early adopters through council services.*<sup>21</sup>

### 3.4.3. Smart Energy Plan

This Smart Energy Plan formally maps out the near-term plan (up to 2025) for delivery of the first phase of the Bridgend Local Area Energy Strategy. As mentioned previously, the initial focus of the Strategy is on decarbonising the domestic heating sector, due to the locally distinct nature of this challenge. BCBC are committed to decarbonising and developing solutions for heat, power and transport (across both domestic and non-domestic sectors) and will actively pursue partners and project opportunities to achieve this. The Plan’s primary focus is to identify opportunities for innovation projects to deliver on the Strategy’s recommended activities and address the following criteria outlined in the report *Developing a Smart Energy Project Plan for Bridgend County Borough Council*<sup>22</sup>:

- Develop projects that:
  - integrate and demonstrate options for decarbonisation of domestic heating or options for decarbonisation of domestic heating alongside other ‘connected home’ solutions,
  - address domestic heat decarbonisation and future local energy system needs and opportunities that may be relevant in other locations, providing potential for replication and scale-up,
  - experiment with new service offerings;
    - unlocking new consumer value sources and providing the evidence needed for roll-out of new market arrangements which support those offerings,
    - explore the potential impact of new consumer services on upstream parts of the value chain,
  - align to one or more of the five Future Actions that SSH aims to stimulate and support.<sup>22</sup>

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<sup>21</sup> ETI (2018) Bridgend Local Area Energy Strategy

<sup>22</sup> Energy Systems Catapult (2017) *Developing a Smart Energy Project Plan for Bridgend County Borough Council*

The Plan aims to establish:

- what BCBC and stakeholders intend to achieve by 2025 to progress towards their vision of a decarbonised and economically productive county borough,
- the challenges and opportunities facing the county borough, which need to be considered when developing and delivering projects,
- a road map detailing specific actions and steps required for delivery of a pipeline of individual, innovation and deployment projects,
- how actions planned in BCBC relate to Energy Systems Catapult's Smart System and Heat programme and how learning from project activities will be used to benefit the energy sector transition of the rest of the UK.

Delivery of the Plan will gather evidence, which will support:

- confident future decision-making regarding network choices and investment,
- de-risking the domestic decarbonisation delivery in Bridgend,
- overcoming barriers to decarbonisation of domestic heating,
- enabling opportunities for future decarbonisation delivery.

### **3.4.4. Bridgend's Strategic Objectives**

BCBC's Smart Energy Plan strategic objectives are:

- to be a test bed for new energy system ideas and concepts; providing real-life case studies,
- to lead the decarbonisation agenda; by introducing new products and concepts to consumers,
- to attract new and existing energy and digitalisation businesses to trial ideas and grow within the county,
- to stimulate the local economy and develop employment opportunities through innovation and deployment of low carbon energy projects,
- to develop a joined-up approach to the energy transition engaging local academia, communities and businesses.

Success criteria, factors, key performance indicators and targets for meeting the strategic objectives within the time frame of the Smart Energy Plan (up to 2025) are provided in table 2.3. These are initial targets which will be reviewed and amended as necessary based on development of specific project plans and BCBC priorities. In order to meet the targets set, BCBC will work with stakeholders and interested parties to enable project delivery. Whilst some projects will be directly driven by BCBC, BCBC's role in other projects will be as an enabler, supporting external organisations to develop, introduce and deliver decarbonisation initiatives to local consumers.

Table 2.3: Innovation Success Criteria, Factors and Measures (up to 2025)

Success Criteria	Success Factor	Key Performance Indicator	Targets
Bridgend considered a leader in taking up new decarbonisation market offerings.	A strong relationship between BCBC and companies introducing new products/consumer offerings, so that BCBC provide development and marketing support to encourage uptake of the offerings.	Number of innovation projects delivered within Bridgend.	<b>6 innovation projects</b> , described in section 4 of this document, successfully developed and delivered, with learning, evidence and insights captured and disseminated to the wider energy industry to assist in future project development and successful scale-up.
Bridgend established as a location for trialling new energy concepts.	Establishing Bridgend as a Centre for Innovation and participants successfully recruited to be part of innovation trials.	Number of properties involved in innovation projects.	<b>3000 buildings</b> actively participating in innovation or deployment projects, with learning gained from the projects informing larger-scale decarbonisation in future plan periods.
Organisations introducing ideas and concepts within the county borough.	Networking with industry leaders to communicate the benefits of trialling products in Bridgend; an area that hosts diverse geography and demographics, with a supportive local and devolved national government.	Number of different organisations engaged with.	<b>250 organisations</b> , actively engaged in discussions regarding this Smart Energy Plan (to 2025) and future energy plans. Engagement activities will be planned through a dissemination plan and actively pursued through the organisation of industry engagement events.
		Number of organisations BCBC has developed and delivered projects with.	<b>50 organisations</b> , directly involved in delivery of projects.
		Regular Smart Energy Plan steering group meetings (see section 2.4.6 for details of steering group).	Smart Energy Plan steering group (see section 2.4.6 for details of steering group) meetings held a minimum of <b>twice per year</b> to ensure that local stakeholders remain integral to project development and delivery.
A stimulated local economy.	Additional income in the local area, supporting local employment markets.	Level of project funding secured.	<b>£20M</b> invested into Bridgend's energy system to support the energy transition.
Learning benefits for BCBC.	Strategy review and future Smart Energy Plans informed by the results of Innovation Projects delivered through this Smart Energy Plan.	Strategy review and future project planning accounting for learning from delivered projects.	Prepare and publish a second Smart Energy Plan for 2025-2030, and review, and update if necessary, the Local Area Energy Strategy considering project findings.
Wider Welsh and UK energy industry	Successful dissemination of project results to the	Delivery of project reports and	Publish publicly available insights reports for each innovation project

aware of learning from projects.	wider industry.	dissemination events.	delivered through the Plan and participate in dissemination events.
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### 3.4.5. 2050 Decarbonisation Target

As per the Local Area Energy Strategy, BCBC are targeting **a 95% reduction (from a 1990 baseline) in emissions resulting from buildings in Bridgend County Borough by 2050**. The near-term delivery plan is focused on innovation activities which will provide learning to help support large-scale decarbonisation in the longer term. As such, a 2025 carbon abatement target is not included as part of the success criteria of this Plan. The purpose of the Plan is to create a route map for gathering evidence on how decarbonisation can be achieved. Therefore, it is considered of greater relevance to work towards a longer-term carbon reduction target (beyond the timescale covered by this Plan), which would be met by implementing the learning from the projects into a transition of business-as-usual activities.

The Local Area Energy Planning work considered different pathways for achieving the 95% reduction in emissions from buildings. Welsh Government is targeting an overall emissions reduction (from a 1990 baseline) of 80% by 2050. Targeting a greater reduction for buildings' emissions will allow for higher emissions from sectors which may be more difficult to decarbonise, e.g. agriculture. Figure 2.2 provides an illustrative carbon emissions reduction projection for achieving a 95% emissions reduction from Bridgend's buildings by 2050 (based on a 1990 baseline) generated through the future energy planning work undertaken by ESC. Numerous projection pathways are possible, but this particular illustration suggests that decarbonisation of buildings could start with decarbonisation of the national electricity mix, with in-home building emissions (largely a result of domestic heating) undergoing large-scale decarbonisation from approximately 2030 onwards. This progression pathway allows for a relatively small reduction in emissions from domestic buildings in the near term (~5% reduction in emissions between 2020 and 2030). Learning from innovation projects deployed within this time period would be integrated into large-scale deployment activities from 2030 onwards, when larger emissions reductions are projected (~80% reduction in emissions from domestic buildings between 2030 and 40).

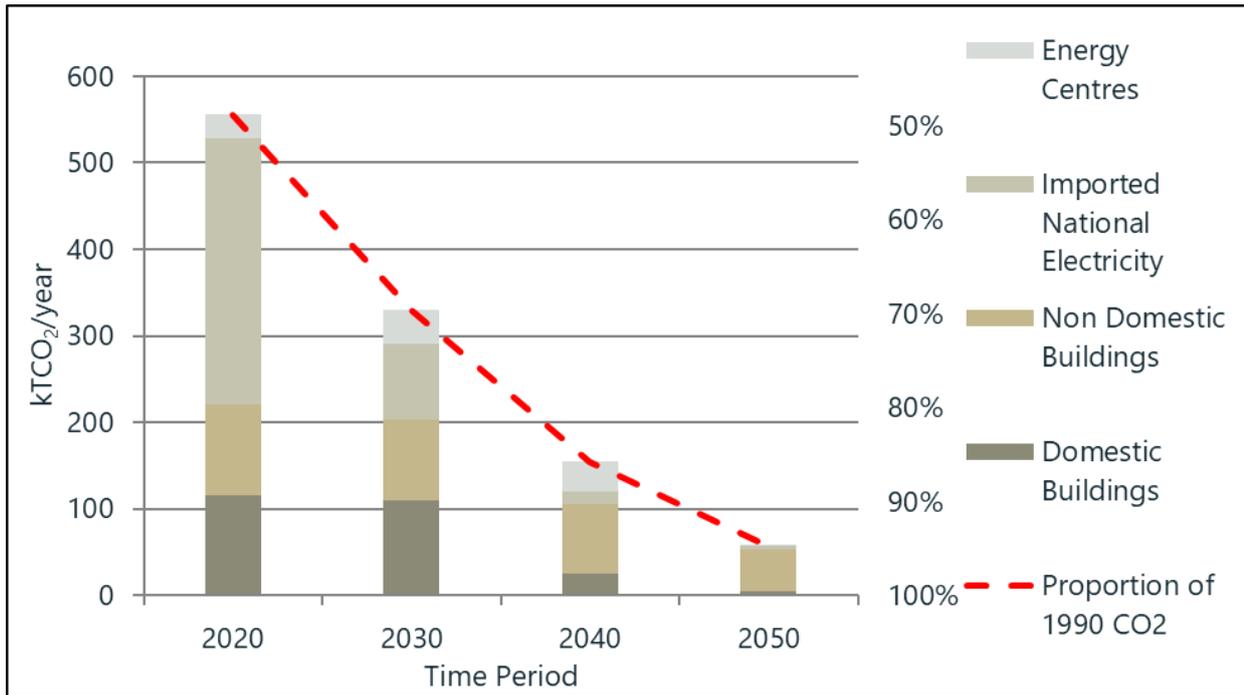


Figure 2.2: Illustrative Carbon Emissions Projection to Decarbonise Bridgend’s Buildings by 95% by 2050 (based on a 1990 baseline)

In addition to the emissions sources represented in figure 2.2, BCBC will need to deploy measures which reduce emissions from the transport sector, along a similar trajectory. Welsh Government have proposed that local authority planning departments will need to set local renewable energy deployment targets<sup>23</sup>. These targets are to be based on the perceived capacity of the local area rather than the area’s needs<sup>23</sup>. To inform these targets an up-to-date renewable energy assessment and energy opportunities plan will need to be established. BCBC’s Local Development Plan (LDP) is due to be updated with a new plan to be adopted in 2021<sup>24</sup>. An activity identified to be undertaken within this Plan is for the BCBC Sustainable Development Team to work with the Planning Team on the updated LDP and ensure that the insights provided by the Smart Energy Plan and Local Area Energy Strategy are considered.

### 3.4.6. Stakeholders and Steering Group

The development and delivery of the Smart Energy Plan has a wide range of stakeholders. A Smart Energy Plan steering group has been established to provide a forum for sharing ideas, collecting feedback and ensuring that local stakeholders are aware of BCBC’s plans. The first Steering Group meeting was held on the 10<sup>th</sup> September 2018. During the meeting the Strategy and initial project ideas were presented to attendees with opportunities for discussion around both elements. Meeting attendees were fully engaged in the discussions and supportive of the project ideas.

<sup>23</sup> Welsh Government (2018) *Draft Planning Policy Wales: Edition 10*. Available at:

[https://beta.gov.wales/sites/default/files/consultations/2018-02/ppw-restructure-draft-ppw\\_en.pdf](https://beta.gov.wales/sites/default/files/consultations/2018-02/ppw-restructure-draft-ppw_en.pdf) (Accessed: 10 October 2018)

<sup>24</sup> BCBC (2018) *Bridgend County Borough Council Report to Council 20 June 2018, Report of The Corporate Director – Communities, Bridgend Replacement Local Development Plan (LDP) Delivery Agreement*, pp.145-149. Available at:

<http://democratic.bridgend.gov.uk/documents/g3214/Public%20reports%20pack%2020th-Jun-2018%2015.00%20Council.pdf?T=10&LLL=0> (Accessed: 13 September 2018)

BCBC are intending to hold an industry event to introduce the Strategy and project ideas to potential private sector project partners and provide an opportunity for potential partners to introduce their services and products. Table 2.1 summarises the main project stakeholders – with the steering group members identified with an Asterix.

A range of private sector partners would need to be engaged with BCBC for successful development and delivery of projects, including:

- Energy Service Providers: providing new energy service offerings to consumers,
- Technology providers: trialling and demonstrating low carbon technologies,
- Installers: ensuring that system installation is undertaken efficiently and to a high standard,
- Digital Service Providers: providing integration of home monitoring devices, monitoring platforms and energy systems to enable insight on energy use and flows within the home and remote control of the home energy system.

Table 2.1: Smart Energy Plan Stakeholders

Group	Stakeholder	Stakeholder Interest
Public Sector	BCBC*	Primary stakeholder looking to achieve their vision for the county and the strategic objectives outlined in section 2.4.4.
	Welsh Government*	Welsh Government is interested in the development of a Smart Energy Plan and proposed pilot projects in Bridgend to see energy improvements within Bridgend itself and facilitate wider learning for the energy transition across the rest of Wales.
	Cardiff Capital Region City Deal	A 20 year-long, £1.2 billion investment programme covering ten local authorities (Bridgend, Merthyr, Torfaen, Caerphilly, Blaenau Gwent, Monmouthshire, Newport, Cardiff, Vale of Glamorgan, Rhondda Cynon Taf). Matching UK and Welsh Government funding with private sector finance to develop strategic opportunities to create and safeguard jobs and stimulate the economy; providing added value to the investment. The deal has several key themes; BCBC lead on the Energy theme.
	Cwm Taf Local Health Board*	Cwm Taf is due to become Bridgend’s local health board in April 2019. The Princess of Wales and Glynrhud hospitals in Bridgend have large heat demands. Warmer homes could lead to health benefits for residents.
Utilities	Wales and West Utilities*	Local gas DNO. A key partner on the development and delivery of innovative gas heating projects.
	Western Power Distribution*	The local electricity DNO. A key partner on the development and delivery of innovative electric heating projects.
	Dwr Cymru	Local not-for-profit water supplier. Waste water has been identified as a possible district heating heat source, and the potential for utilising the sewer network for provision of fibre networks has been identified elsewhere in the UK <sup>25</sup> .
Housing Associations	Valleys to Coast*, Wales & West Housing*, Linc Cymru*, Hafod*	Interested in providing sustainable, low-cost energy solutions for their tenants.
Not-for-Profit	Energy Systems Catapult*	The Smart Energy Plan projects and activities incorporate tools, concepts and learning that has been generated through SSH. The plan implements the first phase of the Local Area Energy Strategy and the activities are informed by ESC’s Local Area Energy Planning. ESC will remain engaged in these activities in a manner appropriate to each project.
Industry	Technology & Energy Service Providers, Digital Platform Developers	Interested in providing and developing products and consumer propositions to enable company growth.
	Local Supply Chain	Potential to be involved in installation and maintenance opportunities, enabling economic growth and job provision.

<sup>25</sup> SSE (2018) *SSE Enterprise Telecoms, Three UK and Telefónica UK (O2) have agreed to support further fibre rollout in London*. Available at: <http://sse.com/newsandviews/allarticles/2018/09/sse-enterprise-telecoms,-three-uk-and-telefonica-uk-have-agreed-to-support-further-fibre-rollout-in-london/> (Accessed: 02 October 2018)

Academia	Cardiff University*	Cardiff University have contributed to the development of the Caerau Mine Water project and the Welsh Government's Smart Living Wales' Fair Futures project (with Energy Systems Catapult).
Community	Residents & Community Groups	Potential project participants and eventual consumers.

## 4. Local Challenges and Opportunities

Routes to decarbonisation are shaped by local context and will give rise to a wide range of local impacts. As such, it is important to understand local circumstances when developing a plan, to ensure that opportunities are exploited, and problems are not exacerbated.

### 4.1. Political/Legal Factors

Located within a devolved nation; Bridgend is governed by UK, Welsh and local policy.

#### 4.1.1. Well-Being and Sustainable Development

The Well-Being of Future Generations Act (Wales) is focused on improving the social, cultural, economic and environmental well-being of Wales. It places a duty on public bodies to consider the long-term impact of decisions and work in a joined-up manner to ensure that all aspects of sustainable development are considered and delivered upon for people today and in the future<sup>26</sup>. The goals of the Act are summarised in figure 3.1.

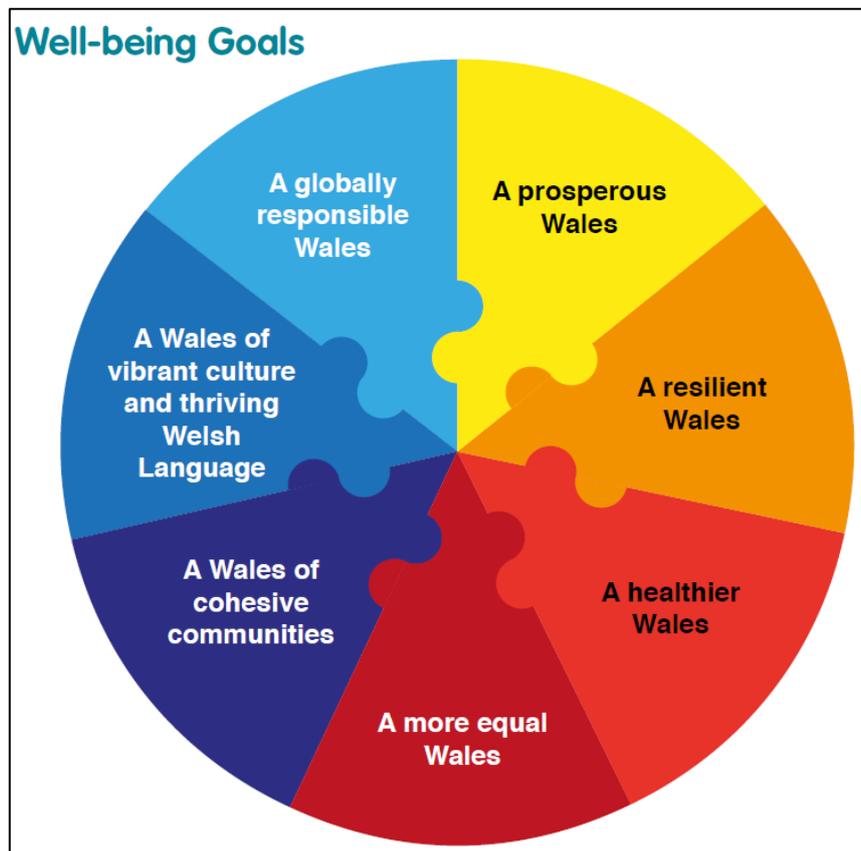


Figure 3.1: Well-Being of Future Generations Act – Well-Being Goals<sup>26</sup>

In fulfilling, their legal duties with respect to the Act, BCBC need to work towards achieving these goals when developing the county's energy objectives. In this way, decarbonisation projects cannot just focus on the inherent environmental benefits that will arise from decarbonisation, but work to ensure that additional benefits are derived, for example by stimulating economic growth and

<sup>26</sup> Welsh Government (2015) *Well-being of Future Generations (Wales) Act 2015 The Essentials*  
<https://gov.wales/docs/dsjlg/publications/150623-guide-to-the-fg-act-en.pdf> (Accessed: 15 October 2018)

leading to a more prosperous economy, delivering higher levels of comfort and better living environments to improve the health and well-being of the county's citizens and consulting with local communities to ensure that they are able to influence developments that happen in their local area. In addition to the Well-Being Goals the Act sets out five ways of working (see table 3.1) and 46 Well-Being Indicators to monitor progress towards the goals. The projects developed within this Plan will need to take account of the Well-Being Act and ensure that both the demonstration projects and future roll-out opportunities enable BCBC to deliver on its duties under the Act and improve the well-being of Welsh citizens. Table 3.1 summarises how the projects encompass the five ways of working.

Table 3.1: Well-Being Act Five Ways of Working

Long-term	Integration	Involvement	Collaboration	Prevention
<i>"The importance of balancing short-term needs with the needs to safeguard the ability to also meet long-term needs."<sup>27</sup></i>	<i>"Considering how the public body's well-being objectives may impact upon each of the well-being goals, on their objectives, or on the objectives of other public bodies."<sup>27</sup></i>	<i>"The importance of involving people with an interest in achieving the well-being goals, and ensuring that those people reflect the diversity of the area which the body serves."<sup>27</sup></i>	<i>"Acting in collaboration with any other person (or different parts of the body itself) that could help the body to meet its well-being objectives."<sup>27</sup></i>	<i>"How acting to prevent problems occurring or getting worse may help public bodies meet their objectives."<sup>27</sup></i>
BCBC's energy projects will need to be suitable for the long-term needs of citizens, focusing on long-term, rather than short-term carbon targets, and providing long-term jobs in addition to short-term deployment opportunities.	The projects will need to consider each of the seven goals and ensure that no detrimental impact on any of the goals arises from project implementation. The steering group provides a forum for communicating the objectives and ensuring they align with others' objectives.	BCBC will need to communicate their energy strategy and Smart Energy Plan publicly. Projects will be targeted at a cross-section of the local population; rather than one demographic.	BCBC will seek to form partnerships with different public, private and academic bodies to deliver the Smart Energy Plan and have established the Smart Energy Plan Steering Group to facilitate this.	By acting today and taking a whole system planning approach to decarbonisation, BCBC are aiming to make the most cost-effective transition in a planned, strategic manner.

<sup>27</sup> Future Generations Commissioner for Wales (2018) *Well-Being of Future Generations (Wales) Act*. Available at: <https://futuregenerations.wales/about-us/future-generations-act/> (Accessed: 30 July 2018)

### 4.1.2. Planning

Planning Policy Wales (Wales' national planning policy) is currently being revised, with the consultation document indicating that the new edition may require local authorities to assess the potential for renewable energy developments in their area and set local targets<sup>28</sup>. BCBC's Local Development Plan (LDP) was published in 2013, with the following vision:

*"By 2021, Bridgend County Borough will be transformed to become a sustainable, safe, healthy and inclusive network of communities comprising strong, interdependent and connected settlements that can offer opportunities for an improved quality of life and environment for all people living, working, visiting and relaxing in the area.*

*The catalysts for this transformation will be:*

- *a successful regional employment, commercial and service centre in Bridgend*
- *a vibrant waterfront and tourist destination in Porthcawl*
- *a revitalised Maesteg*
- *a realisation of the strategic potential of the Valleys Gateway; and*
- *thriving Valley communities.*"<sup>29</sup>

This vision echoes some of the objectives of the Well Being of Future Generations Act, with a clear emphasis that developments need to lead to improvements in the quality of life of those within the county borough. When developing energy projects which deliver on this vision, how the projects impact on local people, as consumers, workers and residents should be considered and taken into account when selecting target locations and demographics for the project.

### 4.1.3. Carbon Targets and Decarbonisation of Heat

Decarbonisation of the energy consumption within Bridgend County Borough will contribute to the legally binding national targets stipulated in the UK Climate Change Act and Environment Act (Wales); to reduce greenhouse gas emissions by 80% by 2050, against baseline levels,<sup>30,31</sup> see figure 3.2.

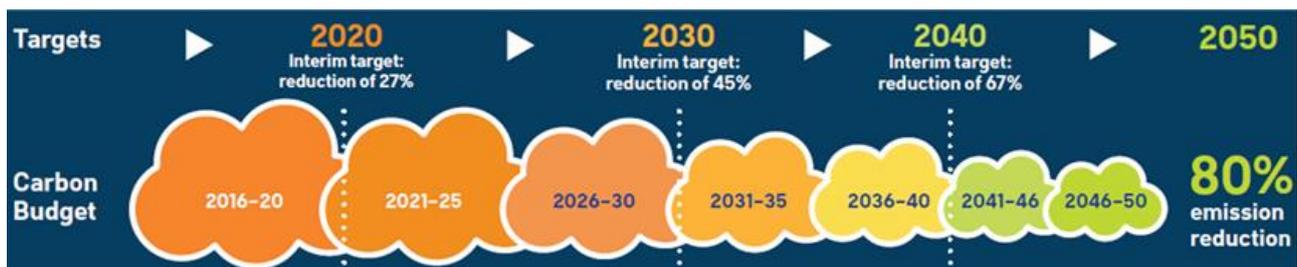


Figure 3.2: Environment Wales (Act) requires Welsh Government to set Interim Targets and Carbon Budgets to the 2050 Target – due to be announced by the end of 2018<sup>32</sup>

<sup>28</sup> Welsh Government (2018) *Draft Planning Policy Wales: Edition 10*. Available at:

[https://beta.gov.wales/sites/default/files/consultations/2018-02/ppw-restructure-draft-ppw\\_en.pdf](https://beta.gov.wales/sites/default/files/consultations/2018-02/ppw-restructure-draft-ppw_en.pdf) (Accessed: 10 October 2018)

<sup>29</sup> BCBC (2013) *Local Development Plan*. Available at: <https://www.bridgend.gov.uk/media/1899/written-statement.pdf> (Accessed: 30 July 2018)

<sup>30</sup> Welsh Government (2016) *Environment Act (Wales)*. Available at: <http://www.legislation.gov.uk/anaw/2016/3/contents> (Accessed: 30 July 2018)

<sup>31</sup> Climate Change Act (2008) Available at: [http://www.legislation.gov.uk/ukpga/2008/27/pdfs/ukpga\\_20080027\\_en.pdf](http://www.legislation.gov.uk/ukpga/2008/27/pdfs/ukpga_20080027_en.pdf) (Accessed: 17 October 2018)

<sup>32</sup> Welsh Government (2018)

In its research briefing, Low Carbon Heating, the National Assembly for Wales highlighted the increased challenge faced by Wales to meet the UK energy and emission targets due to a higher proportion of emissions arising from “big emitters”, including refineries, steel works and power stations<sup>33</sup>. To achieve the overall energy reduction target of 80% the UK CCC advised that emissions from buildings within Wales will need to be reduced by 85% to allow for higher emissions from other sectors (e.g. Agriculture)<sup>33</sup>, see figure 3.3.

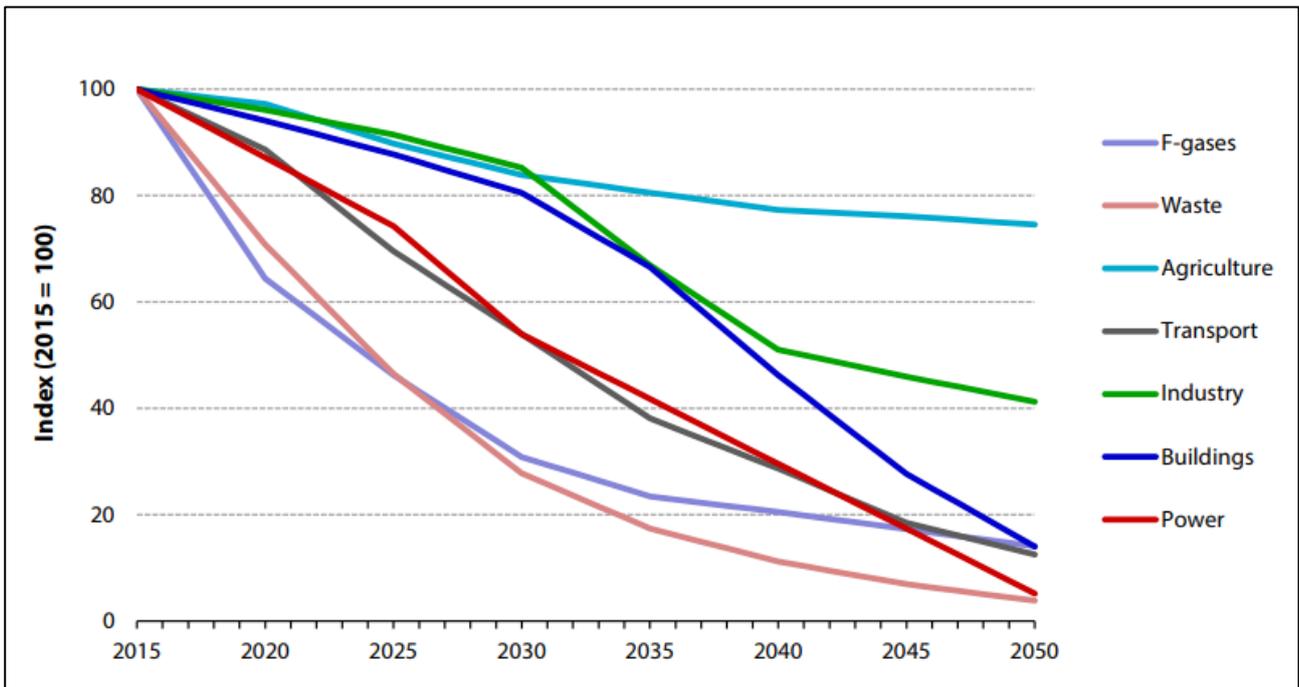


Figure 3.3: Emissions Reduction Projections advised by UK CCC for Wales<sup>33</sup>

Bridgend County Borough itself, hosts a number of manufacturing facilities and businesses. Whilst the Bridgend Local Area Energy Strategy focuses initially on the decarbonisation of domestic heating, it acknowledges that the Strategy will need to evolve to include decarbonisation of the non-domestic buildings, industry and transport<sup>34</sup>. In delivering this Smart Energy Plan, BCBC will engage with local stakeholders to understand their individual energy needs, and any plans that they have for future energy developments, so that these can be integrated within the wider plans which focus on the domestic sector, where appropriate.

Heating accounts for almost one third of UK carbon emissions. To meet the overall targets these emissions will need to be largely eliminated. Whilst tangible progress has been made in decarbonising the electricity sector, there has been little progress with respect to decarbonising the heating sector with just 4% of homes in the UK using low carbon heating<sup>35</sup>. The UK CCC have

<sup>33</sup> National Assembly for Wales (2018) *Research Briefing: Low Carbon Heat*. Available at: <http://www.assembly.wales/research%20documents/18-042%20-%20low%20carbon%20heat/18-042-web-english.pdf> (Accessed: 30 July 2018)

<sup>34</sup> ETI (2018) *Bridgend Local Area Energy Strategy*

<sup>35</sup> ETI (2015) *Consumer Challenges for Low Carbon Heat*. Available at: <https://www.eti.co.uk/insights/smart-systems-and-heat-consumer-challenges-for-low-carbon-heat> (Accessed: 10 October 2018)

advised UK government that alongside higher standards for new buildings, low carbon heating systems and energy efficiency improvements need to be installed in existing homes<sup>36,37</sup>.

A Renewable Energy Assessment undertaken to help inform the Local Development Plan for Bridgend<sup>38</sup> identified that there was the potential to generate 38% of Bridgend's electricity demand from renewable electricity by 2020, but only 2% of Bridgend's heat demand from renewable sources by 2020<sup>39</sup>. The assessment states that the extent of renewable energy technology deployment is likely to be determined by the technical maturity, commercial viability and institutional and infrastructural support for the technologies considered<sup>39</sup>. This Plan seeks to tackle some of the barriers which have traditionally reduced the deployment of low carbon heating measures. As such, it is the purpose of this plan to increase the potential uptake within the county borough far above that forecast within the Renewable Energy Assessment<sup>39</sup>.

In terms of the barriers that have traditionally reduced uptake of renewable heating technologies, consumer propositions, technical factors and economic issues all need to be addressed. Whilst heating in the UK is predominantly based on fossil fuels, a consumer does not necessarily demand this should be the case. They are more concerned with the result of a comfortable home<sup>36</sup>. To transition away from fossil fuels new low-carbon heating systems and energy efficiency measures need to be attractive to consumers and provide them with increased comfort or retain existing comfort levels at a reduced cost<sup>36</sup>. Alternatively, higher carbon options would need to be sufficiently penalised to ensure that lower carbon options become economically attractive.

## 4.2. Environmental Factors

Bridgend County Borough stretches approximately 20 km from east-to-west and contains diverse natural and human geography; with valley communities in the north, coastal areas to the south and a mix of urban, rural and industrial environments<sup>38</sup>, see figure 3.4. This diverse geography provides a good representation of the geography of Wales as a whole, providing opportunity for the roll-out of lessons learned.

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<sup>36</sup> UK CCC (2016) *Next steps for UK heat policy*. Available at: <https://www.theccc.org.uk/wp-content/uploads/2016/10/Next-steps-for-UK-heat-policy-Committee-on-Climate-Change-October-2016.pdf> (Accessed: 01 October 2018)

<sup>37</sup> UK CCC (2018) *Reducing UK emissions - 2018 Progress Report to Parliament*. Available at: <https://www.theccc.org.uk/wp-content/uploads/2018/06/CCC-2018-Progress-Report-to-Parliament.pdf> (Accessed: 26 October 2018)

<sup>38</sup> BCBC (2013) *Local Development Plan*. Available at: <https://www.bridgend.gov.uk/media/1899/written-statement.pdf> (Accessed: 30 July 2018)

<sup>39</sup> BCBC (2011) *Local Development Plan 2006-2021 Renewable Energy Assessment and Energy Opportunities Plan*. Available at: <https://www.bridgend.gov.uk/media/2055/sd115.pdf> (Accessed: 15 October 2018)

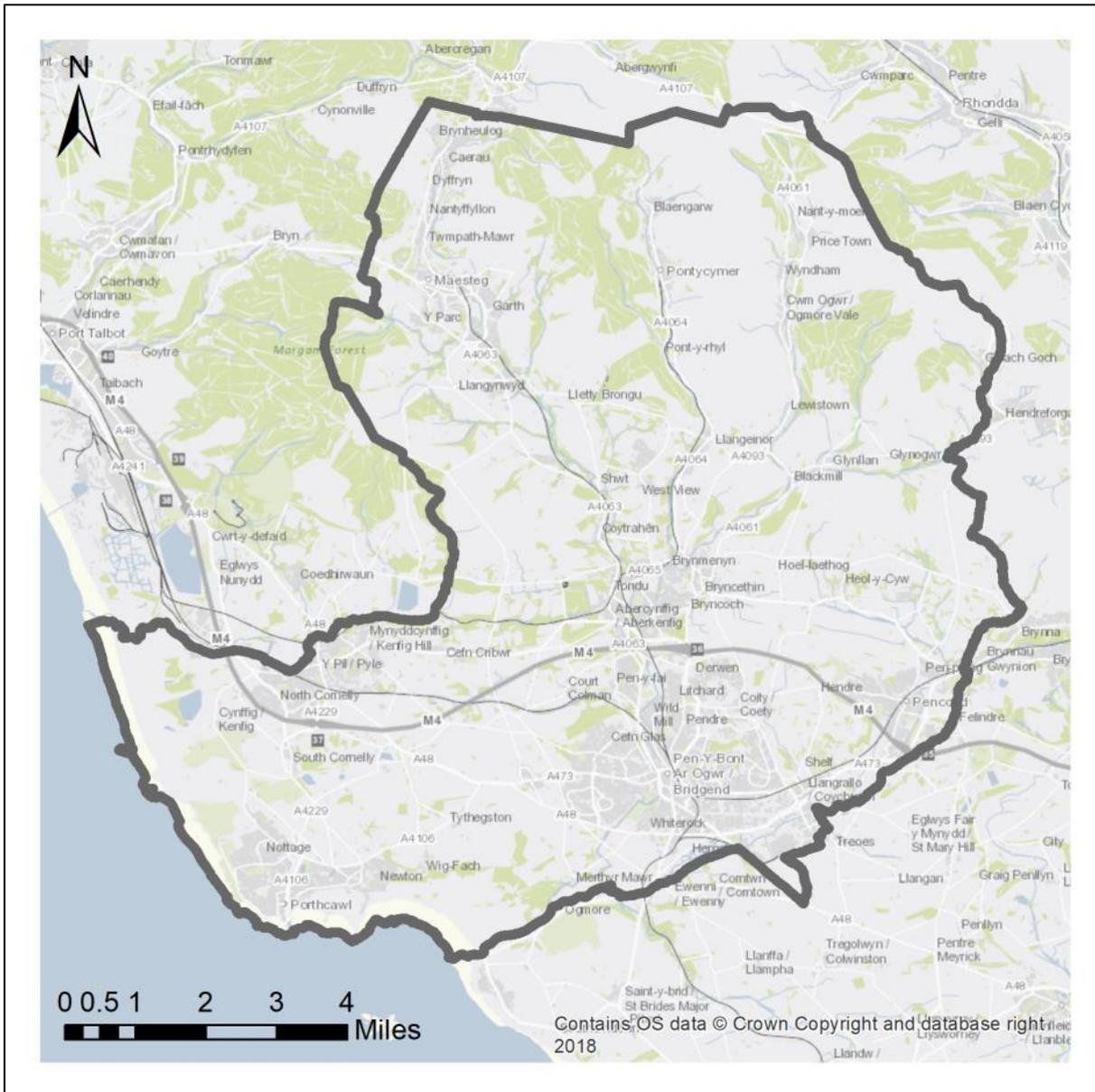


Figure 3.4: Map of Bridgend

(OS data © Crown copyright and database right 2018)

The population of Bridgend County Borough is approximately 140,000, with most residents living in the three main towns; Bridgend (33%), Maesteg in the Llynfi Valley (16%) and the seaside town of Porthcawl (12%)<sup>40</sup>. It is served by major transport infrastructure, with the M4 crossing the county borough (providing a risk of poor air quality) and the mainline rail link providing easy access to Cardiff, Swansea and the south of England. Owing to its natural geography, the area has attracted renewable electricity developments, predominantly in the form of wind and solar PV (see figure 3.5).

<sup>40</sup> BCBC (2014) *Bridgend County Borough Profile – 2014*. Available at: <https://business.bridgend.gov.uk/media/1008/bridgend-county-borough-profile-january-2014.pdf> (Accessed: 19 October 2018)

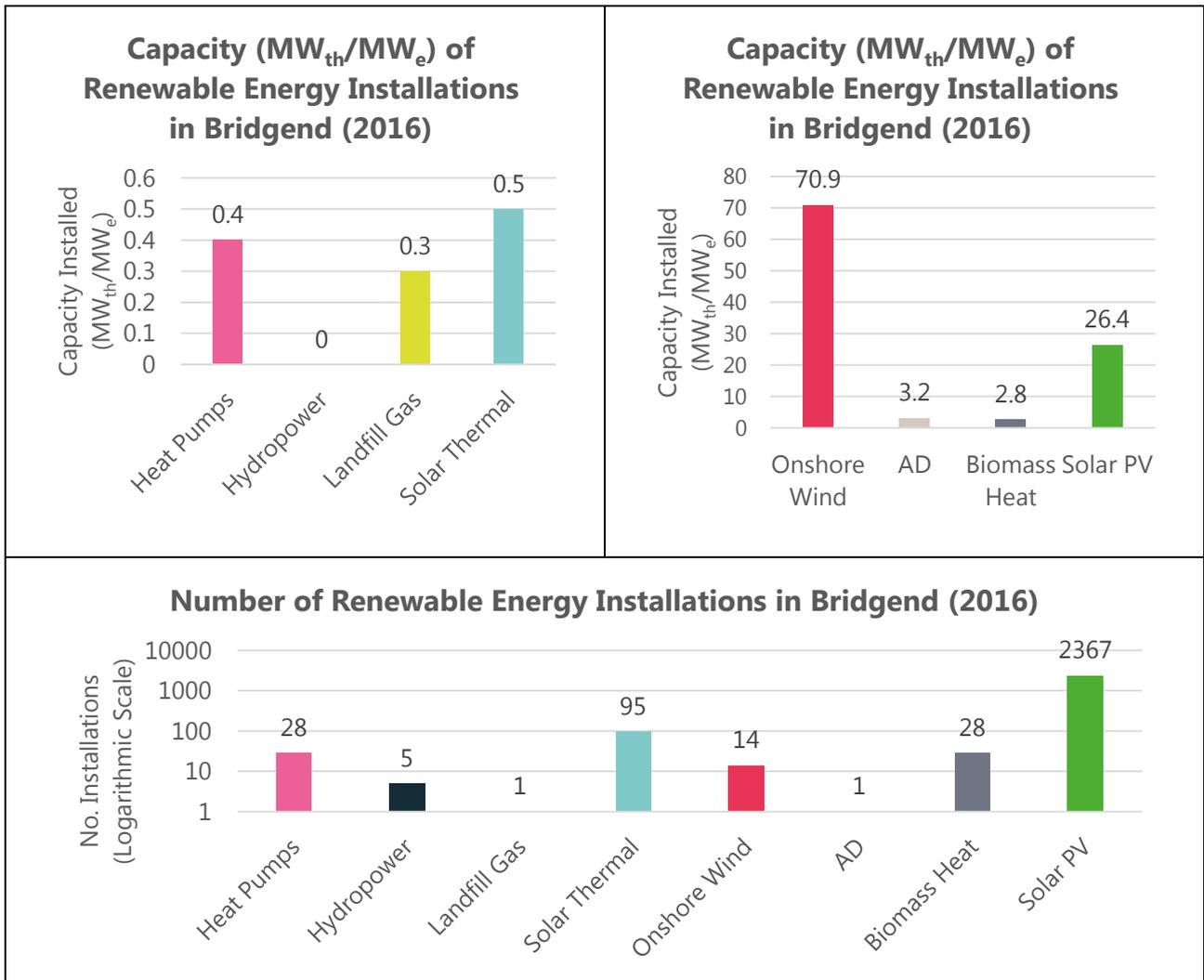


Figure 3.5: Renewable Energy Developments in Bridgend (2016)<sup>41</sup>

<sup>41</sup> Welsh Government (2016) *Energy Generation in Wales*. Available at: <https://gov.wales/docs/desh/publications/171207-energy-generation-in-wales-en.pdf> (Accessed: 17 September 2018)

## 4.3. Social Factors

### 4.3.1. Health

Cold homes have been found to have a significant negative impact on health<sup>42,43</sup>. Whilst the causes are unknown, the 2014 life expectancy in Bridgend was below the 2016 Welsh and UK national averages (Welsh male: 78.4 years, Welsh female: 82.4 years, UK male: 79.2 years, UK female: 82.9 years), with Bridgend having one of the lowest life expectancies of the Welsh Local Authorities (see figure 3.6)<sup>44,45</sup>. Within the *Bridgend Energy Transition Plan: Policy & Commercial Insights* it is estimated that £5M of health benefits associated with provision of warmer homes will arise from deployment of the Local Area Energy Strategy up to 2050<sup>46</sup>.

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<sup>42</sup> Age UK (2012) *The cost of cold*. Available at: [https://www.ageuk.org.uk/Documents/EN-GB/Campaigns/The\\_cost\\_of\\_cold\\_2012.pdf?dtrk=true](https://www.ageuk.org.uk/Documents/EN-GB/Campaigns/The_cost_of_cold_2012.pdf?dtrk=true) (Accessed: 31 July 2018)

<sup>43</sup> Marmot Review Team (2011) *The Health Impacts of Cold Homes and Fuel Poverty*. Available at: [https://friendsoftheearth.uk/sites/default/files/downloads/cold\\_homes\\_health.pdf](https://friendsoftheearth.uk/sites/default/files/downloads/cold_homes_health.pdf) (Accessed: 15 October 2018)

<sup>44</sup> Office for National Statistics (2017) *National life tables, UK: 2014-2016*. Available at: <https://www.ons.gov.uk/peoplepopulationandcommunity/birthsdeathsandmarriages/lifeexpectancies/bulletins/nationallifetablesunitedkingdom/2014to2016#life-expectancy-at-birth> (Accessed: 30 July 2018)

<sup>45</sup> Welsh Government (2014) *Local Area Summary Statistics Bridgend*. Available at: <https://gov.wales/docs/statistics/2014/141218-local-area-summary-bridgend-en.pdf> (Accessed: 30 July 2018)

<sup>46</sup> ETI (2018) *Bridgend Energy Transition Plan: Policy & Commercial Insights*

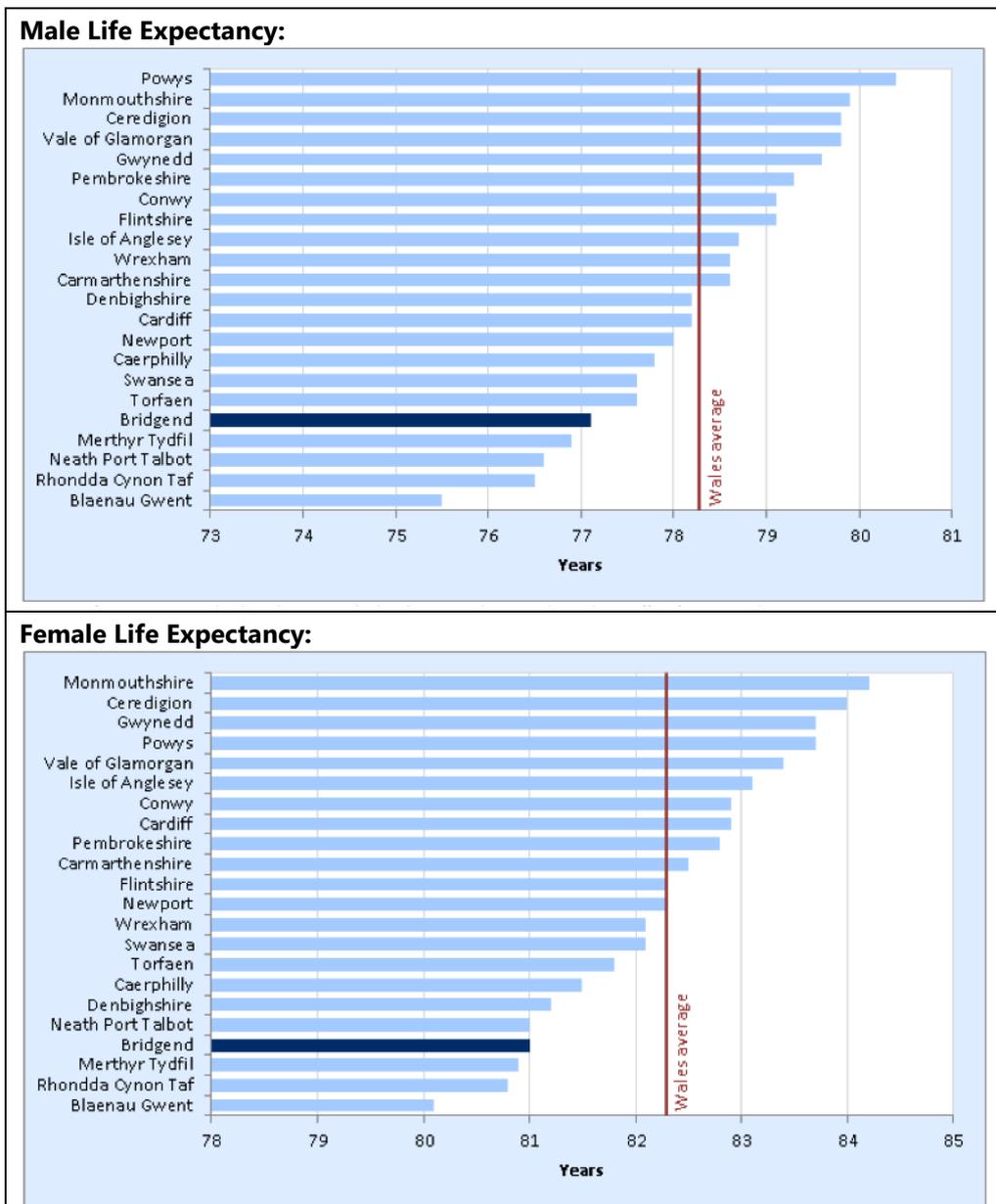


Figure 3.6: Life Expectancy in Wales, 2014<sup>47</sup>

### 4.3.2. Deprivation

Many communities within the county borough (especially within the valley areas) are among the most deprived in Wales, with the area’s employment opportunities located outside the areas of higher deprivation<sup>48</sup>. The South Wales Valley communities have unique challenges arising from the end of coal-mining in the region and the economy, standard of life and levels of skills and education lag behind the rest of Wales<sup>49</sup>. The valleys area in Bridgend coincides with incidence of fuel poverty, with additional smaller areas of fuel poverty located further south in the county

<sup>47</sup> Welsh Government (2014) *Local Area Summary Statistics Bridgend*. Available at: <https://gov.wales/docs/statistics/2014/141218-local-area-summary-bridgend-en.pdf> (Accessed: 30 July 2018)

<sup>48</sup> BCBC (2013) *Local Development Plan*. Available at: <https://www.bridgend.gov.uk/media/1899/written-statement.pdf> (Accessed: 30 July 2018)

<sup>49</sup> Welsh Government (2017) *Our Valleys, Our Future*. Available at: <https://gov.wales/docs/dsjlg/publications/comm/170720-our-valleys-our-future-env2.pdf> (Accessed: 30 July 2018)

Borough, see figure 3.7. The greatest areas of fuel poverty are concentrated in the valleys communities of Nant-y-Moel, Pontycymmer, Caerau and Blaengarw<sup>50</sup>.

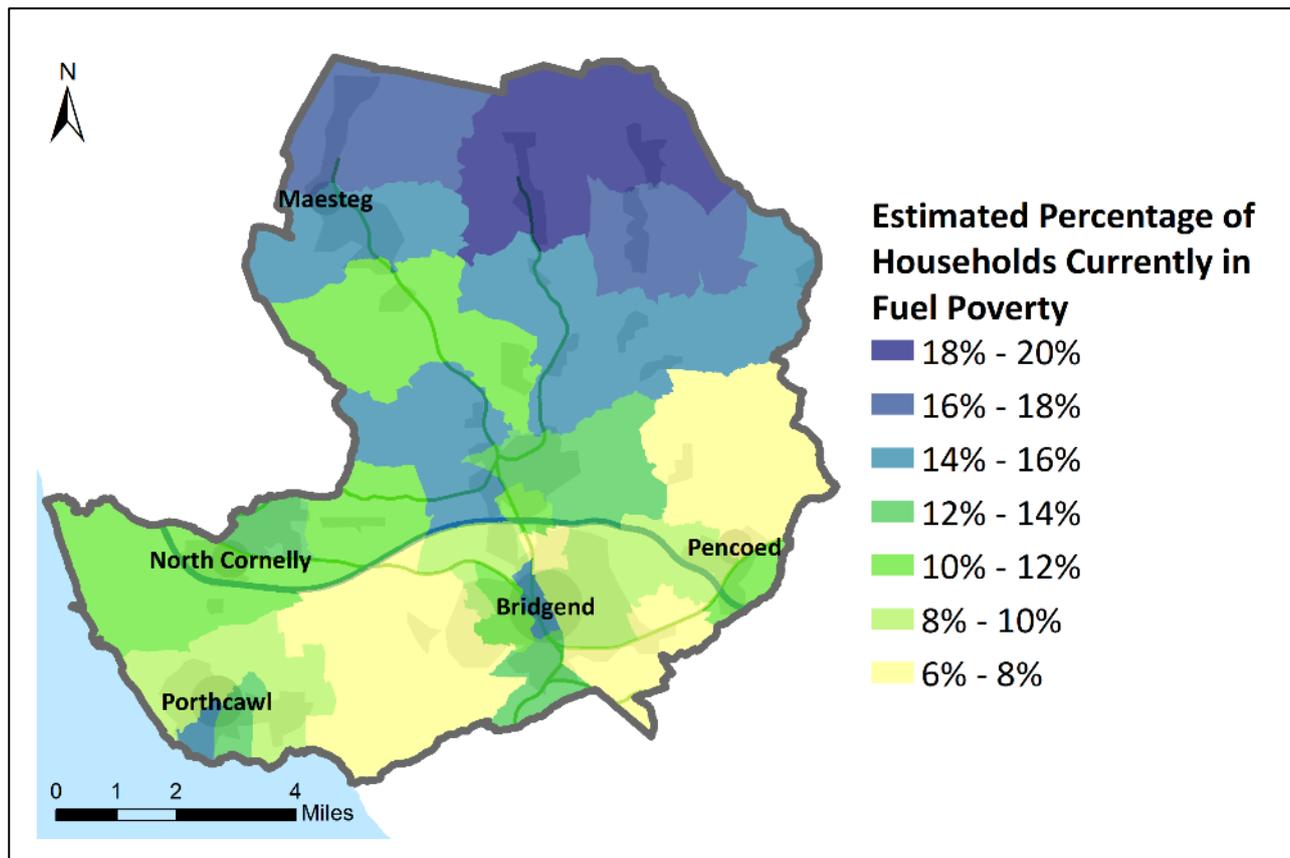


Figure 3.7: Map of Fuel Poverty

(OS data © Crown copyright and database right 2018)

The prevalence of deprivation within valley communities is not unique to Bridgend, but common across the whole of the ex-industrial communities of South Wales Valleys<sup>51</sup>. To help remedy this situation, the Welsh Government launched the Valleys Task Force in 2017, who are working with local communities to develop activities, which aim to provide:

- high quality jobs and the skills to fulfil them,
- improved public services,
- the opportunity to make the most of the Valleys’ unique environment, culture and heritage so they can be enjoyed more widely by local people and visitors alike.<sup>51</sup>

#### 4.3.3. House Ownership

The majority of homes in the county borough are owner occupied (76%) with 10% privately rented and 14% social housing<sup>50</sup>. The greatest proportion of Bridgend’s housing stock was built between 1965-1979, with approximately 21% built pre-1914 and over 20% built between World War 1 and 2<sup>50</sup>.

