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Cyngor Bwrdeistref Sirol Pen-y-bont ar Ogwr

Bridgend County Borough Council



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

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

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



Annwyl Cyngorydd,

CYNGOR

Cynhelir Cyfarfod Cyngor yn Siambr y Cyngor, Swyddfeydd Dinesig, Stryd Yr Angel, Penybont Ar Ogwr CF31 4WB ar **Dydd Mercher, 18 Medi 2019 am 15:00.**

AGENDA

1. Ymddiheuriadau am absenoldeb
Derbyn ymddiheuriadau am absenoldeb gan Aelodau.
2. Datganiadau o fuddiant
Derbyn datganiadau o ddiddordeb personol a rhagfarnol (os o gwbl) gan Aelodau / Swyddogion yn unol â darpariaethau'r Cod Ymddygiad Aelodau a fabwysiadwyd gan y Cyngor o 1 Medi 2008.
3. Cymeradwyaeth Cofnodion 3 - 24
I dderbyn am gymeradwyaeth y Cofnodion cyfarfod y 24/07/19
4. I dderbyn cyhoeddiadau oddi wrth:
(i) Maer (neu'r person sy'n llywyddu)
(ii) Aelodau'r Cabinet
(iii) Prif Weithredwr
(iv) Swyddog Monitro
5. Derbyn Adroddiad yr Arweinydd
6. Adroddiad Alldro Rheoli'r Trysorlys Blynnyddol 2018-19 25 - 44
7. Gwriad Oddi Wrth Y Cynllun Datblygu - Cais Cynllunio P/19/140/Ful - Datblygiad Canolfan Ddysgu i'r Heddlu, Gampfa, Ailraddio'r Safle, Mynediad, Maes Parcio a Gwaith Cysylltiedig 45 - 74
8. Apwyntiad Cynrychiolydd Cofrestredig 75 - 78

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

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10. I Dderbyn y Cwestiwn Canlynol wrth:**Cynghorydd T Thomas i'r Aelod Cabinet Addysg ac Adfywio**

Mae gan awdurdodau lleol cyfagos megis Bro Morgannwg nodweddion a heriau tebyg o ran yr iaith Gymraeg. A fyddai'r Aelod Cabinet yn cytuno y dylai darpariaeth ysgolion cyfrwng Cymraeg yn yr awdurdod hwn gynnig o leiaf yr un ddarpariaeth â Bro Morgannwg?

11. Materion Brys

I ystyried unrhyw eitemau o fusnes y, oherwydd amgylchiadau arbennig y cadeirydd o'r farn y dylid eu hystyried yn y cyfarfod fel mater o frys yn unol â Rhan 4 (pharagraff 4) o'r Rheolau Trefn y Cyngor yn y Cyfansoddiad.

Yn ddiffuant

K Watson

Pennaeth Gwasanaethau Cyfreithiol a Rheoleiddiol

Dosbarthiad:Cynghowrwyr

S Aspey
SE Baldwin
TH Beedle
JPD Blundell
NA Burnett
MC Clarke
N Clarke
RJ Collins
HJ David
P Davies
PA Davies
SK Dendy
DK Edwards
J Gebbie
T Giffard
RM Granville
CA Green
DG Howells

Cynghorwyr

A Hussain
RM James
B Jones
M Jones
MJ Kearns
DRW Lewis
JE Lewis
JR McCarthy
DG Owen
D Patel
RL Penhale-Thomas
AA Pucella
JC Radcliffe
KL Rowlands
B Sedgebeer
RMI Shaw
CE Smith
SG Smith

Cynghorwyr

JC Spanswick
RME Stirman
G Thomas
T Thomas
JH Tildesley MBE
E Venables
SR Vidal
MC Voisey
LM Walters
KJ Watts
CA Webster
DBF White
PJ White
A Williams
AJ Williams
HM Williams
JE Williams
RE Young

CYNGOR - DYDD MERCHER, 24 GORFFENNAF 2019

COFNODION CYFARFOD Y CYNGOR A GYNHALIWIYD YN SIAMBR Y CYNGOR,
SWYDDFEYDD DINESIG, STRYD YR ANGEL, PENYBONT AR OGWR CF31 4WB DYDD
MERCHER, 24 GORFFENNAF 2019, AM 15:00

Presennol

Y Cyngorydd SE Baldwin – Cadeirydd

S Aspey	TH Beedle	JPD Blundell	NA Burnett
MC Clarke	N Clarke	RJ Collins	HJ David
P Davies	PA Davies	SK Dendy	J Gebbie
T Giffard	RM Granville	CA Green	DG Howells
A Hussain	B Jones	M Jones	MJ Kearns
DRW Lewis	JE Lewis	JR McCarthy	D Patel
RL Penhale-Thomas	AA Pucella	JC Radcliffe	KL Rowlands
B Sedgebeer	RMI Shaw	CE Smith	RME Stirman
G Thomas	T Thomas	JH Tildesley MBE	MC Voisey
LM Walters	KJ Watts	CA Webster	DBF White
PJ White	A Williams	JE Williams	RE Young

Ymddiheuriadau am Absenoldeb

DK Edwards, D Owen, RM James, SG Smith, JC Spanswick, E Venables, SR Vidal,
AJ Williams a/ac HM Williams

Swyddogion:

Susan Cooper	Cyfarwyddwr Corfforaethol - Gwasanaethau Cymdeithasol a Lles
Jackie Davies	Pennaeth Gofal Cymdeithasol Oedolion
Nicola Echanis	Pennaeth Addysg a Chymorth Cynnar
Mark Galvin	Uwch Swyddog Gwasanaethau Democrataidd - Pwyllgorau
Laura Kinsey	Pennaeth Gofal Cymdeithasol Plant
Gill Lewis	Pennaeth Cyllid a Swyddog 151 Dros Dro
Michael Pitman	Prentys Busnes Gweinyddol Gwasanaethau Democrataidd
Kevin Stephens	Cynorthwy-ydd Gwasanaethau Democrataidd
Kelly Watson	Pennaeth Gwasanaethau Cyfreithiol a Rheoleiddiol a Swyddog Monitro

339. DATGANIADAU O FUDDIANNAU

Fe wnaeth y Cyngorydd N Burnett ddatgan buddiant, oedd yn rhagfarnu, yn eitem 7 ar yr agenda (tudalen 85), fel Cadeirydd Pwyllgor Rheoli'r Neuadd Fytholwyrdd. Fe wnaeth y Cyngorydd M C Voisey ddatgan buddiant, oedd yn rhagfarnu, yn eitem 7 ar yr agenda (tudalen 85), fel Aelod o Bwyllgor Rheoli'r Neuadd Fytholwyrdd. Gadawodd y ddau Aelod y cyfarfod tra roedd yr eitem hon yn cael ei thrafod.

340. CYMERADWYO COFNODION

PENDERFYNWYD: Cymeradwyo cofnodion cyfarfod y Cyngor, dyddiedig 19 Mehefin 2019 fel cofnod gwir a chywir.

341. DERBYN CYHOEDDIADAU GAN:

Y Maer

Cyhoeddodd y Maer ei fod wedi cael mis prysur a bod llawer o ddigwyddiadau wedi cael eu cynnal yn yr awyr agored.

Yn gynharach yn y mis, buasai ym mhencadlys Heddlu De Cymru a chael y fraint o'i gyflwyno i'w Fawrhydi y Tywysog Charles. Roedd y Tywysog Charles yn bresennol i ddadorchuddio plac yn nodi hanner can mlynedd ers ffurfio Heddlu De Cymru. Daeth yr Heddlu i fodolaeth ar y 1^{af} o Fehefin 1969 ac mae wedi tyfu i ddod yn un o'r heddluoedd sy'n perfformio orau yn y wlad.

Yn ddiweddar, cynhaliodd Porthcawl ei ras 10 cilometr gyntaf. Roedd mwy na 3,000 o redwyr yn bresennol a bu Iwan Thomas, sbrintiwr gwych Cymru, yn helpu'r cystadleuwyr i gynhesu. Daeth cannoedd o wylwyr allan yn llw i gefnogi'r digwyddiad, ac roedd ef yn bresennol ynghyd â Maer Porthcawl. Roedd hyd yn oed y Red Arrows yn hedfan heibio i nodi'r hyn y gobeithir fydd yn gychwyn rhedeg pellter yn y dref.

Roedd Gorffennaf fel pe bai'n fis o sioeau amaethyddol ac roedd yn falch i fod yn bresennol yn Sioe Sir Pen-y-bont ar Ogwr ym Mhencoed ac, ar raddfa fwy, y Sioe Frenhinol Gymreig. Cychwynnodd Sioe Sir Pen-y-bont ar Ogwr ym 1946, fel croeso'n ôl i'r rhai fu'n gwasanaethu'r wlad hon yn yr Ail Ryfel Byd. Ychwanegodd ei bod yn parhau i fod yn arddangosiad ardderchog o gydlynid cymunedol yn ogystal â lle i ddathlu ein treftadaeth amaethyddol.

Dyweddodd y Maer ei fod hefyd wedi cael y pleser o agor Canolfan Bryncethin yn swyddogol, yn dilyn cytundeb Trosglwyddo Ased Cymunedol. Roedd yr achlysur hwn yn cynnwys plant ysgol lleol yn canu, gyda chynrychiolwyr Clwb Rygbi a Phêl Droed Bryncethin hefyd yn bresennol.

Y penwythnos diwethaf roedd yn falch i gael gwahoddiad i fod yn bresennol yn y Sioe Geir Clasurol yng Nghanol Tref Pen-y-bont ar Ogwr, sy'n cael ei threfnu gan Glwb Ceir Clasurol Morgannwg. Roedd y digwyddiad blynyddol hwn hefyd yn cynnwys cerddoriaeth, bwyd ac adloniant ac roedd hi'n braf gweld y digwyddiad yn cael derbyniad mor dda.

Llongyfarchodd y Maer y Cyngorydd Bridie Sedgebeer a Chris Elmore AS oedd wedi priodi y penwythnos blaenorol. Dymunodd ddyfodol hapus iawn iddynt gyda'i gilydd.

Yn olaf, diolchodd y Maer i'r rheiny a gyfrannodd i gasgliad y banc bwyd yng nghyfarfod y Cyngor y mis diwethaf. Cadarnhaodd fod y banc bwyd yn Stryd Nolton yn dra diolchgar am gasgliad o'r fath.

Aelod y Cabinet – Cymunedau

Dyweddodd Aelod y Cabinet, Cymunedau, y gallai Aelodau efallai gofio bod yna, yn ôl yn 2015, bryderon ynghylch dyfodol blodyn eithriadol o brin, sef Tegeirian y Fign Galchog, sy'n tyfu yng Ngwarchodfa Natur Genedlaethol Cynffig, ar ôl i'w nifer syrthio i oddeutu 200. Gan mai yng Nghynffig yn unig y mae Tegeirian y Fign Galchog yn tyfu, mae'r safle yn gartref i holl boblogaeth y DU o'r blodyn bychan, tlws hwn.

Roedd yn falch i hysbysu'r Aelodau fod nifer Tegeirian y Fign Galchog bellach wedi cynyddu i dros 1,000, diolch i gynllun rheoli tirwedd arbennig, sy'n golygu torri glaswellt a chrafu wyneb llac twyni i annog ac ysgogi tyfiant.

Yn wir, bu rhaid i archwiliad diweddar gan y Cyngor ar y tegeirianau hyn a rhai eraill yn y warchodfa 1,300 acer, ddod i ben pan ganfu wardeniaid a gwirfoddolwyr fod yna ormod i'w cyfrif o fewn un diwrnod.

Maent yn amcangyfrif bod niferoedd y tegeirianau yn y warchodfa 1,300 acer, wedi cynyddu i dros 4,000 a bod yna gymaint â 15 rhywogaeth wahanol, yn cynnwys Caineirianau, Tegeirianau Porffor, Tegeirianau Gwenynog a mwy.

Roedd wrth ei fodd fod y Cyngor wedi gallu chwarae rhan ganolog yn gwarchod y llu o gynefinoedd ar y safle a sicrhau bod Tegeirianau Cynffig yn gallu ffynnu.

Dywedodd fod y Cyngor ar y pryd yn paratoi i drosglwyddo rheolaeth y safle pan ddeuai'r les i ben yn 2020 a'i fod, gyda Chyfoeth Naturiol Cymru, yn parhau i gefnogi Ymddiriedolaeth Corfforaeth Cynffig wrth iddynt geisio penodi corff newydd a allai barhau'r gwaith hwn.

Fel rhan o newyddion da pellach, roedd naw o safleoedd harddaf y Fwrdeistref Sirol wedi ennill gwobrau'r Faner Werdd gan Cadw Cymru'n Daclus.

Mae tri o'r safleoedd yn cael eu cynnal gan y Cyngor, sef Llyn Ardal Wylt ym Mhorthcawl, Parc Lles Maesteg ac Amlogsgfa Llangrallo ac maent yn ymuno â Pharc Gwledig Bryngarw, Ysbyty Glanrhyd, Gardd Farchnad Caerau, Coetiroedd Ysbryd Llynfi, Cymdeithas Lleiniau Gwylt a Llain Nant y Mochyn Daear.

Yn achos Amlogsgfa Llangrallo, hon oedd y ddegfed flwyddyn yn olynol iddi ennill statws y Faner Werdd. Roedd ef yn sicr y byddai'r Aelodau yn ymuno ag ef i longyfarch y gweithwyr a'r gwirfoddolwyr yr oedd eu hymroddiad a'u gwaith caled wedi arwain at y llwyddiant hwn.

Yn olaf, roedd Aelod y Cabinet dros Gymunedau yn falch iawn i gadarnhau bod £3.6 miliwn o gyllid wedi ei roi gan Lywodraeth Cymru ar gyfer adeiladu gwelliannau i gludiant lleol a theithio llesol.

Roedd y rhain yn cynnwys llwybrau diogel ar gyfer cerddwyr a beicwyr, llwybrau teithio llesol newydd, gwelliannau hygyrchedd wrth nifer o arosfannau bws, hyfforddiant diogelwch y ffyrdd a beicio i blant ysgol, a chysiau Pass Plus i yrrwyr newydd.

Bydd peth o'r cyllid yn ariannu astudiaethau dichonoldeb i lif traffig ar bont Heol Penprysg, wrth inni edrych i weld a oes modd cyflwyno pont hollol newydd fyddai'n ei gwneud yn bosibl cau'r groesfan reilffordd, a gwella capasiti ar brif lein y rheilffordd.

Ymhlith y gwelliannau teithio llesol arfaethedig roedd llwybrau a rennir gan gerddwyr a beicwyr rhwng Bracla a chanol tref Pen-y-bont ar Ogwr, Pencoed a Pharc Technoleg Pencoed, Llangrallo a Stad Ddiwydiannol Waterton a hefyd Barc Manwerthu Waterton, a nifer o welliannau parhaus o gwmpas Coety.

Caiff cyfnod cychwynnol cynllun 'Llwybrau Diogel i'r Ysgol' o gwmpas Ysgol Gynradd Newton hefyd ei gwblhau, gyda'r llwybr teithio llesol yn cael ei ymestyn ar hyd y Promenâd Dwyreiniol a'r Heol Newydd i'r ysgol, a chyflwyno lle newydd i gadw beiciau a sgwteri.

Cafodd y gwelliannau hyn i gyd eu gwneud yn bosibl diolch i Lywodraeth Cymru, ac roedd ef yn ddiolchgar iawn am eu cefnogaeth gyson.

Roedd hefyd yn croesawu llwybr newydd i gerddwyr a beicwyr, yr oedd datblygwyr Persimmon yn ei greu ar hyn o bryd rhwng cylchfan Heol Gorllewin y Plas a'r ysbyty ar hyd yr A4061.

Aelod y Cabinet - Gwasanaethau Cymdeithasol a Chymorth Cynnar

Roedd yr Aelod Cabinet, Gwasanaethau Cymdeithasol a Chymorth Cynnar, yn siŵr y byddai'r Aelodau wedi croesawu'r newyddion diweddar y bydd Bwrdd Partneriaeth Rhanbarthol Cwm Taf Morgannwg yn derbyn £22.7 miliwn o Gronfa Gweddnewid Cymru Llywodraeth Cymru.

Mae'r arian i gael ei ddefnyddio i ehangu prosiectau peilot llwyddiannus ar draws ardal Cwm Taf sydd bellach, wrth gwrs, yn cynnwys Bwrdeistref Sirol Pen-y-bont ar Ogwr, i roi mwy o ddewis ac annibyniaeth i unigolion tra'n lleihau'r pwysau ar ofal cymdeithasol, meddygfeydd meddygon teulu ac ysbytai ar yr un pryd.

Dylai hefyd wella profiad pobl o ofal, a hyrwyddo'r uchelgais o ddarparu mwy o ofal yn nes at y cartref.

Mae hyn yn rhan o gynnig uchelgeisiol i weddnewid iechyd a gofal cymdeithasol ar draws ardaloedd Bwrdeistrefi Sirol Rhondda Cynon Taf, Merthyr Tudful a Phen-y-bont ar Ogwr. Mae'n adlewyrchu anghenion y genhedlaeth bresennol a chenedlaethau'r dyfodol, ac yn nodi penllanw misoedd lawer o waith caled.

Bydd llawer o'r hyn y mae'r cynnig yn ceisio'i wneud yn cael ei gyflawni drwy hybu rôl sefydliadau gwerth cymdeithasol sydd eisoes yn cael effaith enfawr ar fywydau pobl.

Teimlai fod hyn yn newyddion ardderchog i Fwrdeistref Sirol Pen-y-bont ar Ogwr.

Efallai y bydd Aelodau hefyd yn dymuno atgoffa eu hetholwyr fod angen i gartrefi, sy'n defnyddio casgliadau ailgylchu'r bagiau porffor ar gyfer cynhyrchion hylendid amsugol, wneud cais newydd bob blwyddyn er mwyn parhau'n rhan o'r cynllun.

Os nad yw cartref yn rhoi bagiau allan ar dri achlysur yn olynol, dros gyfnod o chwe wythnos, cymerir yn ganiataol nad oes arnynt angen casgliad mwyach.

Gan fod 10,200 o gartrefi wedi ymuno â'r cynllun ar hyn o bryd, mae'n boblogaidd dros ben, ac arweiniodd hyn at ailgylchu 1,161 o dunelli o wastraff AHP yn lle ei fod yn diweddu mewn safleoedd tirlenwi. Mae hyn yn cyfateb i 92 o fysiau deulawr o ran pwysau.

Gan y gall clytiau tafladwy gymryd hyd at 500 o flynyddoedd i bydru'n llwyr, roedd hyn yn ganlyniad gwych ac roedd yn falch bod y gwasanaeth pwysig hwn yn helpu preswylwyr tra'n lleihau'r swm yr ydym yn ei anfon i safleoedd tirlenwi.

Aelod y Cabinet - Llesiant a Chenedlaethau'r Dyfodol

Cyhoeddodd Aelod y Cabinet, Llesiant a Chenedlaethau'r Dyfodol, fod ein menter boblogaidd 'Ysgolion Allan' yn awr yn fyw ac yn cynnig rhaglen lawn gweithgarwch o weithgareddau haf am ddim i blant lleol.

Wedi eu trefnu gan y Cyngor mewn partneriaeth gydag Awen, Halo, yr Urdd, Menter Bro Ogwr a chynghorau tref a chymuned lleol, yn ogystal â'r ystod eang o weithgareddau a gynigiwyd yr haf diwethaf, eleni, mae gwerysloedd ac academiâu chwaraeon wedi cael eu trefnu i helpu plant 3 i 15 oed i ddatblygu medrau ystwythder, cydbwysedd, cydsymud a sgiliau symud sylfaenol pwysig.

Mae'r Urdd hefyd yn cynnal nifer o wersylloedd chwaraeon Cymraeg, tra mae Menter Bro Ogwr yn cynnal cynlluniau chwarae Cymraeg mewn gwahanol leoliadau ar hyd a lled y sir.

Mae Awen yn llwyfannu theatr awyr agored ym Mharc Gwledig Bryngarw gyda pherfformiadau fel Alys yng Ngwlad Hud a Wuthering Heights, ac mae gan Sialens Ddarllen yr Haf eleni thema 'Helfa Ofod', sy'n addas am ei bod yn 50 mlynedd ers glanio ar y lleuad.

Mae Halo yn cynnal cyrsiau carlam nofio AM DDIM sy'n cynnwys amrywiaeth o sesiynau nofio hwyliog i'r teulu, wedi eu hysbrydoli gan Disney, i helpu plant i fod yn ddiogel ac yn hyderus yn y dŵr.

Rhaid archebu'r holl weithgareddau ymlaen llaw a nifer cyfyngedig o leoedd sydd ar gael. Gallwch ddod o hyd i fwy o wybodaeth ar dudalen ysgolion allan ar wefan ein Cyngor.

Efallai y bydd ar Aelodau hefyd eisiau helpu i hyrwyddo menter Cyflogadwyedd Pen-y-bont ar Ogwr yn eu wardiau. Cynllun yw hwn sy'n cynorthwyo pobl leol i ddod o hyd i waith drwy gynyddu eu rhagolygon gwaith.

Yn ddiweddar, tynnodd y Cyngor sylw at achos preswlydd yn Bracla y daeth ei yrfa fel plymwr i ben am resymau meddygol. Wedi penderfynu ailhyfforddi, cyfarfu'r preswlydd â chynghorwyr, mentoriaid a hyfforddwyr o Gyflogadwyedd Pen-y-bont ar Ogwr, ac fe wnaethant ei helpu i sicrhau ei swydd ddelfrydol fel hyfforddwr pêl-droed, cwbl gymwysedig. Mae ei waith caled wedi arwain at swydd newydd gyda chlwb pêl-droed proffesiynol.

Un esiampl yw hon o'r modd y mae menter Cyflogadwyedd Pen-y-bont ar Ogwr yn cynorthwyo pobl leol i ddod o hyd i waith a gwella'u bywydau. Mae'n cael ei hariannu gan Lywodraeth Cymru a Chronfa Gymdeithasol Ewrop.

Roedd mwy o wybodaeth ar gael ar dudalen Cyflogadwyedd Pen-y-bont ar Ogwr ar wefan y Cyngor.

Aelod y Cabinet - Addysg ac Adfywio

Roedd gan Aelod y Cabinet, Addysg ac Adfywio, dri diweddariad ar gyfer yr Aelodau. Yn gyntaf, roedd yn sicr y byddai pawb oedd yn bresennol yn cytuno bod Porthcawl yn edrych yn wych yn y sylw a gafodd ras 10 cilometr 'Healthspan' Porthcawl ar y cyfryngau yn ddiweddar.

Roedd y digwyddiad yn boblogaidd dros ben, ac roedd yn gymorth gwirioneddol i arddangos y dref i'r byd ehangach. Diolchodd i bawb a helpodd i'w wneud yn gymaint o lwyddiant.

Mae digwyddiadau fel hyn, Gŵyl Elvis, twrnamaint Golff Agored Pobl Hŷn neu bencampwriaeth cychod pŵer AquaX i gyd yn dangos potensial Porthcawl fel cyrchfan ar gyfer yr unfed ganrif ar hugain, ac mae gwelliannau fel amddiffynfeydd môr newydd traeth y dref, y marina ac Adeilad Jennings yn chwarae rhan bwysig yn hyn.

Roedd wedi cael gwybod bod yna ymgeiswyr o dramor wedi cymryd rhan eleni, ac nad oedd llawer ohonynt wedi ymweld â Phorthcawl o'r blaen. Ychwanegodd y byddai'r digwyddiad 10 cilometr yn cael ei gynnal eto y flwyddyn nesaf, ym mis Mehefin neu fis Gorffennaf.

Yn ail, efallai y byddai ar Aelodau eisiau hysbysu eu hetholwyr y gellir gwneud ceisiadau ar-lein yn awr am docynnau bws ysgol uwchradd.

Gyda thocynnau ar gael ar gyfer tua 1,000 o blant, a fydd yn gymwys pan fyddant yn dechrau blwyddyn saith y mis Medi hwn, dylid gwneud ceisiadau erbyn dydd Gwener 9 Awst.

Dyma'r tro cyntaf i'r Cyngor ddarparu'r broses ymgeisio ar-lein, ac mae'n ffurfio rhan o'n hymdrechion i gynnig ffyrdd mwy effeithlon a chyfleus i breswylwyr gael mynediad at wasanaethau.

Rydym wedi cysylltu â theuluoedd disgyblion cymwys ac wedi rhoi cyngor iddynt sut y gallant wneud cais drwy gyfleuster Fy Nghyfrif ar wefan y Cyngor. Yn ogystal â chyflymu'r broses, mae'r symudiad hwn yn arbed arian drwy gwtogi ar faint o bapur a ddefnyddir, a gellir gwneud cais am docynnau newydd ar-lein hefyd.

Yn olaf, mae llongyfarchiadau yn ddyledus i ddisgyblion ysgol gynradd Garth sy'n deall busnes. Roedd hon yn un o'r ychydig ysgolion yr oedd eto i ymweld â hi (gydag Aelod(au) y Ward). Byddai'n trefnu i gynnal ymweliad o'r fath yn y mis Medi oedd i ddod.

Ar ôl i gwch gwenyn yr ysgol gael ei fandaleiddio, mae syniad sy'n seiliedig ar warchod gwenyn wedi helpu disgyblion Garth i ennill y safle cyntaf yng nghystadleuaeth flynyddol Criw Mentrus Llywodraeth Cymru.

Creodd y plant argraff dda ar y beirniaid gyda'u Crysau-T 'Bee-spoke', a ddyluniwyd ganddynt i hybu cadwraeth a chodi arian i ddarparu mwy o ddiogelwch i gwch gwenyn yr ysgol.

Fel roedd y rhai a oedd yn bresennol yn gwybod, mae gwenyn dan fygythiad oddi wrth blaladdwyr ac yn y blaen, ac felly roedd y syniad busnes hwn yn amserol ac yn foesegol iawn.

Mae'r Criw Mentrus yn herio timau o blant ysgol gynradd i redeg eu busnesau eu hunain, a gwerthu nwyddau a gwasanaethau o'u dewis yn y gymuned leol.

Nod y cystadleuaeth yw helpu disgyblion i gymhwyso eu creadigrwydd a'u sgiliau menter mewn ffordd ymarferol iawn, ac mae'n rhoi cyfle iddynt ddatblygu sgiliau busnes, cyllidebu a marchnata.

Gorffennodd drwy ddweud bod cael ein henwi fel y gorau yng Nghymru am yr uchod yn gryn gamp.

342. DERBYN ADRODDIAD YR ARWEINYDD

Cadarnhaodd yr Arweinydd ei fod wedi bod yn bresennol yn Nhŷ'r Cyffredin yn ddiweddar i annerch y Pwyllgor Dethol ar Faterion Cymreig, ynghylch yr effaith ddigyffelyb y byddai cau ffatri injan Ford yn ei chael ar ein Bwrdeistref Sirol.

Mae ffatri injan Ford wedi cynhyrchu £1.3 biliwn yn uniongyrchol ar gyfer economi Cymru yn y blynyddoedd diwethaf. Mae'n gwmni angori, nid yn unig ar gyfer Pen-y-bont ar Ogwr, nid yn unig i Gymru, ond i'r DU i gyd. Ynghyd â chynrychiolwyr undebau llafur y ffatri, fe wnaethom annog Ford i aros ym Mhen-y-bont ar Ogwr ac aros yng Nghymru i gadw rhai, o leiaf, o'r 1,700 o swyddi tra chreffftus yma.

Mae Ford wedi cyhoeddi cronfa o £1 filiwn ar gyfer y gymuned. Os yw Ford, sydd wedi derbyn dros £140 miliwn o gymorth gan y Llywodraeth dros y blynyddoedd diwethaf, yn cau'r ffatri, yna mae eu hetifeddiaeth i'r gymuned ehangach ac i'r gweithwyr, sydd wedi adeiladu miliynau o geir i Ford ers dros 40 o flynyddoedd, yn gorfod bod yn llawer mwy

nag £1 filiwn yn unig. Byddwn yn cyfarfod â Chyfarwyddwr Ford UK y mis nesaf ac yn cyflwyno'r ddadl honno.

Mae nifer y swyddi a gollir yn ddigynsail, ac felly, mae angen ateb digynsail gan Lywodraeth y DU a Llywodraeth Cymru hefyd. Pwysleisiodd y byddwn yn colli £250 miliwn y flwyddyn o'r economi, a'i bod yn hanfodol buddsoddi ar frys a gweithredu'n gyflym.

Soniodd yr Arweinydd wrth y Pwyllgor am rai o'r prosiectau seilwaith y gellid eu cyflwyno i greu swyddi newydd a rhoi rhywfaint o hyder i'r busnesau, y cymunedau, y teuluoedd a'r trigolion.

Roedd y Cyngor wedi ysgrifennu at Weinidog yr Economi a Thrafnidiaeth yn Llywodraeth Cymru, a'r Ysgrifennydd Gwladol dros Fusnes, Ynni a Strategaeth Ddiwydiannol yn Llywodraeth y DU, yn amlinellu'r cynigion. Rydym hefyd yn cyflwyno'r achos mewn cyfarfodydd tasglu a chyda swyddogion.

Mae Swyddfa Bargaen Ddinesig Caerdydd, wrth gwrs, yn blaenoriaethu Pen-y-bont ar Ogwr ar gyfer buddsoddiad posibl.

Byddai cyd-Aelodau'n cofio iddo gyhoeddi yng nghyfarfod diwethaf y Cyngor ein bod yn ail-lansio'n Cronfa Adfywio Arbennig ac yn ymestyn ein cronfa 'Kick Start' i gefnogi busnesau bychain a newydd ym Mwrdeistref Sirol Pen-y-bont ar Ogwr. Y prynhawn yma, rydym yn cynnig y dylem roi o'r neilltu yn y rhaglen gyfalaf Gronfa Buddsoddi mewn Cymunedau o £2 filiwn, y gallwn ei defnyddio'n hyblyg o bosibl i ddarparu arian cyfatebol ar gyfer cyfleoedd buddsoddi ym Mhen-y-bont ar Ogwr yn y flwyddyn nesaf. Rydym hefyd yn cynnig, yn y rhaglen gyfalaf, gwella Cyffordd Heol Mostyn ar yr A48 yn y Pîl. Mae hyn wedi dod yn hanfodol gan y bydd yn ein galluogi i ddatblygu Stad Ddiwydiannol Village Farm ymhellach, lle mae gennym brinder lle ar gyfer busnesau bychain a chanolig. Dim ond rhai yw'r rhain o'r camau yr ydym yn eu cymryd i ymateb i'r cau arfaethedig.

Dywedodd yr arweinydd fod y penwythnos diwethaf wedi gweld agor Canolfan Gymunedol newydd Bryncethin.

Mae'r hen bafiliwn chwaraeon wedi cael ei droi yn adeilad deulawr newydd sy'n edrych dros y cae rygbi.

Mae'n cynnwys ystafelloedd newid modern, ceginau, ystafelloedd TG, ystafell gyfarfod, neuadd fawr, rhan patio a balconi, a maes parcio pwrpasol.

Clwb Rygbi a Phêl-droed Bryncethin oedd y clwb chwaraeon cyntaf yn y fwrdeistref sirol i gwblhau bargaen 'Trosglwyddo Asedau Cymunedol' a chymryd meddiant o'u cae chwarae a'u pafiliwn.

Yn ogystal â chytuno ar les o 35 mlynedd, sicrhodd y clwb rygbi fwy na £500 mil o gyllid o'n Cronfa Trosglwyddo Asedau Cymunedol, y Gronfa Datblygu Cymunedau Gwledig, Rhaglen y Cyfleusterau Cymunedol, Undeb Rygbi Cymru, Cronfa Gymunedol y Loteri Genedlaethol, ac arian Adran 106.

Mae hyn wedi eu galluogi i drawsnewid y Pafiliwn yn llwyr yn gyfleuster i'r gymuned leol gyfan ei drysori, ac mae'n cynnig model gwyb o'r hyn y gellir ei gyflawni drwy'r rhaglen Trosglwyddo Asedau Cymunedol.

Gall trefniadau fel hyn roi bywyd newydd i asedau cymunedol, ac roedd yr Arweinydd yn falch iawn fod y Cyngor wedi cefnogi Clwb Rygbi a Phêl-droed Bryncethin gyda'r prosiect trawsnewidiol hwn.

343. ADRODDIAD BLYNYDDOL Y GWASANAETHAU CYMDEITHASOL 2018/19

Cyflwynodd y Cyfarwyddwr Corfforaethol, Gwasanaethau Cymdeithasol a Llesiant, adroddiad ar Adroddiad Blynyddol Cyfarwyddwr y Gwasanaethau Cymdeithasol ar gyfer 2018/19 i'w gymeradwyo, gan ofyn i'r Aelodau nodi'r dyfarniadau a gyrhaeddwyd yn lleol ynghylch gwasanaethau gofal cymdeithasol ym Mhen-y-bont ar Ogwr. Rhoddai'r adroddiad rywfaint o wybodaeth gefndir, ac yn dilyn hynny, esboniai fod Deddf Gwasanaethau Cymdeithasol a Llesiant (Cymru) 2014, yn rhoi pwyslais cryf ar hyrwyddo lles pobl sydd angen gofal a chymorth, yn ogystal â gofalwyr sydd hefyd angen yr un peth.

Eglurodd mai prif nod ac amcan yr adroddiad (a'r cyflwyniad cysylltiedig) oedd rhoi trosolwg ar ofal cymdeithasol i'r Cyngor a phobl sy'n byw ym Mwrdeistref Sirol Pen-y-bont ar Ogwr. Roedd hefyd yn anelu at amlygu'r cynnydd a wnaed yn ystod y flwyddyn, yn ogystal â nodi blaenoriaethau ar gyfer 2019/20.

Cyfeiriai paragraff 4 o'r adroddiad at y canllawiau ar gyfer yr adroddiad, oedd yn nodi'r gwahanol adrannau oedd yn ymwneud â'r chwe safon ansawdd cenedlaethol ar gyfer llesiant, oedd wedi eu nodi yn fformat pwyntiau bwled yn yr adran hon o'r adroddiad.

Dangosai'r adroddiad a'r wybodaeth ategol fod gwasanaethau'n effeithiol ar y cyfan, o'u hasesu yn erbyn diwallu anghenion unigolion y mae angen cymorth gofal cymdeithasol arnynt. Er bod y wybodaeth yn yr adroddiad a'r cyflwyniad yn cadarnhau bod y gwasanaethau a ddarperir yn gwella ar y cyfan, roeddent hefyd yn nodi meysydd lle roedd angen gwella a dangoswyd y rhain yn y blaenoriaethau ar gyfer 2019/20.

Roedd yr Adroddiad drafft wedi ei atodi yn Atodiad 1 yr adroddiad eglurhaol, ac roedd llythyr gan Arolygiaeth Gofal Cymru, yn amlinellu adolygiad o berfformiad yr awdurdod lleol yn y maes hwn, wedi ei gynnwys yn Atodiad 2.

Rhoddai paragraff 4.11 o'r adroddiad rai nodau a chymau gweithredu allweddol oedd yn cael eu gweithredu/cynnig, mewn perthynas â blaenoriaethau gwasanaeth cyfan a hefyd rai blaenoriaethau ychwanegol ar gyfer Gofal Cymdeithasol i Oedolion a Gofal Cymdeithasol i Blant fel y cyfryw. Yna rhoddai'r cyflwyniad fanylion am Adroddiad Blynyddol 2018/19, fel a ganlyn:-

Oedolion - Ffeithiau a Ffigurau allweddol	2017/18	2018/19
Cyfanswm nifer yr atgyfeiriadau ac ail atgyfeiriadau ar gyfer gofal cymdeithasol i oedolion	7604	7469
Nifer yr oedolion a gynorthwyir yn y gymuned	5177	5198
Nifer y bobl a dderbyniodd becyn teleofal	3162	3451
Nifer yr atgyfeiriadau i gymorth adfer yn y gymuned (ARC)	1010	1043
Nifer y bobl a ddargyfeiriwyd o wasanaethau prif ffrwd i'w helpu i aros yn annibynnol gyhyd ag sydd modd	116	122
	857	1162
	(yn ARC)	(yn ARC)
Nifer y bobl a gynhelir mewn gofal preswyl/nyrsio	676	700

Cyfradd yr achosion o oedi wrth drosglwyddo gofal am resymau gofal cymdeithasol fesul 1,000 o'r boblogaeth 75 oed a throsodd	1.52	4.79
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Plant – Ffeithiau a ffigurau allweddol

Nifer y cysylltiadau yn ystod y flwyddyn	6677	7945
Nifer y plant oedd yn derbyn gofal ar 31 Mawrth	384	381
Y ganran o'r holl rhai sy'n gadael gofal sydd mewn addysg, hyfforddiant neu gyflogaeth 12 mis ar ôl gadael gofal	61%	64%
Canran y plant 7-17 oed sy'n fodlon ar y gofal a'r cymorth a gawsant	84%	86%
Nifer y rhai sydd wedi gadael gofal oedd yn derbyn Cymorth gan yr Awdurdod Lleol a'i bartneriaid ar 31 Mawrth	116	153
Canran yr asesiadau a gwblhawyd ar gyfer plant o fewn amserlenni statudol	86%	72%
Y nifer ar y Gofrestr Amddiffyn Plant	161	191

Oedolion – ein taith mewn rhifau

Drwy wneud y peth iawn...

- Cynorthwyo unigolion i fyw yn eu cartrefi eu hunain yn hirach, trwy ddatblygu a buddsoddi yn ein gwasanaethau gofal yn y cartref a thechnoleg gynorthwyol (nodwch y perfformiad yn yr adran ffeithiau & ffigurau); a
- Cynyddu ein capasiti Gofal Ychwanegol (gan ddyblu o 39 o welyau yn 17-18 i 79 o welyau yn 18-19) sy'n rhoi sicrwydd i unigolion fod yna leoliad lle y gellir cael gafael ar ofal ar sail 24/7, ond gan cadw'r annibyniaeth o gael eich drws ffrynt eich hun.

Mae arbedion wedi dilyn....

- Gan fod lleoliad Cynllun Gofal Ychwanegol yn costio tua £115-120 yr wythnos i'r Cyngor, o'i gymharu â chostau o tua £600 yr wythnos am leoliad mewn cartref gofal – mae'n arwain at arbedion o dros £600 mil.

Plant - ein taith mewn rhifau

Drwy wneud y peth iawn...

Datblygu a buddsoddi mewn lleoliadau arbenigol a dewisiadau llety â chymorth/annibynnol o fewn y fwrdeistref sirol, a gwella ein gwasanaethau maethu mewnol, sy'n mynd i'r afael â'r cydbwysedd rhwng ein defnydd o asiantaethau maethu annibynnol (IFA) a'n tîm maethu mewnol.

Canran yn ôl Math o Leoliad:	2014	2019
Preswyl Annibynnol	3.16%	2.1%
Preswyl Mewnol	1.70%	2.1%

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Maethu annibynnol	26.21%	16.80%
Maethu teuluol	15.78%	16.80%
Maethu Mewnol	39.08%	39.37%
Cyn Mabwysiadu	4.61%	4.99%
Lleoliad gyda Rhiant	7.28%	14.96%
Byw Annibynnol/â Chymorth	0.97%	2.36%
Canran y ôl Ardal Lleoliad:	2014	2019
O fewn Awdurdod Lleol CBS Pen-y-bont ar Ogwr	68.93%	69.82%
Yng Nghymru (awdurdod gerllaw)	16.02%	16.27%
Yng Nghymru (heb fod yn awdurdod gerllaw)	8.01%	7.09%
Yn Lloegr	2.43%	1.84%

Percentage by Placement Type:	2014	2019
Independent Residential	3.16%	2.1%
In-house Residential	1.70%	2.1%
Independent Fostering	26.21%	16.80%
Kinship Fostering	15.78%	16.80%
In-house Fostering	39.08%	39.37%
Pre Adoption	4.61%	4.99%
Placement with Parent	7.28%	14.96%
Independent/Supported Living	0.97%	2.36%
Percentage by Placement Location:	2014	2019
Within BCBC LA	68.93%	69.82%
In Wales (neighbouring authority)	16.02%	16.27%
In Wales (not neighbouring authority)	8.01%	7.09%
In England	2.43%	1.84%

Mae arbedion wedi dilyn....

Gyda chyfanswm gwirioneddol y gwariant ar leoliadau maethu a lletya LAC yn gostwng rhwng 17-18 a 18-19 – er gwaethaf pwysau chwyddiant

Blaenoriaethau allweddol ar gyfer 2019/20

Mae'r nodau a'r camau allweddol fel a ganlyn:

- Rhoi mwy o ddewis a rheolaeth i bobl dros y cymorth y maent yn ei dderbyn drwy ddarparu mynediad cynnar at gyngor a gwybodaeth;
- Parhau i wella'r ffyrdd y mae'r Cyngor yn darparu gwybodaeth, cyngor a chymorth da i'r cyhoedd, gan gynnwys cynyddu'r cymorth sydd ar gael drwy gydgyssylltwyr cymunedol lleol;
- Parhau i gynnwys defnyddwyr gwasanaeth, gofalmwyr a chymunedau yn y gwaith o ddatblygu gwasanaethau comisiynu;
- Lleihau'r galw drwy raglenni ymyrraeth a chymorth cynnar wedi'u targedu;
- Cefnogi'r gwaith o ddatblygu cenhedlaeth newydd o ganolfannau ieuchyd a lles cymunedol ar gyfer ein trigolion gyda phartneriaid ym maes ieuchyd;
- Sefydlu model newydd o ddarpariaeth breswyl ar gyfer plant a phobl ifanc sy'n derbyn gofal, ac edrych am y ffyrdd gorau o gwrdd â'u hanghenion fel unigolion, gan gynnwys cymorth y tu hwnt i 18 oed drwy gynnig llety arbenigol;
- Cwblhau model gwasanaeth trosglwyddo i helpu plant anabl i symud yn esmwyth i fyd oedolion;

- Cynorthwyo'r rhai sy'n gadael gofal i sicrhau llety priodol;
- Gweithio mewn partneriaeth â'r trydydd sector, cynghorau tref a chymuned a grwpiau cymunedol i ddiwallu anghenion lleol;
- Gweithio gyda phartneriaid a'r trydydd sector i gryfhau cymunedau a nodi'r ffordd orau o ddarparu gwasanaethau yn lleol;
- Galluogi grwpiau cymunedol a'r trydydd sector i gael mwy o ddewis a rheolaeth dros asedau cymunedol;
- Sicrhau trosglwyddiad esmwyth i ardal Bwrdd Iechyd newydd Cwm Taf Morgannwg i sicrhau na fydd y newid yn cael effaith anffafriol ar unrhyw ddinesydd;
- Cefnogi gofalmwyr wrth iddynt gyflawni eu rolau;
- Recriwtio a chadw gofalmwyr ar draws yr ystod o wasanaethau maethu;
- Sicrhau bod Diogelu yn fusnes craidd ar draws y Cyngor;
- Sicrhau'r gostyngiadau yn y gyllideb a nodwyd yn y strategaeth ariannol tymor canolig;
- Datblygu'r diwylliant a'r sgiliau sydd eu hangen i gwrdd ag anghenion sefydliad sy'n newid;
- Darparu cyfleoedd dysgu a datblygu i'r staff i gwrdd ag anghenion y gwasanaeth yn y dyfodol.

Roedd blaenoriaethau penodol ychwanegol wedi eu nodi ar ddiwedd pob adran yng nghorff yr adroddiad.

Nododd Aelod fod Absenoldeb oherwydd Salwch wedi cynyddu yng Nghyfarwyddiaeth y Gwasanaethau Cymdeithasol o 8.8%, a gofynnodd a oedd rheswm hysbys dros hyn a beth oedd yn cael ei wneud i geisio lleihau'r cynnydd hwn mewn absenoldeb. Gofynnodd hefyd beth oedd canran y salwch yn gyffredinol yn y Gyfarwyddiaeth.

Dywedodd y Cyfarwyddwr Corfforaethol, Gwasanaethau Cymdeithasol a Llesiant, er y bu cynnydd mewn absenoldeb oherwydd salwch ar draws y Gyfarwyddiaeth, fod y Rheolwyr Grŵp yn dilyn y canllawiau a amlinellwyd ym Mholisi Salwch ac Absenoldeb y Cyngor, a bod y sefyllfa yn cael ei monitro'n fanwl gyda chymorth Adnoddau Dynol er mwyn gostwng y lefelau presennol. Nodwyd bod lefelau wedi codi mewn meysydd/adrannau o'r Gyfarwyddiaeth lle cafwyd trawsnewid a newid sylweddol, h.y. drwy ailstrwythuro a rhesymoli staff ac yn y blaen.

Nododd Aelod yr arbedion, yr oedd yn rhaid i'r Gwasanaethau Cymdeithasol eu gwneud fel rhan o'r Strategaeth Ariannol Tymor Canolig (SATC), gan gadw mewn cof hefyd fod Cynllun Gweithredu yn ei le i ad-dalu gorwariant blaenorol yn y Gyfarwyddiaeth. Gofynnodd sut y gellid cyflawni hyn heb i'r lefelau uchel o wasanaeth a ddarperir ar hyn o bryd lithro.

Atebodd y Cyfarwyddwr Corfforaethol, Gwasanaethau Cymdeithasol a Llesiant, drwy ddatgan y bydd yn rhaid cynnal safonau uchel o wasanaeth i'r henoed a'r rhai sydd fwyaf agored i niwed, er y byddai hyn yn her, yn enwedig gan fod angen gwneud arbedion pellach, flwyddyn ar ôl blwyddyn fel rhan o Gyllideb y Cyngor.

Roedd a wnelo â gwneud pethau'n wahanol ac yn fwy arloesol na chynt, a gweithio'n gynyddol gyda rhanddeiliaid allweddol a darparwyr allanol fel ein cydweithwyr lechyd. Cyfaddefodd, fodd bynnag, ei bod yn mynd i fod yn anodd ac yn heriol iawn i gyrraedd y safonau uchel a gyflawnwyd yn y blynnyddoedd blaenorol o ran lefelau'r cymorth, a oedd yn edwino'n fewnol o flwyddyn i flwyddyn, o dan y cyfyngiadau a osodwyd gan y SATC.

Dywedodd un Aelod fod Adrannau Addysg a Gwasanaethau Cymdeithasol y Cyngor, yn benodol, yn darparu gwasanaethau statudol hanfodol ar gyfer yr ifanc, yr henoed a'r mwyaf agored i niwed, a'u bod yn cael eu llywodraethu gan reoliadau a'u harolygu ar lefelau gwasanaeth a pherfformiad. Roedd hi'n bwysig felly fod y safonau uchel yr oedd pobl Pen-y-bont ar Ogwr wedi arfer â'u derbyn, o ran y gwahanol systemau cymorth oedd yn eu lle, yn cael eu cynnal a'u cadw.

Cadarnhaodd Aelod y Cabinet, Gwasanaethau Cymdeithasol a Chymorth Cynnar, fod Cyfarwyddwr Corfforaethol, Gwasanaethau Cymdeithasol a Llesiant, ac yntau yn cael trafodaethau gonest a didwyll ynghylch lefel yr arbedion yr oedd yn rhaid eu gwneud yng Nghyfarwyddiaeth y Gwasanaethau Cymdeithasol a Llesiant, a beth fyddai effaith hyn, yn enwedig o ran darparu gwasanaethau yn y dyfodol. Mae'r SATC gyfredol yn cwmparu'r 4 blynedd nesaf ac mae'r arbedion y mae'n rhaid i'r Awdurdod eu gwneud yn ystod y cyfnod hwn yn ddigynsail, yn enwedig wrth ystyried bod angen £10 miliwn yn 2020/21 ac yna £8 miliwn pellach yn 2021/22. Ym maes Gwasanaethau Cymdeithasol, sicrhaodd yr Aelodau y byddai'r safonau uchel yr oedd y gwasanaeth yn eu darparu ar hyn o bryd yn cael eu cynnal. Yr hyn na allai ei warantu, fodd bynnag, oedd cynnal amrywiaeth eang y gwasanaethau ar y lefel a gynigir ar hyn o bryd.

Gwyddai Aelod drwy ymchwil, fod ystadegau yn arfer bod ar gael ledled Cymru o dan y ddeddfwriaeth briodol, yn amlinellu nifer y bobl a oedd wedi manteisio ar Ofal Seibiant a'r cynnig o Seibiannau Byr ac yn y blaen am gyfnod, fel rhan o'u cyfnod o ymadfer ar ôl salwch neu lawdriniaeth. Gofynnodd a oedd y data hwn yn dal i fod ar gael.

