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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.*

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Annwyl Cyngorydd,

CABINET

Cynhelir Cyfarfod Cabinet yn Ystafell Bwyllgora 1/2/3, Swyddfeydd Dinesig, Stryd Yr Angel, Penybont Ar Ogwr ar **Dydd Mawrth, 21 Ionawr 2020** am **14:30**.

AGENDA

1. Ymddiheuriadau am absenoldeb
Derbyn ymddiheuriadau am absenoldeb gan Aelodau.
2. Datganiadau o fuddiant
Derbyn datganiadau o ddiddordeb personol a rhagfarnol (os o gwbl) gan Aelodau / Swyddogion yn unol â darpariaethau'r Cod Ymddygiad Aelodau a fabwysiadwyd gan y Cyngor o 1 Medi 2008.
3. Cymeradwyaeth Cofnodion 3 - 12
I dderbyn am gymeradwyaeth y Cofnodion cyfarfod y 17/12/19
4. Monitro Cyllideb 2019-20 Rhagolygon Refeniw Chwarter 3 13 - 44
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11. Adroddiadau Gwybodaeth i'w Nodi 101 - 116
12. Materion Brys
I ystyried unrhyw eitemau o fusnes y, oherwydd amgylchiadau arbennig y cadeirydd o'r farn y dylid eu hystyried yn y cyfarfod fel mater o frys yn unol â pharagraff 2.4 (e) o'r Rheolau Trefn y Cabinet yn y Cyfansoddiad.
13. Gwahardd y Cyhoedd
Nid oedd yr eitem canlynol yn cael eu cyhoeddi, gan fod eu bod yn cynnwys gwybodaeth eithriedig fel y'i diffinnir ym Mharagraffau 12 a 14 o Ran 4 a Pharagraff 21 o Ran 5, Atodlen 12A, Deddf Llywodraeth Leol 1972, fel y'i newidiwyd gan Orchymyn Llywodraeth Leol (Cymru) 2007 (Mynediad at Wybodaeth) (Amrywio).
- Os, yn dilyn cymhwyso'r prawf budd y cyhoedd yn y Cabinet yn penderfynu yn unol â'r Ddeddf i ystyried yr eitem hyn yn breifat, bydd y cyhoedd yn cael eu gwahardd o'r cyfarfod yn ystod ystyriaeth o'r fath.
14. Rhaglen Moderneiddio Ysgolion: Band B 117 - 138

Yn ddiffuant

K Watson

Prif Swyddog – Gwasanaethau Cyfreithiol, Adnoddau Dynol a Rheoleiddio

Dosbarthiad:

Cynghowrwy

HJ David
CE Smith

Cynghorwyr

PJ White
HM Williams

Cynghorwyr

D Patel
RE Young

CABINET - DYDD MAWRTH, 17 RHAGFYR 2019

COFNODION CYFARFOD Y CABINET A GYNHALIWYD YN YSTAFELL BWYLLGORA 1/2/3, SWYDDFEYDD DINESIG, STRYD YR ANGEL, PENYBONT AR OGWR DYDD MAWRTH, 17 RHAGFYR 2019, AM 14:30

Presennol

Y Cyngorydd HJ David – Cadeirydd

CE Smith

HM Williams

D Patel

RE Young

Ymddiheuriadau am Absenoldeb

PJ White, Cyfarwyddwr Corfforaethol - Gwasanaethau Cymdeithasol a Chymorth Cynnar

Swyddogion:

Gill Lewis	Pennaeth Cyllid a Swyddog 151 Dros Dro
Kelly Watson	Prif Swyddog – Gwasanaethau Cyfreithiol, Adnoddau Dynol a Rheoleiddio
Mark Shephard	Prif Weithredwr
Mark Galvin	Uwch Swyddog Gwasanaethau Democrataidd - Pwyllgorau
Lindsay Harvey	Cyfarwyddwr Corfforaethol – Addysg a Chymorth i Deuluoedd
Martin Morgans	Pennaeth Gwasanaeth - Perfformiad a Gwasanaethau Partneriaeth
Zak Shell	Pennaeth Gwasanaethau Cymdogaeth

15. DATGAN BUDDIANT

Dim.

16. CYMERADWYO'R COFNODION

PENDERFYNWYD: Cymeradwyo bod cofnodion cyfarfodydd canlynol y Cabinet yn wir a chywir:-

Cyfarfod arbennig - 13 Tachwedd 2019

Cyfarfod arferol - 19 Tachwedd 2019

17. STRATEGAETH EIDDO GWAG

Cyflwynodd y Pennaeth Perfformiad a Gwasanaethau Partneriaeth adroddiad a oedd yn gofyn am gymeradwyaeth y Cabinet i fabwysiadu'r Strategaeth Eiddo Gwag 2019-2023 sydd wedi'i chynnwys yn Atodiad 1 yr adroddiad yn ffurfiol.

Wrth esbonio'r cefndir, cadarnhaodd fod defnyddio eiddo gwag o'r newydd yn flaenoriaeth i'r Awdurdod Lleol, a bod arweinwyr Cyngor Bwrdeistref Sirol Pen-y-bont ar Ogwr wedi ymrwmo i hynny. Mae'r Strategaeth yn nodi'r bwriad y bydd "y Cyngor" a'i bartneriaid yn ceisio lleihau nifer yr adeiladau gwag ar draws y Fwrdeistref sirol a helpu i gyfrannu at gynyddu nifer y tai sydd ar gael i'w gwerthu neu eu rhentu.

Er mwyn cyflawni'r flaenoriaeth hon, mae Gweithgor Eiddo Gwag wedi cael ei ffurfio, sy'n cynnwys cynrychiolwyr o bob gwasanaeth o fewn yr Awdurdod sy'n gweithio gydag eiddo gwag. Prif amcan y Gweithgor yw cyflawni'r amcanion strategol, sef gwneud defnydd o'r newydd o eiddo preswyl sydd wedi bod yn wag ers cyfnod hir.

Mae'r Gymdeithas Landlordiaid Cofrestredig yn cydnabod effaith eiddo gwag ar ardal a'r gymuned, ac roddent yn croesawu'r cynigion, ac yn cadarnhau bod angen strategaeth gadarn sy'n egluro'r sancsiynau a'r mesurau gorfodi sydd ar gael.

Mae sawl diweddariad wedi cael eu cyflwyno i'r Strategaeth ddrafft, ac amlinellwyd y rhain ym mharagraff 4.6 yr adroddiad.

O ran y cynnydd hyd yma, dywedodd y Pennaeth Perfformiad a Gwasanaethau Partneriaeth, yn ogystal ag adrodd yn flynyddol ar y Mesurau Atebolrwydd Cyhoeddus cenedlaethol ar gyfer eiddo gwag, y bydd y gwaith sy'n deillio o'r Strategaeth yn cael ei fesur ac yn destun adroddiadau ynghylch ansawdd y gwaith ymgysylltu a gorfodi a gyflawnwyd. Y nod fydd dangos yr ymdrechion i sicrhau bod adeiladau gwag yn cael eu defnyddio o'r newydd. Bydd hyn yn cynnwys cofnodi nifer y llythyrau a ddsbarthwyd, yr ymatebion a gafwyd a'r camau gorfodi a gymerwyd. Dangoswyd peth o'r wybodaeth ystadegol hyd yma yn gysylltiedig â hyn ym mharagraff 4.7 yr adroddiad.

O ganlyniad i'r gweithgareddau hyn, o blith y 20 eiddo mwyaf problemus a aseswyd ac y dyfarnwyd sgôr iddynt gan y Cyngor drwy ddefnyddio'r meini prawf yn y Strategaeth, mae:-

- 5 - bellach yn cael eu defnyddio
- 2 - wedi'u rhestru ar ocsiwn y mis hwn
- 5 - yn destun trafodaeth ar gyfer camau gweithredu Adran 215 posib
- 2 - ar werth yn dilyn ymgysylltu helaeth
- 1 - yn cael ei ddal gan yr Adran Gynllunio gan fod ystlumod yn clwydo ynddo. Bydd angen Arweiniad gan Lywodraeth Cymru ynghylch hyn.
- 3 - ceisiadau grant wedi'u cyflwyno ond wedi'u gwrthod gan na fodlonwyd y meini prawf cymhwysedd
- 2 - yn destun trafodaeth â'r adran gyfreithiol ynghylch camau gorfodi pellach.

Bydd ymyrraeth y Strategaeth yn cael ei mesur, ac adroddiadau'n cael eu llunio ar hynny, er mwyn esbonio maint y gwaith ymgysylltu a gorfodi a gyflawnwyd.

Cwblhaodd y Pennaeth Perfformiad a Gwasanaethau Partneriaeth ei gyflwyniad drwy gadarnhau bod 1296 o dai'r sector preifat yn wag am chwe mis neu fwy ym mis Ebrill 2019. Mae hyn i gyfrif am 2% o eiddo preswyl.

Mynegodd yr Aelod Cabinet - Llesiant a Chenedlaethau'r Dyfodol ddiolch i'r Gweithgor Eiddo Gwag a diolchodd am y gwelliannau yr oeddent wedi'u cyflwyno, o ran cyflawni'r amcanion strategol o wneud defnydd o'r newydd o dai sydd wedi bod yn wag ers cyfnod hir. Ychwanegodd ei bod yn edrych ymlaen i weld cynnydd pellach yn y dyfodol, tuag at greu mwy o gartrefi cyfanheddol yng nghymoedd y Fwrdeistref Sirol, lle'r oedd nifer sylweddol o gartrefi'n wag o hyd.

Roedd yr Arweinydd yn falch o weld bod Eiddo Gwag yn y Fwrdeistref Sirol wedi cael ei ystyried yn flaenorol gan y Pwyllgor Trosolwg a Chraffu perthnasol, ac y byddai'n cael ei ailystyried ym mis Mawrth y flwyddyn nesaf er mwyn mesur cynnydd. Yn y dyfodol, yr oedd yn gobeithio y byddai'r Cyngor yn ystyried gosod premiwm ar y Dreth Gyngor ar gyfer eiddo sydd yn dal i fod yn wag am gyfnod hir, oherwydd teimlai y dylai cartrefi gwag gael eu meddiannu lle bynnag y bo hynny'n bosibl.

PENDERFYNWYD: Mabwysiadodd y Cabinet hwnnw Strategaeth Eiddo Gwag 2019-2023 yn ffurfiol.

18. **CRONFA HER ECONOMI SYLFAENOL LLYWODRAETH CYMRU**

Cyflwynodd y Prif Weithredwr adroddiad er mwyn rhoi'r newyddion diweddaraf i'r Cabinet am gais am gyllid o Gronfa Her economi Sylfaenol Llywodraeth Cymru, a gofyn

am gymeradwyaeth y Cabinet i dderbyn cynnig am gyllid ac ymrwymo i gytundebau â phartneriaid darparu fel bo'n briodol.

Fel gwybodaeth gefndirol, roedd yr adroddiad yn cadarnhau bod Llywodraeth Cymru o'r farn fod yr economi sylfaenol yn cynnwys gwasanaethau a chynnyrch sylfaenol y bydd pobl yn dibynnu arnynt i gadw'r boblogaeth yn ddiogel, yn gysurus a gwâr. Dangoswyd enghreifftiau o'r economi sylfaenol yr oedd Llywodraeth Cymru yn cyfeirio atynt ar ffurf pwyntiau bwled ym mharagraff 3.2 yr adroddiad.

Esboniodd y Pennaeth Gweithrediadau - Gwasanaethau Cymunedol fod ymagwedd Llywodraeth Cymru at gefnogi a datblygu'r economi sylfaenol yn canolbwyntio ar dri maes, fel y manylwyd ym mharagraff 3.4 yr adroddiad.

I gefnogi hyn, roedd Llywodraeth Cymru wedi sefydlu'r canlynol: -

- Cynllun Gweithredu Economaidd (CGE) a oedd wedi pennu'r cyfeiriad ar gyfer ymagwedd ehangach a mwy cytbwys at ddatblygu economaidd, gan symud tuag at ffocws ar 'le' a chryfhau a chynyddu cydnerthedd cymunedau.
- Grŵp Gorchwyl a Gorffen y Bwrdd Cyngori Gweinidogol ar yr Economi Sylfaenol er mwyn rhoi cyngor i Weinidogion Cymru ynghylch ymyraethau ac arfer gorau cyfredol a'r dyfodol; cefnogi ymgysylltu ehangach â rhanddeiliaid yn yr economi sylfaenol; a hyrwyddo cydgysylltu mentrau perthnasol o fewn y llywodraeth a thu hwnt.

Roedd hyn yn cynnwys cronfa £4.5 miliwn i gefnogi Cronfa'r Economi Sylfaenol.

Yn dilyn lansiad y gronfa, cyflwynodd Swyddogion gais i ariannu prosiect B-Ridges ym mis Gorffennaf 2019.

Ychwanegodd y Pennaeth Gweithrediadau - Gwasanaethau Cymunedol, fod Cyngor Bwrdeistref Sirol Pen-y-bont ar Ogwr (CBSPO) wedi cael gwybod gan Lywodraeth Cymru fod y cynnig ar gyfer prosiect B-Ridges wedi'i gymeradwyo. Bydd gan y prosiect B-Ridges is-bennawd: Sir Pen-y-bont ar Ogwr - Manwerthu | Buddsoddi | Datblygu | Tyfu | Esblygu | Cynnal.