<sup>50</sup> ETI (2018) *Bridgend Local Area Energy Strategy*

<sup>51</sup> Welsh Government (2017) *Our Valleys, Our Future*. Available at: <https://gov.wales/docs/dsjlg/publications/comm/170720-our-valleys-our-future-env2.pdf> (Accessed: 30 July 2018)



### 4.3.4. Community Energy Engagement

Community energy activity in Bridgend has increased in recent years due to the efforts of BCBC, local people and Welsh Government and EU funded programmes.

“Reach”, Bridgend’s European funded Rural Development Programme, has made great efforts over the past two years to:

- offer residents home energy advice and provide a sign-posting service to national resources,
- encourage and support residents to collaborate and develop community energy projects,
- provide tailored, expert support to a flag-ship community energy project.<sup>52</sup>

Local sustainability charity, Sustainable Wales, held a series of events in 2017 to encourage the local community to come together and start developing energy projects. As a result of these events an unincorporated sub-group of Sustainable Wales, Porthcawl Community Energy has been set up.

BCBC will engage with the Reach programme during project development, to secure their support for participation with wider consumer engagement and recruitment and to help inform the development process of proposals.

The Energy Company Obligation and Welsh Government’s Arbed programmes have resulted in approximately 400 homes in Bridgend receiving energy efficiency measures installed since 2009.

BCBC has undertaken an extensive programme of community engagement in Caerau, focused on a mine water district heating scheme that is under development (explained further in section 4). This engagement has included public exhibitions, articles in newsletters, attendance at community meetings and events, social media activity, school workshops and involvement in detailed house assessments. Through this extensive engagement, project champions from the local community have naturally emerged and are intended to form part of an ongoing, wider Caerau Community Advisory Group. Associated with this engagement, Cardiff University has led qualitative, longitudinal interview studies with 25 Caerau residents, monitoring and understanding experiences and views of the energy system and how this changes as propositions are tested within the village, e.g. targeted retrofits. Learning from the results of this work should be considered when progressing the future project activity. SPECIFIC<sup>53</sup> and Cardiff Metropolitan University undertook detailed whole house assessments as part of Caerau Mine Water Project Feasibility Study, working with 10 Caerau householders to gain a sound understanding of the energy efficiency of the housing stock within Caerau as well as the compatibility of the current heating systems to utilise heat pump technology and demand management techniques.

## 4.4. Technical Factors

### 4.4.1. Gas Network Coverage

The gas network within Bridgend, operated by Wales and West Utilities is extensive, with 97% of the ~62,000 domestic properties within the county borough served by the network<sup>54</sup>. This is far

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<sup>52</sup> BCBC (2018) *Bridgend County Energy Challenge*. Available at: <https://www.bridgendenergy.co.uk/> (Accessed: 30 July 2018)

<sup>53</sup> SPECIFIC Innovation and Knowledge Centre is an academic and industrial consortium led by Swansea University, with strategic partners Akzo Nobel, NSG Pilkington, Tata Steel and Cardiff University. It is funded by the Engineering and Physical Sciences Research Council, Innovate UK and the European Regional Development Fund, through the Welsh Government.

<sup>54</sup> ETI (2018) *Bridgend Local Area Energy Strategy*

higher than the 2016 national average of 83% in Wales and 86% in Great Britain<sup>55</sup>. Figures 3.8 and 3.9 show the distribution of off-gas properties within the county borough.

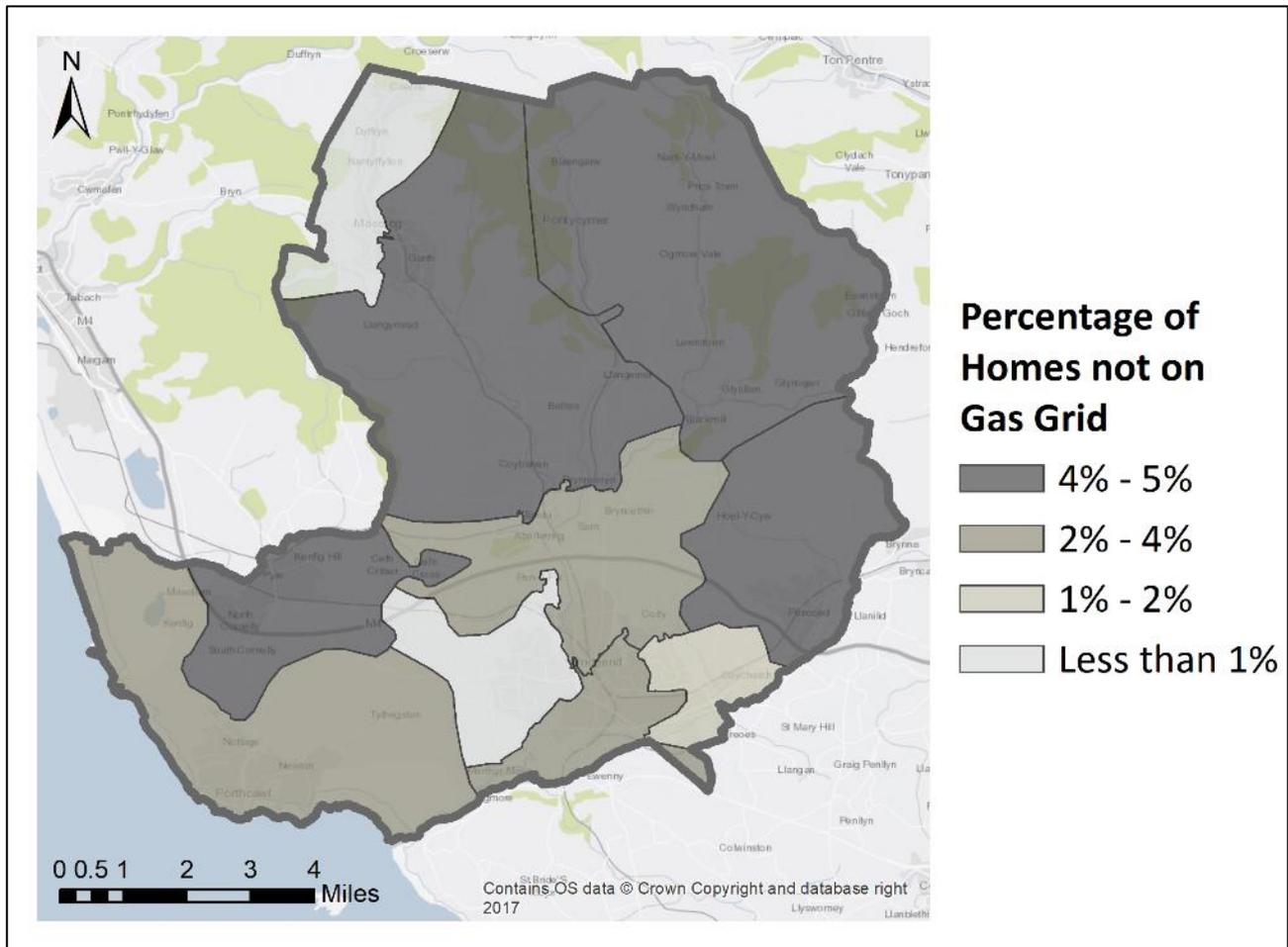


Figure 3.8: Percentage of Off-gas Homes in Different Areas of Bridgend

(OS data © Crown copyright and database right 2018)

<sup>55</sup> BEIS (2018) *LSOA estimates of households not connected to the gas network*. Available at: <https://www.gov.uk/government/statistics/lsOA-estimates-of-households-not-connected-to-the-gas-network> (Accessed: 30 July 2018)

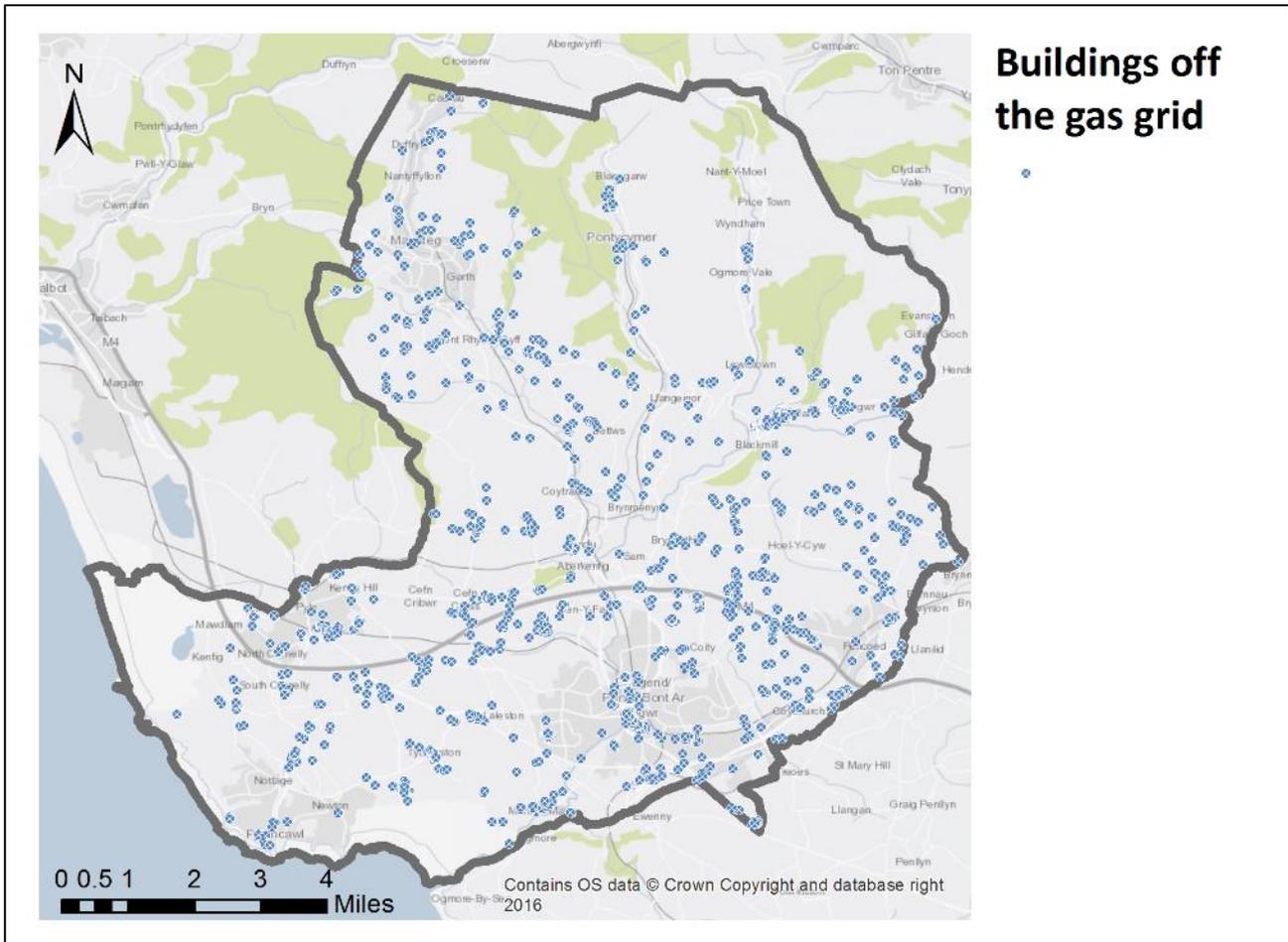


Figure 3.9: Location of Off-gas Homes in Bridgend

(OS data © Crown copyright and database right 2018)

#### 4.4.2. Electricity Network Constraints

The electricity distribution network in Bridgend is operated by Western Power Distribution (WPD). As per much of South Wales, the distribution network is constrained with respect to generation connections<sup>56</sup>. This increases the likelihood of export restrictions or expensive additional generation connections, due to network reinforcement requirements. Increases in electrical loads through electrification of heating and transport may cause constraints and reinforcement requirements with respect to demand connections. The Local Area Energy Planning work undertaken by Energy Systems Catapult has accounted for the costs and requirements to upgrade the electricity network to meet the forecast demand increases.

#### 4.4.3. Digitalisation

<sup>56</sup> Western Power Distribution (no date) *Distributed Generation EHV Constraint Maps*. Available at: <https://www.westernpower.co.uk/Connections/Request-network-location-plans/Distributed-generation-EHV-constraint-maps.aspx> (Accessed: 30 July 2018)

The UK Government's Industrial Strategy highlights the productivity benefits that artificial intelligence (AI) and data analytic technologies can provide<sup>57</sup>. It identifies the energy sector as one of the six priority business sectors to be targeted for rapid AI adoption to enable more efficient use of energy and resources and provide more integrated energy provision across heat, power and transport<sup>58</sup>. The internet of things and a need for new consumer business models will help to drive the installation and use of digital infrastructure within the energy industry.

The Smart Systems and Heat Phase 1 and 2 programmes developed software tools to design a smart energy experimental platform (the Home Energy Services Gateway or HESG). A number of consumer behaviour, technology development, business modelling and supply-chain activities were also undertaken to understand how energy can be delivered as a service, by providing consumers with the experience they desire (i.e. a comfortable home) rather than a product that they do not necessarily understand (a unit of energy)<sup>59</sup>. The platform was deployed in approximately 100 properties in the UK, including 30 within Bridgend, to monitor and understand energy usage within individual homes and how this data can be used to help develop propositions which will improve consumer service whilst lowering carbon emissions. The gateway now provides a "living lab" of connected homes, which can be used by innovators to test new concepts and products.

BCBC recognise that digitalisation does not only offer opportunities for the energy sector and have ambitions for the infrastructure developed for their heating projects to be built upon to provide wider benefits to their residents. Digital Master Planning undertaken for BCBC has set out key areas that would benefit from digitalisation within the county borough and the major steps required for development. Sectors to be targeted include buildings, health and social care and transportation. BCBC will aim to increase digitalisation of the county borough alongside each of the innovation and deployment projects deployed.

## 4.5. Economic Factors

### 4.5.1. Employment

The economy of Bridgend is more reliant on the manufacturing sector than Wales as a whole, with Ford, Sony and Rockwool production facilities located within the county borough<sup>60,61</sup>. Understanding of the energy needs of this sector may identify opportunities for developing wider local energy generation and use infrastructure centred on large energy loads, to provide investment certainty.

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<sup>57</sup> BEIS (2017) *Industrial Strategy*. Available at: [https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment\\_data/file/664563/industrial-strategy-white-paper-web-ready-version.pdf](https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/664563/industrial-strategy-white-paper-web-ready-version.pdf) (Accessed: 30 July 2018)

<sup>58</sup> BEIS (2017) *Industrial Strategy*. Available at: [https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment\\_data/file/664563/industrial-strategy-white-paper-web-ready-version.pdf](https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/664563/industrial-strategy-white-paper-web-ready-version.pdf) (Accessed: 30 July 2018)

<sup>59</sup> ETI (2018) *Local Area Energy Planning Bridgend County Borough Council Evidence Base*

<sup>60</sup> BCBC (2010) *Employment Land Review*. Available at: <https://www.bridgend.gov.uk/media/1163/employment-land-review.pdf> (Accessed: 30 July 2018)

<sup>61</sup> BCBC (2013) *Local Development Plan*. Available at: <https://www.bridgend.gov.uk/media/1899/written-statement.pdf> (Accessed: 30 July 2018)

Current employment rates in Wales are 74%, slightly lower than the UK rate of 75.7%<sup>62</sup>. In 2013 the employment rate in Bridgend was 72.1% and the gross disposable income per household in 2012 was lower than the Welsh average, see figure 3.10<sup>63</sup>.

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<sup>62</sup> Office of the Secretary of State for Wales (2018) *Welsh employment rates at record high*. Available at: <https://www.gov.uk/government/news/welsh-employment-rates-at-record-high> (Accessed: 10 October 2018)

<sup>63</sup> Welsh Government (2014) *Local Area Summary Statistics Bridgend*. Available at: <https://gov.wales/docs/statistics/2014/141218-local-area-summary-bridgend-en.pdf> (Accessed: 30 July 2018)

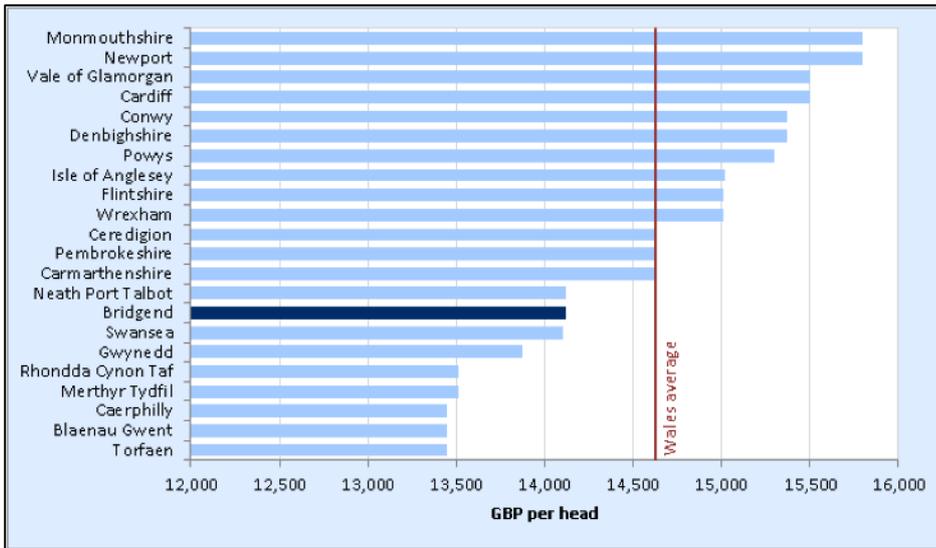


Figure 3.10: Gross Disposable Income per Head, 2012<sup>64</sup>

The UK Industrial Strategy identifies the transition to a cleaner economy as “one of the greatest industrial opportunities of our time”<sup>65</sup>. Innovate UK’s schemes return an average of £7.30 Gross Value Added to the economy for every £1 invested<sup>66</sup>. The Welsh Government Warm Homes Arbed EU scheme achieved a Welsh Local Multiplier of £2, meaning that for £1 spent on the contract £2 was reinvested in the Welsh Economy<sup>67</sup>. More than 430,000 UK jobs in low carbon businesses and their supply chains have already been created and “the UK low carbon economy could grow by an estimated 11 per cent per year between 2015 and 2030 – four times faster than the rest of the economy”<sup>68</sup>. By implementing this plan with a local focus and securing investment into a series of projects in the local area, Bridgend and its citizens are more likely to directly benefit from this projected growth.

#### 4.5.2. Energy Support Programmes

##### Welsh Government Smart Living Programme

The Welsh Government’s Smart Living Programme provides support to develop innovative energy solutions that are place-based and needs-led<sup>69</sup>. The programme is working with twelve projects to test energy innovations, with the learning used to enable future roll-out of the energy transition across Wales.

<sup>64</sup> Welsh Government (2014) *Local Area Summary Statistics Bridgend*. Available at: <https://gov.wales/docs/statistics/2014/141218-local-area-summary-bridgend-en.pdf> (Accessed: 30 July 2018)

<sup>65</sup> BEIS (2017) *Industrial Strategy*. Available at: [https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment\\_data/file/664563/industrial-strategy-white-paper-web-ready-version.pdf](https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/664563/industrial-strategy-white-paper-web-ready-version.pdf) (Accessed: 30 July 2018)

<sup>66</sup> Innovate UK (2017) *Innovate UK: 10 years shaping the future*. Available at: <https://www.gov.uk/government/publications/innovate-uk-10-years-shaping-the-future> (Accessed: 19 November 2018)

<sup>67</sup> Ricardo Energy and Environment (2017a) *Evaluation report - ARBED 2 European Regional Development Fund (ERDF) programme 2012-2015*. Available at: <https://gov.wales/docs/desh/publications/171106-welsh-government-warm-homes-arbed-eu-project-final-report-en.pdf> (Accessed: 10 October 2018)

<sup>68</sup> BEIS (2017) *Clean Growth Strategy*. Available at: [https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment\\_data/file/700496/clean-growth-strategy-correction-april-2018.pdf](https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/700496/clean-growth-strategy-correction-april-2018.pdf) (Accessed 10 October 2018)

<sup>69</sup> Welsh Government (2016) *Smart Living Internet of Life*. Available at: <https://gov.wales/docs/det/publications/161019-smart-living-en.pdf> (Accessed 10 October 2018)

Two of the twelve projects are located in Bridgend<sup>70</sup>:

- **Bridgend Smart Systems and Heat:** The Welsh Government Smart Living Programme are providing additional support to the activities of the Smart Systems and Heat programme to ensure that the benefits of the programme are maximised<sup>70</sup>.
- **Smart Living Wales' Fair Futures Project:** The Welsh Government is working with Cardiff University and Energy Systems Catapult to understand how issues of vulnerability can be addressed in a future low carbon energy system<sup>71</sup>.

### Welsh Government Energy Support Service

The current Welsh Government Energy Support Service, launched in 2018, is a four-year programme which brings together two previous support services; Green Growth Wales and the Local Energy Service to provide a single point of service for support for public sector and others to develop renewable energy and energy efficiency projects<sup>72</sup>. The Service provides both technical and funding support to renewable energy projects in Wales<sup>73</sup>.

### Welsh Government Warm Homes Programme

The Welsh Government Warm Homes Programme includes the Arbed and Nest schemes, and funds energy efficiency improvements for low income households and those living in deprived communities<sup>74</sup>. Whilst Nest is concerned with individuals, the Arbed Scheme works with Local Authorities to deliver area-wide energy efficiency deployment<sup>74</sup>. Grant funding is provided for the measures, and the focus of both programmes is remediation of fuel poverty, rather than focusing on decarbonisation or regeneration. The third phase of Arbed was launched in June 2018 and will run for at least three years. The programme is managed by a newly formed company, Arbed am Byth, which is a joint venture between the Energy Saving Trust and Everwarm.

### EU Rural Development Programme

The EU-funded Rural Development Programme is a 7-year programme of support for those living and working in rural areas. It provides funding for projects which align with the European Rural Development Priorities:

- *fostering knowledge transfer and innovation in agriculture, forestry, and rural areas*
- *enhancing farm viability and competitiveness of all types of agriculture in all regions and promoting innovative farm technologies and the sustainable management of forests*
- *promoting food chain organisation, including processing and marketing of agricultural products, animal welfare and risk management in agriculture*
- *restoring, preserving and enhancing ecosystems related to agriculture and forestry*
- *promoting resource efficiency and supporting the shift towards a low carbon and climate resilient economy in agriculture, food and forestry sectors*

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<sup>70</sup> Welsh Government (2018) *Welsh Government Smart Living Initiative*. Available at: <https://www.cse.org.uk/downloads/reports-and-publications/policy/renewables/welsh-govt-smart-living-initiative-english-version-july-2018.pdf> (Accessed: 15 October 2018)

<sup>71</sup> Energy Systems Catapult (2018) *Fair Futures*. Available at: <https://es.catapult.org.uk/projects/fair-futures/> (Accessed: 15 October 2018)

<sup>72</sup> Welsh Government (2018) *Written Statement - Launch of the Welsh Government Energy Service*. Available at: <https://gov.wales/about/cabinet/cabinetstatements/2018/launchofwges/?lang=en> (Accessed: 15 October 2018)

<sup>73</sup> Welsh Government (no date) *Welsh Government Energy Service*. Available at: <http://localenergy.gov.wales/en/> (Accessed: 15 October 2018)

<sup>74</sup> Welsh Government (2017) *Warm Homes Programme*. Available at: <https://gov.wales/topics/environmentcountryside/energy/efficiency/warm-homes/?lang=en> (Accessed: 30 July 2018)

- *promoting social inclusion, poverty reduction and economic development in rural areas.*<sup>75</sup>

Within Bridgend the Rural Development Programme is working with the Centre for Sustainable Energy to develop community energy projects and raise awareness of energy efficiency in the home<sup>76</sup>.

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<sup>75</sup> Welsh Government (2018) *Welsh Government Rural Communities – Rural Development Programme 2014-2020*. Available at: <https://gov.wales/topics/environmentcountryside/farmingandcountryside/cap/ruraldevelopment/wales-rural-development-programme-2014-2020/?lang=en> (Accessed 10 October 2018)

<sup>76</sup> BCBC (2018) *Bridgend County Energy Challenge*. Available at: <https://www.bridgendenergy.co.uk/> (Accessed: 30 July 2018)

## 5. Near-term Project Delivery Plan (up to 2025)

This section describes:

- the three deployment projects (DP) within the project pipeline,
- the key priority innovation projects (InPs), which have been developed based on the five near-term Strategy Activities (SA) identified within the Strategy<sup>77</sup>,
- additional complementary activities to be pursued alongside specific projects.

Following a description of the projects, a timeline is provided to set the project delivery alongside one another in the near-term (up to 2025). As the projects are developed and discussed with funders and partners a priority hierarchy will be established, and the delivery timescales may need to be updated. Learning from each of the projects will be used to develop more projects and enable further roll-out of decarbonisation technologies and as additional project opportunities are identified these will be pursued alongside the projects described here.

In the near-term BCBC will also continue to take forward the other, non-project specific activities identified and recommended in the Bridgend Local Area Energy Strategy:

- collect detailed and robust data for the non-domestic buildings in Bridgend to allow the Local Area Energy Strategy to be updated to encompass non-domestic building planning,
- identify suitable sources of low and zero carbon heat to decarbonise the heat supplied to heat networks where gas is initially used,
- evaluate planning policy to ensure that it is supportive of the decarbonisation strategy.<sup>77</sup>

One of BCBC's key aims of the energy transition is to use it to stimulate economic growth and job creation within the county borough. Through the SSH activities BCBC has sought to establish Bridgend County Borough as a Centre for Innovation, focused around the energy transition and digital transformation. As a Centre for Innovation, Bridgend will be viewed by potential energy innovators as an ideal area to develop ideas, test products and market offerings, and invest in skills, jobs and infrastructure. A series of activities will be required to ensure that Bridgend is widely recognised as a Centre for Innovation and the opportunity for additional project development (outside of those identified), economic growth and job creation are maximised.

The two most progressed projects under development by BCBC are:

- Deployment Project 1: Bridgend Town Lower Carbon District Heat Network:
  - All the feasibility work associated with this project has been undertaken and the Outline Business Case is complete.
  - Funding and support for the project development was secured from Welsh Government, HNDU and internal BCBC resource.
  - Capital funding applications are being pursued and the project is likely to start construction late 2019 or in 2020.
- Innovation Project 3: Caerau Mine Water Gas-to-District Heat Network:
  - A detailed feasibility study for this project has been undertaken and the project is progressing to the commercial business modelling stage.
  - Significant community engagement has been undertaken in the local area, including public exhibitions, articles in newsletters, attendance at community meetings and events, social media activity, school workshops and detailed house assessments.

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<sup>77</sup> ETI (2018) *Bridgend Local Area Energy Strategy*

- A grant offer of approximately £6.5M has been made by ERDF, and discussions are underway with other funders to secure, in principle, the remaining match funding required for the project delivery. The business plan submitted to the Welsh European Funding Office provides more details regarding the scheme, albeit the project has developed substantially since the drafting of this document. Project development has been supported by funding secured from HNDU, BCBC and Welsh Government.

In addition to the projects being pursued by BCBC, Wales and West Utilities, Western Power Distribution and PassivSystems have delivered the FREEDOM (Flexible Residential Energy Efficiency Demand Optimisation and Management) project in Bridgend. The FREEDOM project's research objectives are *"...to better understand if hybrid heating systems are technically capable, affordable and attractive to customers as a way of heating homes."*<sup>78</sup>. The final report for the FREEDOM project was published in October 2018 and *"The project successfully demonstrated that hybrid heating systems were able to maintain consumer comfort across a broad range of housing types, ages and sizes, with consumers from a range of socio-economic groups ... without making any changes to the existing wet heating system that was being used for the gas boiler and with no thermal improvements to the property"*<sup>79</sup>.

As mentioned in section 3.4.3 the Home Energy Services Gateway, a smart energy experimental platform, has been deployed in 30 properties within Bridgend, to monitor and understand energy usage within individual homes and how this data can be used to support propositions which will improve consumer service whilst lowering carbon emissions. The gateway now provides a "living lab" of connected homes, which can be used by innovators to test new concepts and products.

Bridgend are also the focus of a project within ESC's Fair Futures Programme, which looks to better understand the opportunities for reducing energy vulnerability faced by consumers as the energy system transforms through decarbonisation and digitalisation. This particular project was commissioned by Welsh Government and is delivered by Cardiff University and Energy Systems Catapult. The project aims to explore how consumer needs and vulnerabilities experienced by households in Bridgend could inform the design of consumer-centred innovation in a future low carbon energy system.

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<sup>78</sup> Western Power Distribution (no date) *FREEDOM*. Available at: <https://www.westernpower.co.uk/projects/freedom> (Accessed 10 October 2018)

<sup>79</sup> Freedom Project (2018) *Freedom Project Final Report* Available at: <https://www.westernpower.co.uk/downloads/12221> (Accessed 15 October 2018)

## 5.1. Deployment Projects – Project Summaries

### 5.1.1. Deployment Project 1: Bridgend Town Lower Carbon District Heat Network

District heating offers an efficient method of providing energy to a local area. The Local Area Energy Planning undertaken by Energy Systems Catapult identified district heating as the dominant heating method to achieve cost-effective decarbonisation of heating in Bridgend town<sup>80</sup>. Detailed feasibility and initial design work has been undertaken to determine the most appropriate configuration of an initial district heating scheme within the town and an Outline Business Case has been prepared and signed off by BCBC Cabinet for its development. The project is currently undergoing final project design, prior to completing the funding package and undertaking procurement for the Design, Build, Operation and Maintenance (DBOM) contract.

The initial district heat network will be based on a gas CHP plant, but will look to transition to a lower carbon heat source in due course. The project will provide an initial heat network, which could be extended in the future, to enable further decarbonisation. The project will provide energy to public, residential and commercial buildings in Bridgend town centre in a more efficient manner, progressing BCBC's decarbonisation agenda. It also provides the opportunity for digitalisation to be integrated into the scheme and a heat as a service offering to be introduced.

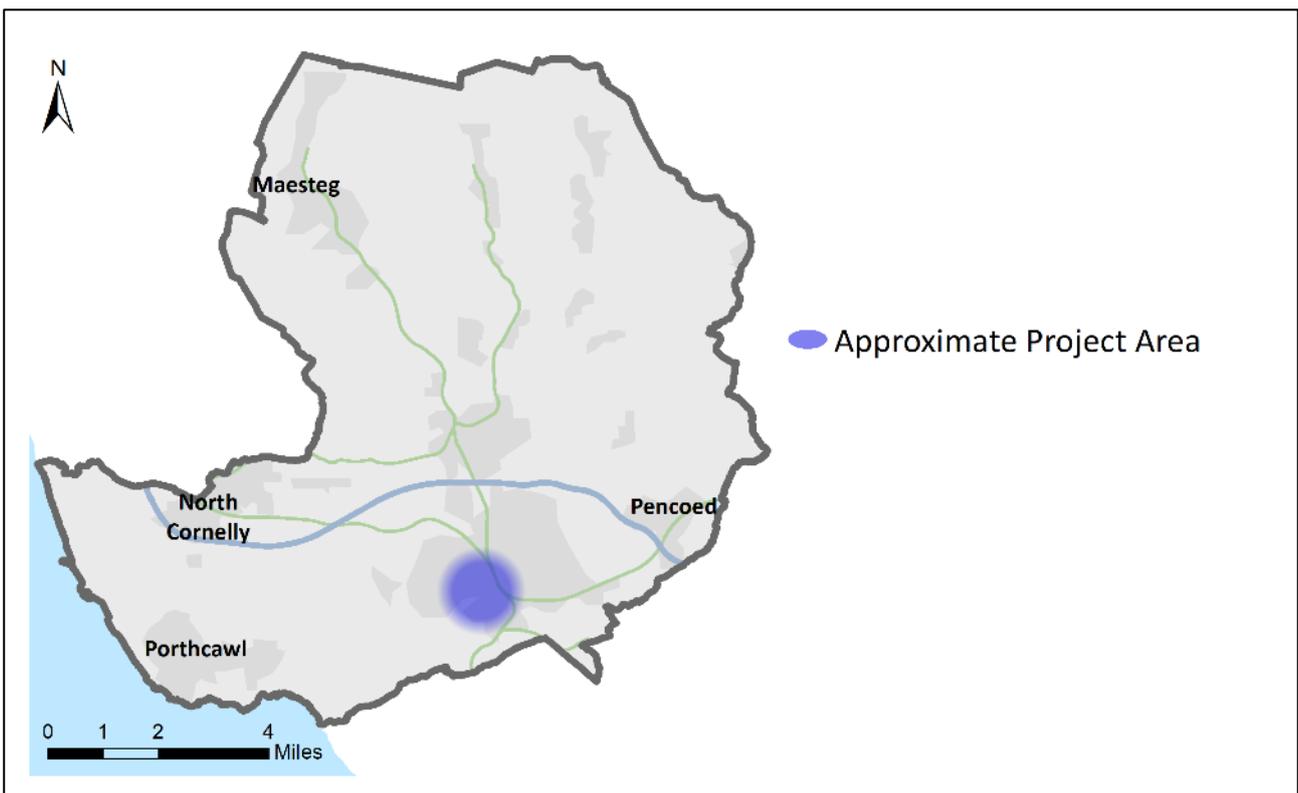


Figure 4.1: Initial Project Target Area

(OS data © Crown copyright and database right 2018)

<sup>80</sup> ETI (2018) *Bridgend Local Area Energy Strategy*

### 5.1.2. Deployment Project 2: Bridgend Town Lower Carbon District Heat Network Phase 2

*Deployment Project 1: Bridgend Town* provides the first step in the decarbonisation of Bridgend town. This initial heat network can be added to and extended by developing additional networks to transition the whole area to a district heating energy system by 2050, as outlined in the Strategy. Alternative heat network locations and configurations were considered within the feasibility work undertaken for Deployment Project 1. This will be revisited to identify an appropriate location for the next phase of the Bridgend Town Heat Network, with necessary partners identified and secured. The potential to extend the network to existing residential areas will be informed from the consumer insights gained through Innovation Project 4. The additional heat network will build on the business case established for the initial Bridgend Town Heat Network and further progress BCBC's decarbonisation agenda for Bridgend town.

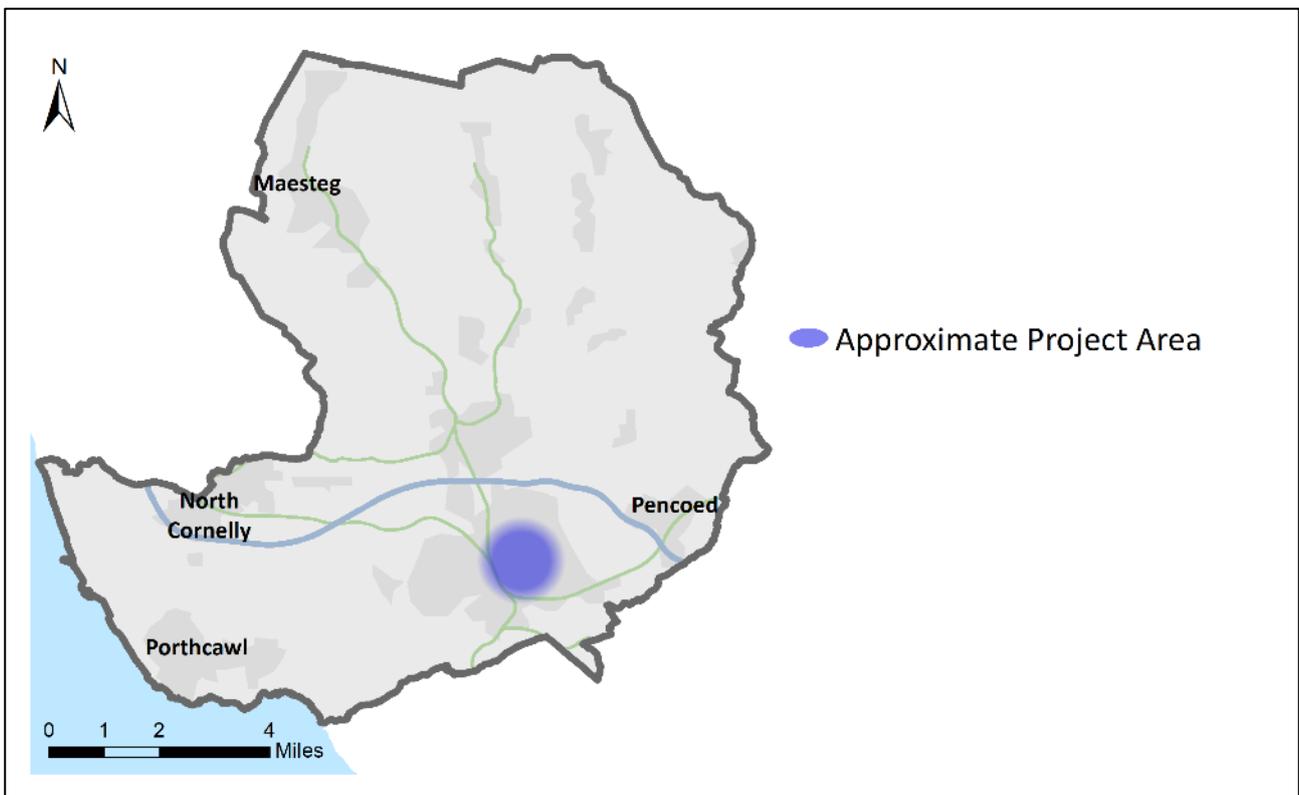


Figure 4.2: Likely Project Target Area

(OS data © Crown copyright and database right 2018)

### 5.1.3. Deployment Project 3: Energy Efficiency Projects

The Welsh Government’s Area Based Initiative under the Warm Homes Scheme; Arbed, is being delivered by Arbed am Byth. “The aim of the scheme is to help eradicate fuel poverty by identifying and installing where appropriate energy efficiency measures in properties in areas of severe fuel poverty across Wales”<sup>81</sup>. Arbed am Byth are working with the Welsh Local Authorities via the Carbon Trust to identify a pipeline of projects. Once the projects are identified, the scheme will be publicised in the areas targeted, and households interested will have their buildings surveyed. Suitable measures will be identified and installed and following installation the properties will be resurveyed to ensure that the measures are installed correctly.

BCBC will work with Arbed am Byth to develop a pipeline of projects, which will look to target areas experiencing fuel poverty with energy efficiency measures. The Local Area Energy Strategy has identified areas which would most benefit from retrofit, and areas which are affected by high levels of fuel poverty<sup>82</sup>. These two elements do not necessarily interact. The Arbed programme criteria is to target areas in severe fuel poverty, as such these areas will be prioritised but consideration of where there is most scope for retrofit deployment and measures that are most cost effective will be considered to maximise the benefit of the scheme’s deployment.

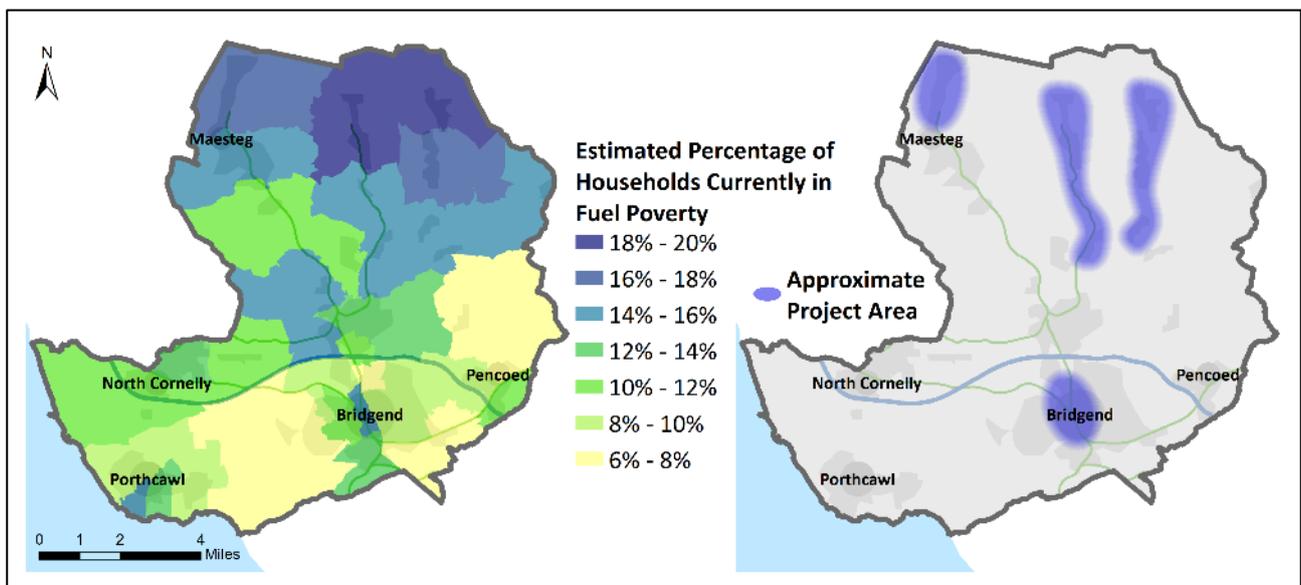


Figure 4.3: Percentage of Households currently in Fuel Poverty and Areas Likely to be targeted by the Project

(OS data © Crown copyright and database right 2018)

<sup>81</sup> Arbed am Byth (2018) *Helping to Warm Homes across Wales*. Available at: <http://www.arbedambyth.wales/index.html> (Accessed: 15 October 2018)

<sup>82</sup> ETI (2018) *Bridgend Local Area Energy Strategy*

## 5.2. Innovation Projects

This section describes BCBC's evolving innovation developments. The projects are at different stages of development, and BCBC are looking to engage with public and private partners to further shape, develop and ultimately deliver the projects. These projects will provide learning opportunities for all participants and will help inform further progression of the decarbonisation agenda within Bridgend. Section 4.2.7 summarises how the projects relate to SSH, the Local Area Energy Strategy, local context and the overall UK energy transition.

### 5.2.1. Innovation Project 1: Fully Targeted Retrofit

Improving building energy efficiency is a key opportunity for reducing carbon emissions<sup>83</sup>. Whilst deep retrofit of UK housing stock is technically feasible the cost would be similar to rebuilding the entire stock<sup>84</sup>. Targeting an appropriate mix of measures on specific housing and occupants provides more cost-effective decarbonisation<sup>84</sup>. This project looks to test this assertion by:

- Targeting areas that have been identified through the local area energy planning as having the greatest proportion of properties that would benefit from additional insulation (see figure 4.4), and
- Using dynamic modelling to fully understand energy flows within the dominant building types and identify the most cost-effective energy efficiency measures for a given budget and heating system.

The impact of installed measures on the properties will be monitored and analysed to consider development of new consumer offerings and business models, building on the following objectives of **Strategy Activity 1**:

- *Identify new business models that can self-finance wide scale deployment; this could involve providing integrated solutions incorporating other measures alongside retrofit. Reducing dependency on public grants.*
- *Focus on: developing and delivering new retrofit service offers and business models that also improve quality of homes/comfort; defining target areas and consumer segments; and adopting a means of performance contracting to ensure outcomes rather than measures are achieved.*<sup>83</sup>

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<sup>83</sup> ETI (2018) *Bridgend Local Area Energy Strategy*

<sup>84</sup> ETI (2016) *Housing Retrofits – A new start*. Available at: <https://www.eti.co.uk/insights/housing-retrofits-a-new-start> (Accessed: 4 September 2018)

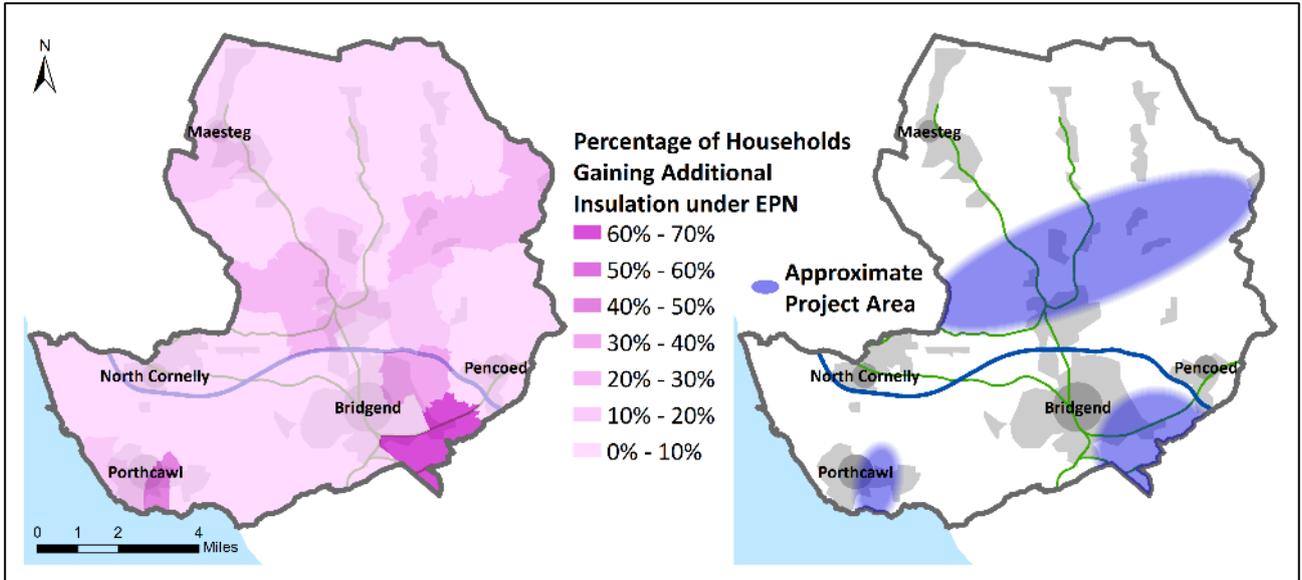


Figure 4.4: Proportion of Households identified as benefiting from Additional Insulation and Project Target Areas<sup>85</sup>

(OS data © Crown copyright and database right 2018)

<sup>85</sup> ETI (2018) *Bridgend Local Area Energy Strategy*

## 5.2.2. Innovation Project 2: Hybrid Heat Pumps and Full Electrification

As mentioned above, Bridgend hosted the FREEDOM (Flexible Residential Energy Efficiency Demand Optimisation and Management) project, which looked “...to better understand if hybrid heating systems are technically capable, affordable and attractive to customers as a way of heating homes.”<sup>86</sup>. “The project successfully demonstrated that hybrid heating systems were able to maintain consumer comfort across a broad range of housing types, ages and sizes, with consumers from a range of socio-economic groups ... without making any changes to the existing wet heating system that was being used for the gas boiler and with no thermal improvements to the property”<sup>87</sup>.

BCBC would like the success of the FREEDOM project to be built upon within Bridgend and the role of hybrid heat pumps in the overall decarbonisation of the Bridgend energy system as opposed to full electrification to be further explored.

Project areas that are currently being considered with respect to this include:

- The suitability of hybrid heating systems within a non-domestic environment, with an assessment of BCBC’s own estate considering this,
- The potential for hybrid heating systems to be utilised as a transition technology within areas in which local area energy planning identified full electrification to be the most cost-effective heating system for 2050,
- The optimum housing fabric conditions and market environment to minimise carbon emissions when utilising a fully smart hybrid heating system.

The local area energy planning results identified the greatest average number of hybrid heat pumps in the Ogmore and Garw valleys, with fully electrified heating systems also identified nearby<sup>88</sup>. As such, it is intended that these areas will be targeted initially for further domestic hybrid heat pump deployment.