Cadarnhaodd y Cyfarwyddwr Corfforaethol, Gwasanaethau Cymdeithasol a Llesiant, fod fframwaith perfformiad wedi'i gyflwyno o dan Ddeddf Gwasanaethau Cymdeithasol a Llesiant (Cymru) 2014, a ddaeth i rym yn 2016, drwy holl awdurdodau lleol Cymru, a fyddai'n adlewyrchu allbynnau o'r math y cyfeiriai'r Aelod atynt. Fodd bynnag, wrthi'n cael ei wneud yr oedd y gwaith hwn, ar hyn o bryd. Ychwanegodd fod y Gyfarwyddiaeth newydd ymgymryd â phrosiect mewn perthynas â Gofal Seibiant hefyd, er mwyn ceisio gwella a chael dewisiadau mwy hyblyg i gleientiaid, a byddai hi'n rhannu gwybodaeth am hyn gyda'r Aelod y tu allan i'r cyfarfod.

Daeth Aelod â'r drafodaeth ar yr eitem hon i ben drwy gymeradwyo'r System Rotâu ac anogodd bob Aelod i gymryd rhan yn y gwaith hwn wrth symud ymlaen.

PENDERFYNWYD: Bod y Cyngor yn cymeradwyo Adroddiad Blynnyddol Cyfarwyddwr y Gwasanaethau Cymdeithasol ar gyfer 2018/19

344. DIWEDDARIAD AR Y RHAGLEN GYFALAF - CHWARTER 1, 2019-20

Cyflwynodd y Pennaeth Cyllid dros dro a Swyddog Adran 151 adroddiad, a'i ddiben oedd:-

- Cydymffurfio â gofynion Cod Darbodus Sefydliad Siartredig Cyllid Cyhoeddus a Chyfrifyddiaeth (CIPFA) ar gyfer Cyllid Cyfalaf 2018
- Rhoi'r wybodaeth ddiweddaraf am y Rhaglen Gyfalaf o 1 Ebrill hyd 30 Mehefin 2019 (Atodiad A)
- Gofyn am gymeradwyaeth ar gyfer rhaglen gyfalaf ddiwygiedig ar gyfer 2019-20 i 2028-29 (Atodiad B)
- Nodi'r dangosyddion darbodus ac eraill a ragwelir ar gyfer 2019-20 (Atodiad C)
- Cymeradwyo trosglwyddiad cyllideb refeniw o £2,349,797 o gyllidebau dirprwyedig ysgolion i gyllidebau ar draws y Cyngor, ar ôl derbyn arian grant o'r un gwerth â hynny gan Lywodraeth Cymru, i gyfrannu at wariant cyfalaf fel yr amlinellwyd ym mharagraff 4.7.

Fel cefndir, dywedodd fod CIPFA, ym mis Rhagfyr 2017, wedi cyhoeddi argraffiad newydd o'r Cod Darbodus ar gyfer Cyllid Cyfalaf mewn awdurdodau lleol. Roedd y Cod diwygiedig yn gosod gofyniad newydd ar awdurdodau lleol i bennu Strategaeth Gyfalaf, i gael ei chymeradwyo gan y Cyngor, yn dangos bod yr awdurdod yn gwneud penderfyniadau gwariant cyfalaf a buddsoddi yn unol ag amcanion y gwasanaeth ac yn cymryd i ystyriaeth briodol stiwardiaeth, gwerth am arian, doethineb, cynaladwyedd a fforddiadwyedd. Ychwanegodd y Pennaeth Cyllid dros dro a Swyddog Adran 151, ei bod yn ofynnol i awdurdodau lleol sefydlu Strategaeth Gyfalaf sy'n nodi'r cyd-destun hirdymor ar gyfer gwneud penderfyniadau ar wariant cyfalaf a buddsoddi ac yn rhoi ystyriaeth briodol i risg a gwobrwy, a'r effaith ar gyflawni'r canlyniadau pwysicaf.

O ran monitro'r Rhaglen Gyfalaf 2019-20, cadarnhaodd y Pennaeth Cyllid dros dro a Swyddog Adran 151 fod y rhaglen ddiwygiedig ar gyfer y cyfnod uchod, yn dod i gyfanswm o £54.471 miliwn ar hyn o bryd, yr oedd £36.665 miliwn ohono yn dod o adnoddau'r Cyngor, gan gynnwys derbyniadau cyfalaf a chyfraniadau referiw o gronfeydd wrth gefn a glustnodwyd, gyda'r £17.806 miliwn oedd yn weddill yn dod o adnoddau allanol. Rhoddwyd dadansoddiad o hyn yn Nhabl 1 yn yr adran hon o'r adroddiad fesul Cyfarwyddiaeth.

Roedd Tabl 2 yn yr adroddiad wedyn yn crynhoi'r tybiaethau ariannu presennol ar gyfer y rhaglen gyfalaf ar gyfer 2019-20. Caiff yr adnoddau cyfalaf eu rheoli er mwyn sicrhau bod y Cyngor yn cael y budd ariannol mwyaf posibl. Gall hyn gynnwys ad-drefnu cyllid er mwyn gwneud y gorau o grantiau'r Llywodraeth.

Rhodddai Atodiad A i'r adroddiad fanylion y cynlluniau unigol o fewn y rhaglen gyfalaf, gan ddangos y cyllid oedd ar gael yn 2019-20 (yn ogystal â pheth sylwebaeth yn gysylltiedig â'r rhaglen), o'i gymharu â'r gwariant a ddisgwyld. Cafodd £8.286 miliwn o gyllid ei dreiglo ymlaen i 2019-20 ar gyfer cynlluniau nas cwblhawyd yn 2018-19, fel yr amlinellwyd yn yr adroddiad i'r Cabinet ar Berfformiad Ariannol 2018-19, a oedd yn cynnwys y cynlluniau a ddangosid ym mharagraff 4.3 o'r adroddiad.

Yna cyfeiriai'r adroddiad at gynllun a lithrodd i 2020-21, fel y manylir ym mharagraff 4.4 o'r adroddiad, yn ogystal ag ail-broffilio cynllun Neuadd y Dref Maesteg.

Roedd y rhan nesaf o'r adroddiad yn amlinellu nifer o gynlluniau newydd, a ariennir yn allanol, oedd wedi eu cymeradwyo ac a ymgorfforwyd hefyd yn Rhaglen Gyfalaf y Cyngor.

Yna amlinellai paragraff 4.7 o'r adroddiad nifer o gynlluniau newydd, a ariennid gan y Cyngor, i'w cynnwys yn y Rhaglen Gyfalaf. Y rhain oedd:-

- Canolfan Ddata TGCh;
- Cyffordd Heol Mostyn, y Pîl;
- Y Neuadd Fytholwyrdd;
- Buddsoddi mewn Cymunedau

Dywedai paragraff 4.8 fod y Cyngor, ym mis Mawrth 2019, wedi cymeradwyo newid i'r amlen ariannu ar gyfer Band B y Rhaglen Moderneiddio Ysgolion ac i hyn gael ei ymgorffori yn y Rhaglen Gyfalaf. Ymhelaethwyd ar y rhesymau am hyn yn yr adran hon o'r adroddiad.

Ychwanegodd y Pennaeth Cyllid dros dro a'r Swyddog Adran 151 fod nifer o gynlluniau eraill o fewn y rhaglen uchod a oedd yn aros am gadarnhad o gyllid allanol dros gyfnod yr haf.

Byddai'r rhain yn llunio adroddiadau pellach i'r Cabinet a'r Cyngor maes o law. Roedd y Rhaglen Gyfalaf ddiwygiedig wedi ei chynnwys yn Atodiad B i'r adroddiad.

Yna, eglurodd fod y Cyngor, ym mis Chwefror 2019, wedi cymeradwyo'r Rheolau diwygiedig ar gyfer Gweithdrefnau Ariannol, gan bennu'r Cabinet fel y corff i dderbyn yr adroddiad monitro ar y Strategaeth Gyfalaf a'r Dangosyddion Darbodus. Rhoddai Atodiad C i'r adroddiad fanylion y dangosyddion gwirioneddol ar gyfer 2018-19, y dangosyddion amcangyfrifedig ar gyfer 2019-20, a nodwyd yn Strategaeth Gyfalaf y Cyngor a'r dangosyddion rhagamcanol ar gyfer 2019-20, yn seiliedig ar y Rhaglen Gyfalaf ddiwygiedig.

Cyfeiriai adran olaf naratif yr adroddiad at bwnc Monitro'r Strategaeth Gyfalaf.

Roedd hyn hefyd yn gofyn am fonitro buddsoddiadau nad ydynt yn rhai sy'n cael eu rheoli gan y Trysorlys a rhwymedigaethau hirdymor eraill.

O'r blaen, cymeradwyodd y Cyngor £1 filiwn yn y Rhaglen Gyfalaf ar gyfer prynu asedau buddsoddi a gwariodd £520 mil ar gaffael adeilad swyddfa, oedd yn cynhyrchu incwm rhent o £56 mil y flwyddyn neu ychydig dros 9% o elw ar y buddsoddiad. Roedd £480 mil pellach ar gael o fewn y Rhaglen Gyfalaf, ond hyd yn hyn nid oedd opsiynau addas wedi'u nodi yn ardal Pen-y-bont ar Ogwr, a fyddai'n arwain at enillion rhesymol ac ar lefelau risg derbyniol. Yn y dyfodol, gallai'r Cyngor ystyried ehangu ei bortffolio buddsoddi mewn eiddo ac, os felly, byddai angen adolygu'r meini prawf a'r strategaeth fuddsoddi a gwneid hyn ar sail risg.

Daeth â'i chyflwyniad i ben drwy ddweud bod gan y Cyngor nifer o rwymedigaethau hirdymor eraill a oedd wedi'u cynnwys yn y Strategaeth Gyfalaf, a dangoswyd enghreifftiau o'r rhain ym mharagraff 4.15 o'r adroddiad.

Cyfeiriodd un o'r Aelodau at baragraff 4.7 o'r adroddiad oedd yn dwyn y pennawd 'Rhaglen Gyfalaf 2019-20 ymlaen', a'r ffaith fod yr Aelod Cabinet dros Addysg ac Adfywio wedi mynegi ei bryder yn gynharach yn y drafodaeth ynghylch y gyllideb ar gyfer yr Adran Addysg. Dywedai'r rhan hon o'r adroddiad fod adroddiad monitro'r gyllideb Chwarter 1 i'r Cabinet, yn gynharach y mis hwn, yn amlinellu'r arian refeniw, a ryddhawyd o ganlyniad i hysbysiad hwyr am arian grant untro gan LIC tuag at gyflog a phensiynau athrawon a diffoddwyr tân. Ai'r paragraff hwn o'r adroddiad ymlaen i ddweud bod y Cabinet wedi cynnig sefydlu 'Cronfa Buddsoddi mewn Cymunedau' gyda £2 filiwn o'r arian hwn er mwyn cefnogi'r rhaglen gyfalaf ar gyfer mân waith, drwy ei gwneud yn bosibl cyflawni mwy o welliannau cyfalaf ar Asedau'r Cyngor yng nghymunedau lleol Bwrdeistref Pen-y-bont ar Ogwr. Gan wybod am y pwysau parhaus ar gyllid Ysgolion, gofynnodd a oedd yn beth doeth i roi'r arian hwn yn y Rhaglen Gwaith Cyfalaf (yn hytrach na'i roi i ysgolion).

Dywedodd yr Arweinydd mai bychan fyddai effaith hyn o ran dyrannu arian yn y dyfodol ar gyfer pensiynau athrawon ac yn y blaen, oherwydd, os nad yw Llywodraeth Cymru yn neilltuo arian grant o 2020/21 ar gyfer hyn ar sail gylchol, yna bydd y cyllid y mae'r Cyngor wedi'i ddyrannu yn cael ei basbortio'n ôl i gyllidebau dirprwyedig yr ysgolion fel nad ydynt dan unrhyw anfantais.

PENDERFYNWYD: Bod y Cyngor:-

1. Yn nodi'r Rhaglen Gyfalaf am y cyfnod o 1 Ebrill 2019 hyd 30 Mehefin 2019 (Atodiad A).
2. Yn cymeradwyo'r Rhaglen Gyfalaf ddiwygiedig (Atodiad B).
3. Yn nodi'r Dangosyddion Darbodus ac Eraill a ragwelir ar gyfer 2019-20 (Atodiad C).
4. Yn cymeradwyo trosglwyddiad cyllideb referniw o £2,349,797 o gyllidebau dirprwyedig ysgolion i gyllidebau ar draws y Cyngor, i gyfrannu at Wariant Cyfalaf, fel yr amlinellwyd ym mharagraff 4.7 o'r adroddiad.

345. DERBYN Y CWESTIYNAU CANLYNOL GAN:

Y Cynghorydd A Hussain i Aelod y Cabinet Addysg ac Adfywio:

A allai'r Aelod o'r Cabinet oedd yn gyfrifol am dwristiaeth ddweud wrth y Cyngor am ei gynlluniau i gefnogi sgiliau yn y sector twristiaeth yn ychwanegol at adael inni wybod am y bylchau yn y ddarpariaeth a'r data a nodi beth y gallai'r Cyngor ei wneud i beri bod ein cyrchfannau glan y môr yn boblogaidd?

Ymateb

Mae'r Cynllun Rheoli Cyrchfannau (CRhC), 2018-2022, a gymeradwywyd gan y Cabinet ym mis Mawrth 2018, yn nodi'r fframwaith ar gyfer rheoli'r weledigaeth dwristiaeth hyd 2022. Mae'r Cynllun Rheoli Cyrchfannau yn cael ei gefnogi gan y Cynllun Gweithredu Cyrchfan (CGC) sy'n manylu ar weithgareddau penodol. Mae'r camau gweithredu sydd wedi eu cynnwys yn y CGC yn canolbwyntio ar gyfleoedd strategol allweddol ar gyfer datblygu, manteisio i'r eithaf ar gyfleoedd ariannu allanol a, lle bo'n bosibl, darparu mewn partneriaeth. Mae'r CRhC yn cynnig y weledigaeth ganlynol:

Datblygu economi ymwelwyr ffyniannus ym Mwrdeistref Sirol Pen-y-bont ar Ogwr sy'n dathlu cryfderau'r lle, yn cefnogi swyddi, yn creu cyfleoedd busnes ac yn gwella'r amrywiaeth o amwynderau sydd ar gael i ymwelwyr a phobl leol.

Mae'r CGC yn cefnogi cyflawni'r weledigaeth hon drwy ganolbwyntio camau gweithredu yn erbyn y blaenoriaethau canlynol:

- (a) Cefnogi datblygiad y cynnyrch twristiaeth
- (b) Cefnogi'r broses o ddatblygu seilwaith twristiaeth
- (c) Codi proffil a denu mwy o ymwelwyr i Fwrdeistref Sirol Pen-y-bont ar Ogwr

Mae'r CRhC yn nodi'n benodol bod datblygu adnoddau dynol twristiaeth yn flaenoriaeth. Yn fwy penodol, mae gan y CGC y blaenoriaethau canlynol;

2.5.1 Annog pobl i fanteisio ar hyfforddiant gwasanaeth cwsmeriaid a gwybodaeth am gynnyrch:

Bydd busnesau'n cael eu hannog i fanteisio ar gyfleoedd hyfforddi a datblygu pan fyddant ar gael, yn enwedig drwy gyflwyno dulliau sydd eisoes wedi'u treialu.

2.5.2 Codi ymwybyddiaeth o gyfleoedd hyfforddi ym maes rheoli twristiaeth:

Byddwn yn gweithio gyda rhanddeiliaid i helpu i nodi anghenion hyfforddiant lleol, ar y cyd â mentrau datblygu economaidd, ochr yn ochr ag ymgyrch ymwybyddiaeth i annog gweithredwyr i ymgymryd â gwaith datblygu rheolwyr a hyfforddi staff.

2.5.3 Annog busnesau newydd i gychwyn ym maes twristiaeth:

Darperir cymorth a chyngor i helpu pobl i gychwyn busnesau twristiaeth newydd drwy'r mecanweithiau sydd ar gael i CBS Pen-y-bont ar Ogwr a lle bo angen, cyfeirir at Busnes Cymru.

Yn 2018, cynhaliodd y Cyngor ymgynghoriad ynghylch llinellau cyfathrebu yn y dyfodol a chynrychiolaeth ar gyfer yr economi ymwelwyr yn y gyrchfan, yn dilyn penderfyniad Cymdeithas Dwristiaeth Pen-y-bont ar Ogwr i roi'r gorau i'w gweithgareddau. Argymhellwyd bod Fforwm Busnes Pen-y-bont ar Ogwr (BBF) mewn sefyllfa ddelfrydol i fod yn fecanwaith cyfathrebu, rhwydweithio, eiriol ac ymgynghori ar gyfer y sector twristiaeth. Mae aelodaeth Fforwm Busnes Pen-y-bont ar Ogwr yn cynnwys busnesau sefydledig a rhai sydd newydd gychwyn, o fewn amrywiaeth eang o sectorau busnes. Mae masnachwyr unigol, microfusnesau, busnesau bychain a chanolig yn ogystal â chwmnïau mawr rhyngwladol i gyd yn bresennol o fewn yr aelodaeth. Mae'n rhoi cyfle i bobl fusnes leol gyfarfod â chwsmeriaid a chyflenwyr newydd, dysgu sgiliau newydd, rhannu arferion gorau, a chael y wybodaeth ddiweddaraf am ffactorau a allai effeithio ar eu busnes. Yn bwysig, mae'r fforwm hefyd yn rhoi cyfle i bobl fusnes leisio'u barn. Mae'r BBF yn darparu gweithdai sgiliau busnes mewn pynciau fel marchnata, y cyfryngau cymdeithasol, codi arian a rheoli adnoddau dynol. Caiff pobl eu hannog i rwydweithio â rhai eraill sy'n bresennol, yn ogystal â dysgu oddi wrth lu o hwyluswyr arbenigol. Achlysur Gwobrau Blynyddol Fforwm Busnes Pen-y-bont ar Ogwr yw pinacel calendr busnes Pen-y-bont ar Ogwr ac mae ganddo gategori Busnes Twristiaeth pwrpasol. Ym mis Mawrth, cynhaliodd y BBF ddigwyddiad oedd yn targedu busnesau twristiaeth yn benodol ac fe'i cynhaliwyd yng Nghlwb Golff y Grove ym Mhorthcawl.

Mae grant cychwynnol Pen-y-bont ar Ogwr yn gynllun grant hyblyg a ddarperir drwy bartneriaeth â Menter Dur y DU a Chyngor Bwrdeistref Sirol Pen-y-bont ar Ogwr. Mae'n darparu cymorth ariannol i ficro-fusnesau newydd neu rai sy'n bodoli eisoes sydd wedi'u lleoli, neu sy'n bwriadu lleoli, ym Mwrdeistref Sirol Pen-y-bont ar Ogwr. Diffinnir micro-fusnes fel un sydd â llai na deg o gyflogeion a chyfanswm trosiant neu fantolen o lai na €2 filiwn. Yn y sector twristiaeth micro-fusnesau a busnesau bychain a chanolig sydd amlycaf, ac mae nifer o fusnesau twristiaeth wedi elwa o'r grant yn y blynyddoedd diwethaf.

Adran yr economi a chyfoeth naturiol sy'n gyfrifol am dwristiaeth. Lledaenir cyfleoedd ar gyfer cymorth sgiliau i bob sector, gan gynnwys twristiaeth, gan staff o fewn yr adran, drwy'r sianelau cyfathrebu arferol megis yr e-newyddion busnes.

Ddwywaith yn ystod y flwyddyn ddiwethaf, cefnogodd CBS Pen-y-bont ar Ogwr Ysgol Fusnes Dros dro am ddim, sy'n rhoi'r wybodaeth a'r offer angenrheidiol i gyfranogwyr ddechrau eu busnes eu hunain. Mae hon yn agored i bobl sy'n ystyried unrhyw fath o fusnes, gan gynnwys twristiaeth.

Cymerir pob cyfle i ddeall yn well sut i ddatblygu economi ymwelwyr ffyniannus ym Mwrdeistref Sirol Pen-y-bont ar Ogwr, sy'n dathlu cryfderau'r lle, yn cefnogi swyddi, yn creu cyfleoedd busnes ac yn gwella'r ystod o amwynderau sydd ar gael ar gyfer ymwelwyr a phobl leol. Fe wnaethom gymryd rhan mewn rhaglen ymchwil dan arweiniad Croeso Cymru oedd yn cynnwys casglu gwybodaeth am lefelau meddiannaeth, tueddiadau twristiaeth, boddhad ymwelwyr a mwy. Yn ogystal, rydym yn cynnal ein hymchwil annibynnol ein hunain. Mae'r wybodaeth hon yn llywio'r dull a defnyddiwn ac yn dangos i ba raddau rydym yn cyflawni ein gweledigaeth.

Yn ôl data Model Gweithgarwch Economaidd Twristiaeth Scarborough (STEAM), mae twristiaeth eisoes yn chwistrellu refeniw y mae ei wir angen i mewn i'r economi leol (£347.30 miliwn) ac yn cynnal 4,041 o swyddi. Ers 2013 bu cynnydd cyson yn effaith economaidd twristiaeth ym Mwrdeistref Sirol Pen-y-bont ar Ogwr, gyda gwerth economaidd twristiaeth yn cynyddu o £289.86 miliwn yn 2013 i £347,30 miliwn yn 2018.

Yn ystod yr un cyfnod, mae nifer yr ymwelwyr a nifer dyddiau ymwelwyr wedi cynyddu'n debyg gyda nifer yr ymwelwyr wedi codi o 3.55 miliwn yn 2013 i 3.72 miliwn yn 2018 a dyddiau ymwelwyr wedi cynyddu o 5.25 miliwn yn 2013 i 5.61 miliwn yn 2018. Roedd y twf hwn yn rhagori ar y targedau a osodwyd yn y Cynllun Rheoli Cyrchfannau 2018-2022 ac yn gosod y fwrdeistref sirol ymhlith llwyddiannau Prifddinas-ranbarth Caerdydd o ran twristiaeth.

Cwestiwn atodol gan y Cyngorydd A Hussain

Mae'r Cynllun Rheoli Cyrchfannau (CRhC) 2018-22 yn weledigaeth wych ac yn eich Cynllun Gweithredu Cyrchfan (CGC) sut ydych chi'n codi'r proffil ac yn denu mwy o ymwelwyr i Fwrdeistref Sirol Pen-y-bont ar Ogwr, er nad ydym wedi gweld unrhyw gynnydd dros y ddwy flynedd ddiwethaf?

Ymateb

Cyfeiriodd Aelod y Cabinet, Addysg ac Adfywio, sylw'r Aelod at y paragraff olaf o'i ymateb uchod. Ychwanegodd fod nifer yr ymwelwyr yn cael ei fesur hefyd, er mwyn cyfrif faint o bobl oedd yn mynd i drefi o fewn y Fwrdeistref, yn enwedig Porthcawl, fel un o'n prif gyrchfannau glan y môr. Hefyd, gellid monitro faint o bobl sy'n aros mewn gwestai a thai llety ac yn y blaen i fesur faint o bobl sy'n ymweld â lleoedd fel Porthcawl ar eu gwyliau. Gellid cyflawni pethau fel hyn ac roedd STEAM o gymorth o ran mesur data perthnasol penodol (fel y manylwyd yn yr ymateb gwreiddiol), yn ogystal ag adlewyrchu tueddiadau a chymharu data yn gywir o'r gorffennol i'r presennol. Ychwanegodd Aelod y Cabinet, Addysg ac Adfywio, fod prosiectau a digwyddiadau adfywio yn mynd ymlaen, nid yn unig o fewn y prif atyniadau twristaidd fel Porthcawl ond ledled y Fwrdeistref Sirol gyfan.

Cwestiwn atodol gan y Cyngorydd N Burnett

Ar wahân i Borthcawl, beth sy'n cael ei wneud i ddenu twristiaid mewn rhannau eraill o'r Fwrdeistref Sirol?

Ymateb

Er bod yna ddata i fesur hyn i raddau, fel gyda'r data a gasglwyd ynghylch nifer yr ymwelwyr â Phorthcawl, roedd hyn yn dibynnu i raddau ar lefel y diddordeb a ddangoswyd ganddynt, wrth gwblhau arolygon a oedd ar gael i aelodau o'r cyhoedd, a fyddai, pe caent eu cwblhau, yn rhoi darlun cywirach o nifer y bobl a ymwelodd â Phorthcawl a lleoedd eraill, a ph'un a oedd yr ymwelwyr hyn yn ymweld â lle arbennig am y dydd ynteu am gyfnod hwy, h.y. am wyliau. Roedd yn y fwrdeistref sirol 5 neu 6 o westai â brand cenedlaethol, ac nid oedd yr un ohonynt ym Mhorthcawl. Roedd nifer o leoedd o ddiddordeb hefyd i ymweld â hwy ar draws y fwrdeistref y tu allan i Borthcawl, er enghraifft, Neuadd y Dref Maesteg, twyni Merthyr Mawr, Tŷ a Pharc Gwledig Bryngarw, Castell Coety, Tŷ Carnegie, Canolfan Siopa Dylunwyr Pen-y-bont ar Ogwr, y Rhwydwaith Beicio Cenedlaethol, ymhlith eraill ar-lein, y gellid edrych arnynt ar wefannau fel 'Bridgend Bites'. Ychwanegodd hefyd fod yna nifer o ddigwyddiadau'n cael eu trefnu'n aml gan ddarparwyr allanol, yn enwedig yn nhref Pen-y-bont ar Ogwr, drwy ddarparu nifer o wahanol stondinau, fel arfer dros gyfnod y penwythnos, yn gwerthu bwydydd a chynnyrch delicatessen.

Cwestiwn atodol gan y Cyngorydd R Stirman

Pa gamau sy'n cael eu cymryd i gyfeirio twristiaid at fannau o ddiddordeb yn y Fwrdeistref Sirol?

Ymateb

Ar-lein drwy wahanol wefannau, boed y rhain yn rhai'r Cyngor (e.e. Bridgend Bites) neu eraill, drwy hyfforddiant 'Llysghenhadon' Twristiaeth, a ariennir gan Gronfa Datblygu Gwledig yr UE, (y mae'r Aelod a ofynnodd y cwestiwn yn un ohonynt), neu drwy sefydliadau eraill sy'n ymwneud â threfnu rhyw ddigwyddiad penodol. Hefyd drwy hysbysebu digwyddiadau, drwy arddangos hysbysiadau cyhoeddus mewn mannau y mae'r Cyngor yn ymweld â hwy'n rheolaidd. Roedd hysbysiadau a chyhoeddiadau ar gael mewn canolfannau croeso. Gorffennodd drwy ddweud bod arwyddion ffordd parhaol hefyd yn cyfeirio twristiaid i leoedd fel Tŷ Bryngarw, y Pafiliwn Mawreddog a mannau eraill o ddiddordeb ar hyd a lled y Fwrdeistref Sirol.

Y Cynghorydd M Voisey i'r Arweinydd

O ganlyniad i'r ffaith nad yw Prif Weinidog Llafur Cymru wedi cymeradwyo ffordd liniaru'r M4 o amgylch Casnewydd, sut bydd prosiect y Fargen Ddinesig yn ymadfer ar ôl y penderfyniad hwn sy'n drychinebus i economi De Cymru, ac a ddylai'r Cyngor hwn gael ail bleidlais ynghylch a ydym am barhau i fod yn bleidiol i Fargen y Ddinas, yn awr a'r ffeithiau wedi newid mor ddramatig?

Ymateb

Mae mater ffordd liniaru'r M4 wedi bod yn destun cryn ddadlau, er y bydd y cynllun Metro Plus o gymorth. Mae hwn i gael ei ariannu ar y cyd gan brosiect y Fargen Ddinesig/Llywodraeth Cymru sydd hefyd yn cynnwys cynnig ar gyfer parcio a theithio. Roedd yna ymdrech yn mynd ymlaen i ddod o hyd i gyllid ar gyfer Cysylltedd Digidol a, gyda hyn mewn golwg, roedd ymgynghoriad yn cael ei gynnal i edrych ar ffyrdd o sicrhau cyllid cenedlaethol y tu allan i arian y Fargen Ddinesig, i wella cysylltedd Band Eang.

Cwestiwn atodol gan y Cynghorydd M C Voisey

A fyddai'r arweinydd gystal â rhoi gwybod sut y bydd Rhanbarth Caerdydd, a'r Awdurdod hwn yn neilltuol, yn elwa ac yn manteisio ar fuddion rhwydwaith symudol 5G a'r defnydd uchaf a ragwelir o geir trydan, er budd refeniw'r Awdurdod hwn.

Ymateb

Dywedodd yr Arweinydd fod gwelliannau mewn perthynas â ffordd liniaru'r M4 a thagfeydd traffig o gwmpas twnnel Casnewydd yn brosiect nad oedd erioed wedi bod yn rhan o gynigion prosiect y Fargen Ddinesig, felly nid oedd yn gweld yr angen i gynnal ail bleidlais ynglŷn ag a ddylai Pen-y-bont ar Ogwr aros yn rhan o Fargen Ddinesig Prifddinas-Ranbarth Caerdydd ai peidio, fel yr oedd yr Aelod wedi'i awgrymu yn ei gwestiwn gwreiddiol. Rhoddodd sicrwydd hefyd bod Awdurdod Trafnidiaeth Prifddinas-Ranbarth Caerdydd, y mae'n gwasanaethu fel Cadeirydd iddo, wedi cynnig gweithio'n agosach â Llywodraeth Cymru, i adnabod ffyrdd y gellid lleihau neu liniaru tagfeydd traffig yn y rhwydwaith briffyrdd uchod ac o'i gwmpas. Byddai'r gost o adeiladu ffordd liniaru'r M4 yng Nghasnewydd oddeutu £1.6biliwn ac roedd Llywodraeth Cymru wedi penderfynu nad oedd hyn yn fforddiadwy. Roedd yna fwriad i gyfrannu cyllid, fodd bynnag, tuag at becyn cynllun gwella trafndiaeth gyhoeddus yn lle hynny, a oedd yn fwy fforddiadwy ac a fyddai'n gwella'r sefyllfa bresennol yn ardal Casnewydd, ac o bosibl yn cyflwyno gwelliannau ledled De Ddwyrain Cymru, yn cynnwys Pen-y-bont ar Ogwr. Byddai ymdrechion hefyd yn cael eu gwneud trwy gyflwyno ymgyrch briodol, i berswadio'r cyhoedd i ddefnyddio mwy o drafnidiaeth sector cyhoeddus, (yn hytrach na'u cerbyd(au) eu hunain), megis bysiau, rheilffyrdd a seiclo. Byddai hyn yn helpu i leihau tagfeydd cerbydol a llygredd o allyriadau.

Cwestiwn atodol gan y Cynghorydd T Thomas

Ysgrifennais at yr Arweinydd yn ddiweddar ynglŷn â Thŷ'r Great Western Power, sy'n fargen economaidd rhwng De-ddwyrain Cymru a Swindon a Bryste. Nododd yr Arweinydd ei fod yn cefnogi'r polisi hwn a'i fod yn ategu'r Fargen Ddinesig.

Un o bryderon y Fargen Ddinesig yw bod swm mawr o arian yn cael ei ail-ddosbarthu i Gaerdydd. Sut y gallwn fod yn dawel ein meddwl na fydd y polisi hwn yn ail-ddosbarthu rhagor o arian lleol ar draws coridor yr M4 i Dde-orllewin Lloegr?

Ymateb

Mae Cytundeb Bargen Ddinesig Prifddinas-Ranbarth Caerdydd yn cynnwys 10 awdurdod lleol a'i fwrdd yw ymdrin â phrosiectau am y 15 mlynedd nesaf. O ran Pwerdy Economaidd Mawr y Gorllewin, nid oes ymrwymiad wedi'i roi i hwn fel rhan o'r Fargen Ddinesig. Adroddiad a syniad yn unig ydoedd ar y cam hwn, er bod y ddau ranbarth yn rhannu rhai buddiannau cyffredin. Roedd hyn oherwydd bod buddiannau i'r naill ochr a'r llall, gan gynnwys cynyddu opsiynau ar gyfer trafnidiaeth reilffordd rhwng y lleoliadau y manylir arnynt ym mharagraff cyntaf y cwestiwn atodol uchod a thu hwnt, h.y. teithio ar reilffyrdd o Dde Orllewin Cymru i orsaf Paddington Llundain. Yn ogystal, roedd buddiannau cyffredin sylweddol mewn perthynas â chynyddu'r cysylltedd presennol rhwng economïau a sectorau addysg uwch ac ymchwil De Ddwyrain Cymru a De Orllewin Lloegr. Bydd manteisio ar botensial llawn ynni adnewyddadwy Môr Hafren hefyd yn gofyn gweithio ar y cyd rhwng awdurdodau lleol ar ddwy ochr Môr Hafren. Nodau ac amcanion Pwerdy Economaidd Mawr y Gorllewin oedd cysylltu rhanbarthau yng Nghymru a Lloegr yn well, er mwyn hybu twf economaidd mwy cynhwysol ar gryn raddfa, trwy gysylltu dulliau cydweithredu allweddol. Byddai hyn o bosibl yn cynnwys cyflwyno Strategaeth Ddiwydiannol a fyddai'n arwain at isadeiledd cynyddol, a dulliau twf arloesol rhwng gwahanol ardaloedd. Roedd y rhain yn debyg iawn i rai o nodau ac amcanion prosiect y Fargen Ddinesig. Fodd bynnag, pwysleisiodd fod y ddwy fenter hyn yn dal i fod yn y camau cynnar ar hyn o bryd.

Cwestiwn atodol gan y Cynghorydd J P Blundell

A fyddai'r Arweinydd yn cytuno, bod angen i'r Cyngor weithio gydag awdurdodau cyfagos, yn enwedig y rhai sy'n ymwneud â Bargen Ddinesig Prifddinas-ranbarth Caerdydd, fel bod trigolion sy'n meddu ar gymwysterau proffesiynol addas yn gallu anelu at a llwyddo i gael swyddi â chyflog uchel o fewn y rhanbarth maent yn byw ynddo.

Ymateb

Roedd yr Arweinydd yn cydnabod a chytuno â'r pwynt hwn. Nododd fod cysylltedd sylweddol rhwng economi Pen-y-bont ar Ogwr a rhanbarth Dinas Abertawe ac felly Bargen Abertawe yn y gorllewin. Roedd yr awdurdod lleol yn rhan o Weithlu a sefydlwyd ac a arweiniwyd gan Lywodraeth Cymru a Llywodraeth y DU, er mwyn edrych ar opsiynau cyflogaeth ar y safle hwnnw petai ffatri injans Ford yn cau, sy'n ymddangos yn debygol o ddigwydd. Gyda'i gilydd, roedd partneriaid yn anelu at ddenu buddsoddiad mewnol i sicrhau swyddi yn lle'r rhain mewn busnesau newydd a busnesau presennol, i wrthbwysu'r 1,700 swydd a fyddai'n cael eu colli petai Ford yn cau'r ffatri injans. Gallai hyn fod yn brosiectau naill ai ar y safle Ford presennol, neu mewn lleoliad priodol arall yn rhywle arall yn y Fwrdeistref Sirol.

Y Cynghorydd T Thomas i Aelod y Cabinet - Cymunedau

A wnaiff Aelod y Cabinet amlinellu unrhyw gynlluniau sut y bydd y Cyngor hwn yn lleihau allyriadau carbon gyda'r bwriad o sicrhau bod gweithgareddau'r Cyngor yn ddi-garbon net erbyn 2030?

Ymateb

Mae Cyngor Bwrdeistref Sirol Pen-y-bont ar Ogwr ar flaen y gad o ran datrysiadau a phrosiectau ynni carbon isel arloesol. Mae CBS Pen-y-bont ar Ogwr wedi bod yn ymwneud â Rhaglen Gwres System Smart ers 2013 pan gyflwynodd holiadur cyn-gymhwysio i'r Sefydliad Technolegau Ynni (ETI) ac fe'i dewiswyd o blith dros 70 o awdurdodau lleol ledled y DU i fod yn un o'r 3 awdurdod ar y rhestr fer a gafodd flaenoriaeth yn y rhaglen. Cymeradwyodd y Cabinet Strategaeth Ynni Ardal Leol a Chynllun Ynni Clyfar ar 19 Chwefror 2019. Mae'r rhain yn cynnig llwybr tuag at ddatgarboneiddio gwres o fewn Bwrdeistref Sirol Pen-y-bont ar Ogwr. Mae'r Strategaeth Ynni Ardal Leol yn cynnig llwybr tuag at gyflawni targedau datgarboneiddio ac mae'r Cynllun Ynni Clyfar yn darparu'r manylion am sut y bydd technolegau, modelau busnes a chynigion defnyddwyr yn cael eu defnyddio a'u profi er mwyn gallu cynyddu'r raddfa a chyflawni'r targedau datgarboneiddio.

Mae'r Cynllun Ynni Clyfar yn mapio'n ffurfiol y ddarpariaeth yn y tymor agos ar gyfer cam cyntaf y Strategaeth Ynni Ardal Leol. Mae'r Cynllun Ynni Clyfar wedi'i alinio â chynnodau amser Cyllideb Carbon Llywodraeth Cymru ac mae'n nodi'r prosiectau a'r gweithgareddau i'w cyflawni yn ystod y cyfnod hwn. Nod y Cynllun Ynni Clyfar yw sicrhau'r manteision canlynol:

- Datgarboneiddio gwres o fewn Bwrdeistref Sirol Pen-y-bont ar Ogwr
- Ysgogi twf economaidd
- Darparu cyfleoedd newydd am swyddi
- Denu busnesau newydd a rhai presennol i dreialu mentrau a thyfu o fewn y fwrdeistref sirol

Mae CBS Pen-y-bont ar Ogwr yn cydnabod Datganiad Argyfwng Hinsawdd Llywodraeth Cymru ar 29 Ebrill 2019 a'r ymrwymiad y mae Llywodraeth Cymru wedi'i wneud i sicrhau sector cyhoeddus niwtral o ran carbon erbyn 2030.

Bydd Pen-y-bont ar Ogwr ar flaen y gad yn y trafodaethau â Llywodraeth Cymru ynghylch nodi adnoddau ac arian y bydd angen eu darparu, i alluogi'r Cyngor i gyflawni amcan niwtraliaeth garbon ar gyfer ei weithgareddau ei hun (gwasanaethau a daliadau eiddo).

Bydd CBS Pen-y-bont ar Ogwr yn parhau i weithio tuag at senario di-garbon net ac i sicrhau'r gostyngiad mwyaf posibl yn yr allyriadau carbon a gynhyrchir gan weithgareddau ac asedau'r Cyngor ei hun. Er mwyn cyrraedd y nod hon, bydd y Cyngor yn parhau i wneud y canlynol:

Gwella perfformiad ynni asedau ym mhortffolio adeiladu'r Cyngor i'r eithaf;

Cynorthwyo pob ysgol i leihau ynni, costau ac allyriadau;

Gwella'r ymgysylltu, y cyfathrebu a'r hyfforddiant sy'n gysylltiedig ag arbed ynni a charbon ym mhob adran o fewn y Cyngor;

Ymgysylltu â staff i fynd ati i wella ymwybyddiaeth o arbed ynni a chostau;

Sicrhau y gosodir mesuryddion effeithiol a monitro er mwyn lleihau gwastraff ynni y gellir ei osgoi yn effeithiol;

Cynnal archwiliadau ynni i nodi, mesur a blaenoriaethu cyfleoedd i arbed ynni o fewn ein hadeiladau a chynyddu cyfranogiad technolegau ynni adnewyddadwy i leihau dibyniaeth ar danwyddau ffosil.

Cwestiwn atodol gan y Cynghorydd T Thomas

Mae Llywodraeth Cymru wedi derbyn argymhelliad bod yn rhaid i bob cartref newydd fod mor agos ag sydd modd at fod yn ddi-garbon erbyn 2021.

A derbyn bod llawer o gartrefi wedi mynd drwy'r broses gynllunio'n ddiweddar neu wrthi'n cael eu hystyried ar gyfer eu hadeiladu o gwmpas 2021, sut gwnawn ni sicrhau bod y cartrefi hyn yn ddi-garbon?

Ymateb

Er bod Llywodraeth Cymru wedi cyflwyno Polisi o'r fath, mae'r broses lle mae Awdurdod Cynllunio Lleol yn ystyried ceisiadau cynllunio yn dod dan y gyfraith cynllunio a gyflwynwyd drwy ddeddfwriaeth ganolog, sef Deddf Cynllunio Gwlad a Thref 1990, ac mae awdurdodau lleol yn gaeth i'r ddeddfwriaeth hon. Pe bai Llywodraeth Cymru'n penderfynu gorfodi'r uchod, byddai'n rhaid i CBS Pen-y-bont ar Ogwr ac awdurdodau lleol eraill yng Nghymru newid eu Nodyn Cyngor Technegol (TAN) priodol, fel y gallai'r Pwyllgor Rheoli Datblygu alw datblygwyr safle i gyfrif, h.y. drwy osod amod arnynt i gyflwyno agweddau di-garbon i adeiladau fyddai'n cael eu hadeiladu fel rhan o ddatblygiadau tai newydd. Oni châi hyn ei wneud a bod newid yn y ddeddfwriaeth uchod, ni fyddai gan awdurdodau lleol, yn anffodus, y grym i orfodi Datblygwyr i adeiladu anheddau di-garbon.

Cwestiwn atodol gan y Cyngorydd P A Davies

Sut mae CBS Pen-y-bont ar Ogwr yn dod ymlaen gyda lleihau allyriadau carbon drwy oleuadau stryd (lanternau)?

Ymateb

Rhaglen waith oedd yn parhau i fynd ymlaen oedd hon. Roedd gwaith wedi cael ei gwblhau ar dir Amlosgfa Llangrallo, lle y gosodwyd goleuadau ynni isel yn y maes parcio. Roedd y rhain yn rhatach i'w rhedeg na goleuadau ynni arferol. Roedd y Cyngor yn edrych drwy'r amser am ffyrdd o leihau'r ôl-troed carbon ym mhob peth yr oedd yn ymwneud ag ef, lle roedd cyfle i wneud hynny. O ran goleuadau stryd fel y cyfryw, a'r newid sy'n mynd ymlaen, roedd y Cyngor yn edrych ar ddarparu colofnau, oedd yn gollwng allyriadau carbon is, yn ogystal ag edrych ar ddulliau arloesol eraill, gan gynnwys cysylltedd WiFi, fel bod modd i aelodau'r cyhoedd gael mynediad at WiFi drwy'r math newydd hwn o golofnau.

346. EITEMAU BRYD

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BRIDGEND COUNTY BOROUGH COUNCIL

REPORT TO COUNCIL

18 SEPTEMBER 2019

REPORT OF THE INTERIM HEAD OF FINANCE AND SECTION 151 OFFICER

ANNUAL TREASURY MANAGEMENT OUTTURN REPORT 2018-19

1. Purpose of the Report

1.1 The purpose of the report is to:-

- Comply with the requirement of the Chartered Institute of Public Finance and Accountancy 'Treasury Management in the Public Services: Code of Practice' (the Code) to report an overview of treasury activities for the preceding financial year;
- Report on the actual Treasury Management and Prudential indicators for 2018-19.

2. Connection to Corporate Improvement Objectives/Other Corporate Priorities

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

- Smarter use of resources – ensuring that all its resources (financial, physical, human and technological) are used as effectively and efficiently as possible and support the development of resources throughout the community that can help deliver the Council's priorities.

2.2 The Annual Treasury Management Outturn Report is integral to the delivery of the Corporate Improvement Objectives as the allocation of resources determines the extent to which the Corporate Objectives can be delivered.

3. Background

3.1 The Council's Treasury Management activities are regulated by the Local Government Act 2003 which provides the powers to borrow and invest as well as providing controls and limits on this activity. The Local Authorities (Capital Finance and Accounting) (Wales) Regulations 2003 as amended, develops the controls and powers within the Act. This requires the Council to undertake any borrowing activity with regard to the Chartered Institute of Public Finance and Accountancy's (CIPFA) Prudential Code for Capital Finance in Local Authorities and to operate the overall treasury function with regard to the CIPFA Code of Practice for Treasury Management in the Public Services.

3.2 The Council is required to operate the overall treasury function with regard to the Code and this was formally adopted by the Council in February 2012. This includes a requirement for the Council to approve a Treasury Management

Strategy (TMS) before the start of each financial year which sets out the Council's and Chief Financial Officer's responsibilities, delegation and reporting arrangements. Council approved the TMS 2018-19 on 28 February 2018. CIPFA published new editions of Treasury Management in the Public Services: Code of Practice and the Prudential Code for Capital Finance in Local Authorities in late December 2017. The TMS 2018-19 and this report however have been produced using the 2011 Codes due to the late publication of the 2017 Codes as they were not implemented until the TMS 2019-20.

- 3.3 The Welsh Government (WG) issued revised Guidance on Local Authority Investments in April 2010, which requires the Council to approve an Investment Strategy prior to the start of each financial year and this is included in the TMS.
- 3.4 Under regulation 21 of the Local Authorities (Capital Finance and Accounting) (Wales) Regulations 2003, local authorities are required to charge Minimum Revenue Provision (MRP) to their revenue account for each financial year to account for the principal cost of their debt in that financial year. Council approved a revised MRP policy for 2018-19 on 19 September 2018 and the revised MRP policy for 2018-19 amended the method of calculating a prudent annual amount to charge to revenue to repay capital financing costs. The revision of the MRP Policy 2018-19 for calculating MRP on capital expenditure funded from supported borrowing resulted in a change from a 4% reducing balance method to a straight-line method over 45 years.
- 3.5 Although not classed as treasury management activities and therefore not covered by the CIPFA Code or the WG Guidance, the Council may also purchase property for investment purposes and may also make loans and investments for service purposes, for example in shared ownership housing, or as equity investments and loans to the Council's subsidiaries. Such loans and investments will be subject to the Council's normal approval processes for revenue and capital expenditure and need not comply with the TMS. The Council's existing non-treasury investments relate to investment properties and the balance at 31 March 2019 was £4.635 million.

4. Current Situation/Proposal

4.1 External Debt and Investment Position 2018-19

- 4.1.1 The Council's external debt and investment position for 1 April 2018 to 31 March 2019 is shown in Table 1 below; more detail is provided in section 4.4 the Borrowing Strategy and Outturn and section 4.5 the Investment Strategy and Outturn.
- 4.1.2 It should be noted that the accounting practice to be followed by the Council requires financial instruments in the accounts (debt and investments) to be measured in a method compliant with International Financial Reporting Standards (IFRS). The figures shown in Table 1 and throughout the report are based on the actual amounts borrowed and invested and so may differ from

those in the Statement of Accounts which include accrued interest or other different accounting adjustments.

Table 1: External debt and investment position 1 April 2018 to 31 March 2019

	Principal as at 01-04-18 £m	Average Rate %	Principal as at 31-03-19 £m	Average Rate %
External long term borrowing:				
Public Works Loan Board	77.62	4.70	77.62	4.70
Lender's Option Borrower's Option	19.25	4.65	19.25	4.65
Total External borrowing	96.87	4.69	96.87	4.69
Other Long Term Liabilities (LTL)				
Private Finance Initiative (PFI)*	17.64		17.00	
Other LTL	3.38		0.88	
Total Other Long Term Liabilities	21.02		17.88	
Total Gross External Debt	117.89		114.75	
Treasury investments:				
Banks	7.40	0.58	5.40	0.86
Building Societies	2.00	0.54	1.00	0.90
Local Authorities	21.00	0.64	21.00	0.96
Total treasury investments	30.40	0.62	27.40	0.94
Net Debt	87.49		87.35	

* (PFI) arrangement for the provision of a Secondary School in Maesteg 15 years remaining term

4.1.3 The £19.25 million in Table 1 above relates to Lender's Option Borrower's Option (LOBO) loans which have a maturity date of 2054, however these may be re-scheduled in advance of this maturity date. The LOBO rate and term may vary in the future depending upon the prevailing market rates, with the lender exercising their option to increase rates at one of the bi-annual trigger points (the trigger dates being July and January) and, therefore, the Council being given the option to accept the increase or to repay the loan without incurring a penalty. The next trigger point is January 2020 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. The current average interest rate for these LOBO's is 4.65% compared to the Public Works Loan Board (PWLB) average interest rate of 4.70%.

4.1.4 The other long term liabilities figure of £17.88 million at 31 March 2019 includes £17.00 million for the Council's Private Finance Initiative (PFI) arrangement for the provision of a Secondary School in Maesteg with fifteen years remaining term. £0.69 million of the £17.00 million is included as current liabilities in the Council's balance sheet in the Statement of Accounts.

- 4.1.5 Favourable cash flows have provided surplus funds for investment and the balance on investments at 31 March 2019 was £27.40 million (average interest rate 0.94%). This was a decrease from the start of the financial year where investments were £30.40 million (average interest rate 0.62%). Table 2 in section 4.5 details the movement of the investments during 2018-19 by counterparty types and shows the average balances, investment income received, duration and rates for the year.
- 4.1.6 The treasury management function has been reviewed by the Council's External Auditors, the Wales Audit Office, during the 2018-19 annual audit and there were no adjustments relating to treasury management. In addition to the external audit work, the Internal Audit section undertook an audit of the treasury management function during 2018-19 and the audit identified that "based on an assessment of the strengths and weakness of the areas examined, and through testing it has been concluded that the effectiveness of the internal control environment is considered to be sound and therefore substantial assurance can be placed upon the management of risks".
- 4.1.7 The Council's treasury management advisors are Arlingclose. Their contract runs from 1 September 2016 for four years following a tender process and the contract will be reviewed annually and either party may at any time terminate this agreement on 3 months prior written notice. The current services provided to the Council include:-
- advice and guidance on relevant policies, strategies and reports
 - advice on investment decisions
 - notification of credit ratings and changes
 - other information on credit quality
 - advice on debt management decisions
 - accounting advice
 - reports on treasury performance
 - forecasts of interest rates
 - training courses.