Nod y prosiect B-Ridges yw creu pecyn cymorth i ganiatáu i fusnesau sy'n cychwyn yng nghanol tref Pen-y-bont ar Ogwr a Maesteg ddod yn gynaliadwy. Caiff yr ardaloedd hyn eu targedu am eu bod o fewn ardal Tasglu'r Cymoedd ac felly'n gymwys i dderbyn y cyllid sydd wedi'i glustnodi. Fodd bynnag, bydd swyddogion yn ymgysylltu â chyllidwyr eraill er mwyn chwilio am gyfleoedd i ehangu'r dull a fabwysiadwyd gan y prosiect B-Ridges ymhellach i ardaloedd eraill yn y Fwrdeistref Sirol.

Ar gyfer cais prosiect B-Ridges cynigiwyd grant o £75k tuag at gyfanswm cost prosiect o £100k, gyda'r bwloch o ran cyllid wedi'i gyflenwi drwy raglen gyllido 'Kickstart'.

Dywedodd yr Aelod Cabinet - Addysg ac Adfywio y byddai'r cyllid o fudd i fusnesau sy'n ystyried eu sefydlu eu hunain yn nhrefi Pen-y-bont ar Ogwr a Maesteg. Llongyfarchodd y Swyddogion am chwilio am y fath gyfleoedd cyllido.

Ychwanegodd yr Arweinydd, pe bai'r cynllun yn llwyddiannus a mwy o gyllid yn cael ei sicrhau hyn y dyfodol, y byddem yn ystyried gweithredu hynny mewn trefi eraill yn y Fwrdeistref Sirol, hy, Porthcawl a Phencoed.

PENDERFYNWYD:

Bod y Cabinet:

- (1) Yn nodi'r cyllid a gymeradwywyd gan Lywodraeth Cymru er mwyn cyflawni prosiect B-Ridges i dreialu dulliau newydd o alluogi busnesau newydd yn yr economi sylfaenol ddechrau masnachu o ganol trefi; rhoi cymorth fel bod unedau sy'n wag ar hyn o bryd yn cael eu meddiannu; darparu cymorth cyngor busnes i fusnesau sy'n cychwyn yn yr economi sylfaenol; cynorthwyo busnesau newydd i greu swyddi newydd.
- (2) Yn awdurdodi'r Pennaeth Gweithrediadau - Gwasanaethau Cymunedol, mewn ymgynghoriad â'r Swyddog Adran 151 a Phennaeth y Gwasanaethau Cyfreithiol a Rheoleiddio, i ymrwymo i gytundebau priodol i dderbyn y cyllid a chyflawni'r prosiect.

19. CANLYNIAD YR YMGYNGHORIAD 'LLUNIO DYFODOL PEN-Y-BONT AR OGWR'

Cyflwynodd y Pennaeth Cyllid a'r Swyddog A151 Dros Dro adroddiad a hysbysai'r Cabinet ynghylch canlyniad ymgynghoriad 'Llunio Dyfodol Pen-y-bont ar Ogwr' 2019, a ofynnai i ddinasyddion rannu eu barn ynghylch nifer o gynigion allweddol yn gysylltiedig â'r gyllideb sydd dan ystyriaeth dros gyfnod y Strategaeth Ariannol Tymor Canolig.

Roedd yr adroddiad yn rhoi trosolwg o'r gweithgarwch ymgynghori, dadansoddi a'r prif ganfyddiadau.

Cadarnhaodd y Prif Weithredwr fod Cyngor bwrdeistref Sirol Pen-y-bont ar Ogwr wedi gostwng ei gyllideb o £27.07 miliwn dros y pedair blynedd diwethaf, ac mai'r disgwyl oedd y byddai angen gostyngiadau sylweddol pellach dros y pedair blynedd nesaf.

Ychwanegodd fod ymarfer ymgynghori cyhoeddus wedi cael ei gynnal dros gyfnod o wyth wythnos o 9 Medi 2019 hyd 3 Tachwedd 2019. Gofynnwyd i'r ymatebwyr rannu eu barn ar ystod o gynigion yn gysylltiedig â'r gyllideb sydd dan ystyriaeth rhwng 2020-21 a 2023-24, gan gynnwys cynnig i godi'r dreth gyngor ac ystyried cwtogi gwasanaethau gan gynnwys glanhau strydoedd, TCC, rheoli pla, digwyddiadau canol y dref, gwasanaethau dysgu i oedolion, gwasanaethau cymorth addysg, yn ogystal â chau un o'i dair canolfan ailgylchu gymunedol.

Disgrifiai'r adroddiad sut yr oedd proses ymgynghori'r gyllideb, yn nhermau ymgysylltu â'r cyhoedd ynghylch hyn, wedi esblygu ers cyflwyno'r broses honno yn 2013-14, gan gynnwys ymgynghori â grwpiau oedran amrywiol a oedd yn cynnwys y genhedlaeth iau mewn cymdeithas.

Ynghlwm wrth yr adroddiad yn Atodiad A yr oedd Adroddiad Ymgynghori a nodai'r farn a fynegwyd gan rai a oedd wedi cymryd rhan yn y broses eleni, ynghyd â'r gyfradd ymateb a'r dulliau rhyngweithio a ddefnyddiwyd gan ymatebwyr ar ffurf tabl ym mharagraff 4.3 yr adroddiad.

Ar ôl hynny, roedd paragraff 4.4 yn esbonio'r prif ffigurau a themâu a godai o'r ymgynghoriad cyhoeddus, a rhoddodd y Prif Weithredwr grynodedb o'r rhain er budd yr Aelodau.

Nododd y Dirprwy Arweinydd fod 3,417 o ymatebion i'r arolwg wedi dod i law, a bod hynny'n cynrychioli cynnydd o 27% o gymharu â chyfanswm y llynedd o 2,677 o ymatebion. Teimlai fod hyn yn welliant sylweddol yn y broses ymgynghori. Roedd hyn yn rhoi darlun cywirach i'r Cyngor o'r hyn yr oedd y cyhoedd am wario arian arno/ei gwtogi yn nhermau'r gwasanaethau a ddarperir gan yr Awdurdod ac ati.

Mynegodd yr Aelod Cabinet - Llesiant a Chenedlaethau'r Dyfodol ddiolch i sefydliadau fel Cymdeithas Mudiadau Gwirfoddol Pen-y-bont ar Ogwr a Halo am gynnal rhai o'r sesiynau hefyd, a hynny dros ardaloedd eang sy'n rhan o'r Fwrdeistref Sirol. Nododd fod 3,417 o arolygon wedi cael eu cwblhau, a gofynnodd faint o'r arolygon hynny a gwblhawyd yn Gymraeg.

Dyweddodd y Swyddog Ymgynghori, Ymgysylltu a Chydraddoldeb fod 12 o ymatebion wedi dod i law yn Gymraeg, a 5 o'r rheiny o'r Panel Dinasyddion.

Gofynnodd yr Aelod Cabinet - Llesiant a Chenedlaethau'r Dyfodol hefyd, o'r holl Ganolfannau Cymuned ac Ysgolion yr ymwelwyd â hwy, a oedd unrhyw brif wahaniaethau yn nhermau'r adborth a gafwyd rhwng gwahanol grwpiau.

Cadarnhaodd y Swyddog Ymgynghori, Ymgysylltu a Chydraddoldeb fod yr adborth gan bobl iau yn adlewyrchu barn fwy cytbwys na barn rhai aelodau o'r genhedlaeth hŷn o bosib, yn yr ystyr eu bod yn dymuno gwarchod amrywiaeth fwy o wasanaethau.

Teimlai'r Aelod Cabinet - Cymunedau fod y broses ymgynghori yn datblygu'n fwyfwy gwerthfawr ac ystyrlon o'r naill flwyddyn i'r nesaf, wrth i gyfranogiad y cyhoedd gynyddu dros y cyfnod hwnnw. Roedd y cyhoedd yn dechrau cael dealltwriaeth well hefyd o'r pwysau sydd o flaen y Cyngor (hefyd o'r naill flwyddyn i'r nesaf), oherwydd y toriadau parhaus i'w gyllideb.

Cytunai'r Prif Weithredwr â hyn, gan ychwanegu bod Swyddogion wedi rhoi esboniad i'r cyhoedd yn y sesiynau ymgynghori ynghylch y meysydd gwasanaeth lle'r oedd hi'n haws cyflwyno toriadau. Cafodd agweddau eraill perthnasol eu hesbonio hefyd, er enghraifft, y gwahaniaeth rhwng gwariant cyfalaf a gwariant referniw ac ati.

Daeth yr Arweinydd â'r drafodaeth ar yr eitem hon i ben drwy ddiolch i Lywodraeth Cymru am y cynnydd o 4.7% i'r setliad y byddai'r Cyngor yn ei dderbyn yn y flwyddyn i ddod.

PENDERFYNWYD: Bod y Cabinet yn nodi canlyniad yr ymgynghoriad â phartïon â buddiant, fel y nodir yn yr adroddiad ymgynghori.

20. GRANT ANGHENION DYSGU YCHWANEGOL

Cyflwynodd y Cyfarwyddwr Corfforaethol - Addysg a Chymorth i Deuluoedd adroddiad a ofynnai am gymeradwyaeth y Cabinet i ymrwmo i gytundeb â Chyngor Bwrdeistref Sirol Rhondda Cynon Taf ("RhCT"), Cyngor Dinas a Sir Caerdydd, Cyngor Bwrdeistref Sirol Merthyr Tudful a Chyngor Bwrdeistref Sirol Bro Morgannwg ynghylch Grant Trawsnewid Anghenion Dysgu Ychwanegol 2019/20.

Roedd gwybodaeth gefndir yn yr adroddiad yn cadarnhau mai cynllun grant a ariennir gan Lywodraeth Cymru yw'r Grant Trawsnewid Anghenion Dysgu Ychwanegol 2019/20 ("y Grant ADY"). Pwrpas y cynllun yw cynorthwyo i gyflenwi'r rhaglen trawsnewid anghenion dysgu ychwanegol, gan gynnwys paratoi i weithredu Deddf Anghenion Dysgu Ychwanegol a'r Tribiwnlys Addysg (Cymru) 2019 ("Deddf ADYTA") a rheoli gweithrediad y Ddeddf honno.

Roedd RhCT, a oedd yn gweithredu fel Awdurdod Arweiniol, wedi cyflwyno cais i Lywodraeth Cymru am y grant ADY ar ran y Cyngor, Cyngor Dinas a Sir Caerdydd, Cyngor Bwrdeistref Sirol Merthyr Tudful a Chyngor Bwrdeistref Sirol Bro Morgannwg a darparwyr trydydd parti (sef y sector addysg uwch a byrddau iechyd lleol yn rhanbarthau'r cyngor).

Bu'r cais am Grant ADY yn llwyddiannus a dyfarnwyd cyllid o hyd at £949,656.00 i RhCT fel Awdurdod Arweiniol. Bydd y cyllid hwnnw'n cael ei ddyrannu i bob Cyngor yn unol â'r Cynllun Trawsnewid ADY.

Fel Awdurdod Arweiniol, cadarnhaodd y Cyfarwyddwr Corfforaethol - Addysg a Chymorth i Deuluoedd ei bod hi'n ofynnol i RhCT dderbyn telerau ac amodau'r Grant ADY fel y nodwyd yn llythyr cynnig Llywodraeth Cymru. Er mwyn cyflawni'r prosiect a sicrhau cydymffurfiaeth â'r telerau ac amodau a nodwyd yn y llythyr cynnig, mae RhCT yn ei gwneud hi'n ofynnol i'r Cyngor, ynghyd â'r 3 awdurdod lleol arall a restrir ym mharagraff 3.2 yr adroddiad, ymrwymo i gytundeb yn gysylltiedig â'r Grant ADY hwn. Bydd y cytundeb hwn yn nodi rolau a chyfrifoldebau'r cynghorau a sut y dyrennir y cyllid.

Ychwanegodd fod arweinwyr y Gwasanaeth Cynhwysiant o bob awdurdod lleol yn cyfarfod yn fisol â'r Arweinydd Trawsnewid ADY o'r Bwrdd Trawsnewid. Yn ystod y cyfarfod hwn, bydd y Cynllun Gweithredu ADY a gwariant y grant yn cael eu monitro.

Cadarnhaodd yr Aelod Cabinet - Addysg ac Adfywio, fod y cyllid a sicrhawyd yn gwneud llawer i gefnogi rhai o ddarpariaethau Deddf ADYTA a'r maes angen cynyddol ar gyfer pobl ag ADY.

PENDERFYNWYD: Bod y Cabinet:

- (1) Yn cymeradwyo y dylai'r Cyngor ymrwymo i'r cytundeb â RhCT, Cyngor Dinas a Sir Caerdydd, Cyngor Bwrdeistref Sirol Merthyr Tudful a Chyngor Bwrdeistref Sirol Bro Morgannwg.
- (2) Yn rhoi awdurdod dirprwyol i'r Cyfarwyddwr Corfforaethol Addysg a Chymorth i Deuluoedd mewn ymgynghoriad â'r Swyddog Adran 151 a Phennaeth y Gwasanaethau Cyfreithiol a Rheoleiddio i negodi a chytuno ar delerau'r cytundeb ac ymrwymo i'r cytundeb.