This project will focus on the following objectives of **Strategy Activity 2:**

- *Understand value of hybrids – is it transition technology or a long term 2050 solution.*
- *Develop and test compelling customer propositions that are attractive to customers so they buy-in to the transition.*
- *Build on the FREEDOM Project.*
- *Consider benefits of hybrid v electrification, potentially alongside fabric improvement.*
- *Provide further evidence on potential role of hybrid solutions before making energy network decisions.*<sup>88</sup>

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<sup>86</sup> Western Power Distribution (no date) *FREEDOM*. Available at: <https://www.westernpower.co.uk/projects/freedom> (Accessed 10 October 2018)

<sup>87</sup> Freedom Project (2018) *Freedom Project Final Report* Available at: <https://www.westernpower.co.uk/downloads/12221> (Accessed 15 October 2018)

<sup>88</sup> ETI (2018) *Bridgend Local Area Energy Strategy*

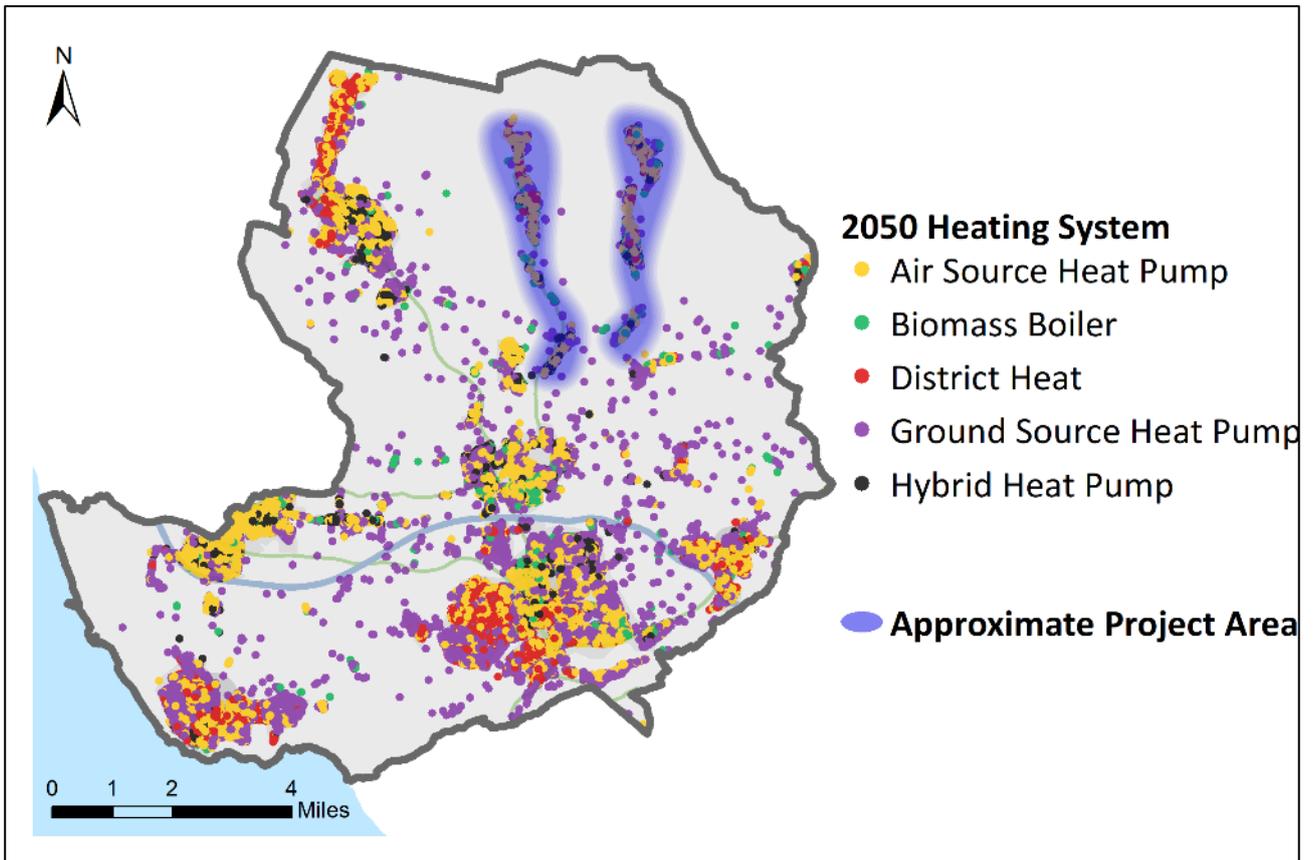


Figure 4.5: Heating Systems Identified from the Local Area Energy Planning under the Green Gas Scenario and Project Target Areas

(OS data © Crown copyright and database right 2018)

### 5.2.3. Innovation Project 3: Caerau Mine Water Gas-to-District Heating Transition

The Upper Llynfi Valley has been identified as a potential area for district heating (DH). Feasibility work has been undertaken and an Outline Business Case prepared for a scheme that utilises the water resources held within the historic mine workings beneath the village to provide a low carbon heating system. Water within the old mine-workings is flowing at a raised temperature, measured at 20°C. The scheme will pump the mine water to an Energy Centre at the surface and use a heat exchanger to extract the heat from the water and transfer it to a clean water supply which would be transported through a district heating network to residents' properties. Heat pump technology will increase the water temperature, so it is suitable for the residents' heating systems.

The majority of Caerau residents are connected to the gas network and use individual gas boilers to provide their heating requirements. Whilst DH offers an efficient method of providing energy to a local area the market for heat networks in the UK is immature and extending DH schemes to residential areas is difficult<sup>89</sup>. The Caerau mine water project provides an opportunity to gain technical and consumer insights relating to the delivery of heating via a low carbon district heat network to existing low-rise properties.

The project will encompass all objectives associated with **Strategy Activity 3**:

- *Understand insights from Caerau Heat Network scheme to identify barriers and opportunities to extend the scheme [...]*
- *Provide key learning to inform other potential residential retrofit schemes to similar groups of housing.*
- *Focus on understanding aspects such as:*
  - *Successful consumer engagement methods. Considering aspects such as the social demographic.*
  - *Commercial considerations. Key actual cost and economic data can be assessed to understand the financial implications of retrofitting heat networks to existing low rise residential areas.*
  - *Consumer's experience – what are the key aspects to focus on to encourage further uptake?*<sup>90</sup>

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<sup>89</sup> AECOM (2017) *Reducing the capital cost of district heat network infrastructure*. Available at: <https://d2umxnkyjne36n.cloudfront.net/teaserImages/Reducing-the-capital-cost-of-district-heat-network-infrastructure.pdf?mtime=20171103092304> (Accessed 10 October 2018)

<sup>90</sup> ETI (2018) *Bridgend Local Area Energy Strategy*

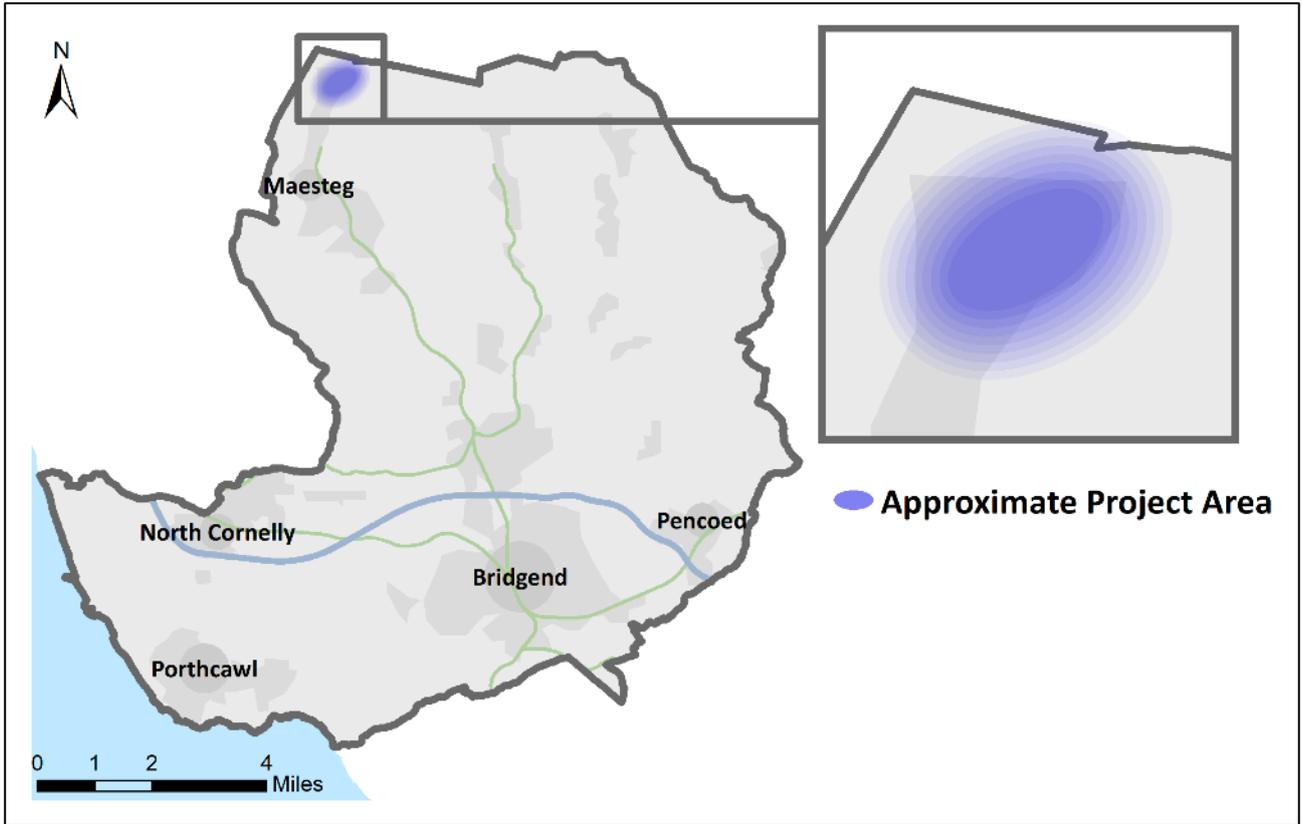


Figure 4.6: Project Target Area

(OS data © Crown copyright and database right 2018)

## 5.2.4. Innovation Project 4: Affordable Urban Heat Networks

*“Modern and accessible infrastructure...is essential to our future growth and prosperity”*<sup>91</sup>, however productivity growth in the construction sector has been slower than other sectors of the economy, which has an impact on infrastructure performance<sup>92</sup>. Whilst DH offers an efficient method of providing energy to a local area, the capital cost of DH networks is a major barrier to their development. ETI has identified the potential for 30-40% reduction in the capital cost of networks through the delivery of eight route maps<sup>93</sup>. This work was theoretical in nature, identifying high cost areas that have the largest potential for cost reductions. It identified specific gaps in the market where innovation efforts should be focussed to provide maximum benefit and value for money. This project looks to work with industry partners and build on the work undertaken for the ETI<sup>93</sup> and investigate additional innovation potential through the role of digitalisation to reduce the costs associated with urban heat networks and increase their overall cost efficiencies.

The project would develop innovative construction methods, products and delivery mechanisms, which reduce costs and increase efficiencies and test these in a real-world district heat network, to demonstrate the value provided and learn lessons for further development.

The project would focus on the following objectives of **Strategy Activity 4**:

- *Assess options of reducing cost of heat networks; focusing on proposed Bridgend Town Centre scheme. Utilising resources such as ETI Heat Infrastructure Development project: Reducing the capital cost of district heat network*<sup>93</sup>.
- *Provide insights relevant to other potential comparable urban centre schemes.*
- *Consider aspects relevant to extending from urban centres to existing residential areas.*
- *Focus on overcoming barriers to connecting existing homes to heat networks.*<sup>94</sup>

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<sup>91</sup> BEIS (2017) *Industrial Strategy*. Available at:

[https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment\\_data/file/664563/industrial-strategy-white-paper-web-ready-version.pdf](https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/664563/industrial-strategy-white-paper-web-ready-version.pdf) (Accessed: 30 July 2018)

<sup>92</sup> Infrastructure and Projects Authority (2018) *Transforming Infrastructure Performance*. Available at:

[https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment\\_data/file/664920/transforming\\_infrastructure\\_performance\\_web.pdf](https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/664920/transforming_infrastructure_performance_web.pdf) (Accessed: 15 November 2018)

<sup>93</sup> AECOM (2017) *Reducing the capital cost of district heat network infrastructure*. Available at:

<https://d2umxnkyjne36n.cloudfront.net/teaserImages/Reducing-the-capital-cost-of-district-heat-network-infrastructure.pdf?mtime=20171103092304> (Accessed 10 October 2018)

<sup>94</sup> ETI (2018) *Bridgend Local Area Energy Strategy*

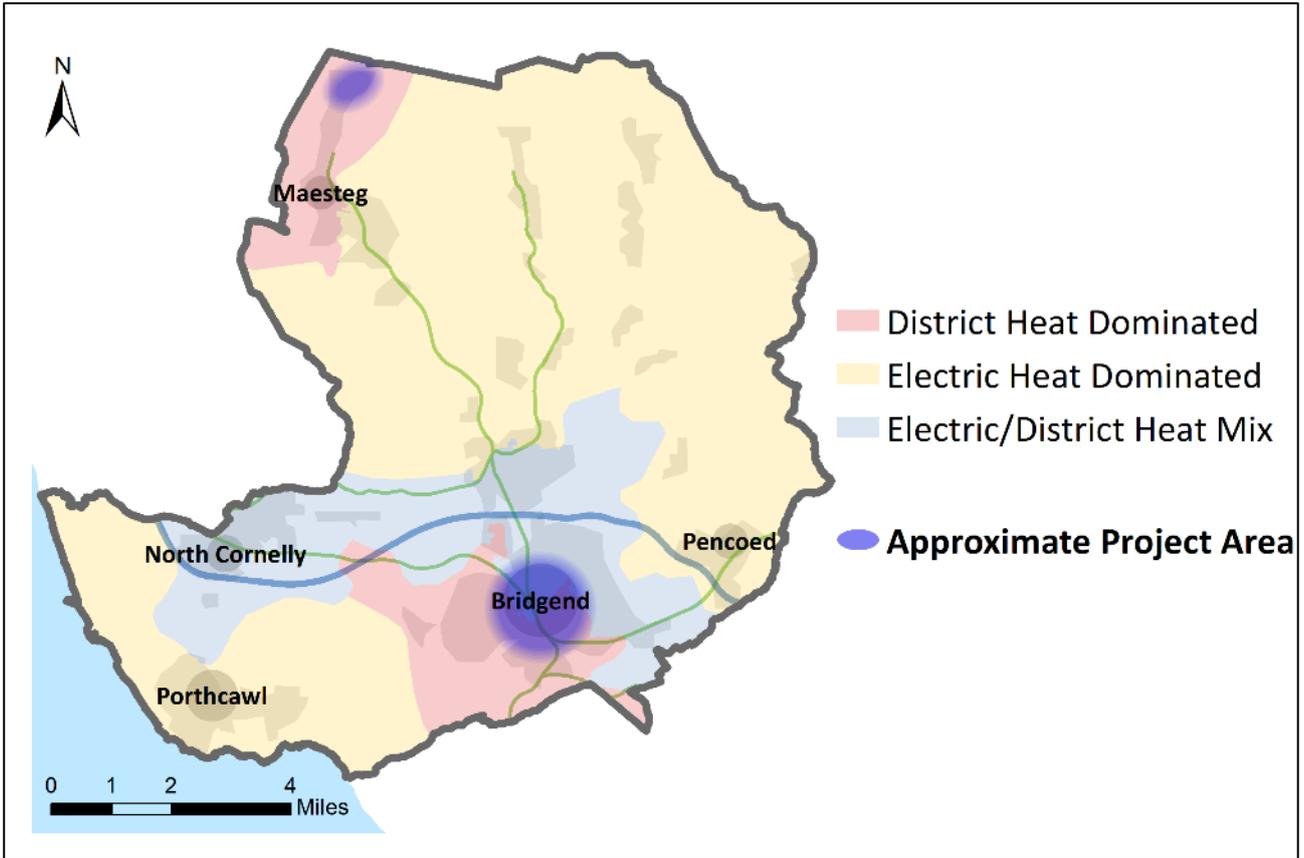


Figure 4.7: Dominant Heating Systems in 2050 by Area and Potential Project Target Areas

(OS data © Crown copyright and database right 2018)

### 5.2.5. Innovation Project 5: Electrification of Heat through Energy as a Service

Electrified heating has been identified as the predominant cost-effective decarbonised heating system for much of Bridgend's valley and coastal areas<sup>95</sup>. Decarbonisation of domestic heating requires a significant change to the current energy retail sector, selling energy as a service is a potential solution that has been identified which this project will test<sup>96</sup>. A market that sells energy as a service would see consumers buying the experience they want; a comfortable home when they require it, rather than buying the individual components that provide that experience (e.g. boilers, radiators, gas, electricity, insulation, etc.). This project would look to introduce electrified heating solutions, utilising different energy service propositions to recruit participants. Technical insights in to providing the service promised and consumer insights regarding satisfaction levels with respect to the service provided will help to develop further propositions and determine if this is a viable way of transitioning consumers to an electrified heating solution.

BCBC are interested in testing a range of different electric heating technology packages, to understand the practicalities of different options and the home-environments in which they are most suited.

The project will target areas identified within the Local Area Energy Strategy<sup>95</sup> for predominantly electrified heating, but will look to include a range of housing types, demographics and geographical locations to understand how:

- different home environments affect the technical operation of delivering heat as a service via electrified solutions,
- different consumers respond to the energy as a service concept.

In addition to testing different technology packages this project will look to test different approaches to recruiting consumers, including through:

- the domestic heating supply chain,
- council services,
- partnerships with Registered Social Landlords.

The project will focus on the following objectives of **Strategy Activity 5**:

- *Develop and test compelling customer propositions that are attractive to customers so they buy-in to the transition.*
- *Develop new forms of service provision as different approaches will be needed for different areas and consumer segments.*
- *Establish partners and test approaches through council services such as social care.*
- *Consider targeting perceived early adopters in coastal areas.*<sup>95</sup>

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<sup>95</sup> ETI (2018) *Bridgend Local Area Energy Strategy*

<sup>96</sup> ETI (2018) *How can people get the heat they want at home without the carbon?* Available at: <https://www.eti.co.uk/insights/how-can-people-get-the-heat-they-want-without-the-carbon> (Accessed: 15 October 2018)

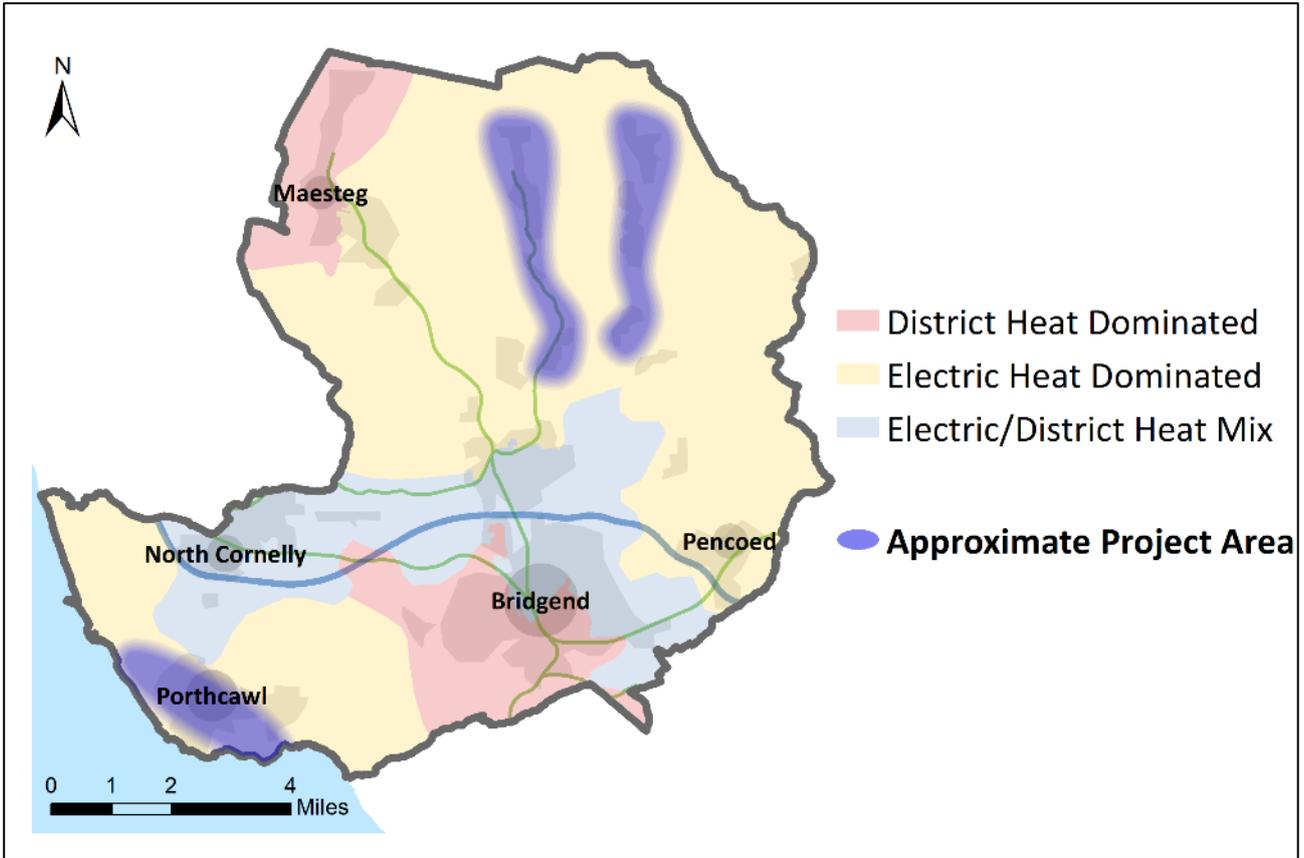


Figure 4.8: Dominant Heating Systems in 2050 by Area and Potential Project Target Areas

(OS data © Crown copyright and database right 2018)

## 5.2.6. Innovation Project 6: Intelligent Bridgend Energy Systems Design

The Industrial Strategy promotes a “whole systems approach” to decarbonisation and clean growth and looks to “...*position the UK as a leader in clean and efficient power, transport and heat through an integrated approach to decarbonising these increasingly connected systems.*”<sup>97</sup>. BCBC are supportive of this approach and would like to maximise the benefits that the heat projects under development within the county borough and the operational electricity projects in and around Bridgend County Borough can offer by integrating energy generation/use for transport, power and heat.

BCBC views digitalisation as essential to achieving this aim and will look to improve digital infrastructure alongside the energy projects developed to ensure that projects are future-proofed for further development and to enable additional service offerings to be introduced in the future which will provide further benefits to Bridgend’s citizens; from smarter more efficient energy provision to mobility services and more responsive health care needs. As such, BCBC are interested in working with partners who not only work in the energy space but operate in the digitalisation industry to achieve the vision of becoming a *decarbonised, digitally connected smart County Borough*.

This specific project will develop a design and concept proposal for how to use digitalisation capabilities to integrate the three energy vectors (transport, heat and electricity) at a local level to:

- improve cost and resource efficiencies,
- enhance consumer experience,
- start to explore the potential benefits of a fully digitalised energy system.

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<sup>97</sup> BEIS (2017) *Industrial Strategy*. Available at: [https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment\\_data/file/664563/industrial-strategy-white-paper-web-ready-version.pdf](https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/664563/industrial-strategy-white-paper-web-ready-version.pdf) (Accessed: 30 July 2018)

### 5.2.7. Innovation Project Relationship with SSH and the Local Context

Table 4.1 summarises how the individual projects take forward the concepts developed within SSH, the Bridgend Local Area Energy Strategy<sup>98</sup> and how the project activities relate to both local context and the UK energy transition as a whole.

Table 4.1: Innovation Project Relationship with SSH, UK Energy Transition, Local Context and Local Area Energy Strategy

Innovation Project	Elements that Interact with SSH	Potential learning/outcomes for the UK energy transition	Relationship with Local Context	Interaction with Bridgend Local Area Energy Strategy
<b>Innovation Project 1: Fully Targeted Retrofit</b>	<p>Tests whether full understanding of building fabric and energy flows can enable more cost effective retrofit measures to be identified.</p> <p><b>Project tackles:</b> Economic barriers to low carbon heating.</p>	<p>Potential to:</p> <ul style="list-style-type: none"> <li>• Make public funded energy efficiency programmes more cost effective.</li> <li>• Lead to the development of attractive retrofit consumer offerings for able to pay market.</li> </ul> <p>By targeting a variety of areas in Bridgend County Borough the project will cover the diverse geography, housing types and demographics present in Bridgend, providing insights relevant to Wales as a whole.</p>	<p>Installation of retrofit measures doesn't just provide the potential for energy and cost savings, but can also provide:</p> <ul style="list-style-type: none"> <li>• Health benefits</li> <li>• Building improvements</li> <li>• Area regeneration.</li> </ul> <p>Therefore, the project feeds into BCBC's aspiration of delivering "...an improved quality of life and environment for all people...in the area."<sup>99</sup></p> <p>Aims to provide insight for public programmes targeted at relieving fuel poverty (due to high fuel poverty prevalence in the valleys) and consumer models targeted at the able-to-pay market (due to presence of more affluent areas, which would benefit from retrofit).</p>	<p>Aims to provide the evidence/insight required to begin delivery of some of the objectives associated with Strategy Activity 1, specifically:</p> <ul style="list-style-type: none"> <li>• Building on data regarding housing retrofit</li> <li>• Identifying new, self-financing business models</li> <li>• Identifying consumer segments.<sup>98</sup></li> </ul>

<sup>98</sup> ETI (2018) *Bridgend Local Area Energy Strategy*

<sup>99</sup> BCBC (2013) *Local Development Plan*. Available at: <https://www.bridgend.gov.uk/media/1899/written-statement.pdf> (Accessed: 30 July 2018)

<p><b>Innovation Project 2: Hybrid Heat Pumps and Full Electrification</b></p>	<p>Further understanding of the role of hybrid heat pumps as opposed to fully electrified heat pump systems, and whether hybrid heating systems are a useful transition technology.</p> <p><b>Project tackles:</b> Social barriers to low carbon heating.</p>	<p>Will provide insight which will help inform the transition to hybrid or fully electrified heating systems in other areas.</p>	<p>97% of properties in Bridgend are connected to the gas network, so it is important to identify suitable methods of transitioning from gas to electric heating systems.</p>	<p>Project will achieve the following Strategy Activity 2 objectives:</p> <ul style="list-style-type: none"> <li>• Providing further evidence on role of hybrids and their value as a transition or long-term technology.</li> <li>• Developing and testing attractive consumer propositions.</li> <li>• Considering the benefits of hybrid systems versus full electrification.<sup>100</sup></li> </ul>
<p><b>Innovation Project 3: Caerau Mine Water Gas-to-District Heating Transition</b></p>	<p>Will provide real consumer insight relating to the transition from gas-to-district heating in existing properties.</p> <p><b>Project tackles:</b> Social and technical barriers to low carbon heating.</p>	<p>Will provide understanding of the potential for mine water to provide an energy source for district heating schemes, relevant to the whole South Wales coalfield and other coalfields across the UK. Consumer insights may help to develop future consumer propositions for new heat networks or heat network extensions.</p>	<p>Two areas of Bridgend County Borough have been identified for wide-scale district heating within the Strategy<sup>98</sup>. These areas are served by the gas network, therefore methods for encouraging transfer to district heating are required. The project will identify and start to break down the barriers to low carbon heating, which resulted in the low forecast of low carbon heat generation potential from the Local Development Plan Renewable Energy Assessment<sup>101</sup>. Local ownership of the scheme contributes to Welsh Government's aspiration for locally owned local energy generation and</p>	<p>The two areas identified for DH in the Strategy are predominantly served by the gas network. Understanding how to encourage consumers in these areas to transition to DH will be imperative to implementing the Strategy. It will specifically fulfil Strategy Activity 3 objectives to:</p> <ul style="list-style-type: none"> <li>• Identify barriers and opportunities to extend planned DH schemes, and</li> <li>• Provide learning for other potential residential retrofit schemes to similar</li> </ul>

<sup>100</sup> ETI (2018) *Bridgend Local Area Energy Strategy*

<sup>101</sup> BCBC (2011) *Local Development Plan 2006-2021 Renewable Energy Assessment and Energy Opportunities Plan*. Available at: <https://www.bridgend.gov.uk/media/2055/sd115.pdf> (Accessed: 15 October 2018)

			helps to achieve the Well-Being of Future Generations goal of a Resilient Wales.	housing groups. <sup>100</sup>
<b>Innovation Project 4: Affordable Heat Network</b>	Tests and furthers work undertaken for the ETI <sup>102</sup> regarding lowering the cost of district heat networks. <b>Project tackles:</b> Economic barriers to low carbon heating.	Findings may provide replicable solutions for lowering district heat network costs elsewhere. There are six district heating projects under development in Wales which would benefit from the project findings, as well as other projects across the UK <sup>103</sup> .	Whilst district heating is identified as the most cost effective domestic heating carbon reduction measure in two areas of Bridgend <sup>104</sup> , the high capital cost provides an obstacle to deployment. This project will generate insight for project extensions due to be developed over the long-term towards 2050. As such it delivers on the Well Being of Future Generations Act's Long-Term way of working.	Findings will help to achieve the following objective within Strategy Activity 4: <ul style="list-style-type: none"> <li>• <i>“Assess options of reducing cost of heat networks; focusing on proposed Bridgend Town Centre scheme. Utilising resources such as ETI Heat Infrastructure Development project: Reducing the capital cost of district heat networks.”<sup>104</sup></i></li> </ul>

<sup>102</sup> AECOM (2017) *Reducing the capital cost of district heat network infrastructure*. Available at: <https://d2umxnkyne36n.cloudfront.net/teaserImages/Reducing-the-capital-cost-of-district-heat-network-infrastructure.pdf?mtime=20171103092304> (Accessed 10 October 2018)

<sup>103</sup> HNDU (2018) *Local Authorities Supported by HNDU*. Available at: <https://www.gov.uk/guidance/heat-networks-delivery-unit#local-authorities-supported-by-hndu> (Accessed: 10 October 2018)

<sup>104</sup> ETI (2018) *Bridgend Local Area Energy Strategy*

<b>Innovation Project 5: Electrification of Heat through Energy as a Service</b>	<p>Test and gather consumer insights on the Energy as a Service concept.</p> <p><b>Project tackles:</b> Economic, social and technical barriers to low carbon heating.</p>	<p>May provide a model for an Energy as a Service consumer proposition which can be used to roll-out other heat/energy services and technology solutions in addition to that tested in the project.</p>	<p>The Strategy identified electric heating as the predominant cost-effective heating decarbonisation solution for much of Bridgend, however the gas network serves 97% of domestic properties. As such, compelling consumer propositions to encourage residents to switch from gas to electric heating will need to be established.</p>	<p>This project delivers on the following Strategy 5 objectives:</p> <ul style="list-style-type: none"> <li>• <i>“Develop and test compelling customer propositions that are attractive to customers so they buy-in to the transition.</i></li> <li>• <i>Develop new forms of service provision as different approaches will be needed for different areas and consumer segments.”<sup>104</sup></i></li> </ul>
<b>Innovation Project 6: Multi-Vector Integration</b>	<p>Aims to fully integrate a “whole-systems” approach into projects that are in development or are operational.</p> <p><b>Project tackles:</b> Economic and social barriers to low carbon heating and other energy vectors.</p>	<p>Provides a test case for a BEIS’ aim to <i>“...position the UK as a leader in clean and efficient power, transport and heat through an integrated approach to decarbonising these increasingly connected systems”<sup>105</sup></i></p>	<p>Integrates local energy generation and uses, to provide a more integrated approach to energy delivery and distribution within the local area.</p>	<p>Builds on the Strategy’s aspiration <i>“to evolve to consider carbon emissions from other sectors such as transportation”<sup>106</sup>.</i></p>

<sup>105</sup> BEIS (2017) *Industrial Strategy*. Available at: [https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment\\_data/file/664563/industrial-strategy-white-paper-web-ready-version.pdf](https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/664563/industrial-strategy-white-paper-web-ready-version.pdf) (Accessed: 30 July 2018)

<sup>106</sup> ETI (2018) *Bridgend Local Area Energy Strategy*

### 5.3. Other Near Term Deliver Non-Project Specific Activities

The other non-project specific activities are summarised in table 4.2.

Table 4.2 Additional Non-Project Specific Activities to be undertaken in the Near-Term (up to 2025)

Activity	Activity Details
<b>Additional Activity A: Non-Domestic Building Data</b>	The Strategy has focused initially on decarbonisation of BCBC’s domestic buildings. Bridgend also hosts over 5000 non-domestic buildings, which will need to be decarbonised to meet Wales’ carbon targets. To evolve the Strategy to include measures for tackling decarbonisation of the non-domestic buildings, BCBC will collect detailed and robust data for these buildings so that they can be assessed, and appropriate decarbonisation approaches can be identified and implemented.
<b>Additional Activity B: Low and Zero Carbon DH Energy Sources</b>	BCBC are looking to transition two areas of Bridgend to district heating. Whilst there are plans to fuel some DH areas with gas CHP plants initially, BCBC will look to transition these to lower/zero carbon heat sources in due course. This activity will identify and investigate different potential low carbon heat sources, through feasibility studies and stakeholder engagement. Findings from this activity are expected to lead to the development of future projects which may be undertaken under this plan or future plans beyond 2025.
<b>Additional Activity C: Planning Policy Alignment with Decarbonisation Strategy</b>	BCBC are currently starting to prepare a new Local Development Plan (LDP), which will set out the priorities and objectives of the Corporate Plan in terms of land use <sup>107</sup> . BCBC need to undertake a variety of steps to develop and adopt the new LDP, including reviewing the current LDP, compiling an Evidence Base, and drafting and receiving feedback on pre-deposit and deposit versions of the plan <sup>107</sup> . The new LDP is currently scheduled for adoption Summer/Autumn 2021 <sup>107</sup> . The BCBC Sustainable Development Team will feed into this process to ensure that any potential barriers to the Local Area Energy Strategy are reduced and opportunities are maximised. Additionally, the BCBC Sustainable Development Team should work with the BCBC Planning Team when establishing a local renewable energy target to ensure that the insights provided by the Smart Energy Plan and Local Area Energy Strategy are taken into account.
<b>Activity D: Establishing Bridgend as a Centre for Innovation</b>	A variety of activities will be undertaken to ensure that Bridgend is viewed by the wider industry as a Centre for Innovation and an ideal area to trial innovation projects and encourage economic growth and job creation. Activities will include engagement (through a variety of media) with industry stakeholders about BCBC’s near-term and long-term activities and objectives, to encourage: <ul style="list-style-type: none"> <li>• companies to partner with BCBC on innovation projects (both those outlined in this plan and additional project ideas that the external parties may wish to pursue themselves),</li> <li>• supply-chain companies to invest in skills that would be useful for ongoing projects and the overall energy transition in Bridgend,</li> <li>• companies to invest in Bridgend as an area that will be at the forefront of the changing energy market.</li> </ul>
<b>Activity E: Identify Power, Transport and</b>	BCBC are committed to decarbonising and developing localised solutions heat, power and transport (across both domestic and non-domestic sectors). BCBC are aware that these three sectors impact each other, and that complementary business models and

<sup>107</sup> BCBC (2018) *Bridgend County Borough Council Report to Council 20 June 2018, Report of The Corporate Director – Communities, Bridgend Replacement Local Development Plan (LDP) Delivery Agreement, pp.145-149*. Available at: <http://democratic.bridgend.gov.uk/documents/g3214/Public%20reports%20pack%2020th-Jun-2018%2015.00%20Council.pdf?T=10&LLL=0> (Accessed: 13 September 2018)

<b>Digitalisation Projects</b>	technical solutions may be able to be developed to increase the benefits and impact of any single vector energy solution proposed. BCBC will integrate decarbonisation of power and transport and digitalisation where possible into the heating projects proposed and pursue project ideas with external partners to accelerate progression in these additional areas. Potential project areas include electrification of transport, local electricity market development associated with peer-to-peer trading and direct/indirect Power Purchase Agreements and development of mixed technology generation and storage assets.
<b>Activity F: Scoping Future Delivery Plans</b>	The Bridgend Local Area Energy Strategy suggested that there would need to be a series of relatively short-term (5 year) delivery plans that would detail activities undertaken and evidence collected before major area-based decisions could be made with certainty <sup>108</sup> . As such, during the delivery of the Smart Energy Plan time will need to be dedicated to planning activities and projects that will be undertaken during the next phase of the Strategy delivery and re-evaluating decarbonisation pathways based on insight from innovation projects. This will ensure a process of continual learning to gather evidence and insights that will enable confident decision-making regarding energy systems investments and future large-scale deployment of decarbonisation initiatives.

## 5.4. Near-Term Decarbonisation Road Map

Table 4.3 provides the anticipated timescales for each of the project activities. The Smart Energy Plan is a live document and many of the projects and activities are currently at the early stages of development, as such the steps and timescales are likely to require updating as further information is acquired. Additionally, as further opportunities are identified, the pipeline will be added to.

Figure 4.9 provides a map which illustrates the anticipated targeted areas for the projects alongside the dominant 2050 decarbonisation heating technologies identified via local area energy planning. As per the timescales, this may be subject to change during project/activity development.

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<sup>108</sup> ETI (2018) *Bridgend Local Area Energy Strategy*

Table 4.3: Near-Term Project/Activity Timescales

2018	2019: <i>FIT scheme closes - UK leaves EU</i>	2020: <i>WG carbon target/budget end - Smart meters rolled-out - WG elections</i>	2021: <i>RHI planned closure - Current Arbed end date - Local elections</i>	2022 <i>UK elections - Current WG RE Support Service end date</i>	2023 <i>ERDF funding ends</i>	2024	2025: <i>WG elections (if not earlier) - WG carbon budget (2021-25)</i>
<b>DP1 Bridgend Town Lower Carbon District Heat (DH) Network Phase 1:</b> 1 <sup>st</sup> step to decarbonising Bridgend town.							
<b>DP2 Bridgend Town Lower Carbon DH Network Phase 2:</b> Build on DP1 business case and extend heat network.							
<b>DP3 Energy Efficiency Projects:</b> Tackle fuel poverty by installing energy efficiency measures in areas in need.							
<b>InP1 Fully Targeted Retrofit:</b> Understand the benefits of dynamic modelling and performance monitoring and how these can help develop more compelling retrofit offerings for consumers.							
<b>InP2 Hybrid Heat Pumps and Full Electrification:</b> Build on the success of the FREEDOM project and further explore the role of hybrid heat pumps in the overall decarbonisation of the Bridgend energy system.							
<b>InP3 Caerau Mine Water Gas-to-District Heating Transition:</b> Deliver a demonstrable example of a low carbon DH system which transitions existing residential consumers from gas heating to DH.							
<b>InP4 Affordable Urban Heat Networks (HNs):</b> Establish solutions for reduced HN costs & improved efficiencies.							
<b>InP5 Electrification of Heat through Energy as a Service:</b> Deliver energy as a service to heating consumers via different electrified heating technology packages and gain insights to assist further roll-out if successful.							
<b>InP6: Intelligent Bridgend Energy System Design:</b> Explore the benefits that arise from integration of heat, electricity & transport systems							
					<b>Activity A Non-Domestic Building Data:</b> Gather data on Bridgend's non-domestic buildings and update the Strategy.		
<b>Activity B Low &amp; Zero Carbon DH Energy Sources:</b> Identify and investigate potential lower and zero carbon heat sources for DH networks to feed-in to future projects.							
<b>Activity C Planning Policy Alignment with Decarbonisation Strategy:</b> Ensure the new LDP accounts for the Strategy.							
<b>Activity D Establishing Bridgend as a Centre for Innovation:</b> Effectively market Bridgend as an area to trial innovation projects and stimulate economic growth.							
<b>Activity E Identify Power, Transport and Digitalisation Projects:</b> Develop complementary electricity, transport and digital infrastructure projects alongside the heating projects to ensure that decarbonisation takes place in a joined-up manner.							
					<b>Activity F Scoping Future Delivery Plans:</b> Ensure continual learning to achieve large-scale deployment initiatives.		

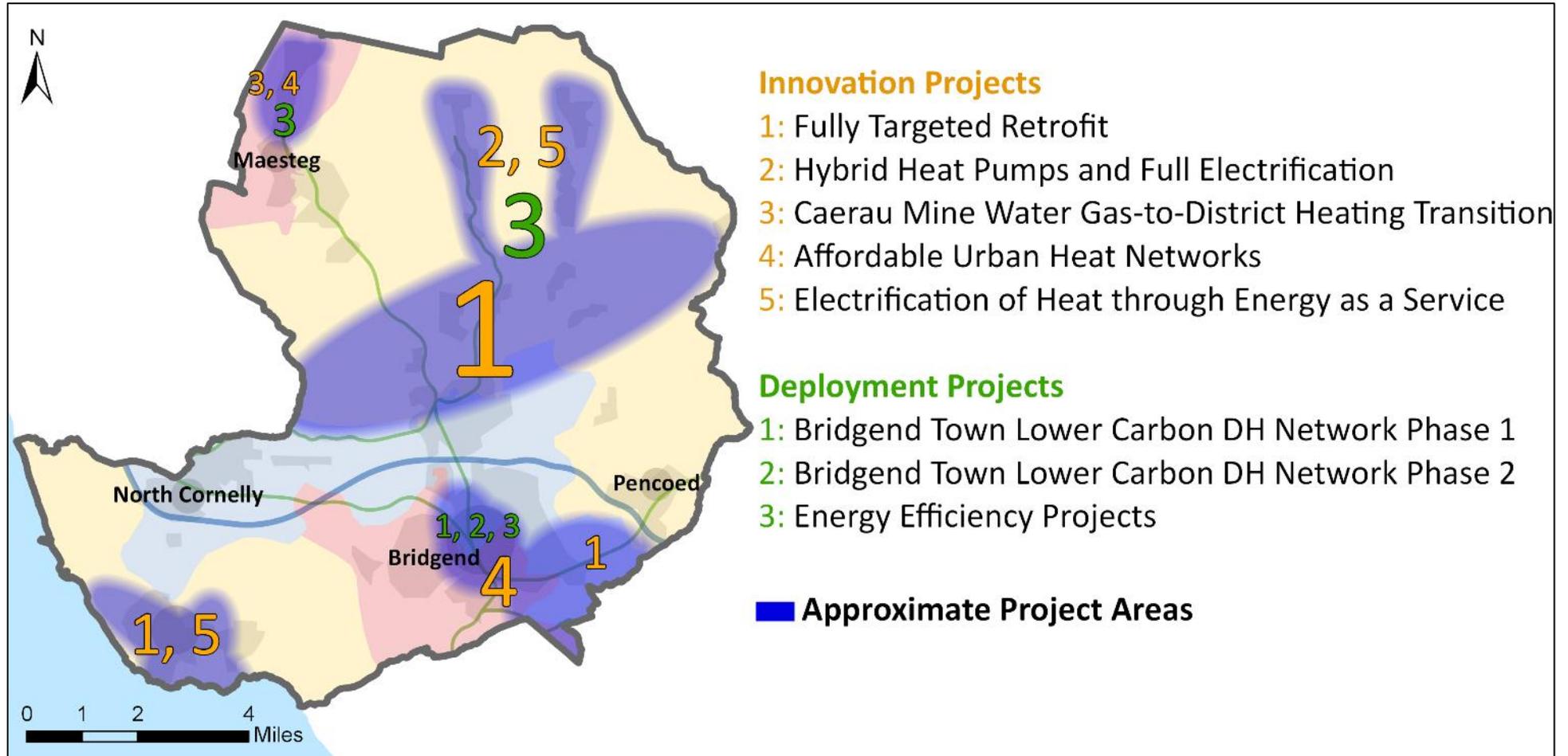


Figure 4.9: Target Project Locations

(OS data © Crown copyright and database right 2018)

## 6. Conclusions

BCBC have developed this Smart Energy Plan with support from Energy Systems Catapult, Welsh Government, ETI and other stakeholders. The strategy, priorities, objectives, success criteria and project pipeline detailed within this Plan are driven by BCBC and set against the local context and vision. Implementation of the Plan will progress BCBC towards an aspiration of a decarbonised, digitally connected and economically productive county borough. It provides a project pipeline of three deployment projects, six innovation projects and six additional activities, which aim to support the decarbonisation of the local energy system. The Plan looks to exploit the opportunities provided by the UK Clean Growth and Industrial strategies and the aspirations of Welsh Government to increase locally-owned renewable energy generation within Wales. The projects are set within the local context of an area with mixed geography, a range of housing types and its own economic and social challenges, within a devolved nation with its own set of targets, legal commitments and support mechanisms.

A series of strategic objectives and success criteria have been established with suggested targets (see section 2.4), which can be used to focus activities and against which the success of the Plan can be evaluated.

The project pipeline within the Smart Energy Plan is primarily focused on activities related to the decarbonisation of domestic heating, due to its relationship with local decision-making. BCBC are committed to decarbonising and developing localised solutions for heat, power and transport (across both domestic and non-domestic sectors) and will look to exploit opportunities for addressing these energy vectors in delivery of the Plan. Additionally, BCBC will pursue opportunities for progressing the digitalisation agenda within Bridgend, recognising that this provides opportunities for delivering additional benefits to consumers, beyond the energy transition.

The innovation projects identified provide learning which will help to further decarbonise the local energy system and provide interested parties with relevant information for the decarbonisation of the UK. Presentation of development and delivery timescales associated with the innovation projects alongside deployment projects and other planned activities, assists in communicating the scope of work required by BCBC's Sustainable Development Team and the level of investment and support required to enable delivery of the suite of work identified. The target areas for the projects have been determined following Local Area Energy Planning undertaken by Energy Systems Catapult and the ETI and analysis used to inform the Local Area Energy Strategy. The target areas are spread across the county borough, with maps provided in section 4 identifying the target locations.

By developing Bridgend as a Centre for Innovation, BCBC hopes to attract companies and investment to the area, which could help to provide jobs and training opportunities for local people. By engaging with local industry stakeholders, BCBC aims to ensure that they will be well-positioned to benefit from the activities underway.

The Smart Energy Plan is a live document, subject to change and updates as further information becomes available and opportunities arise. Delivery of the projects identified according to the timescale provided, is dependent on securing the necessary funding at the necessary time. If this is not achieved, the timescales provided in the road map may need to be revised. It is advised that the projects are developed as far as possible to ensure that they are ready to be launched as soon as suitable funding is identified and secured. It is anticipated that BCBC will formally adopt the

Smart Energy Plan and assume responsibility for its continued development throughout the near-term delivery period (until 2025).



Energy Systems Catapult supports innovators in unleashing opportunities from the transition to a clean, intelligent energy system.

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## BRIDGEND COUNTY BOROUGH COUNCIL

### REPORT TO CABINET

19 FEBRUARY 2019

#### REPORT BY THE CORPORATE DIRECTOR OF EDUCATION AND FAMILY SUPPORT

#### SCHOOL ATTENDANCE DATA

#### 1. Purpose of report

1.1 The purpose of this report is to:

- share with Cabinet school attendance data over the academic years 2015-2016 to 2017-2018; and
- seek agreement of a proposed amendment to the local authority's School Attendance Strategy (2018-2021) which was previously approved by Cabinet on 15 May 2018.

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

2.1 The report links to the following improvement priorities in the Corporate Plan:

- **Supporting a successful economy** - we will take steps to make the county a good place to do business, for people to live, work, study and visit, and to ensure that our schools are focused on raising the skills, qualifications and ambitions of all people in the county.
- **Helping people to be more self-reliant** – we will take 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 There is a clear link between high levels of attendance and good educational attainment. Poor attendance and late arrival at school can have a detrimental effect on a child's learning and can impact on their wellbeing. Individual school's attendance data and overall local authority attendance data is provided to inform members of the trends over the past three academic years.

3.2 School attendance remains a priority. The local authority supports school attendance via an integrated locality model of working. There are 5.5 full-time equivalent education welfare officers (EWOs) split between the three early help locality hubs. The EWOs work alongside a range of family intervention workers (eg family engagement officers, family support workers, lead workers, school-based counsellors and Inclusion Service

colleagues). It is worth noting that the three early help locality hubs are co-located with their respective safeguarding teams. This model of working allows for a more joined up and intelligence-led approach in supporting pupils who have poor attendance.

- 3.3 The local authority's attendance strategy now incorporates recent Welsh Government guidance on schools' rewards systems. This guidance reinforces the importance of schools considering the provisions of the Equality Act 2010. In particular, schools are required to ensure they do not disadvantage pupils whose attendance is negatively impacted due to a disability or a diagnosed medical condition.

#### 4. Current situation/proposal

- 4.1 Comparative primary school attendance data for the period 2015-2016 to 2017-2018 is outlined in the following table:

Primary	2015-2016	2016-2017	2017-2018
Bridgend	95.3%	95.2%	94.9%
Central South Consortium	94.9%	94.9%	94.6%
Wales	94.9%	94.9%	94.6%

- 4.2 In Bridgend in 2017-2018, average attendance at primary schools was reported at 94.9%
- 4.3 While attendance rates have fallen from 2016-2017 to 2017-2018, reductions have been relatively small, but performance remains 0.3% above the all-Wales average.
- 4.4 For the autumn term of 2018-2019, attendance at primary schools was recorded at 95.1%, compared to 95.2% for the same period in 2017-2018.
- 4.5 While attendance at primary schools reduced in 2017-2018 by 0.3% from the previous year, this still compares favourably to both the all-Wales average and the Central South Consortium (CSC) average which were reported at 94.6% for the same period.
- 4.6 Of the 48 primary schools in Bridgend, 27 reported attendance in 2017-2018 at or above the all-Wales average of 94.6%. Attendance in the 27 schools ranged from 94.6% to 98.4%
- 4.7 **Free school meals**
- 4.8 The percentage of Bridgend pupils of compulsory school age eligible for free school meals (FSM) is 18.0%, higher than the national rate of 17.4%. This level of eligibility is the 9th highest in Wales, out of the 22 local authorities (PLASC 2018). Nine of the 88 areas in Bridgend are now in the 10% most deprived areas in Wales (WIMD 2014).
- 4.9 Percentage attendance of compulsory school age children attending maintained primary schools and eligible for FSM compared to those pupils who are not eligible for FSM is outlined in the table below:

<b>Primary</b>	<b>Bridgend %</b>			<b>Wales %</b>		
Academic year	Non FSM	FSM	Difference	Non FSM	FSM	Difference
2015-2016	95.8	93.6	2.2	95.5	92.7	2.8
2016-2017	95.6	93.3	2.3	95.4	92.7	2.7
2017-2018	95.3	92.9	2.4	95.1	92.1	3.0

- 4.10 Attendance at primary schools for those pupils entitled to FSM was reported at 92.9% for 2017-2018. Although this figure has fallen by 0.4% since 2016-2017 it remains above the all-Wales average of 92.1%, as it has done for the last three years.
- 4.11 The percentage attendance margin of compulsory school age children in Bridgend attending maintained primary schools and eligible for FSM compared to those pupils who are not eligible for FSM, has increased in the academic year 2017-18 to 2.4% from 2.3% in 2016-17.
- 4.12 However, this margin remains better than the all-Wales average which has increased in the same period from 2.7% to 3.0%.
- 4.13 Bridgend's performance has remained consistently better than the all-Wales average during the last three years.
- 4.14 Percentage of pupils who are persistent absentees in primary schools is outlined in the table below:

<b>Primary</b>	<b>Bridgend</b>			<b>Wales</b>		
Academic year	Number of pupils who are persistent absentees	Persistent absence %	% of pupils who are persistent absentees	Number of pupils who are persistent absentees	Persistent absence %	% of pupils who are persistent absentees
2012-2013	247	11.8	2.7	4778	10.6	2.4
2013-2014	138	7.5	1.5	3342	8.7	1.7
2014-2015	105	6.2	1.1	2858	7.6	1.4
2015-2016	107	6.7	1.1	3107	8.2	1.5
2016-2017	114	6.9	1.1	3249	8.4	1.5
2017-2018	143	7.6	1.4	3694	9.1	1.7

- 4.15 The threshold applied for categorising persistent absenteeism is below 80%. In 2017-2018, 143 pupils within primary schools were identified as part of this cohort. This equates to 1.4% of pupils who were considered persistent absentees, which remains better than the all-Wales average of 1.7%, as it has done for the last five years.
- 4.16 Comparative secondary school attendance data for the period 2015-2016 to 2017-2018 is outlined in the following table:

<b>Secondary</b>	<b>2015-2016</b>	<b>2016-2017</b>	<b>2017-2018</b>
BCBC	94.5%	94.4%	93.9%
CSC	94.4%	94.1%	93.7%
Wales	94.2%	94.1%	93.9%

- 4.17 Secondary school attendance has reduced in 2017-2018 by 0.5% to 93.9% compared to 2016-2017. However, performance was reported in line with the all-Wales average of 93.9% for the same period, and above the CSC average of 93.7%
- 4.18 In Bridgend for the autumn term of 2018-2019, attendance at secondary schools was recorded at 93.9%, compared to 93.8% for the same period in 2017-2018.
- 4.19 Of the 9 secondary schools in Bridgend, 6 reported attendance in 2017-2018 above the all-Wales average of 93.9%. Attendance in the 6 schools ranged from 94.1% to 95.0%
- 4.20 The percentage attendance of compulsory school age children attending maintained secondary schools and eligible for FSM compared to those pupils who are not eligible for FSM is outlined in the table below:

<b>Secondary</b>	<b>Bridgend %</b>			<b>Wales %</b>		
	Non FSM	FSM	Difference	Non FSM	FSM	Difference
Academic year						
2015-2016	95.2	91.3	3.9	95	90.2	4.8
2016-2017	95.1	90.9	4.2	94.9	90.1	4.8
2017-2018	94.7	90.2	4.5	94.7	89.6	5.1

*Source: All Wales core datasets*

- 4.21 The percentage attendance margin of compulsory school age children attending maintained secondary schools and eligible for FSM compared to those pupils who are not eligible for FSM, has grown from 4.2% in 2016-17 to 4.5% in 2017-2018.
- 4.22 However, this figure remains better than the all-Wales average of 5.1% in 2017-2018.
- 4.23 Bridgend's performance remains consistently better than the Welsh average during the last three years.
- 4.24 Attendance at secondary schools for those pupils entitled to free school meals was reported at 90.2% for 2017-2018. Although this figure has fallen by 0.7% since 2016-2017 it remains above the Welsh average of 89.6%, as it has done for the last three years.
- 4.25 Percentage of pupils who are persistent absentees in secondary schools are outlined in the table below:

<b>Secondary</b>	<b>Bridgend</b>			<b>Wales</b>		
Academic year	Number of Pupils who are persistent absentees	Persistent absence %	% of Pupils who are Persistent Absentees	Number of Pupils who are Persistent Absentees	Persistent absence %	% of Pupils who are Persistent Absentees
2012-13	564	29.1	6.9	10399	26.8	6.2
2013-14	343	22.7	4.4	8061	25.0	5.0
2014-15	269	20.4	3.5	7094	23.7	4.5
2015-16	237	18.5	3.1	6119	21.9	3.9
2016-17	265	20.4	3.4	6387	22.8	4.0
2017-18	295	20.2	3.9	6598	23.0	4.1

Source: All Wales core datasets

4.26 The threshold applied for categorising persistent absenteeism is below 80%. In 2017-2018, 295 pupils within secondary schools were identified as part of this cohort. 3.9% of pupils were considered persistent absentees, which remains better than the Welsh average of 4.1%, as it has done for the last five years.