4.2 Treasury Risk Management 2018-19

- 4.2.1 The TMS sets out the parameters for the management of risks associated with Financial Instruments. The Council also produces Treasury Management Practices specifying the practical arrangements to be followed to manage these risks. The Council's overall treasury risk management procedures focus on the unpredictability of financial markets and putting in place measures to minimise these risks.
- 4.2.2 The Council has an integrated TMS where borrowing and investments are managed in accordance with best professional practice. The Council borrows money either to meet short term cash flow needs or to fund capital schemes approved within the capital programme. Therefore any actual loans taken out 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.

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

- Credit risk (i.e. security) – the possibility that other parties might fail to pay amounts due to the Council;
- Liquidity risk – the possibility that the Council might not have funds available to meet its commitments to make payments;
- Market risk - the possibility that financial loss might arise for the Council as a result of changes in such measures as interest rates movements.

4.2.4 The Council's primary objective for the management of its investments is to give priority to the security and liquidity of its funds before seeking the best rate of return so not all the options available to the Council were utilised during 2018-19. The majority of the Council's surplus funds during 2018-19 were therefore kept in the form of short-term investments and were all placed with counterparties satisfying the appropriate credit criteria and spread over a number of counterparties. This was deemed a much safer option even though it may be at the expense of extra basis points in interest and more detail is provided below in section 4.5.

4.2.5 The counterparty limits were constantly reviewed and, where market conditions dictated, the counterparty limit was dropped below those detailed in the Investment Strategy. No breaches of the Council's counterparty criteria occurred during 2018-19 and the Council does not expect any losses from non-performance by any of its counterparties in relation to deposits. A risk of irrecoverability applies to all of the Council's deposits, but there was no evidence at 31 March 2019 that this was likely to happen. The pie chart in section 4.5 below summarises the credit risk exposures of the Council's investment portfolio by credit rating, based on the lowest long term rating.

4.3 External Context 2018-19

4.3.1 The interest rate views, incorporated in the Council's TMS 2018-19, were based upon officers' views supported by a selection of City forecasts provided by Arlingclose. When the TMS 2018-19 was prepared in January 2018 it was forecast that the Bank Rate would remain at 0.50% during 2018-19.

4.3.2 The Bank Rate started the financial year at 0.50% and remained at that rate until 2 August 2018 when the Bank of England's Monetary Policy Committee (MPC) increased the rate by 0.25% to 0.75%. The Bank Rate remained at 0.75% for the remainder of 2018-19.

4.4 Borrowing Strategy and Outturn 2018-19

4.4.1 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 took a cautious approach to its treasury strategy. With short-term interest rates currently lower than long term rates, it is likely to be more cost effective in the short term to use internal resources or take out short term loans instead. Short term and variable rate loans expose the Council to the risk of short term interest rate rises and are therefore subject to the limit on the net exposure to variable interest rates as shown in the treasury management indicators in section 4.9 below. However, with long term rates forecast to rise in the coming years, any such short term savings will need to be balanced against the potential longer-term costs. The Council's treasury management advisors will assist the Council with this 'cost of carry' and breakeven analysis.

4.4.2 The Council's primary objective for the management of its debt is to ensure its long term affordability. The majority of its loans have therefore been taken from the Public Works Loan Board (PWLb) at long term fixed rates of interest and the last time the Council took out long term borrowing was £5 million from the PWLB in March 2012. The premium charge for early repayment of PWLB debt remained relatively expensive for the loans in the Council's portfolio and were therefore unattractive for debt rescheduling activity so no rescheduling activity was undertaken in 2018-19 as a consequence. However, in conjunction with Arlingclose, the loan portfolio will continue to be reviewed for any potential savings as a result of any loan rescheduling. For cash-flow purposes on two occasions short term borrowing was taken in 2018-19 totalling £3 million and repaid within a few weeks and there was none outstanding at 31 March 2019.

4.4.3 The Council is currently maintaining an under-borrowed position. This means that the capital borrowing need (the Capital Financing Requirement), has not been fully funded with loan debt as cash supporting the Council's reserves, balances and cash flow has been used as a temporary measure. This is known as Internal Borrowing. This strategy is prudent as investment returns are low and counterparty risk is relatively high.

4.5 Investment Strategy & Outturn 2018-19

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

4.5.2 The Annual Investment Strategy incorporated in the Council's TMS 2018-19 includes the credit ratings defined for each category of investments, the prudential use of non-specified investments and the liquidity of investments. The Council's investments have historically been placed in short term bank and building society unsecured deposits and with local and central government, however, investments may be made with any public or private sector organisations that meet the minimum credit criteria specified in the Investment

Strategy and any new instruments used will be in full consultation with Arlingclose.

- 4.5.3 As previously reported, the Council opened a Money Market Fund (MMF) in 2017-18 which is an approved financial instrument in the TMS and provides instant access to the funds. During 2018-19, additional MMFs were set up (all approved by Arlingclose) as well as a web based portal (at no cost to the Council) to simplify and introduce efficiencies to all aspects of MMFs, from account maintenance through to trading and reporting. These MMFs offer same-day liquidity and very low or no volatility and are a good alternative to instant access bank accounts. There was no balance outstanding in MMFs at 31 March 2019.
- 4.5.4 Investment decisions are made by reference to the lowest published long-term credit rating from Fitch, Moody's or Standard & Poor's to ensure that this lies within the Council's agreed minimum credit rating. **Appendix B** shows the equivalence table for these published credit ratings and explains the different investment grades. Where available, the credit rating relevant to the specific investment or class of investment is used, otherwise the counterparty credit rating is used. In the current climate, relying mainly on credit ratings is considered to be inappropriate and the Council understands that credit ratings are good, but not perfect, predictors of investment default. Full regard is therefore given to other available information on the credit quality of the organisations in which it invests, including credit default swap prices, financial statements, information on potential government support and reports in the quality financial press. No investments are made with an organisation if there are substantive doubts about its credit quality, even though it may meet the credit rating criteria.
- 4.5.5 On a day to day basis, the Council typically has surplus cash balances arising from the cash flow e.g. timing differences between grants being received and making various payments. These are invested on the market via brokers, direct with the institution or held in deposit accounts or a money market fund with instant access. The Council usually invests for a range of periods dependent on cash flow requirements and the interest rates on offer having regard to the Investment Strategy.
- 4.5.6 Occasionally, investments are placed with the UK Debt Management Office (DMO - Executive Agency of UK Government) but only for very short term deposits and only as a last resort as the interest rates offered by this facility are lower than some other counterparties, but this is commensurate with the high level of security and reduced risk offered. It provides another option when examining potential investments and ensures compliance with the Council's investment objective that security takes priority over yield. There were no deposits outstanding with the DMO at 31 March 2019.
- 4.5.7 The Council's primary objective for the management of its investment portfolio is to give priority to the security and liquidity of its funds before seeking the best rate of return. As shown in Tables 2 and 3 below, the majority of investments in 2018-19 were held as short term investments with UK Local Authorities,

banks of high credit quality and in MMFs. Favourable cash flows have provided positive cash balances for investment and the balance on investments at 31 March 2019 was £27.40 million made up of £4 million long term investments, £20 million short term investments and £3.40 million Cash and Cash Equivalents. Table 2 below details these investments by counterparty type and Table 3 summarises these investments based on the maturity profile (remaining duration from 31 March 2019) and counterparty type.

Table 2: Investments Profile 2018-19

Investment Counterparty Category	Balance 01 April 2018 (A) £m	Investments Raised (B) £m	Investments Repaid (C) £m	Balance 31 March 2019 (A+B-C) £m	Investment Income Received 2018-19 ** £'000	Average Original Duration of the Investment Days	Weighted Average Investment Balance 2018-19 £m	Weighted Average Interest Rate 2018-19 %
Government - DMO	-	80.10	80.10	-	2.90	4	0.78	0.37
Local Authorities	21.00	139.10	139.10	21.00	201.49	125	28.73	0.74
Building Societies	2.00	7.00	8.00	1.00	13.03	97	1.33	0.65
Banks (Fixed Maturity)	5.00	10.00	11.00	4.00	40.01	205	5.35	0.75
Banks Instant Access/Notice Period Accounts*	2.40	100.23	101.23	1.40	32.32	n/a	6.10	0.68
Money Market Fund (Instant Access)*	-	65.65	65.65	-	39.58	n/a	6.86	0.73
Total/Average	30.40	402.08	405.08	27.40	329.33	108	49.15	0.72

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

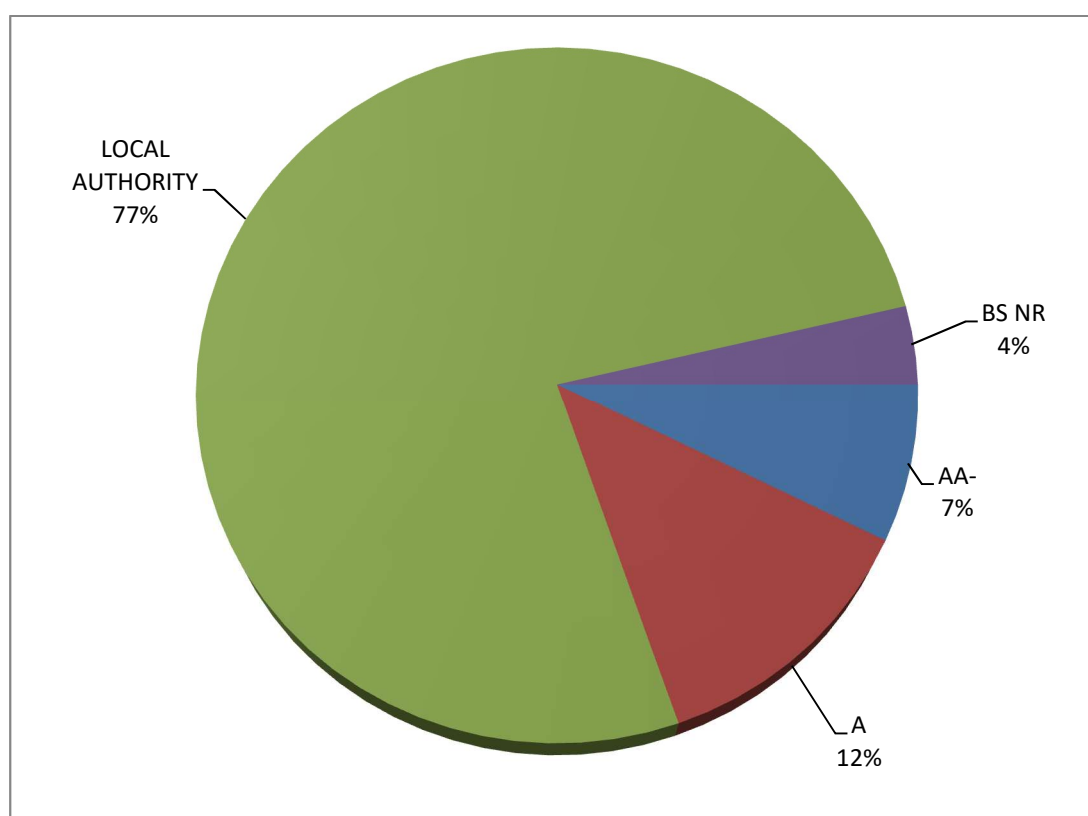
** Received in the Council's bank account not investment income earned

Table 3: Investments Outstanding Maturity Profile 31 March 2019

Counterparty Category	Instant Access £m	Deposits Maturing Within 1 Month £m	Deposits Maturing Within 2-3 Months £m	Deposits Maturing Within 4-6 Months £m	Deposits Maturing Within 7-12 Months £m	Deposits Maturing Within 1-2 Years £m	Total £m
Local Authorities	-	2.00	2.00	8.00	5.00	4.00	21.00
Banks	1.40	2.00	2.00	-	-	-	5.40
Building Society	-	-	1.00	-	-	-	1.00
Total	1.40	4.00	5.00	8.00	5.00	4.00	27.40

4.5.8 The Council defines high credit quality as organisations and securities having a credit rating of A- or higher. The pie chart below summarises the above table by credit ratings and shows the £27.40 million investments at 31 March 2019 by percentage outstanding. Most local authorities do not have credit ratings and the £1m investment with an unrated building society (shown as 'BS NR' below) was an approved counterparty by Arlingclose whilst the remainder of the Council's investments all had a credit rating of A or above.

Pie Chart: Investments Outstanding Credit Ratings Profile 31 March 2019



Performance Measurement

- 4.6.1 The Code of Practice on Treasury Management requires the Council to set performance indicators to assess the adequacy of the treasury function over the year and the ones set in the TMS 2018-19 are shown below. These are distinct historic indicators as opposed to the Treasury Management and Prudential Indicators (shown in section 4.9 below and Appendix A) which are predominantly forward looking. One debt performance indicator is the average portfolio rate of interest compared to an appropriate average available such as the average PWLB Debt for Welsh and UK Local Authorities.
- 4.6.2 The average long term borrowing rate for 2018-19 and at 31 March 2019 was 4.69% (the same rate as at 31 March 2018) and 80% of this was made up of PWLB loans with an average rate of 4.70% (the same rate as at 31 March 2018). Comparable performance indicators are shown below:-

Bridgend CBC Average Rate of PWLB Debt 31-03-19 %	All Welsh Local Authorities* Average Rate for outstanding PWLB Debt 31-03-19 %	All Wales, England & Scotland Local Authorities* Average Rate for outstanding PWLB Debt 31-03-19 %
4.70	4.47	3.86
	+0.23	+0.84

*excluding Parish, Town and Community Councils

4.6.3 The average rate on investments for 2018-19 was 0.72% and at 31 March 2019 was 0.94% (compared to 0.49% for 2017-18 and 0.62% at 31 March 2018). Comparable performance indicators for benchmarking purposes set in the TMS 2018-19 were the average one month London Inter Bank Bid (LIBID) rate and the average Bank Rate. The tables below show that the investments average interest rate for 2018-19 and the actual rate as at 31 March 2019 compared favourably against these two benchmarking rates:-

Bridgend CBC Average Rate of Return on Investments 2018-19 %	Average 1 month LIBID (London Inter-Bank Bid rate) 2018-19 %	Average Bank Rate 2018-19 %
0.72	0.53	0.67%
	+0.19	+0.05
Bridgend CBC Average Rate of Return on Investments 31-03-19 %	1 month LIBID (London Inter-Bank Bid rate) 31-03-19 %	Bank Rate 31-03-19 %
0.94	0.61	0.75
	+0.33	+0.19

4.6.4 The Council participates in a benchmarking exercise with Arlingclose. As shown below, the Council's average rate of return on investments was above that of the average rate of return for Arlingclose's Welsh Local Authority Unitary clients internally managed investments, for the majority of the year. The Bank Rate is also shown for information:-

		Bridgend CBC		Arlingclose Welsh Local Authority Unitary Clients	
2018-19	Bank Rate %	Principal £m	Average Rate of Return Investments %	Principal £m	Average Rate of Return Internally Managed Investments * %
30-06-18	0.50	39.30	0.65	29.80	0.69
30-09-18	0.75	34.30	0.81	25.50	0.70
31-12-18	0.75	33.00	0.88	21.70	0.74
31-03-19	0.75	27.40	0.94	25.70	0.77

*Excludes external pooled funds

4.7 Review of the Treasury Management Strategy 2018-19

- 4.7.1 CIPFA's Code of Practice for Treasury Management requires all local authorities to conduct a mid-year review of its treasury management policies, practices and activities. As a result of this review it was not deemed necessary to make any changes to the TMS 2018-19, although Council approved a revised MRP policy for 2018-19 as detailed in paragraph 3.4.

4.8 Reporting Arrangements 2018-19

- 4.8.1 CIPFA's Code of Practice for Treasury Management requires that the Council reports on its treasury management as an annual strategy and plan in advance of the year, a mid-year review and an annual outturn report, to Council. Quarterly monitoring reports are also reported to Cabinet as Information Reports. 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 Council's TMS and CIPFA's Standard of Professional Practice on Treasury Management.
- 4.8.2 In addition to the Code of Practice, the Welsh Government has issued Guidance on Local Government Investments which require local authorities to report their Annual Investment Strategy.
- 4.8.3 The Council has complied with its legislative and regulatory requirements during 2018-19. The TMS 2018-19 and the Half Yearly Outturn were reported to Council on 28 February 2018 and 24 October 2018 respectively and this Annual Treasury Management Outturn Report is being reported to Cabinet and Council in September 2019. In addition, quarterly monitoring reports were presented to Cabinet during 2018-19.
- 4.8.4 To ensure effective scrutiny of treasury management in accordance with the TMS, Audit Committee has been nominated to be responsible for ensuring effective scrutiny of the treasury management strategy and policies. During the financial year 2018-19, in addition to the regular treasury management reports to Cabinet and Council, Audit Committee received the Annual Treasury Management Report 2017-18 in June 2018, the Half Year Treasury Management Report 2018-19 in November 2018, the TMS 2019-20 in January 2019 and an Annual Outturn Report 2018-19 in June 2019.

4.9 Treasury Management & Prudential Indicators 2018-19

- 4.9.1 The 2011 Treasury Management Code and Prudential Code require the Council to set and report on a number of Treasury Management and Prudential Indicators. Details are shown in **Appendix A** of the estimated indicators for 2018-19 as detailed in the TMS 2018-19 approved by Council on 28 February 2018 and the actual indicators for 2018-19.

- 4.9.2 During the financial year 2018-19, the Council operated within the limits and indicators as set out in the agreed TMS 2017-18 and complied with its treasury management practices

5. Effect upon Policy Framework and Procedure Rules

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

6. Equality Impact Assessment

- 6.1 There are no equality implications.

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

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

8. Financial Implications

- 8.1 The financial implications are reflected within the report.

9. Recommendation

- 9.1 It is recommended that Council:
- Approve the treasury management activities for 2018-19
 - Approve the actual Treasury Management and Prudential Indicators for 2018-19 against the ones approved in the Treasury Management Strategy 2018-19.

Gill Lewis
Interim Head of Finance & Section 151 Officer
19 August 2019

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Background documents:
Treasury Management Strategy 2018-19

1. Treasury Management Indicators 2018-19

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

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

The Section 151 Officer managed interest rate exposure between these limits during the year and as shown below the net borrowing position for fixed and variable rates was within the limits set.

No.	Interest Rate Exposure	TMS 2018-19 £m	Actual Outstanding 31-03-19 £m
	Total Projected Principal Outstanding on Borrowing 31 March 2019	96.87	96.87
	Total Projected Principal Outstanding on Investments 31 March 2019	20.00	27.40
	Net Principal Outstanding	76.87	69.47
1.	Upper Limit on fixed interest rates (net principal) exposure	130.00	n/a
2.	Upper Limit on variable interest rates (net principal) exposure	50.00	n/a
	Fixed interest rate exposure (net principal) 31 March 2019		73.62
	Variable interest rate exposure (net principal) 31 March 2019		-4.15

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

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

The 19.87% in the table above relates to £19.25 million Lender's Option Borrower's Option (LOBO) loans which may be re-scheduled in advance of their maturity date of 2054, as detailed in paragraph 4.1.3 of the main report. The Code requires the maturity of LOBO loans to be shown (even though the rate is variable) on the earliest date on which the lender can require payment, i.e. the next call date after 31 March 2019 which is July 2019, however, the lender did not exercise this option due to current low interest rates and the Council is not anticipating that this will occur during 2019-20 so the maturity date is actually uncertain but is shown in the "Under 12 months" category as per the Code.

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

No.		TMS 2018-19 £m	Actual Principal Outstanding Over 364 days 31-3-19 £m
4.	Upper Limit for Total Principal Sums Invested for more than 364 days	15	4

The actual for all three treasury management indicators above are within the accepted range.

2. Prudential Indicators 2018-19

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

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

2.1 Prudential Indicators for Prudence

- 2.1.1 The following Prudential Indicators are based on the Council's capital programme which is subject to change. The Council's capital expenditure plans are summarised below and this forms the first prudential indicator for Prudence. Total capital expenditure was funded from capital grants and contributions,

capital receipts and revenue with the remainder being the **Net Financing Need for the Financial Year** to be met from borrowing.

No.	Prudential indicators For Prudence 2018-19	Estimate TMS 2018-19 £m	Actual 2018-19 £m
1.	Total Capital Expenditure (Non-HRA)	33.69	27.61
	Total Capital Expenditure	33.69	27.61
	Financed by :-		
	Capital Grants and Contributions	6.84	12.41
	Capital Receipts	9.18	5.12
	Revenue contribution to Capital	7.49	3.92
	Net Financing Need for Year	10.18	6.16

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

The process for charging the financing of capital expenditure to revenue is a statutory requirement and is called the Minimum Revenue Provision (MRP). The actual MRP charge needs to be prudent and the methodology is detailed in the Council's MRP policy in the TMS 2018-19. The updated methodology was approved by Council 19 September 2018 as referred to paragraph 3.4 of the main report. Directorates who receive Council approval for capital schemes via Unsupported Borrowing make annual contributions to the capital costs of their schemes known as Voluntary Revenue Provisions (VRP) or additional MRP. This type of borrowing is only approved when Directorates have the necessary revenue resources to make VRP to fund the capital costs though this will be deferred in some cases until the asset becomes operational in accordance with the Council's MRP Policy.

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

No.	Prudential indicators For Prudence	Estimate TMS 2018-19 £m	Actual 2018-19 £m
2.	Capital Financing Requirement (CFR)		
	Opening CFR (1 April 2018) adjusted excluding PFI & other liabilities	152.56	153.24
	Opening PFI CFR	17.64	17.64
	Opening Innovation Centre*	0.60	-
	Total Opening CFR	170.80	170.88
	Movement in CFR excluding PFI & other liabilities	3.62	1.84
	Movement in PFI CFR	(0.64)	(0.64)
	Movement in Innovation Centre CFR	(0.06)	-
	Total Movement in CFR	2.92	1.20
	Closing CFR (31 March 2019)	173.72	172.08
	Movement in CFR represented by :-		
	Net Financing Need for Year (above)	10.18	6.16
	Minimum and Voluntary Revenue Provisions**	(7.26)	(4.96)
	Total Movement	2.92	1.20

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

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

2.2 Limits to Borrowing Activity

2.2.1 The Council's long term borrowing at 31 March 2019 was £96.87 million as detailed in the main report. External Borrowing can arise as a result of both capital and revenue expenditure and timing of cash flows. As the Council has an integrated TMS there is no association between individual loans and particular types of expenditure. Therefore, the Capital Financing Requirement and actual external borrowing can be very different especially when a Council is using internal borrowing as highlighted in paragraph 4.4.3 in the main report.

The **Gross Debt** position (Borrowing and Long Term Liabilities) is shown in the table below.

No.	Prudential indicators For Prudence 2018-19	Estimate TMS 2018-19 £m	Actual Outstanding 31-03-19 £m
3.	External Borrowing	96.87	96.87
	Long Term Liabilities (including PFI)	20.24	17.88
	Total Gross Debt	117.11	114.75

2.2.2 Within the Prudential Indicators, there are a number of key indicators to ensure the Council operates its activities within well-defined limits. One key control is to ensure that over the medium term, debt will only be for a capital purpose. The Council needs to ensure that the external debt does not, except in the short term, exceed the Capital Financing Requirement for 2018-19. The table below shows that the Council has complied with this requirement.

No.	Prudential indicators For Prudence 2018-19	Estimate TMS 2018-19 £m	Actual Outstanding 31-03-19 £m
4.	Gross Debt & the CFR		
	Total Gross Debt	117.11	114.75
	Closing CFR (31 March)	173.72	172.08

2.2.3 A further two Prudential Indicators control the Council's overall level of debt to support Capital Expenditure.

The Authorised Limit for External Debt – this represents the limit beyond which borrowing is prohibited. It reflects a level of borrowing that could not be sustained even though it would be affordable in the short term. It needs to be set and approved by Members.

The Operational Boundary for External Debt – this is not an actual limit and actual borrowing can vary around this boundary during the year. It is based on the probable external debt during the course of the year.

These are detailed below and confirm the Council is well within the limit set:-

No.	Prudential indicators For Prudence	TMS Limit 2018-19 £m	Actual 31-03-19 £m
5.	Authorised limit for external debt -		
	Borrowing	140	
	Other long term liabilities	30	
	Total	170	
6.	Operational Boundary		
	Borrowing	105	
	Other long term liabilities	25	
	Total	130	
	Borrowing		96.87
	Other long term liabilities		17.88
	Total		114.75

2.3 Prudential Indicators for Affordability

2.3.1 The **Ratio of Financing Costs to Net Revenue Stream** indicator demonstrates the trend in the cost of capital against the Total Revenue amount to be met from local taxpayers and the amount provided by the Welsh Government in the form of Revenue Support Grant. The estimates of capital financing costs include interest payable and receivable on treasury management activities and the MRP charged to the Comprehensive Income and Expenditure Statement. The revenue stream is the amount to be met from government grants and local taxpayers. The projection has reduced from the TMS estimate due to the change in the MRP policy detailed in paragraph 3.4 of the main report.

APPENDIX A

No.	Prudential Indicators For Affordability 2018-19	Estimate TMS 2018-19 %	Actual 2018-19 %
7.	Ratio of Financing Costs to Net Revenue Stream	4.55	3.71

APPENDIX B

Credit Rating Equivalence Table

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

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BRIDGEND COUNTY BOROUGH COUNCIL

REPORT TO COUNCIL

18 SEPTEMBER 2019

REPORT OF THE CORPORATE DIRECTOR – COMMUNITIES

DEPARTURE FROM DEVELOPMENT PLAN

PLANNING APPLICATION P/19/140/FUL - DEVELOPMENT OF A POLICE LEARNING CENTRE, GYMNASIUM, SITE REGRADING, ACCESS, CAR PARKING AND ASSOCIATED WORKS

1. Purpose of Report

- 1.1 On 12th September, 2019, the Development Control Committee considered planning application reference P/19/140/FUL, which represented a departure from the Local Development Plan. The scheme related to the construction of a Police Learning Centre, gymnasium, site regrading, access, car parking and associated works for use by the South Wales Police.
- 1.2 The building is to be sited to the north-west of the recently approved and constructed “Y Bont” café building (P/16/939/FUL).
- 1.3 The application site forms part of a wider residential allocation in the Bridgend Strategic Regeneration Growth Area for approximately 138 units (including 28 Affordable Housing Units) under Policy COM1 (5) of the Local Development Plan (LDP) (2013).
- 1.4 The Development Control Committee resolved not to refuse planning permission as the development forms part of the Police rationalisation strategy to invest in their Headquarters site at Cowbridge Road which will allow the early release of their land at Waterton Cross as part of the wider Bridgend Strategic Regeneration Growth Area. As such the application is referred to Council which is requested to approve the application subject to conditions.
- 1.5 A copy of the Development Control Committee report is attached at Appendix 1.

2. Connection to Corporate Improvement Plan / Other Corporate Priorities

- 2.1 The delivery of the County Borough Council’s planning functions has direct links to two of the three corporate priorities as outlined in the Corporate Improvement Plan 2016-2020, namely Supporting a Successful Economy and Smarter Use of Resources.

3. Background

- 3.1 The application relates to the construction of a Police Learning Centre and gymnasium (with associated works) on previously developed land within the South Wales Police Headquarters (HQ) site.

- 3.2 The proposed building is located within an allocated site in the Bridgend Strategic Regeneration Growth Area for approximately 138 residential units under Policy COM1 (5) of the Local Development Plan. South Wales Police are currently undertaking a large-scale rationalisation programme of their existing facilities and assets and, up until recently, their original rationalisation proposals involved the release of the entire northern part of their existing HQ facilities for alternative development.
- 3.3 South Wales Police (SWP), through their agent, have reiterated that they have re-assessed their assets as part of their ongoing rationalisation programme. They are pursuing an alternative strategy which entails carrying on with their programme of refurbishment and improvement works and retaining the whole of their existing HQ site at Cowbridge Road.
- 3.4 On the basis that the SWP rationalisation strategy has evolved since the adoption of the LDP in 2013, the fact that they have invested in the main HQ site and their asset plan going forward is now to consolidate their activities and facilities at their existing site at Cowbridge Road, there is no realistic prospect of the delivery of housing under Policy COM1(5) on this site.
- 3.5 Notwithstanding the loss of the housing allocation, the investment in the site and its comprehensive redevelopment is welcomed as the applicant has made a firm commitment to consolidate and retain its operations within the County Borough. The strategy will ensure that a highly prestigious HQ facility will be retained within Bridgend, thereby retaining and creating highly skilled employment opportunities as well as providing a valuable social and community service to the residents and communities of Bridgend.
- 3.6 Furthermore, the new facilities at the Cowbridge Road site will probably facilitate an earlier than previously anticipated release of SWP's land holding assets at Waterton Cross, which also forms part of the larger mixed use allocation under Policy PLA3(4) Parc Afon Ewenni - including the delivery of an estimated 650 new dwellings. The concentration of the facilities at SWP's HQ at Cowbridge Road will now allow at least part of the Waterton Cross site to be released in a timely manner within the LDP plan period (2013-2021).
- 3.7 The development is, therefore, broadly in line with the LDP's Regeneration-Led Spatial Strategy and Strategic Policy SP1 of the LDP which aims to maximise regeneration benefits and to particularly focus development within Strategic Regeneration Growth Areas. The current and wider proposals for the HQ site and the Waterton Cross site are inextricably linked and both are located within the Bridgend Strategic Regeneration Growth Area. The current proposal, as part of a wider strategy by SWP, is therefore maximising the regeneration benefits of both sites.
- 3.8 Given the wider regeneration, economic and social and community considerations as outlined above, there are no overriding objections to this proposal from a development planning perspective. Additionally, as the housing allocation under Policy COM1(5) is wholly within the demise of SWP's land holding at their Headquarters site, Cowbridge Road, the proposed rationalisation of their facilities and operations from Waterton Cross will not prejudice any third party land and future developments. In fact, it is expected that this change in direction will allow land in and around the Waterton Cross site to be brought forward for development sooner than expected.

3.9 On this basis, BCBC as the Local Planning Authority can grant permission for development which does not accord with the provisions of the development plan in force in the area in which the land to which the application relates is situated under the provisions of Article 20 of the Town and Country Planning (Development Management Procedure) (Wales) Order 2012 subject to ratification by Council.

3.10 Therefore, as the application lies within the allocated housing site as defined in the LDP, this application is required to be assessed as a departure to the LDP and, once considered by the Development Control Committee, referred to Council for approval.

4. Current Situation

4.1 The application site is located within an allocated site in the Bridgend Strategic Regeneration Growth Area for approximately 138 residential units under Policy COM1 (5) of the LDP. The LDP was adopted on 18th September 2013 and is a guide for development in the County Borough up to 2021.

4.2 Paragraph 1.2.1 of Planning Policy Wales (10th Edition December, 2018) states that "Planning applications must be determined in accordance with the adopted plan, unless material considerations indicate otherwise."

5. Effect upon Policy Framework & Procedure Rules

5.1 Whilst the application does not strictly accord with the policies of the Bridgend Local Development Plan, South Wales Police have reaffirmed that they are not going to pursue the release of this land (or any part of the land) for residential development and the proposal forms part of the overall rationalisation strategy to concentrate their facilities and operations at their Headquarters, Cowbridge Road. Furthermore, the development does not represent a precedent and will not compromise the integrity of the development plan.

6. Equality Impact Assessment.

6.1 A screening for Equality Impact has been undertaken and no negative issues have been identified.

7. Financial Implications

7.1 There are no direct financial implications as a result of this report.

8. Recommendation

8.1 That if Council is minded not to refuse the development then, after the Section 106 Legal Agreement between the South Wales Police and the Council has been signed, the Group Manager – Development and Planning Services (within the Communities Directorate) be given delegated powers to issue a decision notice in respect of this proposal to include the standard 5 year time limit for implementation and the conditions attached to the recommendation.

Jonathan Parsons
Group Manager – Development and Planning Services
18th September, 2019

Contact Officer

Mr. Rhodri Davies

Development and Building Control Manager

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APPENDIX 1 –

OFFICER'S REPORT TO 12/9/19 DEVELOPMENT CONTROL COMMITTEE

REFERENCE: P/19/140/FUL

APPLICANT: Police & Crime Commissioner for South Wales Police

LOCATION: South Wales Police Headquarters, Cowbridge Road, Bridgend
CF31 3SU

PROPOSAL: Development of a Police Learning Centre, gymnasium, site
regrading, access, car parking and associated works

RECEIVED: 12 March 2019

APPLICATION/SITE DESCRIPTION

The application by South Wales Police seeks Planning permission for the redevelopment of the north-western part of their Headquarters off Cowbridge Road.

It is proposed to develop a four storey Police Learning Centre (PLC) and Human Resources Building, a two storey gymnasium, new access arrangement, parking provision and associated hard and soft landscaping works. The scheme also involves the redirection of a mains sewer.

The facility will provide the Police with their own in-house, on-site training, continual professional development, human resources and recruitment centre so that they will no longer have to rent accommodation and conference suites elsewhere.

The PLC will provide 22 Training classrooms with associated breakout space, a human resource recruitment centre as well as office space for approximately 216 desks for internal departments across the force. It will include provision for an assessments and standards unit, an operations training unit, investigative training and 'policing through technology' facilities.

The building would also accommodate an office for the Police and Crime Commissioner (PCC), breakout spaces, classrooms and photovoltaics and plant equipment on the roof. The new PLC building will be utilised roughly in the ratio of 75% for training and 25% for human resources.

The development also proposes a free-standing Gymnasium Building adjacent to the north-western boundary of the site. This building will also include 4 classrooms and training space which will be ancillary to the PLC use and will be used for various police training purposes.

A Travel Plan has been submitted with the application and this will be implemented for all aspects of movement associated with the proposed development so as to ensure that sustainable travel is encouraged and facilitated for all staff and users of the PLC.

The application site is expected to accommodate approximately 653 additional people per day on-site. In addition, secure cycle parking spaces are to be provided within the site along the northern boundary of the PLC building, providing cycle parking for 115 bicycles.

The PLC development is proposed to be accessed from an improved rear access which forms a junction with Chepstow Road and the Kingsway roundabout. The highway improvement works include the provision of a pedestrian refuge on Chepstow Road and a footway connection to the site.

A total of 511 parking spaces are currently provided within the southern sector of the South Wales Police HQ site, 11 of these are for disabled users. As part of the development proposals it is proposed to provide 340 car parking spaces on the northern sector of the site.

Priority parking spaces for car-sharers will be allocated and demarcated once the site is operational.

Existing Site



Proposed Layout



The building is to be sited to the north-west of the recently approved and constructed “Y Bont” café building (P/16/939/FUL refers).

The site has been the subject of prior notification applications to demolish various buildings and structures within this part of the Headquarters site. Preparatory works have already commenced on site (under the recent application submitted for the construction of a retaining wall, the diversion of an existing foul sewer and construction of a temporary compound and associated works) with works to the PLC building set to commence in September 2019 with a view to becoming fully operational in 2021.

The application site area measures approximately 3.68ha and sits within a much wider land ownership belonging to South Wales Police.

It lies within the Primary Key Settlement of Bridgend and forms part of the established South Wales Police Headquarters site off Cowbridge Road. It lies to the south-west, and adjacent to, Bridgend Industrial Estate, to the east of the Bridgend to Llantwit Major railway line on the opposite side of the A473 Cowbridge Road to Bridgend Retail Park and is crossed by a mains sewer.

This part of the Headquarters site is allocated for circa 138 residential units under Policy COM1 (5) of the BCBC Local Development Plan (LDP). Whilst the Local Planning Authority is moving towards reviewing the Plan, which is likely to remove the housing allocation on this site, the current LDP is the development plan for development control purposes until 2021.

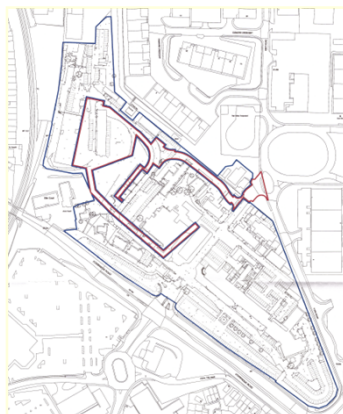
The submission has addressed the allocation and the fact that South Wales Police are continuing to undertake a large-scale rationalisation programme of their existing facilities and assets and are still pursuing an alternative strategy which entails carrying on with their programme of refurbishment and improvement works and retaining the whole of their existing Headquarters site at Cowbridge Road.

The application has been advertised as a departure to the LDP and is referred to the Development Control Committee on that basis. It will also be referred to the full Council meeting on 18 September 2019 for final ratification subject to a positive resolution from Members.

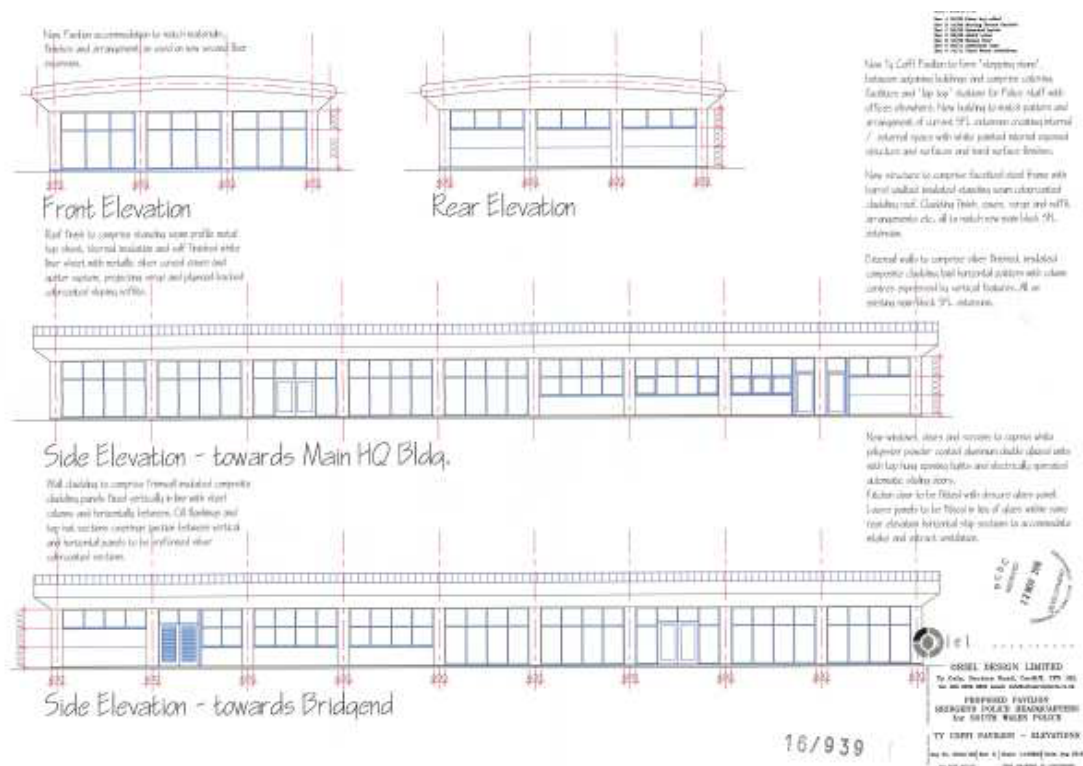
The development is the subject of a corresponding Sustainable Drainage System Scheme which is being considered by the Council’s SuDS Approving Body.

RELEVANT HISTORY

P/18/996/FUL Construction of a retaining wall, the diversion of an existing foul sewer and construction of a temporary compound and associated works – conditional consent 27/6/19



- P/18/563/DPN Prior notification to demolish bunker building within the grounds – Approved 14/8/18
- P/18/365/DPN Prior notification for demolition of 4 groups of buildings on the site – Approved 15/6/18
- P/17/558/DPN Prior notification to demolish 9 groups of buildings within the South Wales Police Headquarters – Approved 27/7/17
- P/16/939/FUL Construct a single storey cafe building with ancillary spaces for use by the South Wales Police (alternative to approved cafe P/16/701/FUL) – Conditional Consent 1/2/17



- P/16/789/DPN Prior notification for demolition of Ty Coffi building and police operations and support offices – Approved 2/11/16
- P/16/701/FUL Construction of a single storey cafe building with ancillary spaces for use by South Wales Police – Withdrawn
- P/16/86/FUL Construct three storey extension to existing building, 11 space visitor car park and associated works – Conditional Consent 5/4/16
- P/15/714/NMA Non Material Amendment to P/15/190/Ful - Remove Condition 3 Relating To Provision of Additional Parking – NMA Unconditional Consent 19/11/15
- P/15/190/FUL Construct of third storey on existing two storey building and associated works – Conditional Consent 7/7/15

PUBLICITY

Neighbours have been notified of the receipt of the application and the scheme has been the subject of site and press notices on the basis that the development is a departure from the Local Development Plan.

NEGOTIATIONS

The application has been the subject of detailed pre-application discussions and consultations, particularly in relation to the proposed access from the rear/Kingsway roundabout.

CONSULTATION RESPONSES

Councillor Venables has commented that there should be equivalent disabled facilities (changing room/toilets) on both the ground and 1st floor of the gymnasium building and not just at ground floor level.

Coychurch Lower Community Council – No comments received to date.

Head of Street Scene (Highways) - No objections subject to conditions and a Road Traffic Order to ensure the free flow of traffic around the site.

Dwr Cymru/Welsh Water Developer Services - No objection subject to conditions.

Head of Street Scene (Land Drainage) - No objection subject to conditions and advisory notes.

Shared Regulatory Services - Public Protection (Noise) - No objection subject to conditions.

Shared Regulatory Services – Environment Team (Ground Contamination) - No objection subject to conditions.

Shared Regulatory Services – Public Protection (Air Quality) - No objection as the operational impacts associated with the development are not significant.

REPRESENTATIONS RECEIVED

None.

COMMENTS ON REPRESENTATIONS RECEIVED

The facilities within the two storey gymnasium building are legible and accessible particularly as the lift is located close to the central core of the building and the facility is not intended to be open to the public.

POLICY CONTEXT

The relevant policies relating to the proposed development from the adopted Bridgend County Borough Council Local Development Plan (2013) are:

Strategic Policy SP1 – Regeneration-Led Development
Strategic Policy SP2 – Design and Sustainable Place Making
Strategic Policy SP3 – Strategic Transport Planning Principles
Strategic Policy SP8 – Renewable Energy
Strategic Policy SP14 – Infrastructure
Policy PLA1 – Settlement Hierarchy and Urban Management
Policy PLA4 – Climate Change and Peak Oil
Policy PLA7 (4) – Bridgend and Pencoed
Policy PLA11 – Parking Standards
Policy ENV5 – Green Infrastructure
Policy ENV7 – Natural Resource Protection and Public Health
Policy ENV13 – Unstable Land
Policy ENV17 – Renewable Energy and low/Zero Carbon Technology

Supplementary Planning Guidance (SPG):

SPG07: Trees and Development

SPG12: Sustainable Energy

SPG17: Parking Standards

SPG19: Biodiversity and Development: A Green Infrastructure Report

Policy SP2 (Design and Sustainable Place Making) states:

All development should contribute to creating high quality, attractive, sustainable places which enhance the community in which they are located, whilst having full regard to the natural, historic and built environment by:

- 1) Complying with all relevant national policy and guidance where appropriate;*
- 2) Having a design of the highest quality possible, whilst respecting and enhancing local distinctiveness and landscape character;*
- 3) Being of an appropriate scale, size and prominence;*
- 4) Using land efficiently by:*
 - (i) being of a density which maximises the development potential of the land whilst respecting that of the surrounding development; and*
 - (ii) having a preference for development on previously developed land over greenfield land;*
- 5) Providing for an appropriate mix of land uses;*
- 6) Having good walking, cycling, public transport and road connections within and outside the site to ensure efficient access;*
- 7) Minimising opportunities for crime to be generated or increased;*
- 8) Avoiding or minimising noise, air, soil and water pollution;*
- 9) Incorporating methods to ensure the site is free from contamination (including invasive species);*
- 10) Safeguarding and enhancing biodiversity and green infrastructure;*
- 11) Ensuring equality of access by all;*
- 12) Ensuring that the viability and amenity of neighbouring uses and their users/occupiers will not be adversely affected;*
- 13) Incorporating appropriate arrangements for the disposal of foul sewage, waste and water;*
- 14) Make a positive contribution towards tackling the causes of, and adapting to the impacts of Climate Change; and*
- 15) Appropriately contributing towards local, physical, social and community infrastructure which is affected by the development.*

The supporting text to this policy advises that Policy SP2 demands a high quality of design incorporating equality of access in all development proposals and seeks to ensure that new built development is sensitive to its surrounding environment.

In the determination of a planning application, regard should also be given to the requirements of National Planning Policy which are not duplicated within the Local Development Plan.

The following Welsh Government Planning Policy is relevant to the determination of this planning application:

Planning Policy Wales 10 (December 2018)

Technical Advice Note 11: Noise (1997)

Technical Advice Note 12: Design (2016)

Technical Advice Note 18: Transport (2007)

In terms of PPW10, the following paragraphs are particularly relevant to the proposal:

3.14 Site and context analysis should be used to determine the appropriateness of a development proposal in responding to its surroundings. This process will ensure that a development is well integrated into the fabric of the existing built environment. The analysis process will highlight constraints and opportunities presented by existing settlement structure and uses, landscape, biodiversity, water environment, movement, infrastructure, materials and resources, soundscape and built form which will need to be considered when formulating proposals.

4.1.1 The planning system should enable people to access jobs and services through shorter, more efficient and sustainable journeys, by walking, cycling and public transport. By influencing the location, scale, density, mix of uses and design of new development, the planning system can improve choice in transport and secure accessibility in a way which supports sustainable development, increases physical activity, improves health and helps to tackle the causes of climate change and airborne pollution.

4.1.9 The planning system has a key role to play in reducing the need to travel and supporting sustainable transport, by facilitating developments which:

- are sited in the right locations, where they can be easily accessed by sustainable modes of travel and without the need for a car;
- are designed in a way which integrates them with existing land uses and neighbourhoods; and
- make it possible for all short journeys within and beyond the development to be easily made by walking and cycling.

6.2.5 The quality of the built environment should be enhanced by integrating green infrastructure into development through appropriate site selection and use of creative design. With careful planning and design, green infrastructure can embed the benefits of biodiversity and ecosystem services into new development and places, helping to overcome the potential for conflicting objectives, and contributing towards health and well-being outcomes. There are multiple ways of incorporating green infrastructure, dependent on the needs and opportunities a site presents. Landscaping, green roofs, grass verges, sustainable urban drainage and gardens are examples of individual measures that can have wider cumulative benefits, particularly in relation to biodiversity and the resilience of ecosystems as well as in securing the other desired environmental qualities of places.

6.6.18 The provision of SuDS must be considered as an integral part of the design of new development and considered at the earliest possible stage when formulating proposals for new development.

The primary objective of PPW is to ensure that the planning system contributes towards the delivery of sustainable development and improves the social, economic,

environmental and cultural well-being of Wales, as required by the Planning (Wales) Act

2015, the Well-being of Future Generations (Wales) Act 2015 and other key legislation. A well-functioning planning system is fundamental for sustainable development and achieving sustainable places.

The planning system should create sustainable places which are attractive, sociable, accessible, active, secure, welcoming, healthy and friendly. Development proposals should create the conditions to bring people together, making them want to live, work and play in areas with a sense of place and well-being, creating prosperity for all.

Well-Being of Future Generations (Wales) Act 2015

The duty to improve the economic, social, environmental and cultural well-being of Wales has been considered, in accordance with the sustainable development principle, under Section 3 of the Well-Being of Future Generations (Wales) Act 2015 (the WBFG Act).

In reaching this recommendation, the ways of working set out at Section 5 of the WBFG Act have been taken into account and it is considered that this recommendation is in accordance with the sustainable development principle through its contribution towards one or more of the Welsh Ministers' well-being objectives set out in Section 8 of the WBFG Act.