21. DEDDF TRWYDDEDU 2003, DATGANIAD POLISI TRWYDDEDU AC ASESIAD EFFAITH GRONNUS

Cyflwynodd y Rheolwr Tîm - Trwyddedu adroddiad a drafodai rôl y Cyngor fel awdurdod trwyddedu, fel corff rheoleiddio ar gyfer tafarndai, clybiau, siopau diodydd trwyddedig a siopau cludfwyd sydd ar agor yn hwyr yn y nos.

Pwrpas yr adroddiad oedd gofyn am gymeradwyaeth i gyhoeddi Datganiad Polisi Trwyddedu ar gyfer y cyfnod nesaf o bum mlynedd, ac i gymeradwyo Polisi ac Aseiad Effaith Gronnus arbennig yn rhan o'r broses honno.

Esboniodd y Rheolwr Tîm - Trwyddedu fod yn rhaid i'r Cyngor gyflawni ei swyddogaethau i hyrwyddo'r amcanion trwyddedu a ganlyn:

- Atal trosedd ac anhrefn;
- Atal niwsans cyhoeddus;
- Diogelwch y cyhoedd;
- Amddiffyn plant rhag niwed

Cadarnhaodd fod y Cyngor wedi dod yn Awdurdod Trwyddedu yn 2005, a'i bod hi bellach yn bryd cynnal adolygiad pum mlynedd o Ddatganiad y Polisi Trwyddedu. Proses ffurfiol yw hon, ac amlinellwyd y broses statudol ym mharagraff 3.2 yr adroddiad. Esboniodd fod yr Ymgynghoriad ar hyn yn cael ei gynnal ar-lein rhwng 17 Mehefin 2019 a 9 Medi 2019. Roedd yr ymgynghoreion statudol yn cynnwys yr Heddlu, yr Awdurdod

Tân, y Cydwasanaethau Rheoleiddio, y Bwrdd Iechyd Lleol, adrannau eraill y Cyngor a'r Swyddfa Gartref.

Yr oedd hefyd yn cynnwys yr holl Aelodau Etholedig, Cyngorau Tref a Chymuned, Rheolwr Canol y Dref a chynrychiolwyr masnach.

Yn Natganiad y Polisi Trwyddedu nodir sut mae'r Cyngor yn arfer ei swyddogaethau a'i ymagwedd at benderfyniadau. Nodir hefyd yr hyn y mae'n disgwyl i ddarpar ymgeiswyr ei ystyried wrth baratoi ceisiadau am drwyddedau newydd neu amrywiadau o bwys. Yn adran 9 y polisi hwn nodir nifer o fesurau y gellid eu hystyried, yn dibynnu ar natur yr eiddo. Cynghorodd y Rheolwr Tîm - Trwyddedu, ar wahân i Ganol Tref Pen-y-bont ar Ogwr, nid oedd unrhyw dueddiadau na materion newydd yn deillio o'r ymgynghoriad a fyddai'n teilyngu newid polisi. O ganlyniad i hynny, roedd y Datganiad cyffredinol arfaethedig wedi'i gynnwys yn Atodiad A yr adroddiad. Dywedodd fod y newidiadau i'r datganiad hwnnw wedi'u hamlygu yn goch. Roedd a wnelo'r diweddariadau cyntaf ag amcanion corfforaethol y Cyngor. Roedd siâp neu lefelau meysydd cyfrifoldeb nifer o Gyfarwyddiaethau wedi newid, ac ar sail hynny, roedd angen edrych ymhellach ar rai diwygiadau ar dudalen 40 yr adroddiad, hy, lle'r oedd angen diweddarau rhai o gyfeiriadau'r cyrff a restrwyd yno.

Esboniodd y Rheolwr Tîm - Trwyddedu fod a wnelo'r ail fater â'r Polisi Effaith Gronnus Arbennig sydd ar waith yng Nghanol Tref Pen-y-bont ar Ogwr. Mae Effaith Gronnus yn derm a ddefnyddir i ddisgrifio sut y gall dwysedd eiddo trwyddedig mewn ardal neilltuol gael effaith negyddol ar drosedd ac anhrefn, sbwriel wedi'i ollwng, ymddygiad gwrth-gymdeithasol a niwsans. Os bydd y Cyngor yn gweld bod tystiolaeth o broblem mewn ardal, gall gynnwys polisi i ymdrin ag Effaith Gronnus o fewn y prif Ddatganiad Polisi. Bu polisi o'r fath yn weithredol ar Strydoedd Canol Tref Pen-y-bont ar Ogwr ers 2005. Effaith y polisi yw rheoli faint o eiddo newydd neu newidiadau o bwys i eiddo a geir o fewn yr ardal. Mae'r polisi i bob pwrpas yn creu rhagdybiaeth wrthbrofadwy yn gysylltiedig â phob cais neu amrywiad newydd, oni all yr ymgeisydd ddangos na fydd ei eiddo yn ychwanegu at y problemau a geir yn y lleoliad dan sylw.

Y prif newid eleni yw bod yn rhaid i'r Cyngor gynnal Asesiad Effaith Gronnus a chyhoeddi dogfen ar wahân cyn mabwysiadu polisi ar gyfer ardal benodol.

Aeth yn ei blaen i esbonio fod Heddlu De Cymru yn gofyn i'r Cyngor gadw'r polisi sy'n gysylltiedig â strydoedd Heol Derwen, Stryd y Farchnad, Stryd Wyndham a rhannau o Stryd Nolton ym Mhen-y-bont ar Ogwr, fel yr amlinellwyd yn yr adroddiad. Roedd llythyr oddi wrth yr Heddlu i'r perwyl hwnnw wedi'i gynnwys yn Atodiad B yr adroddiad.

O ran yr amcanion trwyddedu, roedd Heddlu De Cymru wedi casglu bod cael polisi effaith gronnus wedi cyfrannu'n uniongyrchol at ostwng cofnodion trosedd yng nghanol y dref yn ogystal ag achosion o riportio ymddygiad gwrthgymdeithasol.

Ychwanegodd y Rheolwr Tîm - Trwyddedu fod yr Asesiad drafft wedi'i gynnwys yn Atodiad C yr adroddiad. Yn rhan o'r ymgynghoriad cyhoeddus, dywedodd fod holiadur wedi'i gynnwys i nodi materion sy'n destun pryder yn gysylltiedig ag eiddo trwyddedig yng nghanol y dref.

Mae maint y sampl, sef cyfanswm o 15, yn fach, ac fe gafwyd ymateb gan aelodau o'r cyhoedd, partïon â buddiant a deiliaid trwydded i'r ymgynghoriad hwnnw. Roedd 93% o blaid cadw'r polisi effaith gronnus ac roedd y prif faterion a oedd yn destun pryder wedi'u rhestru ar ffurf pwyntiau bwled ym mharagraff 4.7 yr adroddiad.

Roedd y polisi yn un o gyfres o fesurau y gellir eu defnyddio i reoli effaith eiddo trwyddedig, gan gynnwys gorfodi, defnyddio TCC a chynlluniau masnach fel Pubwatch.

Dywedodd y Rheolwr Tîm - Trwyddedu mai casgliad yr asesiad oedd bod tystiolaeth i gefnogi parhau â'r polisi effaith gronrus yng nghanol tref Pen-y-bont ar Ogwr, a bod hynny'n weithred gymesur er mwyn ymdrin â'r problemau a nodwyd yno.

Effaith mabwysiadu'r polisi hwn fydd creu rhagdybiaeth wrthbrofadwy y bydd ceisiadau am eiddo newydd neu i amrywio eiddo presennol yn cael eu gwrthod, lle bo sylwadau perthnasol yn dod i law, yn fwyaf tebygol oddi wrth yr heddlu yn gysylltiedig â throedd ac anhrefn, er y gallai'r sylwadau hynny ymwneud â niwsans cyhoeddus hefyd, oni all yr ymgeisydd ddangos na fydd y cais yn ychwanegu at yr effaith negyddol ar strydoedd canol y dref sydd wedi'u cynnwys yn y polisi

Er nad polisi cyffredinol oedd y polisi hwn, mae'n rhoi'r cyfrifoldeb ar y gweithredwr.

Os nad oedd yr awdurdodau cyfrifol na'r cyhoedd yn pryderu o gwbl am arddull arfaethedig na gweithrediad yr eiddo, ac nad oeddent yn cyflwyno unrhyw sylwadau, byddai'r cais yn cael ei ganiatáu.

Daeth y Rheolwr Tîm - Trwyddedu â'i chyflwyniad i ben drwy gadarnhau bod y polisi'n anelu i leihau'r achosion o drosedd ac anhrefn a phroblemau'n gysylltiedig ag alcohol, a sicrhau bod Canol Tref Pen-y-bont ar Ogwr yn amgylchedd diogel i bobl sy'n ymweld â'r ardal ac yn gweithio ynddi.

Dywedodd yr Aelod Cabinet - Llesiant a Chenedlaethau'r Dyfodol ei bod hi'n braf nodi y byddai'r Polisi diwygiedig yn cyfrannu'n sylweddol at liniaru pryderon ynghylch ymddygiad gwrthgymdeithasol, yn enwedig yng nghanol tref Pen-y-bont ar Ogwr, ac yn enwedig yn yr ardaloedd gorlawn hynny o'r dref lle ceir nifer sylweddol o sefydliadau sydd ar agor yn hwyr yn y nos yn agos at ei gilydd.

Mynegodd yr Arweinydd siom yn nifer yr ymatebion a gafwyd i'r ymgynghoriad, gan gyfeirio hefyd at y ffaith y dylid cyfeirio at bob un o'r pedair tref yn y Fwrdeistref Sirol yn y Polisi hwn, a'u cynnwys ynddo.

PENDERFYNWYD: Bod y Cabinet yn nodi'r adroddiad a fyddai'n cael ei gyflwyno gerbron y Cyngor ar 18 Rhagfyr 2019.

22. Y FLAENRAGLEN WAITH

Cyflwynodd Pennaeth y Gwasanaethau Cyfreithiol a Rheoleiddio adroddiad i ofyn am gymeradwyaeth y Cabinet i gynnwys eitemau ar y Flaenraglen Waith ar gyfer y cyfnod 1 Ionawr hyd 30 Ebrill 2020.

Cadarnhaodd, yn unol â darpariaeth yng Nghyfansoddiad y Cyngor, y byddai'r Flaenraglen Waith yn cael ei llunio gan y Swyddog Monitro ac yn trafod cyfnod o bedwar mis fel rheol. Byddai hefyd yn cynnwys materion yr oedd y Cabinet, y Pwyllgorau Trosolwg a Chraffu a'r Cyngor yn debygol o'u hystyried.

Dangoswyd y Blaenraglenni Gwaith ar gyfer y cyfnod nesaf a oedd wedi'u hatodi i'r adroddiad, fel a ganlyn:-

- Cabinet - Atodiad 1
- Cyngor - Atodiad 2
- Trosolwg a Craffu - Atodiad 3

Nododd yr Aelod Cabinet - Llesiant a Chenedlaethau'r Dyfodol, o'r wybodaeth a gyflwynwyd i gefnogi'r adroddiad, fod rhai testunau diddorol ar Flaenraglen Waith y Pwyllgorau Trosolwg a Chraffu ac, oherwydd hynny, y gallai fod yn werth ystyried gwe-ddarlledu rhai o'r cyfarfodydd hyn er budd y cyhoedd.

PENDERFYNWYD: Bod y Cabinet:-

- Yn cymeradwyo Blaenraglen Waith y Cabinet ar gyfer y cyfnod 1 Ionawr hyd 30 Ebrill 2020 yn Atodiad 1 yr adroddiad.
- Yn nodi Blaenraglenni Gwaith y Cyngor a'r Pwyllgorau Trosolwg Craffu, fel y'u dangoswyd yn Atodiad 2 a 3 yr adroddiad, yn y drefn honno.

23. ADRODDIADAU I'W NODI ER GWYBODAETH

Cyflwynodd y Pennaeth Gwasanaethau Cyfreithiol a Rheoleiddio adroddiad a hysbysai'r Cabinet ynghylch Adroddiad Gwybodaeth i'w nodi (wedi'i atodi i'r adroddiad), a oedd wedi cael ei gyhoeddi ers ei gyfarfod diwethaf.

Dangoswyd manylion yr Adroddiad Gwybodaeth ym mharagraff 4.1 yr adroddiad cyflwyno.

Cymeradwyodd yr Aelod Cabinet - Addysg ac Adfywio, a'r Arweinydd yn ei dro, bob un o'r tair ysgol yn dilyn adolygiad diweddar Ysgol Gynradd West Park; ailymweliad ag Ysgol Gynradd Tynyrheol a'r adolygiad o gynnydd yn Ysgol Gyfun Cynffig.

PENDERFYNWYD: Bod y Cabinet yn cydnabod bod y ddogfen a restrwyd yn yr adroddiad wedi'i chyhoeddi.

24. EITEMAU BRYD

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BRIDGEND COUNTY BOROUGH COUNCIL

REPORT TO CABINET

21 JANUARY 2020

REPORT OF THE INTERIM HEAD OF FINANCE

BUDGET MONITORING 2019-20 – QUARTER 3 REVENUE FORECAST

1.0 Purpose of this report

1.1 The purpose of this report is to provide Cabinet with an update on the Council's revenue financial position as at 31st December 2019.