4.27 Comparative primary school attendance data with Central South Consortium (CSC) for the period 2015-2016 to 2017-2018 for pupils in the following vulnerable groups are outlined in the following tables:

- looked after children (LAC);
- pupils with English as an additional language (EAL)
- pupils with special educational needs (SEN) – Statemented (S) and School Action Plus (SA+)

<b>Primary</b>	<b>Bridgend</b>				<b>CSC Level</b>			
Academic year	All Pupils	LAC	EAL	SEN (SA+ & S)	All Pupils	LAC	EAL	SEN (SA+ & S)
2015-2016	95.3	97.6	95.0	93.7	94.9	96.7	94.6	93.3
2016-2017	95.2	96.3	95.1	94.1	94.9	96.4	94.9	93.6
2017-2018	94.9	97.0	94.9	93.1	94.6	96.6	94.8	92.8

<b>Secondary</b>	<b>Bridgend</b>				<b>CSC Level</b>			
Academic year	All Pupils	LAC	EAL	SEN (SA+ & S)	All Pupils	LAC	EAL	SEN (SA+ & S)
2015-2016	94.5	95.5	96.4	93.1	94.4	94.9	95.6	91.6
2016-2017	94.4	96.0	95.9	91.7	94.1	95.1	95.7	89.9
2017-2018	93.9	96.7	96.2	92.4	93.7	95.2	95.6	89.9

Source: Data provided by CSC using data from PLASC and statutory attendance collections.

4.28 The percentage attendance achieved by looked after children in primary schools rose 0.7% in 2017-2018 from 96.3% to 97.0% which is now above the CSC average

of 96.6%. Due to the individual circumstances surrounding a looked after child there can be huge impacts on data outcomes as the cohort is small.

- 4.29 The percentage attendance achieved by looked after children in secondary schools children rose 0.7% in 2017-18 from 96.0% to 96.7%. This remains above the CSC average of 95.2%, as it has for the last 3 years.
- 4.30 The percentage attendance achieved by primary school children with English as an additional language fell 0.2% from 95.1% in 2016-2017 to 94.9% in 2017-2018. This remains above the CSC average of 94.8%, as it has for the last three years.
- 4.31 The percentage attendance achieved by EAL secondary school children rose 0.3% from 95.9% in 2016-2017 to 96.2% in 2017-2018. This remains above the CSC average of 95.6%, as it has for the last three years.
- 4.32 Due to the individual circumstances surrounding a pupil who has English as an additional language there can be huge impacts on data outcomes as the cohort is small.
- 4.33 The percentage attendance achieved by school action plus and statemented primary school children fell 1.0% from 94.1% in 2016-2017 to 93.1% in 2017-2018. This remains above the CSC average of 92.8%, as it has for the last three years.
- 4.34 The percentage attendance achieved by school action plus and statemented secondary school children rose 0.7% from 91.7% in 2016-17 to 92.4% in 2017-18. This remains above the CSC average of 89.9%, as it has for the last 3 years.
- 4.35 Attached at Appendix A is a copy of the revised local authority school attendance strategy for 2018-2021 which highlights (in 13.3 of the document) the proposed amendment.

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

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

## **6. Equality Impact Assessment**

- 6.1. There are no equality implications directly arising from this report or strategy.

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

- 7.1. A Well-being of Future Generations (Wales) Act 2015 assessment has been completed and is detailed in Appendix B. A summary of the implications from the assessment relating to the five ways of working is as follows:

Long-term	The long term aim of the strategy is to improve school attendance and in turn increase attainment levels
Prevention	The strategy identifies measures to mitigate barriers to regular school attendance

Integration	Early intervention and prevention are crucial so that identified pupils and their families can be supported appropriately
Collaboration	Collaboration is key to improve school attendance
Involvement	Pupils, families and other stakeholders are involved in improving attendance levels

## 8. Financial implications

8.1. The strategy will be implemented within existing resources.

## 9. Recommendation

9.1. It is recommended that Cabinet:

- approves the revised local authority Attendance Strategy 2018-2021; and
- considers the school attendance data outlined within the report

**Lindsay Harvey**

**Corporate Director (Education and Family Support)**

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# **Bridgend County Borough Council**

## **School Attendance Strategy 2018 - 2021**

**‘Success Starts at School’**

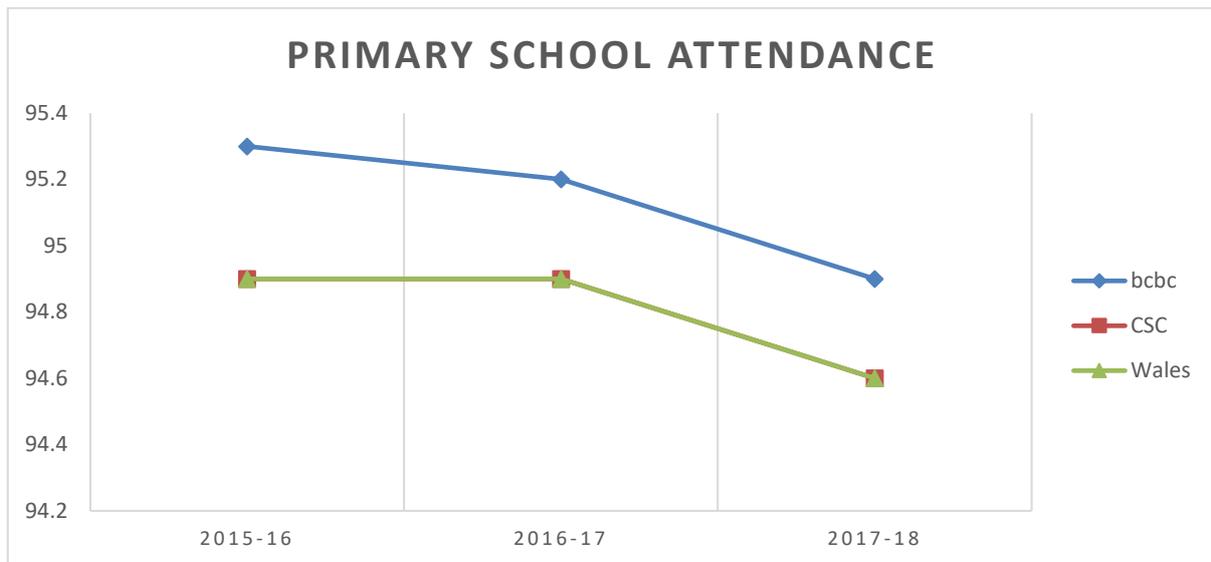
## **1. Vision and priorities**

- 1.1. Bridgend County Borough Council's Corporate Plan 2018-2022 identifies our vision of: 'One Council working together to improve lives'
- 1.2. The key priorities we want to achieve are:
  - Supporting a successful economy
  - Helping people to become more self-reliant
  - Making smarter use of resources.
- 1.3. We see a future for people of all ages where they can fulfil their dreams and achieve their full potential. They will continue to learn and develop throughout their lives, becoming healthy, creative, responsible and caring adults.
- 1.4. We believe that at the foundation of this is good education for all our children and that regular attendance and punctuality at school are the key drivers in ensuring children of school age are properly engaged in education. The local authority and schools will take the necessary steps to improve school attendance and ensure that all welfare needs of school-aged children are addressed. Bridgend County Borough Council's BCBC education welfare officers work collaboratively with partner agencies to address barriers to learning and social inclusion, and also to promote school attendance.

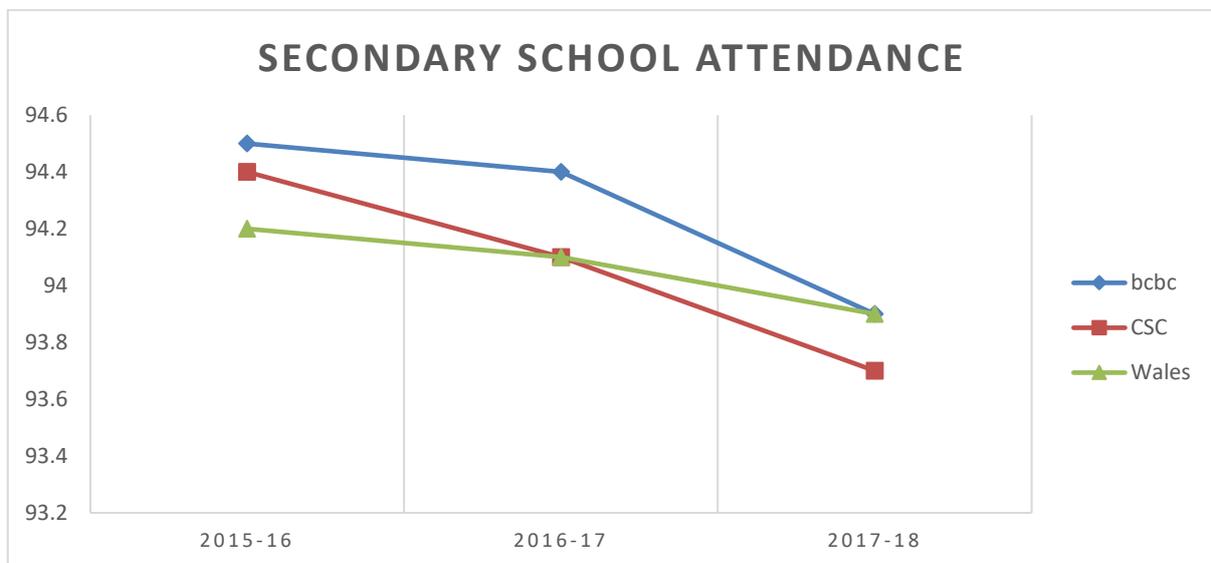
## **2. Introduction**

- 2.1. Bridgend County Borough Council as of spring term 2017, has 17,433 compulsory school age pupils on roll at schools across the county borough. Where children are in formal education, a high level of school attendance is essential for children to ensure they thrive academically and socially. Children who miss school for unauthorised reasons often miss critical parts of the curriculum which then can also increase the risk of falling behind and disengagement with education by the child. Children can also become socially isolated when they miss out on shared learning and social experiences with their peers in school on a regular basis. Therefore, it is critically important that we ensure that all children in Bridgend schools are making the most of their learning opportunities through regular attendance. Accessing education is identified under the United Nations Convention on the Rights of the Child (UNCRC) in articles 28 and 29.
- 2.2. Over the past three academic years, school attendance rates have reduced but remain above the Welsh average in primary schools and in line with the Welsh average for secondary schools. This is evidenced in figures 1 and 2 below.

**Figure 1 Primary school attendance in Bridgend schools 2015-2016 to 2017-2018**



**Figure 2 Secondary school attendance in Bridgend schools 2015-2016 to 2017-2018**



### 3. National context

3.1. The policy document 'Every Child Matters' was introduced by national government in 2003 which was partly in response to the death of Victoria Climbié. This sets out the following outcomes for children and young people:

- stay safe
- be healthy
- enjoy and achieve
- make a positive contribution
- achieve economic wellbeing

- 3.2. Evidence suggests that there is a clear link between good educational attainment and high school attendance. Poor attendance at school has a detrimental effect on a child's learning and can have a huge impact on their wellbeing. We consider that positive attendance at school is the key to raising standards of achievement.
- 3.3. Wales has seen a decline in international Programme for International Student Assessment (PISA) results. This major study of educational performance is undertaken by 15-year-olds in 72 countries every three years. Wales was the lowest of the UK nations in science, reading and mathematics in 2016 test results. Welsh Government is committed to improving educational attainment and standards across the board.

#### **4. Local context**

- 4.1. Bridgend County Borough Council is committed to maintaining consistently high levels of pupil attendance at school and recognises that improving attendance is a crucial factor in maintaining standards of pupil performance and achievement. The local authority will strive to ensure equality of educational opportunity for all pupils.
- 4.2. Attendance rates still need to be in line with the Welsh Government and Central South Consortium's (CSC) targets of 95% and our good work needs to continue with schools and the Early Help service to achieve this and to ensure continuous improvement.
- 4.3. It is not a legal requirement that pupils be educated at a school. The legal requirements on parents in relation to the education of their children are set out in section 7 of Education Act (EA) 1996. That section provides that every parent of every child of compulsory school age must ensure that he or she receives efficient full-time education at a school or otherwise.
- 4.4. Parents may satisfy their duty under this section by providing efficient full-time education, suitable to the child (within the meaning of section 7), otherwise than at a school. The term 'otherwise than at a school' is broad enough to encompass education at home.
- 4.5. Section 10 of EA 1996 places the Welsh Ministers under a general duty to promote the education of the people of Wales.
- 4.6. BCBC believes that for most children their educational needs will be best met within the school system, and that, where this is the route selected by parents, that this requires a commitment to regular school attendance.
- 4.7. Regular school attendance is vital for pupils. Failure of pupils, to attend school increases the risk of leaving school without qualifications and allows greater opportunity for young people to be drawn into crime and antisocial behaviour. It can also leave some young people vulnerable to harm by adults.

## **5. Key principles**

5.1. Our attendance strategy has been developed with the following key principles at its heart:

- Pupils' achievements and progress are directly influenced by attendance.
- Poor attendance can lead to reduced motivation and involvement in education.
- Schools play a critical role in attendance and the actions of school staff are significant factors in influencing pupil behaviour and attitudes, in particular those relating to attendance.
- Pupils should feel supported and have their attendance valued and rewarded.
- Our starting point is an assumption that most pupils want to attend school to learn and to achieve their full potential but may not always be able to do so for reasons beyond their control. The school plays a critical role in the early identification of the barriers to education for all pupils.
- All pupils have the right of equal access to a good education and should not be deprived of opportunity by non-attendance at school.
- Pupils, parents and carers have clear responsibilities to ensure good attendance. These should be made clear to them by the school through good communication.
- Pupils are more likely to respond positively, to learn and to attend, where they are treated equally, rewarded and supported.
- The start and end to the school day, and procedures for registration, have a substantial influence on pupils' attitudes and attendance. Good punctuality and robust systems for ensuring pupils are punctual are a significant factor in promoting attendance.
- Pupils are less likely to be poor attendees when attendance is monitored and followed up swiftly.
- Robust systems for identifying and responding to the needs of different pupils' reasons for absence are critical.
- The engagement of pupils in ensuring good attendance is important. Pupils are likely to respond more positively when their views are sought, they are listened to and there is an appropriate response to their needs and opinions.

## **6. The legal context**

6.1 While the parent is primarily responsible for ensuring their child attends their registered school regularly, where school attendance problems occur, the key to resolving these is engaging the child through collaborative working between the parent, the school and the local authority. There is, however, a legal framework for the role of the school and of the local authority which sets out their responsibilities in this area.

6.2 The legal framework governing attendance is established in various Education Acts and their associated regulations.

The Education Act 1996 places a legal obligation on:

- the local authority to provide schools and enforce attendance; and
- schools to register attendance and notify the local authority of a child's absence from school.

Section 7 of the above Act states that:

- 6.3 'The parent of every child of compulsory school age shall cause him/her to receive efficient, full time education suitable to his/her age, aptitude and ability and to any special educational needs he/she may have either by regular attendance at school or otherwise'.

Section 444 further states that:

- 6.4 'The parent of a child of compulsory school age registered at school and failing to attend regularly is guilty of an offence punishable in law'.

An offence is not committed if it can be demonstrated that:

- the pupil was absent with leave (authorised absence);
- the pupil was ill or prevented from attending by unavoidable cause;
- the absence occurred on a day set aside for religious observance by the religious body to which the pupil/parents belong;
- the pupil's catchment school is not within the prescribed walking distance of the child's home and no suitable transport arrangements have been made by the local authority; and
- a limited defence is available to the parents of Traveller children.

- 6.5 Section 437 of the Education Act 1996 states if it appears to a local authority that a child of compulsory school age in their area is not receiving suitable education, either by regular attendance at school or otherwise, they shall serve a notice in writing on the parent requiring him to satisfy them within the period specified in the notice that the child is receiving such education."

Where a parent on whom a notice has been served fails to satisfy the local authority, within the period specified in the notice, that the child is receiving suitable education, and in the opinion of the local authority, it is expedient that the child should attend school, the authority shall serve on the parent a "school attendance order" in such form as may be prescribed, requiring him to cause the child to become a registered pupil at a school named in the order.

## **7. The role of the local authority**

- 7.1 The focus for the local authority is that of early intervention and prevention, working in a more targeted way with pupils and their families. Schools are supported to identify children where there are early signs of poor attendance. The local authority works with families through the Joint Assessment Family Framework approach (JAFF) and Team around the Family (TAF) process to address issues which will be multi agency led.
- 7.2 The local authority will support schools in taking a rigorous line in improving absence. While the main focus is always to build strong positive relationships with parents and schools, the local authority will progress prosecutions where it considers this is appropriate and where it has a legal obligation to do so. For electively home educated pupils, if the local authority is not satisfied that the child is receiving a suitable education, the local authority can serve a school attendance order notice on the parent(s) requiring them to satisfy the local authority within the period specified in the notice that the child is receiving such education.

- 7.3 Parents and carers will be encouraged to work closely with education welfare officers (EWOs) and other services, however, where there is non-engagement and/or no improvement in attendance, the local authority will pursue prosecutions. In some situations, failure to meet a child's educational needs can become a cause for referral to other agencies by virtue of the duty to report under the Social Services and Wellbeing Act 2014 (SSWBA).

### **Multi-agency working**

- 7.4 EWOs visit primary schools on a three-weekly basis. This is to ensure that schools and EWOs identify vulnerable pupils at the earliest stage. With EWOs working within early help teams in locality hubs, in the county borough they are able to provide a holistic approach to ensuring appropriate support is available for pupils and families. Multi-agency working is the key to ensuring families receive the support based on need. Locality hubs consist of EWOs, family engagement officers (FEOs), behaviour support teachers, inclusion officers, social workers and youth workers.
- 7.5 Regular truancy patrols are undertaken and the EWO's work closely with the local Police. The youth justice service (WBYJES), health services, housing associations, and voluntary organisations are also actively involved in working with the EWOs in assisting in resolving non-school attendance of pupils and supporting families.

### **Targeted interventions**

- 7.6 Education welfare officers can offer additional support to schools on a needs-led basis in order to improve attendance. This will form part of a 'team around the school approach' which involves the lead EWO and schools discussing the individual need and arranging an appropriate plan for improving attendance. This is an intensive intervention approach and involves the locality teams working together around the school and community to improve attendance levels. This could consist of a range of initiatives, for example attendance panels including governor involvement, parents, pupils, EWOs and school staff. Attendance is discussed in a formal setting and sets out the importance of regular school attendance and the consequences if attendance fails to improve. Home visits are undertaken for those pupils not in school without good reason and targeting those with persistent absence.

### **Fixed penalty notices**

- 7.7 Fixed penalty notices (FPNs) will allow schools to issue FPNs to the parents of children and young people who have unauthorised absences from school. FPNs came into force in September 2014 as a result of new legislation (ie the Education (Penalty Notice) (Wales) Regulations 2013). A Code of Conduct has been devised by BCBC. The issuing of the FPNs will rest with the lead EWO in response to requests from headteachers, nominated representatives or police officers. FPNs have been widely used in England for several years. It is anticipated that FPNs will be used to improve attendance and prevent unnecessary absences from school in the following circumstances:

- Minimum of 10 unauthorised absences in the current term
- Minimum of 10 sessions of lateness after close of registration
- Unauthorised absence due to a term-time holiday

- Pupil regularly coming to the attention of the police during school hours with justified reason
- Parents/carers have failed to engage with schools/EWS but where court sanctions have not been instigated

7.8 The EWO and the school will reflect on the following in considering whether an FPN can be issued:

- level of absence;
- any equalities considerations;
- statement of special educational needs;
- history of attendance;
- defences which may be available;
- level of parental engagement; and
- any adverse effect a fine will have on the welfare of the family.

7.9 The withdrawal of an FPN may only be revoked where it is proven that:

- the notice has been issued to the wrong person to an incorrect address;
- the notice did not conform to code of conduct;
- evidence demonstrates that the notice should not have been issued (eg medical evidence provided); and
- circumstances warrant its withdrawal.

7.10 The legislation governing the implementation of FPN is outlined in:

- Sections 444A and 444B of the Education Act 1996
- The Education and Inspections Act 2006
- The Education (Penalty Notices) (Wales) Regulations 2013
- Rights of Children and Young Persons Measure 2011
- United Nations Convention on the Rights of a Child (the right to an education)

7.11 An FPN is £60 if paid within 28 days of receipt of the notice, rising to £120 if paid after 28 days. If the penalty is not paid in full by the end of the 42 days, the local authority must either prosecute parents/carers for the offence or withdraw the notice.

### **Term-time holidays**

7.12 BCBC recognises the effect that absence from school has on educational attainment. Headteachers have the discretion of authorising up to 10 days under the Education (Pupil Registration) (Wales) Regulations 2010. Parents do not have an automatic right to withdraw pupils from school for a holiday, and in law, must apply for permission in advance.

## **8. The education welfare officer**

8.1 The education welfare officer (EWO) has the responsibility of implementing the statutory duties in relation to securing school attendance. The EWO has a key function in working with schools, families, pupils, agencies (statutory and voluntary) in order to promote regular school attendance.

8.2 The EWO will take the lead role for the local authority in supporting school attendance. The EWO is managed and funded centrally and EWO time is allocated on a needs-led basis.

8.3 The local authority consists of a lead EWO and a team of EWOs. Each EWO is based within early help teams across locality hubs in the north, east and west of the county borough. Each EWO has a designated secondary school and its associate feeder primary schools.

## **9. The role of parents**

9.1 Parents are responsible for ensuring their child attends school regularly. Parents are expected to report their child's absence from school on the first day of absence and on the return provide a written explanation. Parents are requested to avoid taking family holidays during term time, and work with schools and relevant agencies when pupils have attendance issues.

9.2 In addition to attendance, punctuality is equally important. If a pupil continually arrives to school five minutes late, this will amount to losing three days each year. If a pupil arrives after the closure of the register, then this will count as an unauthorised absence which if deemed appropriate may lead to a referral to the EWO.

9.3 Absence can also make children vulnerable to involvement with crime and anti-social behaviour.

9.4 The report 'Improving attendance at school' carried out by the Department of Education in England in 2010, explains there is a clear link between poor attendance at school and lower academic achievement of pupils who miss more than 50% of school. Only 3% manage to achieve 5 or more GCSE at Grade A\*-C including Mathematics and English. It highlights that 73% of pupils who have over 95% attendance achieve 5 or more GCSE at Grades A\*-C.

9.5 Not only is school attendance and attainment important, it also enables young people to maintain positive friendships, promotes wellbeing and provides them with good grounding for their future.

9.6 Parents/carers can support the regular and punctual attendance of their children by:

- ensuring that their child arrives at school on time each day
- ensuring that their child only misses school for reasons which are unavoidable or justified, such as illness or days of religious observance
- notifying the school as soon as possible of any absence and confirm this in writing when the child returns to school
- not booking family holidays during term-time
- talking to the school if they are concerned that their child may be reluctant to attend

## **10. The responsibility of schools**

10.1 Schools have a statutory duty of care to safeguard and promote the welfare of children. All schools within BCBC have a clear attendance policy which sets out how

attendance is managed and monitored. All school staff should be trained on attendance and made aware of the school's attendance policy.

- 10.2 Schools should communicate all attendance and welfare concerns to their nominated EWO. A nominated governor should have the lead responsibility for attendance. All schools should adopt a first day absence procedures to ensure and safeguard pupils and to ensure all parents are made aware when their child is not in school.
- 10.3 All schools should adopt the Central South Consortium's 'Callio' attendance system (or equivalent).

## **11. Data collection, attendance targets and auditing**

- 11.1 Schools supply attendance data through their schools management information system (MIS). Data is reported to the Central South Consortium (CSC), acting on behalf of the local authority as a commissioned service with the responsibility for school improvement. Attendance data is also provided to Welsh Government and is used to inform national performance indicators. The local authority has access to data shared on a cluster basis. Attendance targets for schools are set by school governing bodies and CSC challenge advisers.
- 11.2 Attendance audits will be undertaken for all schools. The lead EWO distributes an attendance audit toolkit for schools in order to identify strengths and weaknesses of attendance processes in each school, and also to devise an action plan for improvements from these. Key features will include:
- examining existing procedures;
  - inspecting attendance information;
  - related documentation and school policies;
  - assessing the type and levels of communication with parents;
  - interviewing staff and pupils;
  - analysing attendance data;
  - considering school strategies used to promote attendance and sharing good practice; and
  - evaluating the effectiveness of early intervention and support services.

## **12. Training and support**

- 12.1 All staff with responsibility for attendance in schools should receive appropriate training including the correct use of codes, appropriate challenge to parents, accurate input of data, exporting data and also full usage and knowledge of SIMS.
- 12.2 BCBC's EWOs will offer support to all schools covering such issues as:
- strategies for promoting regular attendance;
  - strategies for addressing persistent absenteeism;
  - improving communication with parents;
  - good practice in monitoring punctuality;
  - developing a whole-school attendance policy; and

- rewards and incentives.

### **13. Celebrating good and improved attendance**

- 13.1 Schools are encouraged to promote good attendance using a range of initiatives at a whole school, year group, class or individual pupil level.
- 13.2 This can include certificates, pens or prizes such as books. Achievements that are congratulated in assemblies are considered to be particularly effective. All schools should display their attendance marketing materials appropriately in foyers, school websites, classrooms, walls and banners can be used on the periphery of the school estate. This helps raise awareness and the importance of good attendance for pupils, teachers, parents and visitors to schools.
- 13.3 However, schools must ensure it takes the provisions of the Equality Act 2010 into consideration and not disadvantage those pupils with a disability or medical condition. This means that a young person with an attendance record of less than 100% because of health reasons or other circumstances beyond the control of the individual child, should not be negatively impacted with regards to schools' rewards systems.

### **14. Traveller children**

- 14.1 We will work closely with the families of Traveller children to ensure they are attending school. The local authority equalities and engagement officer will be able to provide advice and guidance to schools to ensure the regular attendance of children from Traveller communities. Schools are particularly encouraged to:
- create an inclusive culture which promotes equality and recognises cultural diversity and difference;
  - show high expectations of attendance with all registered pupils;
  - respond promptly to absences through immediate telephone or other enquiries;
  - refer any continuing or repeated absence to the EWS;
  - develop strategies to support pupils with literacy or learning difficulties;
  - support educational continuity while children are travelling;
  - give additional support if needed on entry to school for traveller children;
  - ensure adequate support during transition (eg from key stage 2 to key stage 3; and
  - seek appropriate advice from the local authority if necessary.

### **15. Supporting the attendance of pupils with additional learning needs (ALN)**

- 15.1 BCBC recognises that children with ALN or SEN (special educational needs), regardless of whether this has been formally diagnosed, may prevent some children from attending school. The EWO and educational psychology service, will work with headteachers, the school additional learning needs coordinator (ALNCO) and other school staff to address pupil's poor attendance which may be related to unidentified or unmet SEN.

### **16. Supporting the attendance of pupils who may have been bullied**

- 16.1 BCBC recognises that bullying is an issue which prevents some children from attending school or from achieving their full potential when they do attend.
- 16.2 BCBC will, in partnership with schools, continue to offer support to pupils where attendance is being affected by actual or perceived bullying.

## **17. Supporting the attendance of vulnerable groups**

17.1 BCBC will respond appropriately to support school attendance of pupils considered vulnerable. The Vulnerable Groups Team and the inclusion service will play a key role in supporting such pupils. Such groups might include:

- pregnant school girls and teenage mothers;
- children transferring school;
- children entering school outside the normal year of entry;
- young offenders;
- children from families under stress;
- young carers;
- school phobics;
- looked after children;
- those eligible for free school meals;
- children with special educational needs; and
- pupils whose parents are actively considering deregistration from school to become EHE (electively home educated).

17.2 The education welfare officers will work closely with the Vulnerable Groups Team to support these groups identified by Estyn as potentially vulnerable.

## **18. Action planning**

18.1 The EWO will work with schools to develop action plans to improve attendance at whole school level. This will rely on individual schools' analysis of data and of its attendance profile. Schools should work closely with the EWO to develop action plans for school level action as well as developing individual pupil level action plans.

18.2 Schools with concerning levels of absence will be encouraged to develop an agreed school action plan to improve attendance and reduce persistent absenteeism.

18.3 The main areas that should be covered in the whole school action plan are as follows:

- improved senior leadership response to attendance;
- robust recording and monitoring systems;
- improved tracking and monitoring arrangements;
- targeted additional support;
- improve support and challenge for parents;
- targeted support to vulnerable groups;
- working with partners to support parents to reduce illness related absence;
- target specific work with parents of children in early years settings to ensure good attendance habits are developed early and parents understand their responsibilities; and
- workforce development.



## WELL-BEING OF FUTURE GENERATIONS (WALES) ACT 2015 ASSESSMENT

Project Description (key aims):

**Section 1**

**Complete the table below to assess how well you have applied the 5 ways of working.**

**Long-term**

(The importance of balancing short term needs with the need to safeguard the ability to also meet long term needs)

**1. How does your project / activity balance short-term need with the long-term and planning for the future?**

The attendance data collected shows attendance of all schools for the last three academic years. High levels of attendance assist in improving educational attainment. Where attendance levels are a concern, this impacts on a child's learning and has a detrimental effect on their wellbeing. Where pupils have been absent for long periods of time it is likely that they will not reach their full potential.

**Prevention**

(How acting to prevent problems occurring or getting worse may help public bodies meet their objectives)

**2. How does your project / activity put resources into preventing problems occurring or getting worse?**

Where attendance falls below 92% education welfare officers identify those pupils with a view to offering appropriate support for both the family and pupil. Early identification is key in order to prevent the issues becoming entrenched.

**Integration**

(Considering how the public body's well-being objectives may impact upon each

**3. How does your project / activity deliver economic, social, environmental & cultural outcomes together?**

Early intervention and prevention are crucial so that families can be supported appropriately. There are clear links between good educational attainment and high levels of attendance.

of the wellbeing goals, on their objectives, or on the objectives of other public bodies)	
<b>Collaboration</b>  (Acting in collaboration with any other person (or different parts of the body itself) that could help the body meet its well-being objectives)	<b>4. How does your project / activity involve working together with partners (internal and external) to deliver well-being objectives?</b>  Education welfare officers works closely with other services including early help colleagues and schools who deliver wellbeing support. The lead education welfare officer works closely with the therapeutic practitioners in alternative provision. ( The Bridge )
<b>Involvement</b>  (The importance of involving people with an interest in achieving the well-being goals, and ensuring that those people reflect the diversity of the area which the body serves)	<b>5. How does your project / activity involve stakeholders with an interest in achieving the well-being goals? How do those stakeholders reflect the diversity of the area?</b>  The role of the education welfare officer is statutory and local authorities are accountable for ensuring every child of compulsory school age attends school regularly. The Education Act 1996 ensures that this is adhered to. The All Wales education welfare service managers meet on a termly basis along with Welsh Government to review relevant guidance and legislation.

Section 2 Assess how well your project / activity will result in multiple benefits for our communities and contribute to the national well-being goals (use Appendix 1 to help you).		
Description of the Well-being goals	How will your project / activity deliver benefits to our communities under the national well-being goals?	Is there any way to maximise the benefits or minimise any negative impacts to our communities (and the contribution to the national well-being goals)?
<p><b>A prosperous Wales</b> An innovative, productive and low carbon society which recognises the limits of the global environment and therefore uses resources efficiently and proportionately (including acting on climate change); and which develops a skilled and well-educated population in an economy which generates wealth and provides employment opportunities, allowing people to take advantage of the wealth generated through securing decent work.</p>	<p>With appropriate support for pupils to ensure that they attend school regularly will improve their wellbeing and relationships within the family. Parents will in turn feel positive and take control of their lives whether that be seeking employment opportunities or obtaining support for any parenting issues.</p>	<p>Early intervention from early help or safeguarding may have a positive impact.</p>
<p><b>A resilient Wales</b> A nation which maintains and enhances a biodiverse natural environment with healthy functioning ecosystems that support social, economic and ecological resilience and the capacity to adapt to change (for example climate change).</p>	<p>Education welfare officers offer support and use their expertise to facilitate behaviour change in attitudes towards attending school regularly. A positive emphasis on attending school and its opportunities for children and young people when they leave the education system is paramount.</p>	<p>Attendance data is collated termly which includes school level attendance.</p>
<p><b>A healthier Wales</b> A society in which people's physical and mental well-being is maximised and in which choices and behaviours that benefit future health are understood.</p>	<p>Positives around attending school regularly and the benefits this has for children and young people is emphasised when working with families .Where health needs are identified targeted support is available, and</p>	<p>Education welfare support is important. Only where attending continues to improve and is above the threshold of 92% does the intervention from EWOs</p>

	all professionals work together to ensure that appropriate support and levels of education are provided.	end. Monitoring of attendance levels is completed on a weekly basis by EWOs.
<p><b>A more equal Wales</b> A society that enables people to fulfil their potential no matter what their background or circumstances (including their socio economic background and circumstances).</p>	Education welfare officers work with all pupils and families to ensure that their attendance levels are acceptable irrelevant of their background or circumstances.	Education welfare is a statutory service.
<p><b>A Wales of cohesive communities</b> Attractive, viable, safe and well-connected communities.</p>	Non-attendance at school links to underachievement and potentially anti-social behaviour where pupils can be involved in risk taking behaviours during school hours. Education welfare officers work with Police and other agencies to ensure that these issues are addressed where required.	Prevention work should have a positive impact on the community.
<p><b>A Wales of vibrant culture and thriving Welsh language</b> A society that promotes and protects culture, heritage and the Welsh language, and which encourages people to participate in the arts, and sports and recreation.</p>	Participation in cultural, arts and sporting activities help improve mental health. Where there are improvements in a family's wellbeing, positive changes can be made.	<p>Welsh language is promoted, and correspondence are bi-lingual.</p> <p>The local authority's welsh cluster of schools is supported by a welsh speaking education welfare officer</p>
<p><b>A globally responsible Wales</b> A nation which, when doing anything to improve the economic, social, environmental and cultural well-being of Wales, takes account of whether doing such a thing may make a positive contribution to global well-being.</p>	Education welfare is a statutory service in order to ensure regular school attendance under the Education Act 1996. Education welfare officers work closely with families and pupils to improve outcomes in all areas which affect the reasons for non-school attendance.	Improved attendance levels will impact positively on schools and the community.

**Section 3 Will your project / activity affect people or groups of people with protected characteristics? Explain what will be done to maximise any positive impacts or minimise any negative impacts**

Protected characteristics	Will your project / activity have any positive impacts on those with a protected characteristic?	Will your project / activity have any negative impacts on those with a protected characteristic?	Is there any way to maximise any positive impacts or minimise any negative impacts?
Age:	Yes	No	Early intervention – referrals from schools on a weekly basis. This will ensure appropriate support is provided in order to improve attendance levels.
Gender reassignment:	Yes	No	
Marriage or civil partnership:	Yes	No	
Pregnancy or maternity:	Yes	No	
Race:	Yes	No	
Religion or Belief:	Yes	No	
Race:	Yes	No	
Sex:	Yes	No	
Welsh Language:	Yes	No	

**Section 4 Identify decision meeting for Project/activity e.g. Cabinet, Council or delegated decision taken by Executive Members and/or Chief Officers**

Cabinet

**Compiling Officers Name:**

Charlotte Williams

**Compiling Officers Job Title:**

Lead Education Welfare Officer

**Date completed:**

18 January 2019

## BRIDGEND COUNTY BOROUGH COUNCIL

### REPORT TO CABINET

19 FEBRUARY 2019

#### REPORT BY THE CORPORATE DIRECTOR - EDUCATION AND FAMILY SUPPORT

#### APPOINTMENT OF LOCAL AUTHORITY GOVERNORS

##### 1. Purpose of report

- 1.1 The purpose of this report is to seek approval from Cabinet for the appointment of local authority governors to the school governing bodies listed at paragraphs 4.1 and 4.2.

##### 2. Connection to corporate improvement 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 In accordance with the Council's '*Guidance on the appointment of local education authority governors*' approved by Cabinet on 14 October 2008, officers have considered applications received for current and forthcoming vacancies for local authority governor positions on school governing bodies (see paragraphs 4.1, 4.2 and Appendix A).

##### 4. Current situation/proposal

- 4.1 For the eight schools in the table below, all nine applicants met the approved criteria for appointment as local authority governors and there was no competition for any of the vacancies. Therefore, the recommended appointments are:

Name	School
Mr Robert Leek	Archdeacon John Lewis Church in Wales Primary School
Mr Jeff Lewis	Bryntirion Comprehensive School
Mrs Clare Curl	Corneli Primary School
Mrs Helen Whyley	Cynffig Comprehensive School
Mrs Morwen Hudson	Ogmore Vale Primary School
Mr John Powson	Pencoed Comprehensive School
Miss Laura Salfield	Pencoed Comprehensive School
Mrs Caroline Pound	Tynyrheol Primary School
Mrs Marilyn Williams	Ysgol Bryn Castell

- 4.2 There was competition for one vacancy at one school and the applicants are detailed in the table below.

<b>Name of applicants</b>	<b>School</b>
Mr Christopher Mark Davies	Llangewydd Junior School
Mrs Karen Jones	

4.3 The officer panel scrutinised the applications and noted that Mr Christopher Mark Davies has no previous experience as a governor. Therefore, in line with the Council's selection criteria, the recommended appointment is Mrs Karen Jones due to her currently being a governor and her experience as a governor.

4.4 Subject to the above appointments being approved, there are still 21 vacancies that need to be filled in 17 schools (see Appendix A).

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

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

## **6. Equality Impact Assessment**

6.1 An assessment of the appointment of local authority governors identifies that there are no equalities issues related to this report.

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

7.1 The Well-being of Future Generations (Wales) Act 2015 assessment has been completed and is detailed in Appendix B. A summary of the implications from the assessment relating to the five ways of working is as follows:

### **Long-term**

While it is desirable for local authority governors to have previous or relevant experience of the role, in the short-term, the local authority may support any person for such an appointment who is interested in supporting schools, is not disqualified from being a school governor and is willing and able to dedicate the necessary time to the role.

### **Prevention**

The local authority assesses the suitability of applicants for the local authority governor vacancy/vacancies applied for. The local authority, in conjunction with the Central South Consortium, supports governors with a comprehensive programme of both mandatory and voluntary training and access to resources, to enable them to develop and maintain their knowledge and skills, and be successful in fulfilling the role.

### **Integration**

School governing bodies have a strategic role in running schools and ensuring that all pupils are supported to learn and achieve so that they can access opportunities for further learning and employment, know how to maintain their wellbeing, can play active roles in their communities and can contribute positively to society as a whole.

## **Collaboration**

School governing bodies have a strategic role in ensuring that schools safeguard the health and wellbeing of pupils and staff. The local authority, in conjunction with the Central South Consortium, provides training to governors to enable them to develop and maintain their relevant knowledge, skills and effectiveness in this respect.

## **Involvement**

The local authority treats all applications for local authority governor vacancies fairly, to ensure equality of opportunity. School governing bodies have a strategic role in ensuring that schools safeguard the health and wellbeing of pupils and staff. The local authority, in conjunction with the Central South Consortium, provides training to governors to enable them to develop and maintain their relevant knowledge, skills and effectiveness in this respect.

## **8. Financial implications**

8.1 There are no financial implications regarding this report.

## **9. Recommendation**

9.1 Cabinet is recommended to approve the appointments listed at paragraphs 4.1 and 4.2.

**Mr Lindsay Harvey**  
**Corporate Director, Education and Family Support**

**Contact Officer:** Mandy Jones  
Learner Support Officer

**Telephone:** (01656) 642629

**E-mail:** Amanda.Jones@bridgend.gov.uk

**Postal Address:** Education and Family Support Directorate  
Bridgend County Borough Council  
Civic Offices  
Angel Street  
Bridgend  
CF31 4WB

## **Background documents**

- Bridgend County Borough Council's 'Guidance on the appointment of local education authority governors', approved by Cabinet on 14 October 2008
- The Government of Maintained Schools (Wales) Regulations 2005

## Appendix A

### Local authority governor vacancies: current and forthcoming (up to the end of April 2019)

Name of school	Number of current and forthcoming vacancies
Bryntirion Comprehensive School	1
Ysgol Gyfun Gymraeg Llangynwyd	1
Abercerdin Primary School	1
Afon y Felin Primary School	1
Betws Primary School	1
Brackla Primary School	1
Cefn Glas Infants School	1
Llangynwyd Primary School	2
Mynydd Cynffig Primary School	2
Newton Primary School	1
Nottage Primary School	1
Plasnewydd Primary School	1
Porthcawl Primary School	1
St Mary's Catholic Primary School	1
St Robert's Catholic Primary School	2
Tynyrheol Primary School	1
Ysgol Gymraeg Bro Ogwr	2
<b>TOTAL VACANCIES</b>	<b>21</b>

## Appendix B

## WELL-BEING OF FUTURE GENERATIONS (WALES) ACT 2015 ASSESSMENT

<b>Project Description (key aims):</b>	
<b>Appointment of local authority governors to the governing bodies of maintained schools in Bridgend</b>	
<b>Section 1 Complete the table below to assess how well you have applied the 5 ways of working.</b>	
<b>Long-term</b>  (The importance of balancing short term needs with the need to safeguard the ability to also meet long term needs)	<p><b>1. How does your project / activity balance short-term need with the long-term and planning for the future?</b></p> <p>The governing body of a maintained school is responsible for the conduct of a school. It takes a strategic role in the running of the school, meaning that it must decide what it wants the school to achieve and must set out a framework for getting there. That framework will include a number of short, medium and long-term aims, objectives and targets.</p> <p>Each governing body of a maintained school must be constituted in accordance with the Education Act 2002. All governing bodies have a combination of appointed or elected governors of various types. The four compulsory, common stakeholder groups are parents, teacher, staff and local authority representatives. (Others groups vary according to the category of school and may include foundation, community, representative and partnerships governors). Local authority governors are appointed by the local authority. All school governors are volunteers.</p> <p>Optimal performance in discharging the governance functions occurs when all roles on the governing body are filled by individuals who have previous experience working as a governor and/or working with schools or in educational settings and/or any experience, at home, at work or elsewhere, that may be relevant to the school governor role. However, the local authority approach to recruitment of local authority governors has to take account of the fact that local authority representatives are one of the compulsory stakeholder groups and, in the short term, the local authority may support any person for such an appointment who is interested in supporting schools, is not disqualified from being a school governor and is willing and able to dedicate the necessary time to the role. The local authority, in conjunction with the Central South Consortium, supports new governor appointments with a comprehensive programme of both mandatory and voluntary training and access to resources, to enable them to develop their knowledge and skills and be successful in fulfilling the role.</p>

<p><b>Prevention</b></p> <p>(How acting to prevent problems occurring or getting worse may help public bodies meet their objectives)</p>	<p><b>2. How does your project / activity put resources into preventing problems occurring or getting worse?</b></p> <p>The local authority acts to fill governor vacancies as soon as possible. Vacancies are advertised to elected members and all existing members of governing bodies. Information about the role of governors and how to become a local authority governor is published on the local authority's website.</p> <p>The local authority seeks information from each applicant for a local authority governor appointment relating to relevant past and present experience and skills, the reasons why the applicant wishes to become a governor and the areas in which the applicant feels able to contribute to the function and work of the governing body. The local authority also seeks information on the reasons for the choice/s of school including the applicant's knowledge of the school and any past or present associations with the school. The local authority uses this information as part of considering the suitability of the applicant for the vacancy/vacancies applied for.</p> <p>The local authority, in conjunction with the Central South Consortium, supports both new governor appointments and existing governors with a comprehensive programme of both mandatory and voluntary training and access to resources, to enable them to develop and maintain their knowledge and skills, and be successful in fulfilling the role.</p>
<p><b>Integration</b></p> <p>(Considering how the public body's well-being objectives may impact upon each of the wellbeing goals, on their objectives, or on the objectives of other public bodies)</p>	<p><b>3. How does your project / activity deliver economic, social, environmental &amp; cultural outcomes together?</b></p> <p>Local authority governors are a key stakeholder group on school governing bodies. School governing bodies take a strategic role in running schools ensuring that all pupils are supported to learn and achieve such that they are able to access opportunities for further learning and employment, know how to maintain their wellbeing, can play active roles in their communities and contribute positively to society as a whole.</p>
<p><b>Collaboration</b></p>	<p><b>4. How does your project / activity involve working together with partners (internal and external) to deliver well-being objectives?</b></p>

<p>(Acting in collaboration with any other person (or different parts of the body itself) that could help the body meet its well-being objectives)</p>	<p>The governing body of a school oversees the achievement of aims, objectives and targets for ensuring that the school safeguards the health and wellbeing of its pupils and staff. The local authority, in conjunction with the Central South Consortium, provides a training programme for both new governor appointments and existing governors to enable them to develop and maintain their relevant knowledge, skills and effectiveness in this respect.</p>
<p><b>Involvement</b></p> <p>(The importance of involving people with an interest in achieving the well-being goals, and ensuring that those people reflect the diversity of the area which the body serves)</p>	<p><b>5. How does your project / activity involve stakeholders with an interest in achieving the well-being goals? How do those stakeholders reflect the diversity of the area?</b></p> <p>The governing body of a school oversees the achievement of aims, objectives and targets for ensuring that the school safeguards the health and wellbeing of its pupils and staff. The local authority, in conjunction with the Central South Consortium, provides a training programme for both new governor appointments and existing governors to enable them to develop and maintain their relevant knowledge, skills and effectiveness in this respect.</p> <p>The local authority treats all applications for local authority governor vacancies fairly to ensure equality of opportunity.</p>

Section 2 Assess how well your project / activity will result in multiple benefits for our communities and contribute to the national well-being goals (use Appendix 1 to help you).		
Description of the Well-being goals	How will your project / activity deliver benefits to our communities under the national well-being goals?	Is there any way to maximise the benefits or minimise any negative impacts to our communities (and the contribution to the national well-being goals)?
<p><b>A prosperous Wales</b> An innovative, productive and low carbon society which recognises the limits of the global environment and therefore uses resources efficiently and proportionately (including acting on climate change); and which develops a skilled and well-educated population in an economy which generates wealth and provides employment opportunities, allowing people to take advantage of the wealth generated through securing decent work.</p>	<p>Local authority governors are a key stakeholder group on school governing bodies. School governing bodies take a strategic role in running schools ensuring that all pupils are supported to learn and achieve such that they are able to access opportunities for further learning and employment.</p> <p>In particular, school governing bodies take a strategic role in both ensuring the school acts to improve learner outcomes for vulnerable groups of children and ensuring that strategies are progressed to assist more-able young people reach their full potential.</p>	<p>The local authority, in conjunction with the Central South Consortium and partners such as Estyn, closely monitors the performance of schools/governing bodies in discharging their responsibilities.</p>
<p><b>A resilient Wales</b> A nation which maintains and enhances a biodiverse natural environment with healthy functioning ecosystems that support social, economic and ecological resilience and the capacity to adapt to change (for example climate change).</p>	<p>Local authority governors are a key stakeholder group on school governing bodies. School governing bodies take a strategic role in running schools, ensuring delivery of the national curriculum.</p>	<p>The local authority, in conjunction with the Central South Consortium and partners such as Estyn, closely monitors the performance of schools/governing bodies in delivering the national curriculum.</p>

	<p>The national curriculum includes personal and social education with the specific aims being to:</p> <ul style="list-style-type: none"> <li>• develop learners' self-esteem and a sense of personal responsibility;</li> <li>• promote self-respect, respect for others and celebrate diversity;</li> <li>• equip learners to live safe, healthy lives;</li> <li>• prepare learners for the choices and opportunities of lifelong learning;</li> <li>• empower learners to participate in their schools and communities as active responsible citizens locally, nationally and globally;</li> <li>• foster positive attitudes and behaviour towards the principles of sustainable development and global citizenship; and</li> <li>• prepare learners for the challenges, choices and responsibilities of work.</li> </ul>	
<p><b>A healthier Wales</b> A society in which people's physical and mental well-being is maximised and in which choices and behaviours that benefit future health are understood.</p>	<p>Local authority governors are a key stakeholder group on school governing bodies. School governing bodies take a strategic role in running schools, ensuring delivery of the national curriculum.</p> <p>The national curriculum includes personal and social education with the specific aims being to:</p> <ul style="list-style-type: none"> <li>• develop learners' self-esteem and a sense of personal responsibility;</li> <li>• promote self-respect, respect for others and celebrate diversity;</li> </ul>	<p>The local authority, in conjunction with the Central South Consortium and partners such as Estyn, closely monitors the performance of schools/governing bodies in delivering the national curriculum and discharging all responsibilities.</p>

	<ul style="list-style-type: none"> <li>• equip learners to live safe, healthy lives;</li> <li>• prepare learners for the choices and opportunities of lifelong learning;</li> <li>• empower learners to participate in their schools and communities as active responsible citizens locally, nationally and globally;</li> <li>• foster positive attitudes and behaviour towards the principles of sustainable development and global citizenship; and</li> <li>• prepare learners for the challenges, choices and responsibilities of work.</li> </ul>	
<p><b>A more equal Wales</b> A society that enables people to fulfil their potential no matter what their background or circumstances (including their socio economic background and circumstances).</p>	<p>School governing bodies take a strategic role in ensuring the school acts to improve learner outcomes for vulnerable groups of children and ensure equality of opportunity.</p> <p>The local authority treats all applications for local authority governor vacancies fairly to ensure equality of opportunity.</p>	<p>The local authority, in conjunction with the Central South Consortium and partners such as Estyn, closely monitors the performance of schools/governing bodies in discharging their responsibilities.</p>
<p><b>A Wales of cohesive communities</b> Attractive, viable, safe and well-connected communities.</p>	<p>Schools/governing bodies play a pivotal role in the community and contributing to community cohesion, not only through education provision but also through a focus on relationship between pupils and the school, their community and wider society. They provide opportunities for people to interact, work together, develop positive relationships and make a</p>	<p>The local authority, in conjunction with the Central South Consortium and partners such as Estyn, evaluates how schools/governing bodies support and enable children and young people to contribute to their communities. Also how well decisions are made and priorities are set for improvement that balance immediate, short-term needs</p>

	<p>contribution to their community. Further, they emphasise the importance of a common vision, shared values based on democracy, equality, diversity, tolerance, fairness and justice and creating a sense of belonging.</p>	<p>with the long-term needs of learners, the local community and Wales.</p>
<p><b>A Wales of vibrant culture and thriving Welsh language</b> A society that promotes and protects culture, heritage and the Welsh language, and which encourages people to participate in the arts, and sports and recreation.</p>	<p>The Welsh language, art and design, design and technology, music, history and physical education all forms part of the national curriculum in Wales.</p> <p>Local authority governors are a key stakeholder group on school governing bodies. School governing bodies take a strategic role in running schools, ensuring delivery of the national curriculum.</p>	<p>The local authority, in conjunction with the Central South Consortium and partners such as Estyn, closely monitors the performance of schools/governing bodies in delivering the national curriculum.</p>
<p><b>A globally responsible Wales</b> A nation which, when doing anything to improve the economic, social, environmental and cultural well-being of Wales, takes account of whether doing such a thing may make a positive contribution to global well-being.</p>	<p>Local authority governors are a key stakeholder group on school governing bodies. School governing bodies take a strategic role in running schools ensuring that all pupils are supported to learn and achieve such that they are able to access opportunities for further learning and employment, know how to maintain their wellbeing, can play active roles in their communities and contribute positively to society as a whole.</p>	<p>The local authority, in conjunction with the Central South Consortium and partners such as Estyn, closely monitors the performance of schools/governing bodies in discharging their responsibilities.</p>

<b>Section 3 Will your project / activity affect people or groups of people with protected characteristics? Explain what will be done to maximise any positive impacts or minimise any negative impacts</b>			
Protected characteristics	Will your project / activity have any positive impacts on those with a protected characteristic?	Will your project / activity have any negative impacts on those with a protected characteristic?	Is there any way to maximise any positive impacts or minimise any negative impacts?
Age:	Yes	No	Performance monitoring and evaluation.
Gender reassignment:	Yes	No	Performance monitoring and evaluation.
Marriage or civil partnership:	Yes	No	Performance monitoring and evaluation.
Pregnancy or maternity:	Yes	No	Performance monitoring and evaluation.
Race:	Yes	No	Performance monitoring and evaluation.
Religion or Belief:	Yes	No	Performance monitoring and evaluation.
Race:	Yes	No	Performance monitoring and evaluation.
Sex:	Yes	No	Performance monitoring and evaluation.
Welsh Language:	Yes	No	Performance monitoring and evaluation.