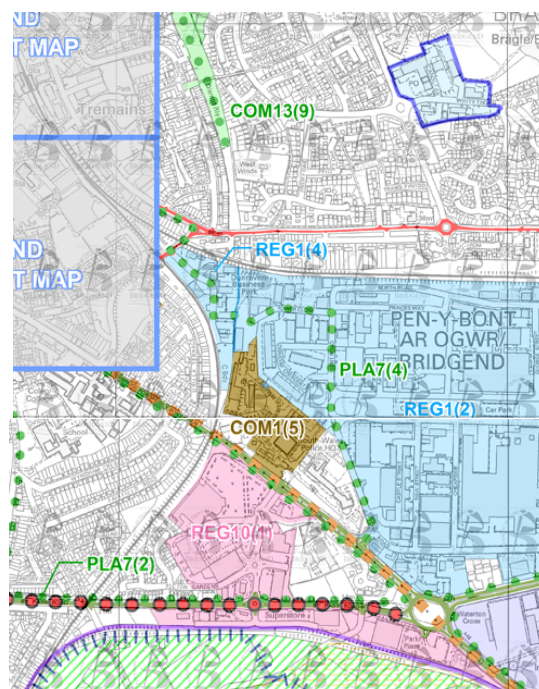
APPRAISAL

The site lies within the Primary Key Settlement of Bridgend, as defined by Policy PLA1 Settlement Hierarchy and Urban Management, and relates to a previously developed/brownfield site within an established Police Headquarters facility.

This Policy and Policy PLA3 Regeneration and Mixed Use Development Schemes (although the site is not specifically identified) encourage the regeneration of brownfield and under-utilised sites within settlement boundaries for an appropriate mix of land uses including residential, community and employment uses. In this regard, the proposals for the Police Learning Centre and Gymnasium are considered acceptable in principle.

Notwithstanding the above, the application has to be reported to Committee as a departure from the Local Development Plan (LDP). More specifically, the application is contrary to the wider designation of this part of the Police Headquarters site at Cowbridge Road, Bridgend as a residential allocation in the Bridgend Strategic Regeneration Growth Area under Policy COM1 (5) of the Bridgend County Borough Council Local Development Plan (2013).

Existing LDP Allocation for Housing



South Wales Police have confirmed that they have re-assessed their assets as part of their ongoing rationalisation programme. They are now pursuing an alternative strategy

which entails carrying on with their programme of refurbishment and improvement works and retaining the whole of their existing Headquarters site at Cowbridge Road.

The new strategy includes replacing and modernising the current dilapidated buildings within the site together with a new Training and Operations building. The new facilities will complement the recently approved facilities and general modernisation of the Headquarters on the southern part of the site, including the new café, the new third storey extension to the main Headquarters offices, a new three storey extension and entrance block and the large-scale forensic laboratory block at the southern extremity of the site.

On the basis that the South Wales Police rationalisation strategy has evolved since the adoption of the LDP in 2013, the fact that they have invested in, and committed to, the Headquarters site and their asset plan is now to consolidate their activities and facilities at their existing Headquarters site at Cowbridge Road, there is no realistic prospect of the delivery of housing under Policy COM1(5).

The obvious investment in the site and its comprehensive redevelopment should be welcomed as the applicant has made a firm decision to consolidate and retain its operations within the County Borough and the strategy will ensure that a highly prestigious new Headquarters facility will be retained within Bridgend, thereby retaining and creating highly skilled employment opportunities as well as providing a valuable social and community service to the residents and communities of Bridgend.

The new investment and facilities at the Headquarters/Cowbridge Road site will facilitate an earlier than previously anticipated release of the South Wales Police land holding assets at Waterton Cross, which forms part of the larger mixed use allocation under Policy PLA3(4) Parc Afon Ewenni - including the delivery of an estimated 650 new dwellings.

Paragraph 1.21 of Planning Policy Wales (10th Edition, December, 2018) states that *Planning applications must be determined in accordance with the adopted plan for the area, unless material considerations indicate otherwise. Development plans must show how places are expected to change to accommodate development needs over the plan period.*

Paragraph 1.19 of PPW advises that in taking planning decisions the planning authority must clearly state the reasons for the decision.

The development is broadly in line with the current LDP's Regeneration-Led Spatial Strategy and Strategic Policy SP1 of the LDP which aims to maximise regeneration benefits and particularly focus development within Strategic Regeneration Growth Areas. The current and wider proposals for the Headquarters site and the Waterton Cross site are inextricably linked and both are located within the Bridgend Strategic Regeneration Growth Area. The current proposal, as part of a wider strategy by South Wales Police, is therefore maximising the regeneration benefits of both sites.

Given the wider regeneration, economic and social and community considerations as outlined above, there are no overriding objections to this proposal from a development planning perspective. Additionally, as the housing allocation under Policy COM1(5) is wholly within the demise of SWP's land holding at their Headquarters site on Cowbridge Road, the proposed rationalisation of their facilities and operations from Waterton Cross will not prejudice any third party land or future developments. In fact, it is expected that this will allow land in and around the Waterton Cross site to be brought forward for development sooner than expected.

On this basis BCBC, as the Local Planning Authority, can grant permission for development which does not accord with the provisions of the development plan in force in the area in which the land to which the application relates is situated under the provisions of Article 20 of the Town and Country Planning (Development Management Procedure) (Wales) Order 2012 and subject to ratification by Council.

All development is required to create high quality, attractive, sustainable places and Policy SP2 of the Bridgend Local Development Plan identifies 15 criteria which are the starting point for the assessment of all applications.

Having a design of the highest quality possible, whilst respecting and enhancing local character and distinctiveness and landscape character; being of an appropriate scale, size and prominence; using land efficiently; providing an appropriate mix of land uses; having good pedestrian, cycling, public transport and road connections within and outside the site; avoiding or minimising noise, soil and water pollution; safeguarding and enhancing biodiversity and green infrastructure; ensuring equality of access by all; ensuring that the viability and amenity of neighbouring uses and their users/occupiers will not be adversely affected; incorporating appropriate arrangements for the disposal of foul sewage and surface water and contributing towards local, physical, social and community infrastructure which is affected by the development are the relevant criteria for the purposes of this application.

The proposed PLC and gymnasium facilities will complement the replacement café, the recently approved facilities and general modernisation of the Headquarters on the southern part of the site, including the new third storey extension to the main offices, a new 3 storey extension and entrance block and the large-scale forensic laboratory block at the southern extremity of the site.

The building has a modern, lightweight design with curved features and materials and finishes to generally match recent developments on the wider Headquarters site. The use of brise soleil and the inclusion of balconies and access walkways will provide a degree of interest and activity to the elevations.

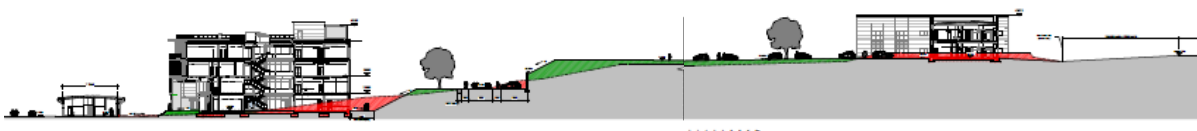
The building will address the adjacent café building and main Headquarters buildings to the east and will direct users and visitors to the central atrium. Overall, the design of the main building will provide the Headquarters site with a central focal point but it is set back into the site a sufficient distance so as not to be overly prominent when viewed from outside the site.

Artistic Image of PLC Building



The scheme will necessitate the creation of level plateaus stepping up from the south-east to the north-west due to the gradient of the topography. This will also necessitate retaining structures/gabion baskets at various points within the site.

Site Sections



In conclusion, it is considered that the proposed development complies with Policy SP2 of the LDP and advice contained within Planning Policy Wales and TAN12: Design.

In terms of biodiversity, Section 40 of the Natural Environment and Rural Communities Act 2006 states that 'every public authority must, in exercising its function, have regard, so far as is consistent with the proper exercise of those functions, to the purpose of conserving biodiversity'. This "duty to conserve biodiversity" has been replaced by a "biodiversity and resilience of ecosystems duty" under Section 6 of the Environment (Wales) Act 2016 which came into force on 21 March 2016.

Section 6(1) states that "a public authority must seek to maintain and enhance biodiversity in the exercise of functions in relation to Wales, and in so doing promote the resilience of ecosystems, so far as consistent with the proper exercise of those functions." Section 6(2) goes on to state that "In complying with subsection (1), a public authority must take account of the resilience of ecosystems, in particular (a) diversity between and within ecosystems; (b) the connections between and within ecosystems; (c) the scale of ecosystems; (d) the condition of ecosystems (including their structure and functioning); and, (e) the adaptability of ecosystems."

Regulation 9 of the Conservation of Habitats & Species Regulations 2010 requires Local Planning Authorities to take account of the presence of European Protected Species at development sites. If they are present and affected by the development proposals, the Local Planning Authority must establish whether "the three tests" have been met, prior to determining the application. The three tests that must be satisfied are:

1. That the development is "in the interests of public health and public safety, or for other imperative reasons of overriding public interest, including those of a social or economic nature and beneficial consequences of primary importance for the environment,"

2. That there is "no satisfactory alternative," and
3. That the derogation is "not detrimental to the maintenance of the populations of the species concerned at a favourable conservation status in their natural range."

The Arboricultural Assessment of the site and development has identified two category A trees (a Copper Beach and a Beech) which will both be retained and protected (with a Root Protection Zone during works) as part of the landscaping proposals for the scheme.

In addition several other trees and groups of trees will be retained as part of the development together with additional planting of feathered trees in a native woodland mix in two groups between the (lower) PLC part of the site and the (higher) gymnasium/car park part of the site, semi-mature trees, extra heavy standard trees, shrubs and groundcover and grassed areas. These will ensure that the site includes a balance between soft and hard landscaping and will "break up" the large areas of parking.

The ecological assessments of the site have not uncovered any protected species or habitats.

The retention of trees and the provision of additional landscaping features will enable the LPA to satisfy their Biodiversity Duty. The Biodiversity Action Plan includes the retention of the hedgerow forming the southern boundary.

In conclusion and subject to conditions, it is considered that the scheme complies with Policy ENV6 of the LDP and will satisfy the Council's "biodiversity and resilience of ecosystems duty" under Section 6 of the Environment (Wales) Act 2016 and guidance contained within TAN5: Nature Conservation and Planning (2009) and it is considered that, overall, there will be no significant adverse residual impacts on biodiversity.

In terms of the highway implications of the development, the access proposals, parking provision, Traffic Assessment (TA) and Travel Plan that accompanied the application have been considered in detail by the Highways Officer.

The primary focus of the submitted Travel Plan is to reduce the proportion of staff and visitors travelling by single-occupancy vehicle by encouraging the use of car sharing, active travel modes and public transport. Ensuring that facilities and support are in place to assist users to make sustainable travel choices will be vital to the success of the Travel Plan.

The Travel Plan objectives are to:

1. Reduce the proportion of staff and visitors traveling to/from the site by single-occupancy vehicle;
2. Increase the share of journeys made on foot;
3. Increase the share of journeys made by bicycle;
4. Increase the share of journeys made by public transport;
5. Increase the share of journeys made by car-share;
6. Improve awareness amongst staff and visitors about alternative travel options; and,
7. Improve awareness of facilities (e.g. showers and lockers) available to staff.

A package of measures is proposed in order to influence staff and visitor travel to and from the site, both for commuting and in the course of normal business. A timetable for the implementation of these measures (walking, cycling, shower facilities, public transport, managing car use, car parking, car sharing, reducing the need to travel and recruitment) is

set out in the Travel Plan together with details of how the measures will be monitored and reviewed.

In terms of the proposed improvements to the rear access, the principle of diverting traffic away from the main entrance off the A473 is accepted provided that there is sufficient space to implement an improved and safe access and subject to suitable impact analysis of surrounding junctions.

The latest submitted scheme to alter the access off the Kingsway roundabout/Chepstow Road in order to safely direct students and staff to the internal car park to the north west of the site is acceptable in principle subject to minor changes and Safety Audits and the applicant entering into an agreement with the Highway Authority to carry out works in the highway.

With regard to parking provision, it is acknowledged that the use/facility does not fit easily into any of the categories listed in the Council's SPG17: Parking Standards. PPW10 and the Active Travel Act seek to encourage travel to destinations such as this facility through means other than the private car and a proportion of the users of this facility will emanate from the main Headquarters site.

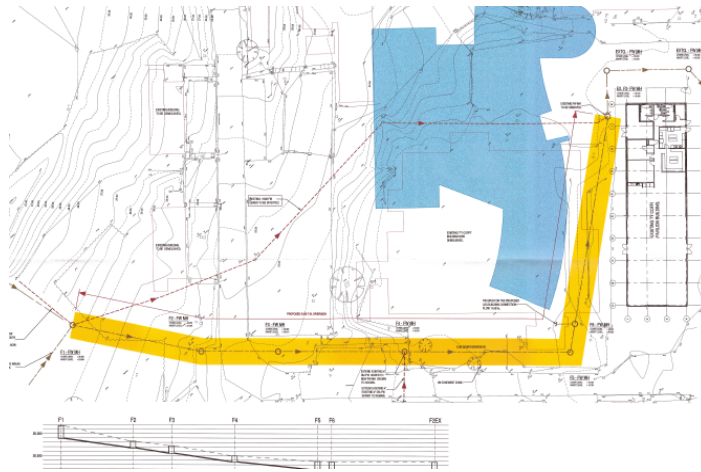
However, on-site parking provision should be based on the expected number of students that will be visiting the site from further afield and other alternative means of travel will need to be encouraged via an enhanced Travel Plan and improvements to the signalised Toucan crossing over the A473 between the site and the Bridgend Retail Park to ensure a safe pedestrian and bicycle crossing at this point.

To that extent the Highways Officer has requested a revised Travel Plan and Parking Layout (via conditions). The applicant will also be required to provide a contribution in the sum of £9,500 to fund Traffic Regulation Orders, roadmarkings and signage in the vicinity of the site.

Having regard to the above and the implementation of the proposed measures and improvements, the acknowledged highway safety and parking implications of the development have been addressed and the scheme can therefore be deemed to accord with Policies SP2, SP14 and PLA11 of the Bridgend County Borough Council Local Development Plan (2013) and advice contained within SPG17, Planning Policy Wales 10 (December 2018) and TAN18.

In terms of foul drainage it is noted that the site is crossed by a mains sewer and this will need to be diverted under a S185 agreement with DC/WW. These works were included within the recently submitted application for the construction of a retaining wall, the diversion of an existing foul sewer and construction of a temporary compound and associated works (P/18/996/FUL refers). The disposal of surface water within the site is the subject of a separate SuDS Approval application.

Proposed Sewer Diversion



The Shared Regulatory Services (Public Protection) Officer has reviewed the noise report and notes that it concentrates mainly on the design criteria of the proposed building to ensure that recommended internal noise limits are achieved in the classrooms, meeting rooms etc.

A noise survey has also been undertaken in order to obtain a base line background level to set appropriate rating levels for the plant noise. Conditions are requested to limit the plant noise rating levels from the development. The submitted Construction Environmental and Traffic Management Plan states that 'All works will be carried out in strict accordance with the following working hours – 7:30am to 17:00pm Monday to Friday and 07:30am to 1:00pm on Saturdays.' The hours of construction that SRS specify are 8am-6pm Monday- Friday, 8am-1pm Saturdays with no working Sundays or Bank Holidays and any piling operations are from 9am. Therefore, the Construction Environmental and Traffic Management Plan will be changed accordingly to reflect this via a suitably worded condition.

In terms of Air Quality, the Shared Regulatory Services (Air Quality) Officer has reviewed the supporting Air Quality Assessment (AQA) submitted with the application and advises that the assessment has been undertaken to a good standard and adopts best available techniques to produce conservative outcomes. He agrees with the conclusions outlined in the AQA which indicates that the operational impacts associated with the development are not significant and it therefore, there are no grounds for concern in specific regard to air quality.

With regard to ground conditions, the Shared Regulatory Services (Ground Contamination) Officer has advised that the documents submitted with the application include contamination assessments undertaken on part of the development site and that these identify potential risks to human health from asbestos containing materials on site.

Significant limitations are noted in relation to access for this investigation work, which are also acknowledged by the applicant's consultant, Intégral Géotechnique (IG). Further potential contamination issues and/or areas excluded from the initial investigation and identified by IG as requiring further assessment include:

- Area A - areas of stockpiles, existing buildings, former fuel station
- Area B – areas of stockpiles (former Ty Coffi footprint), areas occupied by Lyndsey Court

Consequently further site based investigations will be required to provide a robust assessment of the risks from contamination and these will be secured by conditions.

The development includes extensive earthworks with the likely intention to incorporate site won material. This material will need to be assessed in relation to potential contamination and suitability for use. In addition, should there be any importation of soils to develop the landscaped areas of the development or materials imported as part of the construction of the development, it must be demonstrated that they are suitable for the end use. This is to prevent the introduction or recycling of materials containing chemical or other potential contaminants which may give rise to potential risks to human health and the environment for the proposed end use. Consequently, conditions to ensure the use of suitable materials are attached to the recommendation.

To offset the potential impacts of the development, the applicant will be required to enter into a Section 106 Agreement in conformity with Policy SP14 Infrastructure. More specifically, as mentioned above, South Wales Police will be required to enter into a Section 106 Agreement to secure a contribution in the sum of £9,500 to fund Traffic Regulation Orders, roadmarkings and signage in the vicinity of the site to preserve the free flow of traffic on surrounding streets and junctions.

CONCLUSION

Section 38(6) of the 2004 Act requires that if regard is to be had to the Development Plan for the purposes of any determination to be made under the Planning Acts, the determination must be made in accordance with the Plan unless material considerations indicate otherwise.

Factors to be taken into account in making planning decisions (material considerations) must be planning matters, that is they must be relevant to the regulation of the development and use of land in the public interest towards the goal of sustainability.

Whilst the application represents a departure from the Development Plan, it can be recommended for approval as South Wales Police have no intention to release this land for residential development and it is generally compatible with Development Plan policies relating to the Bridgend Strategic Regeneration Growth Area and the wider regeneration, economic, social and community considerations as outlined above.

Due to the overriding benefits of retaining and relocating other facilities at the Headquarters site and the potential to bring forward the comprehensive release of Police land at their Waterton Cross site, there are significant material considerations to warrant a recommendation for approval in this instance.

The Local Planning Authority can grant permission for development which does not accord with the provisions of the Development Plan in force in the area under Article 20 of the Town and Country Planning (Development Management Procedure) (Wales) Order 2012 subject to ratification by Council.

On balance and having regard to the above, weighing up of all material considerations relevant to this scheme which include the impact of the development on highway safety within and around the site, parking provision, the design and operation of the facilities and the departure from the Development Plan, in planning terms it is considered that a development of this type and nature within a highly sustainable location on previously developed and vacant land within the existing South Wales Police Headquarters site is acceptable in this specific location due to the benefits of the scheme outweighing any potential impacts.

The application is therefore recommended for approval, subject to a Section 106 Agreement and conditions, and will be referred to Council for ratification.

RECOMMENDATION

(A) That the application be referred to the Council as a proposal that represents a departure from the Development Plan which the Development Control Committee are not disposed to refuse as the development forms part of South Wales Police's rationalisation strategy to invest in their Headquarters site which will allow the early release of their land at Waterton Cross as part of the wider Bridgend Strategic Regeneration Growth Area;

(B) The applicant enters into a Section 106 Agreement to provide a financial contribution in the sum of £9,500 to fund Traffic Regulation Orders, roadmarkings and signage in the vicinity of the site to preserve the free flow of traffic on surrounding streets and junctions; and,

(C) The Corporate Director Communities be given delegated powers to issue a decision notice granting consent in respect of this proposal once the recommendation has been ratified by Council and the applicant has entered into the aforementioned Section 106 Agreement, subject to conditions as follows:

1. The development shall be carried out in accordance with the following approved plans:-
Site Location Plan (1:2500) – Drwg. No. LDS-PDA-V4-ZZ-DR-A-05-1001 – P04 - received 18th July, 2019

Proposed Block Plan – Drwg. No. LDS-PDA-V4-XX-DR-A-05-1002 – P06 - received 6th March, 2019

Ground Floor Plan (PLC) – Drwg. No. LDS-PDA-V1-00-DR-A-05-1003 - P02 - received 6th March, 2019

1st Floor Plan (PLC) – Drwg. No. LDS-PDA-V1-01-DR-A-05-1004 – P02 - received 6th March, 2019

2nd Floor Plan (PLC) – Drwg. No. LDS-PDA-V1-02-DR-A-05-1005 – P02 - received 6th March, 2019

3rd Floor Plan (PLC) – Drwg. No. LDS-PDA-V1-03-DR-A-05-1006 – P02 - received 6th March, 2019

Roof Plan (PLC) – Drwg. No. LDS-PDA-V1-RF-DR-A-05-1007 – P02 - received 6th March, 2019

Elevations (PLC) – Drwg. No. LDS-PDA-V1-ZZ-DR-A-05-1008 – P05 - received 6th March, 2019

Sections (PLC) – Drwg. No. LDS-PDA-V1-ZZ-DR-A-05-1009 – P03 - received 6th March, 2019

Proposed Site Sections – Drwg. No. LDS-PDA-V4-ZZ-DR-A-05-1011– P06 - received 6th March, 2019

Proposed Gym Floorplans - Drwg. No. GYM-PDA-V4-ZZ-DR-A-05-017– P06 - received 6th March, 2019

Proposed Gym Elevations 1 of 2 - Drwg. No. GYM-PDA-V4-ZZ-DR-A-05-018– P03 - received 6th March, 2019

Proposed Gym Elevations 2 of 2 and Building Sections - Drwg. No. -PDA-V4-ZZ-DR-A-05-019– P03 - received 6th March, 2019

Proposed Drainage Layout – Drwg. No. SWS-BHP-V3-XX-DR-C-(50) 001 Rev. B – received 6th March, 2019

External Works General Arrangement – Drwg. No. SWS-BHP-V3-XX-DR-F-(60) 001 Rev. H – received 6th March, 2019

External Works Finishes Plan – Drwg. No. SWS-BHP-V3-XX-DR-C-(60) 002 Rev. H – received 6th March, 2019

Proposed New Access Road – Drwg. No. SWS-BHP-V3-DR-C-(60) 010 Rev. B – received 6th March, 2019

Proposed Highway Alterations to Rear Access - Drwg. No. SWS-BHP-V3-XX-DR-C-(70) 010 Revision F - received 27th August, 2019

Proposed Highway Alterations to Rear Access - Drwg. No. SWS-BHP-V3-XX-DR-C-(70) 020 - received 27th August, 2019
Landscape Strategy Plan - Drwg. No. 319/01 Rev. A - received 23rd April, 2019
Transport Assessment by Asbri Transport – received 6th March, 2019
Travel Plan by Asbri Transport – received 6th March, 2019
Drainage Strategy Report by Bingham Hall - received 6th March, 2019
Arboricultural Assessment by First Ecology – Section 5 Method Statement - received 6th March, 2019
Ecological Appraisal by First Ecology – received 6th March, 2019
Updated Bat Survey Summary Report by First Ecology – Recommendations - received 6th March, 2019
Construction Environmental and Traffic Management Plan – received 7th March, 2019
Site Investigation Reports (Areas A and B) by Integral Geotechnique – received 8th March, 2019
Acoustic Design and Acoustic Design Report by Mach Acoustics – received 5th April, 2019
Air Quality Assessment Report by Air Quality Consultants – received 5th April, 2019

Reason: To avoid doubt and confusion as to the nature and extent of the approved development and to satisfy the Local Planning Authority's "biodiversity and resilience of ecosystems duty" under Section 6 of the Environment (Wales) Act 2016.

2. Notwithstanding the plans hereby approved, a detailed specification for, or samples of, the materials to be used in the construction of the external surfaces of the building hereby permitted shall be submitted to and agreed in writing by the Local Planning Authority prior to their use on site. Development shall be carried out in accordance with the agreed details.

Reason: To ensure that the proposed materials of construction are appropriate for use on the development so as to enhance and protect the visual amenities of the area.

3. No development, apart from site clearance and demolition, shall commence on site until a scheme for the comprehensive and integrated drainage of the site, showing how foul, road and roof/yard water will be dealt with, including future maintenance requirements, has been submitted to and approved in writing by the Local Planning Authority. The approved scheme shall be implemented prior to the beneficial use of the new facility commencing and retained in perpetuity.

Reason: To ensure that effective drainage facilities are provided for the proposed development, to prevent hydraulic overloading of the public sewerage system and that flood risk is not increased.

4. No development, apart from site clearance and preparation, shall take place until a scheme for the provision of 311 off street parking spaces has been submitted to and agreed in writing by the Local Planning Authority. The parking area shall be completed in permanent materials with the individual spaces clearly demarcated in permanent materials in accordance with the approved layout prior to the development being brought into beneficial use and shall thereafter be retained for parking purposes in perpetuity.

Reason: In the interests of highway safety.

5. The proposed access to the car parking areas, the car parking areas and turning areas shall be completed in permanent materials with the individual spaces clearly demarcated in permanent materials in accordance with the approved layout prior to the Police Learning Centre and Gymnasium elements of the development being brought into beneficial use and shall be retained for parking purposes in perpetuity.

Reason: In the interests of highway safety.

6. Notwithstanding the details as hereby approved, no development shall take place, until a revised Construction Environmental and Traffic Management Plan has been submitted to and approved in writing by the Local Planning Authority. The approved Plan shall be adhered to throughout the construction period. The Statement shall provide for:

- i. the routing of HGV construction traffic to/from the site
- ii. the parking of vehicles of site operatives and visitors
- iii. loading and unloading of plant and materials
- iv. storage of plant and materials used in demolition and construction of the development
- v. wheel washing facilities
- vi. measures to control the emission of dust and dirt during demolition and construction
- vii. the provision of temporary traffic and pedestrian management at and in the vicinity of the site construction access
- viii. hours of construction (8am-6pm Monday- Friday, 8am-1pm Saturdays with no working Sundays or Bank Holidays and any piling operations from 9am only)

Reason: In the interests of highway and pedestrian safety in the vicinity of the site.

7. The rating level of the combined noise from all plant operating together (including the application of any tonal penalty) when assessed in accordance with BS4142 in free field conditions at any noise sensitive premises shall not exceed the noise levels shown below:

Assessment Period	Plant Noise rating level LAeq, T (dB)
Daytime (0700-23.00 hours)	35dB LAeq, 1hour
Night (23.00-07.00 Hours)	29dB LAeq, 15mins

Reason: In the interests of neighbouring residential amenities.

8. Prior to the beneficial use of the development, a noise report shall be submitted to the Local Planning Authority to demonstrate that the rating levels specified in condition 7 above from all plant when operating cumulatively, including condensers, extraction systems and air conditioning units have been achieved. Where the rating levels have not been achieved, the report shall include a scheme of mitigation measures to reduce the noise to the rating levels specified in condition 6 and a proposed timescale for undertaking the work. The development shall not be brought into beneficial use until the scheme of work has been completed and agreed in writing with the Local Planning Authority and shall be maintained and retained to ensure that the noise limits are adhered to.

Reason: In the interests of neighbouring residential amenities.

9. Notwithstanding the plans as hereby approved, no development, apart from site clearance and preparation, shall take place on site until such time as a comprehensive scheme has been submitted to and approved in writing by the Local Planning Authority for the provision of a revised access at the Eastern boundary of the site onto York Road and revisions to the Western and South Western quadrant of the York Road/Kent Road/Western Avenue/Kingsway roundabout junction broadly in accordance with Bingham Hall Partnership Ltd. drawing SWS-BHP-V3-XX-DR-C-(70)010 Rev F incorporating roadmarkings, traffic signage and pedestrian footways and crossing facilities. The scheme shall be accompanied by full engineering details of the junctions and Stage 2 – 4 Road Safety Audits. Such a scheme shall be implemented, as approved, in permanent materials before the development is brought into beneficial use and the access shall thereafter be retained and maintained in perpetuity.

Reason: In the interests of the free flow and safety of traffic and to maintain the operational capacity of the network.

10. Notwithstanding the plans as hereby approved, no above ground super structure works shall commence on the buildings until such time as a comprehensive scheme of security gates and vehicle access barriers (including an operational management plan) has been submitted to and approved in writing by the Local Planning Authority. The scheme shall be designed and operated to ensure satisfactory access and egress from the development hereby approved whilst preventing free movement of vehicles between the proposed York Road access and the existing Cowbridge Road access. Such a scheme shall be implemented before the development is brought into beneficial use and maintained and operated as such thereafter in perpetuity.

Reason: In the interests of the free flow and safety of traffic and to maintain the operational capacity of the network.

11. Prior to the beneficial use of the facilities, a scheme for the provision of 116 long stay cycle parking stands and 5 short stay cycle parking stands shall be submitted to and approved in writing by the Local Planning Authority. The stands shall also be implemented in accordance with the approved details before the development is brought into beneficial use and shall thereafter be retained and maintained in perpetuity.

Reason: In the interests of promoting sustainable means of travel to/from the site.

12. Prior to the beneficial use of the new facilities commencing, a revised Travel Plan shall be submitted to and approved in writing by the Local Planning Authority. The approved Travel Plan shall be implemented within 6 months of the beneficial use of the development commencing. Such a plan shall contain targets, measures and initiatives relating to the encouragement and promotion of the use of sustainable transport for journeys to and from the site. The plan shall be subject to periodic review and monitoring, with annual reports prepared by the Applicant and submitted to the Local Planning Authority.

Reason: In the interests of promoting sustainable modes of transport to and from the site.

13. No development, apart from site clearance and demolition, shall commence until details of existing ground levels and proposed finished ground and floor levels have been submitted to and approved in writing by the Local Planning Authority. The development shall be carried out in accordance with the approved details

Reason: To ensure a satisfactory form of development.

14. Prior to the beneficial occupation of the Police Learning Centre building and Gymnasium facility, full details of the proposed means of illumination of the building and car park shall be submitted to and approved in writing by the Local Planning Authority. Development shall be carried out in accordance with the approved details and retained and maintained thereafter in perpetuity.

Reason: To ensure a satisfactory form of development.

15. The landscaping scheme shall be carried out in accordance with the approved details in the first planting and seeding seasons following the occupation of the buildings or the completion of the development, whichever is the sooner and any trees or plants which within a period of 5 years from the completion of the development die, are removed or become seriously damaged or diseased shall be replaced in the next planting season with others of similar size and species.

Reason: To ensure a satisfactory form of development and to satisfy the Local Planning Authority's "biodiversity and resilience of ecosystems duty" under Section 6 of the Environment (Wales) Act 2016

16. A 5 year landscape management plan, including management responsibilities and maintenance schedules for all habitat and landscaped areas shall be submitted to and approved in writing by the local planning authority prior to the beneficial use of the Police Learning Centre building. The landscape management plan shall be carried out as approved.

Reason: To ensure a satisfactory form of development and to satisfy the Local Planning Authority's "biodiversity and resilience of ecosystems duty" under Section 6 of the Environment (Wales) Act 2016.

17. Prior to the commencement of the main construction phase of the development an assessment of the nature and extent of contamination shall be submitted to and approved in writing by the Local Planning Authority. This assessment must be carried out by or under the direction of a suitably qualified competent person * in accordance with BS10175 (2011) Code of Practice for the Investigation of Potentially Contaminated Sites and shall assess any contamination on the site, whether or not it originates on the site.

The report of the findings shall include:

- (i) a desk top study to identify all previous uses at the site and potential contaminants associated with those uses and the impacts from those contaminants on land and controlled waters. The desk study shall establish a 'conceptual site model' (CSM) which identifies and assesses all identified potential source, pathway, and receptor linkages;
- (ii) an intrusive investigation to assess the extent, scale and nature of contamination which may be present, if identified as required by the desk top study;
- (iii) an assessment of the potential risks to:
 - human health,
 - groundwaters and surface waters
 - adjoining land,
 - property (existing or proposed) including buildings, crops, livestock, pets, woodland and service lines and pipes,
 - ecological systems,
 - archaeological sites and ancient monuments; and
 - any other receptors identified at (i)
- (iv) an appraisal of remedial options and justification for the preferred remedial option(s).

All work and submissions carried out for the purposes of this condition must be conducted in accordance with DEFRA and the Environment Agency's 'Model procedures for the Management of Land Contamination, CLR 11' (September 2004) and the WLGA/WG/NRW guidance document 'Land Contamination: A guide for Developers' (2017).

* A 'suitably qualified competent person' would normally be expected to be a chartered member of an appropriate professional body (such as the Institution of Civil Engineers, Geological Society of London, Royal Institution of Chartered Surveyors or Institution of Environmental Management) and also have relevant experience of investigating contaminated sites.

Reason: To ensure that information provided for the assessment of the risks from land contamination to the future users of the land, neighbouring land, controlled waters, property and ecological systems is sufficient to enable a proper assessment.

18. Prior to the commencement of the main construction phase of the development a detailed remediation scheme and verification plan to bring the site to a condition suitable for the intended use by removing any unacceptable risks to human health, controlled waters, buildings, other property and the natural and historical environment shall be submitted to and approved in writing by the Local Planning Authority. The scheme shall include all works to be undertaken, proposed remediation objectives and remediation criteria, a timetable of works and site management procedures. The scheme must ensure that the site will not qualify as contaminated land under Part 2A of the Environmental Protection Act 1990 in relation to the intended use of the land after remediation.

All work and submissions carried out for the purposes of this condition must be conducted in accordance with DEFRA and the Environment Agency's 'Model procedures for the Management of Land Contamination, CLR 11' (September 2004) and the WLGA/WG/NRW guidance document 'Land Contamination: A guide for Developers' (2017).

Reason: To ensure that any unacceptable risks from land contamination to the future users of the land, neighbouring land, controlled waters, property and ecological systems are minimised and to ensure that the development can be carried out safely without unacceptable risks to workers, neighbours and other offsite receptors.

19. The remediation scheme approved by condition 18 must be fully undertaken in accordance with its terms prior to the occupation of any part of the development. The Local Planning Authority must be given two weeks written notification of commencement of the remediation scheme works.

Within 6 months of the completion of the measures identified in the approved remediation scheme, a verification report that demonstrates the effectiveness of the remediation carried out must be submitted to and approved in writing by the Local Planning Authority. The applicant must not beneficially occupy the buildings until the verification report is approved by the Local Planning Authority.

All work and submissions carried out for the purposes of this condition must be conducted in accordance with DEFRA and the Environment Agency's 'Model procedures for the Management of Land Contamination, CLR 11' (September 2004) and the WLGA/WG/NRW guidance document 'Land Contamination: A guide for Developers' (2017).

Reason: To ensure that any unacceptable risks from land contamination to the future users of the land, neighbouring land, controlled waters, property and ecological systems are minimised, and to ensure that the development can be carried out safely without unacceptable risks to workers, neighbours and other offsite receptors.

20. In the event that contamination is found at any time when carrying out the approved development that was not previously identified it must be reported in writing within 2 days to the Local Planning Authority, all associated works must stop and no further development shall take place until a scheme to deal with the contamination found has been approved. An investigation and risk assessment must be undertaken and where remediation is necessary, a remediation scheme and verification plan must be prepared and submitted to and approved in writing by the Local Planning Authority. Following completion of measures identified in the approved remediation scheme a verification report must be submitted to and approved in writing by the Local Planning Authority. The timescale for the above actions shall be agreed with the Local Planning Authority within 2 weeks of the discovery of any unsuspected contamination. The applicant must not beneficially occupy the buildings until any remediation scheme and verification plan are approved by the Local Planning Authority.

Reason: To ensure that any unacceptable risks from land contamination to the future users of the land, neighbouring land, controlled waters, property and ecological systems are minimised and to ensure that the development can be carried out safely without unacceptable risks to workers, neighbours and other offsite receptors.

21. Any topsoil (natural or manufactured) or subsoil to be imported shall be assessed for chemical or other potential contaminants in accordance with a scheme of investigation which shall be submitted to and approved in writing by the Local Planning Authority in advance of its importation. Only material approved by the Local Planning Authority shall be imported. All measures specified in the approved scheme shall be undertaken in accordance with the relevant Code of Practice and Guidance Notes.

Subject to approval of the above, sampling of the material received at the development site to verify that the imported soil is free from contamination shall be undertaken in accordance with a scheme and timescale to be agreed in writing by the Local Planning Authority.

Reason: To ensure that the safety of future occupiers is not prejudiced.

22. Any aggregate (other than virgin quarry stone) or recycled aggregate material to be imported shall be assessed for chemical or other potential contaminants in accordance with a scheme of investigation which shall be submitted to and approved in writing by the Local Planning Authority in advance of its importation. Only material approved by the Local Planning Authority shall be imported. All measures specified in the approved scheme shall be undertaken in accordance with the relevant Code of Practice and Guidance Notes.

Subject to approval of the above, sampling of the material received at the development site to verify that the imported material is free from contamination shall be undertaken in accordance with a scheme and timescale to be agreed in writing by the Local Planning Authority.

Reason: To ensure that the safety of future occupiers is not prejudiced.

23. Any site won material including soils, aggregates, recycled materials shall be assessed for chemical or other potential contaminants in accordance with a sampling scheme which shall be submitted to and approved in writing by the Local Planning Authority in advance of the reuse of site won materials. Only material which meets site specific target values approved by the Local Planning Authority shall be reused.

Reason: To ensure that the safety of future occupiers is not prejudiced.

24. Prior to their implementation on site, a plan indicating the positions, design, materials and type of boundary treatment to be erected and a timetable for its implementation shall be submitted to and agreed in writing by the Local Planning Authority. Development shall be carried out in accordance with the agreed plan and timetable and the approved boundary treatment shall be retained and maintained in perpetuity.

Reason: To ensure that the general amenities of the area are protected.

25. The development shall be limited to the land uses/parameters as set out in Chapter 4 of the submitted Travel Plan.

Reason: In the interests of the free flow and safety of traffic and to maintain the operational capacity of the network.

26. No above ground super structure works shall commence on the buildings until such time as a comprehensive scheme for the provision of keep clear markings at the junction of York Road with South Road and Cowbridge Road has been submitted to and approved in writing by the Local Planning Authority. The scheme shall include a consultation drawing and be accompanied by Stage 2 – 4 Road Safety Audits. Such a scheme shall be implemented, as approved, in permanent materials before the development is brought into beneficial use.

Reason: In the interests of the free flow and safety of traffic and to maintain the operational capacity of the network.

27. No above ground super structure works shall commence on the buildings until such time as a comprehensive scheme for the provision of a controlled pedestrian and cycle crossing facility within the traffic signal controlled junction of the A473 (Cowbridge Road)/Bridgend Retail Park/South Wales Police Headquarters to aid cycle and pedestrian movements across the A473, has been submitted to and approved in writing by the Local Planning Authority. The scheme shall be accompanied by full engineering details of the junction, Stage 2 - 4 Road Safety Audits and an Active Travel Act route audit to support the suitability of the proposed crossings for cyclists. Such a scheme shall be implemented as approved before the development is brought into beneficial use.

Reason: In the interests of promoting sustainable travel and Highway Safety.

28. Prior to the beneficial use of the new facilities commencing, a scheme of direction signage from the A473 shall be submitted to and agreed in writing by the Local Planning Authority and implemented in accordance with the approved details.

Reason: In the interests of highway safety.

29. * THE FOLLOWING ARE ADVISORY NOTES NOT CONDITIONS

To satisfy the above drainage condition, the applicant must:

- Provide an agreement in principle from Dwr Cymru/Welsh Water (DC/WW) regarding the proposed foul connection to the public sewer;
- Confirm use of the rainwater harvesting system;
- Provide detailed drawings of the proposed oil separators, pervious paving, rainwater harvesting tank and geocellular soakaway tank;
- Provide final version of the maintenance plan once SuDS products are known.

No land drainage run-off will be permitted to discharge (either directly or indirectly) into the public sewerage system.

Rainwater run-off shall not discharge into the highway surface-water drainage system. Failure to ensure this may result in action being taken under Section 163 of the Highways Act 1980.

Adequate provision should be made to store all waste material produced and any receptacles to hold it e.g. wheelie bins, fully within the curtilage of the college. The applicant's attention is drawn to the fact that it is an offence under the Highways Act 1980 to obstruct the highway with such objects and that action will be considered to prevent any obstruction.

The Developer is reminded that consent under the Town and Country Planning Act 1990 conveys no approval under the Highways Act 1980 for works to be undertaken affecting any part of the public highway including verges and footways and that before any such works are commenced the developer must:

- obtain the approval of Bridgend County Borough Council as Highway Authority to the details of any works to be undertaken affecting the public highway;
- indemnify the County Borough Council against any and all claims arising from such works;
- give not less than one calendar month's notice in writing of the date that the works are to be commenced to the Policy, Development and Transport Team Leader, Bridgend County Borough Council, Civic Offices, Angel Street, Bridgend. Telephone No. (01656) 642541.

In respect of the condition for a Travel Plan the applicant is advised to consider the Travel Plan Guide for Developers at the following internet address:

<http://www.bridgend.gov.uk/web/groups/public/documents/manuals/050232.pdf>

The standard of illumination shall be such that no undue glare or distraction is occasioned to highway users.

Natural Resources Wales (NRW) refer the applicant to the Environment Agency's approach to groundwater protection (<https://www.gov.uk/government/collections/groundwater-protection>) which NRW have adopted. Position statements G11 (Discharged from Areas Subject to Contamination) and G13 (Sustainable Drainage Systems) apply to this development.

The contamination assessments and the affects of unstable land are considered on the basis of the best information available to the Planning Authority and are not necessarily exhaustive. The Authority takes due diligence when assessing these impacts, however you are minded that the responsibility for

- determining the extent and effects of such constraints;

(ii) ensuring that any imported materials (including, topsoils, subsoils, aggregates and recycled or manufactured aggregates/ soils) are chemically suitable for the proposed end use. Under no circumstances should controlled waste be imported. It is an offence under Section 33 of the Environmental Protection Act 1990 to deposit controlled waste on a site which does not benefit from an appropriate waste management license. The following must not be imported to a development site;

- Unprocessed / unsorted demolition wastes.
 - Any materials originating from a site confirmed as being contaminated or potentially contaminated by chemical or radioactive substances.
 - Japanese Knotweed stems, leaves and rhizome infested soils. In addition to section 33 above, it is also an offence under the Wildlife and Countryside Act 1981 to spread this invasive weed; and
- (iii) the safe development and secure occupancy of the site rests with the developer.

Proposals for areas of possible land instability should take due account of the physical and chemical constraints and may include action on land reclamation or other remedial action to enable beneficial use of unstable land.

The Local Planning Authority has determined the application on the basis of the information available to it but this does not mean that the land can be considered free from contamination.

If the development will give rise to a new discharge or alter an existing discharge of trade effluent, directly or indirectly to the public sewerage system, a Discharge Consent under Section 118 of the Water Industry Act 1991 is required from DC/WW. Please note that the issuing of a Discharge Consent is independent of the planning process and a consent may be refused although planning permission is granted.

The applicant may need to apply to Dwr Cymru/Welsh Water (DC/WW) for any connection to the public sewer under S106 of the Water Industry Act 1991. If the connection to the public sewer network is either via a lateral drain (i.e. a drain which extends beyond the connecting property boundary) or via a new sewer (i.e. serves more than one property), it is now a mandatory requirement to first enter into a Section 104 Adoption Agreement (Water Industry Act 1991). The design of the sewers and lateral drains must also conform to the Welsh Ministers Standards for Gravity Foul Sewers and Lateral Drains, and conform with the publication "Sewers for Adoption" – 7th Edition. Further information can be obtained via the Developer Services pages of www.dwrcymru.com

The applicant is also advised that some public sewers and lateral drains may not be recorded on DC/WW's maps of public sewers because they were originally privately owned and were transferred into public ownership by nature of the Water Industry (Schemes for Adoption of Private Sewers) Regulations 2011. The presence of such assets may affect the proposal. In order to assist DC/WW in dealing with the proposal the applicant may contact Dwr Cymru/Welsh Water on 0800 085 3968 to establish the location and status of the apparatus. Under the Water Industry Act 1991 Dwr Cymru/Welsh Water has rights of access to its apparatus at all times.

If heavy earthmoving machinery is to be employed, the routes to be used in moving plant around the site should be clearly indicated. Suitable ramps or other protection will need to be provided to protect the water main from heavy plant.

Access to DC/WW's apparatus must be maintained at all times for inspection and maintenance purposed and must not be restricted in any way as a result of the development.

No work is to be carried out before DC/WW has approved the final plans and sections.

The developer should note that this consent cannot be implemented until the corresponding SuDS approval application has been agreed with the SAB Officer within Bridgend County Borough Council.

JONATHAN PARSONS
GROUP MANAGER PLANNING & DEVELOPMENT SERVICES

Background papers

None

BRIDGEND COUNTY BOROUGH COUNCIL

REPORT TO COUNCIL

18 SEPTEMBER 2019

REPORT OF THE HEAD OF LEGAL AND REGULATORY SERVICES

APPOINTMENT OF A REGISTERED REPRESENTATIVE TO THE OVERVIEW AND SCRUTINY SUBJECT COMMITTEES

1. Purpose of Report

1.1 To seek Council's approval of the appointment of the following Registered Representative to the Overview and Scrutiny Subject Committees, for a maximum term of four years:

- a) Ms Lynsey Morris has been nominated for appointment as the Secondary School Parent Governor Representative for Education items considered by Overview and Scrutiny Subject Committees.

2. Connection to Corporate Improvement Plan / Other Corporate Priority

2.1 The Overview and Scrutiny Committees engage in review and development of plans, policies or strategies that support 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 In line with the Parent Governor Representatives and Church Representatives (Wales) Regulations 2001, Part 4 of the Constitution states under the Overview and Scrutiny Procedure Rules that an Overview and Scrutiny Committee, whose functions relate wholly or in part to Education functions which are the responsibility of Cabinet, shall include in its membership Education Representatives; one Church in Wales Representative, one Roman Catholic Church Representative, and three

Parent Governor Representatives (one from a Primary School, one from a Secondary School, and one from a Special School).

4. Current Situation / Proposal

- 4.1 Mr Kevin Pascoe's term as a Secondary School Parent Governor Representative has come to an end. Following an election held in accordance with the Parent Governor Representatives and Church Representatives (Wales) Regulations 2001, Ms Lynsey Morris has been nominated to serve as the Secondary School Parent Governor Representative.

5. Effect upon Policy Framework & Procedure Rules

- 5.1 None.

6. Equalities Impact Assessment

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

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

- 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 This report has no direct financial consequences.

9. Recommendation

- 9.1 Council is recommended to note the report and approve the appointment of the following individual as a Registered Representative for Education items considered by the Overview and Scrutiny Subject Committees for a maximum term of four years:

- (i) Ms Lynsey Morris as the Secondary School Parent Governor Representative.

K Watson
Head of Legal and Regulatory Services

Contact Officer: Scrutiny Unit

Telephone: (01656) 643263

E-mail: scrutiny@bridgend.gov.uk

Postal Address: Bridgend County Borough Council,
Civic Offices,
Angel Street,
Bridgend,
CF31 4WB

Background documents

None

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BRIDGEND COUNTY BOROUGH COUNCIL

REPORT TO COUNCIL

18 SEPTEMBER 2019

REPORT OF THE HEAD OF LEGAL AND REGULATORY SERVICES

INFORMATION REPORT FOR NOTING

1. Purpose of Report .

- 1.1 The purpose of this report is to inform Council of the Information Reports for noting which have been published since its last scheduled meeting.

2. Connection to Wellbeing 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 At a previous meeting of Council, it was resolved to approve a revised procedure for the presentation to Council of Information Reports for noting.

4. Current situation / proposal.

4.1 Information Report

The following information reports have been published since the last meeting of Council:-

<u>Title</u>	<u>Date Published</u>
Urgent Delegated Decisions	12 September 2019
Final Statement of Accounts 2018-19	12 September 2019

4.2 Availability of Documents

These 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 Council acknowledges the publication of the documents listed in this report.

K Watson
Head of Legal and Regulatory Services
9 September 2019

Contact Officer: Mark Anthony Galvin
Senior Democratic Services Officer – Committees
Telephone: (01656) 643148
Email: cabinet_committee@bridgend.gov.uk

Postal address: Democratic Services
Legal and Regulatory Services
Civic Offices
Angel Street
Bridgend
CF31 4WB

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

BRIDGEND COUNTY BOROUGH COUNCIL

INFORMATION REPORT TO COUNCIL

18 SEPTEMBER 2019

REPORT OF THE MONITORING OFFICER

URGENT DELEGATED DECISIONS

1. Purpose of Report.

- 1.1 To report to Council delegated decisions taken as a matter of urgency under the Scheme of Delegation of Functions.

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

- 2.1 The ability of Members and Officers to make decisions directly impacts upon the Authority's ability to implement the Corporate Improvement Objectives and Other Corporate Priorities.

3. Background.

- 3.1 These decisions are required to be reported to Council under Paragraph 18 of the Overview & Scrutiny Procedure Rules which are to be found at Part 4 of the Constitution.

4. Current situation / proposal.

- 4.1 The Decisions so taken under Scheme A paragraph 1.1 and which therefore bypass the call-in procedure (as set out in paragraph 19 of Part 4 Rules of Procedure within the Constitution), are summarised as follows:-
- 4.2 a) CE-LEG-19-716 – Appendix A to the report
b) CMM-PRU-19-19 – Appendix B to the report

5. Effect upon Policy Framework & Procedure Rules.

- 5.1 This report has no effect on the Council's 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 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.