2.0 Connections to Corporate Improvement Objectives / Other Corporate Priorities

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

1. **Supporting a successful economy** – taking steps to make the county a good place to do business, for people to live, work, study and visit, and to ensure that our schools are focused on raising the skills, qualifications and ambitions of all people in the county.
2. **Helping people to be more self-reliant** – taking early steps to reduce or prevent people from becoming vulnerable or dependent on the Council and its services.
3. **Smarter use of resources** – ensuring that all its resources (financial, physical, human and technological) are used as effectively and efficiently as possible and support the development of resources throughout the community that can help deliver the Council's priorities.

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

3.0 Background

3.1 On 20th February 2019, Council approved a net revenue budget of £270.809 million for 2019-20. As part of the Performance Management Framework, budget projections are reviewed regularly and reported to Cabinet on a quarterly basis. The delivery of agreed budget reductions is also kept under review and reported to Cabinet as part of this process.

4.0 Current Situation / Proposal

4.1 Summary financial position at 31st December 2019

4.1.1 The Council's net revenue budget and projected outturn for 2019-20 is shown in Table 1 below.

Table 1- Comparison of budget against projected outturn at 31st December 2019

Directorate/Budget Area	Original Budget 2019-20 £'000	Revised Budget 2019-20 £'000	Projected Outturn Q3 2019-20 £'000	Projected Over / (Under) Spend 2019-20 £'000	Projected Over / (Under) Spend Qtr 2 2019-20 £'000
Directorate					
Education and Family Support	116,208	114,949	115,509	560	594
Social Services and Wellbeing	70,834	71,582	72,267	685	918
Communities	25,331	25,862	25,680	(182)	32
Chief Executive's	18,609	18,622	17,644	(978)	(885)
Total Directorate Budgets	230,982	231,015	231,100	85	659
Council Wide Budgets					
Capital Financing	7,430	7,329	6,766	(563)	(570)
Levies	7,376	7,134	7,117	(17)	0
Apprenticeship Levy	700	700	620	(80)	(77)
Council Tax Reduction Scheme	14,854	14,854	14,637	(217)	(103)
Insurance Premiums	1,588	1,588	1,339	(249)	(258)
Repairs & Maintenance	870	870	870	0	0
Pension Related Costs	430	430	436	6	0
Other Corporate Budgets	6,579	6,889	2,735	(4,154)	(3,800)
Total Council Wide Budgets	39,827	39,794	34,520	(5,274)	(4,808)
Appropriations to Earmarked Reserves			4,391	4,391	3,574
Total	270,809	270,809	270,011	(798)	(575)

4.1.2 The overall projected position at 31st December 2019 is a net under spend of £798,000 comprising £85,000 net over spend on directorates and £5.274 million net under spend on council wide budgets, offset by net appropriation to earmarked reserves of £4.391 million.

4.1.3 The main reason for the under spend of £4.154 million on 'Other Corporate Budgets' is due to Welsh Government advising local authorities of additional grant funding being made available during 2019-20 to meet the increased cost of teachers' pensions (£2,006,096), fire service pensions (£272,405), and teachers' pay increases (£343,701), all of which were originally funded in full through the MTFS. In June 2019 Council approved that an 'Investing in Communities Fund' be established with £2 million of this funding to support the capital minor works programme by enabling more capital improvement works to be undertaken on Council assets in our local communities. Other movements in earmarked

reserves can be found in section 4.4. In addition, given the significant funding required to meet pay, prices and pension costs in 2020-21, any uncommitted funding in 2019-20 will be carried forward to meet those pressures in the new financial year.

- 4.1.4 The Council received its provisional local government settlement for 2020-21 from Welsh Government on the 16th December 2019. A report was presented to Cabinet on the 14th January 2020 on the draft Medium Term Financial Strategy 2020-21 to 2023-24 which set out the spending priorities of the Council, key investment objectives and budget areas targeted for necessary savings. The strategy includes a financial forecast for 2020-2024 and a detailed draft revenue budget for 2020-21. It is clear from the report that there will be difficult choices to make and pressures to meet going forward. In addition, there is still one quarter of the financial year remaining and there are a number of volatile budgets which could impact upon this position, particularly during the winter months.
- 4.1.5 A detailed analysis of the more significant projected under and over spends is set out in section 4.3. The position on directorate budgets has improved since quarter 2, with the projected over spend reducing by £574,000. This is primarily due to maximisation of grant funding within the Social Services and Wellbeing Directorate along with improved projections on development income within the Communities Directorate due to a number of large planning applications being received/due before the end of the financial year.
- 4.1.6 There have been no budget virements, but several technical adjustments between budgets since the quarter 2 forecast was reported to Cabinet on the 22nd October 2019. The main technical adjustments are outlined below:

Technical Adjustments

Service vired from / to	Amount
Allocation of funding retained centrally in respect of outstanding pay and price inflation e.g costs of meeting National Living Wage for external care providers and confirmed increases in costs of external contracts	£780,851
Allocation of funding retained centrally in respect of teachers pay award (£503,054) and pension (£132,123) 19-20 net of grant	£635,177
Allocation of funding retained centrally in respect of contingency requests for Home to School Transport and Schools Causing Concern	£340,947
Allocation of funding from education central budget (recoupment) to school delegated budget to fund increase in pupil numbers at special schools	£88,372
Re-allocation of budget growth from education central budget to school delegated budget to fund opening of ASD bases in schools	£75,409
Transfer of staff from Business Support (Communities) to the Chief Executive's Directorate	£48,940

- 4.1.7 As mentioned in the quarter 2 report, Welsh Government made additional grant funding available during 2019-20 to meet the increased cost of teachers' pension and fire service pensions along with additional grant funding towards teacher's pay increases. The shortfall in 2019-20 has been met as shown in the technical adjustments table above. The MTFs report to Cabinet on the 14th January indicated that the increase in Aggregate External Finance (AEF) for Bridgend of 4.7% for Bridgend in 2020-21 will be required to fund the full year effect of the teachers' pay and pensions increases for the period April to August 2020, the future impacts of teachers' pay awards which will come into effect from September 2020 and to provide funding for free school meals, given the continued rollout of Universal Credit by the UK Government. This is in addition to other pressures such as the non-teachers' pay increase from April 2020 (not yet agreed) and other legislative and demographic pressures, including rising pupil numbers.
- 4.1.8 The net budget for the financial year has been set assuming full implementation of the current year budget reduction requirements across the Council's budget, which amount to £7.621 million. Where proposals to meet this requirement have been delayed or are not achievable directorates have been tasked with identifying alternative proposals to meet their requirements such as vacancy management, or bringing forward alternative budget reduction proposals.
- 4.1.9 The draft Medium Term Financial Strategy for 2020-21 to 2023-24, presented to Cabinet on 14th January 2020 included a number of pressures facing Welsh Councils over the life of the MTFs. This reiterated the need to develop recurrent budget reduction proposals, based on the most likely scenario, amounting to £29.332 million over the next four years. Against that background, it is essential that expenditure is kept within the overall approved budget and that longer term proposals continue to be developed so that the Council has as much flexibility as possible to meet the challenges which lie ahead.
- 4.1.10 At year end consideration will be given to requests from directors to carry forward any planned directorate under spends for specific purposes into the following year, in line with the Council's Reserves and Balances Protocol, as long as these can be met from within the Council's cash limited budget for 2019-20. This is in line with the reports to Cabinet and Council on the MTFs, and the Council's Financial Procedure Rules. Similarly, consideration will be given to any budget over spends to determine whether these should be carried forward as a first call on the directorate budget for the following year. Finally, outstanding prudential borrowing will be repaid, where possible, to reduce future capital financing charges. However, a decision will not be made until towards the end of the financial year when the overall outturn position is more definite.

4.2 Monitoring of Budget Reduction Proposals

Prior Year Budget Reductions

- 4.2.1 A report was presented to Cabinet on 18th June 2019 on Financial Performance 2018-19. In the report it was highlighted that, for 2016-17 to 2018-19, there were £2.342 million of budget reduction proposals that were not met in full, with a total outstanding balance to be met of £1.519 million. Directors have been asked to identify if any of these proposals are still not likely to be achieved in full during the 2019-20 financial year, and to identify mitigating action that will be undertaken to

achieve them. A summary of the latest position is attached as Appendix 1 with a summary per directorate provided in Table 2.

4.2.2 The Social Services and Wellbeing Directorate has developed a Future Service Delivery Plan, which was presented to Corporate Overview and Scrutiny Committee in March 2018, and which outlines the Directorate's response to the financial challenge facing them, not least setting out the planned actions to be undertaken in order to meet the shortfall. This will be monitored continuously throughout 2019-20.

Table 2 – Outstanding Prior Year Budget Reductions

	Total Budget Reductions Required	Total Budget Reductions Likely to be Achieved	Shortfall
DIRECTORATE /BUDGET REDUCTION AREA	£'000	£'000	£'000
Education and Family Support	222	20	202
Social Services and Wellbeing	918	673	245
Communities	1,202	1,102	100
TOTAL	2,342	1,795	547

4.2.3 Table 2 shows that of the £2.342 million outstanding reductions, £1.795 million is likely to be achieved in 2019-20 leaving a shortfall of £547,000. Proposals still not likely to be achieved include:

- Learner Transport Policy and Transport Route efficiencies (£127,000) due to delays in assessments of safe routes.
- Review of Special Schools Home to School Transport (£75,000) as currently out to mini-tender.
- Permitting Scheme for Road Works (£100,000) due to delays in approval process with Welsh Government.

The balance mainly relates to proposals set out in the Social Services and Wellbeing Service Delivery Plan that are profiled over two to three years.

4.2.4 As outlined in the MTFs reports to Cabinet and Council, MTFs Principle 7 states that *“Savings proposals are fully developed and include realistic delivery timescales prior to inclusion in the annual budget. An MTFs Budget Reduction Contingency Reserve will be maintained to mitigate against unforeseen delays”*. A Budget Reduction Contingency was established in 2016-17. This reserve has been used to meet specific budget reduction proposals in previous years on a one-off basis pending alternative measures. Following agreement with the S151 Officer, it is being used in 2019-20 to mitigate the on-going shortfall on the following budget reductions proposals:-

MTFS Reference	Original Saving Proposal £'000	Funding from MTFS Budget Reduction Contingency Reserve £'000
COM 52 - MREC	1,300	500
EFS 1 – Learner Transport Policy (17-18)	20	20
EFS 2 – School Transport Route Efficiencies (17-18)	40	40
EFS 1 – Learner Transport Policy (18-19)	67	67
EFS 1 – Learner Transport Policy (19-20)	67	67
TOTAL	1,494	694

During the remainder of the financial year the S151 Officer will consider further applications from directorates to the MTFS Budget Reduction Contingency Reserve to mitigate further shortfalls.

Budget Reductions 2019-20

- 4.2.5 The budget approved for 2019-20 included budget reduction proposals totalling £7.621 million, which is broken down in Appendix 2 and summarised in Table 3 below. The current position is a projected shortfall on the savings target of £1.111 million, or 14.5% of the overall reduction target.

Table 3 – Monitoring of Budget Reductions 2019-20

	Total Budget Reductions Required	Total Budget Reductions Likely to be Achieved	Shortfall
DIRECTORATE /BUDGET REDUCTION AREA	£'000	£'000	£'000
Education and Family Support	596	529	67
Schools	0	0	0
Social Services and Wellbeing	1,235	1,125	110
Communities	1,938	1,079	859
Chief Executive's	1,464	1,384	80
Council Wide Budgets	2,388	2,388	0
TOTAL	7,621	6,505	1,116

A comparison of the RAG status position against Quarter 2 is provided below:-

	2019-20		2019-20	
	Q 2		Q 3	
	£'000	%	£'000	%
Green	5,155	68%	5,495	72%
Amber	1,009	13%	664	9%
Red	1,457	19%	1,462	19%
Total	7,621	100%	7,621	100%

The main shift has been from reductions classed as amber to green between Quarters 2 and 3.

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

- EFS1 - Phased Implementation of Learner Transport Policy (£67,000) – no saving likely to be achieved in 2019-20.
- SSW22 – Further savings from library and cultural facilities (£60,000) – no saving likely to be achieved in 2019-20.
- COM52 – Reduction to the budget for the MREC (£1,300,000) - £650,000 likely to be achieved in 2019-20.

4.2.7 Appendix 2 identifies the projected amount of saving against these proposals in detail and action to be taken by the directorate to mitigate the shortfall. Directors continue to work with their staff to deliver their proposals or identify alternatives and this is reflected in the forecast outturn for the year. In the longer term, these proposals must be realised or met through alternative budget reduction proposals in order to deliver a balanced budget position.

4.3 Commentary on the financial position as at 31st December 2019

A summary of the financial position for each main service area is attached as Appendix 3 to this report and comments on the most significant variances are provided below. Actions are being taken by those directorates currently reporting a projected over spend to try to resolve issues that led to the current position or alternatively to identify offsetting savings in other areas of the service.