<b>Section 4 Identify decision meeting for Project/activity e.g. Cabinet, Council or delegated decision taken by Executive Members and/or Chief Officers</b>	
Cabinet	
<b>Compiling Officers Name:</b>	Dawn Davies
<b>Compiling Officers Job Title:</b>	Principal Officer, Knowledge and Learner Support
<b>Date completed:</b>	11 February 2019

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## BRIDGEND COUNTY BOROUGH COUNCIL

### REPORT TO CABINET

19 FEBRUARY 2019

### REPORT BY THE CORPORATE DIRECTOR - EDUCATION AND FAMILY SUPPORT

#### SCHOOL ADMISSION POLICY AND ARRANGEMENTS 2020 – 2021

#### 1. Purpose of report

- 1.1 To seek Cabinet approval of the School Admissions Policy and Arrangements 2020-2021.

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

- 2.1 The admission of pupils is a statutory responsibility which supports the raising of educational standards and the well-being of children, young people and their local communities. In particular, it contributes to the corporate priority:

**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 Welsh Government's School Admissions Code 2013 (the Code) requires admission authorities to act in accordance with the Code. The Code includes practical guidance and imposes requirements on local authorities and admission authorities, regarding the discharge of duties in respect of school admissions.
- 3.2 Welsh Government issued a revised Code in July 2013. The Council must act in accordance with the Code, as determined by the School Standards and Framework Act 1998.
- 3.3 The local authority has a statutory duty to consult with the governing bodies of schools who have delegated admission powers, all neighbouring local authorities, the admission authorities for all other maintained schools in the county borough and the governing bodies of all other schools (ie community and voluntary controlled schools which do not have delegated admission powers) in Bridgend County Borough.
- 3.4 The local authority is required to publish both an admission policy and guidance on the admission arrangements for its schools annually. This information also includes the published admission number (PAN) for each maintained school in the county borough.

#### 4. Current situation/proposal

##### School Admissions Policy

- 4.1 On 15 November 2018, the Bridgend Admissions Forum agreed a draft School Admissions Policy and Arrangements for 2020-2021, as per the requirements under the School Admissions Code 2013.
- 4.2 Local authorities must consult each year on the admission arrangements for those schools for which they are the admission authority. The consultation period for the 2020-2021 admission policy was 11 December 2018 to 31 January 2019.
- 4.3 Following consultation, five representations were received from the following stakeholders:
- Ysgol Cynwyd Sant;
  - Ysgol Y Ferch O'r Sgêr;
  - Ysgol Gyfun Gymraeg Llangynwyd;
  - Ysgol Gymraeg Bro Ogwr; and
  - Ysgol Calon Y Cymoedd.
- 4.4 All five stakeholders provided identical or near identical responses, which are summarised in Table 1 below.

**Table 1 Consultation response summary**

<b>Policy element</b>	<b>Representations received</b>
<p><b>2. Provision for Welsh-medium education</b></p> <p>c) Parents/carers residing in the east of the county borough may wish for their children to attend the Welsh Unit at Dolau Primary School. The local authority will be responsible for any transport costs for eligible pupils, but only if such pupils reside closer to Dolau Primary School than to Ysgol Gymraeg Bro Ogwr.</p>	<p>All five stakeholders who responded to the consultation felt strongly that this should not be included in any future School Admissions Policy.</p> <ul style="list-style-type: none"> <li>• It goes against the recommendations from Welsh Government in regards to the growth of the Welsh language as outlined in the Welsh in Education Strategic Plan (WESP).</li> <li>• It goes against Bridgend's vision and commitment to grow Welsh medium education within the county.</li> <li>• The arrangements outlined in the policy place Ysgol Gyfun Gymraeg Llangynwyd under threat through continuing to support Dolau Primary and subsequently Ysgol Llanhari.</li> <li>• It is also an extra, unnecessary cost to the local authority's education and transport budget.</li> </ul>
<p><b>2. Provision for Welsh-medium education</b></p> <p>f) The arrangement between the local</p>	<p>All five stakeholders who responded to the consultation felt strongly that this should not be included in any future School Admissions Policy.</p>

<p>authorities of Bridgend and Rhondda Cynon Taf will allow pupils currently attending Ysgol Gyfun Llanhari to continue their education at the school.</p>	<ul style="list-style-type: none"> <li>• This has been a historical arrangement which should now be removed from the policy.</li> <li>• Ysgol Gyfun Gymraeg Llangynwyd is now 10 years old, therefore this arrangement is no longer valid or required.</li> <li>• It goes against the county's vision and commitment to grow Welsh medium education, against the government's recommendations in the WESP and places Ysgol Gyfun Gymraeg Llangynwyd future and sustainability under threat.</li> </ul>
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### Response to consultation representations

- 4.5 Section 2c supports the admission of pupils wishing to access Welsh-medium primary education. For children residing in the east of the county borough and for many years, pupils from Bridgend have been able to attend the Welsh Unit at Dolau Primary School with Bridgend County Borough Council being responsible for any transport costs for eligible pupils, but only if such pupils reside closer to Dolau Primary School than to Ysgol Gymraeg Bro Ogwr. A similar arrangement is in place for pupils currently attending Ysgol Gyfun Llanhari where similarly pupils in the east of the county borough, namely the Pencoed area, benefit from free home-to-school transport to Ysgol Gyfun Llanhari.
- 4.6 This was primarily as a result of there being a limited number of Welsh-medium primary school places in the east of the county borough.
- 4.7 However, following significant capital investment by the local authority in respect of the opening of the new Ysgol Gynradd Gymraeg Calon Y Cymoedd in Bettws, for those pupils unable to attend Ysgol Gymraeg Bro Ogwr due to its oversubscription, the local authority is now better able to offer primary school places at Ysgol Gynradd Gymraeg Calon Y Cymoedd as the next nearest Welsh-medium primary school. It is therefore proposed that section 2c is removed from the policy.
- 4.8 Although Ysgol Gyfun Gymraeg Llangynwyd is the local authority's only Welsh-medium secondary school and the location of Ysgol Gyfun Llanhari has provided improved accessibility to Welsh-medium education for those pupils residing in the west of the county borough, given the local authority has a statutory duty to promote Welsh-medium education within its own administrative and geographic boundary, it is proposed that section 2f also be removed from the policy.

### Published Admission Number

- 4.9 The Published Admission Number (PAN) identifies the number of pupils that can be admitted to a year group. Admission authorities must have regard to the PAN for each year group. The PAN for each school is calculated in accordance with the capacity assessment method set out in the Welsh Government's guidance document 'Measuring the capacity of schools in Wales'.

- 4.10 The admission number for a school is the number of pupils that can be admitted to a year group. Admission authorities must have regard to the 'indicated admission number' for each year group. The indicated admission number is calculated in accordance with the capacity assessment method set out in the guidance document 'Measuring the capacity of schools in Wales'.
- 4.11 Following recent representations from both Mynydd Cynffig Primary School and Oldcastle Primary School and a reassessment of the teaching space within each school that has been brought into beneficial use, it is proposed that an amendment to the PAN for each school as identified in Table 2 below be made.

**Table 2 Amendments to published admission numbers for the 2020-2021 academic year**

<b>School</b>	<b>Published admission number 2019-2020</b>	<b>Published admission number 2020-2021</b>
Mynydd Cynffig Primary School	47	60
Oldcastle Primary School	50	60

- 4.12 An increase of PAN in both schools has been assessed as achievable and such an increase benefits the local authority, the school and parents, as it will provide additional places in each school.

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

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

## **6. Equality Impact Assessment**

- 6.1 It is a statutory duty that admission authorities are mindful of their duties with regards to Equalities Legislation. As a result, the proposed School Admission Policy and Arrangements 2019 – 2020 adhere to these requirements.

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

- 7.1 The Well-being of Future Generations (Wales) Act 2015 assessment has been completed and is detailed in Appendix B. A summary of the implications from the assessment relating to the five ways of working is as follows:

### **Long-term**

The school admissions policy and arrangements set out how the local authority will balance the discharge of its statutory duty in relation to parental preference, the need to safeguard the delivery of effective education and the safety of pupils, and the need to support pupils in particular circumstances (for example, learners with specific vulnerabilities), in circumstances where the applications for places at a school exceed the number of available places.

### **Prevention**

Consultation on the school admissions policy and arrangements allow stakeholders to raise issues or make comments on proposals, for consideration of appropriate actions.

## **Integration**

The school admissions policy and arrangements support the provision of education in the communities in which pupils live.

## **Collaboration**

Each year, the local authority works in conjunction with key stakeholders to develop proposed school admission arrangements, for those schools for which it is the admissions authority

## **Involvement**

In accordance with the specified requirements of the Education (Determination of Admission Arrangements) (Wales) Regulations 2006 and the School Admissions Code 2013, the local authority consults each year on the proposed admission arrangements for those schools for which it is the admissions authority. Consultation for an academic year takes place two years in advance.

## **8. Financial implications**

### **School Admissions Policy**

- 8.1 Any promotion of Ysgol Gynradd Gymraeg Calon Y Cymoedd over Dolau Primary School and Ysgol Gyfun Gymraeg Llangynwyd over Ysgol Gyfun Llanhari is likely to increase the cost of home-to-school transport for those pupils given the increased distance from the east of the county borough (namely the Pencoed area) to Bettws and Maesteg which will have to be met from within the Home to School Transport Budget.
- 8.2 However, this needs to be balanced against the local authority's responsibility to promote Welsh-medium education in the county borough and ensure that the number of surplus places in Ysgol Gynradd Gymraeg Calon Y Cymoedd are minimised to reduce the risk of financial claw-back as a result of the school modernisation project and that Ysgol Gyfun Gymraeg Llangynwyd continues to be sustainable.
- 8.3 It is important to note that there are 65 surplus places in Ysgol Gynradd Gymraeg Calon Y Cymoedd and 243 surplus places at Ysgol Gyfun Gymraeg Llangynwyd and therefore both schools are considered to have significant surplus capacity which in turn places additional financial pressure on these schools.
- 8.4 Furthermore, any pupil currently in receipt of free home-to-school transport to Dolau Primary School or Ysgol Gyfun Llanhari will continue to receive this provision until they leave the school.

### **Increase in PAN**

- 8.5 In general, for schools with increased PANs, the local authority as admission authority has a statutory duty to admit pupils up to the new PAN. Any increase in pupil numbers would bring additional funding to each school which would have to be funded from the overall Individual Schools Budget.

## **9. Recommendations**

- 9.1 Cabinet is recommended to:

- approve the 2020-2021 Schools Admission Policy and Arrangements (see Appendix A) including the removal of the historic references to Dolau Primary School and Ysgol Gyfun Llanhari as detailed in Table 1; and
- approve changes to the schools' published admission numbers for 2020-2021 (see Table 2) for Mynydd Cynffig Primary School and Oldcastle Primary School.

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**Attachments**

Appendix A: School Admissions Policy and Arrangements 2020-2021.  
Appendix B: Well-Being of Future Generations (Wales) Act 2015 Assessment.

## Appendix A



# School Admissions Policy and arrangements 2020-2021

## 1. THE ADMISSION AUTHORITY

The entry of children to schools is controlled and administered by an 'admission authority'. In the case of community schools, this is the local authority, that is, Bridgend County Borough Council. In accordance with the Education (Relevant Areas for Consultation on Admission Arrangements) Regulations 1999, the relevant area for the admission authority is the geographical area of the County Borough of Bridgend.

Where the local authority is the admission authority, the school's governing body is under a duty to implement the local authority's decision on applications, and to act in accordance with the local authority's admission arrangements.

**The local authority continuously reviews and reserves the right to amend its admissions procedures for statutory and non-statutory education.**

The local authority has no arrangements for the provision of education at schools not maintained by a local authority.

### **Admission to voluntary controlled school**

The one voluntary controlled school in the county borough is Pen y Fai Church in Wales Primary School, which is financed by the local authority. The admission criteria are consistent with that of the local authority, as detailed in this policy, and with the Trust Deed of the school. Appeal arrangements are managed by the local authority and are consistent with the provision of the Trust Deed.

### **Admission to voluntary aided schools**

Within the county borough, there are five voluntary aided schools, which are financed largely by the local authority. The governing body of each voluntary aided school is the admission authority with responsibility for all admission arrangements.

The five voluntary aided schools within the county borough are as follows:

1. St Mary's Catholic Primary School, Bridgend
2. St Mary's and St Patrick's Catholic Primary School, Maesteg
3. St Roberts Catholic Primary School, Aberkenfig
4. Archdeacon John Lewis Church in Wales Primary School, Bridgend
5. Archbishop McGrath Catholic High School

Parents/carers who wish to seek admissions to these schools are advised to contact the relevant school for further information.

### **Arrangements with other local authorities**

The local authority has made the following arrangements with Rhondda Cynon Taf County Borough Council, where surplus admission places are available:

1. Pupils from Abercerdin Primary School may attend Tonyrefail Comprehensive School with Bridgend County Borough Council being responsible for transport costs.
2. Pupils from Dolau Primary School, Brynnau Primary School and Llanharan Primary School may attend Pencoed Comprehensive School with Rhondda Cynon Taf County Borough Council being responsible for transport costs.
3. Pupils from the county borough may attend the Welsh Unit at Dolau Primary School with Bridgend County Borough Council being responsible for any transport costs for eligible pupils, but only if such pupils reside closer to Dolau Primary School than to Ysgol Bro Ogwr.

### **Special schools**

The two special schools in the county borough are regional centres with pupils admitted from neighbouring local authorities. Admissions to these schools are not included within or subject to the provisions of this policy.

## **2. PARENTAL PREFERENCE**

The local authority has a statutory duty to have regard to the general principle that pupils are to be educated in accordance with the wishes of their parents, so far as that would be compatible with the provision of efficient education and the avoidance of unreasonable public expenditure (S.9 Education Act 1996).

Within the county borough, each school has an area it serves (its catchment); however, the local authority must allow all parents/carers the opportunity to express a positive preference for the school they would wish their child to attend. In the vast majority of cases, parents/carers are quite happy to choose their catchment school, but it is necessary for that school to be selected by parents/carers on an admission to school or in-year school admission/transfer application. The application allows parents/carers to list more than one school in priority order.

Parents/carers must not automatically assume that a place will be available for their child at a particular school, even though that may be their catchment school. The local authority has a duty to meet the preferences for admission expressed by parents/carers ahead of those who have expressed no preference. Consequently, for the normal admissions rounds, parents/carers must ensure they record their preference/s on the school admission

application and that the application is submitted to the local authority by the stated deadline.

### **Circumstances in which the duty to comply with parental preference does not apply**

The duty of the local authority and school governors to comply with parental preference does not apply where:

- to admit the child would prejudice the provision of efficient education or efficient use of resources;
- the child has been permanently excluded from two or more schools. The requirement to comply with parental preference is dis-applied for a period of two years following the second exclusion. This does not apply to:
  1. children who were below compulsory school age when they were excluded or to pupils who were reinstated after exclusion; or
  2. where to admit would be incompatible with the statutory duty to meet infant class size regulations (see Section 8).

### **3. SCHOOL CAPACITY**

Welsh Government has published a capacity calculation methodology for all schools. This aims to provide a robust and consistent method of assessing the capacity of all schools and is based on existing accommodation at a school and usage. The capacity calculation informs the local authority's calculation of a published admissions number (PAN) for a school.

The local authority must admit pupils up to the published admissions number in each year group in a school. Guidance published in Welsh Government Circular No. 021/2011 states that "As the admission number reflects the school's ability to accommodate pupils, it should only be exceeded in exceptional circumstances".

### **4. THE SCHOOL ADMISSIONS (INFANT CLASS SIZES) (WALES) REGULATIONS 2013**

In order to improve educational standards in schools, these regulations limit the number of children in Reception, Year 1 and Year 2 classes when a single teacher is present. The local authority can refuse admission to classes in these year groups on the basis of infant class size prejudice if the published admission number has already been reached.

However, there are certain limited 'exceptions' that allow for the local authority to exceed the normal infant class size limit, eg the admission of children who are looked after or previously looked after.

## 5. CHILD'S ADDRESS AND PROVISION OF FALSE INFORMATION

When considering whether a child lives in a school's catchment area, it is the child's place of ordinary residence that the local authority considers to be the home address and satisfying the admissions criteria.

Where the child's parents/carers are not living together but have shared responsibility for the child, and the child lives with each parent/carer for part of the periods during which the child receives education, the child will be considered as being ordinarily resident at the places where **each** of the parents/carers is ordinarily resident. Accordingly, the local authority will accept the address of either parent/carer as being the child's place of ordinary residence.

If the child's place of ordinary residence changes after the school admission application has been submitted, the local authority must be notified immediately.

School catchment maps are published on the local authority's website:

[www.bridgend.gov.uk/schooladmissions](http://www.bridgend.gov.uk/schooladmissions)

Where a parent/carer provides fraudulent or intentionally misleading information relating to the child's residence in order to obtain the advantage of a particular school placement, to which the child would otherwise not be entitled, the local authority reserves the right to withdraw the offer of a place. Where a place is withdrawn, the application will be considered afresh based on the accurate place of residence, and a right of appeal will be offered if a place at the preferred school/s is refused. Where there is doubt about the child's place of ordinary residence, the local authority reserves the right to seek further verification from the applicant (such evidence may include, but not necessarily be limited to, a utility bill or council tax statement).

## 6. APPLICATIONS MADE ON THE BASIS OF A FUTURE CHANGE OF RESIDENCE

Parents/carers will be expected to record the current address at which their child is ordinarily resident on a school admission application.

Where parents/carers are in the process of a house move and are expressing a preference for a school that is the catchment school for the future address, the following evidence **must** be provided to the local authority:

- written evidence from a solicitor that the house sale has been completed, contracts have been exchanged and that a moving date has been agreed such that the child will be resident at the new address by the commencement of the school term to which the application relates; or
- a written tenancy agreement evidencing that the child will be resident at the new address by the commencement of the school term to which the application relates.

All required evidence **must** be received by the local authority prior to the allocation and offer of places. If the evidence is not received prior to the allocation and offer of places, the application will be treated as an out of catchment application for the preferred school/s.

If the evidence does not confirm that the child will be resident at the new address by the commencement of the school term to which the application relates, the application will be treated as an out of catchment application for the preferred school/s.

## **7. CHILDREN OF UK SERVICE PERSONNEL AND OTHER CROWN SERVANTS (including diplomats)**

For normal admissions rounds, the children of UK service personnel and other crown servants will be treated as 'in catchment' **provided that** their application is accompanied by an official Ministry of Defence (MOD) or Foreign and Commonwealth Office (FCO) letter declaring a return date and confirmation of the new address.

Children of UK service personnel and other crown servants (including diplomats) may be given 'excepted status' for infant class size purposes when admitted to a school outside of the normal admissions round.

## **8. WELSH-MEDIUM EDUCATION**

In accordance with statutory requirements, the local authority policy is that every child should have the opportunity to learn and use the Welsh language. Provision is made for this in the following ways:

1. The teaching of Welsh as a second language in English-medium schools.
  - a) At Foundation Phase, Welsh is taught to all pupils. The emphasis is on using the language with purpose and in meaningful situations. In addition, the incidental use of the language during the school day is encouraged.
  - b) At key stage 2, the language is further developed orally, with greater emphasis on reading and writing skills.
  - c) At key stage 3, Welsh is taught to all pupils and at key stage 4 it is compulsory. Opportunities are provided in all schools for pupils to continue their studies for both the 16+ and A level examinations.
2. Provision for Welsh-medium education.
  - a) Welsh-medium education is available at the four Welsh-medium primary schools for all pupils whose parents select that medium of education.
  - b) Parents/carers residing in the catchment area of Ysgol Gymraeg Bro Ogwr may wish for their child/ren to attend the new Ysgol Gynradd Gymraeg Calon Y Cymoedd (formerly Ysgol Gyradd Gymraeg Cwm Garw). The local authority will be responsible for any transport costs for eligible pupils, but only if such pupils reside closer to Ysgol Gynradd Gymraeg Calon Y Cymoedd than to Ysgol Gymraeg Bro Ogwr.
  - c) At Foundation Phase, all subjects are taught and all activities are run through the medium of Welsh.
  - d) English is introduced as a subject in key stage 2. Although all the other subjects are taught through the medium of Welsh, standards in English are equally safeguarded.

Entry to Welsh-medium schools is controlled by the application of the same admission criteria expressed within the relevant section of this policy.

## 9. ADMISSION OUTSIDE OF THE NORMAL AGE GROUP

Occasionally, parents/carers may seek a place outside of the normal age group for children who are gifted or talented children, or children who have experienced problems or missed part of a year due to ill health.

The local authority will consider each request carefully and make decisions on the basis of the circumstances of each case. The local authority will consider what is most beneficial for the child and, in every case, will seek information from the parents, the school and an educational psychologist to inform its decision.

Where the local authority considers that an out-of-year group application is appropriate but that application is refused due to no places being available at the school, the parent/carer will be offered a right of appeal. However, there is no right of appeal if a place has been offered, but not in the desired year group (ie where the place offered is in the correct chronological year group for the child's age).

## 10. OUTCOME OF ADMISSION/TRANSFER APPLICATIONS

Parents/carers will be notified in writing of the outcome of their school admission or in-year school admission/transfer application.

If the application is refused, the notification will set out the reasons for the decision and will advise parents/carers on the appeal process. Parents/carers should note that **there is no right of appeal for non-statutory education, eg nursery education.**

## 11. WAITING LISTS

The local authority maintains waiting lists for oversubscribed schools. A child will be automatically included in the waiting list unless a parent/carer has expressly advised the local authority that this action is not required.

For the normal admissions rounds, children will remain on the waiting list, for any school at which they have been refused a place, until 30 September 2020. For all applications received outside of the normal admissions round, children will remain on the waiting list for any school at which they have been refused for a period of 3 months from the date of the refusal. Children will automatically be removed from the waiting list/s after these periods have elapsed.

Submission of a new application does not renew a child's place on a waiting list. If a new application is submitted and is refused, the child will be recorded as a new entry to the waiting list from the date of the refusal.

If additional places become available at a school, they will be allocated to children on the waiting list on the basis of the published oversubscription criteria (see sections 15 and 16) and **not** the length of time a child has been on the waiting list.

## 12. ADMISSION APPEALS

In the vast majority of cases, children are offered places in line with their parents/carers' preference of school. If, however, a child is unable to gain admission to the preferred school, parents/carers may choose to appeal to an independent panel. Parents/carers may accept a place offered at an alternative school whilst pursuing a place at the preferred school. The independent appeal panel will consider the grounds put forward by parents for the appeal and determine whether the merits of the case outweigh the case presented by the local authority.

Parents/carers are advised to carefully consider the local authority's admissions policy when deciding whether to appeal.

Parents/carers should note that **there is no right of appeal for non-statutory education, eg nursery education.**

School admission appeals are conducted in accordance with the School Admission Appeals Code 2013. [\[hyperlink\]](#)

### **Registering an appeal**

In the case of appeals relating to the refusal of places in a normal admissions round, parents/carers **must** register their appeal with the local authority by the closing date as detailed in section 16.

In the case of appeals relating to the refusal of places outside of the normal admissions rounds, parents/carers **must** register their appeal with the local authority within 10 working days of the date of the written notification of the refusal.

Parents/carers must register their appeal in writing and are able to complete a school admission appeal registration online by signing up to My Account on the Bridgend County Borough Council website. Guidance on completing the registration is available on [www.bridgend.gov.uk/schooladmissions](http://www.bridgend.gov.uk/schooladmissions)

Any parents/carers who do not have access to their own computer/laptop or smart phone, may use the computers available within the libraries in the county borough to sign up to My Account and complete an online registration. A parent/carer who remains unable to access the online registration may contact Bridgend County Borough Council on telephone number 01656 643643 to request a hardcopy registration.

**Parents/carers who complete an online school admission appeal registration can have peace of mind that the registration has been received. The local authority cannot be held responsible for the non-receipt of a registration submitted through other means.**

A school admission appeal registration may only be made by the parent/s or carers (legal guardian/s). To satisfy the requirement that appeal registration is submitted by the parent/carer, the applicant must also be the My Account holder. Unless already provided to the local authority, legal guardian/s **must** submit official documentation, proving guardianship, at the time the registration is submitted.

The local authority will only accept an appeal registration from a person who is not a parent/carer if it is accompanied by an appropriate written permission from the parents/carers.

## **Arrangements for the appeal hearing**

The local authority will refer the appeal to an independent appeal panel. The clerk to the panel will arrange a time and place for the hearing.

Parents/carers will have the opportunity of attending the panel hearing and making their representations (oral and/or written).

Parents/carers are advised that:

1. They may elect not to attend the appeal meeting and, instead, allow the appeal to be considered on a written statement.
2. The appeal will be decided on the information available if parents/carers have indicated an intention to attend the appeal but do not do so and fail to provide a reasonable explanation.
3. If parents/carers cannot attend on the scheduled date and it is not reasonably practicable to offer an adjourned hearing, the appeal will be decided on the information available.
4. Parents/carers will be given at least 14 days (10 working days) written notice of the meeting of the appeal panel, unless they agree to a shorter period. The parent/carer should confirm this in writing to the clerk to the panel.

Parents/carers may be accompanied at a panel hearing by a friend or adviser or an interpreter, however, local authority councillors are not permitted to attend. Parents/carers are requested to inform the clerk to the independent appeal panel of any representation at least seven days before the hearing.

Organisations such as ACE (The Advisory Centre for Education) may be able to provide assistance to parents/carers in relation to school admission appeals. Information is available from the organisation's website [www.ace-ed.org.uk](http://www.ace-ed.org.uk)

## **Repeat appeals**

Parents/carers generally do not have a right to a second appeal in respect of the same school and the same academic year except where:

- there were faults in the first appeal process and there is a significant possibility that the outcome might have been affected by the faults (this may be on the recommendation of the Public Services Ombudsman for Wales); or
- a fresh application is accepted because there has been a significant and material change in the circumstances of the parent/carer or child and that application has also been refused. Common examples of where a fresh application is considered are where a family has moved address or there are new medical reasons pertaining to the choice of school.

Parents/carers who appeal unsuccessfully may re-apply for a place at the same school in respect of a later academic year (but subject to the timescales set out in paragraph 4 of section 15). Parents/carers will have a right to appeal if that application is refused.

The council's admission arrangements seek to achieve full compliance with all relevant legislation and guidance, with regard to equal opportunities and human rights (Equality Act 2010, the Human Rights Act 1998 and the Welsh Language Act 1993).

The council wants its services to be accessible to the whole community and will challenge discrimination in our communities, whether it is based on a person's transgender status, race, sex, disability, age, sexual orientation, religion or belief, pregnancy and maternity marriage or civil partnership.

The council's Corporate Equality Scheme sets out how the council will comply with its Public Sector Equality Duty in the exercise of its functions, having due regard to the need to:

- eliminate discrimination, harassment, victimisation and any other conduct that is prohibited under the legislation;
- advance equality of opportunity between persons who share a relevant protected characteristic and persons who do not share it; and
- foster good relations between persons who share a relevant protected characteristic and persons who do not.

#### **14. DATA PROTECTION**

The local authority regards your privacy as important and complies with the General Data Protection Regulation (GDPR) and the Data Protection Act 2018. The full Data Protection guidance and principles of the local authority may be viewed on the website [www.bridgend.gov.uk](http://www.bridgend.gov.uk)

Any information provided by parents/carers on a school admission application, an in-year school admission/transfer application or a school admission appeal registration will be held electronically and used by local authority for the purpose of processing the admission application or admission appeal request.

The local authority will share the information provided on a school admission application or an in-year school admission/transfer application with the relevant schools in accordance with the Fair Processing Statement – Education and Family Support, which is available at <https://www.bridgend.gov.uk/my-council/freedom-of-information/data-protection/>

#### **15. ADMISSION ARRANGEMENTS – NURSERY EDUCATION**

Welsh Government requires local authorities to secure a free, part-time, early-years education place for eligible three-year-olds from the term following their third birthday. The place can either be at a local authority-maintained school, or within the non-maintained sector with a registered early year's provider. Where parents opt for a place with a registered early year's provider, they will only be eligible to receive funding for a part-time place regardless of whether the place offered is full or part-time. The grant payment in this respect will be made directly to the provider.

Places at local authority-maintained schools are part-time for three-year-olds (Nursery Year 1) and full-time for four-year-olds (Nursery Year 2).

The local authority is committed to the principle of providing local schools for local children and will make every effort to ensure that parents are able to secure a place for their child/ren at the catchment school, where parents/carers have expressed a positive preference for that school.

### **Parents/carers should note the following:**

- Pupils who are admitted to a nursery class of an infant or primary school **will not have an automatic right to continued education at the same school when moving to a Reception class.** All parents/carers of children attending a nursery class, whether residing within or outside the defined catchment area, will be required to complete a school admission application for a primary or infant school, at the appropriate time, indicating their preference for a school.
- There is **no right of appeal** in the case of nursery admissions.

### **Nursery admission applications**

Parents/carers who wish to apply for a nursery place at a voluntary aided school should approach that school directly for an admission application form.

For local authority admissions, a school admission (nursery) application **must** be completed by the parents/carers of eligible children. Parents/carers are able to complete the application online by signing up to My Account on the Bridgend County Borough Council website. Guidance on completing the application is available on [www.bridgend.gov.uk/schooladmissions](http://www.bridgend.gov.uk/schooladmissions)

Any parents/carers who do not have access to their own computer/laptop or smart phone, may use the computers available within the libraries in the county borough to sign up to My Account and complete a school admission (nursery) application. A parent/carer who remains unable to access the online school admission (nursery) application may contact Bridgend County Borough Council on telephone number 01656 643643 to request a hardcopy application.

**Parents/carers who complete an online school admission (nursery) application can have peace of mind that the application has been received. The local authority cannot be held responsible for the non-receipt of an application submitted through other means.**

A school admission (nursery) application may only be made by the parent/s or carers (legal guardian/s). To satisfy the requirement that the application is submitted by the parent/carer, the applicant must also be the My Account holder. Legal guardian/s **must** submit official documentation, proving guardianship, at the time the application is submitted.

The local authority will only accept an application from a person who is not a parent/carer if it accompanied by an appropriate written permission from the parents/carers.

### **Timetable for nursery admissions 2020-2021**

The timetable for nursery admissions is not governed by the School Admissions Code 2013. The local authority's expected timetable for processing applications for nursery admissions is as follows:

**Full-time nursery class admissions - pupils born between 1 September 2016 and 31 August 2017, starting in a full-time nursery class in September 2020:**

Action	Date
Applications open on	Monday 6 January 2020
Closing date for receipt of applications by the local authority	Friday 27 March 2020
Notification to parents/carers of acceptance/refusal of places (the offer date)	Friday 15 May 2020

**Part-time nursery class admissions - pupils born between 1 September 2017 and 31 December 2017, starting in a part-time nursery class in January 2021:**

Action	Date
Applications open on	Monday 6 January 2020
Closing date for receipt of applications by the local authority	Friday 27 March 2020
Notification to parents/carers of acceptance/refusal of places	By 31 October 2020

**Part-time nursery class admissions - pupils born between 1 January 2018 and 31 March 2018, starting in a part-time nursery class in April 2021:**

Action	Date
Applications open on	Monday 6 January 2020
Closing date for receipt of applications by the local authority	Friday 27 March 2020
Notification to parents/carers of acceptance/refusal of places (the offer date)	By 31 October 2020

**Late applications (applications submitted after the closing date)**

The local authority will accept applications that are received after the relevant published closing date **provided that** the application is received prior to the offers of places being made **and** the local authority is satisfied as to the parents/carers' reasons for the late application.

All other late applications will be processed by the local authority after applications that were received by the closing date. Therefore, late applicants may find that their preferred school is already full, even if the school is their catchment school.

**Allocation of full-time nursery places**

Children eligible for a full-time nursery place from September 2020 are those born between 1 September 2016 and 31 August 2017 who will attain the age of four in the academic year 2020-2021.

The local authority will normally only admit up to the school's published admission number when allocating full-time nursery places.

Where the number of applications exceeds the number of places available, the local authority will apply the following **oversubscription criteria**, in order of priority, to allocate the places available:

1. Children who are looked after or previously looked after.
2. Children whose place of ordinary residence is within the school's defined catchment area.

Where a school is oversubscribed under this criterion, the local authority will allocate the places in the following order of priority:

- a) Children with siblings attending the school in the academic year 2020-2021.

A sibling is classified as a half or full brother/sister; a step-brother/sister, an adopted brother/sister; or a child living in the same household.

When allocating places, if the last place is offered to a multiple birth child (eg a twin or triplet), the local authority will also admit the other sibling/s.

- b) Proximity to school, as measured by the nearest available safe walking route (from home to the main school gate).

The Council uses software to measure all distances that takes into account assessed safe routes to the school/s.

3. Children not currently ordinarily resident within the school's defined catchment area whose parents/carers have satisfied the local authority, by the published closing date for submission of the relevant school admission applications, that the child will be ordinarily resident within the defined catchment area by the commencement of the school term to which the application relates.

Where a school is oversubscribed under this criterion, the local authority will allocate the places in the following order of priority:

- a) Children with siblings attending the school in the academic year 2020-2021.

A sibling is classified as a half or full brother/sister; a step-brother/sister, an adopted brother/sister; or a child living in the same household.

When allocating places, if the last place is offered to a multiple birth child (eg a twin or triplet), the local authority will also admit the other sibling/s.

- b) Proximity to school, as measured by the nearest available safe walking route (from home to the main school gate).

The local authority uses software to measure all distances that takes into account assessed safe routes to the school/s.

4. Children recommended for placement for medical, psychological, or social reasons, eg young carers.

To satisfy this criterion, parents/carers **must** provide supporting evidence from a registered health professional. It is expected that the parents/carers provide this evidence at the time the application is submitted. Where there are good reasons why this is not possible, the evidence must be provided prior to the allocation and offer of places. The evidence **must** set out in detail why the named school is the most suitable school and what difficulties would arise if the child had to attend another school.

5. Children living outside the school's defined catchment area will be considered for any remaining places in the order of priority set out below:

- a) Children with siblings attending the school in the academic year 2020-2021.

A sibling is classified as a half or full brother/sister; a step-brother/sister, an adopted brother/sister; or a child living in the same household.

When allocating places, if the last place is offered to a multiple birth child (eg a twin or triplet), the local authority will also admit the other sibling/s.

- b) Proximity to school, as measured by the nearest available safe walking route (from home to the main school gate).

The local authority uses software to measure all distances that takes into account assessed safe routes to the school/s.

### **Allocation of part-time nursery places**

In determining the number of part-time nursery places available for allocation in any school, the local authority will take into account the published admission number and the number of full-time nursery pupils already on roll at the school.

Where the number of applications exceeds the number of places available, the local authority will apply the following **oversubscription criteria**, in order of priority, to allocate the places available:

1. Children who are looked after or previously looked after.
2. Children born between 1 September 2017 and 31 December 2017 who will attain the age of three in the academic year 2020-2021 and whose place of ordinary residence is within the school's defined catchment area. **These children will be eligible for a part-time nursery place from January 2021.**

Where a school is over-subscribed the local authority will allocate the places in the following order of priority:

- a) Children with siblings attending the school in the academic year 2020-21.

A sibling is classified as a half or full brother/sister; a step-brother/sister, an adopted brother/sister; or a child living in the same household.

When allocating places, if the last place is offered to a multiple birth child (eg a twin or triplet), the local authority will also admit the other sibling/s.

- b) Proximity to school, as measured by the nearest available safe walking route (from home to the main school gate).

The local authority uses software to measure all distances that takes into account assessed safe routes to the school/s.

3. Children born between 1 January 2018 and 31 March 2018 who will attain the age of three in the academic year 2020-2021 and whose place of ordinary residence is within the school's defined catchment area. **These children will be eligible for a part-time nursery place in April 2021.**

Where a school is over-subscribed the local authority will allocate the places in the following order of priority:

- a) Children with siblings attending the school in the academic year 2020-21.

A sibling is classified as a half or full brother/sister; a step-brother/sister, an adopted brother/sister; or a child living in the same household.

When allocating places, if the last place is offered to a multiple birth child (eg a twin or triplet), the local authority will also admit the other sibling/s.

- b) Proximity to school, as measured by the nearest available safe walking route (from home to the main school gate).

The local authority uses software to measure all distances that takes into account assessed safe routes to the school/s.

4. Children not currently ordinarily resident within the school's defined catchment area whose parents/carers have satisfied the local authority, by the published closing date for submission of the relevant school admission applications, that the child will be ordinarily resident within the defined catchment area by the commencement of the school term to which the application relates.

Where a school is oversubscribed under this criteria, the local authority will allocate the places in the following order of priority:

- a) Children with siblings attending the school in the academic year 2020-2021.

A sibling is classified as a half or full brother/sister; a step-brother/sister, an adopted brother/sister; or a child living in the same household.

When allocating places, if the last place is offered to a multiple birth child (eg a twin or triplet), the local authority will also admit the other sibling/s.

- b) Proximity to school, as measured by the nearest available safe walking route (from home to the main school gate).

The local authority uses software to measure all distances that takes into account assessed safe routes to the school/s.

- 5. Children recommended for placement for medical, psychological, or social reasons, eg young carers.

To satisfy this criterion, parents/carers **must** provide supporting evidence from a registered health professional. It is expected that the parents/carers provide this evidence at the time the application is submitted. Where there are good reasons why this is not possible, the evidence must be provided prior to the allocation and offer of places. The evidence **must** set out in detail why the named school is the most suitable school and what difficulties would arise if the child had to attend another school.

- 6. Children living outside the school's defined catchment area will be considered for any remaining places in the order of priority set out below:

- a) Children with siblings attending the school in the academic year 2020-2021.

A sibling is classified as a half or full brother/sister; a step-brother/sister, an adopted brother/sister; or a child living in the same household.

When allocating places, if the last place is offered to a multiple birth child (eg a twin or triplet), the local authority will also admit the other sibling/s.

- b) Proximity to school, as measured by the nearest available safe walking route (from home to the main school gate).

The local authority uses software to measure all distances that takes into account assessed safe routes to the school/s.

## **16. ADMISSION ARRANGEMENTS - NORMAL (STATUTORY) ADMISSIONS ROUNDS**

Every child is required by law to receive full-time education from the beginning of the school term after his/her fifth birthday. However, in the county borough, all children are normally admitted to Reception classes in the September following their fourth birthday.

The relevant age groups for the normal admissions rounds in the county borough are:

Infant /primary schools	Reception class	Age 4/5
Junior schools	Year 3	Age 7/8
Secondary schools	Year 7	Age 11/12

Children enter, or transfer, to junior school or to a junior department in a primary school on the first day of the autumn term following their seventh birthday. Where an area is served by separate infant and junior or primary schools, parents of children in an infant school will need to complete a school admission application in order to ensure their request for a place for their child is considered at the time of transfer from the infant school to the respective junior or primary school. In primary schools, the infant and junior sections are simply departments of the same school and children progress through the school from the infants to juniors without having to transfer elsewhere. Parents are therefore **not** required to complete a school admission application, since the children are already regarded as registered pupils in the primary school.

Children normally transfer from primary school to secondary school at the beginning of the academic year following their eleventh birthday.

The local authority is committed to the principle of providing local schools for local children and will make every effort to ensure that parents are able to secure a place for their child(ren) at the catchment school, where parents/carers have expressed a positive preference for that school. **There is no automatic admission to any primary or secondary school, regardless of the nursery provision, infant school or primary school that a child currently attends.**

### **School admission applications**

Parents/carers who wish to apply for a place at a voluntary aided school should approach that school directly for an admission application form.

For local authority admissions, an admission to school application **must** be completed by the parents/carers of those children who, in September 2020, will be:

- starting school for the first time (this does not include those starting in a nursery class/school); or
- moving from an infant school to a junior or primary school, (this does not apply to those moving from an infant dept. to a junior dept. within the same primary school); or
- moving from a junior or primary school to a secondary school.

Parents/carers are able to complete school admission applications online by signing up to My Account on the Bridgend County Borough Council website. Guidance on completing the application is available on [www.bridgend.gov.uk/schooladmissions](http://www.bridgend.gov.uk/schooladmissions)

Any parents/carers who do not have access to their own computer/laptop or smart phone, may use the computers available within the libraries in the county borough to sign up to My Account and complete a school admission application. A parent/carer who remains unable to access the online school admission application may contact Bridgend County Borough Council on telephone number 01656 643643 to request a hardcopy application.

**Parents/carers who complete an online school admission application can have peace of mind that the application has been received. The local authority cannot be held responsible for the non-receipt of an application submitted through other means.**

A school admission application may only be made by the parent/s or carers (legal guardian/s). To satisfy the requirement that the school admission (nursery) application is

submitted by the parent/carer, the applicant must also be the My Account holder. Legal guardian/s **must** submit official documentation, proving guardianship, at the time the application is submitted.

The local authority will only accept an application from a person who is not a parent/carer if it accompanied by an appropriate written permission from the parents/carers.

### **Timetable for the normal admissions rounds 2020-2021**

The expected timetable to process applications for admissions to primary and secondary schools is as follows:

#### **Secondary school admissions - pupils born between 1 September 2008 and 31 August 2009, transferring from junior/primary school (Year 6) to secondary school (Year 7) in September 2020:**

<b>Action</b>	<b>Date</b>
Applications open on	Monday 21 October 2019
Closing date for receipt of applications by the local authority	Friday 24 January 2020
Notification to parents/carers of acceptance/refusal of places (the offer date)	Monday 2 March 2020
Closing date for parents/carers to submit an appeal	Friday 20 March 2020

#### **Junior school admissions - pupils born between 1 September 2012 and 31 August 2013, transferring from infants school (Year 2) to junior school (Year 3) in September 2020:**

<b>Action</b>	<b>Date</b>
Applications open on	Monday 26 November 2019
Closing date for receipt of applications by the local authority	Friday 13 February 2020
Notification to parents/carers of acceptance/refusal of places (the offer date)	Thursday 16 April 2020
Closing date for parents/carers to submit an appeal	Friday 8 May 2020

#### **Primary school (Reception class) admissions - pupils born between 1 September 2015 and 31 August 2016, starting in a Reception class in September 2020:**

<b>Action</b>	<b>Date</b>
Applications open on	Monday 26 November 2019
Closing date for receipt of applications by the local authority	Friday 13 February 2020
Notification to parents/carers of acceptance/refusal of places (the offer date)	Thursday 16 April 2020

Closing date for parents/carers to submit an appeal	Friday 8 May 2020
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### **Late applications (applications submitted after the closing date)**

The local authority will accept applications that are received after the relevant published closing date **provided that** the application is received prior to the offers of places being made **and** the local authority is satisfied as to the parents/carers' reasons for the late application.

All other late applications will be processed by the local authority after applications that were received by the closing date. Therefore, late applicants may find that their preferred school is already full, even if the school is their catchment school.

### **Allocation of places**

The local authority will normally only admit up to the school's published admission number when allocating places.

Where the number of applications exceeds the number of places available, the local authority will apply the following **oversubscription criteria**, in order of priority, to allocate the places available:

1. Children who are looked after or previously looked after.
2. Children whose place of ordinary residence is within the school's defined catchment area.

Where a school is oversubscribed under this criteria, the local authority will allocate the places in the following order of priority:

- a) Children with siblings attending the school in the academic year 2020-2021.

A sibling is classified as a half or full brother/sister; a step-brother/sister, an adopted brother/sister; or a child living in the same household.

When allocating places, if the last place is offered to a multiple birth child (eg a twin or triplet), the local authority will also admit the other sibling/s.

- b) Proximity to school, as measured by the nearest available safe walking route (from home to the main school gate).

The local authority uses software to measure all distances that takes into account assessed safe routes to the school/s.

3. Children not currently ordinarily resident within the school's defined catchment area whose parents/carers have satisfied the local authority, by the published closing date for submission of the relevant school admission applications, that the child will be ordinarily resident within the defined catchment area by the commencement of the school term to which the application relates.

Where a school is oversubscribed under this criteria, the local authority will allocate the places in the following order of priority:

- a) Children with siblings attending the school in the academic year 2020-2021.

A sibling is classified as a half or full brother/sister; a step-brother/sister, an adopted brother/sister; or a child living in the same household.

When allocating places, if the last place is offered to a multiple birth child (eg a twin or triplet), the local authority will also admit the other sibling/s.

- b) Proximity to school, as measured by the nearest available safe walking route (from home to the main school gate).

The local authority uses software to measure all distances that takes into account assessed safe routes to the school/s.

4. Children recommended for placement for medical, psychological, or social reasons, eg young carers.

To satisfy this criterion, parents/carers **must** provide supporting evidence from a registered health professional. It is expected that the parents/carers provide this evidence at the time the application is submitted. Where there are good reasons why this is not possible, the evidence must be provided prior to the allocation and offer of places. The evidence **must** set out in detail why the named school is the most suitable school and what difficulties would arise if the child had to attend another school.

5. Children living outside the school's defined catchment area will be considered for any remaining places in the order of priority set out below:

- a) Children with siblings attending the school in the academic year 2020-2021.

A sibling is classified as a half or full brother/sister; a step-brother/sister, an adopted brother/sister; or a child living in the same household.

When allocating places, if the last place is offered to a multiple birth child (eg a twin or triplet), the local authority will also admit the other sibling/s.

- b) Proximity to school, as measured by the nearest available safe walking route (from home to the main school gate).

The local authority uses software to measure all distances that takes into account assessed safe routes to the school/s.

## 17. ADMISSION ARRANGEMENTS - POST-16 PUPILS

### Sixth forms in community schools

The local authority is the admitting authority for post-16 admissions to sixth forms in the community schools within the county borough. However, the individual schools administer the admission arrangements on behalf of the local authority. Therefore, applications in this category should be made directly to the school.

While the local authority has a policy of open access to schools' sixth forms, the individual schools are responsible for determining and issuing entry criteria on sixth form admissions.

### **Other further education institutions**

Admission arrangements are determined by these institutions and applications should be made directly to the institution concerned.

## **18. ADMISSION ARRANGEMENTS - IN-YEAR ADMISSIONS/TRANSFERS**

Parents/carers of children who move into the county borough during the course of an academic year, or parents/carers who wish for their child/ren to move to a different school within the county borough during the academic year, **must** complete an in-year school admission/transfer application.

Parents/carers who wish to apply for a place at a different school for reasons other than a house move are advised to carefully consider the information available on [www.bridgend.gov.uk/schooladmissions](http://www.bridgend.gov.uk/schooladmissions). Parents/carers should talk to the headteacher of the pupil's current school about the reasons for a change of school being considered. There is a significant amount of research evidencing that changing schools is disruptive and can have a negative impact on a pupil's attainment. There are many reasons for this. It is particularly important that careful consideration is given to the impacts of moving pupils in Year 10 and Year 11, who would have already made particular GCSE choices.

It is not fair and equitable for the local authority to hold places open for children for undue periods of time. Accordingly, the local authority will only accept 'advance' in-year school admission/transfer applications, ie for a future admission date, where that requested admission date is in the period up to the end of the following half term and the local authority is satisfied as to the reasons for the advance request.

### **Criteria used for allocating places outside the normal admissions rounds**

In-year school admission/transfer applications are considered by the local authority according to the date received.

As changes in pupil numbers on roll occur on a frequent basis, the local authority will not provide information on the availability of places in any year group at any school in advance of an in-year school admission/transfer application being received and fully considered.

If there is no place available in the relevant year group at the requested school, the local authority child will refuse admission to that school unless the circumstances are such that the local authority considers an exception should be made.

Where there is a place in the relevant year group at the requested school but the in-year school admission/transfer application is not made in consequence of a house move, or the local authority determines that there is no need for an immediate move of school, **the local authority will arrange for the child to start at the school at the beginning of the**

**following term.** This is to minimise disruption to the education of both the child and the other children at the school.

### **In-year school admission/transfer applications**

Parents/carers are able to complete an in-year school admission/transfer application online by signing up to My Account on the Bridgend County Borough Council website. Guidance on completing the application is available on [www.bridgend.gov.uk/schooladmissions](http://www.bridgend.gov.uk/schooladmissions)

Any parents/carers who do not have access to their own computer/laptop or smart phone, may use the computers available within the libraries in the county borough to sign up to My Account and complete an in-year school admission/transfer application. A parent/carer who remains unable to access the online in-year school admission/transfer application may contact Bridgend County Borough Council on telephone number 01656 643643 to request a hardcopy application.

**Parents/carers who complete an online in-year school admission/transfer application can have peace of mind that the application has been received. The local authority cannot be held responsible for the non-receipt of an application submitted through other means.**

An in-year school admission/transfer application may only be made by the parent/s or carers (legal guardian/s). To satisfy the requirement that the application is submitted by the parent/carer, the applicant must also be the My Account holder. Legal guardian/s **must** submit official documentation, proving guardianship, at the time the application is submitted.

The local authority will only accept an application from a person who is not a parent/carer if it accompanied by an appropriate written permission from the parents/carers.

## **19. QUERIES**

Queries in relation to this policy and the admissions or appeal registration processes may be directed to the Learner Support team as follows:

E-mail: [pupilservices@bridgend.gov.uk](mailto:pupilservices@bridgend.gov.uk)

Tel No: 01656 642637

Address: Education and Family Support Directorate  
Learner Support  
Bridgend County Borough Council  
Civic Offices  
Angel Street  
Bridgend  
CF31 4WB

This policy is published on the Bridgend County Borough Council website:  
[www.bridgend.gov.uk/schooladmissions](http://www.bridgend.gov.uk/schooladmissions)



Project Description (key aims):

School Admissions Policy and Arrangements 2020-2021

Section 1

Complete the table below to assess how well you have applied the 5 ways of working.