7.1 There are no financial implications relating to the report.

8. Recommendation.

8.1 It is recommended that Council notes the report.

K Watson

Head of Legal and Regulatory Services & Monitoring Officer

September 2019

Contact Officer: Mark Galvin

Senior Democratic Services Officer – Committees

Telephone: (01656) 643148

E-mail: mark.galvin@Bridgend.gov.uk

Postal Address Democratic Services, Civic Offices, Angel Street, Bridgend, CF31
4WB

Background documents

Scheme of Delegations.

Bridgend County Borough Council

Cyngor Bwrdeistref Sirol Pen-y-bont ar Ogwr

www.bridgend.gov.uk



SCHEMES OF DELEGATION OF FUNCTIONS

RECORD OF DECISION

1. Scheme Information:

- | | |
|--|--|
| a. Decision Reference Number: | <input type="text" value="CE-LEG-19-716"/> |
| b. Decision Type (Proposed or Actual): | <input type="text" value="Actual"/> |
| c. Scheme under which decision is to be made | <input type="text" value="A"/> |
| d. Paragraph Number: | <input type="text" value="1.1"/> |
| e. Does this Decision contain Exempt Information?
If so, provide details with reference to paragraph(s)
12 to 18, Part 4 and paragraphs 19 to 21, Part 5
Schedule 12A, Local Government Act 1972. | <input type="text" value="No"/> |
| f. Does this Decision contain "Confidential
information: | <input type="text" value="No"/> |

2. Details of Decision (including: Any public interest test undertaken in relation to Part 1(e) above; equalities implications and details of any assessment undertaken)

To agree Councillor Nicole Burnett as our Elected Member representative for meetings of the Court of Swansea University.

3. Reason for Decision (including any reasons for urgency which led to the implementation of the decision before the preparation of this record or before the expiry of 3 working days after the publication of the decision to which call-in provisions apply):

We currently have one Member representative on the Court of Swansea University, Councillor H David. The Court of the University only meets annually and the 2019 meeting is on the same date as a Cabinet meeting of which Councillor David is chairperson. To avoid there being no elected member representation from BCBC at the meeting of the Court Councillor David has decided to step down. Due to timescales and there being no meeting of Cabinet in August this decision is required as a matter of urgency in order to ensure that the Authority is appropriately represented at the next meeting of the Court which will be held on the 17th September 2019.

4. Details of Consultation undertaken prior to the decision or, if none reasons why

none undertaken:

Kelly Watson, Monitoring Officer

5. Details of any interest declared in relation to the decision:

a. by any Cabinet Member consulted in relation to the Decision:

N/A

b. by any Cabinet Member who would have been the Decision maker except for the declaration of such an interest:

N/A

c. details of any dispensation granted by the Standards Committee in respect of interest declared:

N/A

6. Contact Details:

Case Officer

Decision-Maker

a. Name:

Ruth Ronan

Cllr H David

b. Job Title/Role:

Senior Democratic Services
Officer Support

Leader Bridgend County
Borough Council

c. Telephone Number:

01656 643106

01656 643225

d. E-mail Address:

Ruth.Ronan@bridgend.gov.
uk

Cllr.Huw.David@bridgend.
gov.uk

e. Date Decision made:

30/07/2019

f. Signature:

Huw David

Notes:

1. Electronic copies of this form must be sent to Cabinet & Committee Services (cabinet_committee)

7. Decision Administration Information (Cabinet & Committee Services use only)

a. Date received

31/7/14

b. Confirmation of Urgency

N/A

c. Date published

31/7/14

d. End of Call - In period (Scheme A & B1 only)

N/A

e. Decision Called in.

-

f. Effective date of Decision.

30/7/14

Bridgend County Borough Council

Cyngor Bwrdeistref Sirol Pen-y-bont ar Ogwr

www.bridgend.gov.uk



SCHEMES OF DELEGATION OF FUNCTIONS

RECORD OF DECISION

1. Scheme Information:

- | | |
|--|--|
| a. Decision Reference Number: | <input type="text" value="CMM-PRU-19-19"/> |
| b. Decision Type (Proposed or Actual): | <input type="text" value="Actual"/> |
| c. Scheme under which decision is to be made | <input type="text" value="Scheme A"/> |
| d. Paragraph Number: | <input type="text" value="1.1"/> |
| e. Does this Decision contain Exempt Information?
If so, provide details with reference to paragraph(s)
12 to 18, Part 4 and paragraphs 19 to 21, Part 5
Schedule 12A, Local Government Act 1972. | <input type="text" value="No"/> |
| f. Does this Decision contain "Confidential
information: | <input type="text" value="No"/> |

2. Details of Decision (including details of public interest test used in Part 1(e) above):

To delegate authority to the Group Manager Strategic Regeneration to instruct the Returning Officer under Regulation 5 of the Business Improvement Districts (Wales) Regulations 2005 to hold an alteration ballot for the Business Improvement District in the CF31 area.

It is believed that there are no implications in relation to age; disability; gender and transgender; race; religion or belief and non-belief; sexual orientation on this matter.

3. Reason for Decision (including any reasons for urgency which led to the implementation of the decision before the preparation of this record or before the expiry of 3 working days after the publication of the decision to which call-in provisions apply):

Following a yes vote in the ballot held in September 2016, a business improvement district for the CF31 area and the CF31 Business Improvement District Company Ltd ("The BID Company") was established. Since then, the BID Company has been delivering a programme of targeted projects and services within the CF31 area. The term of the current BID is due to end on 30th September 2019, however the BID Company is now seeking to alter the terms of the current BID as set out below and extend it for a further 5 years.. To alter the arrangements, legislation requires

an alteration ballot must be held.

In order to hold an alteration ballot, the BID Company must serve a notice upon BCBC under Regulation 4(2)(a)(ii) of Business Improvement Districts (Wales) Regulations 2005 ("the Regulations") along with supplementary documentation which requests BCBC instruct the Returning Officer to hold an alteration ballot. Following the receipt of the required Notice and supplementary documentation from the BID Company, BCBC, as Billing Authority under the Regulations, must now instruct the Returning Officer to hold the alteration ballot.

It is a statutory requirement that as Billing Authority, BCBC, having received the notice referred to in the previous paragraph, must instruct the Ballot Holder to hold the ballot.

Should authority be given to instruct the Ballot Holder, the intention is for the Ballot Holder to instruct UK Engage to hold the ballot on our behalf. BCBC has used UK Engage previously to carry out ballots on our behalf where we do not have sufficient capacity.

The BID Company has served the required Notice, alteration proposals and provided the required documentation under the Regulations which allows for BCBC to proceed to instruct the Ballot Holder. The Notice, alteration proposals and other required documentation has been reviewed and it is considered that they do not conflict with any other policy formally adopted by and contained in a document published by the Council.

A report will be taken to Cabinet in September to consider the alteration proposals and the implications of those proposals for BCBC, the numbers of council hereditaments within the specified boundary, cost to BCBC and for a decision on how to vote in the alteration ballot.

It is proposed that the BID arrangements be altered in the following manner:

- Boundary - the BID Boundary has been redrawn
- Rateable value – the rateable value of hereditaments within the boundary has changed from £6,000 to £5,000.
- The Levy payment will be increased from 1.25% to 1.5%

In advance of the proposed alteration ballot the BID Company has been consulting with its board of directors and the BID levy payers on the proposals for the 2019 – 2024 manifesto.

In order for businesses to establish a BID it is necessary to undertake a ballot and secure a positive vote. Each separate property occupied or owned by a business rate payer (referred to as a hereditament) attracts a vote. To be successful the vote must meet two tests set down in Section 50 of the Local Government Act 2003:

- "The first condition is that a majority of the persons voting in the ballot have voted in favour of the BID proposals.
- The second condition is that A exceeds B.

A is the aggregate of the rateable values of each hereditament in respect of which a person voting in the ballot has voted in favour of the BID proposals.

B is the aggregate of the rateable values of each hereditament in respect of which a person voting in the ballot has voted against the BID proposals."

If the ballot is successful the BID Company and the BID will continue to operate on the basis of the alteration proposals. If a No vote is recorded the BID Company and the BID will cease to operate on September 30th 2019.

The costs for the last BID ballot were circa £3,000 and it is expected that the costs for the ballot this time will be around the same or slightly higher.

This matter is urgent as upon receipt of a compliant Regulation 4 (2) (a) (ii) notice from the BID Company we are required under the Regulations to instruct the Returning Officer to hold the ballot. The intention is for the ballot to take place on 19th September 2019 in order for the new arrangements to take effect before the 30th September 2019 being the date the current arrangements end and under the Regulations we must publish notice of the ballot at least 42 days before the day of the ballot. This notice must be published by 8th August 2019. Due to the statutory timetable for holding an alteration ballot, the notice of the ballot must be published before the next meeting of Cabinet in September 2019.

The Chairpersons of the Overview and Scrutiny Committees have agreed that the decision proposed is reasonable in all the circumstances and to it being treated as a matter of urgency and not subject to call-in.

4. Details of Consultation undertaken prior to the decision or, if none reasons why none undertaken:

In ensuring that the authority is carrying out its duties appropriately and correctly in line with the BID regulations, Internal consultation has included Legal, Revenue, Electoral Services, Head of Operations – Communities Directorate and Chief Executive.

In accordance with Part 4 Rules of Procedure of the Constitution, consultation has been sought of all three chair persons to agree the decision proposed is reasonable in all the circumstances and to it being treated as a matter of urgency and not subject to Scrutiny call-in:

- Cllr Cheryl Green
- Cllr Carolyn Webster
- Cllr John Spanswick

5. Details of any interest declared in relation to the decision:

a. by any Cabinet Member consulted in relation to the Decision:

None

b. by any Cabinet Member who would have been the Decision maker except for the declaration of such an interest:

None

- c. details of any dispensation granted by the Standards Committee in respect of interest declared:

None

6. Contact Details:

Case Officer

Decision-Maker

- | | | |
|------------------------|---|--|
| a. Name: | Delyth Webb | Cllr Huw David |
| b. Job Title/Role: | Group Manager - Strategic Regeneration | Leader Bridgend County Borough Council |
| c. Telephone Number: | 01656 815204 | 01656 643225 |
| d. E-mail Address: | Delyth.Webb@bridgend.gov.uk | Cllr.huw.david@bridgend.gov.uk |
| e. Date Decision made: | 02/08/2019 | |
| f. Signature: |  | |

7. Decision Administration Information (Cabinet & Committee Services use only)

- | | |
|---|---------|
| a. Date received | 2/8/19 |
| b. Confirmation of Urgency | N/A |
| c. Date published | 2/8/19 |
| d. End of Call - In period (Scheme A & B1 only) | N/A |
| e. Decision Called in. | N/A |
| f. Effective date of Decision. | 28/8/19 |

Notes:

1. Electronic copies of this form must be sent to Cabinet & Committee Services (cabinet_committee) & Member Services (membersbcbc).

BRIDGEND COUNTY BOROUGH COUNCIL

INFORMATION REPORT TO COUNCIL

18 SEPTEMBER 2019

REPORT OF THE INTERIM HEAD OF FINANCE

FINAL STATEMENT OF ACCOUNTS 2018-19

1. Purpose of this report

- 1.1 The purpose of this report is to inform Council of the audited Statement of Accounts for 2018-19.

2. Connections 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.

- 2.2 The Council's financial performance is an important element in determining the extent to which the Corporate Objectives can be delivered.

3. Background

- 3.1 The Council's audited Statement of Accounts for the financial year ended 31 March 2019 is attached as Appendix A. The preparation of the statement is a requirement of the Accounts and Audit (Wales) Regulations 2014 (as amended 2018). Its content is largely defined by the Chartered Institute of Public Finance and Accountancy (CIPFA) 'Code of Practice on Local Authority Accounting in the United Kingdom' (the Code) which is in line with International Financial Reporting Standards and CIPFA's Service Reporting Code of Practice (SerCOP).

- 3.2 The audited Statement of Accounts are signed by the Chief Financial Officer as presenting a true and fair view of the financial position of the Council at 31 March 2019 and are approved by Audit Committee, following which the Auditor General for Wales signs the audit certification.

- 3.3 The Auditor General for Wales' Report to Members is included at page 86 of Appendix A which states that the accounting statements and related notes have been prepared in accordance with proper practice and give a true and fair view of the financial position of the Council. There

is also the certification of completion of the audit as required by the Public Audit (Wales) Act 2014.

4. Current Situation / Proposal

- 4.1 The Statement of Accounts set out the Council's financial position as at 31 March 2019 and the Income and Expenditure for the year to 31 March 2019. The Council Fund balance as at 31 March 2019 presented in the pre-audit Statement of Accounts was £8.776 million. There were no audit adjustments that impacted on this position.
- 4.2 A signed version of the Statement of Accounts 2018-19 will be published on the Council's website no later than 15 September 2019 in accordance with Accounts and Audit (Wales) Regulations 2014 (as amended 2018).

5. Effect upon policy framework & procedural rules

- 5.1 There are no implications upon policy framework and procedural rules.

6. Equality Impact Assessment

- 6.1 Whilst the production of the Statement of Accounts itself does not raise any equality issues, it does summarise the financial consequences of the budget reductions and service reconfigurations identified in the Council's Medium Term Financial Strategy. When these proposals were being developed consideration was given to their potential impact on protected groups within the community.

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

- 7.1 This report links to the Council's long-term well-being objectives. It presents a positive picture in respect of both the 2018-19 revenue position and the accumulated reserves position.

8. Financial implications

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

9. Recommendation

- 9.1 It is recommended that Members:-
- Note the audited Statement of Accounts 2018-19 (**Appendix A**)

Gill Lewis
Interim Head of Finance & s151 Officer
05 September 2019

Contact Officer : Nigel Smith, Interim Group Manager – Chief Accountant

Telephone : (01656) 643605

E-mail : Nigel.Smith@bridgend.gov.uk

Postal address: Raven's Court, Brewery Lane, Bridgend, CF314AP

Background Documents:

Bridgend County Borough Council Statement of Accounts 2018-19
The Accounts and Audit (Wales) (Amendment) Regulations 2014

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Statement of Accounts

Bridgend County Borough Council • 2018-19

**Bridgend County Borough Council
Civic Offices
Angel Street
BRIDGEND
CF31 4WB
(01656) 643643**

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Comprehensive Income and Expenditure Statement	12
Movement in Reserves Statement	13
Balance Sheet	14
Cash Flow Statement	15
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Auditor's Report	78
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Narrative Report

“ One council, working together to improve lives ”

1. Bridgend as a place

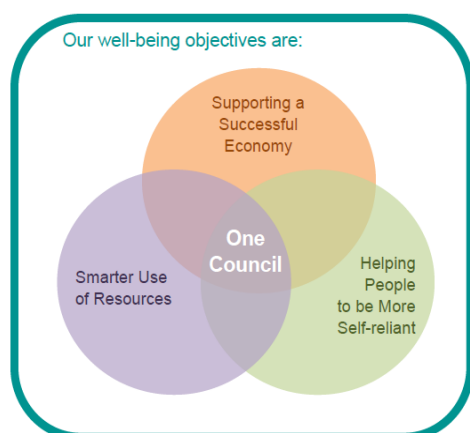
Bridgend is conveniently situated between Wales' Capital Cardiff to the East and Swansea to the West, approximately 20 miles from each. Nestled just south of the M4 corridor, with easy access from both major cities, bounded by the Bristol Channel to the South, it is at the heart of the South Wales industrial and coastal belt. Bridgend as a County Borough is home to over 140,000 and continues to grow. The Borough's towns are undergoing redevelopment and a number of historic buildings and the town centres have been rejuvenated over recent years. To the North is the residential town of Maesteg, to the South West is the coastal town of Porthcawl and the East Pencoed. Bridgend is one of 22 Councils in Wales, and accounts for just approximately 4.5% of the country's population.



Population	144,300
Land area	98.5 square miles
Households	61,484
Council employees	4,279 (full time equivalent)
Businesses	4,160
Councillors	54

- Welsh Government funding made up 55% of core funding in 2018-19 (55% in 2017-18)
- The Council manages an asset base, excluding the road network, of £526 million to deliver its services
- The Council employs over 5,700 staff both full- and part-time, to deliver a wide range of services including education, social care, highways maintenance and economic development.
- An increasingly ageing population will continue to place pressure on the Council's budget in years to come

The Council has agreed a principle of focusing diminishing resources on communities and individuals with the greatest need. It has identified three priorities that are intended to improve the quality of life of people in the county while significantly changing the nature of the Council:



These three priorities are the Council's well-being objectives under the Well-being of Future Generations (Wales) Act 2015 and set out the Council's contribution towards meeting the Act's seven national goals:

- *A prosperous Wales*
- *A resilient Wales*
- *A healthier Wales*
- *A more equal Wales*
- *A Wales of cohesive communities*
- *A Wales of vibrant culture and thriving Welsh language*
- *A globally responsible Wales.*

2. Governance

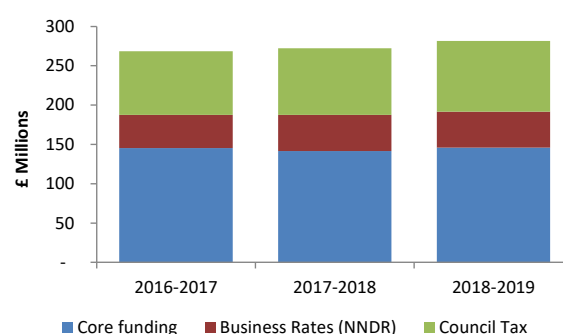
The Council is responsible for ensuring that its business is conducted in accordance with the law and proper standards. This includes ensuring that public money is safeguarded, properly accounted for and used economically, efficiently and effectively. The Council also has a duty under the Local Government (Wales) Measure 2009 to make arrangements to secure continuous improvement in delivering its functions in terms of strategic effectiveness, service quality, service availability, fairness, sustainability, efficiency and innovation. The Annual Governance Statement included within the Statement of Accounts sets out in detail the Council's governance arrangements.

3. Financial Performance

Financial context of the Council

The Council:

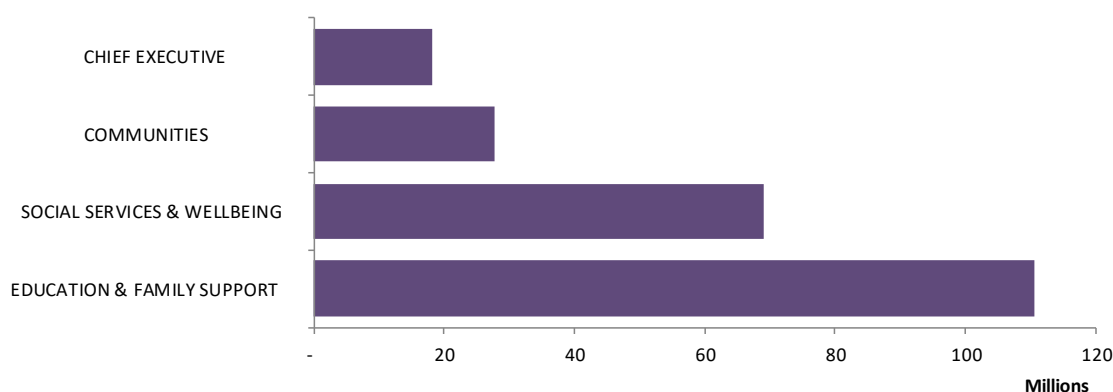
- Manages cash-flows and assets in excess of £724 million
- Holds £536 million of long-term assets, including £528 million of operational assets for delivering services, £4 million of long-term investments and £4 million of intangible assets
- Generates £35 million of fees, internal and external charges and other service income used to deliver services



In common with the rest of local government, the Council has seen a real-terms reduction in its core funding but has been able to continue to deliver its services through achievement of efficiencies and innovative approaches to service delivery rather than through cuts to service delivery.

Council Spending

Council spending by Directorate was within 99.81% of budget for all departments reflecting sound financial management and budgetary control. The table below shows the net spend by service Directorate.



The Council achieved an underspend in the year of £0.429 million, or 0.19% of its net budget. This demonstrates its sound financial management throughout the year and its commitment to ensuring it does not spend beyond its means. The Council's outturn report for the year can be found on the Council's website.

4. Addressing future challenges

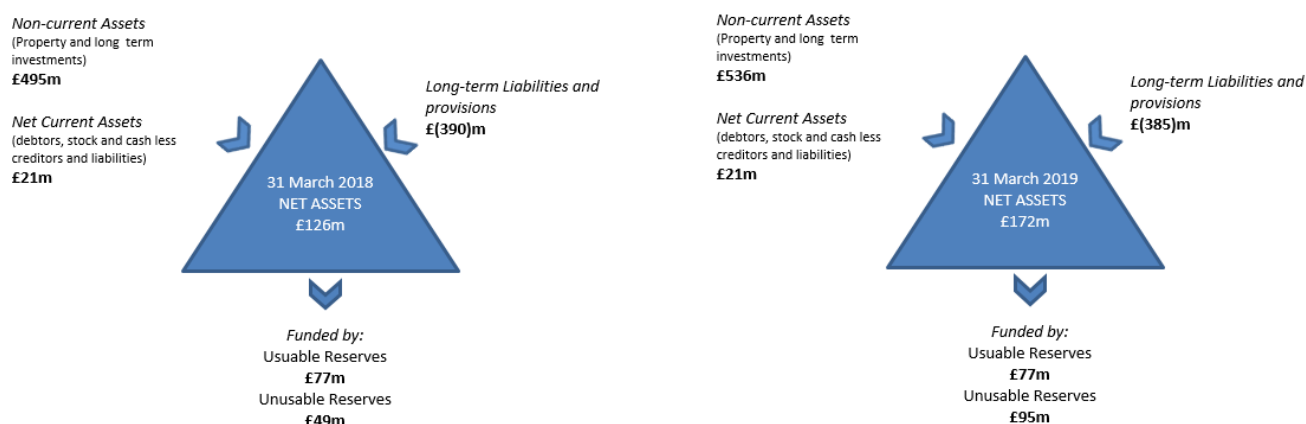
The Council faces significant challenges moving forward. These include demographic pressures, such as an ageing population and an increasing number of young people with complex disabilities living into adulthood and adding progressively to the demand for care. In addition to this there are inflationary pressures arising from specific contractual commitments and significant increases in staffing costs arising not only from the increase in the national living wage but also the agreed two-year deal for local government workers, along with significant increases in employers' contributions for teachers' pensions. Whilst the Welsh Government settlement for Bridgend for 2019-20 is a decrease of 0.1%, the impact of new responsibilities on the Council in respect of increased capital limits on residential care, targeted relief to support local businesses and homelessness prevention means that the true position for Bridgend is a reduction of 0.61% year-on-year. No indications have been provided by the Welsh Government in respect of the settlement for Councils in 2020-21 which makes forward planning very difficult, especially in the post-Brexit years.

Whilst the Council continues to face increasing pressures on its budget, it has approved a balanced budget for 2019-20.

On 29 March 2017 the UK Government submitted its notification to leave the EU in accordance with Article 50. The triggering of Article 50 started a two-year negotiation process between the UK and the EU. On 11 April 2019 the government confirmed agreement with the EU on an extension until 31 October 2019 at the latest, with the option to leave earlier as soon as a deal has been ratified. The uncertainty regarding the UK's exit from Europe will inevitably create challenges for the Council and the communities it supports over the forthcoming months and years. The Council continues to work with its partners to prepare as best it can for Brexit and the UK's departure from the European Union. The Council has established a project board chaired by the Chief Executive with representatives from each Council department. The board is reviewing all council services, and a 'risk register' has been developed and regularly updated to ensure that contingency plans are in place. Businesses, residents, staff and elected members are regularly updated, and the council is raising awareness of the EU Settlement Scheme. The Council will continue to work alongside partners to obtain answers on important issues such as how post-Brexit funding will be delivered.

5. Financial position

The Council maintains a strong balance sheet despite the financial challenges.





Ysgol Gynradd Gymraeg Calon Y Cymoedd

Significant schemes completed during the year included Betws and Pencoed Primary schools, with Ysgol Gynradd Gymraeg Calon Y Cymoedd becoming operational. These schemes have been supported by the Welsh Governments 21st Century Schools Programme and will deliver high level facilities for the education of children in the Borough. The Council, in partnership with Linc Cymru, saw the completion and opening of an Extra Care scheme in Bridgend to support older people to continue to live independently within their community.

The capital programme includes a number of new and existing projects which will help to support a successful economy including significant new investment in highways and footways to encourage use of local services, development in town centres, including regeneration in Porthcawl and development of Enterprise Hubs. These supplement 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. The opening of a second Extra Care scheme is due early 2019 and there remains a significant investment in Disabled Facilities Grants to enable people to live as independently as possible in their own homes.

7. Accounts preparation

These accounts have been produced in line with the Code of Practice on Local Authority Accounting in the United Kingdom (the Code) for 2018-19, which is underpinned by International Financial Reporting Standards (IFRS). The most significant change to the Accounting Standards that affects these accounts is the application of IFRS9 – Financial Instruments.

The accounts consist of the following financial statements:

Statement of Responsibilities for the Statement of Accounts

This sets out the respective responsibilities of the Council and the Section 151 officer for the preparation and approval of the Statement of Accounts.

The Comprehensive Income & Expenditure Statement (CIES)

This records all of the Council's income and expenditure in the year of providing services in accordance with generally accepted accounting practices, rather than the amount to be funded from taxation. Councils raise taxation to cover expenditure in accordance with statutory requirements, which may be different from the accounting cost. The taxation position is shown in both the Expenditure and Funding Analysis and the Movement in Reserves Statement.

Movement in Reserves Statement (MiRS)

The Movement in Reserves Statement shows the movement from the start of the year to the end on the different reserves held by the Council, analysed into 'usable reserves' - those that can be used to fund expenditure or reduce local taxation - and 'unusable' reserves, which must be set aside for specific purposes. Unusable reserves would include unrealised gains and losses (such as the Revaluation Reserve), where amounts would only become available if the assets are sold, and reserves that reflect

'adjustments between accounting basis and funding under regulations'. The surplus or deficit on the Provision of Services line shows the true economic cost of providing the Council's services, more details of which are shown in the Comprehensive Income and Expenditure Statement. These are different from the statutory amounts required to be charged to the Council Fund Balance for council tax setting purposes. The Net Increase/Decrease line shows the statutory Council Fund balance movements in the year following those adjustments.

Balance Sheet

This records a snapshot of the Council's assets, liabilities, cash balances and reserves at the year-end date. The net assets of the Council (assets less liabilities) are matched by the reserves held by the Council.

Cash Flow Statement

The Cash Flow Statement shows the reason for changes in cash and cash equivalents of the Council during the reporting period. The statement shows how the Council generates and uses cash and cash equivalents by classifying cash flows as operating, investing and financing activities. The amount of net cash flows arising from operating activities is a key indicator of the extent to which the operations of the Council are funded by way of taxation and grant income or from the recipients of services provided by the Council. Investing activities represent the extent to which cash outflows have been made for resources which are intended to contribute to the Council's future service delivery. Cash flows arising from financing activities are useful in predicting claims on future cash flows by providers of capital (i.e. borrowing) to the Council.

Notes to the Accounts

These set out the Accounting Policies adopted for the Statement of Accounts and disclosures relating to the financial statements and include pensions and financial instruments disclosures. These include the Expenditure and Funding Analysis which shows how annual expenditure is used and funded from resources (government grants, fees and charges, council tax and business rates) by the Council in comparison with those resources consumed or earned by the Council in accordance with generally accepted accounting practices. It also shows how this expenditure is allocated for decision making purposes between the Council's Directorates. Income and expenditure accounted for under generally accepted accounting practices is presented more fully in the Comprehensive Income and Expenditure Statement.

Annual Governance Statement

This statement provides a continuous review of the effectiveness of the Council's governance framework including the system of internal control and risk management systems, so as to give assurance on their effectiveness and/or address identified weaknesses.

The Statement of Responsibilities for the Statement of Accounts

The Council's responsibilities

The Council is required to:

- Make arrangements for the proper administration of its financial affairs and to secure that one of its officers has the responsibility for the administration of those affairs. In this Council that officer is the Head of Finance.
- Manage its affairs to secure economic, efficient and effective use of resources and safeguard its assets.
- Approve the Statement of Accounts.

Signed:



08 August 2019

Chair of Audit Committee

The Chief Financial Officer's Responsibilities

The Chief Financial Officer is responsible for the preparation of the Council's Statement of Accounts in accordance with proper practices as set out in the CIPFA/LASAAC *Code of Practice on Local Authority Accounting in the United Kingdom* (the Code).

In preparing this Statement of Accounts, the Chief Financial Officer has:

- selected suitable accounting policies and then applied them consistently
- made judgements and estimates that were reasonable and prudent
- complied with the local authority Code.

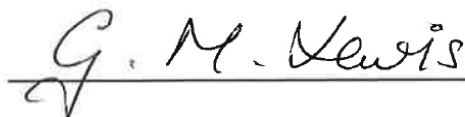
The Chief Financial Officer has also:

- kept proper accounting records which were up to date
- taken reasonable steps for the prevention and detection of fraud and other irregularities.

Chief Financial Officer's Certificate

I certify that the Statement of Accounts presents a true and fair view of the financial position of Bridgend County Borough Council as at 31 March 2019 and of its income and expenditure for the year ended 31 March 2019

Signed:



08 August 2019



Comprehensive Income and Expenditure Statement

2017-18 re-stated					2018-19				Notes
Gross Expenditure £'000	Govt Grants £'000	Other Income £'000	Net Expenditure £'000		Gross Expenditure £'000	Govt Grants £'000	Other Income £'000	Net Expenditure £'000	
149,807	(23,977)	(8,242)	117,588	Education and Family Support	140,656	(26,415)	(9,223)	105,018	
92,348	(6,199)	(16,336)	69,813	Social Services and Wellbeing	99,857	(5,531)	(16,336)	77,990	
56,339	(7,923)	(7,091)	41,325	Communities	52,223	(7,105)	(6,069)	39,049	
26,994	(9,257)	(1,667)	16,070	Operational and Partnership Services	-	-	-	-	
54,341	(49,338)	(915)	4,088	Chief Executives and Finance	80,514	(55,580)	(2,439)	22,495	
18,352	-	(948)	17,404	Central Services	22,826	-	(1,642)	21,184	
398,181	(96,694)	(35,199)	266,288	Cost Of Services	396,076	(94,631)	(35,709)	265,736	
				Other Operating Expenditure					
13,567			13,567	Precepts payable	14,945			14,945	
6,968			6,968	Levies payable	7,070			7,070	
1,815			1,815	(Gain) / loss on disposal of non current assets	276			276	
22,350	-	-	22,350	Other Operating Expenditure	22,291	-	-	22,291	
				Financing and Investment Income and Expenditure					13 30 31
4,567			4,567	Interest payable on debt	4,550			4,550	
60			60	Interest element of finance leases (lessee)	54			54	
1,352			1,352	Interest payable on PFI unitary payments	1,306			1,306	
6,350			6,350	Net Interest on Net Defined Benefit Liability	6,760			6,760	
		(959)	(959)	Investment Income & Other Interest Receivable			(1,012)	(1,012)	
		(350)	(350)	Changes in fair value of investment properties			(275)	(275)	
12,329	-	(1,309)	11,020	Financing and Investment Income and Expenditure	12,670	-	(1,287)	11,383	
				Taxation and Non-Specific Grant Income					
	(141,610)		(141,610)	Revenue Support Grant		(145,780)		(145,780)	
		(45,888)	(45,888)	National Non Domestic Rates			(45,680)	(45,680)	8
		(84,617)	(84,617)	Council Tax			(90,018)	(90,018)	9
	(13,024)		(13,024)	Recognised capital grants and contributions		(9,494)		(9,494)	10
									11
-	(154,634)	(130,505)	(285,139)	Taxation and Non-Specific Grant Income	-	(155,274)	(135,698)	(290,972)	
432,860	(251,328)	(167,013)	14,519	(Surplus) or Deficit on Provision of Services	431,037	(249,905)	(172,694)	8,438	
		(10,830)	(10,830)	(Surplus) or deficit on revaluation of Property, Plant and Equipment			(33,337)	(33,337)	29a
4,580			4,580	Impairment losses on non-current assets charged to the Revaluation reserve	5,605			5,605	29a
4,360			4,360	Actuarial (gains) / losses on pension liabilities			(26,320)	(26,320)	30
				Other Comprehensive (Income) and Expenditure				(54,052)	
			(1,890)						
			12,629	Total Comprehensive (Income) and Expenditure				(45,614)	

Following a restructure of services at 1 April 2018, the majority of Operational and Partnership Services was subsumed within Chief Executives.

Movement in Reserves Statement

	Council Fund Balance £'000	Earmarked Reserves £'000	Capital Receipts Reserves £'000	Capital Grants Unapplied £'000	Total Usable Reserves £'000	Total Unusable Reserves £'000	Total Council Reserves £'000
Balance at 31 March 2017 brought forward	7,960	51,159	21,364	183	80,666	58,197	138,863
<u>Movement in Reserves during 2017-18</u>							
Total Comprehensive (Income) and Expenditure	(14,519)				(14,519)	1,890	(12,629)
Adjustments between accounting basis & funding basis under regulations (Note 20)	11,822		(203)	105	11,724	(11,724)	-
Transfers to Earmarked Reserves (Note 28)	3,084	(3,084)			-		
Increase/(Decrease) in 2017-18	387	(3,084)	(203)	105	(2,795)	(9,834)	(12,629)
Balance at 31 March 2018 carried forward	8,347	48,075	21,161	288	77,871	48,363	126,234

	Council Fund Balance £'000	Earmarked Reserves £'000	Capital Receipts Reserves £'000	Capital Grants Unapplied £'000	Total Usable Reserves £'000	Total Unusable Reserves £'000	Total Council Reserves £'000
Balance at 31 March 2018 brought forward	8,347	48,075	21,161	288	77,871	48,363	126,234
<u>Movement in Reserves during 2018-19</u>							
Total Comprehensive (Income) and Expenditure	(8,438)				(8,438)	54,052	45,614
Adjustments between accounting basis & funding basis under regulations (Note 20)	8,899		(3,239)	1,194	6,854	(6,854)	-
Transfers to Earmarked Reserves (Note 28)	(32)	32			-		
Increase/(Decrease) in 2018-19	429	32	(3,239)	1,194	(1,584)	47,198	45,614
Balance at 31 March 2019 carried forward	8,776	48,107	17,922	1,482	76,287	95,561	171,848

Balance Sheet

31 March 2018		31 March 2019	Notes
£'000		£'000	
	Property, Plant & Equipment		21c
381,032	Other Land and Buildings	430,421	
4,732	Vehicles, Plant, Furniture and Equipment	5,078	
63,702	Infrastructure	65,147	
4,914	Community Assets	4,912	
7,739	Assets under Construction	662	
15,128	Surplus Assets not Held for Sale	17,530	
220	Heritage Assets	220	
4,360	Investment Property	4,635	22
4,109	Intangible Assets	3,593	21d
9,010	Long Term Investments	4,011	31
1	Long Term Debtors	-	
494,947	Long Term Assets	536,209	
20,084	Short Term Investments	20,054	
5,961	Assets Held for Sale	2,560	24
583	Inventories	725	
31,058	Short Term Debtors	32,300	23
88	Cash and Cash Equivalents	1,051	
57,774	Current Assets	56,690	
(2,623)	Short Term Borrowing	(2,551)	31
(32,254)	Short Term Creditors	(31,782)	25
(1,979)	Provisions due in 1 year	(1,925)	26
(36,856)	Current Liabilities	(36,258)	
(2,222)	Provisions due after 1 year	(4,311)	26
(97,421)	Long Term Borrowing	(97,412)	
	Other Long Term Liabilities		
(20,267)	PFI & Other Long Term Liabilities	(17,054)	27
(268,620)	Net Pensions Liability	(263,510)	30
(1,101)	Capital Receipts in Advance	(2,506)	
(389,631)	Long Term Liabilities	(384,793)	
126,234	Net Assets	171,848	
	Usable reserves		28
8,347	Council Fund	8,776	
48,075	Earmarked reserves	48,107	28b
21,161	Capital Receipts Reserve	17,922	28a
288	Capital Grants Unapplied	1,482	
	Unusable Reserves		29
126,378	Revaluation Reserve	149,553	29a
(268,620)	Pensions Reserve	(263,510)	29b
194,640	Capital Adjustment Account	213,123	29c
(723)	Financial Instruments Adjustment Account	(715)	
	Short-term Accumulating Compensated		
(3,312)	Absences Account	(2,890)	
126,234	Total Reserves	171,848	

Cash Flow Statement

2017-18 £'000		2018-19 £'000	Notes
14,519	Net (surplus)/deficit on the Provision of Services	8,438	
(41,329)	Adjustments to net deficit on the provision of services for non-cash movements	(24,524)	34
13,598	Adjustments for Items included in the net deficit on the provision of services that are investing and financing activities	11,378	
(13,212)	Net Cash Flows from Operating Activities	(4,708)	35
27,861	Investing Activities	14,565	36
(13,073)	Financing Activities	(10,820)	37
1,576	Net (Increase) / Decrease in Cash & Cash Equivalents	(963)	
(1,664)	Cash & Cash Equivalent at the beginning of the Reporting Period	(88)	
(88)	Cash & Cash Equivalent at the end of the Reporting Period	(1,051)	

The Cash Flow Statement shows the changes in cash and cash equivalents of the Council during the reporting period. The statement shows how the Council generates and uses cash and cash equivalents by classifying cash flows as operating, investing and financing activities.



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1. Accounting Policies

1.1 General principles

The Statement of Accounts summarises the Council's transactions for the 2018-19 financial year and its position at the year end of 31 March 2019. The Council is required to prepare an annual Statement of Accounts by the Accounts and Audit (Wales) Regulations 2014 in accordance with proper accounting practices. These practices comprise the *Code of Practice on Local Authority Accounting in the United Kingdom* (the Code) 2018-19 and the *Service Reporting Code of Practice* 2018-19 supported by International Financial Reporting Standards (IFRS).

The accounting convention adopted in the Statement of Accounts is principally historical cost, modified by the revaluation of certain categories of non-current assets and financial instruments.

1.2 Standards that have been issued but not yet adopted

The Code of Practice on Local Authority Accounting in the United Kingdom 2018-19 (the Code) requires that the Council discloses information relating to the anticipated impact of an accounting change that will be required by a new standard that has been issued but not yet adopted. This requirement applies to the adoption of the following new or amended standards within the 2018-19 Code:

Standard	Effective date	Further details
IFRS 16 Leases	2020-21	IFRS16 will require local authorities that are lessees to recognise most leases on their balance sheets as right-of-use assets with corresponding lease liabilities (with an exception for low-value and short-term leases). CIPFA/LASAAC have deferred implementation of IFRS16 for local government to 1 April 2020.
Amendments to IAS 40 – Investment Property: Transfers of Investment Property	2019-20	The amendment provides clarification on whether a property under construction or development that was previously classified as inventory could be transferred to investment property when there was an evident change in use. A change of use occurs if property meets, or ceases to meet, the definition of investment property. The Council does not consider this will impact on its current accounting practice.
Annual Improvements to IFRS Standards 2014-2016 Cycle	2019-20	This provides amendments to three International Financial Reporting Standards (IFRSs) as a result of the IASB's annual improvements project, namely IFRS 1 – First-time adoption of IFRS, IFRS 12 – Disclosure of Interests in Other Entities, and IAS 28 – Investments in Associates and Joint Ventures. The Council does not consider these amendments will have an impact on the accounts.
IFRIC 22 Foreign Currency Transactions and Advance Consideration	2019-20	This provides clarification for accounting for transactions that include receipt or payment of advance consideration in a foreign currency. The Council does not receive or make such payments and therefore this change will not have an impact.
IFRIC 23 Uncertainty over Income Tax Treatments	2019-20	IFRIC 23 applies to all aspects of income tax accounting where there is uncertainty regarding the treatment of an item, including taxable profit or loss, the tax bases of assets and liabilities, tax losses and credits and tax rates. The Council does not consider that there will be any impact in its accounting treatment as a result of changes to IFRIC 23.

Amendments to IFRS 9 Financial Instruments: Prepayment Features with Negative Compensation	2019-20	The main changes to IFRS 9 are related to financial assets with prepayment features with negative compensation. Negative compensation arises where the contractual terms permit the borrower to prepay the instrument before its contractual maturity, but the prepayment amount could be less than unpaid amounts of principal and interest. The Council does not have any such arrangements and therefore this change will have no effect on the accounts.
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As their implementation is for financial years starting after 1 April 2019 they would not have any impact on the 2018-19 Statements.

1.3 Accruals of income and expenditure

Activity is accounted for in the year that it takes place, not simply when cash payments are made or received. In particular:

- Revenue from the sale of goods is recognised when the Council transfers the significant risks and rewards of ownership to the purchaser and it is probable that economic benefits or service potential associated with the transaction will flow to the Council.
- Revenue from the provision of services is recognised when the Council can measure reliably the percentage of completion of the transaction and it is probable that economic benefits or service potential associated with the transaction will flow to the Council.
- Supplies are recorded as expenditure when they are consumed – where there is a gap between the date supplies are received and their consumption, they are carried as inventories on the Balance Sheet.
- Expenses in relation to services received (including services provided by employees) are recorded as expenditure when the services are received rather than when payments are made.
- Investment income and interest receivable on investments and payable on borrowings is accounted for respectively as income and expenditure on the basis of the effective interest rate for the relevant financial instrument rather than the cash flows fixed or determined by the contract.
- Where revenue and expenditure have been recognised but cash has not been received or paid, a debtor or creditor for the relevant amount is recorded in the Balance Sheet. Where debts may be impaired, the balance of debtors is written down by the difference between the carrying amount and revised future cash flows and a charge made for the impairment to revenue.

1.4 Provisions, Contingent Liabilities and Contingent Assets

Provisions

Provisions are made where an event has taken place that gives the Council a legal or constructive obligation that probably requires settlement by a transfer of economic benefits or service potential, and a reliable estimate can be made of the amount of the obligation. For example, the Council may be involved in a court case that could eventually result in the making of a settlement or the payment of compensation.

Provisions are charged as an expense to the appropriate service line in the Comprehensive Income and Expenditure Statement in the year that the Council becomes aware of the obligation, and are measured at the best estimate at the Balance Sheet date of the expenditure required to settle the obligation, taking into account relevant risks and uncertainties.

When payments are eventually made, they are charged to the provision carried in the Balance Sheet. Estimated settlements are reviewed at the end of each financial year and where it becomes less than probable that a transfer of economic benefits will now be required (or a lower settlement than anticipated is made), the provision is reversed and credited back to the relevant service.

Where some or all of the payment required to settle a provision is expected to be recovered from another party (e.g. from an insurance claim), this is only recognised as income for the relevant service if it is virtually certain that reimbursement will be received if the Council settles the obligation.

Contingent Liabilities

A contingent liability arises where an event has taken place that gives the Council a possible obligation whose existence will only be confirmed by the occurrence or otherwise of uncertain future events not wholly within the control of the Council. Contingent liabilities also arise in circumstances where a provision would otherwise be made but either it is not probable that an outflow of resources will be required or the amount of the obligation cannot be measured reliably.

Contingent liabilities are not recognised in the Balance Sheet but disclosed in a note to the accounts.

Contingent Assets

A contingent asset arises where an event has taken place that gives the Council a possible asset whose existence will only be confirmed by the occurrence or otherwise of uncertain future events not wholly within the control of the Council.

Contingent assets are not recognised in the Balance Sheet but disclosed in a note to the accounts where it is probable that there will be an inflow of economic benefits or service potential.

1.5 Reserves

The Council sets aside specific amounts as reserves for future policy purposes or to cover contingencies. Reserves are created by appropriating amounts out of the Council Fund Balance in the Movement in Reserves Statement. When expenditure to be financed from a reserve is incurred, it is charged to the appropriate service in that year to score against the Surplus or Deficit on the Provision of Services in the Comprehensive Income and Expenditure Statement. The reserve is then appropriated back into the Council Fund Balance in the Movement in Reserves Statement so that there is no net charge against council tax for the expenditure.

Certain reserves are kept to manage the accounting processes for non-current assets, financial instruments, employee and retirement benefits and are 'Unusable' reserves as set out in Note 29 to the accounts.

1.6 Government grants and contributions

Whether paid on account, by instalments or in arrears, government grants and third party contributions and donations are recognised as due to the Council when there is reasonable assurance that:

- the Council will comply with the conditions attached to the payments, and
- the grant / contribution will be received.

Amounts recognised as due to the Council are not credited to the Comprehensive Income and Expenditure Statement until conditions attached to the grant or contribution have been satisfied. Conditions are stipulations that specify that the future economic benefits or service potential embodied in the asset acquired using the grant or contribution are required to be consumed by the recipient as specified, or future economic benefits or service potential must be returned to the transferor.

Monies advanced as grants and contributions for which conditions have not been satisfied are carried in the Balance Sheet as creditors. When conditions are satisfied, the grant or contribution is credited to

the relevant service line (attributable revenue grants and contributions) or Taxation and Non-Specific Grant Income (non-ringfenced revenue grants and all capital grants) in the Comprehensive Income and Expenditure Statement.

Where capital grants are credited to the Comprehensive Income and Expenditure Statement, they are reversed out of the Council Fund Balance in the Movement in Reserves Statement. Where the grant has yet to be used to finance capital expenditure, it is posted to the Capital Grants Unapplied Reserve. Amounts in the Capital Grants Unapplied Reserve are transferred to the Capital Adjustment Account once they have been applied to fund capital expenditure.

1.7 Employee benefits

Benefits Payable during Employment

Short-term employee benefits are those due to be settled within 12 months of the year-end. They include such benefits as wages and salaries, paid annual leave, paid sick leave and bonuses for current employees. These are recognised as an expense for services in the year in which employees render service to the Council. An accrual is made for the cost of holiday entitlement earned by employees but not taken before the financial year-end which employees can carry forward into the next financial year. The accrual is charged to the relevant Service Cost line in the Comprehensive Income and Expenditure Statement, but then reversed out through the Movement in Reserves Statement so that holiday benefits are charged to revenue in the financial year in which the holiday absence occurs.

Termination Benefits

Termination benefits are amounts payable as a result of a decision by the Council to terminate an Officer's employment before the normal retirement date or an Officer's decision to accept voluntary redundancy and are charged on an accruals basis to the relevant Service Cost line in the Comprehensive Income and Expenditure Statement, when the Council is demonstrably committed to the termination of the employment of an Officer or group of Officers or making an offer to encourage voluntary redundancy.

Where termination benefits involve the enhancement of pensions, statutory provisions require the Council Fund balance to be charged with the amount payable by the Council to the pension fund or pensioner in the year, not the amount calculated according to the relevant accounting standards. In the Movement in Reserves Statement, appropriations are required to and from the Pensions Reserve to remove the notional debits and credits for pension enhancement termination benefits and replace them with debits for the cash paid to the pension fund and pensioners and any such amounts payable but unpaid at the year-end.

Post-Employment Benefits

Employees of the Council are members of two separate pension schemes. Both schemes provided defined benefits to members (retirement lump sums and pensions), earned as employees worked for the Council.

The *Teachers' Pension Scheme*, administered by Teachers' Pensions on behalf of the Department for Education (DfE). The arrangements for this scheme mean that liabilities for benefits cannot ordinarily be identified specifically to the Council. The scheme is therefore accounted for as if it were a defined contributions scheme and no liability for future payment of benefits is recognised in the Balance Sheet. The Education and Family Support line in the Comprehensive Income and Expenditure Statement is charged with the employer's contributions payable to Teachers' Pensions in the year.

The *Local Government Pension Scheme* - other employees are entitled to be members of the Rhondda Cynon Taf County Borough Council Pension Fund. The Local Government Scheme is accounted for as a defined benefit scheme:

- The liabilities of the pension scheme attributable to the Council are included in the Balance Sheet on an actuarial basis using the projected unit method i.e. an assessment of the future payments that will be made in relation to retirement benefits earned to date by employees, based on assumptions about mortality rates, employee turnover rates, and projections of projected earnings for current employees.
- Liabilities are discounted to their value at current prices, using a discount rate.
- The assets of the pension fund attributable to the Council are included in the Balance Sheet at their fair value:
 - Quoted securities – current bid price
 - Unquoted securities – professional estimate
 - Property – market value
- The change in the net pensions liability is analysed into the following components:
 - Current service cost – the increase in liabilities as result of years of service earned this year – allocated in the Comprehensive Income and Expenditure Statement to the services for which the employees worked
 - Past service cost – the increase in liabilities as a result of a scheme amendment or curtailment whose effect relates to years of service earned in earlier years – debited to Central Services in the Comprehensive Income and Expenditure Statement
 - Net interest on the net defined benefit liability (asset), i.e. net interest expense for the Council – the change during the period in the net defined benefit liability (asset) that arises from the passage of time charged to the Financing and Investment Income and Expenditure line of the Comprehensive Income and Expenditure Statement – this is calculated by applying the discount rate used to measure the defined benefit obligation at the beginning of the period to the net defined benefit liability (asset) at the beginning of the period – taking into account any changes in the net defined benefit liability (asset) during the period as a result of contribution and benefit payments.
 - Re-measurements comprising:
- The return on plan assets – excluding amounts included in the net interest on the net defined benefit liability (asset) – charged to the Pensions Reserve and Other Comprehensive Income and Expenditure
- Actuarial gains and losses – changes in the net pensions liability that arise because events have not coincided with assumptions made at the last actuarial valuation or because the actuaries have updated their assumptions – charged to the Pensions reserve as Other Comprehensive Income and Expenditure:
 - Contributions to the pension fund – cash paid as employer's contribution to the pension fund in settlement of liabilities; not accounted for as an expense.
- In relation to retirement benefits, statutory provisions require the Council Fund balance to be charged with the amount payable by the Council to the pension fund or directly to pensioners in the year, not the amount calculated according to the relevant accounting standards. In the Movement in Reserves Statement, this means that there are transfers to and from the Pensions Reserve to remove the notional debits and credits for retirement benefits and replace them with

debits for the cash paid to the pension fund and pensioners any amounts payable to the fund but unpaid at the year end. The negative balance that arises on the Pensions Reserve thereby measures the beneficial impact to the Council Fund of being required to account for retirement benefits on the basis of cash flows rather than as benefits earned by employees.