4.3.1 **Education and Family Support Directorate**

The net budget for the Directorate for 2019-20 is £114.949 million. The Directorate (excluding Schools) contains savings targets of £596,000 for 2019-20. Current projections indicate an over spend of £560,000 at year end. The main variances are:

EDUCATION & FAMILY SUPPORT DIRECTORATE	Net Budget	Projected Outturn	Projected Variance Over/(under) budget	% Variance
	£'000	£'000	£'000	
Inclusion	2,430	2,848	418	17.2%
Home to School Transport	5,468	6,229	761	13.9%
Strategic Management	1,594	1,569	(25)	-1.6%
Catering Services	939	887	(52)	-5.5%
Emotional Health & Behaviour	1,851	1,785	(66)	-3.6%
Integrated Working	1,488	1,300	(188)	-12.6%
Health & Safety	384	247	(137)	-35.7%
Skills	107	51	(56)	-52.3%
Youth Justice	361	307	(54)	-15.0%

Schools' Delegated Budgets

The schools' delegated budget is reported as balanced as any under or over spend is automatically carried forward into the new financial year before being considered by the Director of Education and Family Support in line with the 'Guidance on Managing School Surplus Balances'. At Quarter 3 for 2019-20 there are 25 primary schools and 3 secondary schools (46% of all schools) that are projecting a deficit balance at year end. In total the Quarter 3 projections indicate an overall deficit balance for school delegated budgets of £1.09 million at year end.

Central Education and Family Support Budgets

Inclusion

- The over spend of £418,000 primarily relates to a deficit in the recoupment budget (£389,000). This is mainly due to that fact that there are currently only 20 out of county placements at Heronsbridge School and Ysgol Bryn Castell compared with 30 in the Summer Term 2018, impacting on the anticipated income levels.

Home to School Transport

- There is an over spend of £761,000 on Home to School Transport. There is still significant pressure on the home-to-school transport budget. Although a significant budget reduction of £1.794m has been applied to the learner transport budget to support the MTFs since 2014-2015, the change of policy approved by Cabinet in September 2015 has not delivered significant enough savings to support this large budget reduction. The 'in-receipt' and 'sibling rule' entitlement has meant that, year-on-year, the number of pupils the policy change applies to, is relatively small. As a result a contribution of £194,000 has been agreed by the S151 Officer from the MTFs Budget Contingency Reserve as outlined in paragraph 4.2.4.
- As well as an increase in eligible learners, there is also significant pressure on transport providers with many not tendering for smaller contracts as they do not

consider them to be profitable. Limited competition is increasing the costs associated with some contracts, especially where specialist vehicles are required e.g. those with tail-lifts. The requirement for specialist transport provision for pupils with additional learning needs (ALN) is increasing costs in general.

- A report was approved by Cabinet on the 23rd July 2019 to commence a 12 week public consultation starting in September 2019 on proposed changes to the Local Authority Home to School/College Transport policy.
- At the start of the 2019-20 academic year a large number of contracts were handed back by transport providers after a competitive tender process. This left the local authority in a very difficult position, with the awarding of these contracts to other contractors at short notice. This increased the total value of the retendered contracts by approximately £100,000 annually.
- The Corporate Strategic Transport Review will aim to identify opportunities for efficiency savings within the school transport budget and elsewhere across the local authority's transport services.
- Several hundred pupils in both primary and secondary schools who are not eligible for free home-to-school transport have been identified as currently benefiting from it. There are significant savings possible if transport is removed from these pupils, as whole contracts can be cancelled. This can be achieved by providing one term's notice to pupils and parents.

Strategic Management

- The under spend of £25,000 is as a result of a review of non-staffing budgets across the directorate, which are being held to mitigate over spends across other directorate service areas. These will be considered as part of future years' MTFS savings.

Catering Services

- The under spend of £52,000 has arisen as a result of a 3.31% increase in primary school meal take up compared with when the budgets were set at the start of the financial year. Take up of school meals will require close in-year monitoring.

Emotional Health & Behaviour

- The under spend of £66,000 is a combination of increased use of Ty Lidiard (provision of education to children who are not able to attend school because they are in hospital) by other Local Authorities and the increased level of clawback from schools for the Education Other Than At School (EOTAS) provision, i.e. recoupment of the pupil funding from the respective schools whilst they are receiving EOTAS.

Integrated Working

- The under spend of £188,000 relates to current staff vacancies within the service. The vacant posts are expected to be filled during the remainder of the financial year.

Health and Safety

- The under spend of £137,000 relates to current staff vacancies within the service. The service area is currently going through a recruitment process to fill these vacancies.

Skills

- The under spend of £56,000 relates to maximisation of grant draw down within the service area.

Youth Justice

- The under spend of £54,000 relates to current staff vacancies within the service. The service area is currently going through a review to fill these vacancies.

4.3.2 **Social Services and Wellbeing Directorate**

The Directorate's net budget for 2019-20 is £71.582 million. The Directorate budget contains savings targets of £1.235 million for 2019-20. Current projections indicate an over spend of £685,000 at year end which has improved from the quarter 2 projection of £918,000 primarily due to maximisation of grant income. The main variances are:

SOCIAL SERVICES AND WELLBEING DIRECTORATE	Net Budget	Projected Outturn	Projected Variance Over/(under) budget	% Variance
	£'000	£'000	£'000	
Care at home for Older People	8,503	8,164	(339)	-4.0%
Care at Home for Physical Disabilities	1,644	1,480	(164)	-10.0%
Equipment and Adaptations	858	1,094	236	27.5%
Assessment and Care Management	5,022	4,485	(537)	-10.7%
Learning Disabilities Residential Care	1,930	2,087	157	8.1%
Care at Home for Learning Disabilities	9,635	9,947	312	3.2%
Learning Disabilities Day Opportunities	2,957	3,257	300	10.1%
Mental Health Supported & Other Accommodation	202	79	(123)	-60.9%
Looked After Children	11,557	12,610	1,053	9.1%
Commissioning & Social Work	5,087	4,948	(139)	-2.7%
Sports, Play and Active Wellbeing	5,165	5,126	(39)	-0.8%

Care at Home for Older People

- Care at home includes domiciliary care services, local authority homecare services and the provision of direct payments. The net under spend of £339,000 is a combination of an over spend on the Direct Payments budget due to an increase in the number of cases, offset by an under spend on the homecare budget primarily due to difficulties in recruiting to care posts and the implementation of a restructure.

Care at Home for Physical Disabilities

- There is a projected net under spend of £164,000 which is made up of a combination of an over spend on direct payments (65 clients at Quarter 3 compared with 60 clients at Quarter 1) offset by a consequential under spend on external domiciliary care and care attendants. The service area has also benefited from receiving more joint health funding than originally anticipated.

Equipment and Adaptations

- There is a projected over spend of £236,000 as a result of increased use of aids and equipment, along with servicing costs. These costs are seen as a preventative measure to keep service users out of long term care, and therefore reduce pressure on other service area budgets.

Assessment and Care Management (ACMT)

- There is a projected under spend of £537,000 on all assessment and care management budgets across the directorate. £173,000 of this is due to the receipt of additional Integrated Care Fund funding with the balance due to staff vacancies. The directorate manages its staff vacancies stringently in order to achieve cost savings in-year.

Learning Disabilities Residential Care

- There is a projected over spend of £157,000 which relates mainly to the complexity of needs and resulting high cost despite a reduced number of service users (26 current placements (including respite), down from 28 placements as at Quarter 2).

Care at Home for People with Learning Disabilities

- There is a projected over spend of £312,000 mainly due to the complexity of needs and number of service users receiving direct payments or receiving domiciliary care within a home setting or supported accommodation.

Learning Disabilities Day Opportunities

- There is a projected over spend of £300,000 mainly due to the cost of external day service provision. These costs are considerably less than 'one to one' care provision and this therefore reduces pressure on other service areas within the directorate.

Mental Health Supported & Other Accommodation

- A projected under spend of £123,000 is due to a combination of staffing under spends (£93,000) as a result of a staff restructure and additional income (£37,000) from accommodation fees and rent within BCBC accommodation.

Looked After Children (LAC)

- There is a projected over spend of £1.053 million. This represents 9.1% of the overall budget for LAC. This has increased from the Quarter 2 projected over spend (£694,000) due to a combination of factors.
- The implementation of a new model for residential services has required increased staffing due to the complexities/risk behaviours of the young people placed over recent months (some of which have been court directed) as an alternative to being placed with independent providers out of county
- We have 9 children in out of authority placements with the most recent admissions requiring specialist support and high staffing ratios (including secure Childrens' home provision).
- The average number of LAC this financial year is 381 compared with an average of 376 in 2018-19. This can fluctuate month to month and will require ongoing monitoring in-year.
- The average number of independent fostering placements (IFAs) this financial year is 67 compared to 61 in 2018-19. This can fluctuate month to month and again will require ongoing monitoring in-year.

Commissioning & Social Work

- A projected under spend of £139,000 is mainly due to staffing under spends due to difficulty in recruiting social workers.

Sports, Play and Active Wellbeing

- A projected under spend of £39,000 relates to current staff vacancies in the service area.

4.3.3 Communities Directorate

The net budget for the Directorate for 2019-20 is £25.862 million. The Directorate budget contains savings targets of £1.938 million for 2019-20. The current projection is an anticipated under spend of £182,000. The main variances are:

COMMUNITIES DIRECTORATE	Net Budget	Projected Outturn	Projected Variance Over/(under) budget	% Variance
	£'000	£'000	£'000	
Planning and Development	438	506	68	15.5%
Regeneration	2,295	2,157	(138)	-6.0%
Waste Disposal	3,325	3,450	125	3.8%
Waste Collection	5,178	5,405	227	4.4%
Highways Services	2,746	2,496	(250)	-9.1%
Engineering	49	-51	(100)	-204.1%
Fleet Services	52	225	173	332.7%
Parking Services	-336	-520	(184)	54.8%
Corporate Director - Communities	146	25	(121)	-82.9%

Planning and Development

- The projected over spend in Planning and Development of £68,000 is partly due to a projected shortfall in income of £168,000 within the Policy and Development Section. This income is linked directly to the amount of Section 38 fees received – these fees are charged to developers and relate to assessments and inspection of new street works. Due to the nature of Section 38 fees, income can be subject to considerable fluctuations between years depending on number and type of applications. This has been mostly offset by a projected under spend in Development Control of £90,000 based on planning application income received to date and comparison with the 2018-19 outturn. Fee income is subject to considerable fluctuations between years depending on number and type of applications and requires close monitoring in-year.

Regeneration

- The projected under spend of £138,000 in Regeneration has arisen mainly from staffing vacancies and changes in staffing hours. Vacancies are being closely managed through the year.

Waste Disposal and Collection

- There is a combined over spend on the Waste Collection and Waste Disposal budget of £352,000. There has been an ongoing procurement exercise with Neath Port Talbot County Borough Council (NPTCBC) to originally secure a new operator for the MREC facility. Total MTFs Budget Reductions against the Waste budget of £200,000 in 2017-18 and £1.300 million in 2019-20 were predicated on achieving a price in the region of £135 per tonne from this exercise. NPTCBC will now be running the MREC facility in-house, and whilst savings have been made in 2019-20 they are not at the level to achieve the MTFs savings and discussions are

continuing with NPTCBC to continue to negotiate further improvements. A contribution of £500,000 has been agreed by the S151 Officer from the MTFS Budget Reduction Contingency Reserve as outlined in paragraph 4.2.4.

Highways Services

- There is a projected under spend of £250,000 within Highways Services (DSO). This is primarily due to members of staff working on, and hence charging their time to, the ongoing SALIX capital scheme to enable the replacement of street lighting with new energy efficient LED units.

Engineering

- There is a projected under spend of £100,000 within Engineering Services due primarily to an increase in the level of fee earning jobs (balance of EU/non EU funded projects and the differing chargeable rates allowed).

Fleet Services

- Fleet is showing a projected over spend of £173,000. The service has undergone a review and the factors contributing to the over spend have been identified, including the charge out rate being too low to cover costs incurred. In line with a Corporate Management Board (CMB) recommendation, the service area has engaged in a review of productivity in advance of calculating the new rates. As a result of this review, at the start of 2019, technicians moved onto a differing working pattern to improve productivity. This was alongside a management restructure remodel which has seen a refocusing on workshop management and scheduling to address the over spend. Further costs saving measures have been undertaken such as improved procurement (e.g. reduced spend on tyres) and the fitting of speed limiters to vehicles to reduce fuel costs.

Parking Services

- Parking Services is showing a projected under spend of £184,000. This is primarily due to better than forecast levels of income received in car parks. This additional income is contributing to pressures within the overall transport budget.

Corporate Director - Communities

- There is a projected under spend of £121,000 mainly as a result of the promotion of the former Director to the post of Chief Executive, and whilst the new senior management structure is being populated.

4.3.4 Chief Executive's

The net budget for the Directorate for 2019-20 is £18.622 million. The Directorate budget contains savings targets of £1.464 million for 2019-20. Current projections anticipate an under spend against this budget of £978,000. The main variances are:

CHIEF EXECUTIVE'S	Net Budget £'000	Projected Outturn £'000	Projected Variance Over/(under) budget £'000	% Variance
Housing Benefits – Admin	829	668	(161)	-19.4%
HR and Organisational Development	1,622	1,504	(118)	-7.3%
ICT	3,498	3,280	(218)	-6.2%
Communication & Engagement	1,598	1,372	(226)	-14.1%
Legal, Democratic & Regulatory	5,015	4,789	(226)	-4.5%

Housing Benefits - Admin

- There is an under spend of £161,000 in respect of the administration of housing benefit arising mainly from staffing vacancies, but also changes in staffing hours and additional annual leave purchases. Vacancies will be closely managed through the year.