Long-term

(The importance of balancing short term needs with the need to safeguard the ability to also meet long term needs)

1. How does your project / activity balance short-term need with the long-term and planning for the future?

In September 2009, Welsh Government introduced a new capacity calculation methodology for all schools in Wales. This aims to provide a robust and consistent method of assessing the capacity of all schools in terms of the number of school places. The calculated capacity of a school is based on the existing accommodation at a school and its usage.

The capacity calculation for a school allows the local authority to calculate a published admissions number (PAN). This represents the number of pupils per year group that can be accommodated at the school. Capacity calculations are undertaken for each school annually.

The local authority is under a statutory duty to have regard to the general principle that pupils are to be educated in accordance with the wishes of the parents/carers (parental preference) so far as that would be compatible with the provision of 'efficient education or the efficient use of resources', which includes the avoidance of unreasonable public expenditure.

Availability of sufficient space is very important for the delivery of effective education. Admitting pupils over the published admission number can prejudice the quality of teaching and learning, in both the current and future years, by reducing the amount of space available within a classroom for the children to access the necessary learning resources. Admitting pupil numbers in excess of the calculated capacity of a school also risks overcrowding and this can have a detrimental impact on the health and safety of pupils at the school.

The school admissions policy and arrangements set out how the local authority will balance the discharge of its statutory duty in relation to parental preference, the need to safeguard the delivery of effective education and the safety of pupils, and the need to support pupils in particular circumstances (for example, learners with

	specific vulnerabilities), in circumstances where the applications for places at a school exceed the number of available places.
<b>Prevention</b> (How acting to prevent problems occurring or getting worse may help public bodies meet their objectives)	<b>2. How does your project / activity put resources into preventing problems occurring or getting worse?</b>  Consultation on the school admissions policy and arrangements allow stakeholders to raise issues or make comments on proposals, for consideration of appropriate actions.  The school admissions policy and arrangements set out the clear arrangements for school admissions and are, therefore, an information resource for parents/carers of pupils who will be the subject of an admission round, parents/carers who may need or wish to effect an in-year admission transfer for a pupil, and schools and their governing bodies.  Through the discharge of the policy and arrangements, the local authority collects data and information that is collated and analysed to inform future planning and developments related to school places and school admissions.
<b>Integration</b> (Considering how the public body's well-being objectives may impact upon each of the wellbeing goals, on their objectives, or on the objectives of other public bodies)	<b>3. How does your project / activity deliver economic, social, environmental &amp; cultural outcomes together?</b>  The school admissions policy and arrangements support the following: <ul style="list-style-type: none"> <li>• provision of education in the communities in which pupils live, as far as is possible;</li> <li>• parental preference in so far as that would be compatible with the provision of 'efficient education or the efficient use of resources', which includes the avoidance of unreasonable public expenditure;</li> <li>• the particular circumstances of any pupil who is the subject of an admission application;</li> <li>• the need to safeguard the education and welfare of already attending a school; and</li> <li>• compliance with the Public Sector Equality Duty under the Equality Act 2010.</li> </ul>
<b>Collaboration</b>	<b>4. How does your project / activity involve working together with partners (internal and external) to deliver well-being objectives?</b>

<p>(Acting in collaboration with any other person (or different parts of the body itself) that could help the body meet its well-being objectives)</p>	<p>Each year, the local authority works in conjunction with key stakeholders to develop proposed school admission arrangements, for those schools for which it is the admissions authority.</p> <p>In accordance with the specified requirements of the Education (Determination of Admission Arrangements) (Wales) Regulations 2006 and the School Admissions Code (2013), the local authority consults each year on the proposed admission arrangements. Consultation for an academic year takes place two years in advance.</p> <p>Consultation papers on proposed arrangements are circulated to neighbouring local authorities, admission authorities within the area, dioceses, the Bridgend School Admissions Forum and to all schools in the Bridgend county borough.</p> <p>Comments on the proposed school admission arrangements are considered in preparation for final agreement of the arrangements by the required date of 15 April.</p>
<p><b>Involvement</b></p> <p>(The importance of involving people with an interest in achieving the well-being goals, and ensuring that those people reflect the diversity of the area which the body serves)</p>	<p><b>5. How does your project / activity involve stakeholders with an interest in achieving the well-being goals? How do those stakeholders reflect the diversity of the area?</b></p> <p>In accordance with the specified requirements of the Education (Determination of Admission Arrangements) (Wales) Regulations 2006 and the School Admissions Code (2013), the local authority to consults each year on the proposed admission arrangements for those schools for which it is the admissions authority. Consultation for an academic year takes place two years in advance.</p> <p>Consultation papers on proposed arrangements are circulated to neighbouring local authorities, admission authorities within the area, dioceses, the Bridgend School Admissions Forum and to all schools in the Bridgend county borough.</p> <p>Comments on the proposed school admission arrangements are considered in preparation for final agreement of the arrangements by the required date of 15 April.</p>

**Section 2 Assess how well your project / activity will result in multiple benefits for our communities and contribute to the national well-being goals (use Appendix 1 to help you).**

Description of the Well-being goals	How will your project / activity deliver benefits to our communities under the national well-being goals?	Is there any way to maximise the benefits or minimise any negative impacts to our communities (and the contribution to the national well-being goals)?
<p><b>A prosperous Wales</b> An innovative, productive and low carbon society which recognises the limits of the global environment and therefore uses resources efficiently and proportionately (including acting on climate change); and which develops a skilled and well-educated population in an economy which generates wealth and provides employment opportunities, allowing people to take advantage of the wealth generated through securing decent work.</p>	<p>The school admissions policy and arrangements support access to education, which is fundamental to achievement of this goal.</p> <p>The school admissions policy and arrangements support provision of education in the communities in which pupils live, as far as is possible. By doing so, the need for transportation of pupils is minimised.</p>	<p>The local authority in conjunction with key stakeholders and Welsh Government monitors the application, outcomes and effectiveness of the school admission arrangements.</p> <p>Annual consultation arrangements seek and take account of feedback on proposed arrangements.</p>
<p><b>A resilient Wales</b> A nation which maintains and enhances a biodiverse natural environment with healthy functioning ecosystems that support social, economic and ecological resilience and the capacity to adapt to change (for example climate change).</p>	<p>The school admissions policy and arrangements support access to education, which is fundamental to achievement of this goal.</p>	<p>The local authority in conjunction with key stakeholders and Welsh Government monitors the application, outcomes and effectiveness of the school admission arrangements.</p> <p>Annual consultation arrangements seek and take account of feedback on proposed arrangements.</p>
<p><b>A healthier Wales</b> A society in which people's physical and mental well-being is maximised and in which choices and behaviours that benefit future health are understood.</p>	<p>The school admissions policy and arrangements support access to education, which is fundamental to achievement of this goal.</p> <p>The school admissions policy and arrangements set out how the local authority will balance the discharge of its</p>	<p>The local authority in conjunction with key stakeholders and Welsh Government monitors the application, outcomes and effectiveness of the school admission arrangements.</p> <p>Annual consultation arrangements seek and take account of feedback on</p>

	<p>statutory duty in relation to parental preference, the need to safeguard the delivery of effective education and the safety of pupils, and the need to support pupils in particular circumstances (for example, learners with specific vulnerabilities, including specific medical and social needs, and learners with special educational needs).</p>	<p>proposed arrangements.</p>
<p><b>A more equal Wales</b> A society that enables people to fulfil their potential no matter what their background or circumstances (including their socio economic background and circumstances).</p>	<p>The school admissions policy and arrangements support access to education, which is fundamental to achievement of this goal.</p> <p>The school admissions policy and arrangements set out how the local authority will balance the discharge of its statutory duty in relation to parental preference, the need to safeguard the delivery of effective education and the safety of pupils, and the need to support pupils in particular circumstances (for example, learners with specific vulnerabilities, including specific medical and social needs, and learners with special educational needs).</p>	<p>The local authority in conjunction with key stakeholders and Welsh Government monitors the application, outcomes and effectiveness of the school admission arrangements.</p> <p>Annual consultation arrangements seek and take account of feedback on proposed arrangements.</p>
<p><b>A Wales of cohesive communities</b> Attractive, viable, safe and well-connected communities.</p>	<p>The school admissions policy and arrangements support access to education, which is fundamental to achievement of this goal.</p> <p>The school admissions policy and</p>	<p>The local authority in conjunction with key stakeholders and Welsh Government monitors the application, outcomes and effectiveness of the school admission arrangements.</p>

	arrangements support provision of education in the communities in which pupils live, as far as is possible.	Annual consultation arrangements seek and take account of feedback on proposed arrangements.
<p><b>A Wales of vibrant culture and thriving Welsh language</b></p> <p>A society that promotes and protects culture, heritage and the Welsh language, and which encourages people to participate in the arts, and sports and recreation.</p>	<p>The school admissions policy and arrangements support access to education, which is fundamental to the achievement of this goal.</p> <p>The school admissions policy and arrangements support access to education, including access to Welsh-medium education and faith-based education.</p>	<p>The local authority in conjunction with key stakeholders and Welsh Government monitors the application, outcomes and effectiveness of the school admission arrangements.</p> <p>Annual consultation arrangements seek and take account of feedback on proposed arrangements.</p>
<p><b>A globally responsible Wales</b></p> <p>A nation which, when doing anything to improve the economic, social, environmental and cultural well-being of Wales, takes account of whether doing such a thing may make a positive contribution to global well-being.</p>	<p>The school admissions policy and arrangements support access to education, which is fundamental to achievement of this goal.</p>	<p>The local authority in conjunction with key stakeholders and Welsh Government monitors the application, outcomes and effectiveness of the school admission arrangements.</p> <p>Annual consultation arrangements seek and take account of feedback on proposed arrangements.</p>

**Section 3****Will your project / activity affect people or groups of people with protected characteristics? Explain what will be done to maximise any positive impacts or minimise any negative impacts**

Protected characteristics	Will your project / activity have any positive impacts on those with a protected characteristic?	Will your project / activity have any negative impacts on those with a protected characteristic?	Is there any way to maximise any positive impacts or minimise any negative impacts?
Age:	Yes	No	Performance monitoring and evaluation.
Gender reassignment:	Yes	No	Performance monitoring and evaluation.
Marriage or civil partnership:	Yes	No	Performance monitoring and evaluation.
Pregnancy or maternity:	Yes	No	Performance monitoring and evaluation.
Race:	Yes	No	Performance monitoring and evaluation.
Religion or Belief:	Yes	No	Performance monitoring and evaluation.
Race:	Yes	No	Performance monitoring and evaluation.
Sex:	Yes	No	Performance monitoring and evaluation.
Welsh Language:	Yes	No	Performance monitoring and evaluation.

**Section 4 Identify decision meeting for Project/activity e.g. Cabinet, Council or delegated decision taken by Executive Members and/or Chief Officers**

Cabinet

**Compiling Officers Name:**

Dawn Davies

**Compiling Officers Job Title:**

Principle Officer, Knowledge and Learner Support

**Date completed:**

31 January 2019

## BRIDGEND COUNTY BOROUGH COUNCIL

### REPORT TO CABINET

19 FEBRUARY 2019

#### REPORT BY THE CORPORATE DIRECTOR OF EDUCATION AND FAMILY SUPPORT

#### **PROVISION FOR PUPILS WITH ADDITIONAL LEARNING NEEDS (ALN) – ESTABLISHING A LEARNING RESOURCE CENTRE (LRC) FOR PUPILS WITH AUTISTIC SPECTRUM DISORDERS (ASD) AT YSGOL GYNRADD GYMRAEG CALON Y CYMOEDD (FORMERLY KNOWN AS YSGOL GYNRADD GYMRAEG CWM GARW)**

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

1.1 The purpose of this report is to inform Cabinet of the outcome of the consultation on the proposal to establish a LRC for pupils with ASD at Ysgol Gynradd Gymraeg Calon Y Cymoedd (formerly known as Ysgol Gynradd Gymraeg Cwm Garw).

#### **2. Connection to Corporate Improvement Objectives/other corporate priorities**

2.1 The report links to the following improvement priorities in the Corporate Plan:

- **Supporting a successful economy** - we will take steps to make the county a good place to do business, for people to live, work, study and visit, and to ensure that our schools are focused on raising the skills, qualifications and ambitions of all people in the county.
- **Helping people to be more self-reliant** – we will take 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 In December 2011, Cabinet received an update on the review of support and provision for the inclusion of children and young people with Additional Learning Needs (ALN).

3.2 In conjunction with this proposal, an ASD LRC was opened at Ysgol Gyfun Gymraeg Llangynwyd in March 2018.

3.3 The Council supports the principles that, when possible, children should be educated in a mainstream school environment and as near to their home as possible. The proposal to open a further ASD LRC, at Ysgol Gynradd Gymraeg Calon Y Cymoedd would afford those children with ASD who are currently taught through the medium of Welsh to continue their education in their local area.

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

4.1 In order to progress a proposal to establish a LRC for pupils with ASD, consultation exercises were carried out between 6 November 2018 and 17 December 2018 with staff, governors, parents and pupils of Ysgol Gynradd Gymraeg Calon Y Cymoedd and also the wider community in accordance with the Statutory School Organisation Code.

A copy of the consultation document was also made available during this time on the Council's website:

[www.bridgend.gov.uk/consultation](http://www.bridgend.gov.uk/consultation)

4.2 The consultation document invited views and opinions to be submitted in respect of the proposal.

4.3 Under the Statutory Code referred to above, the Council is required to publish a consultation report summarising any issues raised by consultees and the Council's response and setting out Estyn's view of the overall merit of the proposals.

4.4 If approved by Cabinet, the next stage of the process is to publish a statutory notice outlining the proposals which would need to be published for a period of 28 days and any formal written objections would be invited during this time.

4.5 If there are no objections during the Public Notice period, then the proposal can be implemented with Cabinet's approval.

4.6 If there are objections at this Public Notice stage, an objections report will be published summarising the objections and the authority's response to those objections. Cabinet will need to consider the proposal in light of objections. Cabinet could then accept, reject or modify the proposal.

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

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

#### **6. Equality Impact Assessment (EIA)**

6.1 The Council has a duty to consult and fully consider the implications of any proposal on all members of the local community who may be affected unfairly as a result of the proposal being carried out.

6.2 An initial EIA was undertaken. The full EIA can be found in Appendix (ix). The full EIA holistically evaluates the pupils affected by the introduction of the proposal.

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

7.1. A Well-being of Future Generations (Wales) Act 2015 assessment has been completed and is detailed in Appendix (vii). A summary of the implications from the assessment relating to the five ways of working is as follows:

Long-term	Affords pupils with a diagnosis of ASD a place in a school as near
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to their home as possible. Provides additional places required to meet the needs of an increase in diagnosis of pupils with ASD.

- |               |   |
|---------------|---|
| Prevention    | Provision of locally based LRCs enables pupils to be educated as part of the graduated response as stipulated in the ALN Code of Practice and ultimately preventing being placed out-of-authority.  |
| Integration   | The ASD LRC is key in ensuring that pupils with a diagnosis of ASD have access to mainstream education experiences with their peers and also have the opportunity to reintegrate into mainstream where appropriate. The opening of an LRC ensures sustainable education for a pupil with ASD through the medium of Welsh. There are also efficiencies related to this proposal as the cost of an out-of-authority place far outweighs the cost of opening an LRC locally. |
| Collaboration | There is excellent collaboration between the local authority with schools that have LRC's. The Inclusion Service provides on-going support, advice and guidance to all schools.   |
| Involvement   | A range of key stakeholders are involved with a pupil placed in an ASD LRC ensuring that the individual needs of the pupil are met.   |

## **8. Financial implications**

- 8.1 The funding for the LRC would be allocated through the mainstream school's delegated budget, via the school's formula allocation, and using a combination of a class allocation and the age-weighted pupil unit (AWPU) element.
- 8.2 Funding levels would be derived from notional current staffing needs and are based on the salary of a teacher and two support staff. One-off funding for the set-up costs would be £10k.
- 8.3 As part of the Medium-Term Financial Strategy budget setting process for 2017-2018, a total of £263k was allocated under budget pressures to establish additional LRCs for pupils with ASD in both Welsh-medium and English-medium schools with effect from the academic year 2017-2018. This was further supplemented in the 2018-2019 budget-setting process by an additional £51k to meet the full year effect of the previous budget pressure application. These allocations will be used to fund the LRC, including the set up costs, at Ysgol Gynradd Gymraeg Calon y Cymoedd, should the proposal go ahead.

## **9. Recommendation**

9.1. Cabinet is recommended to:

- note the outcome of the consultation with interested parties as detailed in the attached Consultation Report (refer to Appendix 1);
- approve the attached Consultation Report for publication; and
- authorise the publication of a Statutory Public Notice on the proposal

**Lindsay Harvey**  
**Corporate Director (Education and Family Support)**

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BRIDGEND COUNTY BOROUGH COUNCIL

CONSULTATION REPORT

19 FEBRUARY 2019

REPORT OF THE INTERIM DIRECTOR OF EDUCATION AND FAMILY SUPPORT

**PROVISION FOR PUPILS WITH ADDITIONAL LEARNING NEEDS (ALN) –  
ESTABLISHING A LEARNING RESOURCE CENTRE (LRC) FOR PUPILS WITH  
AUTISTIC SPECTRUM DISORDERS (ASD) AT YSGOL GYNRADD GYMRAEG  
CALON Y CYMOEDD (FORMERLY KNOWN AS YSGOL GYNRADD GYMRAEG  
CWM GARW)**

**1. Purpose of report**

- 1.1 The purpose of this report is to inform Cabinet of the outcome of the consultation on the proposal to establish a LRC for pupils with ASD at Ysgol Gynradd Gymraeg Calon Y Cymoedd (formerly known as Ysgol Gynradd Gymraeg Cwm Garw)

**2. Connection to Corporate Improvement Plan/other corporate priorities**

2.1 The report links to the following improvement priorities in the Corporate Plan:

- **Supporting a successful economy** - we will take steps to make the county a good place to do business, for people to live, work, study and visit, and to ensure that our schools are focused on raising the skills, qualifications and ambitions of all people in the county.
- **Helping people to be more self-reliant** – we will take 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 In December 2011, Cabinet received an update on the review of support and provision for the inclusion of children and young people with ALN.
- 3.2 In conjunction with this proposal, an ASD LRC was opened at Ysgol Gyfun Gymraeg Llangynwyd in March 2018.

- 3.3 The Council supports the principles that, when possible, children should be educated in a mainstream school environment and as near to their home as possible. The proposal to open a further ASD LRC, at Ysgol Gynradd Gymraeg Calon Y Cymoedd would afford those children with ASD who are currently taught through the medium of Welsh to continue their education in their local area.

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

- 4.1 In order to progress a proposal to establish a LRC for pupils with ASD, consultation exercises were carried out between 6 November to 17 December 2018 with staff, governors, parents and pupils of Ysgol Gynradd Gymraeg Calon Y Cymoedd and also the wider community in accordance with the Statutory School Organisation Code.

A copy of the consultation document was also made available during this time on the Council's website:

[www.bridgend.gov.uk/consultation](http://www.bridgend.gov.uk/consultation)

- 4.2 The consultation document invited views and opinions to be submitted in respect of the proposal.
- 4.3 Under the Statutory Code referred to above, the Council is required to publish a consultation report summarising any issues raised by consultees and the Council's response and setting out Estyn's view of the overall merit of the proposals.
- 4.4 If approved by Cabinet, the next stage of the process is to publish a statutory notice outlining the proposals which would need to be published for a period of 28 days and any formal written objections would be invited during this time.
- 4.5 If there are no objections during the Public Notice period, then the proposal can be implemented with Cabinet's approval.
- 4.6 If there are objections at this Public Notice stage, an objections report will be published summarising the objections and the authority's response to those objections. Cabinet will need to consider the proposal in light of objections. Cabinet could then accept, reject or modify the proposal.

#### **5. Summary of written presentations**

- 5.1 Key points from the consultation exercises were as follows, with full details appended at the end of this report.

##### **Pupil consultation**

- 5.2 Ysgol Gynradd Calon Y Cymoedd School Council met with Bridgend County Borough Council (BCBC) representatives on 15 November 2018 to discuss the proposal (full details can be found at Appendix i).
- 5.3 Pupils asked what the children's classroom would be like.

- 5.4 Pupils commented that it was a good thing to do and that the children could choose their own name for the class because the other classes were named after flowers.
- 5.5 Further questions were asked specifically about the teacher for the new class and how the children would get to school.
- 5.6 Pupils noted that it was really important to support their friends who were already in the school who need this kind of support.

**The local authority response is as follows:**

- 5.7 It was explained that the class would open in the new school building and that staff were preparing for what that class would be like.
- 5.8 The choosing of a name for the class was supported in order for the pupils to feel part of the school.
- 5.9 An explanation was given that there would be a teacher and two support staff in the new class.

**Parent consultation**

- 5.9 A consultation meeting was held for parents and interested parties to discuss the proposal with BCBC representatives at Ysgol Gynradd Calon Y Cymoedd on 15 November 2018 (full details can be found at Appendix ii).
- 5.10 Parents stated that it was a good thing that this class was opening for pupils and parents. They commented that it was the right thing to do.
- 5.11 Parents enquired about how the children would travel.
- 5.12 Parents raised the question of what would happen when the children left the primary school.

**The local authority response is as follows:**

- 5.13 An explanation was given that transport would be provided for the children attending this class.
- 5.14 It was highlighted that a LRC opened at Ysgol Gyfun Gymraeg Llangynwyd in 2018 and that children would transition from Ysgol Gynradd Gymraeg Calon Y Cymoedd to the Welsh-medium secondary school.

**School staff consultation**

- 5.15 A consultation meeting was held with Ysgol Gynradd Calon Y Cymoedd staff on 15 November 2018 (full details can be found at Appendix iii).

- 5.16 Staff raised questions with regards to how many children will be in the LRC and what will their ages be.
- 5.17 The staff members enquired about what staff will be in the LRC.
- 5.18 Staff asked if the ASD class would be a Welsh-medium class.
- 5.19 A further question was raised in relation to the timing of the opening of the LRC and the recruitment of Welsh speakers.

The local authority response is as follows:

- 5.20 It was highlighted that the LRC is for eight pupils at Key Stage 2.
- 5.21 An explanation was given with regards to the staffing in the LRC. There will be a teacher and two support staff.
- 5.22 It was emphasized that the opening date was a potential opening date and that timelines could change. Staff were reassured that the LRC would not open until there was appropriate staffing in place in line with the recruitment of Welsh speakers.
- 5.23 It was explained that the ASD LRC would be a Welsh LRC based at Ysgol Gynradd Gymraeg Calon Y Cymoedd.

### **Governing body consultation**

- 5.24 A consultation meeting was held with Ysgol Gynradd Calon Y Cymoedd Governors on 15 November 2018 (full details can be found at Appendix iv).
- 5.25 The governors raised the question regarding the difficulty of staffing of the LRC being a mid -year commencement date.
- 5.26 Governors enquired as to whether parents have been informed of this provision.
- 5.27 Further questions were raised in relation to criteria for the LRC, the age of the pupils in the LRC, how pupils will travel and the naming of the class

The local authority response is as follows:

- 5.28 An explanation was provided regarding the timing of the advertising of the posts which will need to occur after the council has agreed to the LRC opening. It was further highlighted that the date of opening in September 2019 is a potential date and timescales can move.
- 5.29 It was confirmed that all primary schools have been written to regarding the proposal.

5.30 It was explained there is criteria in place for the key stage 2 ASD LRC. Pupils will be eligible for transport and that it was thought to be positive that the school wanted to name the LRC in line with the other classes in the school.

### **Summary of written presentations**

5.31 There were two items of direct correspondence received during the consultation. Both these items of correspondence fully support the opening of the ASD LRC at Ysgol Gynradd Gymraeg Calon Y Cymoedd.

5.32 The one item of correspondence states the comfort that this will be for parents and also enabling pupils to continue their education through the medium of Welsh and commends officers for developing this plan.

5.33 The other item of correspondence is in full support of the opening of the ASD LRC and states it as being an excellent idea.

### **6. The view of Estyn, her Majesty's Inspectors of Education and Training in Wales**

6.1 Estyn has considered the educational aspects of the proposals (see Appendix v).

6.2 It is Estyn's opinion that the proposal is likely to at least maintain the current standard of education provision in the area.

6.3 Estyn states the proposer has given a clear rationale for the proposal. The proposer clearly states that the proposal has been brought forward in order to meet the demand and needs of children and young people with ASD.

6.4 Estyn acknowledges that the proposer clearly defines what the proposal means in practice and the expected benefits of the proposal.

6.5 Estyn comments that the proposer has considered the disadvantages to the proposal and deemed there are none.

6.6 Estyn notes that the proposer has provided appropriate evidence to show that it has considered other alternatives to this current proposal.

6.7 Estyn explains that the proposer has suitably considered the impact of the proposal on learner travel arrangements.

6.8 It is Estyn's opinion that the proposer has considered suitably the impact of the proposal on the quality of the outcomes, provision and leadership and management.

6.9 Estyn acknowledges that the proposer claims reasonably that the proposal should maintain the improved teaching, standards and outcomes

- 6.10 Estyn states that the proposer does not consider that there are any current risks associated with the proposal and has not, therefore, considered any measures to manage or mitigate risks should they arise.
- 6.11 The local authority's response to Estyn's comment is the risk would be by not opening the LRC then pupils with a diagnosis of ASD may not be able to continue their education through the medium of Welsh.
- 6.12 The proposer does not appear to have undertaken a Welsh language impact assessment.
- 6.13 It is considered that there would be no significant impact on the Welsh language provision currently experienced by pupils at the school as the new build has taken into account a classroom for the LRC. Welsh would continue to be taught through the curriculum and spoken throughout the school. This affords the opportunity for pupils with a diagnosis of ASD to be educated through the medium of Welsh. The local authority will comply with its Welsh language policy by making sure that all signage used within the school sites are bilingual.

## **7. Impact assessments**

### **7.1 Community Impact Assessment**

There is no significant negative impact on the community.

### **7.2 Equality Impact Assessment.**

An initial EIA was undertaken. The full EIA can be found at Appendix (vi). The full EIA holistically evaluates the pupils affected by the introduction of the proposal.

## **8. Financial implications**

- 8.1 The funding for the LRC would be allocated through the mainstream school's delegated budget, via the school's formula allocation, and using a combination of a class allocation and the age-weighted pupil unit (AWPU) element.
- 8.2 Funding levels would be derived from notional current staffing needs and are based on the salary of a teacher and two support staff. One-off funding for the set-up costs would be £10,000.
- 8.3 As part of the Medium-Term Financial Strategy budget setting process for 2017-2018, a total of £263,000 was allocated under budget pressures to establish additional LRCs for pupils with ASD in both Welsh-medium and English-medium schools with effect from the academic year 2017-2018. This was further supplemented in the 2018-2019 budget-setting process by an additional £51,000 to meet the full year effect of the previous budget pressure application. These allocations will be used to fund the LRC, including the set up costs, at Ysgol Gynradd Gymraeg Calon y Cymoedd, should the proposal go ahead.

## **9. Statutory process in determining proposals**

## 9.1 Provisional timetable:

19 February 2019	Report to Cabinet on the outcomes of the consultation.
27 February 2019	Publish Consultation Report on BCBC website, hard copies of the report will be available on request.
4 March 2019	If agreed by the Cabinet of Bridgend County Borough Council, a Public Notice will be published and there will be a period of 28 days in which to submit any objections to the proposal in writing.
27 March 2019	End of Public Notice period. Cabinet will consider any objections and make decision based on all the information available.
May 2019	Cabinet will consider any objections and make decision based on all the information available
1 September 2019	Potential Implementation

Hard copies of this report are available on request.

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**Consultation Meeting with  
 School Council  
 Re. To establish a LRC for pupils with  
 ASD at Ysgol Gynradd Gymraeg Calon  
 Y Cymoedd**

**15 November 2018 – 2.45pm**

**Present:** Michelle Hatcher - Group Manager, Inclusion and School Improvement  
 Headteacher- Ysgol Gynradd Gymraeg Calon y Cymoedd  
 Pupils

Michelle Hatcher introduced the consultation meeting and set out the purpose of the meeting, nature and process of the consultation and outlined the proposal.

**Questions/Issues**

**Answer/Comments**

Comment: This is a good thing to do.

Will the children have their own class?

Yes they will in the new school building but they will also be part of the school activities which is for the school to decide.

Who will be their teacher?

There will be a new teacher and two LSO's to support the pupils.

Comment: It is important that the children feel part of our school.

Yes it is.

How will the children get to school?

The children will have transport to school.

Can we choose a name for the class, the other classes have flower names?

Yes, that would be for the school to decide.

Comment: The children who will be in the class can choose a name themselves perhaps.

That is a good idea to make them feel part of the school.

Comment: This is a good thing, it is

Yes it is important.

important that we support our friends that  
are already in the school.

**Consultation Meeting with  
 Parents  
 Re. To establish a LRC for pupils with  
 ASD at Ysgol Gynradd Gymraeg Calon  
 Y Cymoedd  
 15 November 2018 - 5.30pm**

**Present:** Michelle Hatcher - Group Manager, Inclusion and School Improvement  
 Alison Gwyther – Principal Advisor Employee Relations – Schools  
 Headteacher -Ysgol Gynradd Gymraeg Calon Y Cymoedd  
 Chair of Governors Ysgol Gynradd Gymraeg Calon Y Cymoedd  
 Governor  
 Two parents

Michelle Hatcher introduced the consultation meeting and set out the purpose of the meeting, nature and process of the consultation and outlined the proposal.

**Questions/Issues**

**Answer/Comments**

Comment: This is welcomed, it is good for the parents and their children. It is right that children should be able to continue their education in Welsh.

How will the children travel?

Transport will be provided for children across the local authority to attend an ASD LRC through the medium of Welsh.

What happens when they leave this school?

That provision is already in place. An ASD LRC was opened at Ysgol Gyfun Gymraeg Llangynwyd in 2018. The children who would come to this school would transition with their friends to the secondary Welsh-medium school.

Comment: We have waited for something like this to happen, it is really good.

**Consultation Meeting with Staff**  
**Re. To establish a LRC for pupils with ASD at Ysgol Gynradd Gymraeg Calon Y Cymoedd**  
**15 November 2018 - 3.40pm**

**Present:** Michelle Hatcher - Group Manager, Inclusion and School Improvement  
 Alison Gwyther – Principal Advisor Employee Relations – Schools  
 Headteacher- Ysgol Gynradd Gymraeg Calon Y Cymoedd  
 Chair of governors- Ysgol Gynradd Gymraeg Calon Y Cymoedd  
 Staff

Michelle Hatcher introduced the consultation meeting and set out the purpose of the meeting, nature and process of the consultation and outlined the proposal.

**Questions/Issues**

**Answer/Comments**

How many children will be in the LRC?

The LRC is for eight pupils. The LRC potentially will commence in April 2019. This is a proposed implementation date.

Is the ASD class a Welsh class?

Yes, funding was provided for two LRC classes in Welsh schools, one in YGG Llangynwyd and one in a primary school. We are consulting to open one in this school.

Comment. It is a positive step forward for children with ALN who speak Welsh.

What age will the children be in this class?

Key Stage 2. The LA is looking at the foundation phase provision across the local authority. An ALN group has been set up to look at provision.

What staff will be in the LRC?

There will be one teacher and two LSO's

Comment. Concern was raised to recruit the staff to the LRC, due to the difficulty finding Welsh speakers. There are short timescales from the agreement by Council and the 1<sup>st</sup> April

The pupils will not go into the LRC until it is staffed and there is flexibility around timescales. The children are currently in the Welsh-medium schools. The date is a potential implementation date.

**Consultation Meeting with  
 School Governors  
 Re: To establish a LRC for pupils with ASD  
 at Ysgol Gynradd Gymraeg Calon Y  
 Cymoedd  
 15 November 2018 - 4.30pm**

**Present:** Michelle Hatcher - Group Manager, Inclusion and School Improvement  
 Alison Gwyther – Principal Advisor Employee Relations – Schools  
 Headteacher- Ysgol Gynradd Gymraeg Calon Y Cymoedd  
 Chair of governors- Ysgol Gynradd Gymraeg Calon Y Cymoedd

Michelle Hatcher introduced the consultation meeting and set out the purpose of the meeting, nature and process of the consultation and outlined the proposal.

**Questions/Issues**

Comment. Positive feedback from governors unable to attend.

Comment. Staffing the LRC will be difficult and being mid -year commencement date.

Comment. The LRC classroom in the new build is a large classroom. The Educational Psychologists are collecting data on pupils requiring LRC placement. Although the LRC is not potentially opening until April 2019, there is a lot of work going on in the back ground to prepare and support the school whilst the formal process is completed.

**Answer/Comments**

The advertising of the posts will need to occur after the council has agreed to the LRC opening. There will be a set up lump sum given to the school of £10k for resources. There will be entry criteria and discussed at a panel before a pupil is placed in the LRC. The central Inclusion team will support the school and provide advice with resources, training of staff and support to ensure the LRC is a success. The date of opening in April 2019 is a potential date and timescales can move.

Have parents been informed of this provision?

Yes we have written to all the Welsh-medium primary school headteachers.

What is the criteria for the LRC?

You will be given the information on the threshold of the class. The Inclusion Service will work in partnership with the school.

How will the pupils arrive at the school?

They will mainly be in taxis.

What age of pupils will be in the class?

Key Stage 2, Year 3 to 6.

Can we choose a name for the class? As other classes are based on flowers.

Yes you can do that in the school. It is important that the children in this class feel that they belong to the whole school.

Estyn response to the proposal by Bridgend County Borough Council to establish a Learning Resource Centre (LRC) for a maximum of eight pupils with a diagnosis of autistic spectrum disorder (ASD) at Ysgol Gynradd Gymraeg Calon Y Cymoedd from 1 April 2019.

This report has been prepared by Her Majesty's Inspectors of Education and Training in Wales.

Under the terms of the School Standards and Organisation (Wales) Act 2013 and its associated Code, proposers are required to send consultation documents to Estyn. However, Estyn is not a body which is required to act in accordance with the Code and the Act places no statutory requirements on Estyn in respect of school organisation matters. Therefore as a body being consulted, Estyn will provide their opinion only on the overall merits of school organisation proposals.

Estyn has considered the educational aspects of the proposal and has produced the following response to the information provided by the proposer and other additional information such as data from Welsh Government and the views of the Regional Consortia which deliver school improvement services to the schools within the proposal.

### Introduction

The proposal is by Bridgend County Borough Council.

The proposal seeks to meet the needs of pupils with a diagnosis of autistic spectrum disorder (ASD), it is proposed to establish a LRC for a maximum of eight pupils from April 2019.

### Summary/ Conclusion

The proposal has been developed in line with the local authority's programme to improve its educational provision and meet the needs of children and young people with ASD, and try to ensure they are educated through the medium of Welsh as near to home as possible.

Funding will be added to the budget share that is allocated to Ysgol Gynradd Gymraeg Calon Y Cymoedd in accordance with the Bridgend County Borough Council's local funding formula for schools. There appears to be sufficient capacity to accommodate the additional places as the new ASD LRC was opened at Ysgol Gyfun Gymraeg Llangynwyd in March 2018.

It is Estyn's opinion that the proposal is likely to at least maintain the current standard of education provision in the area.

### Description and benefits

The proposer has given a clear rationale for the proposal. The proposer clearly states that the proposal has been brought forward in order to meet the demand and needs of children and young people with ASD. It gives a clear rationale as to why the additional places are needed and the importance of children being educated through the medium of Welsh and as near to home as possible.

The proposer clearly defines what the proposal means in practice and the expected benefits of the proposal. These appear to be reasonable and include a graduated intake of pupils from 1 April 2019. The LRC would be an integrated part of the mainstream school and be able to provide specialist learning facilities within the school. The proposer states that the Council supports the principals outlined in the proposal.

The proposer has considered the disadvantages to the proposal and deemed there are none.

The proposer has provided appropriate evidence to show that it has considered other alternatives to this current proposal. These include opening another ASD LRC at one of the other three Welsh medium primary school in Bridgend County Borough Council and supporting pupils with ASD in mainstream education. The proposer concludes that neither of these alternatives would be suitable.

The proposer does not consider that there are any current risks associated with the proposal and has not, therefore, considered any measures to manage or mitigate risks should they arise.

The proposer has suitably considered the impact of the proposal on learner travel arrangements. It states there should not be any impact on current travel arrangements.

The proposer has provided information about school capacities within the county. The proposer has analysed the catchment area appropriately.

The proposer does not appear to have undertaken a Welsh language impact assessment.

The proposer explains that the proposal will not involve any potential transfer or disposal of land and that there are no planned building works.

The proposal includes suitable arrangements for consultation. It explains appropriately that objections can only be registered following publication of the statutory notice.

#### Educational aspects of the proposal

The proposer has considered suitably the impact of the proposal on the quality of the outcomes, provision and leadership and management. It also makes reference to a number of Estyn inspection and national categorisation reports for other schools in 2016/17.

The proposer claims reasonably that the proposal should maintain the improved teaching, standards and outcomes. It also notes the standard of behaviour of many pupils is good. The proposer states that leadership and management are strong and sustained over time.

The proposer has carried out an impact assessment on the community and community services. It has suitably concluded that there will be minimal change to the community as pupils with ASD will be able to attend a Welsh-medium primary school, therefore no significant negative impact on the community.

The proposer has carried out an appropriate equality impact assessment.

## Full Equality Impact Assessment

<b>Name of project, policy, function, service or proposal being assessed:</b>	Proposal to change the provision for pupils with additional learning needs (ALN) at Ysgol Gynradd Gymraeg Calon Y Cymoedd
<b>Date assessment completed</b>	02 January 2019

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

An Initial Equality Impact Assessment Screening was undertaken on this proposal on 28 September 2018. The recommendation from the EIA Screening was that a Full Equality Impact Assessment would be required.

The consultation is to invite your views on the proposal to establish a learning resource centre for a maximum of 8 pupils with ASD at Ysgol Gynradd Calon Y Cymoedd.

A consultation exercise from 6 November 2018 to 17 December 2018 sought the views of staff, parents, pupils, interested parties and the governing body as the first step in the statutory process. If the proposals are supported they would come into effect on 1 April 2019.

## 1. Consultation

		<b>Action Points</b>
<b>Who do you need to consult with (which equality groups)?</b>	Within each of the protected characteristic groups the council will need to consult with: Headteacher, teachers, governing body, parents, carers and guardians of children and the general public.	The consultation tools and mechanisms to be used should include: Focused Meetings, Public Meetings, a consultation document and associated questionnaire, publication of all information on the council's website and school websites, press releases, information on the council's customer service screens, all partners, social media, Bridge members, schools texting service, Local Service Board, citizens panel

<p><b>How will you ensure your consultation is inclusive?</b></p>	<p>The council is mindful that as wide a range of consultation and engagement activities and tools need to be deployed in order to reach as wide an audience of consultees as possible. Consultation and engagement must be maximised in order that public views and concerns are “heard and considered” by the council to identify better ways of working and influence difficult decision making from a representative group.</p> <p>Methods of consultation will include (where appropriate) bilingual (Welsh / English) materials, information produced in languages other than English and Welsh, large print documents, easy read versions of information, provision of audio information and will include a mix of hard copy documents and provision of online forms and information. The council recognises that, key to the council’s consultation and engagement strategy is the commitment to visiting the public and other consultees in their own locations / communities at times that are convenient to them. Another key element is liaising with pupils of the school through engagement with the school council.</p>	
<p><b>What consultation was carried out? Consider any consultation activity already carried out, which may not have been specifically about equality</b></p>	<p>Interested / impacted parties were invited to consider the proposal and submit views as to whether or not they supported the proposal to establish a learning resource</p>	

<b>but may have information you can use</b>	centre for pupils with ASD at Ysgol Gynradd Gymraeg Calon Y Cymoedd via consultation meetings held on 15 November 2018 for the different interested parties. Interested and impacted parties were invited to attend meetings to hear an explanation of the proposal, put questions and express any views or concerns.	
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#### **Record of consultation with people from equality groups**

<b>Group or persons consulted</b>	<b>Date, venue and number of people</b>	<b>Feedback, areas of concern raised</b>	<b>Action Points</b>
Members of School Council of Ysgol Gynradd Gymraeg Calon Y Cymoedd	15 November 2018. Further details are included in this EIA	Feedback documents were circulated to all attendees at the event for individual considered views to be shared with the council	Please see tables within this Full EIA.
Ysgol Gynradd Gymraeg Calon Y Cymoedd school staff	15 November 2018. Further details are included in this EIA	Feedback documents were circulated to all attendees at the event for individual considered views to be shared with the council.	Please see tables within this Full EIA.
Governing Body of Ysgol Gynradd Gymraeg Calon Y Cymoedd	15 November 2018. Further details are included in this EIA	Feedback documents were circulated to all attendees at the event for individual considered views to be shared with the council.	Please see tables within this Full EIA.
Parents of pupils at Ysgol Gynradd Gymraeg Calon Y Cymoedd	15 November 2018. Further details are included in this EIA	Feedback documents were circulated to all attendees at the event for individual considered views to be shared with the council.	Please see tables within this Full EIA.

## 2. Assessment of Impact

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

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

The attached Cabinet Report provides a summary of Consultation responses, data and feedback.

<b>Gender</b>	<b>Impact or potential impact</b>	<b>Actions to mitigate</b>
Identify the impact/potential impact on women and men.	None	Neither men nor women will be disproportionately negatively affected by this proposal.
<b>Disability</b>	<b>Impact or potential impact</b>	<b>Actions to mitigate</b>
Identify the impact/potential impact on disabled people (ensure consideration of a range of impairments, e.g. physical, sensory impairments, learning disabilities, long-term illness).	None	Disabled people will not be negatively impacted by this proposal.
<b>Race</b>	<b>Impact or potential impact</b>	<b>Actions to mitigate</b>
Identify the impact/potential impact of the service on Black and minority ethnic (BME) people.	Black and minority ethnic people will not be disproportionately negatively affected by this proposal.	None
<b>Religion and belief</b>	<b>Impact or potential impact</b>	<b>Actions to mitigate</b>
Identify the impact/potential impact of the	There will be no impact on Religion and	None

service on people of different religious and faith groups.	Belief as a result of this proposal if it is approved.	
<b>Sexual Orientation</b>	<b>Impact or potential impact</b>	<b>Actions to mitigate</b>
Identify the impact/potential impact of the service on gay, lesbian and bisexual people.	There will be no impact on Sexual orientation as a result of this proposal if it is approved.	None
<b>Age</b>	<b>Impact or potential impact</b>	<b>Actions to mitigate</b>
Identify the impact/potential impact of the service on older people and younger people.	There will be no impact on Age as a result of this proposal if it is approved.	None
<b>Pregnancy &amp; Maternity</b>	<b>Impact or potential impact</b>	<b>Actions to mitigate</b>
	There will be no impact on Pregnancy and Maternity as a result of this proposal if it is approved.	None
<b>Transgender</b>	<b>Impact or potential impact</b>	<b>Actions to mitigate</b>
	There will be no impact on Transgender people as a result of this proposal if it is approved.	None
<b>Marriage and Civil Partnership</b>	<b>Impact or potential impact</b>	<b>Actions to mitigate</b>
	There will be no impact on Marriage and Civil Partnership as a result of this proposal if it is approved.	None

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

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

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

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

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

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

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

### **What do we mean by “best interests”?**

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



**Article 15:** Children have the right to meet together and to join groups/ organisations, as long as this does not stop other people from enjoying their rights.

**Article 16:** Children have a right to privacy. The law should protect them from attacks against their way of life, their families and their homes.

**Article 17:** Children have the right to reliable information from the mass media.

**Article 18:** Both parents share responsibility for bringing up their children. We should help parents by providing services to support them.

**Article 19:** We should ensure that children are cared for, and protect them from violence, abuse and neglect by anyone who looks after them.

**Article 20:** Children who cannot be looked after by their own family must be looked after properly, by people who respect their religion, culture and language

**Article 21:** When children are adopted the first concern must be what is best for them.

**Article 22:** Children who come into a country as refugees should have the same rights as children born in that country.

**Article 23:** Children who have any kind of disability should have special care and support so that they can lead full and independent lives.

**Article 24:** Children have the right to good quality health care and to clean water, nutritious food and a clean environment so that they will stay healthy.

**Article 25:** Children who are looked after by their local authority rather than their parents should have their situation reviewed regularly.

**Article 26:** We should provide extra money for the children of families in need.

**Article 27:** Children have a right to a standard of living that meets their physical and mental needs. We should help families who cannot afford this.

**Article 28:** Children have a right to an education. Discipline in schools should respect children's human dignity.

**Article 29:** Education should develop each child's personality and talents to the full.

**Article 30:** Children have a right to learn and use the language and customs of their families.

**Article 31:** All children have a right to relax and play, and to join in a wide range of activities.

**Article 32:** We should protect children from work that is dangerous or might harm their health or their education.

**Article 33:** We should provide ways of protecting children from dangerous drugs.

**Article 34:** We should protect children from sexual abuse.

**Article 35:** We should make sure that children are not abducted or sold.

**Article 36:** Children should be protected from any activities that could harm their development.

**Article 37:** Children who break the law should not be treated cruelly.

**Article 38:** Governments should not allow children under 15 to join the army.

**Article 39:** Children who have been neglected or abused should receive special help to restore their self - respect.

**Article 40:** Children who are accused of breaking the law should receive legal help. Prison sentences should only be used for the most serious offences.

**Article 41:** If the laws of a particular country protect children better than the articles of the Convention, then those laws should stay.

**Article 42:** We should make the Convention known to all parents and children.

Impact or potential impact on children aged 0 – 18	Actions to mitigate
<p>In terms of this policy, the relevant articles to be considered are articles 3, 12, 28 and 30.</p> <p><b>Article 3:</b> The council works towards what is best for each child. There is no impact of this policy on article 3.</p> <p><b>Article 12:</b> Children have been given the opportunity to say what they think as they have been included in the consultation and engagement programme. Their views and opinions have been taken into account. There is, therefore, no impact on article 12.</p> <p><b>Article 28:</b> Children in Bridgend County Borough Council have a right to an education. The methods of discipline in our schools respect children’s human rights and dignity. There is, therefore, no impact on article 28.</p> <p><b>Article 30:</b> Children in Bridgend are supported and encouraged to learn and use the language and customs of their families. There is, therefore, no impact on article 30.</p>	<p>The Corporate Improvement Plan.</p> <p>These proposals are related to the Corporate Plan (2016-2020) and, in particular, in the Corporate Plan Improvement priority one</p> <ul style="list-style-type: none"> <li>• Supporting a successful economy.</li> </ul> <p>2.2 In order to achieve this improvement priority, it is important to work with our partners to support pupils with additional learning needs (ALN). The focus needs to be upon raising their skills, ambition and qualifications, and support them to take advantage of opportunities to succeed. This will improve the future prospects for our children and young people. We have already contributed to this priority by improving the provision in mainstream schools for pupils with ALN.</p>

The council is mindful that a further period of time is required to enable a full and meaningful assessment of the impact of this proposal to be made. The council will need to address a number of questions:

- a clearer understanding (based on further evaluation and assessment) of the realignment of the council’s provision for pupils with additional learning needs.

The council has already carried out an Initial Screening Equality Impact Assessment and this identified a number of potential risks which have been addressed in this Full Equality Impact Assessment. These risks include the impact of the closure on future service

need and the possible impact of increased class sizes. It recognises appropriately that a full assessment of the impact on attainment levels needs to be included together with more information on ages and levels of disability of the pupils in receipt of the service.

This Full Equality Impact Assessment is considered to be a live document and its fluidity will be reflected in the ongoing assessment of the impact on Children with Additional Learning Needs of the policy.

**The full EIA holistically evaluates the pupils affected by the introduction of the proposal.**

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

### 3. Action Plan

Action	Lead Person	Target for completion	Resources needed	Service Development plan for this action
Monitoring of the EIA	Group Manager Inclusion and School Improvement	January 2020	Time	Inclusion- establishing ASD LRCs

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

Emma Blandon, Communication, Marketing and Engagement Manager

**Signed:** Michelle Hatcher      **Date:** 02 January 2019

#### 4. Publication of your results and feedback to consultation groups

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

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

Please send completed EIA form to [Emma Blandon, Communication, Marketing and Engagement Manager](#)

#### Appendix (vii)

### WELL-BEING OF FUTURE GENERATIONS (WALES) ACT 2015 ASSESSMENT

<b>Project Description (key aims):</b>	
Proposal to establish a learning resource class (LRC) for a maximum of eight pupils with autistic spectrum disorders (ASD) at Ysgol Gynradd Gymraeg Calon Y Cymoedd	
<b>Section 1 Complete the table below to assess how well you have applied the 5 ways of working.</b>	
<b>Long-term</b>  (The importance of balancing short term needs with the need to safeguard the ability to also meet long term needs)	<b>1. How does your project / activity balance short-term need with the long-term and planning for the future?</b>  There is a need for an ASD LRC through the medium of Welsh which will then afford the pupils the opportunity to move to the newly opened Welsh-medium secondary LRC if required. There will be a graduated intake into the LRC to ensure that there is provision in BCBC through the medium of Welsh. Additional places are required in order to meet the demand of the increase in the diagnosis of pupils with ASD.
<b>Prevention</b>  (How acting to prevent problems occurring or getting worse may help public bodies meet their objectives)	<b>2. How does your project / activity put resources into preventing problems occurring or getting worse?</b>  The opening of the ASD LRC will result in increased resource at primary level as part of the graduated response as stated in the ALN Code of Practice. Ultimately pupils will be prevented from being placed out-of-authority.
<b>Integration</b>	<b>3. How does your project / activity deliver economic, social, environmental &amp; cultural outcomes together?</b>

<p>(Considering how the public body's well-being objectives may impact upon each of the wellbeing goals, on their objectives, or on the objectives of other public bodies)</p>	<p>An ASD LRC is key in ensuring that pupils with a diagnosis of having access to mainstream education experiences with their peers and also have an opportunity to integrate into mainstream where possible.</p>
<p><b>Collaboration</b></p> <p>(Acting in collaboration with any other person (or different parts of the body itself) that could help the body meet its well-being objectives)</p>	<p><b>4. How does your project / activity involve working together with partners (internal and external) to deliver well-being objectives?</b></p> <p>Excellent collaboration between the LA with schools that have LRCs. The Inclusion Service provides on-going support; advice and guidance to all schools.</p>
<p><b>Involvement</b></p> <p>(The importance of involving people with an interest in achieving the well-being goals, and ensuring that those people reflect the diversity of the area which the body serves)</p>	<p><b>5. How does your project / activity involve stakeholders with an interest in achieving the well-being goals? How do those stakeholders reflect the diversity of the area?</b></p> <p>A range of stakeholders are involved with a pupil placed in an ASD LRC ensuring that the individual needs of the pupil are met</p>

**Section 2 Assess how well your project / activity will result in multiple benefits for our communities and contribute to the national well-being goals (use Appendix 1 to help you).**

Description of the Well-being goals	How will your project / activity deliver benefits to our communities under the national well-being goals?	Is there any way to maximise the benefits or minimise any negative impacts to our communities (and the contribution to the national well-being goals)?
<p><b>A prosperous Wales</b></p> <p>An innovative, productive and low carbon society which recognises the limits of the global environment and therefore uses resources efficiently and proportionately (including acting on climate change); and which develops a skilled and well-educated population in an economy which generates wealth and provides employment opportunities, allowing people to take advantage of the wealth generated through securing decent work.</p>	<p>The ASD LRC affords the opportunity for pupils with a diagnosis of ASD to gain necessary skills at an early stage.</p>	<p>The impact on local communities will be monitored</p>
<p><b>A resilient Wales</b></p> <p>A nation which maintains and enhances a biodiverse natural environment with healthy functioning ecosystems that support social, economic and ecological resilience and the capacity to adapt to change (for example climate change).</p>	<p>The ASD LRC is proposed to open in a newly built school.</p>	<p>The impact on local communities will be monitored</p>
<p><b>A healthier Wales</b></p> <p>A society in which people's</p>	<p>The individual needs of the pupils are met within the ASD LRC.</p>	<p>The impact on local communities will be monitored</p>

<p>physical and mental well-being is maximised and in which choices and behaviours that benefit future health are understood.</p>		
<p><b>A more equal Wales</b></p> <p>A society that enables people to fulfil their potential no matter what their background or circumstances (including their socio economic background and circumstances).</p>	<p>The individual needs of the pupils are met within the ASD LRC</p>	<p>The impact on local communities will be monitored</p>
<p><b>A Wales of cohesive communities</b></p> <p>Attractive, viable, safe and well-connected communities.</p>	<p>The opening of the ASD LRC through the medium of Welsh affords the Welsh community to be better connected.</p>	<p>The impact on local communities will be monitored</p>
<p><b>A Wales of vibrant culture and thriving Welsh language</b></p> <p>A society that promotes and protects culture, heritage and the Welsh language, and which encourages people to participate in the arts, and sports and recreation.</p>	<p>The ASD LRC through the medium of Welsh affords pupils to be educated through their chosen language</p>	<p>The impact on local communities will be monitored</p>
<p><b>A globally responsible Wales</b></p> <p>A nation which, when doing anything to improve the economic, social,</p>	<p>The ASD LRC affords the opportunity for pupils to thrive locally and beyond</p>	<p>The impact on local communities will be monitored</p>

environmental and cultural well-being of Wales, takes account of whether doing such a thing may make a positive contribution to global well-being.		
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**Section 3 Will your project / activity affect people or groups of people with protected characteristics? Explain what will be done to maximise any positive impacts or minimise any negative impacts**

Protected characteristics	Will your project / activity have any positive impacts on those with a protected characteristic?	Will your project / activity have any negative impacts on those with a protected characteristic?	Is there any way to maximise any positive impacts or minimise any negative impacts?
Age:	Yes	No	The development of the LRC will be monitored
Gender reassignment:	No	No	The development of the LRC will be monitored
Marriage or civil partnership:	No	No	The development of the LRC will be monitored
Pregnancy or maternity:	No	No	The development of the LRC will be monitored
Race:	No	No	The development of the LRC will be monitored
Religion or Belief:	No	No	The development of the LRC will be monitored
Race:	No	No	The development of the LRC will be monitored
Sex:	No	No	The development of the LRC will be monitored
Welsh Language:	Yes	No	The development of the LRC will be monitored

**Section 4 Identify decision meeting for Project/activity e.g. Cabinet, Council or delegated decision taken by Executive Members and/or Chief Officers**

Cabinet

**Compiling Officers Name:**

Michelle Hatcher

**Compiling Officers Job Title:**

Group Manager Inclusion and School Improvement

**Date completed:**

02 January 2019

## BRIDGEND COUNTY BOROUGH COUNCIL

### REPORT TO CABINET

19 FEBRUARY 2019

#### REPORT BY THE CORPORATE DIRECTOR OF EDUCATION AND FAMILY SUPPORT

#### PROVISION FOR PUPILS WITH ADDITIONAL LEARNING NEEDS (ALN) - CHANGES TO BETWS PRIMARY SCHOOL

##### 1. Purpose of report

1.1 The purpose of this report is to inform Cabinet of the outcome of the consultation on the proposal to cease the local authority (LA) nurture provision at Betws Primary School

##### 2. Connection to Corporate Improvement Objectives/other corporate priorities

2.1 The report links to the following improvement priorities in the Corporate Plan:

- **Supporting a successful economy** - we will take steps to make the county a good place to do business, for people to live, work, study and visit, and to ensure that our schools are focused on raising the skills, qualifications and ambitions of all people in the county.
- **Helping people to be more self-reliant** – we will take 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 In December 2011, Cabinet received an update on the review of support and provision for the inclusion of children and young people with ALN.