- The Council also has restricted powers to make discretionary awards of retirement benefits in the event of early retirements. Any liabilities estimated to arise as a result of an award to any member of staff (including teachers) are accrued in the year of the decision to make the award and accounted for using the same policies as are applied to the Local Government Pension Scheme.

1.8 VAT

VAT payable is included as an expense only to the extent that it is not recoverable from Her Majesty's Revenue and Customs. VAT receivable is excluded from income.

1.9 Overheads and Support Services

In line with the Code of Practice on Local Authority Accounting (the Code) overheads and support services are shown in the relevant service where they are incurred and are not recharged out to supported service areas. Any internal income as a result of transactions between departments is shown in the supplying service line with the corresponding charge being shown in the recipient service line.

1.10 Intangible Assets

The Council accounts for software as intangible assets to the extent that the software is not an integral part of a particular IT system and accounted for as part of the hardware item of Property, Plant and Equipment. The most significant intangible asset is the Wales Community Care Information System (WCCIS) software development costs and licence.

All software is given a finite useful life, based on assessments of the period that the software is expected to be of use to the Council. The useful life used by the Council of the WCCIS is 8 years. Amortisation of the intangible asset is charged on a straight line basis over the useful life and is charged to the Social Services and Wellbeing line in the Comprehensive Income and Expenditure Statement.

1.11 Property, Plant and Equipment

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. 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.

Measurement

Assets are initially measured at cost, comprising its purchase price and all expenditure that is directly attributable to bringing the asset into working condition for its intended use. Assets are then carried in the balance sheet using the following measurement bases:

- **Land and buildings** – current value, determined as the amount that would be paid for the asset in its existing use (existing use value – EUV)
- **Non-specialised operational properties** – existing use value (EUV)

- **Specialised operational properties (such as schools)** – depreciated replacement cost (DRC)
- **Vehicles, plant and equipment** – depreciated historical cost
- **Community assets** – historical cost
- **Assets under construction** – historical cost (until they become operational)
- **Infrastructure assets** – depreciated historical cost
- **Surplus assets and investment properties** – fair value
- **Assets held for sale** – lower of carrying amount and fair value less costs of sale

The cost of assets acquired other than by purchase is deemed to be its fair value, unless the acquisition does not have commercial substance (i.e. it will not lead to a variation in the cash flow of the Council). In the latter case, where an asset is acquired via an exchange, the cost of the acquisition is the carrying amount of the asset given up by the Council. The Council does not capitalise borrowing costs incurred whilst assets are under construction.

Revaluations

Assets included in the Balance Sheet at fair value or current value are revalued sufficiently regularly to ensure that their carrying amount is not materially different from their fair value or current value at the year-end. Revaluations of the Council's property assets are undertaken on a 3 year rolling programme basis. Revaluation gains since 1 April 2007 only are recognised in the Revaluation Reserve, the date of its inception. Previous revaluation gains have been consolidated into the Capital Adjustment Account.

Impairment

Assets are assessed at each year-end as to whether there is any indication that an asset may be impaired. Where indications exist and any possible differences are estimated to be material, the recoverable amount of the asset is estimated and, where this is less than the carrying amount of the asset, an impairment loss is recognised for the shortfall. Where there have been previous revaluation gains against the asset held in the Revaluation Reserve, any subsequent loss is firstly written out against the accumulated Revaluation Reserve with any balance being charged against the Comprehensive Income and Expenditure Statement.

Depreciation

Depreciation is provided for on Property, Plant and Equipment assets by the systematic allocation of their depreciable amounts over their useful lives. Exceptions are made for:

- Heritage assets
- Assets without a determinable finite useful life such as freehold land
- Assets that are not yet available for use i.e. assets under construction, and assets held for sale.

Depreciation is calculated on the value of the asset at the start of the year and on the following bases:

Asset	Policy	Life
Land	No depreciation charged	N/A
Buildings	Straight line depreciation on estimated remaining life	As advised by Valuer (between 1 - 79 years)
Vehicles, plant and equipment	Straight line depreciation on estimated remaining life	3 - 10 years
Infrastructure - Bridges	Straight line depreciation on estimated remaining life	30 years

Infrastructure - Roads	Straight line depreciation on estimated remaining life	15 years
Infrastructure - Other	Straight line depreciation on estimated remaining life	1 - 30 years

Revaluation gains are also depreciated, with an amount equal to the difference between current value depreciation charged on assets and the depreciation that would have been chargeable based on their historical cost being transferred each year from the Revaluation Reserve to the Capital Adjustment Account.

Componentisation

Assets purchased or revalued during the year are reviewed to confirm whether any part of the asset will have a significantly different useful life and a material impact on depreciation. Where this is the case the asset will be componentised and the differing parts will be depreciated over their respective useful lives. Within the Council's asset portfolio there are a number of asset classes where componentisation is not considered, including:

- Equipment – as this is considered immaterial
- Asset classes which are not depreciated – such as land, investment property, heritage assets, community assets and assets held for sale.

Disposals and Non-current Assets Held for Sale

When it becomes probable that the carrying amount of an asset will be recovered principally through a sale transaction rather than through its continuing use, it is reclassified as an Asset Held for Sale. The criteria for recognising assets as being held for sale are:

- Available for immediate sale in present condition
- Sales highly probable
- Actively marketed
- Sales completion expected within 12 months.

Amounts received for a disposal in excess of £10,000 are categorised as capital receipts.

1.12 Heritage Assets

Heritage Assets are those assets that are intended to be preserved in trust for future generations because of their cultural, environmental or historical worth. Heritage Assets are recognised and measured (including the treatment of revaluation gains and losses) in accordance with the Council's accounting policies on property, plant and equipment. The Council recognises its Civic Regalia and a number of paintings in the Balance Sheet at insurance value. The value of the paintings were added to the Balance Sheet during 2017-18 based on an insurance valuation carried out by professional valuers during the year. According to the Code there is no prescribed minimum period between valuations and the Council does not intend to revalue its Heritage Assets in the near future unless there is evidence of impairment such as physical deterioration or damage, or doubts to their authenticity arise.

1.13 Charges to revenue for non-current assets

Services are debited with the following amounts to record the real cost of holding non-current assets during the year:

- Depreciation attributable to the assets used by the relevant service

- Revaluation and impairment losses on assets used by the service where there are no accumulated gains in the Revaluation Reserve against which the losses can be written off.

The Council is not required to raise council tax to fund depreciation, revaluation or impairment losses or amortisation. However, it is required to make an annual prudent provision from revenue to contribute towards the reduction in its overall borrowing requirement. This is detailed in the Council's Annual Minimum Revenue Provision Statement, and differentiates between supported capital expenditure, unsupported capital expenditure, and Finance Leases / PFI. Depreciation, revaluation and impairment losses and amortisations are therefore replaced by this *Minimum Revenue Provision* (MRP) by way of an adjusting transaction with the Capital Adjustment Account in the Movement in Reserves Statement for the difference between the two. The Council revised its MRP policy during the year to move from a reducing balance charge of 4% per annum to a straight line charge over 45 years. This ensures that the costs of supported capital expenditure are spread more evenly over the lifetime of assets, and that the debt is fully extinguished within forty-five years instead of leaving a residual debt balance well beyond this timescale. This has had the effect of reducing the MRP charged to revenue in the current year.

1.14 Revenue Expenditure Funded from Capital Resources under Statute (REFCUS)

Expenditure incurred during the year that may be capitalised under statutory provisions but does not result in the creation of non-current assets has been charged as expenditure to the relevant service in the Comprehensive Income and Expenditure Statement in the year. Examples of such expenditure include home improvement grants, town improvement grants and land feasibility studies. Where the Council has determined to meet the cost of these from existing capital resources or by borrowing, a transfer in the Movement in Reserves Statement from the Council Fund Balance to the Capital Adjustment Account then reverses out the amounts charged so there is no impact on the level of council tax. Where this expenditure is funded by grants or contributions, this is also taken to the relevant service area where the expenditure has been charged.

1.15 Leases

Leases are classified as finance leases where the terms of the lease transfer substantially all the risks and rewards incidental to ownership of the property, plant or equipment from the lessor to the lessee. All other leases are classified as operating leases.

Where a lease covers both land and buildings, the land and buildings elements are considered separately for classification.

Arrangements that do not have the legal status of a lease but convey a right to use an asset in return for payment are accounted for under this policy where fulfilment of the arrangement is dependent on the use of specific assets.

The Council as a Lessee

Operating Leases

Rentals paid under operating leases are charged to the Comprehensive Income and Expenditure Statement as an expense of the services benefitting from use of the leased property, plant or equipment. Charges are made on a straight-line basis over the life of the lease, even if this does not match the pattern of payments (e.g. if there is a rent-free period at the commencement of the lease).

The Council as a Lessor

Operating Leases

Where the Council grants an operating lease over a property or an item of plant or equipment, the asset is retained in the Balance Sheet. Rental income is credited to the Comprehensive Income and Expenditure Statement. Credits are made on a straight-line basis over the life of the lease, even if this does not match the pattern of payments (e.g. there is a premium paid at the commencement of the lease). Initial direct costs incurred in negotiating and arranging the lease are added to the carrying amount of the relevant asset and charged as an expense over the lease term on the same basis as rental income.

1.16 Financial Instruments

A financial instrument is a contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity. Non-exchange transactions, such as those relating to taxes and government grants, do not give rise to financial instruments.

Financial Assets

A financial asset is a right to future economic benefits controlled by the Council that is represented by cash, equity instruments or a contractual right to receive cash or other financial assets or a right to exchange financial assets and liabilities with another entity that is potentially favourable to the Council. Financial assets are classified based on a classification and measurement approach that reflects the business model for holding the financial assets and their cash-flow characteristics. There are three main classes of financial assets measured at:

- amortised cost
- fair value through profit or loss (FVPL), and
- fair value through other comprehensive income (FVOCI).

The Council's business model is to hold investments to collect contractual cash flows. Financial assets are therefore classified at amortised cost as they are held solely for payment of principal and interest.

Financial Assets held at Amortised Cost

Financial assets measured at amortised cost are recognised on the Balance Sheet when the Council becomes a party to the contractual provisions of a financial instrument and are initially measured at fair value, which is normally the transaction cost. They are subsequently measured at their amortised cost. Annual credits to the Financing and Investment Income and Expenditure line in the Comprehensive Income and Expenditure Statement (CIES) represent investment and interest income receivable. For the financial assets held by the Council, this means that the amount presented in the Balance Sheet is the outstanding principal receivable (plus accrued investment and interest income).

Any gains or losses that arise on derecognition of an asset are credited or debited to the Financing and Investment Income and Expenditure line in the CIES.

Expected Credit Loss Model

The Council recognises expected credit losses on all its financial assets held at amortised cost, either on a 12 month or lifetime basis. Only lifetime losses are recognised for trade receivables (debtors) held by the Council.

Impairment losses are calculated to reflect the expectation that the future cash flows might not take place because the borrower could default on their obligations. Credit risk plays a crucial part in assessing losses. Where risk has increased significantly since an instrument was initially recognised, losses are assumed on a lifetime basis. Where risk has not increased significantly or remains low, losses are assessed on the basis of 12-month expected losses.

Financial Liabilities

A financial liability is an obligation to transfer economic benefits controlled by the Council and can be represented by a contractual obligation to deliver cash or financial assets or an obligation to exchange financial assets and liabilities with another entity that is potentially unfavourable to the Council. Financial liabilities are initially measured at fair value and carried at their amortised cost. Annual charges to the Financing and Investment Income and Expenditure Section of the Comprehensive Income and Expenditure Statement for interest payable are based on the carrying amount of the liability, multiplied by the effective rate of interest for the instrument. For most of the borrowings that the Council has, this means that the amount presented in the Balance Sheet is the outstanding principal repayable together with any accrued interest and interest charged to the Comprehensive Income and Expenditure Statement for the year according to the loan agreement.

The Council has three Lender's Option Borrower's Option loans (LOBOs) with stepped interest rates. An effective interest rate has been used for these so that these are re-measured amounts for the LOBOs on the Balance Sheet.

The Council does not hold any financial assets or liabilities at Fair Value, however it is required to provide fair value information as appropriate. The inputs to the measurement techniques are categorised in accordance with the following three levels:

- Level 1 inputs – quoted prices (unadjusted) in active markets for identical assets or liabilities that the Council can access at the measurement date.
- Level 2 inputs – inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly.
- Level 3 inputs – unobservable inputs.

1.17 Inventories and Long Term Contracts

Inventories are included in the Balance Sheet at the lower of cost and net realisable value. Work in progress is subject to an interim valuation at the year end and recorded in the Balance Sheet at cost plus any profit reasonably attributable to the works.

Long term contracts are accounted for on the basis of charging the Surplus or Deficit on the Provision of Services with the value of works and services received under the contract during the financial year.

1.18 Private Finance Initiatives (PFI)

PFI contracts are agreements to receive services, where the responsibility for making available the property, plant and equipment needed to provide the services passes to the PFI contractor. As the Council is deemed to control the services that are provided under the PFI scheme and as ownership of the property, plant and equipment will pass to the Council at the end of the contracts for no additional charge, the Council carries the assets used under the contracts on its Balance Sheet as part of Property, Plant and Equipment.

The original recognition of these assets was balanced by the recognition of a liability for amounts due to the scheme operator to pay for the capital investment.

Non-current Assets recognised on the Balance Sheet are revalued and depreciated in the same way as property, plant and equipment owned by the Council.

The amounts payable to the PFI operators each year are analysed as follows:-

- fair value of the services received during the year – debited to the relevant service in the Comprehensive Income and Expenditure Statement
- finance cost – an interest charge on the outstanding Balance Sheet liability, debited to Financing and Investment Income and Expenditure section of the Comprehensive Income and Expenditure Statement
- payment towards the liability – applied to write down the Balance Sheet liability towards the PFI operator

PFI assets are subject to MRP. The Annual MRP Policy for the Council has deemed this charge to be equivalent to the finance lease liability written down for the year.

1.19 Joint Arrangements

The Council is part of a number of joint arrangements including the Joint Committee for the Cardiff Capital Region City Deal (CCRCDD) which consists of 10 Partner Authorities: Blaenau Gwent; Caerphilly; Cardiff; Merthyr Tydfil; Monmouthshire; Newport; Rhondda-Cynon-Taf; Torfaen; the Vale of Glamorgan and Bridgend. The Joint Committee has been established to oversee delivery of a range of programmes designed to increase connectivity and to improve physical and digital infrastructure. The contributions to the Joint Committee are classified as Revenue Expenditure Funded from Capital Under Statute (REFCUS). The Council has not consolidated the assets or liabilities of the Joint Committee. The Council continues to have administrative responsibilities for Coychurch Crematorium and independent financial statements continue to be prepared and reviewed for this joint committee. The activities of these joint arrangements are excluded from the Council's single entity financial statements on the basis of materiality of both assets and population.

1.20 Council Tax Income

All Council Tax income is shown in the Comprehensive Income and Expenditure Statement of the Council with the major preceptors' precepts (principally Police and Crime Commissioner for South Wales) being included as expenditure. Council Tax Income is shown gross in the Comprehensive Income and Expenditure Statement with any amounts allocated as a result of the Council Tax Reduction Scheme recognised as an expense within net costs of services.

1.21 Prior Period Adjustments, Changes in Accounting Policies and Estimates and Errors

Prior period adjustments may arise as a result of a change in accounting policies or to correct a material error. Changes in accounting estimates are accounted for prospectively, i.e. in the current and future years affected by the change and do not give rise to a prior period adjustment. Material errors discovered in prior period figures are corrected retrospectively by amending opening balances and comparative amounts for the prior period. Changes in accounting policies are only made when required by proper accounting practices or the change provides more reliable or relevant information about the effect of transactions, other events and conditions on the Council's financial position or financial performance. Where a change is made, it is applied retrospectively (unless stated otherwise) by adjusting opening balances and comparative amounts for the prior period as if the new policy had always been applied.

1.22 Cash and Cash Equivalents

Cash is represented by cash in hand and deposits with financial institutions repayable without penalty of notice of not more than 24 hours. Cash equivalents are investments that mature in no more than a month or less from the date of acquisition and that are readily convertible to known amounts of cash with insignificant risk of change in value. In the Cash Flow Statement, cash and cash equivalents are shown net of bank overdrafts that are repayable on demand and form an integral part of the Council's cash management.

1.23 Events after the Balance Sheet date

Events after the Balance Sheet date are those events, both favourable and unfavourable, that occur between the end of the reporting period and the date when the Statement of Accounts is authorised for issue. Two types of events can be identified:

- those that provide evidence of conditions that existed at the end of the reporting period – the Statement of Accounts is adjusted to reflect such events
- those that are indicative of conditions that arose after the reporting period – the Statement of Accounts is not adjusted to reflect such events, but where a category of events would have a material effect, disclosure is made in the notes of the nature of the events and their estimated financial effect.

Events taking place after the date of authorisation for issue are not reflected in the Statement of Accounts.

1.24 Investment Property

Investment properties are those that are used solely to earn rentals and/or for capital appreciation. The definition is not met if the property is used in any way to facilitate the delivery of services or production of goods or is held for sale. Investment properties are measured initially at cost and subsequently at fair value, based on the amount at which the asset could be exchanged between knowledgeable parties at arm's-length. Properties are not depreciated but are revalued annually according to market conditions at the year-end. Gains and losses on revaluation are posted to the Financing and Investment Income and Expenditure line in the Comprehensive Income and Expenditure Statement. The same treatment is applied to gains and losses on disposal.

The Council instructed external valuers Cooke & Arkwright to provide valuations annually as at 31 December for all of the Council's investment portfolio in line with IFRS13. When the fair values of Investment Properties, Surplus Assets and Assets Held for Sale cannot be measured based on quoted prices in active markets (that is **Level 1 inputs**), their fair value is measured using the following valuation techniques:

Level 2 inputs: quoted prices for similar assets or liabilities in active markets at the valuation date

Level 3 inputs: based on most recent valuations, adjusted if necessary through the use of indexation and impairment review

The majority of the investment properties were valued at Level 2 inputs with a number valued at Level 3 inputs.

Rentals received in relation to investment properties are credited to the net Cost of Services and result in a gain for the Council Fund Balance. However, revaluation and disposal gains and losses are not permitted by statutory arrangements to have an impact on the Council Fund Balance. The gains and

losses are therefore reversed out of the Council Fund Balance in the Movement in Reserves Statement and posted to the Capital Adjustment Account and (for any sale proceeds greater than £10,000) the Capital Receipts Reserve.

1.25 Local Authority Schools

The Code of Practice on Local Authority Accounting confirms that the balance of control for local Council maintained schools (i.e. those categories of school identified in the School Standards and Framework Act 1998, as amended) lies with the Council. The Code also stipulates that those schools' assets, liabilities and cash flows are recognised in the Council's financial statements (and not the Group Accounts). Therefore, schools' transactions, cash flows and balances are recognised in each of the financial statements as if they were of the Council.

2. Critical Judgements in Applying Accounting Policies

In applying the accounting policies set out above, the Council has had to make certain judgements about complex transactions or those involving uncertainty about future events. The critical judgements made in the Statement of Accounts are:

There is a high degree of uncertainty about future levels of funding for local government. However, the Council has determined that this uncertainty is not yet sufficient to provide an indication that the assets of the Council might be impaired as a result of a need to close facilities and reduce levels of service provision.

The Council is deemed to control the services provided under the outsourcing agreement for the provision of a Comprehensive School in Maesteg and also to control the residual value of the school at the end of the agreement. The accounting policies for PFI schemes and similar contracts have been applied to the arrangement and the School (valued at £22.9 million) has been recognised as Property, Plant and Equipment on the Council's Balance Sheet.

The Council has a number of interests in other entities however the arrangements are not sufficiently material to warrant producing consolidated financial statements when reviewing both quantitative and qualitative information. In order to ensure compliance with the Code, a range of narrative disclosures have been made in other sections of the accounts.

3. Assumptions made about the future and other major sources of estimated uncertainty

The Statement of Accounts contains estimated figures that are based on assumptions made by the Council about the future or that are otherwise uncertain. Estimates are made taking into account historical experience, current trends and other relevant factors. However, because balances cannot be determined with certainty, actual results could be materially different from the assumptions and estimates.

The items in the Council's Balance Sheet at 31 March 2019 for which there is a significant risk of material adjustment in the forthcoming financial year are as follows:

Plant, Property and Equipment

Revaluation of the Council's assets is undertaken on a 3-year rolling programme. The value of those assets is based upon calculations and estimation techniques following the Royal Institute of Chartered Surveyors (RICS) guidance, and in accordance with IFRS. Revaluation takes account of the value and condition of the asset, relevant components and also de-recognition where appropriate.

Depreciation of Property, Plant and Equipment

Assets are depreciated over useful lives that are dependent on assumptions about the level of repairs and maintenance that will be incurred in relation to individual assets. The current economic climate may result in spending on repairs and maintenance having to be reduced thus bringing into doubt the useful lives assigned to assets. If the useful life of assets is reduced, depreciation increases and the carrying amount of the assets will fall.

Investment Properties, Surplus Assets and Assets Held for Sale

Fair Value estimations:

The Council instructed external valuers Cooke & Arkwright to provide valuations as at 31 December 2018 for all of the Council's investment portfolio and these were valued in line with IFRS13.

When the fair values of Investment Properties, Surplus Assets and Assets Held for Sale cannot be measured based on quoted prices in active markets (**Level 1 inputs**), their fair value is measured using the following valuation techniques:

Level 2 inputs: quoted prices for similar assets or liabilities in active markets at the balance sheet date;

Level 3 inputs: valuations based on the most recent valuations adjusted to current valuation by the use of indexation and impairment review.

Where possible, the inputs to these valuation techniques are based on observable data, but where this is not possible judgement is required in establishing fair values. These judgements typically include considerations such as uncertainty and risk. Changes in assumptions used could affect the fair value. The external valuers used the most appropriate valuation techniques to determine fair value.

Pensions Liability

Estimation of the net liability to pay pensions depends on a number of complex judgements relating to the discount rate used, the rate at which salaries are projected to increase, changes in retirement ages, mortality rates and expected returns on pension fund assets. A firm of consulting actuaries is engaged to provide the Council with expert advice about the assumptions to be applied.

4. Expenditure and Funding Analysis

2017-18				2018-19		
Net Expenditure Chargeable to the Council Fund	Adjustments between the Funding and Accounting Basis & transfers to Earmarked Reserves (Note 5)	Net Expenditure in the Comprehensive Income and Expenditure Statement		Net Expenditure Chargeable to the Council Fund	Adjustments between the Funding and Accounting Basis & transfers to Earmarked Reserves (Note 5)	Net Expenditure in the Comprehensive Income and Expenditure Statement
£'000	£'000	£'000		£'000	£'000	£'000
108,387	(9,199)	117,586	Education and Family Support	110,544	5,526	105,018
66,281	(3,533)	69,814	Social Services & Wellbeing	69,135	(8,855)	77,990
25,271	(16,055)	41,326	Communities Operational & Partnership Services	27,822	(11,227)	39,049
14,259	(1,811)	16,070	Chief Executives	-	-	-
3,746	(342)	4,088	Central Services	18,065	(4,430)	22,495
29,635	12,231	17,404		29,866	8,682	21,184
247,579	(18,709)	266,288	Net Cost Of Services	255,432	(10,304)	265,736
(247,966)	3,803	(251,769)	Other income and Expenditure	(255,861)	1,437	(257,298)
(387)	(14,906)	14,519	Surplus or Deficit	(429)	(8,867)	8,438
7,960			Opening Council Fund Balance	8,347		
387			Surplus or (Deficit) on Council Fund for year	429		
8,347			Closing Council Fund Balance as at 31 March	8,776		

5. Note to the Expenditure and Funding Analysis

Adjustments between Funding and Accounting Basis 2017-18				
Adjustments from Council Fund to arrive at the Comprehensive Income and Expenditure Statements amounts	Adjustments for Capital Purposes (Note 1)	Net change for the Pensions Adjustments (Note 2)	Other Differences (Note 3)	Total Adjustments
	£'000	£'000	£'000	£'000
Education and Family Support	(4,957)	(2,215)	(2,027)	(9,199)
Social Services & Wellbeing	(650)	(1,720)	(1,163)	(3,533)
Communities	(9,978)	(727)	(5,350)	(16,055)
Operational & Partnership Services	(816)	(572)	(423)	(1,811)
Chief Executives	-	(226)	(116)	(342)
Central Services	5,343	-	6,888	12,231
Net cost of services	(11,058)	(5,460)	(2,191)	(18,709)
Other income and expenditure from the Expenditure and Funding Analysis	11,558	(6,350)	(1,405)	3,803
Difference between Council Fund surplus or deficit and Comprehensive Income and Expenditure Statement Surplus or Deficit on the Provision of Services	500	(11,810)	(3,596)	(14,906)

Adjustments between Funding and Accounting Basis 2018-19				
Adjustments from Council Fund to arrive at the Comprehensive Income and Expenditure Statements amounts	Adjustments for Capital Purposes (Note 1)	Net change for the Pensions Adjustments (Note 2)	Other Differences (Note 3)	Total Adjustments
	£'000	£'000	£'000	£'000
Education and Family Support	10,666	(5,772)	632	5,526
Social Services & Wellbeing	(2,560)	(4,531)	(1,764)	(8,855)
Communities	(7,943)	(2,036)	(1,248)	(11,227)
Chief Executives	(962)	(2,111)	(1,357)	(4,430)
Central Services	3,184	-	5,498	8,682
Net cost of services	2,385	(14,450)	1,761	(10,304)
Other income and expenditure from the Expenditure and Funding Analysis	9,494	(6,760)	(1,297)	1,437
Difference between Council Fund surplus or deficit and Comprehensive Income and Expenditure Statement Surplus or Deficit on the Provision of Services	11,879	(21,210)	464	(8,867)

Note 1 - Adjustments for Capital Purposes

The adjustments for capital purposes column adds in depreciation and impairment, revaluation gains and losses and Revenue Expenditure Funded by Capital under Statute (REFCUS) in the services line, and for:

- Other operating expenditure – adjusts for capital disposals with a transfer of income on disposal of assets and the amounts written off for those assets
- Financing and investment income and expenditure – the statutory charges for capital financing (i.e. the Minimum Revenue Provision) and other revenue contributions are deducted from other income and expenditure as these are not chargeable under generally accepted accounting practices
- Taxation and non-specific grant income and expenditure – capital grants are adjusted for income not chargeable under generally accepted accounting practices. Revenue grants are adjusted from those receivable in the year to those receivable without conditions or for which conditions were satisfied throughout the year. The Taxation and Non Specific Grant Income and Expenditure line is credited with capital grants receivable in the year without conditions or for which conditions were satisfied in the year.

Note 2 - Net Change for the Pensions Adjustments

The net change for the removal of pension contributions and the addition of IAS19 Employee Benefits pension related expenditure and income:

- For Services this represents the removal of the employer pension contributions made by the authority as allowed by statute and the replacement with current service costs and past service costs
- For Financing and Investment Income and Expenditure – the net interest on the defined benefit liability is charged to the CIES.

Note 3 - Other Differences

Other differences between amounts debited / credited to the Comprehensive Income and Expenditure Statement and amounts payable / receivable to be recognised under statute:

- For financing and investment income and expenditure the other differences column recognises adjustments to the Council Fund for the timing differences for premiums and discounts
- The charge under Taxation and Non-Specific Grant Income represents the difference between what is chargeable under statutory regulations for council tax and NNDR that was projected to be received at the start of the year and the income recognised under generally accepted accounting practices.

6. Expenditure and Income Analysed by Nature

This table sets out how the funding to the Council has been used in providing services in line with generally accepted accounting practices. This will include cash and non-cash transactions including accounting adjustments in line with International Financial Reporting Standards. **A segmental analysis of fees, charges and other service income is presented on the face of the Comprehensive Income and Expenditure Statement.**

2017-18 £'000		2018-19 £'000
	Expenditure	
180,687	Employee expenses	192,855
193,043	Other services expenses	198,758
24,451	Depreciation, amortisation, impairment	4,463
12,329	Interest payments	12,670
20,535	Precepts and levies	22,015
1,816	Loss on disposal of assets	276
432,861	Total expenditure	431,037
	Income	
(35,200)	Fees, charges and other service income	(35,709)
(130,505)	Income from council tax, non-domestic rates	(135,698)
(251,328)	Government grants and contributions	(249,905)
(959)	Investment Income and other Interest Receivable	(1,012)
(350)	Other income	(275)
(418,342)	Total income	(422,599)
14,519	(Surplus) or Deficit on the provision of services	8,438

Notes to the Comprehensive Income and Expenditure Statement

7. Precepts and levies

Precepts are the amounts paid to non-billing authorities (e.g. community councils) so that they can cover their expenses. Levies are the amounts payable when services are operated over areas covering more than one Council, either on a joint service basis, where one Council administers the service where other Councils contribute to the costs, or by external bodies who levy on the appropriate Councils. The amounts paid were as follows:

2017-18 £'000		2018-19 £'000
	Precepts	
11,514	Police and Crime Commissioner for South Wales	12,450
2,053	Community Councils	2,495
13,567	Total Precepts	14,945
	Levies	
6,603	South Wales Fire and Rescue Authority	6,689
255	Coroners Service	271
92	Archive Service	92
18	Swansea Bay Port Authority	18
6,968	Total Levies	7,070
20,535	Total Precepts and Levies	22,015

8. Revenue Support Grant (RSG)

This is the principal source of finance towards revenue expenditure from Welsh Government with the amount receivable fixed at the start of each financial year. The amount received in 2018-19 was £145.78 million (£141.61 million for 2017-18).

9. National Non-Domestic Rates (NNDR)

NNDR is organised on a national basis. The Welsh Government (WG) specifies the rate in the pound to be charged and, subject to the effects of transition arrangements, local businesses pay rates calculated by multiplying their rateable value by the rate in the pound. This was 51.4p in 2018-19 (49.9p in 2017-18). The total rateable value of the Council equalled £98,716,925 on 31 March 2019 (£98,259,179 on 31 March 2018). The Council is responsible for collecting rates due from ratepayers in its area but pays the proceeds into the NNDR pool administered by WG. WG then redistributes the sums payable back into local authorities on the basis of a fixed amount per head of population.

The Council receives a contribution from the NNDR pool direct. The income from this is reflected separately in the Comprehensive Income and Expenditure Statement. This amount was £45.680 million in 2018-19 (£45.888 million in 2017-18).

10. Council Tax

Council Tax Income derives from charges raised according to the value of residential properties, which have been classified into ten valuation bands estimating 1 April 2005 values for this specific purpose. Charges are calculated by taking the amount of income required for Bridgend County Borough Council, each Community Council and the Police and Crime Commissioner for South Wales and dividing this by

the Council Tax base. The Council Tax base is the total number of properties in each band adjusted by a proportion to convert the number to a Band D equivalent and adjusted for discounts – 53,315.53 dwellings for 2018-19 (52,759.01 in 2017-18). The average amount for a Band D property is £1,675.82 in 2018-19 (£1,592.58 in 2017-18 on average) and is multiplied by the proportion specified for the particular band to give the individual amount due.

Council Tax bills were based on the following multipliers for bands A* to I and the number of properties in each band were as follows:

Band	A*	A	B	C	D	E	F	G	H	I
Multiplier	5/9	6/9	7/9	8/9	9/9	11/9	13/9	15/9	18/9	21/9
Chargeable Dwellings	29	10,134	14,846	14,068	10,472	7,441	4,174	1,398	280	90

Analysis of the net proceeds from Council Tax is as follows:

2017-18 £'000		2018-19 £'000
(84,617)	Council Tax Collectable	(90,018)
	Less:	
2,053	Payable to Community Councils	2,495
11,514	Payable to Police and Crime Commissioner for South Wales	12,450
403	Provision for non-payment of Council Tax increase/(decrease)	290
(70,647)	Net Proceeds from Council Tax	(74,783)

11. Grants

In addition to the Revenue Support Grant, the Council credited the following grants and contributions to the Comprehensive Income and Expenditure Statement. 2017-18 has been restated to separately identify the Pupil Deprivation Grant.

2017-18 Re-stated £'000	Specific Grants credited to Services	2018-19 £'000
(47,980)	Housing Benefit Subsidy	(46,357)
(6,446)	Post 16 Grant	(6,022)
(5,142)	Education Improvement Grant	(4,921)
(4,239)	Pupil Development Grant	(4,549)
(3,366)	Other Education & Family Support	(5,837)
(4,828)	Other Social Services & Wellbeing	(3,140)
(3,592)	Others	(3,323)
(5,816)	Supporting People	(6,074)
(445)	Sport Play & Active Wellbeing	(929)
(2,699)	Concessionary Fares Grant	(2,931)
(3,301)	Flying Start	(3,227)
(2,650)	Sustainable Waste Grant	(781)
(545)	Housing/Council Tax Benefit Administration	(576)
(995)	Communities First	-
(1,690)	Families First	(1,858)
(2,379)	General Capital Grant	(2,394)
(581)	Other Capital Grants	(1,712)
(96,694)	Total	(94,631)

2017-18 £'000	Other Government Grants credited to Taxation and Non-specific Grant Income	2018-19 £'000
(13,024)	Capital Grants and Contributions	(9,494)
(13,024)	Total	(9,494)

(109,718)	Total	(104,125)
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12. LeasesCouncil as a LesseeOperating Leases

The future minimum lease payments due under non-cancellable leases in future years are:

2017-18 £'000		2018-19 £'000
(692)	Not later than one year	(704)
(1,698)	Later than one year but less than five years	(1,794)
(6,756)	Later than five years	(7,094)
(9,146)	Total	(9,592)

Expenditure charged in the year to the Service areas was £0.747 million made up of minimum lease payments of £0.153 million and £0.594 million for contingent rents (£0.776 million in 2017-18 made up of £0.232 million minimum lease payments and £0.544 million contingent rents).

Council as a Lessor

Operating Leases

The Council leases out property for economic purposes to provide affordable accommodation for local businesses. The future rentals receivable under operating leases are:-

2017-18 £'000		2018-19 £'000
105	Not later than one year	99
139	Later than one year but less than five years	159
849	Later than five years	1,719
1,093	Total	1,977

13. Private Finance Initiative (PFI)

During the 2008-09 financial year, the Council commenced payment under the Private Finance Initiative (PFI) arrangement for the provision of a Secondary School in Maesteg that was entered into in 2007-08 which will run until August 2033. There is a commitment of £30.5 million (Net Present Value) over the duration of the contract, which is to be funded by Revenue Support Grant agreed by the Welsh Government, and Council / Delegated School resources.

The total unitary payment is divided into the service charge element, the repayment of the liability element and the interest element. The charges are shown below:-

2017-18 £'000	Unitary Charge	2018-19 £'000
660	Service Charge Element	682
1,352	Interest Element	1,306
595	Finance Lease Liability	641
2,607	Total	2,629

These payments will be made over the life of the PFI contract and estimates for subsequent years are as detailed below at current prices:-

Unitary Charge	2019-20 £'000	2020-21 to 2024-25 £'000	2025-26 to 2029-30 £'000	2030-31 to 2033-34 £'000	TOTAL £'000
Service Charge Element	502	2,511	2,511	2,002	7,526
Interest Element	1,257	5,397	3,444	792	10,890
Finance Lease Liability	690	4,337	6,290	5,683	17,000
Total	2,449	12,245	12,245	8,477	35,416

14. Pooled Fund Arrangements

There are some formal pooled budget arrangements between the Council and Abertawe Bro Morgannwg University Local Health Board under Section 33 NHS (Wales) Act 2006 and a pooled fund arrangement between 3 Councils for the delivery of an Integrated Family Support Service under s.166-169 Social Services Wellbeing (Wales) Act 2014.

2017-18			Partner	Purpose of Partnership	2018-19		
Gross Income Of Partnership £'000	Gross Expenditure of Partnership £'000	Council's Contribution £'000			Gross Income Of Partnership £'000	Gross Expenditure of Partnership £'000	Council's Contribution £'000
(560)	560	280	Abertawe Bro-Morgannwg University Health Board	Provision of day opportunities for people recovering from mental health problems.	(600)	600	300
(2,646)	2,734	609	Rhondda Cynon Taff CBC Merthyr Tydfil CBC Cwm Taf LHB Abertawe Bro Morgannwg University Health Board	Provision of specified community equipment for service users to enable them to continue to live in their own homes. Rhondda Cynon Taf are the lead partner	(2,831)	2,712	594
(4,730)	4,730	2,595	Abertawe Bro-Morgannwg University Health Board	Provision of integrated community support services	(4,930)	4,930	2,678
(657)	657	198	Neath Port Talbot CBC, City and County of Swansea Council	Provision of an Integrated Family Support Service	(632)	632	163

15. Officers' Remuneration

Four separate disclosures are required to ensure compliance with either the Accounts and Audit (Wales) Regulations 2014 or the CIPFA Code.

Disclosure 1 – Ratio of the Remuneration of the Chief Executive to the median remuneration of all the Council's employees

The ratio of the remuneration of the Chief Executive to the median remuneration of all the body's employees was 6.64 (2017-18: 6.64). The median salary of all employees was £20,541 (2017-18: £20,138), i.e. the Remuneration of the Chief Executive was 6.64 times more than the median remuneration of the Council's employees. The Chief Executive's salary was based on a weighted average of the outgoing Chief Executive for the period 1 April 2018 to 6 January 2019, and the interim Chief Executive 7 January to 31 March 2019.

Disclosure 2 – Table of Officers' Remuneration over £60,000

The number of employees (including teachers) whose remuneration, excluding pension contributions, was £60,000 or more for the year is as follows.

2017-18 including Redundancy Costs	Remuneration Band	Number of Employees			
		2018-19 inc Redundancy Costs (Note 1)	2018-19 exc Redundancy Costs (Note 2)	Number of Teachers inc in Figures exc Redundancy (Note 2)	Number of Non- Teachers inc in Figures exc Redundancy (Note 2)
22	£60,000 - £64,999	32	27	23	4
11	£65,000 - £69,999	12	12	12	-
4	£70,000 - £74,999	6	4	3	1
7	£75,000 - £79,999	4	3	3	-
9	£80,000 - £84,999	10	8	3	5
1	£85,000 - £89,999	6	2	2	-
2	£90,000 - £94,999	5	2	2	-
-	£95,000 - £99,999	1	1	1	-
2	£100,000 - £104,999	1	1	-	1
2	£105,000 - £109,999	3	3	1	2
1	£110,000 - £114,999	1	1	-	1
-	£120,000 - £124,999	1	-	-	-
1	£125,000 - £129,999	-	-	-	-
1	£130,000 - £134,999	-	-	-	-
-	£145,000 - £149,999	1	-	-	-
-	£195,000 - £199,999	1	-	-	-
-	£225,000 - £229,999	1	-	-	-
-	£245,000 - £249,999	1	-	-	-
2	£335,000 - £339,999	-	-	-	-
65		86	64	50	14

Note 1: These costs include redundancy costs and payments in lieu of notice at time of departure as well as any applicable strain costs, which are the costs of the early payment of benefit payable by the Council to the Pension Fund when a member of staff over 55 is made redundant.

Note 2: These are officers still in post, of which there are 64 individuals with remuneration of £60,000 or more, including:-

- a) 50 Headteachers and Deputy Headteachers, and
- b) 14 Senior Managers of the Council, including the Senior Officers shown in Disclosure 3 below, and Heads of Service.

Disclosure 3 – Table of Senior Officer’s Remuneration (including Pensions Contributions)

Job Title	Salary		Compensation for Loss of Office		Pension Contributions (note 1)		Total Remuneration including Pension Contributions	
	18-19 £	17-18 £	18-19 £	17-18 £	18-19 £	17-18 £	18-19 £	17-18 £
Chief Executive Officer & Head of Paid Service (Note 2)	104,500	133,726	-	-	22,259	28,484	126,759	162,210
Interim Chief Executive Officer & Head of Paid Service (Note 3)	29,766	-	-	-	6,340	-	36,106	-
Corporate Director - Education and Family Support (Note 4)	105,982	184,220	-	-	22,574	39,239	128,556	223,459
Corporate Director - Communities (Note 5)	82,959	106,160	-	-	17,670	22,612	100,629	128,772
Corporate Director - Operational and Partnership Services (Note 6)	28,205	103,682	93,903	-	147,424	22,084	269,532	125,766
Corporate Director - Social Service & Wellbeing	108,283	106,160	-	-	23,064	22,612	131,347	128,772
Head of Finance - s151 Officer (Note 7)	-	61,562	-	-	-	13,113	-	74,675
Head of Legal and Regulatory Services (Note 8)	56,503	-	-	-	11,588	-	68,091	-
Head of Performance and Partnership Services (Note 9)	59,923	-	-	-	12,764	-	72,687	-
Head of Operations - Communities (Note 10)	20,708	-	-	-	4,411	-	25,119	-

Notes

- Note 1 No 'Taxable Expenses' or 'Benefits in kind' were paid in the year. Pension Contributions relate to actual payments made.
- Note 2 The Chief Executive left the Council on 6 January 2019. Their salary excludes payment for Election Duties which amounted to £960 for 6 Town and Community Council Elections
- Note 3 The Corporate Director – Communities was appointed as Interim Chief Executive on a temporary basis from 7 January 2019.
- Note 4 The Corporate Director – Education and Family Support left the Council on 7 January 2018. The interim Corporate Director – Education and Family Support appointed to cover the post was appointed to Corporate Director on 31 August 2018. During 2017-18 the Corporate Director was seconded to Welsh Government, costs being recovered from Welsh Government of £109,327.
- Note 5 The Corporate Director – Communities was appointed to Interim Chief Executive on 7 January 2019. The Corporate Director – Communities was vacant from that date to the end of the financial year.
- Note 6 The Corporate Director – Operational and Partnership Services took voluntary redundancy on 6 July 2018. The salary and pension figures include redundancy costs and associated pension costs, which had been accrued in the 31 March 2018 accounts.
- Note 7 The interim Head of Finance and s.151 Officer is appointed under a contractual arrangement with the Welsh Local Government Association. The costs incurred in this arrangement during the year were £104,129 (2017-18: £26,355)
- Note 8 The Head of Legal and Regulatory Services assumed the role of Monitoring Officer following the departure of the Corporate Director – Operational and Partnership Services with a direct report

to the Chief Executive. Only costs since the post reported directly to the Chief Executive have been included.

Note 9 Following the departure of the Corporate Director – Operational and Partnership Services, the Head of Performance and Partnership Services reported directly to the Chief Executive and only costs since the post reported directly to the Chief Executive have been included

Note 10 Following the appointment to Interim Chief Executive of the Corporate Director – Communities, the Head of Operations – Communities was appointed on 1 January 2019, reporting directly to the Chief Executive.

Disclosure 4 – Table on Exit Packages

The number of exit packages approved in the year with total cost per band (£'s) and total cost of the compulsory and other redundancies are set out in the table below:

Exit Package Cost Band (including Special Payments)	Number of Compulsory Redundancies		Number of Other Departures Agreed		Total Number of Exit Packages by Cost Band		Total Cost of Exit Packages in Each Band	
	18-19 £	17-18 £	18-19 £	17-18 £	18-19 £	17-18 £	18-19 £	17-18 £
£0 - £20,000	32	13	29	24	61	37	731,527	324,861
£20,001 - £40,000	34	4	16	18	50	22	1,446,731	576,770
£40,001 - £60,000	16	6	1	4	17	10	814,416	478,481
£60,001 - £80,000	4	1	1	1	5	2	329,394	125,264
£80,001 - £100,000	2	-	-	-	2	-	178,584	-
£100,001 - £150,000	-	-	1	-	1	-	141,821	-
£150,001 - £200,000	2	-	-	-	2	-	366,362	-
£200,001 - £250,000	-	1	-	-	-	1	-	233,281
£250,001 - £300,000	-	1	-	-	-	1	-	254,462
	90	26	48	47	138	73	4,008,835	1,993,119

16. Members' allowances

As a result of the December 2011 Report of the Independent Remuneration Panel for Wales, a new system of 'salary' payments for Members came into effect in full from 16 May 2012. The Council now has in place a 'Basic Salary' for all members, a 'Senior Salary', and a 'Civic Salary'.

2017-18 £'000		2018-19 £'000
573	Basic Salary (all Members)	557
465	Senior Salary	481
25	Civic Salary	46
1,063	Total	1,084

Full details of the 'salary' arrangements are available on the Council's website, and details of all Member earnings are also published annually on the Council's website.

17. External audit costs

In 2018-19 Bridgend County Borough Council incurred the following fees relating to external audit and inspection. Of the amount incurred, £Nil (2017-18 - £5,083) was claimed against grants:

2017-18 £'000		2018-19 £'000
194	Financial Statement Audit	192
97	Performance Audit	97
291	External Audit Services	289
78	Grant Claims and Returns	54
369	Total	343

18. Participation in Joint Committees and Joint Arrangements

The Council participated in a number of Joint Committees and Joint Arrangements during the year. The amounts contributed by the Council are set out below.

	2017-18 £'000	2018-19 £'000
Cardiff Capital Region City Deal (CCRCDD)	2,358	1,257
Central South Consortium Joint Education Service	621	606
Integrated Family Support Service (IFSS)	198	163
Joint Adoption Service	949	949
Shared Regulatory Service	1,621	1,505
Shared Internal Audit Service	251	205
Western Bay Youth Justice and Early Intervention Service	275	287
Civil Parking Enforcement	213	185
Glamorgan Archives	92	92
Coychurch Crematorium	-	-
Margam Crematorium	-	-
Total	6,578	5,249

19. Related Party Transactions

The Council is required to disclose material transactions with related parties – bodies or individuals that have the potential to control or influence the Council or to be controlled or influenced by the Council. Disclosure of these transactions allows readers to assess the extent to which the Council might have been constrained in its ability to operate independently or might have secured the ability to limit another party's ability to bargain freely with the Council.

Welsh Government

Welsh Government has significant influence over the general operations of the Council – it is responsible for providing the statutory framework within which the Council operates; provides the majority of its funding in the form of grants and prescribes the terms of many of the transactions that the Council has with other parties (e.g. council tax bills). Grants received from government departments are set out in Notes 8 and 9 above.

Members

Members of the Council have direct control over the Council's financial and operating policies. Members' external interests are maintained in a register, which is available for inspection on the Council's website. The total of members' allowances paid in 2018-19 is shown in Note 16. Payments made to organisations whose senior management included Members included Care and Repair (Bridgend) £1,365,954 (no interests were declared in 2017-18), Bridgend County Borough Citizens Advice Bureau £226,709 (£224,415 in 2017-18) and Bridgend Association of Voluntary Organisations £92,322 in 2018-19 (£104,500 in 2017-18). In all instances, the grants were made with proper

consideration of declarations of interest. The relevant members did not take part in any discussion or decision relating to the grants. Other payments made to organisations where members declared interests totalled £293,576 (£426,230 in 2017-18).

Chief Officers

During 2018-19 the Corporate Director – Communities sat on the Board of Capita Glamorgan Consultancy Ltd until 4 July 2018 and the Head of Adult Social Care from that date. The Council owns 14.7% of the shares of the company and holds voting rights to this value on the Board. During 2018-19 the Council was charged £1,146,732 (2017-18: £1,038,722) in respect of goods, services and capital works. In addition the Corporate Director sat on the Board of CSC Foundry Ltd, a special purpose vehicle which is a wholly owned subsidiary of the City Deal Joint Committee. Details of the payments made to the Cardiff Capital Region City Deal are included in note 18 to the accounts. The Corporate Director – Social Services and Wellbeing was an Associate Board Member of Abertawe Bro-Morgannwg University Health Board. The Council and the Health Board have a range of formal pooled funding arrangements as set out in note 14 – Section 33 NHS (Wales) Act 2006.