HR & Organisational Development

- The under spend of £118,000 mainly relates to staffing vacancies (implementation of a restructure) and changes in staffing hours. Vacancies will be managed throughout the year and could be subject to MTFS savings in 2020-21.

ICT

- The under spend of £218,000 is due to a combination of staffing vacancies, along with reduced telephony costs.

Communication & Engagement

- The under spend of £226,000 mainly relates to staffing vacancies, but also changes in staffing hours and additional annual leave purchases. Vacancies will be closely managed throughout the year and recruitment exercises are ongoing to fill vacant posts.

Legal, Democratic & Regulatory

- The under spend of £226,000 has mainly arisen from staffing vacancies and under spends on the legal fees budget. Vacancies continue to be managed throughout the year. Part of the under spend under legal, democratic and regulatory services could be subject to MTFS savings in 2020-21.

4.3.5 Council Wide budgets

This section includes budgets, provisions and services which are council wide, and not managed by an individual directorate. The budget for 2019-20 is £39.794 million. The Directorate budget contains savings targets of £2.388 million for 2019-20. The projected outturn is £34.520 million, resulting in a projected under spend of £5.274 million. Without the additional grants of £2,622,202 as referenced in paragraph 4.1.3, the under spend would have been £2.652 million. The main variances are detailed below:

COUNCIL WIDE BUDGETS	Net Budget	Projected Outturn	Projected Variance Over/(under) budget	% Variance
	£'000	£'000	£'000	
Capital Financing	7,329	6,766	(563)	-7.7%
Apprenticeship Levy	700	620	(80)	-11.4%
Council Tax Reduction Scheme	14,854	14,637	(217)	-1.5%
Insurance Premiums	1,588	1,339	(249)	-15.7%
Other Corporate Budgets	6,889	2,735	(4,154)	-60.3%

Capital Financing Costs

- There is a projected under spend of £563,000 on interest paid/received due to a combination of lower borrowing than anticipated as the Council uses its own internal resources to finance schemes, and additional interest from current investments.

Apprenticeship Levy

- The projected under spend of £80,000 is based on monthly charges to date and historic outturns.

Council Tax Reduction Scheme

- There is a projected under spend of £217,000 on the Council Tax Reduction Scheme based on spend to date. This is a demand led budget and take-up is difficult to predict. The Welsh Government is working with local authorities and third sector organisations to make people more aware of the range of support available to help people pay their council tax bills, and this could impact on take-up in 2019-20. This budget therefore requires close monitoring during 2019-20.

Insurance Premiums

- The projected under spend of £249,000 is mainly as a result of the reduction in the premium for property insurance in 2019-20 following a retendering exercise. This budget heading will be considered as part of future years' MTFS savings.

Other Corporate Budgets

- Other corporate budgets includes funding for pay, price and pensions increases, along with funding to deal with unexpected costs unforeseen when the budget was set. As reported to Cabinet in the Quarter 1 Budget Monitoring report in July 2019 since the Medium Term Financial Strategy (MTFS) was approved in February, Welsh Government advised Local Authorities that additional grant funding was being made available during 2019-20 to meet the increased cost of teachers' pensions and fire service pensions, both of which had been funded in full through the MTFS, along with additional grant funding of £343,701 towards teachers' pay

- increases. In respect of the South Wales Fire and Rescue Authority, this meant that the levy was reduced by £272,405, compared to the original budgeted provision.
- The total funding released from these allocations of £2.622 million is included in the overall pay and price budget. Council has agreed that the majority of this funding can be used to undertake capital works as part of an 'Investing in Communities Fund' and an earmarked reserve of £2 million has been created out of this reported under spend – see section 4.4.4. At this point in the year, there is a further projected under spend on the pay and price budget due to reduced requirements for funding for budget pressures and inflationary increases compared to the estimates provided for at the start of the financial year primarily due to maximising grant funding to support pay and price pressures – e.g. National Living Wage.
 - It should be noted that the projection on Other Corporate budgets could change significantly during the remainder of the financial year, especially due to the extent of inclement weather during the winter period and further demands on the Council Tax Reduction Scheme. At this point in the financial year, it is prudent to assume that all other budgets will be fully spent by year end.

4.4 Review of Earmarked Reserves

4.4.1 The Council is required to maintain adequate financial reserves to meet the needs of the organisation. The MTFS includes the Council's Reserves and Balances Protocol which sets out how the Council will determine and review the level of its Council Fund balance and earmarked reserves. At Quarter 3 a further review of the particular pressures that were to be covered by earmarked reserves was undertaken and Directorates have drawn down funding. The review also examined:-

- Commitments against existing reserves and whether these were still valid;
- Earmarked reserve requests from directorates as a result of emerging issues, and;
- Emerging risks for the Council as a whole.

4.4.2 Table 4 below details the creation of new earmarked reserves, increases to existing earmarked reserves and amounts that have been unwound from reserves since the beginning of the financial year. There have been net additions of £5.147 million, the cumulative draw down by directorates is £2.905 million and £756,000 has been unwound.

Table 4 – Earmarked Reserves – Quarter 3

Opening Balance 01-Apr-19	Reserve	Net Additions/ Reclassify	Draw-down	Unwound	Closing Balance 31-Dec-19
£'000		£'000	£'000	£'000	£'000
	Corporate Reserves:				
(9,243)	Education & Family Support	-	44	49	(9,150)
(841)	Social Services & Wellbeing	-	24	-	(818)
(7,397)	Communities	(2,597)	508	313	(9,172)
(5,415)	Chief Executives	(4,000)	501	47	(8,867)
(13,833)	Non-Directorate	2,240	770	248	(10,575)
(36,729)	Total Corporate Reserves	(4,357)	1,847	657	(38,582)
	Directorate Earmarked Reserves:				
(634)	Education & Family Support	-	-	-	(634)
(1,854)	Social Services & Wellbeing	-	169	-	(1,685)
(2,539)	Communities	(652)	244	100	(2,848)
(2,770)	Chief Executives	(125)	122	-	(2,774)
(7,797)	Total Directorate Reserves	(777)	535	100	(7,939)
	Equalisation & Grant Earmarked Reserves:				
(850)	Education & Family Support	(7)	521	-	(336)
(1,634)	Communities	(13)	1	-	(1,646)
(483)	Chief Executives	7	-	-	(476)
(2,967)	Total Equalisation Reserves	(13)	522	-	(2,457)
(614)	School Balances	-	-	-	(614)
(48,107)	Total Usable Reserves	(5,147)	2,905	756	(49,592)

4.4.3 The net appropriation to earmarked reserves as at Quarter 3 is £4.391 million (£5.147 million additions offset by £756,000 that have been unwound). This net addition has been funded from the projected under spend on non-Directorate budgets at the end of Quarter 3 as shown in Table 1.

4.4.4 The main additions are the creation of a £2 million 'Investing in Communities' fund as referred to in section 4.3.5, a £2 million addition to the unallocated capital reserve to be utilised against projected capital pressures, a £500,000 increase to the Change Management Fund to support new applications to the fund and an increase of £335,000 to the earmarked reserve against the Innovation Centre to support the period of development for the Enterprise Hub project. The main reserves that have been unwound are in relation to the Extra Care capital scheme (£308,000), Major Claims Reserve (£248,000) and Community Safety Reserve (£100,000) following a review of likely spend in these areas.

5.0 Effect upon Policy Framework & Procedure Rules

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

6.0 Equalities Impact Assessment

6.1 There are no implications in this report.

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

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

8.0 Financial implications

8.1 These are reflected in the body of the report.

9.0 Recommendations

9.1 Cabinet is requested to:

- note the projected revenue outturn position for 2019-20.

Gill Lewis
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January 2020

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Background documents: Individual Directorate Monitoring Reports
MTFS Report to Council – 20 February 2019

PRIOR YEAR BUDGET REDUCTIONS CARRIED FORWARD INTO 2019-20

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Ref.	Budget Reduction Proposal		Original Reduction and RAG £000	Revised RAG £000	Total amount of saving likely to be achieved by 19-20 £000	Reason why not achievable	Proposed Action in 2019-20 to achieve
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RAG STATUS KEY

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

EDUCATION & FAMILY SUPPORT

EFS1 (2017-18)	Phased implementation of Learner Transport Policy regarding statutory distances for free travel.		20		0	Delays to the assessments of safe routes have meant the policy can not be implemented. It will be implemented incrementally as routes are assessed. Red RAG status given overspend on HTST in 2018-19 and continuing overspend in 2019-20 projections.	Cabinet approved a report on the 23rd July 2019 to commence a 12 week public consultation in September 2019 on a number of policy proposals to effect additional savings. This will be reported back to Cabinet in due course.
EFS2 (2017-18)	School transport route efficiencies.		40		0	Delays to the assessments of safe routes have meant the policy can not be implemented. It will be implemented incrementally as routes are assessed. Red RAG status given overspend on HTST in 2018-19 and continuing overspend in 2019-20 projections.	An external review of BCBC's transport arrangements has been commissioned. It is hoped this review will support changes to the current transport arrangements with a view to making the identified efficiency savings.
EFS1 (2018-19)	Phased implementation of Learner Transport Policy regarding statutory distances for free travel.		67		0	Delays to the assessments of safe routes have meant the policy can not be implemented. It will be implemented incrementally as routes are assessed. Red RAG status given overspend on HTST in 2018-19 and continuing overspend in 2019-20 projections.	Cabinet approved a report on the 23rd July 2019 to commence a 12 week public consultation in September 2019 on a number of policy proposals to effect additional savings. This will be reported back to Cabinet in due course.
EFS14	Traded Services Schools brochure		20		20	No reason why this saving should not be achieved in full in 2019-20.	No action required. Full saving should be achieved in 2019-20
EFS27	Review arrangements for Special Schools Home to School Transport with a view to achieving efficiency savings		75		0	Retendering special school transport is unlikely to make the full saving due to additional in-year pressures on the Special School HTST budget.	Cabinet approved a report on the 23rd July 2019 to commence a 12 week public consultation in September 2019 on a number of policy proposals to effect additional savings. This will be reported back to Cabinet in due course.

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Ref.	Budget Reduction Proposal		Original Reduction and RAG £000	Revised RAG £000	Total amount of saving likely to be achieved by 19-20 £000	Reason why not achievable	Proposed Action in 2019-20 to achieve
Total Education & Family Support Directorate			222		20		
<u>SOCIAL SERVICES & WELLBEING</u>							
SSW001	Management and admin review		203		203	No reason why this saving should not be achieved in full in 2019-20.	No action required. Full saving should be achieved in 2019-20
SSW004	Review of LD supported living accommodation		78		78	No reason why this saving should not be achieved in full in 2019-20.	No action required. Full saving should be achieved in 2019-20
SSW009	Remodel children's residential services		245		155	The savings proposal has been profiled over three years.	Remodelling will continue into 2019-20. £155k savings has been forecast for 2019-20
SSW010	Increase in-house fostering provision		392		237	The savings proposal has been profiled over two years.	The fostering project will continue into 2019-20 with savings of £237k forecast
Total Social Services & Wellbeing Directorate			918		673		
<u>COMMUNITIES</u>							
COM1	Public conveniences - Reductions to the budget for Public Toilet provision		100		100	No reason why this saving should not be achieved in full in 2019-20.	No action required. Full saving should be achieved in 2019-20
COM18 2017-18	Reductions to the budget for the Materials Recovery and Energy Centre (MREC) Introduction in 17-18 of savings achieved through the current procurement being undertaken with Neath Port Talbot CBC for the provision of new operator arrangements for the MREC facility at Crumlyn Burrows.		200		200	Savings have been made in 2019-20 - they are at the level to achieve the prior year MTFs savings but not the 2019-20 savings target.	No action required. Full saving should be achieved in 2019-20
COM19 2017-18	Permitting Scheme road works net of existing income of £95,000		100		0	Timeline not in the direct control of BCBC officers as the business case is going through multiple steps in an approval process with WG. However ultimately a positive response is expected, and this is being lead by the group manager to ensure it is followed through.	Ongoing communication with WG to progress the business case. However, the responsible highways network budget area is committed to stay within budget irrespective of the delivery of the scheme.
COM27	Review of Subsidised Bus Services		188		188	No reason why this saving should not be achieved in full in 2019-20.	No action required. Full saving should be achieved in 2020-21

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Ref.	Budget Reduction Proposal		Original Reduction and RAG £000	Revised RAG £000	Total amount of saving likely to be achieved by 19-20 £000	Reason why not achievable	Proposed Action in 2019-20 to achieve
COM31	To rationalise the core office estate - Secure tenant for Raven's Court and move staff into the Civic Offices, in order to generate a rental income and save on running costs		114		114	No reason why this saving should not be achieved in full in 2019-20.	No action required. Full saving should be achieved in 2019-20
COM40	Implementation of Corporate Landlord		500		500	No reason why this saving should not be achieved in full in 2019-20.	No action required. Full saving should be achieved in 2019-20
	Total Communities Directorate		1,202		1,102		
GRAND TOTAL OUTSTANDING REDUCTIONS							
			2,342		1,795		
REDUCTIONS SHORTFALL					547		