3.2 Welsh Government has approved the introduction of foundation phase provision at The Bridge Alternative Provision (The Bridge).

3.3 Bridgend County Borough Council supports the principles that, when possible, children should be educated in a mainstream school environment and as near to their home as possible.

##### 4. Current situation/proposal

4.1 In order to progress a proposal to cease the local authority nurture provision at Betws Primary School, consultation exercises were carried out between 20 November and 31 December 2018 with staff, governors, parents and pupils of Betws Primary School

and also the wider community in accordance with the Statutory School Organisation Code. A copy of the consultation document was also made available during this time on the Council's website:

[www.bridgend.gov.uk/consultation](http://www.bridgend.gov.uk/consultation)

- 4.2 The consultation document invited views and opinions to be submitted in respect of the proposal.
- 4.3 Under the Statutory Code referred to above, the Council is required to publish a consultation report summarising any issues raised by consultees and the Council's response and setting out Estyn's view of the overall merit of the proposals.
- 4.4 If approved by Cabinet, the next stage of the process is to publish a statutory notice outlining the proposals which would need to be published for a period of 28 days and any formal written objections would be invited during this time.
- 4.5 If there are no objections during the Public Notice period, then the proposal can be implemented with Cabinet's approval.
- 4.6 If there are objections at this Public Notice stage, an objections report will be published summarising the objections and the local authority's response to those objections. Cabinet will need to consider the proposal in light of objections. Cabinet could then accept, reject or modify the proposal.

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

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

## **6. Equality Impact Assessment**

- 6.1 The Council has a duty to consult and fully consider the implications of any proposal on all members of the local community who may be affected unfairly as a result of the proposal being carried out.
- 6.2 An initial Equality Impact Assessment (EIA) was undertaken. The full EIA can be found in Appendix (xi). The full EIA holistically evaluates the pupils affected by the introduction of the proposal.
- 6.3 A Community Impact Assessment has been carried out and there is no negative impact on the community.

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

- 7.1 A Well-being of Future Generations (Wales) Act 2015 assessment has been completed and is detailed in Appendix (vii). A summary of the implications from the assessment relating to the five ways of working is as follows:
- 7.2 **Long-term** - affords pupils an opportunity to attend foundation phase provision and an opportunity to reintegrate into their mainstream school as near to their home as possible.

- 7.3 **Prevention** - enables pupils to be educated as part of the graduated response as stipulated in the ALN Code of Practice and ultimately preventing being placed out-of-authority.
- 7.4 **Integration** – the introduction of foundation phase at The Bridge is key in ensuring that pupils are able to access alternative provision at an early stage in order to reintegrate successfully back into their mainstream school where appropriate. There are also efficiencies related to this proposal as the cost of an out-of-authority place far outweighs the cost of establishing foundation phase provision locally in an alternative setting.
- 7.5 **Collaboration** - There is excellent collaboration between The Bridge and mainstream schools. The Bridge and the pupils' mainstream schools work closely to ensure that the individual needs of the pupils are met and progress is monitored.
- 7.6 **Involvement** – A range of key stakeholders are involved in a pupil's placement at The Bridge in order to ensure that individual progress is made.

## **8. Financial implications**

- 8.1 There are projected full-year savings of £51,378 from the closure of the LA nurture provision at Betws Primary School. This will be re-allocated within the primary schools' Individual Schools Budget (ISB).
- 8.2 As a result of the closure, the funding of the senior support officer (SSO) at Betws Primary School Nurture Provision will be used to support the finance required for the introduction of foundation phase at The Bridge. There are no redundancy costs associated with this proposal.

## **9. Recommendation**

9.1. Cabinet is recommended to:

- note the outcome of the consultation with interested parties as detailed in the attached Consultation Report (refer to Appendix 1);
- approve the attached Consultation Report for publication; and
- authorise the publication of a Statutory Public Notice on the proposal.

**Lindsay Harvey**  
**Corporate Director (Education and Family Support)**

**Contact Officer:** Michelle Hatcher

**Telephone:** (01656) 815258

**E-mail:** michelle.hatcher@bridgend.gov.uk

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Civic Offices  
Angel Street  
Bridgend  
CF31 4WB

BRIDGEND COUNTY BOROUGH COUNCIL

CONSULTATION REPORT

19 FEBRUARY 2019

REPORT OF THE CORPORATE DIRECTOR OF EDUCATION AND FAMILY  
SUPPORT

PROVISION FOR PUPILS WITH ADDITIONAL LEARNING NEEDS (ALN) -  
CHANGES TO BETWS PRIMARY SCHOOL

**1. Purpose of report**

1.1 The purpose of this report is to inform Cabinet of the outcome of the consultation on the proposal to cease the local authority (LA) nurture provision at Betws Primary School.

**2. Connection to Corporate Improvement Plan/other corporate priorities**

2.1 The report links to the following improvement priorities in the Corporate Plan:

- **Supporting a successful economy** - we will take steps to make the county a good place to do business, for people to live, work, study and visit, and to ensure that our schools are focused on raising the skills, qualifications and ambitions of all people in the county.
- **Helping people to be more self-reliant** – we will take 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 In December 2011, Cabinet received an update on the review of support and provision for the inclusion of children and young people with ALN.

3.2 Welsh Government has approved the introduction of foundation phase provision at The Bridge Alternative Provision (The Bridge).

- 3.3 Bridgend County Borough Council supports the principles that, when possible, children should be educated in a mainstream school environment and as near to their home as possible.

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

- 4.1 In order to progress a proposal to cease the local authority nurture provision at Betws Primary School, consultation exercises were carried out between 20 November and 31 December 2018 with staff, governors, parents and pupils of Betws Primary School and also the wider community in accordance with the Statutory School Organisation Code.

[www.bridgend.gov.uk/consultation](http://www.bridgend.gov.uk/consultation)

- 4.2 The consultation document invited views and opinions to be submitted in respect of the proposal.
- 4.3 Under the Statutory Code referred to above the local authority is required to publish a consultation report summarising any issues raised by consultees and the local authority's response and setting out Estyn's view of the overall merit of the proposals.
- 4.4 If approved by Cabinet, the next stage of the process is to publish a statutory notice outlining the proposals which would need to be published for a period of 28 days and any formal written objections would be invited during this time.
- 4.5 If there are no objections during the Public Notice period then the proposal can be implemented with Cabinet's approval.
- 4.6 If there are objections at this Public Notice stage, an objections report will be published summarising the objections and the authority's response to those objections. Cabinet will need to consider the proposal in light of objections. Cabinet could then accept, reject or modify the proposal.

#### **5. Summary of written presentations**

- 5.1 Key points from the consultation exercises were as follows, with full details appended at the end of this report.

##### **Pupil consultation**

- 5.2 Betws Primary School Council met with Bridgend County Borough Council (BCBC) representatives on 20 November 2018 to discuss the proposal (full details can be found at Appendix (i)).

- 5.3 Pupils raised a question regarding what will happen to the teachers at Betws Primary School.
- 5.4 Pupils also asked what support the pupils would receive at The Bridge.
- 5.5 Further questions were asked specifically about the facilities at The Bridge.
- 5.6 Pupils enquired about the use of the nurture classroom at Betws Primary School in the future.

**The local authority response is as follows:**

- 5.7 It was noted with the pupils that conversations will be held with teachers during the consultation process.
- 5.8 The pupils would receive excellent support at The Bridge tailored to the individual's needs.
- 5.9 It was explained that there would be the same access to PE facilities and ICT at The Bridge and therefore the same opportunities would continue at The Bridge. There would also be access to the Foundation Phase outdoor area.
- 5.10 It was highlighted that the future use of the classroom at Betws Primary School will be for the school to determine.

**Parent consultation**

- 5.11 A consultation meeting was held for parents and interested parties to discuss the proposal with BCBC representatives at Betws Primary School on 20 November 2018 (full details can be found at Appendix (ii)).
- 5.12 Parents asked if The Bridge is a provision for the whole local authority.
- 5.13 Parents also enquired if pupils would have assembly time at The Bridge.

**The local authority response is as follows:**

- 5.14 It was explained that the provision would be for the local authority as a whole and that there would also be a specialist central team who would train and provide support and advice to schools with regards to nurturing children in their local schools.
- 5.15 An explanation was given with regards to how The Bridge runs like a school which includes assembly time.

**School staff consultation**

- 5.16 A consultation meeting was held with Betws Primary School staff on 20 November 2018 (full details can be found at Appendix (iii))
- 5.17 Staff raised questions with regards to the provision for younger children at The Bridge.
- 5.18 Further questions were asked in relation to the timing of the class closure and what will happen if the class doesn't close.
- 5.19 Staff asked when the new pupils would be placed in the new provision.
- 5.20 It was enquired as to whether there would be training for staff in schools to nurture children in their local schools

The local authority response is as follows:

- 5.21 It was explained that there is currently provision for primary age children at The Bridge and the new class will be in addition. Foundation Phase provision is being considered by the local authority.
- 5.22 It was highlighted that the proposed closure is 1 April 2019 and if the decision is not to close the class then further consideration would be given at that time.
- 5.23 It was noted that all children are assessed and discussed in the access to education panel and that children are placed in the provision to best meet their needs. The pupils will transition to The Bridge in a phased approach and not all at the same time.
- 5.24 An explanation was given with regards to the specialist central team will continue to support schools with advice and guidance.

### **Governing body consultation**

- 5.25 A consultation meeting was held with Betws Primary School Governors on 20 November 2018 (full details can be found at Appendix (iv)).
- 5.26 The governors asked questions regarding the length of time that pupils need to settle into a class.
- 5.27 Further questions were raised regarding the new pupils coming in during the transition period and the effect that this could have with Estyn's return to the school.

The local authority response is as follows:

- 5.28 It was explained that there are various nurture models and that assessment for the correct provision and transition are important factors in order to support individual

pupils' needs. There is no set length of time that pupils take to settle into a class that depends upon the individual's needs.

- 5.29 The local authority reassured governors that each child would be assessed during the transition period and will either remain in their home school with support, remain in nurture at Betws Primary School or return to their home school.

## **Summary of written presentations**

- 5.30 There were no items of direct correspondence received during the consultation

### **6. The view of Estyn, her Majesty's Inspectors of Education and Training in Wales**

- 6.1 Estyn has considered the educational aspects of the proposals (see Appendix v).
- 6.2 It is Estyn's opinion that the proposer has provided appropriate information explaining the logic behind this proposal.
- 6.3 Estyn is of the opinion that the proposal is likely to maintain or improve the current standards, in terms of education, provision, and leadership and management
- 6.4 Estyn acknowledges that the rationale for this proposal is methodical and the considerations have been identified clearly. The evidence is based on facts and valid considerations. The proposer has identified the expected advantages and disadvantages in comparison with the status quo.
- 6.5 Estyn comments that the proposer has considered other options, which include continuing with the current provision at the school and supporting pupils in mainstream schools and for them not to have access to an appropriate small class environment. The likely consequence of both alternatives is that the pupils' needs would not be met in the most appropriate way.
- 6.6 Estyn notes that the pupils would be in a group of twelve at The Bridge rather than in a group of eight. Estyn states that the proposer does not give full consideration to the fact that this could mean that pupils are given fewer opportunities to learn directly with a specialist teacher in a one-to-one situation or in smaller groups.
- 6.7 The local authority's response to Estyn's comment is that in addition to pupils being educated in a larger classroom that can accommodate twelve pupils, there is additional break-out space. In addition, there will be opportunities for one-to-one interventions in order to meet the individual needs of the children.
- 6.8 Estyn states that the proposer considers briefly the anticipated effect should a child move to The Bridge from the nurture provision at Betws Primary School and that this provision would be new to the pupil. However, not enough details about the transfer process and distance of travel are outlined in the proposal.

- 6.9 The local authority's response to Estyn's comment is that the local authority recognises the importance of transition arrangements for any pupil. Meetings will be held with pupils, parents and school staff to decide upon the most appropriate transition plan for each individual child which will include conversations regarding travel and the appropriate distance for a child to travel and the most appropriate mode of transport.
- 6.10 Estyn acknowledges that it is unlikely that this proposal would have any detrimental effect on Betws Primary School's ability to provide the full curriculum in all key stages of education.
- 6.11 Estyn raises the question that there are also no details about any proposed costs that would be associated with this proposal.
- 6.12 The local authority's response to Estyn's comment is that the financial implications are highlighted in the finance section of the Cabinet Report and full consideration has been given to any financial implications.
- 6.13 Estyn acknowledges that the proposer has given appropriate consideration to the proposal's effect on outcomes, provision, and leadership and management. The proposer identifies that most pupils make good progress and achieve appropriately.
- 6.14 Estyn notes that this proposal has given purposeful consideration to the most recent Estyn inspection reports.
- 6.15 Estyn highlights that one of the recommendations for The Bridge is to 'ensure that pupils from Welsh medium schools can continue their learning through the medium of Welsh'.
- 6.16 The local authority's response to Estyn's comment is that work has been undertaken with The Bridge who have employed staff in order to meet the needs of Welsh speakers.
- 6.17 The proposer has not identified the current category of the two schools.
- 6.18 The local authority's response to Estyn's comment is when Estyn revisited The Bridge in November 2018, it was removed from Estyn monitoring with no further follow-up visits required. Betws Primary School is awaiting a follow-up visit from Estyn following their inspection in November 2017.

## **7. Impact assessments**

### **7.1 Community Impact Assessment**

There is no significant negative impact on the community.

### **7.2 Equality Impact Assessment.**

An initial EIA was undertaken. The full EIA can be found at Appendix (vi). The full EIA holistically evaluates the pupils affected by the introduction of the proposal.

## **8. Financial implications**

- 8.1 There are projected full-year savings of £51,378 from the closure of the LA nurture provision at Betws Primary School. This will be re-allocated within the primary schools' Individual Schools Budget (ISB).
- 8.2 As a result of the closure, the funding of the senior support officer (SSO) at Betws Primary School nurture provision will be used to support the finance required for the introduction of foundation phase at The Bridge.

## **9. Statutory process in determining proposals**

### **9.1 Provisional timetable:**

19 February 2019	Report to Cabinet on the outcomes of the consultation.
27 February 2019	Publish Consultation Report on BCBC website, hard copies of the report will be available on request.
4 March 2019	If agreed by the Cabinet of Bridgend County Borough Council, a Public Notice will be published and there will be a period of 28 days in which to submit any objections to the proposal in writing.
1 April 2019	End of Public Notice period.
May 2019	Cabinet will consider any objections and make decision based on all the information available.
June 2019	Potential Implementation

Hard copies of this report are available on request.

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**Consultation Meeting with  
 School Council  
 Re. Proposal to cease the local  
 authority (LA) nurture provision at  
 Betws Primary School**

**20 November 2018 – 2.45pm**

**Present:** Michelle Hatcher - Group Manager, Inclusion and School Improvement  
 Mr Howe- class teacher  
 7 pupils

Michelle Hatcher introduced the consultation meeting and set out the purpose of the meeting, nature and process of the consultation and outlined the proposal.

**Questions/Issues**

**Answer/Comments**

What will happen to the teachers?

We will have more conversations with them during this process.

How will the children get support?

The access to education panel will meet to agree and decisions made. The future for these children would be in The Bridge.

What will happen to the nurture classroom?

The school will make a decision and determine its future use for the school.

Will the children fit in the same at The Bridge?

Yes the provision and the staff are excellent. There are additional rooms that the children can go into.

How many teachers will be in the classroom at The Bridge?

There will be one teacher to teach twelve pupils with support staff.

How will children travel?

The same transport would be provided as it is to Betws nurture class.

What are the outside facilities?

The foundation phase classroom will open up onto the courtyard and grass area. There will be space for the children that they will need.

Will they have the same access to sports?	There is PE on the curriculum.
Will the foundation phase have the same access at key stage 2?	Yes they will.
Will the children have the same access to computers?	Yes they will.
Are there more classrooms in The Bridge?	Yes there are.
Will the children be sad and shy to move?	They will receive the support that they need to transition.
Will they have support?	Yes they will have the support that they need at The Bridge.

**Consultation Meeting with  
 Parents  
 Re. Proposal to cease the local  
 authority (LA) nurture provision at  
 Betws Primary School  
 20 November 2018 - 5.30pm**

**Present:** Michelle Hatcher - Group Manager, Inclusion and School Improvement  
 Alison Gwyther – Principal Advisor Employee Relations – Schools  
 2 parents

Michelle Hatcher introduced the consultation meeting and set out the purpose of the meeting, nature and process of the consultation and outlined the proposal.

**Questions/Issues**

Will The Bridge provide a provision for the whole authority?

Will they have assembly in the Bridge?

**Answer/Comments**

Yes, and the central specialist team will train, support and advice schools on nurturing pupils locally. The school will be able to utilise the staff and room for pupils in Betws.

Yes, The Bridge is run like a school and pupils will not have a shock when they reintegrate back into their school.

**Consultation Meeting with Staff**  
**Re. Proposal to cease the local authority (LA) nurture provision at Betws Primary School**  
**20 November 2018 - 3.40pm**

**Present:** Michelle Hatcher - Group Manager, Inclusion and School Improvement  
 Alison Gwyther – Principal Advisor Employee Relations – Schools  
 Liz Pearce- Head of School Betws Primary School  
 8 members of staff

Michelle Hatcher introduced the consultation meeting and set out the purpose of the meeting, nature and process of the consultation and outlined the proposal.

**Questions/Issues**

**Answer/Comments**

Is there a class in the Bridge for junior age pupils?

Yes, there is one there currently and the new class for year 1 and 2 will be additional.

Is there provision for nursery and reception aged pupils?

This provision is being looked at in the Council as a whole.

When will the class close?

This is a proposal and if agreed will close in April 2019.

If the class is not closed, what will happen?

The provision would be looked at that time.

Will there be new pupils being placed here?

All pupils are assessed and discussed in the Access to Education panel and pupils will be placed in the best provision to meet their needs. Yes this may happen.

Pupils are usually in the class for 3 terms, is the placement of new pupils in a class that is closing, good for the pupils?

The panel will have all the information about the pupil and the unit and they will make an informed decision based on the needs of the pupil.

Comment. Once the class has been closed the school will have an additional classroom to use for the pupils of Betws.

Is there going to be training for staff in schools to nurture pupils in their local school?

Comment: When children arrive in the class they can be very disruptive and there is no quiet area to take them to. It takes time to settle them in to class, they disrupt the other children in the school however in the long run the disruption at the beginning you reap rewards in the future and worth the disruption. However if they are only in the school for a term that does not benefit the pupil or the other pupils in the school.

Additional resource has been given to the school to ensure a smooth transition, additional teacher / LSO to increase the staff: pupil ratio.

Will there be provision that falls between the provision in the Bridge for high tariff pupils and school based nurturing?

Yes the specialist team will come out to schools and deliver training, support and advice. The central specialist team will help build capacity in schools.

There will be a training plan developed to build capacity in schools to nurture at an early age to prevent more difficult cases later. We are relooking at behaviour champions

**Consultation Meeting with  
 School Governors  
 Re. Proposal to cease the local  
 authority (LA) nurture provision at  
 Betws Primary School**

**20 November 2018 - 4.30pm**

Present: Michelle Hatcher - Group Manager, Inclusion and School Improvement  
 Alison Gwyther – Principal Advisor Employee Relations – Schools  
 Liz Pearce- Head of School Betws Primary School  
 Terri Emmanuel- Executive Headteacher Betws Primary School  
 Victoria Cox-Wall- Teacher in Charge The Bridge  
 4 Governors.

Michelle Hatcher introduced the consultation meeting and set out the purpose of the meeting, nature and process of the consultation and outlined the proposal.

**Questions/Issues**

Apologies were given for a late notice another meeting can be arranged if needed.  
 Concerns were raised that pupils need 4 terms to settle in a class and the pupils are not ready to move.

Concerns about new pupils coming to the class in the transition period and worried this will affect their Estyn inspection in a negative way

There was only one room given to the class in the new build, which was not adequate for the pupils, any difficult behaviours would have to be dealt with in

**Answer/Comments**

There are a lot of nurture models and these have been looked at. Each pupil will be assessed and provision will be needs led. The transition is being discussed at length between the Bridge and the school to ensure all pupils have the correct provision.

The class in The Bridge is not open as yet. All pupils will be assessed and ratified by the Access to Education panel and allocated the most appropriate provision to meet the needs of the pupils. The Bridge is working hard with the school to ensure a smooth transition.

The Bridge has a breakout area for pupils when required to come out of the class for quiet time.

the corridor and disrupt the school.

Comment: Worried Estyn is coming into the school and we do not want high tariff pupils in the school as it brings the school down.

Can you come back to the school after the consultation has been completed to inform us before the report goes to Cabinet?

Comment: Feel that people are being dumped in Betws and this is causing issues in the village. There needs to be a balance, it is very important. The inspectors came to the school as we were moving from one building to another and we didn't realise that we had an influence on the timing of the inspection. We feel misled.

It is important to have good interim arrangements and glad the Bridge and the school are discussing the matter. We do not want new pupils going into the nurture class causing disruption and an increase in exclusions as this reflects badly on the school and brings the performance of the school down.

High tariff pupils will not be put in Betws if they are not suited for this provision. There is no change to the provision the school is giving the pupils in the class.

We will check the process to see if this is possible.

**Estyn response to the proposal by Bridgend Council to cease the alternative provision for foundation phase pupils Betws Primary School and transfer it to the The Bridge Alternative Provision Pupil Referral Unit (The Bridge).**

This report has been prepared by Her Majesty's Inspectors of Education and Training in Wales. Under the terms of the School Standards and Organisation (Wales) Act 2013 and its associated Code, proposers are required to send consultation documents to Estyn. However Estyn is not a body which is required to act in accordance with the Code and the Act places no statutory requirements on Estyn in respect of school organisation matters. Therefore as a body being consulted, Estyn will provide their opinion only on the overall merits of school organisation proposals. Estyn has considered the educational aspects of the proposal and has produced the following response to the information provided by the proposer and other additional information such as data from Welsh Government and the views of the Regional Consortia which deliver school improvement services to the schools within the proposal.

Introduction. This proposal is submitted by Bridgend Council to cease the alternative provision for foundation phase pupils Betws Primary School and transfer it to the The Bridge Alternative Provision Pupil Referral Unit (The Bridge).

**Summary/Conclusion**

The proposer has provided appropriate information explaining the logic behind this proposal. It proposes for foundation phase pupils to have access to specialist provision that will lead inevitably to key stages 2 to 4 on the same site, namely The Bridge. However, the aim is to reintegrate pupils, as far as possible, back into mainstream schools as near as possible to their home.

Estyn is of the opinion that the proposal is likely to maintain or improve the current standards, in terms of education, provision, and leadership and management. Description and benefits. The rationale for this proposal is methodical and the considerations have been identified clearly. The evidence is based on facts and valid considerations. The proposer has identified the expected advantages and disadvantages in comparison with the status quo. The advantages outline that pupils would have access to individual, small group and whole class experiences, as appropriate, on a continuum of specialist provision. They would also have access to a wide range of specialist provision and de-escalation spaces at The Bridge. However, these pupils would be in a group of twelve rather than eight. The proposer does not give full consideration to the fact that this could mean that pupils are given fewer opportunities to learn directly with a specialist teacher in a one-to-one situation or in smaller groups. The proposer has considered other options, which include continuing with the current provision at the school and supporting pupils in mainstream schools and for them not to have access to an appropriate small class environment. The likely consequence of both alternatives is that the pupils' needs would not be met in the most appropriate way. The proposer claims that foundation phase provision at The Bridge would give pupils an opportunity to reintegrate into their mainstream schools as soon as

possible. The proposer considers briefly the anticipated effect should a child move to The Bridge from the nurture provision at Betws Primary School and that this provision would be new to the pupil. However, not enough details about the transfer process are outlined in the proposal. In addition, there are no details about the distance that pupils would have to travel and the way in which this could disrupt pupils' educational experience. There are also no details about any proposed costs that would be associated with this proposal. The proposal would not affect the permanent numbers at Betws Primary School as only a maximum of eight pupils receive alternative provision at any given time. The total number of mainstream pupils is stable. It is unlikely that this proposal would have any detrimental effect on Betws Primary School's ability to provide the full curriculum in all key stages of education. In addition, an empty classroom would be available to the school for staff to use for their own internal interventions. The proposal outlines the way in which line management duties for the foundation phase department would be carried out by senior members of staff within The Bridge. However, no details have been provided about the way in which this proposal would affect the jobs of staff at the alternative provision at Betws Primary School.

It appears that this proposal would achieve £51,378 in full year savings. This total would be reallocated within the Individual Schools Budget (ISB) for primary schools. Educational aspects of the proposal. The proposer has given appropriate consideration to the proposal's effect on outcomes, provision, and leadership and management. The proposer identifies that most pupils make good progress and achieve appropriately. Their behaviour and commitment to learning are good, and they are beginning to succeed in making decisions about their own learning. It appears that staff at the alternative provision plan interesting experiences to meet most pupils' educational needs. These experiences include developing literacy and numeracy skills, as appropriate. However, information and communication technology (ICT) skills have not been developed to the same standard. It is reasonable to believe that the headteacher, in charge of the school and spending part of the week on site, leads staff effectively. Leaders have a better understanding of their roles recently, following a challenging period. The proposer acknowledges that closing the alternative provision at Betws Primary School will cause some disruption and uncertainty for pupils, but it is not clear how any possible disruption to learners will be reduced. This proposal has given purposeful consideration to the most recent Estyn inspection reports. The outcomes of the inspection reports for both schools are of the same quality, with a judgement of 'adequate and needs improvement' being awarded for inspection areas one, three and five, and 'good' being awarded for inspection areas two and four. However, one of the recommendations for The Bridge is to 'ensure that pupils from Welsh medium schools can continue their learning through the medium of Welsh'. No details have been included in this proposal about the way in which the school is responding to this recommendation. The proposer has not identified the current category of the two schools. In addition, it has not analysed the data of these specific pupils at the end of the foundation phase in comparison with pupils who are educated in a similar provision. No information has been included about the opinions of the local authority and the consortium of the schools.

**Full Equality Impact Assessment**

<b>Name of project, policy, function, service or proposal being assessed:</b>	
<b>Date assessment completed</b>	02 January 2019

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

An Initial Equality Impact Assessment Screening was undertaken on this proposal on 28 September 2018. The recommendation from the EIA Screening was that a Full Equality Impact Assessment would be required.

A consultation exercise lasting between 20 November and the 31 December 2018 sought the views of staff, parents, pupils, interested parties and the governing body as the first step in the statutory process. If the proposals are supported they would come into effect on 1 April 2019.

**1. Consultation**

		<b>Action Points</b>
<b>Who do you need to consult with (which equality groups)?</b>	<p>Within each of the protected characteristic groups the council will need to consult with:</p> <p>Headteacher, teachers, governing body, parents, carers and guardians of children and the general public.</p>	<p>The consultation tools and mechanisms to be used should include: Focused Meetings, Public Meetings, a consultation document and associated questionnaire, publication of all information on the council's website and school websites, press releases, information on the council's customer service screens, all partners, social media, Bridge members, schools texting service, Local Service Board, citizens panel</p>
<b>How will you ensure your consultation is inclusive?</b>	<p>The council is mindful that as wide a range of consultation and engagement activities and tools need to be deployed in</p>	

	<p>order to reach as wide an audience of consultees as possible. Consultation and engagement must be maximised in order that public views and concerns are “heard and considered” by the council to identify better ways of working and influence difficult decision making from a representative group.</p> <p>Methods of consultation will include (where appropriate) bilingual (Welsh / English) materials, information produced in languages other than English and Welsh, large print documents, easy read versions of information, provision of audio information and will include a mix of hard copy documents and provision of online forms and information. The council recognises that, key to the council’s consultation and engagement strategy is the commitment to visiting the public and other consultees in their own locations / communities at times that are convenient to them. Another key element is liaising with pupils of the school through engagement with the school council.</p>	
<p><b>What consultation was carried out? Consider any consultation activity already carried out, which may not</b></p>	<p>Interested / impacted parties were invited to consider the proposal and submit views as to whether or not they supported the</p>	

<b>have been specifically about equality but may have information you can use</b>	proposal to cease the local authority (LA) nurture provision at Betws Primary School via consultation meetings held on 20 November 2018 for the different interested parties. Interested and impacted parties were invited to attend meetings to hear an explanation of the proposal, put questions and express any views or concerns.	
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#### **Record of consultation with people from equality groups**

<b>Group or persons consulted</b>	<b>Date, venue and number of people</b>	<b>Feedback, areas of concern raised</b>	<b>Action Points</b>
Members of School Council of Betws Primary School	20 November 2018. Further details are included in this EIA	Feedback documents were circulated to all attendees at the event for individual considered views to be shared with the council	Please see tables within this full EIA.
Betws Primary School staff	20 November 2018. Further details are included in this EIA	Feedback documents were circulated to all attendees at the event for individual considered views to be shared with the council.	Please see tables within this full EIA.
Governing Body of Betws Primary School	20 November 2018. Further details are included in this EIA	Feedback documents were circulated to all attendees at the event for individual considered views to be shared with the council.	Please see tables within this full EIA.

Parents of pupils at Betws Primary School	20 November 2018. Further details are included in this EIA	Feedback documents were circulated to all attendees at the event for individual considered views to be shared with the council.	Please see tables within this full EIA.
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## 2. Assessment of Impact

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

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

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

The attached Cabinet Report provides a summary of Consultation responses, data and feedback.

<b>Gender</b>	<b>Impact or potential impact</b>	<b>Actions to mitigate</b>
Identify the impact/potential impact on women and men.	None	Neither men nor women will be disproportionately negatively affected by this proposal.
<b>Disability</b>	<b>Impact or potential impact</b>	<b>Actions to mitigate</b>
Identify the impact/potential impact on disabled people (ensure consideration of	None	Disabled people will not be negatively impacted by this proposal.

a range of impairments, e.g. physical, sensory impairments, learning disabilities, long-term illness).		
<b>Race</b>	<b>Impact or potential impact</b>	<b>Actions to mitigate</b>
Identify the impact/potential impact of the service on Black and minority ethnic (BME) people.	Black and minority ethnic people will not be disproportionately negatively affected by this proposal.	None
<b>Religion and belief</b>	<b>Impact or potential impact</b>	<b>Actions to mitigate</b>
Identify the impact/potential impact of the service on people of different religious and faith groups.	There will be no impact on Religion and Belief as a result of this proposal if it is approved.	None
<b>Sexual Orientation</b>	<b>Impact or potential impact</b>	<b>Actions to mitigate</b>
Identify the impact/potential impact of the service on gay, lesbian and bisexual people.	There will be no impact on Sexual orientation as a result of this proposal if it is approved.	None
<b>Age</b>	<b>Impact or potential impact</b>	<b>Actions to mitigate</b>
Identify the impact/potential impact of the service on older people and younger people.	There will be no impact on Age as a result of this proposal if it is approved.	None
<b>Pregnancy &amp; Maternity</b>	<b>Impact or potential impact</b>	<b>Actions to mitigate</b>
	There will be no impact on Pregnancy and Maternity as a result of this proposal if it is	None

	approved.	
<b>Transgender</b>	<b>Impact or potential impact</b>	<b>Actions to mitigate</b>
	There will be no impact on Transgender people as a result of this proposal if it is approved.	None
<b>Marriage and Civil Partnership</b>	<b>Impact or potential impact</b>	<b>Actions to mitigate</b>
	There will be no impact on Marriage and Civil Partnership as a result of this proposal if it is approved.	None

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

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

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

This section of the Full EIA contains a summary of all 42 articles and some will be more relevant than others, depending on the policy being considered however, there is no expectation that the entire convention and its relevance to the policy under review is fully understood. The Engagement Team will review the relevant data included as part of its monitoring process. The EIA process

already addresses two of the principle articles which are non-discrimination and participation. This section covers “Best interests” and “Survival and development”.

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

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

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

### **What do we mean by “best interests”?**

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

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

Please detail below the assessment / judgement of the impact of this policy on children aged 0 – 18. Where there is an impact on “Best interests” and “Survival and development”, please outline mitigation and any further steps to be considered. The 42 rights are detailed below.

**Article 1:** Everyone under 18 years of age has all the rights in this Convention.

**Article 2:** The Convention applies to everyone whatever their race, religion, abilities, whatever they think or say and whatever type of family they come from.

**Article 3:** All organisations concerned with children should work towards what is best for each child.

**Article 4:** We should make these rights available to children.

**Article 5:** We should respect the rights and responsibilities of families to direct and guide their children so that they learn to use their rights properly.

**Article 6:** All children have the right of life. We should ensure that children survive and develop healthily.

**Article 7:** All children have the right to a legally registered name, a nationality and the right to know and, as far as possible, to be cared for by their parents.

**Article 8:** We should respect children's right to a name, a nationality and family ties.

**Article 9:** Children should not be separated from their parents unless it is for their own good, for example if a parent is mistreating or neglecting a child. Children whose parents have separated have the right to stay in contact with both parents, unless this might hurt the child.

**Article 10:** Families who live in different countries should be allowed to move between those countries so that parents and children can stay in contact

**Article 11:** We should take steps to stop children being taken out of their own country illegally.

**Article 12:** Children have the right to say what they think, when adults are making decisions that affect them, and to have their opinions taken into account.

**Article 13:** Children have the right to get and to share information as long as the information is not damaging to them or to others.

**Article 14:** Children have the right to think and believe what they want and to practise their religion, as long as they are not stopping other people from enjoying their rights.

**Article 15:** Children have the right to meet together and to join groups/ organisations, as long as this does not stop other people from enjoying their rights.

**Article 16:** Children have a right to privacy. The law should protect them from attacks against their way of life, their families and their homes.

**Article 17:** Children have the right to reliable information from the mass media.

**Article 18:** Both parents share responsibility for bringing up their children. We should help parents by providing services to support them.

**Article 19:** We should ensure that children are cared for, and protect them from violence, abuse and neglect by anyone who looks after them.

**Article 20:** Children who cannot be looked after by their own family must be looked after properly, by people who respect their religion, culture and language

**Article 21:** When children are adopted the first concern must be what is best for them.

**Article 22:** Children who come into a country as refugees should have the same rights as children born in that country.

**Article 23:** Children who have any kind of disability should have special care and support so that they can lead full and independent lives.

**Article 24:** Children have the right to good quality health care and to clean water, nutritious food and a clean environment so that they will stay healthy.

**Article 25:** Children who are looked after by their local authority rather than their parents should have their situation reviewed regularly.

**Article 26:** We should provide extra money for the children of families in need.

**Article 27:** Children have a right to a standard of living that meets their physical and mental needs. We should help families who cannot afford this.

**Article 28:** Children have a right to an education. Discipline in schools should respect children's human dignity.

**Article 29:** Education should develop each child's personality and talents to the full.

**Article 30:** Children have a right to learn and use the language and customs of their families.

**Article 31:** All children have a right to relax and play, and to join in a wide range of activities.

**Article 32:** We should protect children from work that is dangerous or might harm their health or their education.

**Article 33:** We should provide ways of protecting children from dangerous drugs.

**Article 34:** We should protect children from sexual abuse.

**Article 35:** We should make sure that children are not abducted or sold.

**Article 36:** Children should be protected from any activities that could harm their development.

**Article 37:** Children who break the law should not be treated cruelly.

**Article 38:** Governments should not allow children under 15 to join the army.

**Article 39:** Children who have been neglected or abused should receive special help to restore their self - respect.

**Article 40:** Children who are accused of breaking the law should receive legal help. Prison sentences should only be used for the most serious offences.

**Article 41:** If the laws of a particular country protect children better than the articles of the Convention, then those laws should stay.

**Article 42:** We should make the Convention known to all parents and children.

Impact or potential impact on children aged 0 – 18	Actions to mitigate
<p>In terms of this policy, the relevant articles to be considered are articles 3, 12, 28 and 30.</p> <p><b>Article 3:</b> The council works towards what is best for each child. There is no impact of this policy on article 3.</p> <p><b>Article 12:</b> Children have been given the opportunity to say what they think as they have been included in the consultation and engagement programme. Their views and opinions have been taken into account. There is, therefore, no impact on article 12.</p> <p><b>Article 28:</b> Children in Bridgend County Borough Council have a right to an education. The methods of discipline in our schools respect children’s human rights and dignity. There is, therefore, no impact on article 28.</p> <p><b>Article 30:</b> Children in Bridgend are supported and encouraged to learn and use the language and customs of their families. There is, therefore, no impact on article 30.</p>	<p>The Corporate Improvement Plan.</p> <p>These proposals are related to the Corporate Plan (2016-2020) and the Education Inclusion Programme and, in particular, in the Corporate Plan Improvement priority one</p> <ul style="list-style-type: none"> <li>• Supporting a successful economy.</li> </ul> <p>2.2 In order to achieve this improvement priority, it is important to work with our partners to support pupils with additional learning needs (ALN). The focus needs to be upon raising their skills, ambition and qualifications, and support them to take advantage of opportunities to succeed. This will improve the future prospects for our children and young people. We have already contributed to this priority by improving the provision in mainstream schools for pupils with ALN.</p>

The council is mindful that a further period of time is required to enable a full and meaningful assessment of the impact of this proposal to be made. The council will need to address a number of questions:

- the impact of the closure on the outcomes of the pupils directly affected by the closure,
- a clearer understanding (based on further evaluation and assessment) of the realignment of the council’s provision for pupils with additional learning needs.

The council has already carried out an Initial Screening Equality Impact Assessment and this identified a number of potential risks which have been addressed in this Full Equality Impact Assessment. These risks include the impact of the closure on future service need and the possible impact of increased class sizes. It recognises appropriately that a full assessment of the impact on attainment levels needs to be included together with more information on ages and levels of disability of the pupils in receipt of the service.

This Full Equality Impact Assessment is considered to be a live document and its fluidity will be reflected in the ongoing assessment of the impact on Children with Additional Learning Needs of the policy.

**The full EIA holistically evaluates the pupils affected by the introduction of the proposal.**

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

### 3. Action Plan

Action	Lead Person	Target for completion	Resources needed	Service Development plan for this action
Monitoring of the EIA	Group Manager Inclusion and School Improvement	January 2019	Time	Inclusion- the development of The Bridge and behavior emotional and social development (BESD).

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

Emma Bandon, Communication, Marketing and Engagement Manager

**Signed: Michelle Hatcher**

**Date: 02 January 2019**

#### **4. Publication of your results and feedback to consultation groups**

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

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

Please send completed EIA form to [Emma Bandon, Communication, Marketing and Engagement Manager](#)

## Appendix (vii)

## WELL-BEING OF FUTURE GENERATIONS (WALES) ACT 2015 ASSESSMENT

<b>Project Description (key aims):</b>	
The proposal to cease the local authority (LA) nurture provision at Betws Primary School	
<b>Section 1 Complete the table below to assess how well you have applied the 5 ways of working.</b>	
<b>Long-term</b>	<b>1. How does your project / activity balance short-term need with the long-term and planning for the future?</b>
(The importance of balancing short term needs with the need to safeguard the ability to also meet long term needs)	Affords pupils an opportunity to attend foundation phase provision and an opportunity to reintegrate into their mainstream school with support from The Bridge staff as near to their home as possible.
<b>Prevention</b>	<b>2. How does your project / activity put resources into preventing problems occurring or getting worse?</b>
(How acting to prevent problems occurring or getting worse may help public bodies meet their objectives)	Enables pupils to be educated as part of the graduated response as stipulated in the ALN Code of Practice and ultimately preventing being placed out-of-authority.

<p><b>Integration</b></p> <p>(Considering how the public body's well-being objectives may impact upon each of the wellbeing goals, on their objectives, or on the objectives of other public bodies)</p>	<p><b>3. How does your project / activity deliver economic, social, environmental &amp; cultural outcomes together?</b></p> <p>The introduction of foundation phase at The Bridge is key in ensuring that pupils are able to access alternative, specialist provision at an early stage in order to reintegrate successfully back into their mainstream school where appropriate. There are also efficiencies related to this proposal as the cost of an out-of-authority place far outweighs the cost of establishing foundation phase provision locally in an alternative setting.</p>
<p><b>Collaboration</b></p> <p>(Acting in collaboration with any other person (or different parts of the body itself) that could help the body meet its well-being objectives)</p>	<p><b>4. How does your project / activity involve working together with partners (internal and external) to deliver well-being objectives?</b></p> <p>There is excellent collaboration between The Bridge and mainstream schools. The Bridge and the pupils' mainstream schools work closely to ensure that the individual needs of the pupils are met and progress is monitored.</p>
<p><b>Involvement</b></p> <p>(The importance of involving people with an interest in achieving the well-being goals, and ensuring that those</p>	<p><b>5. How does your project / activity involve stakeholders with an interest in achieving the well-being goals? How do those stakeholders reflect the diversity of the area?</b></p> <p>A range of key stakeholders are involved in a pupil's placement at The Bridge in order to ensure that individual progress is made</p>

people reflect the diversity of the area which the body serves)	
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Section 2 Assess how well your project / activity will result in multiple benefits for our communities and contribute to the national well-being goals (use Appendix 1 to help you).		
Description of the Well-being goals	How will your project / activity deliver benefits to our communities under the national well-being goals?	Is there any way to maximise the benefits or minimise any negative impacts to our communities (and the contribution to the national well-being goals)?
<p><b>A prosperous Wales</b> An innovative, productive and low carbon society which recognises the limits of the global environment and therefore uses resources efficiently and proportionately (including acting on climate change); and which develops a skilled and well-educated population in an economy which generates wealth and provides employment opportunities, allowing people to take advantage of the wealth generated through securing decent work.</p>	<p>The foundation phase at The Bridge affords the opportunity for pupils to gain necessary skills at an early stage. Progress in literacy and numeracy is very strong at key stage 2.</p>	<p>The impact on local communities will be monitored</p>
<p><b>A resilient Wales</b> A nation which maintains and enhances a biodiverse natural environment with healthy functioning ecosystems that support social, economic and ecological resilience and the capacity to adapt to change (for example climate change).</p>	<p>The foundation phase at The Bridge will be an extension of the specialist provision.</p>	<p>The impact on local communities will be monitored</p>

<p><b>A healthier Wales</b> A society in which people's physical and mental well-being is maximised and in which choices and behaviours that benefit future health are understood.</p>	<p>The foundation phase at The Bridge will be an extension of the specialist provision.</p>	<p>The impact on local communities will be monitored</p>
<p><b>A more equal Wales</b> A society that enables people to fulfil their potential no matter what their background or circumstances (including their socio economic background and circumstances).</p>	<p>The individual needs of the pupils will be met at The Bridge</p>	<p>The impact on local communities will be monitored</p>
<p><b>A Wales of cohesive communities</b> Attractive, viable, safe and well-connected communities.</p>	<p>The pupils will be integrated into The Bridge community or reintegrated back into their local communities.</p>	<p>The impact on local communities will be monitored</p>
<p><b>A Wales of vibrant culture and thriving Welsh language</b> A society that promotes and protects culture, heritage and the Welsh language, and which encourages people to participate in the arts, and sports and recreation.</p>	<p>The foundation phase at The Bridge will afford the pupils the experience of heritage and culture.</p>	<p>The impact on local communities will be monitored</p>
<p><b>A globally responsible Wales</b> A nation which, when doing anything to improve the economic, social, environmental and cultural well-being of Wales, takes account of whether doing such a thing may make a positive contribution to global well-being.</p>	<p>The foundation phase at The Bridge affords the opportunity for pupils to thrive locally and beyond.</p>	<p>The impact on local communities will be monitored</p>

<b>Section 3 Will your project / activity affect people or groups of people with protected characteristics? Explain what will be done to maximise any positive impacts or minimise any negative impacts</b>			
Protected characteristics	Will your project / activity have any positive impacts on those with a protected characteristic?	Will your project / activity have any negative impacts on those with a protected characteristic?	Is there any way to maximise any positive impacts or minimise any negative impacts?
Age:	Yes	No	The development of the foundation phase provision at The Bridge will be monitored
Gender reassignment:	No	No	The development of the foundation phase provision at The Bridge will be monitored
Marriage or civil partnership:	No	No	The development of the foundation phase provision at The Bridge will be monitored
Pregnancy or maternity:	No	No	The development of the foundation phase provision at The Bridge will be monitored
Race:	No	No	The development of the foundation phase provision at The Bridge will be monitored
Religion or Belief:	No	No	The development of the foundation phase provision at The Bridge will be monitored

Race:	No	No	The development of the foundation phase provision at The Bridge will be monitored
Sex:	No	No	The development of the foundation phase provision at The Bridge will be monitored
Welsh Language:	Yes	No	The development of the foundation phase provision at The Bridge will be monitored

<b>Section 4</b>	<b>Identify decision meeting for Project/activity e.g. Cabinet, Council or delegated decision taken by Executive Members and/or Chief Officers</b>
	Cabinet
<b>Compiling Officers Name:</b>	Michelle Hatcher
<b>Compiling Officers Job Title:</b>	Group Manager Inclusion and School Improvement
<b>Date completed:</b>	02 January 2019

## BRIDGEND COUNTY BOROUGH COUNCIL

### REPORT TO CABINET

19 FEBRUARY 2019

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

#### FORWARD WORK PROGRAMME

##### 1. Purpose of Report .

- 1.1 The purpose of this report is to seek Cabinet approval for items to be included on the Forward Work Programme for the period 1 April to 31 July 2019.

##### 2. Connection to Corporate Improvement Objectives.

- 2.1 The active engagement with the public regarding key decisions of the Authority contributes to all 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.

##### 3. Background.

- 3.1 The Constitution of the Council explains that the Forward Work Programme will be prepared by the Solicitor to the Council to cover a period of four months except when ordinary elections of councillors occur, in which case the forward work programme will cover the period up to the date of the elections.
- 3.2 The Forward Work Programme will contain matters which the Cabinet, Overview and Scrutiny Committees and full Council are likely to consider. It will contain information on:
- (a) the timetable for considering the Budget and any plans, policies or strategies forming part of the Policy Framework and requiring Council approval, and which body is to consider them;
  - (b) the timetable for considering any plans, policies or strategies which are the responsibility of the Cabinet;

- (c) any individual matters on which the Cabinet intends to consult in advance of taking a decision, and the timetable for consultation and decision;
- (d) the work programme of the Overview and Scrutiny Committees, to the extent that it is known.

3.3 The Forward Work Programme will be published at least 14 days before the start of the period covered.

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

4.1 The proposed Forward Work Programmes are described below:

- Cabinet 1 April to 31 July 2019 - **Appendix 1**
- Council 1 April to 31 July 2019 - **Appendix 2**
- Overview and Scrutiny - **Appendix 3**

4.2 Following consideration by Cabinet, the Forward Work Programme will be published on 18 March 2019.

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

5.1 There are no implications relating to the Policy Framework and Procedure Rules

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

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

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

8.1 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 will be a translation cost of approximately £60 for each quarterly update of the Forward Work programme when it is published on the Bridgend County Borough Council Website. These will be met from within existing budgets.

#### **9. Recommendation.**

9.1 Cabinet is recommended to:

- Approve the Cabinet Forward Work Programme for the period 1 April to 31 July 2019 as shown at Appendix 1;
- Note the Council and Scrutiny Forward Work Programme as shown at Appendix 2 and 3 respectively.