The Head of Regeneration, Development and Property Services was a Board Member for Bridgend College and also a Director of the newly formed Bridgend Business Improvement District (BID). During 2018-19 the value of payments to the College totalled £344,569 (2017-18: £295,640). The Council acts as the collector of Business Rates on behalf of the Business Improvement District and transfers those monies to the company. The Council has no business transactions with the BID Company. No Directors received any remuneration for these roles.

Other Joint Committees

Details of the amounts paid under Joint Committees is shown in Note 18.

Glamorgan Archives Joint Committee

The Glamorgan Record Office is managed and administered by the Glamorgan Archives Joint Committee under powers conferred by the Local Government (Wales) Act 1994.

Coychurch Crematorium

Coychurch Crematorium is subject to the control of a Joint Committee of Members from Bridgend CBC, Rhondda Cynon Taf CBC and the Vale of Glamorgan CBC. Financial statements for this Joint Committee are available on the Bridgend CBC website (www.bridgend.gov.uk).

Margam Crematorium

Margam Crematorium is subject to the control of a Joint Committee of Members from Neath Port Talbot County Borough Council, who manage the Crematorium. Financial Statements for this Joint Committee are available on the Neath Port Talbot CBC website (www.npt.gov.uk)

Other Public Bodies

The Council has a number of pooled budget arrangements with Abertawe Bro-Morgannwg University Health Board as detailed in Note 14. It also pays a management fee to the Awen Trust for cultural related services which is a not for profit organisation. The amount paid in 2018-19 was £3,231,354 (2017-18: £3,226,540). The Board of Awen Trust has two Members and a Member's family member as Director.

Notes to the Movement in Reserves Statement

20. Adjustments between Accounting Basis and Funding Basis under Regulations

This note details the adjustments that are made to the total Comprehensive Income and Expenditure recognised by the Council in the year in accordance with proper accounting practice to the resources that are specified by statutory provisions as being available to the Council to meet future capital and revenue expenditure.

The following sets out a description of the reserves that the adjustments are made against.

Council Fund Balance

This is the statutory fund into which all the receipts of the Council are required to be paid and out of which all liabilities of the Council are to be met, except to the extent that statutory rules might provide otherwise. These rules can also specify the financial year in which liabilities and payments should impact on the Council Fund Balance, which is not necessarily in accordance with proper accounting practice. The Council Fund Balance therefore summarises the resources that the Council is statutorily empowered to spend on its services or on capital investment (or the deficit or resources that the Council is required to recover) at the end of the financial year.

Capital Receipts Reserve

The Capital Receipts Reserve holds the proceeds from the disposal of land or other assets, which are restricted by statute from being used other than to fund new capital expenditure, or to be set aside to finance historical capital expenditure. The balance on the reserve shows the resources that have yet to be applied for these purposes at the year-end.

Capital Grants Unapplied

The Capital Grants Unapplied Account holds the grants and contributions received towards capital projects for which the Council has met the conditions that would otherwise require repayment of the monies, but which have yet to be applied to meet expenditure. The balance is restricted by grant terms as to the capital expenditure against which it can be applied and/or the financial year in which this can take place.

Unusable Reserves

This includes the Revaluation Reserve which contains the gains made by the Council arising from increases in the value of its Property, Plant and Equipment; the Pensions Reserve which absorbs the timing differences arising from the different arrangements for accounting for post-employment benefits and for funding benefits in accordance with statutory provisions; the Capital Adjustment Account which absorbs the timing differences arising from the different arrangements for accounting for the consumption of non-current assets and for financing and acquisition, construction or enhancement of those assets under statutory provisions; the Financial Instruments Adjustment Account which absorbs the timing differences arising from the different arrangements for accounting for income and expenses relating to certain financial instruments and for bearing losses or benefitting from gains per statutory provisions; and the Short-term Accumulated Compensated Absences Account which absorbs the differences that would otherwise arise on the Council Fund Balance from accruing holiday entitlements earned but not taken in the year.

The tables below detail the adjustments for 2017-18 for comparative purposes and the adjustments for 2018-19.

	Usable Reserves			Unusable Reserves
	Council Fund Balance	Capital Receipts Reserve	Capital Grants Unapplied	
2018-19	£'000	£'000	£'000	£'000
Adjustment to the Revenue Resources				
<i>Amounts by which income and expenditure included in the Comprehensive Income and Expenditure Statement are different from revenue for the year calculated in accordance with statutory requirements:</i>				
Pensions costs (transferred to (or from) the Pensions Reserve)	21,210			(21,210)
Financial Instruments (transferred to the Financial Instruments Adjustment Account)	(8)			8
Holiday Pay (transferred to the Accumulated Absences Reserve)	(422)			422
Reversal of entries included in the Surplus or Deficit on the Provision of Services in relation to capital expenditure (those items are charged to the Capital Adjustment Account)	8,377			(8,377)
Total Adjustments to Revenue Resources	29,157	-	-	(29,157)
Adjustments between Revenue and Capital Resources				
Transfer of non-current asset sale proceeds from revenue to the Capital Receipts Reserve	(1,884)	1,884		
Statutory provision for the repayment of debt (transfer from the Capital Adjustment Account)	(4,958)			4,958
Capital expenditure financed from revenue balances (transfer to the Capital Adjustment Account)	(3,922)			3,922
Total adjustments between Revenue and Capital Resource	(10,764)	1,884	-	8,880
Adjustments to Capital Resources				
Use of the Capital Receipts Reserve to finance capital expenditure		(5,123)		5,123
Application of capital grants to finance capital expenditure	(9,494)			9,494
Cash payments in relation to deferred capital receipts			1,194	(1,194)
Total adjustments to Capital Reserves	(9,494)	(5,123)	1,194	13,423
Total Adjustments	8,899	(3,239)	1,194	(6,854)

2017-18	Usable Reserves			Unusable Reserves
	Council Fund Balance	Capital Receipts Reserve	Capital Grants Unapplied	
	£'000	£'000	£'000	£'000
Adjustment to the Revenue Resources				
<i>Amounts by which income and expenditure included in the Comprehensive Income and Expenditure Statement are different from revenue for the year calculated in accordance with statutory requirements:</i>				
Pensions costs (transferred to (or from) the Pensions Reserve)	11,810			(11,810)
Financial Instruments (transferred to the Financial Instruments Adjustment Account)	(8)			8
Holiday Pay (transferred to the Accumulated Absences Reserve)	519			(519)
Reversal of entries included in the Surplus or Deficit on the Provision of Services in relation to capital expenditure (those items are charged to the Capital Adjustment Account)	30,199			(30,199)
Total Adjustments to Revenue Resources	42,520	-	-	(42,520)
Adjustments between Revenue and Capital Resources				
Transfer of non-current asset sale proceeds from revenue to the Capital Receipts Reserve	(573)	573		
Statutory provision for the repayment of debt (transfer from the Capital Adjustment Account)	(7,179)			7,179
Capital expenditure financed from revenue balances (transfer to the Capital Adjustment Account)	(9,922)			9,922
Total adjustments between Revenue and Capital Resource	(17,674)	573	-	17,101
Adjustments to Capital Resources				
Use of the Capital Receipts Reserve to finance capital expenditure		(783)		783
Application of capital grants to finance capital expenditure	(13,024)			13,024
Cash payments in relation to deferred capital			105	(105)
Other Amounts (including mortgage payments)		7		(7)
Total adjustments to Capital Reserves	(13,024)	(776)	105	13,695
Total Adjustments	11,822	(203)	105	(11,724)

Notes to the Balance Sheet

21. Non-current Assets

a) Capital commitments

As at 31 March 2019 the Council did not have any material capital commitments.

2017-18 £'000		2018-19 £'000
3,890	Garw Valley South Primary Provision	-
4,248	Pencoed Primary School	-
8,138	Total	-

b) Notes on Non-current Assets

Voluntary-aided & Voluntary-controlled Schools

The Council recognises the only Voluntary-controlled School on its Balance Sheet. This is Pen-y-Fai Church in Wales Primary School. The four voluntary-aided primary schools and one voluntary-aided comprehensive school are not assets of the Council and therefore not included in the Balance Sheet.

c) Non-current Assets valuation

Non-current Assets are included in the Balance Sheet on the valuation basis set out in the Statement of Accounting Policies. All assets are valued on a rolling 3-year basis as at 31 December with a review to 31 March, which confirmed no significant changes in value during that period. These valuations were by Council Surveyors in accordance with the Statements of Asset Valuation, Practice and Guidance Notes of the Royal Institution of Chartered Surveyors for non-investment assets, investment assets being valued independently by Cooke & Arkwright.

Summary of Property, Plant & Equipment (PPE)	Other Land and Buildings £'000	Vehicle, Plant and Equipment £'000	Infrastructure £'000	Community Assets £'000	Surplus Assets £'000	Assets Under Construction £'000	Total PPE Assets £'000	PFI Assets Included In PPE £'000
Cost or Valuation								
At 1 April 2018	399,145	9,364	214,177	4,951	15,130	7,739	650,506	24,142
Additions	3,391	1,530	7,457	-	-	9,062	21,440	-
Accumulated Depreciation and Impairment written out to Gross Carrying Amount	(19,417)	(1,123)	-	-	(502)		(21,042)	(2,783)
Revaluation increases/(decreases) recognised in the Revaluation Reserve	27,437	352	-	(2)	(56)	-	27,731	1,258
Revaluation increases/(decreases) recognised in the Surplus/Deficit on the Provision of Services	16,054	-	-	-	(807)		15,247	251
Derecognition - Disposals	(234)	(532)	-	-	(100)	-	(866)	-
Assets reclassified (to)/from Held for Sale	(195)				1,761		1,566	-
Other Movements in Cost or Valuation	13,850				2,289	(16,139)	-	-
At 31 March 2019	440,031	9,591	221,634	4,949	17,715	662	694,582	22,868
Accumulated Depreciation and Impairments								
At 1 April 2018	(18,113)	(4,632)	(150,475)	(37)	(2)	-	(173,259)	(1,858)
Depreciation Charge for the year	(10,947)	(1,530)	(5,878)	-	(55)		(18,410)	(928)
Accumulated Depreciation and Impairment written out to Gross Carrying Amount	19,417	1,123			502		21,042	2,783
Impairment Losses/(Reversals) recognised in the Surplus/Deficit on the Provision of Services	(612)		(134)				(746)	-
Derecognition - disposals	15	526					541	-
Other Movements	630				(630)		-	-
At 31 March 2019	(9,610)	(4,513)	(156,487)	(37)	(185)	-	(170,832)	(3)
NBV as at 1 April 2018	381,032	4,732	63,702	4,914	15,128	7,739	477,247	22,284
NBV as at 31 March 2019	430,421	5,078	65,147	4,912	17,530	662	523,750	22,865

Summary of Property, Plant & Equipment (PPE)	Other Land and Buildings £'000	Vehicle, Plant and Equipment £'000	Infrastructure £'000	Community Assets £'000	Surplus Assets £'000	Assets Under Construction £'000	Total PPE Assets £'000	PFI Assets Included In PPE £'000
Cost or Valuation								
At 1 April 2017	393,381	8,572	209,507	5,052	8,250	4,068	628,830	24,142
Additions	3,148	1,705	4,934	-	3,520	16,496	29,803	-
Accumulated Depreciation and Impairment written out to Gross Carrying Amount	(6,949)	-	-	-	(12)	-	(6,961)	-
Revaluation increases/(decreases) recognised in the Revaluation Reserve	5,153	-	-	2	946	-	6,101	-
Revaluation increases/(decreases) recognised in the Surplus/Deficit on the Provision of Services	(454)	-	-	(42)	174	-	(322)	-
Derecognition - Disposals	(2,601)	(503)	-	-	-	-	(3,104)	-
Assets reclassified (to)/from Held for Sale	(2,101)	-	-	-	(2,380)	-	(4,481)	-
Assets reclassified (to)/from Investment Property	850	-	-	-	200	-	1,050	-
Other Movements in Cost or Valuation	8,718	(410)	(264)	(61)	4,432	(12,825)	(410)	-
At 31 March 2018	399,145	9,364	214,177	4,951	15,130	7,739	650,506	24,142
Accumulated Depreciation and Impairments								
At 1 April 2017	(14,367)	(3,967)	(139,460)	(37)	(13)	(1)	(157,845)	(931)
Depreciation Charge for the year	(10,900)	(1,075)	(10,788)	-	(1)	-	(22,764)	(927)
Accumulated Depreciation and Impairment written out to Gross Carrying Amount	6,949	-	-	-	12	-	6,961	-
Impairment Losses/(Reversals) recognised in the Surplus/Deficit on the Provision of Services	(376)	(56)	(227)	-	-	-	(659)	-
Derecognition - other							-	-
Derecognition - disposals	581	384	-	-	-	-	965	-
Other Movements	-	82	-	-	-	1	83	-
At 31 March 2018	(18,113)	(4,632)	(150,475)	(37)	(2)	-	(173,259)	(1,858)
NBV as at 1 April 2017	379,014	4,605	70,047	5,015	8,237	4,067	470,985	23,211
NBV as at 31 March 2018	381,032	4,732	63,702	4,914	15,128	7,739	477,247	22,284

d) Intangible Assets.

The Intangible asset refers to the Wales Community Care Information System, WCCIS. As at 31 March 2019 the remaining life of the asset was 4 years.

Intangible Assets	£'000
Cost or Valuation	
At 1 April 2018	6,003
Additions	37
At 31 March 2019	6,040
Accumulated Depreciation and Impairments	
At 1 April 2018	(1,894)
Depreciation Charge for the year	(553)
At 31 March 2019	(2,447)
NBV as at 1 April 2018	4,109
NBV as at 31 March 2019	3,593

Intangible Assets	£'000
Cost or Valuation	
At 1 April 2017	5,480
Additions	113
Other Movements in Cost or Valuation	410
At 31 March 2018	6,003
Accumulated Depreciation and Impairments	
At 1 April 2017	(1,105)
Depreciation Charge for the year	(707)
Other Movements	(82)
At 31 March 2018	(1,894)
NBV as at 1 April 2017	4,375
NBV as at 31 March 2018	4,109

e) Sources of finance for Capital Expenditure

2017-18 £'000		2018-19 £'000
(9,853)	Loans	(6,163)
(14,212)	Government grants	(12,037)
(180)	Capital receipts	(5,123)
(9,922)	Revenue contribution	(3,922)
(2,417)	Other contributions	(369)
(36,584)	Total	(27,614)

f) Revenue Expenditure Funded from Capital under Statute

These relate to capital expenditure that does not result in a tangible non-current asset. They include renovation grants and contributions towards capital expenditure incurred by other parties. 2018-19 also included a contribution of £1.162 million by the Council to the Cardiff Capital Regional City Deal.

2017-18 £'000		2018-19 £'000
6,669	Revenue Expenditure Funded from Capital under Statute	6,137
(2,960)	Grants and Contributions	(4,106)
3,709	Total	2,031

g) Capital financing requirement and the financing of capital expenditure

2017-18 £'000	Capital Financing Requirement	2018-19 £'000
168,060	Opening Capital Financing Requirement	170,880
750	Adjustment to Capital Financing Requirement Reversal	-
(25)	Adjustment to Capital Financing Requirement MRP Reversal	-
(603)	Innovation Centre Prior Year Adjustment	-
168,182	Amended Opening Capital Financing Requirement	170,880
	Capital Investment	
29,916	Property, Plant and Equipment and Intangible Assets	21,477
6,669	Revenue Expenditure Funded from Capital under Statute	6,137
	Sources of Finance	
(16,631)	Grants & Contributions	(12,407)
(180)	Capital receipts applied	(5,123)
(9,922)	Revenue Contributions	(3,922)
(5,056)	Minimum Revenue Provision	(2,858)
(1,364)	Unsupported Borrowing MRP	(1,459)
(60)	Innovation Centre MRP	-
(79)	Crematorium MRP	-
(595)	PFI School MRP	(641)
170,880	Closing Capital Financing Requirement	172,084
	Explanation for Movements in Year	
(1,830)	Increase/(Decrease) in Underlying Need to Borrow (supported by government financial assistance)	1,077
5,305	Increase/(Decrease) in Underlying Need to Borrow (unsupported by government financial assistance)	768
(60)	Assets acquired under finance leases	-
(595)	Assets acquired under PFI Contract	(641)
2,820	Increase/(Decrease) in Capital Financing Requirement	1,204

22. Investment Properties

The following table summarises the movement in the fair value of investment properties over the year:

2017-18 £'000		2018-19 £'000
5,060	Balance at 1 April	4,360
(1,050)	Transferred to Property, Plant and Equipment	-
350	Net gain / (loss) from fair value adjustments	275
4,360	Balance as at 31 March	4,635

23. Short Term Debtors

This represents the monies owed to the Council after making provision for debts that might not be recovered and are analysed as follows:

2017-18 £'000 restated		2018-19 £'000
7,592	Trade Receivables	7,016
1,881	Prepayments	2,582
21,585	Other Receivable Amounts	22,702
31,058	Balance as at 31 March	32,300

The Council collects NNDR payments on behalf of Welsh Government. As at the 31 March 2019, the Council had paid over more cash than it collected, this excess was included in the Balance Sheet as a debtor of £1.385 million. The equivalent for 2017-18 was a debtor of £0.154 million.

24. Assets Held for Sale

2017-18 £'000		2018-19 £'000
1,730	Balance at 1 April	5,961
4,661	Assets newly classified as held for sale: Property, Plant & Equipment	195
(180)	Assets declassified as held for resale: Property, Plant & Equipment	(1,761)
	Revaluation Gain/(Loss)	
(250)	Assets Sold	(1,835)
5,961	Balance as at 31 March	2,560

25. Short Term Creditors

These represent monies owed by the Council and are analysed as follows:

2017-18 £'000 restated		2018-19 £'000
(3,705)	Trade Payables	(5,131)
(28,550)	Other Payables	(26,651)
(32,255)	Balance as at 31 March	(31,782)

26. Provisions

The Council has provisions as detailed below:

	Insurance £'000	Carbon Reduction Commitment £'000	Other Provisions £'000	Total £'000
Balance at 1 April 2018	2,888	253	1,060	4,201
Additional provisions made in 2018-19	2,870	242	-	3,112
Amounts used in 2018-19	(482)	(253)	(342)	(1,077)
Balance at 31 March 2019	5,276	242	718	6,236

Provisions < 1 yr	965	242	718	1,925
Provisions > 1 yr	4,311	-	-	4,311
Balance at 31 March 2019	5,276	242	718	6,236

Insurance Provision (Self-funding / MMI)Self-Fund

The Council has a self-insurance fund. This Insurance Provision has been set aside to meet the estimated cost to the Council of outstanding liability for policy years up to 2018-19 for Employer's Liability, Public Liability and Property. However the actual cost of individual claims and the timing of payments is uncertain. The Council also has an earmarked reserve for Insurance which acts as an additional buffer amount to the fund, over and above the total outstanding liability, to allow for unexpected events, worse than anticipated deterioration in the current reserves and higher than anticipated future losses both in frequency and cost.

Carbon Reduction Commitment Energy Efficiency Scheme

This provision represents the obligation to purchase Carbon Reduction Commitment (CRC) Allowances in relation to carbon dioxide emissions incurred during 2018-19. The payment will be made with the retrospective purchase of allowances in 2019. This scheme ceased on 31 March 2019.

Other Provisions

This provision is to provide for the value of potential future compensation payments arising from on-going litigation.

27. PFI and Other Long Term Liabilities

2017-18 £'000		Movement in year £'000	Moved to Short Term Creditors £'000	2018-19 £'000
17,000	Maesteg School PFI Lease	-	(690)	16,310
537	Innovation Centre	-	(90)	447
300	Waste Contract	-	(50)	250
30	Escrow	17	-	47
2,400	Welsh Government Loan - Llynfi Valley	(154)	(2,246)	-
20,267	Balance as at 31 March	(137)	(3,076)	17,054

The PFI Finance Lease Liability matches the fair value of the fixed asset for the PFI School as at the date the asset came onto the Council's Balance Sheet being £21.898 million (July 2008). This will be written down over the life of the PFI contract by the value of the unitary payment deemed to be the finance lease element each year. For 2018-19, the amount written down was £640,000 and £690,000 has been transferred to Short Term Creditors leaving an outstanding long term liability of £16.3 million at year end.

The Innovation Centre Financial Liability of £0.917 million was recognised in 2009-10 as a loan in substance. This is being written down over the remaining fourteen years of the loan. The amount written down in 2018-19 was £66,000 and £90,000 was transferred to Short Term Creditors resulting in a long term financial liability of £0.447 million at 31 March 2019.

The Waste Contract liability is repayable at £50,000 per annum instalments.

The long term Escrow liability represents a fund that will be maintained and increased to allow for the future reinstatement to playing fields at Bridgend College – Pencoed.

28. Usable Reserves

The following notes detail the Usable Reserves of the Council:-

a) Useable Capital Receipts Reserve

This represents capital receipts available to finance capital expenditure in future years.

2017-18 £'000		2018-19 £'000
21,364	Balance at 1st April	21,161
573	Capital Receipts Received	1,884
7	Mortgage Repayments (Council Fund)	-
(180)	Receipts Used to Finance Capital Expenditure	(5,123)
(603)	Prior Year Adjustment	-
21,161	Balance as at 31 March	17,922

b) Earmarked Reserves

The Earmarked Reserves in the Balance Sheet as at 31 March 2019 are detailed below:

Opening Balance 2017-18 £'000	Reserve	Movement during 2018-19		Closing Balance 2018-19 £'000
		Additions/ Re- classification £'000	Drawdown by Directorates £'000	
8,347	Council Fund	429	-	8,776
	Corporate Reserves:			
12,082	Capital Programme Contribution	6,102	(4,112)	14,072
8,022	Major Claims Reserve	786	(3,534)	5,274
7,957	Service Reconfiguration	-	(2,656)	5,301
11,094	Other Corporate Reserves	5,918	(4,929)	12,083
39,155	Total Corporate Reserves	12,806	(15,231)	36,730
	Other Reserves:			
4,565	Directorate Reserves	3,093	(1,763)	5,895
1,088	City Deal Reserve	812	-	1,900
5,653	Total Directorate Reserves	3,905	(1,763)	7,795
360	Delegated Schools Balance	254	-	614
45,168	Total Reserves excluding Equalisation Reserves	16,965	(16,994)	45,139
2,907	Equalisation and Grant Reserves	805	(744)	2,968
48,075	TOTAL EXCLUDING COUNCIL FUND	17,770	(17,738)	48,107
56,422	TOTAL INCLUDING COUNCIL FUND	18,199	(17,738)	56,883

Council Fund

The transfer to the Council Fund for 2018-19 was £0.429 million. This increased the balance on the Fund to £8.776 million at 31 March 2019 (£8.347 million at 31 March 2018).

Other Earmarked Reserves

The transfer to Earmarked Balances excluding the Council Fund Balance was a net increase of £0.305 million in 2018-19 (net reduction of £3.084 million in 2017-18). An overview of each earmarked reserve is explained below.

Corporate Reserves**Capital Programme Contribution**

This earmarked reserve has been set up as a revenue contribution to the capital programme, to enable schemes to be progressed more quickly to alleviate pressure on the revenue budget and accelerate the realisation of capital receipts.

Major Claims Earmarked Reserve

This reserve has been created to mainly cover the deficit on the pension fund, major capital contractual claims and mitigate against potential other claims against the Council.

Service Reconfiguration / Severance Costs

This reserve has been established to meet potential costs relating to service remodelling and consequential severance costs.

Directorate Reserves**City Deal Reserve**

This reserve is to provide the necessary funding for the Council's capital contribution to the Cardiff City Region City Deal programme.

Directorate Issues

This reserve relates to specific Directorate issues anticipated in 2019-20 together with some carried forward amounts from 2018-19. Examples include a reserve to implement the post inspection action plan for the Youth Offending Service, the ancillary costs associated with the transition of Autistic Spectrum Disorder provision, a reserve to be used for any additional costs resulting from Brexit and support for various new apprentices within the Council.

Delegated School Balances

These balances represent the cumulative effect of over and under-spending on school delegated budgets not available to the Council.

Analysis of Delegated Schools Balance

2017-18 Closing Balance £'000	School Types	No's in Category	2018-19 Budget £'000	2018-19 Spend £'000	2018-19 Closing Balance £'000
261	Primary Schools	48	45,646	45,295	351
(437)	Secondary Schools	9	42,124	42,322	(198)
536	Special Schools	2	8,940	8,479	461
360	Total	59	96,710	96,096	614

The 2017-18 Closing Balance figure is included within the 2018-19 Budget. This accounting treatment of including the prior year's closing balance in the current year's budget applies solely to Schools and does not apply in any other area of the accounts.

Equalisation and Grant Reserves

This includes grant reserves where under proper accounting practice, all grants and contributions should be analysed to see whether there are specific conditions attached to them. When the conditions are actually satisfied the grant is credited to the Comprehensive Income and Expenditure Statement regardless of whether the actual expenditure has been incurred. In these cases the Council can decide

to transfer the grant monies to an earmarked reserve to fund future expenditure. In 2018-19 there were £805,000 (2017-18 - £604,000) of new grants that have been transferred to earmarked reserves, to ensure the funding is protected in accordance with the original terms and conditions of the grant or contribution. In addition there are a small number of equalisation reserves that ensures expenditure that is incurred in a particular future year is smoothed over the period of the MTFS. These include the costs of elections, the Special Regeneration Fund, the preparation of the Local Development Plan and the Building Control Earmarked Reserves.

29. Unusable Reserves

The following notes detail the Unusable Reserves of the Council.

a) Revaluation Reserve (RR)

The Revaluation Reserve contains the gains made by the Council arising from increases in the value of its Property, Plant and Equipment. The balance is reduced when assets with accumulated gains are:

- Revalued downwards or impaired and the gains are lost;
- Used in the provision of services and the gains are consumed through depreciation; or
- Disposed of and the gains are realised.

The Revaluation Reserve contains only revaluation gains accumulated since 1 April 2007. Accumulated gains arising before that date are consolidated into the balance on the Capital Adjustment Account.

2017-18			2018-19	
£'000	£'000		£'000	£'000
	124,703	Balance at 1 April		126,378
10,830		Prior Year adj	(32)	
		Upward Revaluation of Assets	33,337	
		Downward Revaluation of Assets and Impairment		
(4,580)		Losses not charged to the Surplus/Deficit on the Provision of Services	(5,605)	
	6,250	Surplus or deficit on revaluation of non-current assets not posted to the Surplus or Deficit on the Provision of services		27,700
(3,803)		Difference between fair value depreciation and historical cost depreciation (charged to the Capital Adjustment Account)	(3,755)	
(772)		Accumulated gains on assets sold or scrapped	(770)	
	(4,575)	Amount written off to the Capital Adjustment Account		(4,525)
	126,378	Balance as at 31 March		149,553

b) Pensions Reserve

The Pensions Reserve absorbs the timing differences arising from the different arrangements for accounting for post-employment benefits and for funding benefits in accordance with statutory provisions. The Council accounts for post-employment benefits in the Comprehensive Income and Expenditure Statement as the benefits are earned by employees accruing years of service, updating the liabilities recognised to reflect inflation, changing assumptions and investment returns on any resources set aside to meet the costs. However, statutory arrangements require benefits earned to be financed as the Council makes employer's contributions to pension funds or eventually pays any

pensions for which it is directly responsible. The debit balance on the Pensions Reserve therefore shows a substantial shortfall in the benefits earned by past and current employees and the resources the Council has set aside to meet them. The statutory arrangements will ensure that funding will have been set aside by the time the benefits come to be paid.

2017-18 £'000		2018-19 £'000
(252,450)	Balance at 1 April	(268,620)
(4,360)	Actuarial gains or losses on pensions assets and liabilities	26,320
(28,360)	Reversal of Items relating to Retirement Benefits debited or credited to the Surplus or Deficit on the Provision of Services in the Comprehensive Income and Expenditure Statement	(38,650)
16,550	Employer's Pensions Contributions and Direct Payments to Pensioners Payable in the Year	17,440
(268,620)	Balance as at 31 March	(263,510)

c) Capital Adjustment Account (CAA)

The Capital Adjustment Account absorbs the timing differences arising from the different arrangements for accounting for the consumption of non-current assets and for financing the acquisition, construction or enhancement of those assets under statutory provisions. The Account is debited with the cost of acquisition, construction or enhancement as depreciation, impairment losses and amortisations are charged to the Comprehensive Income and Expenditure Statement (with reconciling postings from the Revaluation Reserve to convert fair value figures to a historical cost basis). The Account is credited with the amounts set aside by the Council as finance for the costs of acquisition, construction and enhancement.

The Account contains accumulated gains and losses on Investment Properties.

The Account also contains revaluation gains accumulated on Property, Plant and Equipment before 1 April 2007, the date that the Revaluation Reserve was created to hold such gains going forward.

2017-18			2018-19	
£'000	£'000		£'000	£'000
	189,468	Balance at 1 April		194,640
		Reversal of items relating to capital expenditure debited or credited to the Comprehensive Income and Expenditure Statement :		
(23,470)		Charges for depreciation and impairment of non-current assets	(18,964)	
(980)		Revaluation gain/(losses) on Property, Plant and Equipment	14,502	
(3,709)		Revenue Expenditure funded from Capital Under Statute	(2,031)	
(7)		Other amounts including Mortgage Payments		
(1,618)		Amounts of non-current assets written off on disposal or sale as part of the gain/loss on disposal to the Comprehensive Income and Expenditure Statement	(1,357)	
	(29,784)	Adjusting amounts written out to the Revaluation Reserve		(7,850)
	3,803			3,755
	(25,981)	Net written out amount of the cost of non-current assets consumed in the year		(4,095)
		Capital financing applied in the year:		
180		Use of the Capital Receipts Reserve to finance capital expenditure	5,123	
603		Innovation Centre Prior Year Adjustment	-	
12,919		Capital grants and contributions credited to the Comprehensive Income and Expenditure Statement that has been applied to capital financing	8,300	
7,179		Statutory provision for the financing of capital investment charged against the Council Fund	4,958	
9,922		Capital expenditure charged against the Council Fund	3,922	
	30,803			22,303
	350	Movement in the market value of Investment Properties credited to the Comprehensive Income and Expenditure Statement		275
	194,640	Balance as at 31 March		213,123

30. Pensions liabilities, IAS 19 disclosures

As part of the terms and conditions of employment of its officers, the Council makes contributions towards the cost of post-employment benefits. Although these benefits will not actually be payable until employees retire, the Council has a commitment to make the payments (for those benefits) and to disclose them at the time that employees earn their future entitlement.

This Council participates in the Rhondda Cynon Taf County Borough Council Pension Fund, which is administered under the Regulations governing the Local Government Pension Scheme. This is a defined benefit scheme, meaning that the Council and employees pay contributions into a fund, at a rate determined by the Fund's Actuary based on triennial actuarial valuations, which aims to balance 100% of pension liabilities with investment assets.

Further information can be found in Rhondda Cynon Taf CBC Pension Fund's Annual Report which is available upon request from the Director of Finance, Rhondda Cynon Taf County Borough Council, Bronwydd, Porth, Rhondda, Rhondda Cynon Taf.

<http://www.rctpensions.org.uk>

Any award of discretionary post-retirement benefits upon early retirement is an unfunded defined benefit arrangement, under which liabilities are recognised when awards are made. No investment assets are built up to meet these pension liabilities, and cash has to be generated to meet the actual pension payments as they fall due.

The principal risks to the Council of the scheme are the longevity assumptions, statutory changes to the scheme, structural changes to the scheme (i.e. large scale withdrawals from the scheme), changes to inflation, bond yields, and the performance of the equity investments held by the scheme. These are mitigated to a certain extent by the statutory requirements to charge the Council Fund with the amounts required by statute as described in the accounting policies note.

The disclosures required for 2018-19 include information provided by the pension administrators, Rhondda Cynon Taff CBC and Aon Hewitt Associates Limited as the pension fund scheme's actuary.

McCloud Judgement

In December 2018, the Court of Appeal held that transitional protection provisions contained in reformed judicial and firefighter pension schemes, introduced as part of public service pension reforms in 2015, amounted to direct age discrimination and were therefore unlawful. On 27 June 2019 the Supreme Court denied the Government's application for leave to appeal the decisions. Provision for the increased potential liability of £8.24 million based on an actuarial assessment has been included in the accounts and associated notes.

Transactions Relating to Post-employment Benefits

The cost of retirement benefits is recognised in the reported cost of services when they are earned by employees, rather than when the benefits are eventually paid as pensions. However, the charge required to be made against Council Tax is based on the cash payable in the year, so the real cost of post-employment benefits is reversed out of the Council Fund via the Movement in Reserves Statement. The following transactions have been made in the Comprehensive Income and Expenditure Statement and the Council Fund balance via the Movement in Reserves Statement during the year.

Local Govt Pension Scheme	LGPS Unfunded Benefits	Teachers' Unfunded Benefits	Total	Comprehensive Income & Expenditure Statement	Local Govt Pension Scheme	LGPS Unfunded Benefits	Teachers' Unfunded Benefits	Total
£m	£m	£m	£m		£m	£m	£m	£m
2017-18	2017-18	2017-18	2017-18	Cost of Services :	2018-19	2018-19	2018-19	2018-19
21.84	-	-	21.84	Service cost comprising:	22.65	-	-	22.65
0.17	-	-	0.17	current service cost	9.24	-	-	9.24
-	-	-	-	past service costs	-	-	-	-
				(gain)/loss from settlements				
				Financing & Investment Income & Expenditure :-				
6.04	0.20	0.11	6.35	Net interest expense	6.47	0.19	0.10	6.76
				Total Post Employment Benefit Charged to the Surplus or Deficit on the Provision of Services				
28.05	0.20	0.11	28.36		38.36	0.19	0.10	38.65
				Benefit Charged to the				
				<i>Remeasurements of the net defined benefit liability comprising:</i>				
(13.42)	-	-	(13.42)	Return on plan assets (excluding the amount included in the net interest expense)	(40.76)	-	-	(40.76)
13.85	0.07	0.03	13.95	Actuarial (gains) / losses due to changes in financial assumptions	46.24	0.19	0.07	46.50
-	-	-	-	Actuarial (gains) / losses due to changes in demographic assumptions	(32.89)	(0.33)	(0.20)	(33.42)
4.22	0.03	(0.42)	3.83	Actuarial (gains) / losses due to liability experience	1.33	0.02	0.01	1.36
				Total Post-employment Benefits charged to the Comprehensive Income and Expenditure Statement				
4.65	0.10	(0.39)	4.36		(26.08)	(0.12)	(0.12)	(26.32)
				Movement in Reserves Statement:-				
(28.05)	(0.20)	(0.11)	(28.36)	Reversal of net charges made for retirement benefits in accordance with IAS 19	(38.36)	(0.19)	(0.10)	(38.65)
				Actual amount charged against the Council Fund Balance for pensions in the year				
15.69	0.47	0.39	16.55	Employer's Contributions payable to the scheme	16.58	0.48	0.38	17.44
(22.44)	(0.47)	(0.39)	(23.30)	Retirement Benefits Paid Out	(30.34)	(0.48)	(0.38)	(31.20)

Pensions Assets and Liabilities Recognised in the Balance Sheet

The amounts included in the Balance sheet arising from the Council's obligation in respect of its defined benefit plan are as follows:-

Local Govt Pension Scheme	LGPS Unfunded Benefits	Teachers' Unfunded Benefits	Total		Local Govt Pension Scheme	LGPS Unfunded Benefits	Teachers' Unfunded Benefits	Total
£m 2017-18	£m 2017-18	£m 2017-18	£m 2017-18		£m 2018-19	£m 2018-19	£m 2018-19	£m 2018-19
814.56	7.64	3.87	826.07	Present value of defined benefit obligation	856.10	7.23	3.47	866.80
(557.45)	-	-	(557.45)	Fair Value of Plan Assets	(603.29)	-	-	(603.29)
257.11	7.64	3.87	268.62	Net liability arising from defined benefit obligation	252.81	7.23	3.47	263.51

Reconciliation of the Movements in the Fair Value of the Scheme (Plan) Assets

£m 2017-18		£m 2018-19
532.49	Opening fair value of scheme assets at 1 April	557.45
13.82	Interest income on assets	14.38
13.42	The return on plan assets, excluding the amount included in the net interest expense	40.76
15.69	Contributions by Employer	16.58
4.47	Contributions by Participants	4.46
(22.44)	Net Benefits Paid Out	(30.34)
557.45	Balance as at 31 March	603.29

Reconciliation of Present Value of the Scheme Liabilities (Defined Benefit Obligation)

Local Govt Pension Scheme	LGPS Unfunded Benefits	Teachers' Unfunded Benefits	Total		Local Govt Pension Scheme	LGPS Unfunded Benefits	Teachers' Unfunded Benefits	Total
£m	£m	£m	£m		£m	£m	£m	£m
2017-18	2017-18	2017-18	2017-18		2018-19	2018-19	2018-19	2018-19
772.59	7.81	4.54	784.94	Opening balance at 1 April	814.56	7.64	3.87	826.07
21.84	-	-	21.84	Current Service Cost	22.65	-	-	22.65
19.86	0.20	0.11	20.17	Interest Cost	20.85	0.19	0.10	21.14
4.47	-	-	4.47	Contributions from scheme participants	4.46	-	-	4.46
				Remeasurement (gains) and losses:				-
13.85	0.07	0.03	13.95	Actuarial gains / losses arising from changes in financial assumptions	46.24	0.19	0.07	46.50
-	-	-	-	Actuarial gains / losses arising from changes in demographic assumptions	(32.89)	(0.33)	(0.20)	-33.42
4.22	0.03	- 0.42	3.83	Actuarial gains / losses arising from changes in liability experience	1.33	0.02	0.01	1.36
0.17	-	-	0.17	Past Service Cost	9.24	-	-	9.24
(22.44)	(0.47)	(0.39)	(23.30)	Benefits Paid	(30.34)	(0.48)	(0.38)	(31.20)
-	-	-	-	Liabilities extinguished on settlements	-	-	-	-
814.56	7.64	3.87	826.07	Balance as at 31 March	856.10	7.23	3.47	866.8

Local Government Pension Scheme assets comprised:

Fair Value of Scheme Assets 2017-18 £m	Asset Split 2017-18 %		Fair Value of Scheme Assets 2018-19 £m	Asset Split 2018-19 %
15.137	2.72	Cash and cash equivalents	6.80	1.13
		Equity Instruments: <i>by industry type (FTSE Sector)</i>		
11.347	2.04	Oil & Gas	3.27	0.54
12.715	2.28	Basic Materials	7.92	1.31
54.757	9.82	Industrials	26.08	4.32
49.085	8.81	Consumer Goods	37.08	6.15
32.321	5.80	Health Care	10.02	1.66
46.941	8.42	Consumer Services	0.00	0.00
1.465	0.26	Telecommunications	0.67	0.11
2.325	0.42	Utilities	0.46	0.08
74.813	13.42	Financials	24.21	4.01
56.950	10.22	Technology	8.29	1.37
0.627	0.11	Real Estate	0.00	0.00
68.536	12.28	Pooled Equity Investment Vehicles	285.68	47.35
411.882	73.88	Sub-total equity	403.68	66.90
		Bonds: <i>By Sector</i>		
52.106	9.35	Corporate	75.09	12.45
49.121	8.81	Government	72.20	11.97
101.227	18.16	Sub-total bonds	147.29	24.42
		Property: <i>By Type</i>		
6.670	1.20	Retail	7.24	1.20
4.036	0.72	Office	6.06	1.00
8.446	1.52	Industrial	13.43	2.23
10.052	1.80	Other Commercial	18.80	3.12
29.204	5.24	Sub-total property	45.53	7.55
557.450	100.00	Total assets	603.30	100.00

Basis for Estimating Assets and Liabilities

Liabilities have been assessed on an actuarial basis using the projected unit credit method, an estimate of the pensions that will be payable in future years dependent on assumptions about mortality rates, salary levels etc. Both the Local Government Pension Scheme (LGPS) and discretionary benefits liabilities have been estimated by Aon Hewitt, an independent firm of actuaries, in accordance with IAS 19.

The significant assumptions used by the Actuary were:

2017-18 % pa		2018-19 % pa
2.60	Discount rate	2.40
2.10	Rate of pension increases	2.20
3.35	Rate of salary increases	3.45
Years		Years
22.90	<i>Mortality Assumptions:</i>	
25.00	Longevity at 65 for current pensioners :-	
	Men	22.20
	Women	24.10
25.10	Longevity at 65 for future pensioners :-	
27.30	Men	23.90
	Women	25.90

The estimation of the defined benefit obligations is sensitive to the actuarial assumptions set out in the table above. The sensitivity analysis below has been determined based on reasonably possible changes of the assumptions occurring at the end of the reporting period and assumes for each change that the assumption analysed changes while all the other assumptions remain constant. The assumptions in longevity for example, assume that life expectancy increases or decreases for men and women. In practice, this is unlikely to occur, and changes in some of the assumptions may be interrelated. The estimations in the sensitivity analysis have followed the accounting policies of the scheme, i.e. on an actuarial basis using the projected unit credit method. The methods and types of assumptions used in preparing the sensitivity analysis below did not change from those used in the previous period.

Increase in Assumption 2017-18	Decrease in Assumption 2017-18		Increase in Assumption 2018-19	Decrease in Assumption 2018-19
£m	£m		£m	£m
(14.84)	15.12	Rate for discounting scheme liabilities (increase or decrease by 0.1%)	(15.60)	15.89
2.98	(2.95)	Rate of increase in salaries (increase or decrease by 0.1%)	3.19	(3.16)
12.12	(11.92)	Rate of increase in pensions (increase or decrease by 0.1%)	12.68	(12.47)
24.53	(24.34)	Longevity (increase or decrease in 1 year)	27.68	(27.39)

Impact on the Council's Cash Flows

The funded nature of the LGPS requires the Employer and its employees to pay contributions into the fund, calculated at a level intended to balance the pension liabilities with investment assets. The Actuary will be carrying out the next Actuarial Valuation based on information as at 31 March 2019 during 2019-20. The current Employer's contribution rate to achieve a funding level of 100% of scheme liabilities will be reviewed at this point. Consequently, whilst there is a significant shortfall (liability) between the benefits earned by past and current employees and the resources the Council has set aside to meet them, the statutory arrangements will ensure that funding will have been set aside by the time the benefits come to be paid.

The expected employer's contributions to the Local Government Pension Scheme for the accounting period ending 31 March 2020 are:-

	2019-20 £m
Local Government Pension Scheme	29.80
LGPS Unfunded	0.17
Teachers Unfunded	0.08
Total	30.05

The weighted average duration of the defined benefit obligation for the scheme members is 18.4 years, which is the same as for 2017-18.

Teachers

In 2018-19, the Council paid £8.3 million (£8.15 million for 2017-18) to the Teachers Pensions Agency in respect of teachers' pension costs. In addition, the Council is responsible for all pension payments relating to added years awarded, together with the related increases. In 2018-19, these amounted to £0.420 million (£0.415 million for 2017-18).

31. Financial Instruments Disclosures

Categories of Financial Instruments

The following categories of financial instruments are carried in the Balance Sheet:

Financial Assets

31 March 2018					31 March 2019			
Current		Non-current			Current		Non-current	
Invest- ments £'000	Debtors £'000	Invest- ments £'000	Total £'000		Invest- ments £'000	Debtors £'000	Invest- ments £'000	Total £'000
20,172	7,654	9,010	36,836		Amortised Cost	21,105	7,016	4,011
20,172	7,654	9,010	36,836	Total financial asset	21,105	7,016	4,011	32,132
-	-	4,360	4,360	Non-financial assets	-	-	4,635	4,635
20,172	7,654	13,370	41,196	Total	21,105	7,016	8,646	36,767

The current investments figure above includes accrued income receivable for long term investments in addition to short term interest.

The £7.016m (2017-18: £7.654 million) debtors figure above relates to trade debtors for goods and services delivered and is included in the overall debtors figure of £32.3 million (2017-18: £31.058 million) included in the balance sheet. More information in relation to debtors can be found at note 23.

Financial Liabilities

31 March 2018					31 March 2019			
Current		Non-current			Current		Non-current	
Borrow- ings £'000	Creditors £'000	Borrow- ings & Other Long Term Liabilities £'000	Total £'000		Borrow- ings £'000	Creditors £'000	Borrow- ings & Other Long Term Liabilities £'000	Total £'000
(2,623)	(4,225)	(117,688)	(124,536)	Amortised Cost	(2,551)	(5,687)	(114,466)	(122,704)
(2,623)	(4,225)	(117,688)	(124,536)	Total	(2,551)	(5,687)	(114,466)	(122,704)

The current borrowings figure above includes £1.953 million of accrued interest payable for the year.

The current creditors figure of £5.687 million (2017-18: £4.225 million) relates to trade creditors for goods and services received of £5.132 million (2017-18: £3.704 million) and £0.555 million (2017-18: £0.521 million) monies held by the Council on behalf of third parties and is included in the overall creditors figure of £31.509 million (2017-18: £32.254 million) on the balance sheet. More information in relation to creditors can be found at note 25.

Offsetting financial assets and liabilities

Financial assets and liabilities are set off against each other where the Council has a legally enforceable right to set off and it intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously. The table below shows those instruments that have been offset on the balance sheet.

31 March 2018 Gross Assets (Liabilities) £'000		31 March 2019 Gross Assets (Liabilities) £'000
	Offsetting of Financial Assets and Liabilities	
1,871	Bank Accounts in Credit	1,859
1,871	Total Financial Assets	1,859
(1,980)	Bank Overdrafts	(1,982)
(1,980)	Total Financial Liabilities	(1,982)
(109)	Net Position on Balance Sheet	(123)

Income, expense, gains and losses

The income, expense, gains and losses recognised in the Comprehensive Income and Expenditure Statement for financial instruments is shown below:

31 March 2018				31 March 2019		
Financial Liabilities	Financial Assets	Total		Financial Liabilities	Financial Assets	Total
Amortised Cost	Amortised Cost			Amortised Cost	Amortised Cost	
£'000	£'000	£'000		£'000	£'000	£'000
5,979	-	5,979	Interest Expense	5,910		5,910
-	(959)	(959)	Investment Income and Other Interest Receivable	-	(1,012)	(1,012)
5,979	(959)	5,020	Net (gain)/loss for the year	5,910	(1,012)	4,898

Fair Values of Financial Assets and Liabilities that are not measured at Fair Value

The Council does not have any financial assets or liabilities that are carried at fair value. The fair values calculated for assets held at amortised cost are detailed below.

31 March 2018		Financial Assets	31 March 2019	
Carrying amount	Fair Value		Carrying amount	Fair Value
£'000	£'000		£'000	£'000
		Financial assets held at amortised cost:		
9,010	8,993	Long-term investments	4,011	4,010
9,010	8,993	Total interest revenue	4,011	4,010

The fair value of **Financial Assets** is lower than the carrying amount because the interest rate on similar investments at the balance sheet date is higher than that agreed when the investment was originally made. The fair value of financial assets is calculated on other significant observable inputs (Level 2) which is interest rates for similar instruments.

31 March 2018		Financial Liabilities	31 March 2019	
Carrying amount	Fair Value		Carrying amount	Fair Value
£'000	£'000		£'000	£'000
		Financial liabilities held at amortised cost:		
(77,617)	(111,012)	PWLB	(77,617)	(110,769)
(19,804)	(31,843)	LOBOs	(19,795)	(31,507)
(20,267)	(28,500)	PFI and other long term liabilities	(17,054)	(25,391)
(117,688)	(171,355)	Total	(114,466)	(167,667)

The fair value of **Financial Liabilities** is higher than the carrying amount because the Council's portfolio of loans includes a number of loans where the interest rate payable is higher than the prevailing rates at the Balance Sheet date.

The fair value of liabilities is calculated using other significant observable inputs (Level 2) as follows:

- PWLB – Public Works Loan Board – market rates for local authority loans of the same remaining term to maturity as at the Balance Sheet date

- LOBO – Lender’s Option Borrower’s Option – increased by the value of the embedded options. Lender’s options to propose an increase to the interest rate on the loan have been valued according to a proprietary model for Bermudian cancellable swaps. Borrower’s contingent options to accept the increased rate or repay the loan have been valued at zero, on the assumption that lenders will only exercise their options when market rates have risen above the contractual rate.
- Other financial liabilities – discounted contractual cash flows at the appropriate AA-rated corporate bond yield.

Nature and extent of risks arising from Financial Instruments

The Council’s activities expose it to a variety of financial risks including:

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

The Council’s overall risk management strategy is approved by Council and set out within its annual Treasury Management Strategy. The Strategy sets out the parameters for the management of risks associated with financial instruments which covers specific areas such as interest rate risk, credit risk and the investment of surplus cash.

Credit Risk

Credit risk arises from deposits with banks and financial institutions, as well as credit exposures to the Council’s customers. The risk is minimised through the Annual Investment Strategy included in the Council’s Treasury Management Strategy, which is available on the Council’s website via Council agenda Medium Term Financial Strategy [here](#).