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MONITORING OF 2019-20 BUDGET REDUCTIONS

Ref.	Budget Reduction Proposal	Impact, including on 5 Ways of Working as set out in the Wellbeing of Future Generations Act	Proposed 2019-20 £'000	Value Likely to be Achieved 2019-20 £'000	Reason why not likely to be achievable
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EDUCATION & FAMILY SUPPORT
CENTRAL EDUCATION & FAMILY SUPPORT

EFS1	Phased implementation of Learner Transport Policy regarding statutory distances for free travel	<ul style="list-style-type: none"> Savings should occur naturally as a result of the policy application year on year, however dispersed learners and contractual pressure from operators as routes become more untenable may mean it becomes increasingly difficult to find the identified savings. Risk of price increases from Contractors. 	67	0	Delays to the assessments of safe routes have meant the policy can not be implemented. It will be implemented incrementally as routes are assessed.
EFS19	Restructure of YOS Service	The amalgamation of the three local authority Youth Offending teams of Neath Port Talbot, Swansea and Bridgend in 2014 has historically achieved savings for the Local Authorities whilst simultaneously managing reductions in grant funding. There may be further opportunities to make savings through the ongoing restructure of the organisation, however this needs to be seen in the light of Bridgend possibly leaving the WB collaboration and possible costs associated with this.	41	41	Full saving should be achieved in 2019-20
EFS35	Reduction to contribution to the Central South Consortium (CSC) of 5%	This would need to be agreed with other partners within the Consortium.	30	30	Full saving should be achieved in 2019-20
EFS36	Review of leadership within the Inclusion Service.	This will require a restructure of the Inclusion Service and a full consultation. Affords an opportunity for distributed leadership and succession planning. This will increase the direct reports for Group Manager Inclusion and School Improvement but will mitigate any effect on front line service delivery.	70	70	Full saving should be achieved in 2019-20
EFS37	Review of Cognition and Learning Team	This will require a restructure of the Inclusion Service and a full consultation. This is the service that provides outreach for literacy within Bridgend and the proposed new model will require some building of capacity in schools. There would be a risk with the current delivery method in that the building of capacity within schools could not be fully covered.	110	110	Full saving should be achieved in 2019-20
EFS38	Review of Autistic Spectrum Disorder (ASD) team.	Savings would occur naturally as there are posts which are currently vacant within the team. This area would be consulted upon as part of an Inclusion Service restructure. Consideration would need to be given with regards to how building capacity with schools could be achieved in conjunction with other teams who support in a similar way and potentially with the same children and young people.	77	77	Full saving should be achieved in 2019-20

MONITORING OF 2019-20 BUDGET REDUCTIONS

Ref.	Budget Reduction Proposal	Impact, including on 5 Ways of Working as set out in the Wellbeing of Future Generations Act	Proposed 2019-20 £'000	Value Likely to be Achieved 2019-20 £'000	Reason why not likely to be achievable
EFS39	Review of Education Psychology Service	This would require a review of the Education Psychology team as part of the inclusion re-structure and will require the service to work differently to mitigate any shortfall in the service (e.g. undertake less training).	65	65	Full saving should be achieved in 2019-20
EFS40	Volunteer driver service	Service has not been operational since Jan 2017. Full budget is £116k. Therefore, £16k will be retained to support Looked After Children.	100	100	Full saving should be achieved in 2019-20
EFS45	Core funding for previous 'Uniform' Grant that has been replaced by PDG Access grant from Welsh Government	No impact - grant has replaced core funding.	36	36	Full saving should be achieved in 2019-20
Total Education and Family Support			596	529	

SOCIAL SERVICES & WELLBEING

SSW17/A SC18	Development of Extra Care Housing	Project is now in its final stages. All consultation has been completed. No adverse impact identified.	330	330	Full saving should be achieved in 2019-20
SSW19	Further review of HALO partnership contract.	Previous negotiations have proved successful. No adverse impact identified.	80	80	Full saving should be achieved in 2019-20
SSW21	As part of the contract with Awen, BCBC will be renegotiating its management fee for the period 2019-2022. This will mean reviewing accessibility of services and potential closure of AWEN facilities such as community centres or libraries.	Negotiation will be required with AWEN to identify efficiencies in areas with the least impact on services.	70	70	Full saving should be achieved in 2019-20
SSW22	Identify further savings from library and cultural facilities and related services including reviewing the numbers of facilities (libraries, community centres) and also reductions in services or opening hours.	Reduced availability of services and accessibility to the public. Negative impact on healthier wales wellbeing goals.	60	0	Unable to achieve savings in 2019/20 due to consultation timetable. Anticipated savings will be delivered in 2020/21.
SSW23	Review charging for telecare services	New charges will be introduced together with an increase in other current charges.	150	150	Full saving should be achieved in 2019-20
SSW24	Staffing reconfiguration across SSWB Directorate	Reconfiguration of staff will require staff consultation.	345	295	Restructures were not completed by April 2019, therefore only part year savings achievable. Full savings will be achieved by April 2020.
SSW25	Review of complex care accommodation across learning disabilities services	Review of in-house and external provision to be undertaken identify efficiencies in areas with the least impact on service users.	150	150	Full saving should be achieved in 2019-20

MONITORING OF 2019-20 BUDGET REDUCTIONS

Ref.	Budget Reduction Proposal	Impact, including on 5 Ways of Working as set out in the Wellbeing of Future Generations Act	Proposed 2019-20 £'000	Value Likely to be Achieved 2019-20 £'000	Reason why not likely to be achievable
SSW26	Remodelling day service provision for older people and learning disability services	Full review of services which could mean alternative service provision required to meet assessed need.	50	50	Full saving should be achieved in 2019-20
Total Social Services & Wellbeing Directorate			1,235	1,125	

COMMUNITIES

COM4	Review of School Crossing Patrol service in line with GB standards	This proposal builds on the 2015-16 budget reduction to cut the school crossing patrol budget and focus on those sites where there is greatest assessed risk based on the GB standard. This may impact on high risk routes to achieve the full saving, and could conflict with learner travel savings.	10	4	The level of service need is currently in excess of the available budget, hence saving will not be fully achieved in 2019-20
COM20	Highways Dept Management Structural Savings Target	Loss of experienced, competent and qualified managers to deliver statutory functions. Reduced resilience for response to highway issues.	100	55	Restructures were not completed by April 2019, therefore only part year savings achievable. Full savings will be achieved by April 2020.
COM26	Investigate the introduction of charging to users of the Shopmobility facility in Bridgend Town Centre to reduce/remove the current level of subsidy	A full Equality Impact Assessment and Future Generations assessment will need to be carried out. The implications to some current users of the facility are that some members of the community with mobility issues may struggle to pay the necessary charges to hire a mobility scooter and therefore maybe unable to gain access to the town centre. However, this must be balanced against the declining popularity of the service with significantly reduced numbers of users. The changes in technology have meant that lightweight affordable scooters now have greatly increased in private ownership, compared to when the facility was introduced. The provision is not a statutory duty and one not provided in other town centres of the borough or in many of the town centres of neighbouring authorities. On this basis it would seem reasonable to investigate whether introducing charging for use is a viable way of reducing the overall cost of the service. If however this does not prove feasible, in order to make the full saving required over the next two financial years closure of the facility would be necessary.	5	0	Cabinet report due to be presented shortly on proposals to achieve the 2019-20 and 2020-21 MTFs savings, therefore full saving will not be made this financial year.
COM42	Review of parks and playing fields service split over two financial years:- 15% reduction to seasonal operatives budget (£75K). Corresponding reduction to large and small plant (£29k). Removal of bowls club grant (£34K).	The cut identified for 2019-20 will require the removal of approximately 6 seasonal operatives along with respective cuts to plant, equipment and materials. This will have a noticeable reduction in levels of service.	69	35	Will not be achieved in full due to timing of consultation on Parks & Playing Fields (finished 10th July 2019)

MONITORING OF 2019-20 BUDGET REDUCTIONS

Ref.	Budget Reduction Proposal	Impact, including on 5 Ways of Working as set out in the Wellbeing of Future Generations Act	Proposed 2019-20 £'000	Value Likely to be Achieved 2019-20 £'000	Reason why not likely to be achievable
COM43	End of management of Kenfig National Nature Reserve	The agreement between BCBC and Kenfig Corporation Trust (KCT) ends in December 2019. It is currently proposed that BCBC does not enter into any new agreement. KCT are underway with a process, supported by their agent HRT, to identify a new tenant. This process is being conducted in partnership with NRW. There is a risk that the level of management may be affected, however there is also the opportunity that the new tenant may be able to draw on resources that BCBC cannot.	10	10	Full saving should be achieved in 2019-20
COM44	Bridgend Bus Station - alternative measures to explore full cost recovery and external support will be pursued but, failing this, the likely required step to deliver this saving is closure.	Impact on city region, connectivity hub, and potential impact on air quality due to relocation of buses. May have a detrimental impact on regional transport with no main bus station and impact on reputation of the Council.	45	15	Due to resources in delivering other transport projects this saving proposal has been delayed. A range of measures to meet the proposed saving are currently being considered, however the current assessment of the options identifies a high risk that they may not meet the level of saving required.
COM46	Removal of budget for Subsidised Bus Routes	Letter received from Welsh Government confirming that from April 2019, each local authority's allocation from Bus Services Support Grant (BSSG) will have to be at least match-funded by a commitment to expenditure from an authority's own budget in support of bus and community transport networks in its area. Therefore removal would have a larger impact than the £200K budget included. Also some areas may not have access to an alternative bus service or alternative form of transport. Consultation required.	148	86	Due to requirements for consultation, reporting and challenge, the 12 week notice period was not issued until the beginning of June which will mean a cessation of service at the end of August 19 (7 month saving)
COM47	Public Transport - efficiencies achieved under the Public Transportation budget	Reduced support available for wider Transportation budgets - e.g. works at Bridgend Bus Station.	24	24	Full saving should be achieved in 2019-20
COM49	Street Lighting - Reduction to energy costs budget which has been achieved due to historic replacement of LED lighting	Ability to deliver this level of saving is dependent on how successful the new SALEX replacement programme is compared with the original business case as funding will be required from this budget heading to repay the SALEX borrowing for a number of years.	30	30	Full saving should be achieved in 2019-20
COM50	Increase pre-application planning fees by 10%	This is the first increase since the introduction of the new service in 2016. Will introduce new categories of enquiry currently not covered by the scheme. Also aim to introduce a new pre-sale information pack for householders providing details of planning consents, constraints etc. There is a risk that the increase will put some potential users of the scheme off and the increase might have to be phased. Any change to the current system will also require DC Committee and Cabinet approval.	10	10	Full saving should be achieved in 2019-20

MONITORING OF 2019-20 BUDGET REDUCTIONS

Ref.	Budget Reduction Proposal	Impact, including on 5 Ways of Working as set out in the Wellbeing of Future Generations Act	Proposed 2019-20 £'000	Value Likely to be Achieved 2019-20 £'000	Reason why not likely to be achievable
COM52	Reductions to the budget for the Materials Recovery and Energy Centre (MREC) to be achieved through the current procurement being undertaken with Neath Port Talbot CBC for the provision of new operator arrangements for the MREC facility at Crumlyn Burrows	Failure to secure a new operating contractor through a compliant tender and procurement exercise for the MREC facility would result in this saving being undeliverable. Failure to reach agreement with NPT on the Councils financial contribution to the costs of supporting the MREC. Intervention by the Welsh Government and or changes in legislation in the waste management sector.	1,300	650	There has been an ongoing procurement exercise with Neath Port Talbot County Borough Council (NPTCBC) to originally secure a new operator for the facility. Total MTFS Budget Reductions against the Waste budget of £200,000 in 2017-18 and £1,300,000 in 2019-20 were predicated on achieving a price in the region of £135 per tonne from this exercise. NPTCBC will now be running the MREC facility in-house, and whilst savings have been made in 2019-20 they are not at the level to achieve the MTFS savings and discussions are continuing with NPTCBC to continue to negotiate further improvements.
COM53	Communities Management Restructure	Loss of experienced, competent and qualified managers to deliver statutory functions.	135	135	Full saving should be achieved in 2019-20
COM55	Increase charge for Green Waste Service from £28.30 per household to £38.30	The new waste contract related items would require both Contract Variation negotiations with Kier to confirm the saving levels proposed and public consultation regarding the charge changes and reduced levels of service.	25	5	Most service users pay prior to the 1st April, hence full benefit of increase in charge will not be seen until 20-21
COM56	Increase charge for collection of 3 bulky waste items from £15.50 to £20.		10	10	Full saving should be achieved in 2019-20
COM59	Reduction to the opening hours of the Community Recycling Centres by 1 hour, per day.		17	10	Change to the opening hours commenced June 2019, hence full year saving not achievable.
Total Communities Directorate			1,938	1,079	

CHIEF EXECUTIVE'S

CEX1	Efficiencies from Shared Regulatory Service	May require restructuring within service and impact on response times, but will be managed across the 3 participating Councils and will aim to minimise impact.	111	111	Full saving should be achieved in 2019-20
CEX2	Remove members' Community Action Fund	This will require approval from members following review of current scheme.	285	285	Full saving should be achieved in 2019-20
CEX3	Review of Business Support functions across the directorate	Reconfiguration of the service required, may result in slower response times and restructure.	250	200	Restructures were not completed by April 2019, therefore only part year savings achievable. Full savings will be achieved by April 2020.