**K Watson**  
**Head of Legal and Regulatory Services**  
8 February 2019

Contact Officer: Andrew Rees  
Democratic Services Manager  
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Postal address: Democratic Services  
Operational & Partnership Services  
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Bridgend  
CF31 4WB

**Background documents:** None

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**CABINET FORWARD WORK PROGRAMME - 1 APRIL 2019 TO 31 JULY 2019**

Page 445

Item	Title of Report	Cabinet	Contact Officer
(a)	(b)	(c)	(d)
1.	<b>Post 16 Public Consultation</b>	16 Apr 2019	<b>Lindsay Harvey, Corporate Director Education and Family Support</b> Tel: 01656 642612 lindsay.harvey@bridgend.gov.uk
2.	<b>Highways and Parks Biodiversity Enhancement Strategy</b>	16 Apr 2019	<b>Mark Shephard, Interim Chief Executive</b> Tel: 01656 643380 mark.shephard@bridgend.gov.uk
3.	<b>Homelessness Strategy</b>	16 Apr 2019	<b>Mark Shephard, Interim Chief Executive</b> Tel: 01656 643380 mark.shephard@bridgend.gov.uk
4.	<b>Financial Performance 2018-19</b>	18 Jun 2019	<b>Gill Lewis, Interim Head of Finance and Section 151 Officer</b>  gill.lewis@bridgend.gov.uk

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**COUNCIL FORWARD WORK PROGRAMME - 1 APRIL 2019 TO 31 JULY 2019**

Page 447

<b>Item</b>	<b>Title of Report</b>	<b>Council</b>	<b>Contact Officer</b>
<b>(a)</b>	<b>(b)</b>	<b>(c)</b>	<b>(d)</b>
1.	<b>Updated Financial Scheme for Schools</b>	17 Apr 2019	<b>Gill Lewis, Interim Head of Finance and Section 151 Officer</b>  gill.lewis@bridgend.gov.uk

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## OVERVIEW AND SCRUTINY FORWARD WORK PROGRAMME - 1 APRIL 2019 TO 31 JULY 2019

Page 449

Date	Title of Report	Scrutiny Committee	Contact Officer
3 Apr	<b>Community Safety Partnership</b>	Corporate Overview and Scrutiny Committee	Mark Shephard, Interim Chief Executive Tel: 01656 643380 mark.shephard@bridgend.gov.uk
3 Apr	<b>Collaboration with the Police</b>	Corporate Overview and Scrutiny Committee	Mark Shephard, Interim Chief Executive Tel: 01656 643380 mark.shephard@bridgend.gov.uk
29 Apr	<b>Review of Fostering Project</b>	Subject Overview and Scrutiny Committee 1	Susan Cooper, Corporate Director - Social Services & Wellbeing Tel: 01656 642251 susan.cooper@bridgend.gov.uk
29 Apr	<b>Home to School Transport</b>	Subject Overview and Scrutiny Committee 1	Lindsay Harvey, Corporate Director Education and Family Support Tel: 01656 642612 lindsay.harvey@bridgend.gov.uk

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## BRIDGEND COUNTY BOROUGH COUNCIL

### REPORT TO CABINET

19 FEBRUARY 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>
Amendment to the School Admissions Policy and Arrangements 2019-2020	13 February 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 document listed in this report.

**K Watson**  
**Head of Legal and Regulatory Services**  
**13 February 2019**

**Contact Officer:** Andrew Rees  
**Democratic Services Manager**  
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Angel Street  
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CF31 4WB

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

# BRIDGEND COUNTY BOROUGH COUNCIL

## INFORMATION REPORT TO CABINET

19 FEBRUARY 2019

### REPORT BY THE CORPORATE DIRECTOR - EDUCATION AND FAMILY SUPPORT

#### AMENDMENT TO THE SCHOOL ADMISSIONS POLICY AND ARRANGEMENTS 2019-2020

#### 1. Purpose of report

- 1.1 This report informs Cabinet of an amendment to the School Admissions Policy and Arrangements 2019-2020.

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

- 2.1 The information in this report relates to the following strategic priority in the Corporate Plan:

- 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 The Welsh Government's School Admissions Code 2013 is a statutory code. It imposes requirements on local authorities and other bodies in relation to school admissions functions.
- 3.2 Cabinet approved the School Admissions Policy and Arrangements 2019-2020 on 27 March 2018.

#### 4. Current situation/proposal

- 4.1 Section 12 of the School Admissions Policy and Arrangements 2019-2020 approved by Cabinet on 27 March 2018 deals with admissions arrangements for nursery education.
- 4.2 Since the approval of the policy, it has become evident that the current oversubscription criteria for part-time nursery places does not provide sufficient distinction of the process of considering applications for children eligible to start in April 2020.
- 4.3 Under section 2.20(e) of the School Admissions Code 2013, admission arrangements that have been determined for a school year may be varied where an omission occurred in the determined arrangements. In accordance with section 2.21 there is no requirement to consult or notify Welsh Ministers of a variation to determined arrangements made under section 2.20(e).

4.4 Therefore, the School Admissions Policy 2019-2020 has been amended to provide greater clarity of the oversubscription criteria for part-time nursery applications for children eligible to start in April 2020. The revised document, attached as Appendix A, has been published.

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

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

## **6. Equality Impact Assessment**

6.1 It is a statutory duty that admission authorities are mindful of their duties with regards to Equalities legislation. The School Admissions Policy and Arrangements 2019-2020 adhere to these requirements.

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

7.1 The Well-being of Future Generations (Wales) Act 2015 assessment has been completed and is detailed in Appendix B. A summary of the implications from the assessment relating to the five ways of working is as follows:

### **Long-term**

The school admissions policy and arrangements set out how the local authority will balance the discharge of its statutory duty in relation to parental preference, the need to safeguard the delivery of effective education and the safety of pupils, and the need to support pupils in particular circumstances (for example, learners with specific vulnerabilities), in circumstances where the applications for places at a school exceed the number of available places.

### **Prevention**

Consultation on the school admissions policy and arrangements allow stakeholders to raise issues or make comments on proposals, for consideration of appropriate actions.

### **Integration**

The school admissions policy and arrangements support the provision of education in the communities in which pupils live.

### **Collaboration**

Each year, the local authority works in conjunction with key stakeholders to develop proposed school admission arrangements, for those schools for which it is the admissions authority

### **Involvement**

In accordance with the specified requirements of the Education (Determination of Admission Arrangements) (Wales) Regulations 2006 and the School Admissions Code 2013, the local authority consults each year on the proposed admission arrangements for those schools for which it is the admissions authority. Consultation for an academic year takes place two years in advance.

## **8. Financial implications**

8.1 There are no financial implications regarding this report.

## **9. Recommendation**

9.1 Cabinet is recommended to note the content of this report.

**Mr Lindsay Harvey**  
**Corporate Director - Education and Family Support**

**Contact Officer:** Dawn Davies  
Principal Officer, Knowledge and Learner Support

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Bridgend County Borough Council  
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### **Attachments**

Appendix A: School Admissions Policy and Arrangements 2019-2020

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

## Appendix A



### School Admissions Policy and arrangements 2019-2020 (amended)

#### 1. THE ADMISSION AUTHORITY

The entry of children to schools is controlled and administered by an 'Admission Authority'. In the case of community schools, this is the local authority (LA), that is, Bridgend County Borough Council. In accordance with the Education (Relevant Areas for Consultation on Admission Arrangements) Regulations 1999, the relevant area for the Admission Authority is the geographical area of the county borough of Bridgend. Where the LA is the admission authority, the school's governing body is under a duty to implement the LA's decision on applications, and to act in accordance with the LA's admission arrangements.

**The LA continuously reviews and reserves the right to amend its admissions procedures for statutory and non-statutory education.**

In the case of voluntary aided schools, the admission authority is the governing body of the individual school. Further information about admission to voluntary aided schools is set out in Section 24.

#### 2. PARENTAL PREFERENCE

The LA has a statutory duty to have regard to the general principle that pupils are to be educated in accordance with the wishes of their parents, so far as that would be compatible with the provision of efficient education and the avoidance of unreasonable public expenditure (S.9 Education Act 1996).

Within the County Borough of Bridgend each school has an area it serves (its catchment), however, the LA must allow all parents/carers the opportunity to express a positive preference for the school they would wish their child to attend. In the vast majority of cases, parents are quite happy to choose their catchment school, but it is legally necessary for that school to be selected by parents/carers and named on a form entitled 'Admission to School'.

The LA has a duty to meet the preferences for admission expressed by parents ahead of those who have expressed no preference. Consequently, parents must ensure they return the 'Admission to School' form expressing their preference by the stated deadline, and not automatically assume that a place will be available for their child at a particular school, even though that may be their catchment school.

The 'Admission to School' form will be sent by the LA to those parents whose child, in September 2019, will be:

- starting school for the first time (this does not include those starting in a nursery class/school); or
- moving from an infant school to a junior or primary school, (this does not apply to those moving from an infant dept. to a junior dept. within the same primary school); or
- moving from a junior or primary school to a secondary school.

For local authority admissions, the preferred school may be a community school of either language (Welsh or English) or a voluntary controlled school. If a parent wishes to apply for a place at a voluntary aided school they should approach that school directly for an admission application form.

The admission form also allows parents to list more than one school in priority order. Admission applications forms can be found on the Council's website:

[www.bridgend.gov.uk/admissions](http://www.bridgend.gov.uk/admissions)

If parents/carers have any queries in relation to the admission process they may contact the Learner Support team:

E-mail: pupilservices@bridgend.gov.uk  
Tel No: 01656 642637  
Address: Learner Support, Education and Family Support Directorate, Bridgend County Borough Council, Civic Offices, Angel Street, Bridgend CF31 4WB

A full version of this document is also published on the Bridgend County Borough Council website (see link above).

### 3. TIMETABLE FOR ADMISSIONS TO SCHOOLS – SEPTEMBER 2019-2020

The expected timetable to process applications for admissions to primary and secondary schools for September 2019 is as follows:-

#### **Pupils transferring from junior/primary school (year 6) to comprehensive school in September 2019**

Action	Date
Application forms sent to parents/carers/schools	Monday 22 October 2018
Deadline date for LA receipt of completed application forms	Friday 11 January 2019
Notification to parents/carers of acceptance/refusal of places	Friday 1 March 2019
Notification of any appeals	From April 2019

#### **Admission to Reception Class and Infant (Y2) pupils transferring to (Y3) in the Junior School in September 2019**

Action	Date
Application forms sent to parents/carers/schools	Monday 26 November 2018
Deadline date for LA receipt of completed application forms	Friday 15 February 2019
Notification to parents/carers of acceptance/refusal of places	Tuesday 16th April 2019
Notification of any appeals	From May 2019

The timetable for nursery admissions is not governed by the Admission Code for School Admissions (2013) and is set out in Section 12.

### Late applications

Only applications received by the published closing date for receipt of applications will be considered in the allocation of places. Applications received after the deadline date will be considered as late applications. Late applications will be processed after applications which were received by the closing date and therefore, late applicants may find that their preferred school is already full, even if the school is their catchment school.

## 4. WHERE THE DUTY TO COMPLY WITH PARENTAL PREFERENCE DOES NOT APPLY

The duty of the LA and school governors to comply with parental preference does not apply where:

- to admit the child would prejudice the provision of efficient education or efficient use of resources;
- the child has been permanently excluded from two or more schools. The requirement to comply with parental preference is dis-applied for a period of two years following the second exclusion. This does not apply to children who were below compulsory school age when they were excluded or to pupils who were reinstated after exclusion; or to admit would be incompatible with the statutory duty to meet infant class size limits of 30 (see Section 7).

## 5. CAPACITY

The Welsh Government uses a capacity calculation methodology for all schools. This aims to provide a robust and consistent method of assessing the capacity of all schools and is based on existing accommodation and usage. The capacity calculation allows the LA to calculate a Published Admissions Number (PAN) for every school. The PAN is derived by dividing the overall capacity by the number of year groups (excluding nursery) at a school. Guidance received from the Welsh Government (Circular No. 021/2011) states that "As the admission number reflects the school's ability to accommodate pupils, it should only be exceeded in exceptional circumstances".

## 6. ADMISSION LEVEL

All maintained schools must admit pupils up to their published admissions number in the relevant age group. The relevant age group for admission to schools within Bridgend are:

Infant /Primary Schools      Age 4/5      (reception class)

Junior Schools	Age 7/8	(year 3)
Secondary Schools	Age 11/12	(year 7)

## **7. INFANT CLASS SIZE REGULATIONS**

In order to improve educational standards in schools, it is government policy (Infant Class Sizes Wales Regulations 2013) to limit the number of children in Reception, Years 1 and 2 to a maximum of 30 pupils. Admission authorities can only refuse admission on the basis of infant class size prejudice if the published admission number has already been reached.

However, there are a number of limited exceptions where the LA can exceed the maximum of 30 pupils eg children whose statements of SEN specify that they should be educated at the school concerned, and who are admitted to the school outside a normal admission round and children who are 'looked after' by the LA or who have ceased to be looked after (previously looked after children).

## **8. PROOF OF ADDRESS & FALSE INFORMATION**

When considering whether a child lives in a school's catchment area, it is the permanent address of the parent or legal guardian that the LA considers to satisfy the admissions criteria, irrespective of a family's domestic arrangements. That is to say, the address of another relative or childminder etc. must not be given. The LA must be notified immediately of any change of permanent address. Further details about catchment areas serving schools, can be obtained by contacting the Learner Support team on 01656 642637.

Where a parent gives fraudulent or intentionally misleading information to obtain the advantage of a particular school placement for their child, which they would not otherwise be entitled to, the LA reserves the right to withdraw the offer of a place. Where a place is withdrawn, the application will then be considered afresh, and a right of appeal offered if a place is refused. Where there is doubt about the permanent address of a pupil living within the school's catchment area, the LA reserves the right to seek further verification from the applicant (such evidence may include a utility bill or council tax statement). All data is processed in compliance with the Data Protection Act.

Where parents/carers are applying for a catchment school on the basis of a house move, written evidence must be provided from a solicitor that identifies that such a sale has been completed and contracts have been exchanged. Where parents/carers are applying on the basis of the rental of a property within the catchment area, written evidence of a tenancy agreement will be required.

## **9. EQUALITIES**

The Council's admission arrangements seek to achieve full compliance with all relevant legislation and guidance, with regard to equal opportunities and human rights (Equality Act 2010, the Human Rights Act 1998 and the Welsh Language Act 1993).

The Council wants our services to be accessible to the whole community and will challenge discrimination in our communities, whether it is based on a person's transgender status,

race, sex, disability, age, sexual orientation, religion or belief, pregnancy and maternity marriage or civil partnership.

Bridgend County Borough Council's Corporate Equality Scheme sets out how the Council will comply with its Public Sector Equality Duty in the exercise of its functions, having due regard to the need to:

- eliminate discrimination, harassment, victimisation and any other conduct that is prohibited under the Act;
- advance equality of opportunity between persons who share a relevant protected characteristic and persons who do not share it; and
- foster good relations between persons who share a relevant protected characteristic and persons who do not.

#### **10. CHILDREN OF UK SERVICE PERSONNEL AND OTHER CROWN SERVANTS (including diplomats)**

Children of UK service personnel and other crown servants will be treated as in catchment if their application form is accompanied by an official Ministry of Defence (MOD) or Foreign and Commonwealth Office (FCO) letter declaring a return date and confirmation of the new address. Children of UK service personnel and other crown servants (including diplomats) may be given excepted status for infant class size purposes when admitted to a school outside of the normal admissions round.

#### **11. CHILDREN WITH A STATEMENT OF SPECIAL EDUCATIONAL NEEDS (SEN)**

Children with a statement of SEN will be admitted to the school named on their statement and will not be considered as part of the oversubscription criteria.

#### **12. NURSERY EDUCATION**

The Welsh Government requires LAs to secure a free, part-time, early-years education place for eligible three-year-olds from the term following their third birthday. The place can either be at an LA maintained school or within the non-maintained sector, with a registered early year's provider. Where parents opt for a place with a registered early year's provider, they will only be eligible to receive funding for a part-time place regardless of whether the place offered is full or part-time. The grant payment in this respect will be made directly to the provider.

Application forms for admission to full-time nursery schools/classes will be available on 7 January 2019 and must be returned to the LA by the 25 March 2019. Parents/carers will be notified of the outcome of their full-time nursery applications on 20 May 2019 and part-time nursery application in November 2019.

The LA is committed to the principle of providing local schools for local children and will make every effort to ensure that parents are able to secure a place for their child(ren) at their catchment school, where parents/carers have expressed a positive preference for that school. The LA will only normally admit up to the school's published admission number when allocating full-time nursery places. Where the number of applications exceeds the number of places available, the LA will apply the following criteria in order of priority to allocate the places available:-

Places at LA maintained schools are part-time for 3 year olds (nursery year one) and full-time for 4 year olds (nursery year two).

**Over subscription criteria for full-time nursery places:-**

1. Children who are 'looked-after' and previously 'looked after' children.
2. Children who will be three years of age on or before 31 August 2019 and who normally reside within the community school's catchment area will be considered first. These children will attain their 4th birthday during the academic year (nursery year two) and will be eligible for a full-time nursery place in September 2019.

Where a school is over-subscribed the LA will allocate the places in the following order of priority:

- a) Children with siblings attending the school in the academic year 2019-20. A sibling is classified as a half or full brother/sister; a step brother/sister, an adopted brother/sister; or a child living in the same household. When allocating places, if the last place is offered to a multiple birth child (eg a twin or triplet), the LA will also admit the other sibling(s).
  - b) Proximity to school, as measured by the nearest available safe walking route (from home to the main school gate). The Council uses GIS software to measure all distances.
3. Children not currently resident within the defined catchment area whose parents have satisfied the LA, by the published closing date for receipt of Admission to Schools preference forms, that the child will be resident within the defined catchment area by the commencement of the school term to which the application relates. Evidence of permanent residence of the child must be supplied (see section 8).

Where a school is over-subscribed the LA will allocate the places in the following order of priority:

- a) Children with siblings attending the school in the academic year 2019-20. A sibling is classified as a half or full brother/sister; a step brother/sister, an adopted brother/sister; or a child living in the same household. When allocating places, if the last place is offered to a multiple birth child (eg a twin or triplet), the LA will also admit the other sibling(s).
  - b) Proximity to school, as measured by the nearest available safe walking route (from home to the main school gate). The Council uses GIS software to accurately measure all distances.
4. Children recommended for placement for medical, psychological, or social reasons eg young carers. To satisfy the medical and psychological criteria, parents must provide supporting evidence from a registered health professional. The evidence must set out in detail why the named school is the most suitable school and what difficulties would arise if the child had to attend another school.

5. Children living outside the community school's catchment area will be considered for any remaining places in the order of priority set out below:
  - a) Children with siblings attending the school in the academic year 2019-2020. A sibling is classified as a half or full brother/sister; a step brother/sister, an adopted brother/sister; or a child living in the same household. When allocating places if the last place is offered to a multiple birth child (eg a twin or triplet), the LA will also admit the other sibling(s).
  - b) Proximity to school, as measured by the nearest available safe walking route (from home to the main school gate). The Council uses GIS software to measure all distances.

**Parents/carers should note that pupils who are admitted to a nursery class of an infant or primary school will not have an automatic right to continued education at the same school when moving to a reception class.** All parents/carers of children attending a nursery class, whether residing within the catchment area or outside it, will be required at the appropriate time, to complete an Admission to School form indicating their preference for a school (See Section 2).

**Over subscription criteria for part-time nursery places:-**

1. Children who are 'looked-after' and previously 'looked after' children.
2. Children who will be three years of age on or before 31 December 2019 and who normally reside within the community school's catchment area. These children will be eligible for a part-time place in January 2020 (nursery year one).

Where a school is over-subscribed the LA will allocate the places in the following order of priority:

- a) Children with siblings attending the school in the academic year 2019-20. A sibling is classified as a half or full brother/sister; a step brother / sister, an adopted brother/sister; or a child living in the same household. When allocating places if the last place is offered to a multiple birth child (eg a twin or triplet), the LA will also admit the other sibling(s).
  - b) Proximity to school, as measured by the nearest available safe walking route (from home to the main school gate). The Council uses GIS software to measure all distances.
3. Children who will be three years of age on or before 31 December 2019 (these children will be eligible for a part-time place in January 2020) who are not currently resident within the defined catchment area, whose parents have satisfied the LA, by the published closing date for receipt of Admission to Schools preference forms, that the child will be resident within the defined catchment area by the commencement of the school term to which the application relates. Evidence of permanent residence of the child must be supplied (see section 8).

Where a school is over-subscribed the LA will allocate the places in the following order of priority:

- a) Children with siblings attending the school in the academic year 2019-20. A sibling is classified as a half or full brother/sister; a step brother/sister, an adopted brother/sister; or a child living in the same household. When allocating places, if the last place is offered to a multiple birth child (eg a twin or triplet), the LA will also admit the other sibling(s).
  - b) Proximity to school, as measured by the nearest available safe walking route (from home to the main school gate). The Council uses GIS software to accurately measure all distances.
4. Children who will be three years of age on or before 31 December 2019 (these children will be eligible for a part-time place in January 2020) who are recommended for placement for medical, psychological, or social reasons eg young carers. To satisfy the medical and psychological criterion, parents must provide supporting evidence from a registered health professional. The evidence must set out in detail why the named school is the most suitable school and what difficulties would arise if the child had to attend another school.
5. Children who will be three years of age on or before 31 December 2019 (these children will be eligible for a part-time place in January 2020) who are living outside the community school's catchment area will be considered for any remaining places in the order of priority set out below:
- a) Children with siblings attending the school in the academic year 2019-2020. A sibling is classified as a half or full brother/sister; a step brother/sister, an adopted brother/sister; or a child living in the same household. When allocating places if the last place is offered to a multiple birth child (eg a twin or triplet), the LA will also admit the other sibling(s).
  - b) Proximity to school, as measured by the nearest available safe walking route (from home to the main school gate). The Council uses GIS software to measure all distances.
6. Children who will be three years of age between 1 January 2020 and 31 March 2020 (these children will be eligible for a part-time place in April 2020) and who normally reside within the community school's catchment area.

Where a school is over-subscribed the LA will allocate the places in the following order of priority:

- c) Children with siblings attending the school in the academic year 2019-20. A sibling is classified as a half or full brother/sister; a step brother / sister, an adopted brother/sister; or a child living in the same household. When allocating places if the last place is offered to a multiple birth child (eg a twin or triplet), the LA will also admit the other sibling(s).

- d) Proximity to school, as measured by the nearest available safe walking route (from home to the main school gate). The Council uses GIS software to measure all distances.
7. Children who will be three years of age between 1 January 2020 and 31 March 2020 (these children will be eligible for a part-time place in April 2020) who are not currently resident within the defined catchment area, whose parents have satisfied the LA, by the published closing date for receipt of Admission to Schools preference forms, that the child will be resident within the defined catchment area by the commencement of the school term to which the application relates. Evidence of permanent residence of the child must be supplied (see section 8).

Where a school is over-subscribed the LA will allocate the places in the following order of priority:

- c) Children with siblings attending the school in the academic year 2019-20. A sibling is classified as a half or full brother/sister; a step brother/sister, an adopted brother/sister; or a child living in the same household. When allocating places, if the last place is offered to a multiple birth child (eg a twin or triplet), the LA will also admit the other sibling(s).
  - d) Proximity to school, as measured by the nearest available safe walking route (from home to the main school gate). The Council uses GIS software to accurately measure all distances.
8. Children who will be three years of age between 1 January 2020 and 31 March 2020 (these children will be eligible for a part-time place in April 2020) who are recommended for placement for medical, psychological, or social reasons eg young carers. To satisfy the medical and psychological criterion, parents must provide supporting evidence from a registered health professional. The evidence must set out in detail why the named school is the most suitable school and what difficulties would arise if the child had to attend another school.
9. Children who will be three years of age between 1 January 2020 and 31 March 2020 (these children will be eligible for a part-time place in April 2020) who are living outside the community school's catchment area will be considered for any remaining places in the order of priority set out below:
- c) Children with siblings attending the school in the academic year 2019-2020. A sibling is classified as a half or full brother/sister; a step brother/sister, an adopted brother/sister; or a child living in the same household. When allocating places if the last place is offered to a multiple birth child (eg a twin or triplet), the LA will also admit the other sibling(s).
  - d) Proximity to school, as measured by the nearest available safe walking route (from home to the main school gate). The Council uses GIS software to measure all distances.

**Parents/carers should note that there is no right of appeal in the case of nursery admissions.**

**Parents/carers should note the following special arrangements:**

1. The Council agreed in November 2012 that the new Linc Cymru development in the north-east of Brackla (known as Trem-Y-Castell), would be assigned to the catchment area of Coychurch Primary School, with effect from September 2014. It was further agreed that the situation would be in place for a period of five years and be reviewed in 2019. For this, the 2019/20 admission period, it has been determined to continue this arrangement. Children from this area will be entitled to receive free school transport, subject in accordance with the School Transport Policy in force at the time.

If parents/carers have any doubt in which catchment area they reside, they are advised to contact the Learner Support team on 01656 642637.

**13. PRIMARY EDUCATION**

Every child is required by law to receive full-time education from the beginning of the school term after his/her fifth birthday. In Bridgend, however, all children are normally admitted to reception classes in the September following their fourth birthday.

Again the LA is committed to the principle of providing local schools for local children and will make every effort to ensure that children are able to secure a place at their catchment school, where parents/carers have expressed a positive preference for that school. However, where the number of applications exceeds the number of places available, the LA will apply the following criteria in order of priority to allocate the places available:-

**Over subscription Criteria:-**

1. Children who are 'looked-after' and previously 'looked after' children
2. Children who normally reside within the community school's catchment area.

Where a school is over-subscribed the LA will allocate the places in the following order of priority:

- a) Children with siblings attending the school in the academic year 2019-20. A sibling is classified as a half or full brother/sister; a step brother/sister, an adopted brother/sister; or a child living in the same household. When allocating places if the last place is offered to a multiple birth child (eg a twin or triplet), the LA will also admit the other sibling(s).
- b) Proximity to school, as measured by the nearest available safe walking route (from home to the main school gate). The Council uses GIS software to measure all distances.
3. Children not currently resident within the defined catchment area whose parents have satisfied the LA, by the published closing date for receipt of Admission to Schools preference forms, that the child will be resident within the defined catchment area by the commencement of the school term to which the application relates. Evidence of permanent residence of the child must be supplied (see section 8).

Where a school is over-subscribed the LA will allocate the places in the following order of priority:

- a) Children with siblings attending the school in the academic year 2019-20. A sibling is classified as a half or full brother/sister; a step brother / sister, an adopted brother/sister; or a child living in the same household. When allocating places if the last place is offered to a multiple birth child (eg a twin or triplet), the LA will also admit the other sibling(s).
  - b) Proximity to school, as measured by the nearest available safe walking route (from home to the main school gate). The Council uses GIS software to measure all distances.
4. Children recommended for placement for medical, psychological, or social reasons eg young carers. To satisfy the medical and psychological criteria, parents must provide supporting evidence from a registered health professional. The evidence must set out in detail why the named school is the most suitable school and what difficulties would arise if the child had to attend another school.
  5. Children living outside the community school's catchment area will be considered for any remaining places in the order of priority set out below:
    - a) Children with siblings attending the school in the academic year 2019-20. A sibling is classified as a half or full brother/sister; a step brother / sister, an adopted brother/sister; or a child living in the same household. When allocating places if the last place is offered to a multiple birth child (eg a twin or triplet), the LA will also admit the other sibling(s).
    - b) Proximity to school, as measured by the nearest available safe walking route (from home to the nearest main school gate). The Council uses GIS software to measure all distances.

**Parents/carers should note the following special arrangements:-**

1. The Council agreed in November 2012 that the new Linc Cymru development in the north-east of Brackla (known as Trem-Y-Castell), would be assigned to the catchment area of Coychurch Primary School, with effect from September 2014. It was further agreed that the situation would be in place for a period of five years and be reviewed in 2019. For this, the 2019/20 admission period, it has been determined to continue this arrangement. Children from this area will be entitled to receive free school transport, subject in accordance with the School Transport Policy in force at the time.

If parents / carers have any doubt in which catchment area they reside they are advised to contact Learner Support Services on 01656 642637.

**14. TRANSFER TO A JUNIOR SCHOOL OR TO A JUNIOR DEPARTMENT WITHIN A PRIMARY SCHOOL**

Children enter, or transfer to junior school or to a junior department in a primary school, on the first day of the autumn term following their seventh birthday.

Where an area is served by separate infant and junior or primary schools, parents of children in an infant school will need to complete the Admission to Schools form in order to ensure their request for a place for their child is considered at the time of transfer from the infant school to the respective junior or primary school.

In primary schools the infant and junior sections are simply departments of the same school and children progress through the school from the infants to juniors without having to transfer elsewhere. Parents are therefore **not** required to complete a form, since the children are already regarded as registered pupils in the primary school.

## **15. SECONDARY EDUCATION**

Children normally transfer from primary school to secondary school at the beginning of the academic year following their eleventh birthday. Being a registered pupil at a feeder junior or primary school does not qualify for automatic admission to the associated secondary school. Where the number of applications exceeds the number of places available, the LA will apply the following criteria in order of priority to allocate the places available:

### **Over subscription Criteria:**

1. Children who are 'looked-after' and previously 'looked after' children.
2. Pupils who normally reside within the community school's catchment area.

Where a school is over-subscribed and all applications are within the catchment area, the LA will allocate the places in the following order of priority:

- a) Children with siblings attending the school in the academic year 2019-20. A sibling is classified as a half or full brother/sister; a step brother/sister, an adopted brother/sister; or a child living in the same household. When allocating places if the last place is offered to a multiple birth child (eg a twin or triplet), the LA will also admit the other sibling(s).
  - b) Proximity to school, as measured by the nearest available safe walking route (from home to the main school gate). The Council uses GIS software to measure all distances.
3. Children not currently resident within the defined catchment area whose parents have satisfied the LA, by the published closing date for receipt of Admission to Schools preference forms, that the child will be resident within the defined catchment area by the commencement of the school term to which the application relates. Evidence of permanent residence of the child must be supplied (see section 8).

Where a school is over-subscribed the LA will allocate the places in the following order of priority:

- a) Children with siblings attending the school in the academic year 2019-20. A sibling is classified as a half or full brother/sister; a step brother / sister, an adopted brother/sister; or a child living in the same household. When allocating places if

the last place is offered to a multiple birth child (eg a twin or triplet), the LA will also admit the other sibling(s).

- b) Proximity to school, as measured by the nearest available safe walking route (from home to the main school gate). The Council uses GIS software to measure all distances.
4. Children recommended for placement for medical, psychological, or social reasons eg young carers. To satisfy the medical and psychological criteria, parents must provide supporting evidence from a registered health professional. The evidence must set out in detail why the named school is the most suitable school and what difficulties would arise if the child had to attend another school.
  5. Children living outside the community school's catchment area will be considered for any remaining places in the order of priority set out below:
    - a) Children with siblings attending the school in the academic year 2019-20. A sibling is classified as a half or full brother/sister; a step brother/sister, an adopted brother/sister; or a child living in the same household. When allocating places if the last place is offered to a multiple birth child (eg a twin or triplet), the LA will also admit the other sibling(s).
    - b) Proximity to school measured by the nearest available safe walking route (from home to the nearest main school gate). The Council uses GIS software to measure all distances.

**Parents/carers should note the following special arrangement:**

1. The Council agreed a change in the catchment areas of both Porthcawl and Cynffig Comprehensive Schools, with effect from September 2015. The change results in all of North and South Cornelly falling within the catchment area of Cynffig Comprehensive School. Parents of pupils with an older sibling already attending either of the schools affected by these changes will be able to use their parental choice to request a school place for the younger siblings to attend the same school as the older sibling. For five years following the implementation of these changes, these younger siblings will be treated as living in the 'original' catchment area. This arrangement will cease as from September 2020. Free school transport will continue to be offered as per the existing Home to School Transport Policy in force. Under the current policy pupils who attend a school other than their own catchment school (where there is space available for them in their catchment school) are not entitled to free school transport. Therefore, a school place may be offered (subject to the school not being oversubscribed) on the proviso that the parent would be responsible for transport costs and arrangements of the younger sibling(s).

If parents/carers have any doubt in which catchment area they reside they are advised to contact Learner Support Services on 01656 642637.

## **16. POST 16 ADMISSIONS**

The admission of pupils who wish to progress their post 16 education at a community school's sixth form is, at present, determined by individual schools. This is also the case for pupils wishing to study at post 16 at a further education (FE) institution. Therefore any applications in this category should be made directly to the school/FE college. Individual schools/FE colleges are responsible for issuing policies on sixth form admissions in respect of entry criteria. The Authority has a policy of open access to schools' sixth forms.

## **17. OUTCOME OF APPLICATION**

Please note that there is no right of appeal for non-statutory education eg nursery education. Parents/carers will be notified of the outcome of their application in writing. If the application is refused, the letter will set out the reasons for the decision and will advise parents/carers on the appeal process.

## **18. MID - YEAR ADMISSIONS/TRANSFERS**

Parents/carers, who move into the county borough of Bridgend during the academic year, will be required to complete an 'In-Year Transfer' form requesting admission to school. Similarly, if parents move within the County Borough they may wish to seek admission to their catchment area school. An 'In Year Transfer' form would need to be completed. If you are not moving house you should consider the implications of this transfer request (refer to guidance on 'In-Year Transfer Form'). Copies of the form are available from on the Council's website via the link below, or directly from the Learner Support team (01656 642637).

<http://www.bridgend.gov.uk/services/schools/school-transfers-in-year-school-transfer-requests.aspx>

Parents/carers may also wish to apply for a place at a different school for other reasons. If you are not moving house, you should talk to the headteacher about the reasons for a change of school. There is a significant amount of research which shows that changing schools is disruptive and can have a negative impact on a pupil's attainment. There are many reasons for this. Hence, it is important that careful consideration is given, particularly in the case of pupils in years 10 and 11 who would have made their GCSE choices, to any change of school.

**In cases involving school transfer requests that do not require a house move, or where there is no need for an immediate move, the LA would normally arrange for the child to start the school at the beginning of the following term, to minimise disruption to their own and other children's education.**

Further advice on transferring a child to another school is available from Learner Support Services (01656 642637).

## **19. WAITING LISTS**

The LA does maintain waiting lists for oversubscribed schools. Following the allocation of places during the normal admissions round, children will remain on the waiting list until 30 September 2019. Where applications are received outside the normal admissions round, children will remain on the waiting list for a period of one month.

If additional places do become available, they will be allocated on the basis of the published oversubscription criteria (see relevant section above) and **NOT** the length of time a pupil has been on the waiting list.

## **20. ADMISSION OUTSIDE THE NORMAL AGE GROUP**

Occasionally the parents/carers of gifted or talented children will seek a school place for their child outside their normal age. The LA will consider each case individually and make its decision in consultation with the school and parent/carer.

Other circumstances where a school place will need to be considered outside of a child's normal age range may include where a child has experienced problems or missed part of a year due to ill health.

Where the LA considers that an out of year group application is appropriate but that application is refused due to no places being available at the school, the parent/carer will be offered a right of appeal. However, there is no right of appeal if a place has been offered, but not in the desired year group (ie where the place offered is in the correct chronological year group for the child's age).

## **21. REGISTERING AN APPEAL**

In the vast majority of cases, children are offered places in line with their parent's preference of school. If however, a child is unable to gain admission, parents may accept a place offered at an alternative school whilst pursuing a place at their preferred school. If parents feel that they have circumstances which they believe justify further consideration, they may choose to appeal to an independent panel. This panel will consider the grounds put forward by parents for the appeal and determine whether the merits of their case outweigh the arguments presented by the LA. Before they appeal, parents are advised to consider the LA's admission policy.

Parents/carers may lodge a formal appeal against the LA but this must be received within 14 days (10 working days) of being notified of the decision not to admit a child to their preferred school. Parents should submit their appeal in writing, stating their reasons for appeal, to: Learner Support, Education and Family Support Directorate, Civic Offices, Angel Street, Bridgend, CF31 4WB. The LA will refer the appeal to an independent appeal panel. The clerk to the panel, will arrange a time and place for the hearing. The panel will give parents an opportunity of appearing before them and making their representations (oral and/or written).

Parents/carers are advised that:-

1. They may elect not to attend the appeal meeting and, instead, allow the appeal to be considered on a written statement.
2. The appeal will be decided on the information available if, having failed to give a reasonable explanation, they do not appear.
3. If they cannot attend on the date, and it is not reasonably practicable to offer an adjourned hearing, the appeal will have to be decided on whatever information is available.

4. They will be given at least 14 days (10 working days) written notice of the meeting of the appeal panel, unless they agree to a shorter period. The parent/carer should confirm this in writing to the clerk to the panel.

Parents/carers can be accompanied by a friend or adviser or an interpreter, however, LA councillors are not permitted to attend. Parents are requested to inform the clerk to the independent appeal panel of any representation at least seven days before the hearing. Parents are also advised that agencies such as SNAP Tel. No. 08451203730 and ACE Tel. No. 03000115142 are available to provide assistance when making appeals.

## **22. REPEAT APPEALS**

Parents/carers generally do not have a right to a second appeal in respect of the same school and the same academic year except where:

- there were faults in the first appeal process and there is a significant possibility that the outcome might have been affected by the faults (this may be on the recommendation of the Public Services Ombudsman); or
- a fresh application is accepted because there has been a significant and material change in the circumstances of the parent or child and that application has also been turned down. Common examples of where a fresh application is considered are where a family has moved address or there are new medical reasons.

Parents/carers who appeal unsuccessfully can re-apply for a place at the same school in respect of a later academic year. If they are again unsuccessful they do have the right of appeal.

## **23. WELSH EDUCATION**

In accordance with statutory requirements, the LA's policy is that every child should have the opportunity to learn and use the Welsh language. Provision is made for this in the following ways:

1. The teaching of Welsh as a second language in English medium schools.
  - a) At Foundation Phase, Welsh is taught to all pupils. The emphasis is on using the language with purpose and in meaningful situations. In addition, the incidental use of the language during the school day is encouraged.
  - b) At key stage 2, the language is further developed orally, with greater emphasis on reading and writing skills.
  - c) At key stage 3, Welsh is taught to all pupils and at key stage 4, it is now compulsory. Opportunities are provided in all schools for pupils to continue their studies for both the 16+ and 'A' level examinations.
2. Provision for Welsh-medium education.
  - a) Welsh-medium education is available at the four Welsh-medium primary schools to all pupils whose parents select that medium of education.
  - b) Parents/carers residing in the east of the county borough may wish for their children to attend the Welsh Unit at Dolau Primary School. Bridgend County

- Borough Council will be responsible for any transport costs for eligible pupils, but only if such pupils reside closer to Dolau than to Ysgol Bro Ogwr.
- c) At Foundation Phase, all subjects are taught and all activities are run through the medium of Welsh.
  - d) English is introduced as a subject in KS2. Although all the other subjects are taught through the medium of Welsh, standards in English are equally safeguarded.
  - e) The arrangement between the education authorities of Bridgend and Rhondda Cynon Taf, will allow pupils currently attending Ysgol Gyfun Llanhari to continue their education at the school.

Entry to Welsh medium schools is controlled by the application of the same admission criteria expressed within the relevant section of this policy.

## **24. ADMISSION TO VOLUNTARY AIDED SCHOOLS**

Within the county borough of Bridgend, there are five voluntary aided schools which are financed largely by the Local Authority. The governing body of each voluntary aided school is the admission authority with responsibility for all admission arrangements.

The five voluntary aided schools within the county borough are as follows:

1. St. Mary's Primary Catholic School, Bridgend
2. St. Mary's & St. Patrick's Primary Catholic School, Maesteg
3. St. Roberts Primary Catholic School, Aberkenfig
4. Archbishop McGrath Catholic High School
5. Archdeacon John Lewis Church in Wales Primary School

Parents/carers who wish to seek admissions to these schools are advised to contact the relevant school for further information.

## **25. ADMISSION TO VOLUNTARY CONTROLLED SCHOOL**

The one voluntary controlled school in Bridgend County Borough is Penyfai Church in Wales Primary School, which is financed by the LA. The admission criteria are consistent with that of the LA and with the Trust Deed of the school. Appeal arrangements are managed by the LA and consistent with the provision of the Trust Deed.

## **26. ARRANGEMENTS WITH OTHER LOCAL AUTHORITIES**

Bridgend County Borough has made the following arrangements with Rhondda Cynon Taf County Borough Council, where surplus admission places are available.

1. Pupils from Abercerdin Primary School may attend Tonyrefail Comprehensive School with Bridgend County Borough Council being responsible for transport costs.
2. Pupils from Dolau Primary, Brynna Primary and Llanharan Primary School may attend Pencoed Comprehensive with Rhondda Cynon Taf County Borough Council being responsible for transport costs.
3. Pupils from Bridgend County Borough may attend the Welsh Unit at Dolau Primary with Bridgend County Borough Council being responsible for any transport costs for eligible pupils, but only if such pupils reside closer to Dolau than to Ysgol Bro Ogwr.

Bridgend County Borough Council has no arrangements for the provision of education at schools not maintained by a Local Authority.

## **27. SPECIAL SCHOOLS**

Bridgend County Borough Council is the responsible authority for determining the special educational provision required by individual children and young people with a statement of special educational needs.

This may involve mainstream or special school provision, and in exceptional cases, placement in schools outside Bridgend County Borough.

The Special Educational Needs Tribunal for Wales, under certain circumstances also has the authority to decide where a child with a statement is to be educated.

The County Borough's two special schools are regional centres with pupils admitted from neighbouring local authorities.

## Appendix B

## WELL-BEING OF FUTURE GENERATIONS (WALES) ACT 2015 ASSESSMENT

<b>Project Description (key aims):</b>	
<b>School Admissions Policy and Arrangements 2019-2020</b>	
<b>Section 1 Complete the table below to assess how well you have applied the 5 ways of working.</b>	
<b>Long-term</b>  (The importance of balancing short term needs with the need to safeguard the ability to also meet long term needs)	<p><b>1. How does your project / activity balance short-term need with the long-term and planning for the future?</b></p> <p>In September 2009, Welsh Government introduced a new capacity calculation methodology for all schools in Wales. This aims to provide a robust and consistent method of assessing the capacity of all schools in terms of the number of school places. The calculated capacity of a school is based on the existing accommodation at a school and its usage.</p> <p>The capacity calculation for a school allows the local authority to calculate a published admissions number (PAN). This represents the number of pupils per year group that can be accommodated at the school. Capacity calculations are undertaken for each school annually.</p> <p>The local authority is under a statutory duty to have regard to the general principle that pupils are to be educated in accordance with the wishes of the parents/carers (parental preference) so far as that would be compatible with the provision of 'efficient education or the efficient use of resources', which includes the avoidance of unreasonable public expenditure.</p> <p>Availability of sufficient space is very important for the delivery of effective education. Admitting pupils over the published admission number can prejudice the quality of teaching and learning, in both the current and future years, by reducing the amount of space available within a classroom for the children to access the necessary learning resources. Admitting pupil numbers in excess of the calculated capacity of a school also risks overcrowding and this can have a detrimental impact on the health and safety of pupils at the school.</p> <p>The school admissions policy and arrangements set out how the local authority will balance the discharge of its statutory duty in relation to parental preference, the need to safeguard the delivery of effective education and</p>

	the safety of pupils, and the need to support pupils in particular circumstances (for example, learners with specific vulnerabilities), in circumstances where the applications for places at a school exceed the number of available places.
<b>Prevention</b>  (How acting to prevent problems occurring or getting worse may help public bodies meet their objectives)	<b>2. How does your project / activity put resources into preventing problems occurring or getting worse?</b>  Consultation on the school admissions policy and arrangements allow stakeholders to raise issues or make comments on proposals, for consideration of appropriate actions.  The school admissions policy and arrangements set out the clear arrangements for school admissions and are, therefore, an information resource for parents/carers of pupils who will be the subject of an admission round, parents/carers who may need or wish to effect an in-year admission transfer for a pupil, and schools and their governing bodies.  Through the discharge of the policy and arrangements, the local authority collects data and information that is collated and analysed to inform future planning and developments related to school places and school admissions.
<b>Integration</b>  (Considering how the public body's well-being objectives may impact upon each of the wellbeing goals, on their objectives, or on the objectives of other public bodies)	<b>3. How does your project / activity deliver economic, social, environmental &amp; cultural outcomes together?</b>  The school admissions policy and arrangements support the following: <ul style="list-style-type: none"> <li>• provision of education in the communities in which pupils live, as far as is possible;</li> <li>• parental preference in so far as that would be compatible with the provision of 'efficient education or the efficient use of resources', which includes the avoidance of unreasonable public expenditure;</li> <li>• the particular circumstances of any pupil who is the subject of an admission application;</li> <li>• the need to safeguard the education and welfare of already attending a school; and</li> <li>• compliance with the Public Sector Equality Duty under the Equality Act 2010.</li> </ul>

<p><b>Collaboration</b></p> <p>(Acting in collaboration with any other person (or different parts of the body itself) that could help the body meet its well-being objectives)</p>	<p><b>4. How does your project / activity involve working together with partners (internal and external) to deliver well-being objectives?</b></p> <p>Each year, the local authority works in conjunction with key stakeholders to develop proposed school admission arrangements, for those schools for which it is the admissions authority.</p> <p>In accordance with the specified requirements of the Education (Determination of Admission Arrangements) (Wales) Regulations 2006 and the School Admissions Code (2013), the local authority consults each year on the proposed admission arrangements. Consultation for an academic year takes place two years in advance.</p> <p>Consultation papers on proposed arrangements are circulated to neighbouring local authorities, admission authorities within the area, dioceses, the Bridgend School Admissions Forum and to all schools in the Bridgend county borough.</p> <p>Comments on the proposed school admission arrangements are considered in preparation for final agreement of the arrangements by the required date of 15 April.</p>
<p><b>Involvement</b></p> <p>(The importance of involving people with an interest in achieving the well-being goals, and ensuring that those people reflect the diversity of the area which the body serves)</p>	<p><b>5. How does your project / activity involve stakeholders with an interest in achieving the well-being goals? How do those stakeholders reflect the diversity of the area?</b></p> <p>In accordance with the specified requirements of the Education (Determination of Admission Arrangements) (Wales) Regulations 2006 and the School Admissions Code (2013), the local authority to consults each year on the proposed admission arrangements for those schools for which it is the admissions authority. Consultation for an academic year takes place two years in advance.</p> <p>Consultation papers on proposed arrangements are circulated to neighbouring local authorities, admission authorities within the area, dioceses, the Bridgend School Admissions Forum and to all schools in the Bridgend county borough.</p> <p>Comments on the proposed school admission arrangements are considered in preparation for final agreement of the arrangements by the required date of 15 April.</p>

Section 2 Assess how well your project / activity will result in multiple benefits for our communities and contribute to the national well-being goals (use Appendix 1 to help you).		
Description of the Well-being goals	How will your project / activity deliver benefits to our communities under the national well-being goals?	Is there any way to maximise the benefits or minimise any negative impacts to our communities (and the contribution to the national well-being goals)?
<p><b>A prosperous Wales</b> An innovative, productive and low carbon society which recognises the limits of the global environment and therefore uses resources efficiently and proportionately (including acting on climate change); and which develops a skilled and well-educated population in an economy which generates wealth and provides employment opportunities, allowing people to take advantage of the wealth generated through securing decent work.</p>	<p>The school admissions policy and arrangements support access to education, which is fundamental to achievement of this goal.</p> <p>The school admissions policy and arrangements support provision of education in the communities in which pupils live, as far as is possible. By doing so, the need for transportation of pupils is minimised.</p>	<p>The local authority in conjunction with key stakeholders and Welsh Government monitors the application, outcomes and effectiveness of the school admission arrangements.</p> <p>Annual consultation arrangements seek and take account of feedback on proposed arrangements.</p>
<p><b>A resilient Wales</b> A nation which maintains and enhances a biodiverse natural environment with healthy functioning ecosystems that support social, economic and ecological resilience and the capacity to adapt to change (for example climate change).</p>	<p>The school admissions policy and arrangements support access to education, which is fundamental to achievement of this goal.</p>	<p>The local authority in conjunction with key stakeholders and Welsh Government monitors the application, outcomes and effectiveness of the school admission arrangements.</p> <p>Annual consultation arrangements seek and take account of feedback on proposed arrangements.</p>
<p><b>A healthier Wales</b> A society in which people's physical and mental well-being is maximised and in which choices and behaviours that benefit future health are understood.</p>	<p>The school admissions policy and arrangements support access to education, which is fundamental to achievement of this goal.</p>	<p>The local authority in conjunction with key stakeholders and Welsh Government monitors the application, outcomes and effectiveness of the school admission arrangements.</p>

	<p>The school admissions policy and arrangements set out how the local authority will balance the discharge of its statutory duty in relation to parental preference, the need to safeguard the delivery of effective education and the safety of pupils, and the need to support pupils in particular circumstances (for example, learners with specific vulnerabilities, including specific medical and social needs, and learners with special educational needs).</p>	<p>Annual consultation arrangements seek and take account of feedback on proposed arrangements.</p>
<p><b>A more equal Wales</b> A society that enables people to fulfil their potential no matter what their background or circumstances (including their socio economic background and circumstances).</p>	<p>The school admissions policy and arrangements support access to education, which is fundamental to achievement of this goal.</p> <p>The school admissions policy and arrangements set out how the local authority will balance the discharge of its statutory duty in relation to parental preference, the need to safeguard the delivery of effective education and the safety of pupils, and the need to support pupils in particular circumstances (for example, learners with specific vulnerabilities, including specific medical and social needs, and learners with special educational needs).</p>	<p>The local authority in conjunction with key stakeholders and Welsh Government monitors the application, outcomes and effectiveness of the school admission arrangements.</p> <p>Annual consultation arrangements seek and take account of feedback on proposed arrangements.</p>
<p><b>A Wales of cohesive communities</b> Attractive, viable, safe and well-connected communities.</p>	<p>The school admissions policy and arrangements support access to</p>	<p>The local authority in conjunction with key stakeholders and Welsh Government monitors the application, outcomes and</p>

	<p>education, which is fundamental to achievement of this goal.</p> <p>The school admissions policy and arrangements support provision of education in the communities in which pupils live, as far as is possible.</p>	<p>effectiveness of the school admission arrangements.</p> <p>Annual consultation arrangements seek and take account of feedback on proposed arrangements.</p>
<p><b>A Wales of vibrant culture and thriving Welsh language</b> A society that promotes and protects culture, heritage and the Welsh language, and which encourages people to participate in the arts, and sports and recreation.</p>	<p>The school admissions policy and arrangements support access to education, which is fundamental to the achievement of this goal.</p> <p>The school admissions policy and arrangements support access to education, including access to Welsh-medium education and faith-based education.</p>	<p>The local authority in conjunction with key stakeholders and Welsh Government monitors the application, outcomes and effectiveness of the school admission arrangements.</p> <p>Annual consultation arrangements seek and take account of feedback on proposed arrangements.</p>
<p><b>A globally responsible Wales</b> A nation which, when doing anything to improve the economic, social, environmental and cultural well-being of Wales, takes account of whether doing such a thing may make a positive contribution to global well-being.</p>	<p>The school admissions policy and arrangements support access to education, which is fundamental to achievement of this goal.</p>	<p>The local authority in conjunction with key stakeholders and Welsh Government monitors the application, outcomes and effectiveness of the school admission arrangements.</p> <p>Annual consultation arrangements seek and take account of feedback on proposed arrangements.</p>

<b>Section 3 Will your project / activity affect people or groups of people with protected characteristics? Explain what will be done to maximise any positive impacts or minimise any negative impacts</b>			
Protected characteristics	Will your project / activity have any positive impacts on those with a protected characteristic?	Will your project / activity have any negative impacts on those with a protected characteristic?	Is there any way to maximise any positive impacts or minimise any negative impacts?
Age:	Yes	No	Performance monitoring and evaluation.
Gender reassignment:	Yes	No	Performance monitoring and evaluation.
Marriage or civil partnership:	Yes	No	Performance monitoring and evaluation.
Pregnancy or maternity:	Yes	No	Performance monitoring and evaluation.
Race:	Yes	No	Performance monitoring and evaluation.
Religion or Belief:	Yes	No	Performance monitoring and evaluation.
Race:	Yes	No	Performance monitoring and evaluation.
Sex:	Yes	No	Performance monitoring and evaluation.
Welsh Language:	Yes	No	Performance monitoring and evaluation.

<b>Section 4 Identify decision meeting for Project/activity e.g. Cabinet, Council or delegated decision taken by Executive Members and/or Chief Officers</b>	
Cabinet	
<b>Compiling Officers Name:</b>	Dawn Davies
<b>Compiling Officers Job Title:</b>	Principal Officer, Knowledge and Learner Support
<b>Date completed:</b>	31 January 2019

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