The Council’s credit risk management practices are set out within the Investment Strategy. In determining whether the credit risk of financial instruments has increased since initial recognition, the Council has reviewed the creditworthiness of its investments and has concluded that there has not been a significant increase in credit risk.

The Council’s primary objective is to give priority to security and liquidity prior to consideration of yield. Counterparty limits are constantly reviewed and where market conditions dictated, limits are reduced. During the year there were no changes that required the Council to consider any investments having an increased credit risk.

Credit risk exposure

As at 31 March 2019 the Council had the following exposure to credit risk. £21.049 million of the £27.469 million investments outstanding at 31 March 2019 were invested with other Local Authorities, where an expected loss allowance is not required. For those financial assets where a 12 month expected credit loss is calculable, the calculated credit loss is £3,693. This has been calculated by reference to historic default data published by credit rating agencies as advised by our Treasury Management Advisors. Due to the immateriality of the expected credit loss, no adjustment has been made in the accounts for this.

	Credit risk rating (as used by the Council)	Gross carrying amount £'000
12 month expected credit losses	AA-	2,013
	A	3,407
	Building Society - Unrated	1,000
Simplified approach	Local Authorities - unrated	21,049
TOTAL		27,469

Council does not generally allow credit for its customers (trade debtors) such that all the trade debtors are recognised as short term, however, £4.271 million balance of debtors is past due date for payment. These are not included in the credit risk table above.

Liquidity Risk

The Council manages its liquidity risk through its cash-flow management to ensure that cash is available when required. It has ready access to instant access deposit accounts, overdraft facilities and borrowing from the Money Markets or other local authorities to cover any day to day cash flow need. In addition the Public Works Loan Board (PWLb) provides access to borrowing at favourable rates. The Council arranges fixed term loans and investments with a range of maturity dates within the framework and indicators approved each year. There is no perceived risk that the Council will be unable to raise finance to meet its commitments, instead the risk relates to replenishing a significant proportion of its borrowings at a time of unfavourable interest rates. The Council sets limits on the maturity structure of fixed rate borrowing such that no more than 50% of loans are due to mature in any one year through careful planning of new loans taken out and (where it is beneficial to do so) making early repayments. The maturity analysis of financial liabilities is as follows:

31 March 2018 £'000	Maturity Analysis Financial Liabilities	31 March 2019 £'000
(7,605)	Less than 1 year	(11,314)
(830)	Between 1 and 2 years	(891)
(5,277)	Between 2 and 5 years	(3,092)
(19,152)	Between 5 and 10 years	(19,410)
(31,236)	Between 10 and 20 years	(29,888)
(41,389)	More than 20 years	(41,390)
(19,804)	Uncertain date*	(19,795)
(125,293)	Total Financial Liabilities	(125,780)

* This refers to the Lender's Options Borrower's Options which may be rescheduled in advance of their maturity date of 2054, however, the Council does not anticipate this will occur due to the current low interest rates.

All trade and other payables are due to be paid in less than one year.

Market Risk

The Council is exposed to the risk that financial loss could potentially occur as a result of changes in such measures as interest rate movements, market prices or foreign currency exchange rates.

Interest Rate Risk

The Council is exposed to risk in terms of its exposure to interest rate movements on its borrowings and investments. Movements in interest rates have a complex impact on the Council. For instance, a rise in interest rates would have the following effects:

- borrowings at variable rates – the interest expense charged to the Surplus or Deficit on the Provision of Services 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 Surplus or Deficit on the Provision of Services 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 asset will fall

Borrowings are not carried at fair value, so nominal gains and losses on fixed rate borrowings would not impact on the Surplus or Deficit on the Provision of Services or Other Comprehensive Income and Expenditure. However, changes in interest payable and receivable on variable rate borrowings and investment will be posted to the Surplus or Deficit on the Provision of Services and affect the Council Fund Balance.

The Council monitors market and forecast interest rates within the year to adjust exposures appropriately, to allow any adverse changes to be accommodated. For instance during periods of falling interest rates, and where economic circumstances make it favourable, fixed rate loans may be repaid early to limit exposure to losses. According to this strategy, at 31 March 2019, if there had been a 1% change in interest rates with all other variables held constant, the financial effect would be approximately:

	Estimated £'000 + 1%	Estimated £'000 -1%
Interest payable on variable rate borrowings	133	-
Interest receivable on variable rate investments	(156)	156
Impact on Surplus or Deficit on Provision of Services	(23)	156

The figures for an approximate impact of a 1% fall in interest rates for borrowing are not the same figures as the 1% increase (but reversed) as the variable rate borrowing relates to our LOBO loans where it is assumed that the lender would not exercise their option if there was a fall in interest rates.

Price risk

As the Council has not invested in instruments that are subject to price risk, such as bank certificates of deposit and Government Bonds, it is not subject to price risk.

Foreign Exchange Risk

The Council has no financial assets or liabilities denominated in foreign currencies and thus has no exposure to loss arising from movements in exchange rates.

Transition to IFRS9 Financial Instruments

The Council adopted the IFRS9 Financial Instruments accounting standard with effect from 1 April 2018. The main changes include the reclassification and re-measurement of financial assets and the earlier recognition of the impairment of financial assets.

The nature of the Council's financial instruments has meant no changes to the Council's balance sheet on transition.

32. Events after the Reporting Period

The draft Statement of Accounts was authorised for issue by the Director of Finance on 28 May 2019. Events taking place after this date are not reflected in the financial statements or notes. Where events taking place before this date provided information about conditions existing at 31 March 2019, the figures in the financial statements and notes would be adjusted in all material respects to reflect the impact of this information. There have been no events after the balance sheet date that have required adjustment to the financial statements or notes.

33. Contingent Liabilities

A contingent liability arises where an event has taken place that gives the Council a possible obligation whose existence will only be confirmed by the occurrence or otherwise of uncertain future events not wholly within the control of the Council. As at 31 March 2019 the Council had no contingent liabilities.

Notes to the Cash Flow Statement

34. Adjustments for Non-Cash Movements

2017-18 £'000		2018-19 £'000
(24,451)	Depreciation & Impairment of Assets	(4,463)
(2,493)	Movement in Inventories, Debtors & Creditors	5,067
(11,810)	Pension Fund Adjustments	(21,210)
(536)	Provisions	(2,034)
(2,389)	Disposal of Non Current Asset	(2,159)
350	Changes in Fair Value of Investment Property	275
(41,329)	Adjustments to net deficit on the provision of services for non-cash movements	(24,524)

35. Operating Activities

The cash flows for operating activities include the following items:-

2017-18 £'000		2018-19 £'000
(16,564)	Cash Flow on Revenue Activities	(9,577)
2,889	Interest Paid	4,549
1,412	Interest element of finance lease and PFI rental payments	1,360
(949)	Interest Received	(1,040)
(13,212)	Net Cash Flows from Operating Activities	(4,708)

36. Investing Activities

The cash flows for investing activities include the following items:-

2017-18 £'000		2018-19 £'000
29,916	Purchase of Property, Plant and Equipment and Intangibles	21,477
(1,482)	Purchase / (Proceeds) from Short Term Investments	(5,028)
(573)	Proceeds from sale of Property, Plant and Equipment and Investment Property	(1,884)
27,861	Net Cash Flows from Investing Activities	14,565

37. Financing Activities

The cash flows for financing activities include the following items:-

2017-18 £'000		2018-19 £'000
(5,660)	Cash Receipts of short and long term borrowing	(2,920)
(11,413)	Other Receipts from financing activities	(10,900)
4,000	Repayments of short and long term borrowing	3,000
(13,073)	Net Cash Flows from Financing Activities	(10,820)

The independent auditor's report of the Auditor General for Wales to the Members of Bridgend County Borough Council

Report on the audit of the financial statements

I have audited the financial statements of Bridgend County Borough Council for the year ended 31 March 2019 under the Public Audit (Wales) Act 2004.

Bridgend County Borough Council's financial statements comprise the Movement in Reserves Statement, the Comprehensive Income and Expenditure Statement, the Balance Sheet, the Cash Flow Statement and the related notes, including a summary of significant accounting policies.

The financial reporting framework that has been applied in their preparation is applicable law and the Code of Practice on Local Authority Accounting in the United Kingdom 2018-19 based on International Financial Reporting Standards (IFRSs).

In my opinion the financial statements:

- give a true and fair view of the financial position of Bridgend County Borough Council as at 31 March 2019 and of its income and expenditure for the year then ended; and
- have been properly prepared in accordance with legislative requirements and the Code of Practice on Local Authority Accounting in the United Kingdom 2018-19.

Basis for opinion

I conducted my audit in accordance with applicable law and International Standards on Auditing in the UK (ISAs (UK)). My responsibilities under those standards are further described in the auditor's responsibilities for the audit of the financial statements section of my report. I am independent of Bridgend County Borough Council in accordance with the ethical requirements that are relevant to my audit of the financial statements in the UK including the Financial Reporting Council's Ethical Standard, and I have fulfilled my other ethical responsibilities in accordance with these requirements. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.

Conclusions relating to going concern

I have nothing to report in respect of the following matters in relation to which the ISAs (UK) require me to report to you where:

- the use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the responsible financial officer has not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about Bridgend County Borough Council's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

Other information

The responsible financial officer is responsible for the other information in the annual report and accounts. The other information comprises the information included in the annual report other than the financial statements and my auditor's report thereon. My opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated later in my report, I do not express any form of assurance conclusion thereon.

In connection with my audit of the financial statements, my responsibility is to read the other information to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by me in the course of performing the audit. If I become aware of any apparent material misstatements or inconsistencies I consider the implications for my report.

Report on other requirements

Opinion on other matters

In my opinion, based on the work undertaken in the course of my audit:

- the information contained in the Narrative Report for the financial year for which the financial statements are prepared is consistent with the financial statements and the Narrative Report has been prepared in accordance with the Code of Practice on Local Authority Accounting in the United Kingdom 2018-19.
- The information given in the Governance Statement for the financial year for which the financial statements are prepared is consistent with the financial statements and the Governance Statement has been prepared in accordance with guidance.

Matters on which I report by exception

In the light of the knowledge and understanding of Bridgend County Borough Council and its environment obtained in the course of the audit, I have not identified material misstatements in the Narrative Report or the Governance Statement.

I have nothing to report in respect of the following matters, which I report to you, if, in my opinion:

- adequate accounting records have not been kept;
- the financial statements are not in agreement with the accounting records and returns; or
- I have not received all the information and explanations I require for my audit.

Certificate of completion of audit

I certify that I have completed the audit of the accounts of Bridgend County Borough Council in accordance with the requirements of the Public Audit (Wales) Act 2004 and the Auditor General for Wales' Code of Audit Practice.

Responsibilities

Responsibilities of the responsible financial officer for the financial statements

As explained more fully in the Statement of Responsibilities for the Statement of Accounts set out on page 10, the responsible financial officer is responsible for the preparation of the statement of accounts, which gives a true and fair view, and for such internal control as the responsible financial officer determines is necessary to enable the preparation of statements of accounts that are free from material misstatement, whether due to fraud or error.

In preparing the statements of accounts, the responsible financial officer is responsible for assessing Bridgend County Borough Council's ability to continue as a going concern, disclosing as applicable, matters related to going concern and using the going concern basis of accounting unless deemed inappropriate.

Auditor's responsibilities for the audit of the financial statements

My objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes my opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

A further description of the auditor's responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website www.frc.org.uk/auditorsresponsibilities. This description forms part of my auditor's report.



Anthony J Barrett
For and on behalf of the Auditor General for Wales
13th August 2019

24 Cathedral Road, Cardiff CF11 9LJ

The maintenance and integrity of Bridgend County Borough Council's website is the responsibility of the Accounting Officer/Client Officer; the work carried out by auditors does not involve consideration of these matters and accordingly auditors accept no responsibility for any changes that may have occurred to the financial statements since they were initially presented on the website.



Annual Governance Statement

Foreword

“One Council working together to improve lives”

This is the Council’s vision as stated in the [Corporate Plan](#) for 2018-2022 reviewed for 2019-20, which also sets out what our long-term Well-being objectives are so that amongst all of the complexity of increased demand and reduced resources we can keep a clear focus on what is really important for our communities.

We want to contribute to a place where people love to live, work, study and do business, where people are qualified with the skills they need to improve their life chances and enjoy good health and independence.

It is necessary to ensure that our communities and those that use and pay for our services, those who deliver our services and our partners and suppliers have confidence in our governance arrangements. They must be assured that the way we provide our services are effectively and efficiently delivered on a consistent basis, that public money is safeguarded and properly accounted for; and that decisions are taken transparently and lawfully.

The Council also has a duty to set well-being objectives under the Future Generations (Wales) Act and the Local Government (Wales) Measure 2009 to make arrangements to secure continuous improvement in delivering its functions in terms of strategic effectiveness, service quality, service availability, fairness, sustainability, efficiency and innovation.

Our governance arrangements operate effectively in supporting the Council in meeting its challenges and responsibilities. Improvements are continually being made and opportunities to do so have been identified. These are being monitored during 2019-20 to ensure that the necessary improvements are made.



Mark Shepherd
Chief Executive



Cllr Huw David
Leader of the Council

*Pencoe Primary 2018*

What is Corporate Governance?

Corporate governance comprises the systems, processes, culture and values by which the Council is directed and controlled, led and held to account, and how it engages with stakeholders. It is also about the way that Councillors and employees think and act.

The Governance Framework enables the Council to monitor the achievement of its strategic objectives and to consider whether those objectives have led to the delivery of appropriate, cost-effective services.

What this Statement tells you

This Statement describes the extent to which the Council has complied with its Code of Corporate Governance and the requirements of the Accounts and Audit (Wales) Regulations 2014, for the year ended 31 March 2019.

It also sets out how the Council has responded to governance issues identified during 2017-18 and actions to be undertaken during 2019-20 following an annual review of the Governance Framework.

The Statement has been prepared in accordance with the 2016 guidance: '[Delivering Good Governance in Local Government Framework](#)' produced by the Chartered Institute of Public Finance and Accountancy (CIPFA) and the Society of Local Authority Chief Executives and Senior Managers (SOLACE)

The Council's Governance Responsibilities

The Council is responsible for ensuring that its business is conducted in accordance with the law and proper standards, and that public money is safeguarded, properly accounted for and used economically, efficiently and effectively.

It also has a duty to make arrangements to secure continuous improvement in the exercise of its functions in terms of strategic effectiveness, service quality, service availability, fairness, sustainability, efficiency and innovation¹.

The Council must consider the longer term impact of any decisions it makes, and should work collaboratively with other public bodies to improve wellbeing in Wales.²

As a public body the Council has to ensure it delivers sustainable economic, societal and environmental outcomes as a key focus of its governance process and structures. This is achieved by:

- behaving with integrity, demonstrating strong commitment to ethical values and respecting the rule of law
- ensuring openness and comprehensive stakeholder engagement

The Council's Code of Corporate Governance sets out its commitment to, and responsibility for, ensuring that there is a sound system of governance in place. The [Code](#) is on the Council's website or can be obtained from the Section 151 Officer.

The Council's Code of Corporate Governance sets out the seven principles in line with the CIPFA Code.

Bridgend County Borough Council Code of Governance (2017)	
The Council's Governance Principles are based on the following:	
A	Behaving with integrity, demonstrating strong commitment to ethical values, and respecting the rule of law
B	Ensuring openness and comprehensive stakeholder engagement
C	Defining outcomes in terms of sustainable economic, social and environmental benefits
D	Determining the interventions necessary to optimise the achievement of the intended outcomes
E	Developing the entity's capacity, including the capability of its leadership and the individuals within it
F	Managing risks and performance through robust internal control and strong public financial management
G	Implementing good practice in transparency, reporting, and audit to deliver effective accountability



¹ Local Government (Wales) Measure 2009

² Well-being of Future Generations (Wales) Act 2015

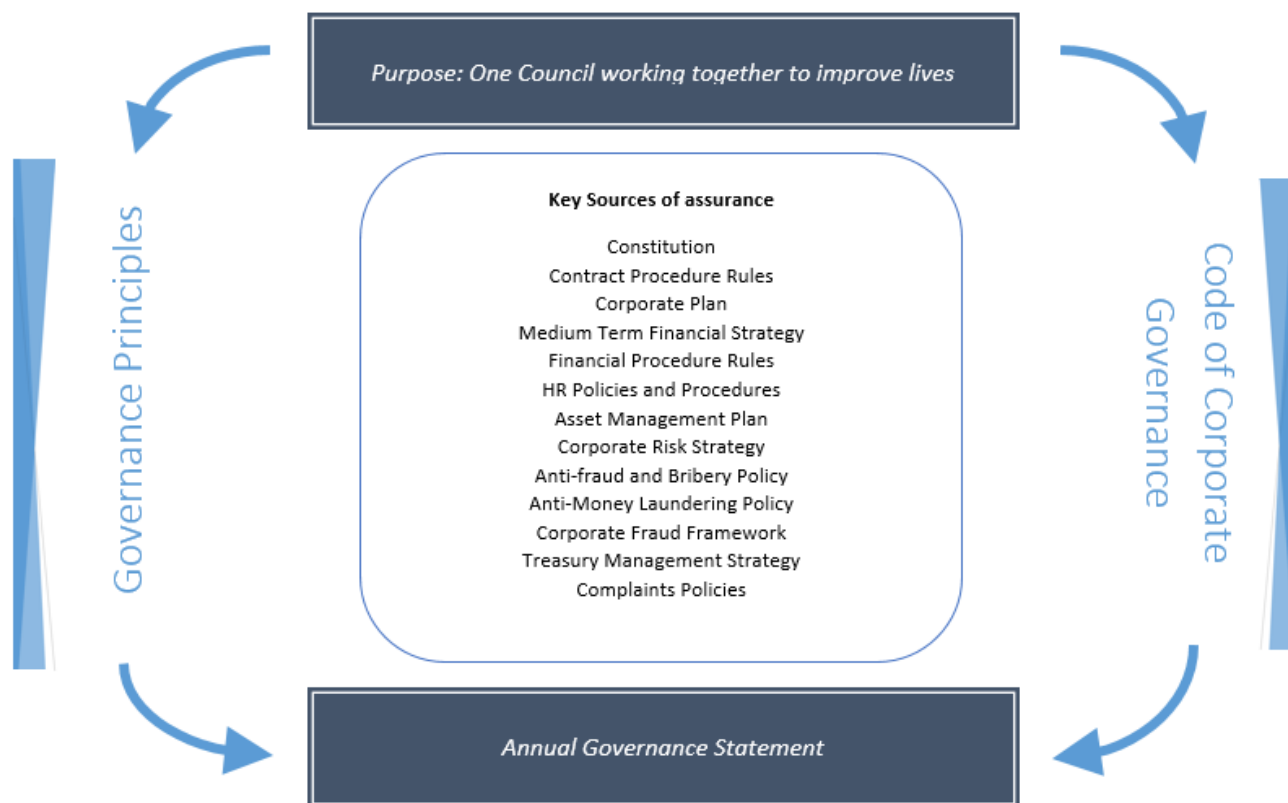
The Governance Framework

The Governance Framework comprises the systems, processes and values by which the Council is directed and controlled and the means by which it accounts to, engages with and leads the local community. It enables the Council to monitor the achievement of its strategic objectives and to consider whether those objectives have led to the delivery of appropriate, cost-effective services.

The system of internal control is a significant part of that framework and is designed to make appropriate use and prevent loss of public funds. It also assists with managing the risk of failure to achieve policies, aims and objectives. It does not eliminate all the risk, the system of internal control is designed to identify and prioritise risks, evaluate the likelihood of those risks materialising and manage their impact.

In order to review the effectiveness of the governance framework, assurances are provided to, and challenged by, the Audit Committee, Scrutiny Committees, Council, Cabinet and Corporate Management Board as appropriate. In addition the Section 151 Officer promotes and delivers good financial management and the Monitoring Officer legal and ethical assurance.

Some of the key elements of the governance framework are highlighted below.



The Council is one of ten Councils jointly delivering the Cardiff Capital Region City Deal (CCRCD), which has in place joint Scrutiny and Cabinet to ensure governance in its implementation. The CCRCD aims to raise economic prosperity, job prospects and improve digital and transport connectivity and is a significant investment into the South Wales economy. The Council is committed to contributing to the delivery of these objectives across the region to ensure that the community and business within the Borough can benefit from this investment.

In March 2018 a Welsh Government consultation on health boundary changes for people in the area of Bridgend County Borough Council ended. The result of the consultation was that from 1st April 2019, local authority and Health Services in Bridgend and a number of local authority regional partnership arrangements would be moved from the Western Bay Region/Abertawe Bro Morgannwg University Health Board (ABMU) to the Cwm Taf Region.

During 2018-19 the Council has adopted a structured approach to the disaggregation of regional services, which has required close working with a range of partners to ensure that where regional funding supports integrated services, such services are accounted for between Western Bay, ABMU Health Board and Bridgend County Borough Council. In planning for the changes to regional boundaries a Transition Programme was established including, at various levels, officers from the two Health Boards, the Council and the third sector. The overarching Board and associated work streams set the governance structure that supported the Transition Programme. The Council's representation is as follows:

- Joint Transition Board: the Leader/Cabinet Member for Social Services and Wellbeing and the Chief Executive/Corporate Director, Social Services and Wellbeing
- Joint Transition Programme Group: Corporate Director, Social Services and Wellbeing
- Work Streams: all relevant service areas within Bridgend County Borough Council are linked in to their counterparts in the various work streams

From 1st April 2019 the governance structure for the new partnership arrangements will be through the Cwm Taf Morgannwg Regional Programme Board.



The Corporate Plan

The Corporate Plan 2018-22, agreed in February 2018, sets out the Council's vision: **'One Council working together to improve lives'**. The Plan defines the Council's three priorities – also known as our Well-being objectives – that sets out how the Council intends to deliver them. The Council defines its purpose to 'contribute to a place where people love to live, work, study and do business, where people are qualified with the skills they need to improve their life chances and enjoy good health and independence'.



Underpinning the Council's Corporate Plan and throughout its decisions-making process, the principles of the Well-being of Future Generations (Wales) Act 2015 are applied.

Long-term: thinking of future generations and of our natural resources.

Prevention: stop problems arising – don't create new problems.

Integration and collaboration: with colleagues and partners. Ensure decisions are joined up across services and work more closely with partners in the public, private and third sectors.

Involvement: consult and involved local people in planning and delivering services.

Welsh language – Wales has two official languages, Welsh and English, and services and information should be equally available in both. The Council's internal business language is English, but all the services and information we provide for local people will be equally available in either language.

The Corporate Plan identifies a number of key principles which underpin its Well-being objectives and has adopted a set of values that represent what the Council stands for and influences how it works.



Bridgend Council's Well-being objectives	
Supporting a successful economy Helping people to become more self-reliant Smarter use of resources	
Key Principles	Values
Where ever possible the Council will support communities and people to create their own solutions and reduce dependency on the Council The Council will focus diminishing resources on communities and individuals with the greatest need The Council will use good information from service users and communities to inform its decisions The Council will encourage and develop capacity amongst the third sector to identify and respond to local needs The Council will not let uncertainty over the future of public services prevent meaningful and pragmatic collaboration with other public sector bodies The Council will work as one Council and discourage different parts of the organisation from developing multiple processes or unnecessarily different approaches The Council will transform the organisation and many of its services and in so doing will deliver financial budget reductions as well as improvements	Fair – taking into account everyone's needs and situations Ambitious – always trying to improve what we do and aiming for excellence Citizen-focused – remembering that we are here to serve our local community Efficient – delivering services that are value for money

Assessing Performance

The Councils' performance is reported in its Annual Report, its annual self-evaluation of progress against the Council's Corporate Plan.

The Wales Audit Office, our External Auditor, assesses the Council's arrangements for delivering continuous improvement and subsequent performance, the results of which are published in their Annual Improvement Report. For 2017-18 they reported that 'the Auditor General believes that the Council is likely to comply with the requirements of the Local Government Measure (2009) during 2018-19'. Whilst there will always be areas where improvements can be made, the Auditor General made no formal recommendations, which demonstrates the commitment of the Council to continuous improvement.



External Assessments of Performance

The Council is also inspected by other organisations, including the Care Inspectorate Wales (CIW) and Estyn. Early in the year CIW reported on its review of the Joint Adoption Service, shared with Swansea and NeathPortTalbot Councils. Whilst some recommendations for improvement were made, and an action plan has been put in place to address these, the overall assessment of this review was that adopters and people receiving adoption support receive a good service.

In November 2018, Her Majesty's Inspectorate of Probation (HMIP) were joined by colleague inspectors from Police, Health, Social Care and Education and undertook a two-week inspection of Youth Offending Service (YOS) in Western Bay. The report has now been received and the overall rating of the Western Bay YOS was deemed inadequate. There are twelve domains within the inspection framework and nine of the twelve were rated as inadequate. One was rated as needing improvement, one was good with joint working rated as outstanding. Bridgend YOS was already planning to disaggregate from Western Bay before the inspection, due to the Council's migration to Cwm Taf Morgannwg University Health Board, which became effective on 1st April 2019. Bridgend has therefore produced an individual post-inspection action plan for improvement. This will be monitored on a fortnightly basis by the YOS Strategic Lead and Operational Manager, who will meet with the Youth Justice Board.

An Estyn inspection of the Council's Education Service took place at the end of March 2019, the outcome of which was reported to Council on 19 June 2019. Overall the report noted that pupils in Bridgend make good progress between the statutory school ages of five and sixteen, although at sixth form level perform less favourably with the national average. The Council will respond to the recommendations with a Post Inspection Action Plan, which will be monitored by the School Improvement Group.

Decision Making and Responsibilities

The Council consists of 54 elected Members, with an elected Leader and Cabinet who are supported and held to account by Scrutiny Committees. The Council's constitution sets out how the Council operates, how decisions are made and the procedures for ensuring that the Council is efficient, transparent and accountable to local people. It contains the basic rules governing the Council's business, and sets out a list of functions and decisions exercisable by officers. It also contains the rules and protocols by which the Council, Members and officers operate.



Through the Constitution, along with the Member's Code of Conduct, Standards Committee and role of internal audit, the Council operates with **integrity**, **ethical values** and within its **legal** powers.

All Council and Committee meetings' agendas, papers and minutes can be viewed on-line and all meetings are open to the public unless exempt or confidential matters are being discussed. The Council's forward work programme contains information about all matters that are likely to be the subject of a decision taken by full Council or Cabinet during the forthcoming period. They also include information regarding Scrutiny Committees. To further enhance **openness** and **comprehensive stakeholder engagement** the Council has a Citizen's Panel, which takes part in surveys on a range of issues. The Council also uses social media to promote services and engage with the public and makes information available on a range of formats to maximise the opportunity for information sharing and residents communicating with the Council.

Managing Risk

The Council faces a range of risks as would be expected from the broad range of services it delivers and activities it is engaged with. On a day-to-day basis operational risk arises from the challenge of ensuring sufficient capacity and capability to advise on, and to deliver, the key policy objectives of the Council.

The Council has developed a robust approach to the management of risk. The Corporate Risk Management Policy is aligned with Directorate Plans and the Council's performance management framework. The Council defines risk as: 'Any potential development or occurrence which, if it came to fruition, would jeopardise the Council's ability to:

- achieve its Well-being objectives
- provide services as planned
- fulfil its statutory duties, including the duty to make arrangements to secure continuous improvement.'

Risks are viewed from both a Service and Council-wide perspective which ensures the key risks are distilled in the [Corporate Risk Assessment](#). The Risk Assessment sets out how the Council is addressing these risk and the mitigating actions it will put in place to reduce them. It is regularly reviewed and challenged by both senior management and the Audit Committee. A strategic review of the management control framework, or 'health' of the Council, identified more than one risk scoring mechanism was being used, the Council has implemented a consistent risk matrix across all services.

It is not possible to eliminate all risk of failure to meet the targets in the Council's policies, aims and objectives and cannot therefore provide absolute assurance of effectiveness, but one of reasonable assurance.

Financial Management

The financial management of the Council is conducted in accordance with all relevant legislation and the Constitution. The Council has in place Financial Procedure Rules and Contract Procedure Rules, and the scheme of delegation provides the framework for financial control. The Section 151 Officer is responsible for establishing a clear framework for the management of the Council's financial affairs and for ensuring that arrangements are made for their proper administration.

The Council's ability to deliver savings and contain its expenditure within its overall budget is well established. However, the Council faces significant challenges in the future in the face of further Government plans to cut public spending and significant uncertainty as a result of Brexit and the impacts this might have on Council services. The Council estimates that it will need to generate approximately £35 million of savings over the period 2019-20 to 2022-23. The Medium Term Financial Strategy has taken account of cost pressures and priority areas in line with the Corporate Plan, and involved extensive consultation to ensure a robust process. Given the single-year funding provided by the Welsh Government, the Council has developed detailed budgets for year on of the Strategy with indicative budgets thereafter based on a range of funding scenarios.



Consultation overview

Over the past four years, we have made budgetary savings of more than £30 million. Some of the ways we have done this include:

- cutting senior management and reducing our workforce by more than 400 employees
- transferring cultural services to Awen Cultural Trust
- reducing provision of some services like public conveniences and street cleaning

Also, we have made a wide range of investments including state-of-the-art new schools, new sea defences, and new highways improvements.

Despite the changes made to date, we still have to make a further £35 million saving by 2023, which is currently 13.5% of our net budget.

In this consultation, some of the areas we are asking you about include:

- council tax
- leisure and cultural services
- schools and education
- transport
- recycling and waste
- social services

The Council has in place robust arrangements for effective financial control through the Council's accounting procedures, key financial systems and the Financial Procedure Rules. This includes established budget planning procedures and regular budget monitoring reports to Cabinet and Scrutiny Committee, as well as detailed information to budget holders. The Council prepares its Annual Accounts as required by the Accounts and Audit (Wales) Regulations and in accordance with the Code of Practice on Local Authority Accounting in the United Kingdom.

The Council follows the CIPFA Code on Treasury Management and Welsh Government's Guidance on Local Authority Investments to ensure that funds invested are secure, accessible when necessary and attract an appropriate return and any borrowings needed are in line with the Council's Treasury Management Strategy, as approved by Council.



Audit and Audit Assurances

The Council is audited externally by the Auditor General for Wales, supported by the Wales Audit Office. The objectives of this are to obtain assurance on whether the financial statements as a whole are free from material misstatement, whether due to fraud or error; that the accounts have been prepared in accordance with legislative requirements and the Code of Practice on Local Authority Accounting in the United Kingdom; and to issue an opinion thereon. They also assess our arrangements for securing economy, efficiency and effectiveness in the use of resources.

In 2018 the External Auditor gave an unqualified audit opinion on the financial statements 2017-18.

The Wales Audit Office also audit a number of grant claims and in the year completed 11 audits of grants and returns. The audit confirmed that there were generally sound working papers and all claims were certified ahead of the audit deadlines in place. One recommendation was made in relation to Housing Benefits, to continue to review the strength of the Council's arrangements for processing housing benefit claims, which the Council is in the process of doing.

In addition the Wales Audit Office undertake reviews of various services and also performance reviews throughout the year, the outcome of which are reported to Audit Committee.

The Internal Audit Service is a key means of assurance. During 2018-19 Bridgend had a joint service with the Vale of Glamorgan Council and the service operated to the Public Sector Internal Audit Standards (PSIAS). The Audit Committee approved the Internal Audit Charter for Bridgend and the Vale Audit Shared Service in April 2018. The Audit Committee also approve the Internal Audit Annual Plan and receives progress updates at every Audit Committee. The Head of Internal Audit's annual opinion as to the effectiveness of the Council's internal control environment for 2018-19 is of:

“Reasonable Assurance” on the adequacy and effectiveness of the Council's framework of governance, risk management and control.

The opinion states that, based on the work completed by the Internal Audit Shared Service for the financial year and the contribution to the Audit Plan made by the South West Audit Partnership, no significant cross-cutting control issues have been identified (other than that reported in the outturn report) that would impact on the Council's overall control environment. The weaknesses that have been identified are service specific.

The recommendations made to improve the overall control environment have been accepted and are being/will be implemented.

The Audit Committee provides independent assurance on the Council's internal control environment. It is a statutory requirement and consists of 12 Councillors and 1 Lay Member. Its main functions are:

- Review & scrutinise reports and recommendations in relation to the Council's Financial Affairs
- Review & scrutinise reports and recommendations on the appropriateness of the Council's risk management, internal control and corporate governance arrangements
- Oversee the Council's internal and external audit arrangements
- To be responsible for ensuring effective scrutiny of the Treasury Management Strategy and Policies
- To monitor the Council's Anti-Fraud and Bribery Strategy, Whistleblowing Policy and Anti-Money Laundering Policy
- To Review and approve the Council's Annual Governance Statement and the Annual Statement of Accounts
- To review and consider reports from the External Auditor and Inspectors

Of significant issue for the Internal Audit Shared Service is the continuing lack of resources and the impact this has had on delivering the 2018-19 Audit Risk Based Plan. During the whole of the year, the Shared Service has carried a high level of vacancies and as a consequence the services of the South West Audit Partnership were commissioned to help address the shortfall. 2018-19 has continued to be a challenging year for the Shared Service and as predicted, South West Audit Partnership have once again assisted with the delivery of the 2018-19 Risk Based Plan. From 1st April 2019 a new Regional Audit Shared Service was established with two more Councils joining the partnership – Rhondda Cynon Taff County Borough Council and Merthyr Tydfil County Borough Council. There will still need to be some latitude required during 2019-20 to facilitate this transitional period from all parties concerned.

During the year there were interim arrangements in place in relation to two of the key statutory officers of the Council and members of the Corporate Management Board. However, in May 2019 the Chief Executive, as Head of Paid Service, has been confirmed in post following a competitive process. This is the former Corporate Director – Communities who had been appointed on an interim basis as Chief Executive in December 2018. Also during the year there have been continued interim arrangements in place to cover the statutory position of the Council's Section 151 Officer/Head of Finance, which does cause some concern from a continuity and capacity perspective. Whilst there is little or no risk in the short term as the Statutory Officer is extremely experienced and more than capable to fulfil the role, it is important that the interim position is permanently addressed as soon as possible to ensure that the Council's corporate governance arrangements are not affected in the medium- to long-term. To help strengthen the resilience of the Finance function, a temporary Deputy Head of Finance and Section 151 Officer post was appointed in May 2019.

A strategic review of the Council was undertaken by the South West Audit Partnership with a final report issued in April 2018, which can be accessed [here](#). Five themes were reviewed:

- Governance
- Risk Management
- Commissioning and Procurement
- Programme & Project Management
- Information Management

For each of the corporate themes the strength of the management control framework in place was assessed against a benchmark model by identifying the presence or otherwise of key controls. This included the use of assurance from other sources, such as external audit, as well as internal audit reports. The overall assurance received from the strategic review with the exception of its Information Management indicated an overall **High Assurance** opinion. A follow-up audit on Information Management identified a number of areas for improvement which the Council has addressed, and provided a **Medium** assurance.

Improving Governance

The progress made on the significant issues identified in the Council's 2017-18 Annual Governance Statement is shown below:

The Council should resolve how it will embed the sustainable development principle into decision-making	Whilst elected Members undertook an interactive workshop in November 2017 they have requested further training to be arranged in relation to the Well-being of Future Generations (Wales) Act 2015 to ensure they apply sustainable development principles in all decisions they make. An e-learning package has also been developed so that officers can undertake training to support the decision-making process
The Council should clearly set out how the impact of service changes will be monitored at the point of decision, with a clear set of criteria and a detailed options appraisal process considered when producing Council's decision reports	The Council has put in place a 'Well-being of Future Generations Assessment Form' that ensures the five ways of working and the seven Well-being goals of the Well-being of Future Generations (Wales) Act 2015 are considered as part of any decision making process. Use of the form will ensure that potential impacts of service changes are identified and proposals to maximise any positive impacts, or minimise any negative impacts, are provided as appropriate
The Scrutiny Forward Work Programme is not easily accessible on the website and that the website search function for officer and member decisions was not working properly. There were no links to items pre-2014. This limits transparency and access arrangements	The Council's web-pages have been redesigned and were launched in April 2018. The website is much more focussed and easy to navigate and search. The Forward Work Programme for the Scrutiny Committees can be found under the Scrutiny Committee pages accessible from the Council's website
Concern at the vacancy rate of 50% within the Internal Audit service. Audit Committee to consider a review of resources in internal audit at a future meeting as part of setting the Internal Audit Plan	2018-19 has continued to be a challenging year for the Shared Service and as predicted, South West Audit Partnership have once again assisted with the delivery of the 2018-19 Risk Based Plan. From 1 st April 2019 a new Regional Internal Audit Shared Service was established with two more councils joining the partnership – Rhondda Cynon Taff County Borough Council and Merthyr Tydfil County Borough Council. There will still need to be some latitude required during 2019-20 to facilitate this transitional period from all parties concerned.
Concern of the ability of Internal Audit to deliver on its Audit Plan due to the lack of resources	As noted above, the Audit Plan has been substantially completed. Areas of work not undertaken during the year included: Asset Management and Youth Offending Service (which is undergoing an external inspection). The Asset Management review will be rolled forward into 2019-20
Corporate website has received 1 star rating. Work needed to upgrade and redesign website	The Corporate website has been redeveloped and was relaunched in April 2018. The development is ongoing including reviewing of 'micro-sites' that link from the Corporate website, and ensuring that all information is available bilingually to comply with the Welsh Language Act
Need to ensure that key policies and procedures are subject to a regular review process and/or in line with statutory timescales	Key policies and documents are reviewed and updated on at least an annual basis, including the Constitution, Corporate Plan, Annual Governance Statement, Treasury Management Strategy and Medium Term Financial Strategy. A number have been updated during the year including the Anti-Fraud and Bribery Policy and the Anti Money-Laundering Policy. A number of other key documents are updated on cyclical basis including the Strategic Equality Plan and Corporate Health & Safety Policy (4-yearly). However there are a number of policies that need updating in order to ensure that they are effective and relevant. These will be reviewed over the forthcoming period

Based on a review of the governance framework, the following significant issues identified in 2018-19 which will be addressed in 2019-20:

Medium Term Financial Strategy – the economic uncertainty and increasing public expectations and demands facing public sector organisations continue to challenge and place pressures on the Council, impacting on its ability to deliver the required efficiencies.	The Council will continue to monitor external economic and fiscal information to ensure that it can respond quickly to unexpected events. This is particularly important in the post-Brexit era. Alongside this the Council will continue to transform how services are delivered and manage public expectations. All savings proposals will be closely monitored and mitigating action put in place to address any shortfalls
The findings from the HMIP report on Western Bay Youth Offending Service concluded that the overall rating was inadequate and that <i>‘The governance and leadership of the service are ineffective. There is no vision, understanding of purpose or the strategy to provide a high-quality personalised responsive service to children and young people.’</i>	The Western Bay Youth Offending Service has been disaggregated and a Bridgend Youth Justice Management Board set up with senior multi-agency representation, including the Cabinet Member – Communities and the Cabinet Member – Social Services and Early Help to take forward services within Bridgend. The Council has produced a Post Inspection Action Plan in response to the full joint inspection by HM Inspectorate of Probation. This further builds upon the list of priorities that were developed on receipt of the minutes from the Ratings Panel, which was held on 18 th December 2018. The Action Plan will be monitored on a fortnightly basis by the YOS Strategic Lead and Operational Manager, and the Youth Justice Board (YJB)
Outcome of the Estyn Inspection on Education Services	The report was reported to Council on 19 June 2019. The recommendations made will be incorporated within a Post Inspection Action Plan which will be monitored by the School Improvement Group
The role of the s.151 Officer is filled on an interim basis pending decisions on way forward with the post in light of the appointment of the Chief Executive	The Chief Executive post was appointed in May 2019 and the appointment of the s151 Officer will be sought to be filled on a permanent basis at the earliest opportunity. A temporary Deputy Head of Finance and Deputy s151 Officer has been appointed to strengthen resilience within the Finance function
The impact of the Health Boundary change from the Western Bay Region to the Cwm Taf Region	The Council has endeavoured to minimise the potential impact of the transition to the new Health Authority during 2018-19 and will continue to monitor arrangements during 2019-20 to ensure that all processes are bedded in.
The impact of Brexit on services and finances could place increased pressures on Council resources	The Council will develop a strategy and action plan to identify potential impacts to the communities it supports, and have in place preparations for any financial consequences. The Council has established an internal cross-Directorate Brexit Forum, chaired by the Chief Executive, to explore the potential impact of Brexit on service delivery along with actions to mitigate against risks. The Forum will also explore any potential opportunities that might arise from Brexit. A report was presented to Cabinet in March setting out a Brexit risk register, which will be actively monitored and updated as necessary.

The Council's scrutiny functions should seek ways to improve its focus and scrutiny activity to ensure that the Council makes the most effective use of the resources available and improve the impact of scrutiny activity ³	Scrutiny Officers will maintain a record of the impact of scrutiny activity in order to both strengthen and learn from this in order to shape the future work of the scrutiny function. Following a recent 'Scrutiny Fit for Future?' review a report is being compiled detailing proposals to implement best practice and innovation used elsewhere. To ensure the Council's scrutiny function is as effective and comprehensive as possible the Scrutiny Chairs will meet quarterly to share learning and intelligence, identify areas of cross-over and discuss where there may be gaps in focus. Consideration is also being given to the skills and training that scrutiny members need to better prepare them for current and future challenges and to developing an appropriate training programme. Scrutiny continue to work effectively with external bodies such as WLGA, neighbouring authorities and third sectors to optimise the resources available to provide good scrutiny of council services
Digital Transformation and channel shift – the Council needs to continue to develop its online platforms to enable residents and businesses to interact with the Council digitally	The new responsive "Website" and the "Digital Platform" was launched in April 2018 and continues to mature and develop through the addition of new digital channels providing the Citizen the option to engage with the Council digitally alongside the traditional channels such as "face to face" and "telephony". The progress and success of the "Digital Platform" is dependent on the adoption of digital by the Council which will require cultural change to support transformation and efficiencies savings

These issues will be monitored via a detailed action plan during 2019-20, with the responsible officer and deadline for implementation identified for each action, and reported to Cabinet/Corporate Management Board and to the Audit Committee.

Assurance

Subject to the above issues being resolved, we can provide an overall reasonable assurance that Bridgend County Borough Council's governance arrangements remain fit for purpose.

Steps to address the matters referred to above will be taken to further enhance our governance arrangements.

Signed:  Date: 24 / 7 / 19
 (Chief Executive)

Signed:  Date: 24 / 7 / 19
 (Leader)

³ Wales Audit Office Annual Improvement Report 2017-18 – September 2018

Glossary Of Terms

Accrual

An accrual is a sum shown in the accounts representing income or expenditure for the accounting period but which was not actually received or paid as at the date of the balance sheet.

Actuary

An actuary is a person who works out insurance and pension premiums, taking into account factors such as life expectancy.

Amortisation

Reduction in value of capital expenditure which has not created an asset, through charges to revenue.

Audit

An audit is an independent examination of the Council's accounts.

Balance Sheet

This is a statement of our assets, liabilities and other balances at the date of the end of the financial year, 31 March.

Budget

A budget (or estimate) is a plan of income and spending, based upon which council tax is set. Actual expenditure and income is subsequently monitored against this plan.

Capital expenditure

Capital expenditure is spending on fixed assets. These are assets that will be used for several years in the provision of services and are items such as buildings, equipment and vehicles.

Capital Adjustment Account

The Capital Adjustment Account absorbs the timing differences arising from the different arrangements for accounting for the consumption of non-current assets and for financing the acquisition, construction or enhancement of those assets under statutory provisions.

Capital receipt

Capital receipts are proceeds from the sale of fixed assets such as land or buildings.

Cash flow Statement

This is a statement that summarises the movements in cash during the year.

Comprehensive Income and Expenditure Statement

This account records day-to-day spending and income on items such as salaries and wages, running costs of services and the financing of capital expenditure.

Contingent liabilities

A Contingent Liability is a possible obligation that arises from past events and whose existence will be confirmed by the occurrence of uncertain future events.

Corporate and Democratic Core (CDC)

CDC is a service defined by the Best Value Accounting Code of Practice representing costs relating to Member activity (Democratic Representation and Management) and costs that provide the infrastructure to ensure that services can be provided (Corporate Management).

Creditor

A creditor is an organisation / someone owed money by the Council at the end of the financial year for goods / services received during the financial year or previous years.

Current assets

These are short-term assets that are available for the Council to use in the following accounting year.

Current liabilities

These are short-term liabilities that are due for payment by the Council in the following accounting year.

Debtor

A debtor is an organisation / someone who owed the Council money at the end of the financial year for goods / services received during the financial year or previous years.

Delegated schools balances

Under the Local Management of Schools provisions, any balances accrued at year end are delegated to individual schools. These funds are held outside of the Council's Council Fund balances.

Depreciation

Depreciation is the estimated loss in value of fixed assets that are presented in the Balance Sheet.

Earmarked reserves

These are reserves set aside for a specific purpose.

Escrow account

Escrow is a legal arrangement whereby money is delivered to a third party (called an escrow agent) to be held in trust pending a contingency or the fulfillment of a condition or conditions in a contract.

Expenditure and Funding Statement

This statement brings together local authority performance reported on the basis of expenditure measured under proper accounting practices with statutorily defined charges to the Council Fund.

Financial Year

This is the accounting period. For local authorities it starts on 1 April and finishes on 31 March of the following year.

Finance leases

Finance leases are used to finance purchases where the Council takes on most of the risks associated with owning the asset.

Government grants

Assistance by government and inter-government agencies and similar bodies, whether local, national or international, in form of cash or transfers of assets to a Council in return for past or future compliance with certain conditions relating to the activities of the Council.

International Financial Reporting Standard (IFRS)

Financial regulations to be followed as set by the Accounting Standards Board (ASB).

International Financial Reporting Standards Interpretations Committee (IFRICs)

The interpretative bod of the International Accounting Standards Board (IASB) designed to help the IASB improve financial reporting through timely identification, discussion and resolution of financial reporting issues within the framework of IFRS.

Inventories

Inventories are raw materials purchased for day to day use. The value of these items that have not been used at the end of the financial year are shown as current assets in the balance sheet.

Leasing

This is a method of financing capital expenditure by paying the owner to use property or equipment for a number of years.

Liability

A liability is an amount payable at some time in the future.

Minimum Revenue Provision (MRP)

This is an amount that has been set aside to repay loans. This should be a prudent amount.

Movement in Reserves Statement (MIRS)

This statement shows the movement in the year on different reserves held by the Council.

National Non-Domestic Rates (NNDR)

The NNDR, or Business Rate, is the charge to occupiers of business premises. The money collected is paid to the Welsh Government and redistributed to individual authorities in proportion to their adult population.

Net Realisable Value

The selling price of an asset, reduced by the relevant (direct) cost of selling it.

Non Distributable Costs (NDC)

NDC is a category of costs defined by the Best Value Accounting Code of Practice. It represents:

- costs of unused I.T. facilities,
- costs of long term unused, unrealisable assets,
- certain pension fund costs

Open Market Value in Existing Use (OMVEU)

OMVEU is a basis for valuation of fixed assets.

Operating assets

These are assets used in the running / provision of services.

Operating leases

These are leases where risks of ownership of the asset remain with the owner.

Post balance sheet events

Post balance sheet items are those that arise after the Balance Sheet date. These are items that did not exist at the time the Balance Sheet was prepared but should be disclosed if they are relevant to the fair presentation of the accounts.

Precepts

This is the amount paid to a non-billing Council (for example a community council) so that it can cover its expenses (after allowing for its income).

Prior year adjustment

Those material adjustments applicable to prior years arising from changes in accounting policies or from the correction of fundamental errors.

Provision

A provision is an amount we set aside in our accounts for expected liabilities which we cannot measure accurately.

Private finance initiative (PFI) – a central government initiative which aims to increase the levels of funding available for public services by attracting private sources of finance. The PFI is supported by a number of incentives to encourage authorities' participation.

Public Works Loan Board (PWLb)

This is a Government agency which provides longer term loans to local authorities. It charges interest rates only slightly higher than those at which the Government can borrow.

Related party transactions

These are the transfer of assets or liabilities or the performance of services by, to or for a related party no matter whether a charge is made.

Revaluation Reserve

This represents the non-distributable increase/decrease in the valuation of fixed assets.

Revenue account

This is an account which records our day to day spending and income on items such as salaries and wages, running costs of services and the financing of capital expenditure.

Service Reporting Code of Practice (SerCOP)

The Service Reporting Code of Practice provides a consistent framework for reporting local authority data. SerCOP is reviewed annually by the appropriate regulating body to ensure that it develops in line with the needs of modern local government, Transparency, Best Value and public services reform

Temporary borrowing or investment

This is money borrowed or invested for an initial period of less than one year.

Trust fund

Trust funds hold money on behalf of an individual or organisation. Trustees administer the funds for the owners.

Work in progress (WIP)

Work in progress is the value of work undertaken on an unfinished project at the end of the financial year, which has not yet been charged to the revenue account.