MONITORING OF 2019-20 BUDGET REDUCTIONS

Ref.	Budget Reduction Proposal	Impact, including on 5 Ways of Working as set out in the Wellbeing of Future Generations Act	Proposed 2019-20 £'000	Value Likely to be Achieved 2019-20 £'000	Reason why not likely to be achievable
CEX4	Review of homelessness prevention budgets and allocation of related grants	There will be a reliance on grant funding and limited core funding available	235	235	Full saving should be achieved in 2019-20
CEX5	Review of homelessness prevention service provision and the possibility of partnership working with an external organisation.	Full evaluation and reconfiguration of the service provision will be required	100	100	Full saving should be achieved in 2019-20
CEX6	Review of ICT capital related revenue budgets. This will require council to agree all ICT capital spend to be met from the capital programme allocation	Limits the potential for ICT to fund capital related expenditure on a ad hoc basis	200	200	Full saving should be achieved in 2019-20
CEX7	Review of non staff related ICT budgets including software	Minimal impact anticipated.	80	80	Full saving should be achieved in 2019-20
CEX8	Directorate leadership restructuring	Will reduce senior management capacity, and require some backfilling and review of functions.	100	100	Full saving should be achieved in 2019-20
CEX9	Review structures across customer contact, communications & marketing, housing and performance	Vacant posts would be frozen / deleted.	73	73	Full saving should be achieved in 2019-20
CEX10	Review CCTV function with aim to create efficiencies	Potentially could impact on community safety	30	0	The specific proposal is unlikely to be achieved in 2019-20. However, alternative savings should be possible within the service with minimal impact.
	Total Chief Executive's Directorate		1,464	1,384	

MONITORING OF 2019-20 BUDGET REDUCTIONS

Ref.	Budget Reduction Proposal	Impact, including on 5 Ways of Working as set out in the Wellbeing of Future Generations Act	Proposed 2019-20 £'000	Value Likely to be Achieved 2019-20 £'000	Reason why not likely to be achievable
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CORPORATE / COUNCIL WIDE

CWD6	Reduction in funding available for meeting the costs of Capital Financing	Repayments are still considered to be prudent, but will result in longer payback periods in line with asset lives.	1,975	1,975	Full saving should be achieved in 2019-20
CWD7	Removal of Invest to Save funding agreed as part of MTFS for 2018-22	Limited impact as not committed to specific schemes or services	200	200	Full saving should be achieved in 2019-20
CWD8	Removal of budget created from raising council tax from original 4.2% to 4.5% in 2018-19 budget.	Part of funding used on one-off basis in 2018-19 but rest uncommitted. Previous year's council tax increase is built into base rate.	213	213	Full saving should be achieved in 2019-20
Total Corporate / Council Wide			2,388	2,388	

GRAND TOTAL REDUCTIONS	7,621	6,505
TOTAL BUDGET REDUCTION REQUIREMENT	7,621	7,621
REDUCTION SHORTFALL	0	1,116

3,024	5,495
2,703	664
1,894	1,462
7,621	7,621

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BRIDGEND COUNTY BOROUGH COUNCIL	Budget 2019-20					
	Expenditure Budget	Income Budget	Net Budget	Projected Outturn	Projected Variance Over/(under) budget	% Variance
	£000	£000	£000	£000	£000	
EDUCATION AND FAMILY SUPPORT						
School Delegated Budgets	114,492	(21,302)	93,190	93,190	(0)	0.0%
Learning	11,004	(4,005)	6,999	7,267	268	3.8%
Strategic Partnerships & Comm	25,286	(10,910)	14,376	14,805	429	3.0%
Health and Safety	386	(2)	384	247	(137)	-35.6%
TOTAL EDUCATION AND FAMILY SUPPORT	151,168	(36,219)	114,949	115,509	560	0.5%
SOCIAL SERVICES AND WELLBEING DIRECTORATE						
Adult Social Care	64,131	(16,591)	47,540	47,336	(204)	-0.4%
Sports, Play and Active Wellbeing	5,959	(793)	5,166	5,127	(39)	-0.8%
Childrens Social Care	19,790	(914)	18,876	19,804	928	4.9%
TOTAL SOCIAL SERVICES AND WELLBEING	89,880	(18,298)	71,582	72,267	685	1.0%
COMMUNITIES DIRECTORATE						
Regeneration & Development	5,442	(2,709)	2,733	2,663	(70)	-2.6%
Community Services	32,924	(13,015)	19,909	19,890	(19)	-0.1%
Director - Communities	146	-	146	25	(121)	-82.9%
Corporate Landlord	23,594	(20,520)	3,074	3,102	28	0.9%
TOTAL COMMUNITIES	62,106	(36,244)	25,862	25,680	(182)	-0.7%
CHIEF EXECUTIVE'S						
Chief Executive	511	-	511	525	14	2.7%
Finance	54,414	(50,716)	3,698	3,520	(178)	-4.8%
Human Resources	1,928	(306)	1,622	1,504	(118)	-7.3%
Partnerships	2,646	(622)	2,024	1,736	(288)	-14.2%
Legal, Democratic & Regulatory	6,276	(1,260)	5,016	4,789	(227)	-4.5%
Elections	150	(11)	139	143	4	2.9%
ICT	4,717	(1,219)	3,498	3,280	(218)	-6.2%
Housing & Homelessness	2,676	(1,544)	1,132	1,147	15	1.3%
Business Support	1,094	(112)	982	1,000	18	1.8%
TOTAL CHIEF EXECUTIVE'S	74,412	(55,790)	18,622	17,644	(978)	-5.3%
TOTAL DIRECTORATE BUDGETS						
	377,566	(146,551)	231,015	231,100	85	0.0%
Council Wide Budgets	40,741	(947)	39,794	34,520	(5,274)	-13.3%
Appropriations to Earmarked Reserves				4,391	4,391	0.0%
NET BRIDGEND CBC	418,307	(147,498)	270,809	270,011	(798)	-0.3%

NB: Differences due to rounding of £000's

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BRIDGEND COUNTY BOROUGH COUNCIL

REPORT TO CABINET

21 JANUARY 2020

REPORT OF THE INTERIM HEAD OF FINANCE & SECTION 151 OFFICER

CAPITAL PROGRAMME UPDATE - QUARTER 3 2019-20

1. Purpose of Report

1.1 The purpose of this report is to:

- comply with the requirement of the Chartered Institute of Public Finance and Accountancy's (CIPFA) Prudential Code for Capital Finance 2018
- provide an update of the Capital Programme for 2019-20 at 31 December 2019 (**Appendix A**)
- seek agreement from Cabinet to present a report to Council for approval for a revised capital programme for 2019-20 to 2028-29 (**Appendix B**)
- note the projected Prudential and Other Indicators for 2019-20 (**Appendix C**)

2. Connection to Corporate Improvement Objectives / Other Corporate Priorities

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

1. Supporting a successful economy – taking steps to make the county a good place to do business, for people to live, work, study and visit, and to ensure that our schools are focused on raising the skills, qualifications and ambitions of all people in the county.
2. Helping people to be more self-reliant – taking early steps to reduce or prevent people from becoming vulnerable or dependent on the Council and its services.
3. Smarter use of resources – ensuring that all its resources (financial, physical, human and technological) are used as effectively and efficiently as possible and support the development of resources throughout the community that can help deliver the Council's priorities.

2.2 Capital investment in the Council's assets is a key factor in meeting the Council's Priorities as set out in the Council's Corporate Plan.

3. Background

- 3.1 The Local Authorities (Capital Finance and Accounting) (Wales) Regulations 2003 as amended, contain detailed provisions for the capital finance and accounting controls, including the rules on the use of capital receipts and what is to be treated as capital expenditure. They modify accounting practice in various ways to prevent adverse impacts on authorities' revenue resources.
- 3.2 As well as the legislation, the Council manages its Treasury Management and Capital activities in accordance with the following associated guidance:-
- CIPFA's Treasury Management in the Public Services: Code of Practice
 - CIPFA's The Prudential Code for Capital Finance in Local Authorities
 - Welsh Government (WG) revised Guidance on Local Authority Investments
- 3.3 The Prudential Code for Capital Finance in Local Authorities requires Local Authorities to have in place a Capital Strategy which demonstrates that the Authority takes capital expenditure and investment decisions in line with service objectives and properly takes account of stewardship, value for money, prudence, sustainability and affordability. To demonstrate that the Council has fulfilled these objectives, the Prudential Code sets out a number of Indicators that must be set and monitored each year.
- 3.4 On 20 February 2019, Council approved a capital programme covering the period 2019-20 to 2028-29 as part of the Medium Term Financial Strategy (MTFS). The capital programme was last updated and approved by Council on 23 October 2019. This report provides an update on the following areas:
- Capital Programme 2019-20 Monitoring
 - Capital Programme 2019-20 Onwards
 - Prudential and Other Indicators Monitoring
 - Capital Strategy Monitoring

4. Current Situation / Proposal

Capital Programme 2019-20 Monitoring

- 4.1 This section of the report provides Members with an update on the Council's capital programme for 2019-20 since the budget was last approved by Council and incorporates any new schemes and grant approvals. The revised programme for 2019-20 currently totals £33.700 million, of which £15.057 million is met from Bridgend County Borough Council (BCBC) resources, including capital receipts and revenue contributions from earmarked reserves, with the remaining £18.643 million coming from external resources, including General Capital Grant. Table 1 below shows the capital programme for each Directorate from the October 2019 approved Council position to quarter 3:

Table 1 – Capital Programme per Directorate 2019-20

Directorate	Approved Council 23-Oct-19 £'000	New Approvals & Adjustments £'000	Virements £'000	Slippage to future years £'000	Revised Budget 2019-20 £'000
Education & Family Support	7,175	234	180	(1,203)	6,386
Social Services and Well-being	1,641	65	0	0	1,706
Communities	25,097	426	20	(3,955)	21,588
Chief Executive's	4,220	0	(200)	0	4,020
Total	38,133	725	0	(5,158)	33,700

4.2 Table 2 below summarises the current funding assumptions for the capital programme for 2019-20. The capital resources are managed to ensure that maximum financial benefit for the Council is achieved. This may include the realignment of funding to maximise government grants.

Table 2 – Capital Programme 2019-20 Resources

CAPITAL RESOURCES	BCBC £'000	External £'000	Total £'000
Capital Receipts	3,823	0	3,823
Grants	0	15,547	15,547
Earmarked Reserves	5,552	0	5,552
Unsupported Borrowing	349	0	349
Supported Borrowing	3,938	0	3,938
Other Loans	600	2,246	2,846
Revenue Contributions	795	0	795
Other Contributions	0	850	850
TOTAL	15,057	18,643	33,700

4.3 **Appendix A** provides details of the individual schemes within the capital programme, showing the budget available in 2019-20 compared to the projected spend.

- 4.4 A number of schemes have already been identified as requiring slippage of budget to future years (2020-21 and beyond). At quarter 3 the total requested slippage is £5.158 million, which includes the following schemes:

Maesteg Town Hall (£1.6 million)

The Maesteg Town Hall Re-development project has been progressing confidently, albeit with some programme suspension due to further design work and a delay in receiving tender sums. Within the next few weeks, and subject to construction cost agreement, the Authority will be looking to enter into contract for the construction phase. Due to the above, £1.6 million of the scheme has been slipped into 2020-21.

In light of additional structural surveys being undertaken as part of the RIBA stage 4 technical design and tendered market returns on various work packages, the total project cost, prior to a value engineering exercise to reduce the total cost without detriment to the overall re-development, is circa £8.2 million. The main uplift in costs is as a result of additional survey work being undertaken which has identified unavoidable asbestos removal and roof replacement works.

In July 2019, a capital update report to Council outlined the anticipated total project cost to be circa £6.3 million. This has now been revised to £8.2 million. The increase to the capital programme of £1.9 million is the worst case scenario and is being funded from a virement of the Economic Stimulus grant of £0.133 million, an allocation of £0.779 million from the Investing in Communities capital allocation, £0.375 million of recycled capital receipts, £0.46 million Special Regeneration Fund/Earmarked Reserve funding and increases to external funding of £0.16 million.

Officers are working closely with Awen who have applied for a further grant (£0.3 million) and applications for further funding from CADW have been submitted (£0.1 million). As indicated, a value engineering exercise is also being undertaken, and receipt of additional grant funding or cost savings will be returned to the Investing in Communities capital allocation.

Community Hub – Brynteg Comprehensive School (£0.768 million)

The scheme was programmed to be completed by the end of March 2020. However, there was a delay in obtaining planning approval and the most economically advantageous tender was significantly over the available construction budget. These issues had a detrimental effect in achieving Welsh Government's required spend by year-end. A request for additional funding of £0.284 million, and to slip £0.768 million into 2020-2021, received Welsh Government approval.

Additional Learning Needs (ALN) provision at Cefn Cribwr Primary School (£0.387 million)

The project will create two observation classrooms with associated toilets, cloak areas and storage plus a space for interventions/withdrawal, within the site of Cefn Cribwr Primary School and remove one 'D' rated mobile classroom, demolish the former changing room (currently used as store) and provide a

secure external soft play area. The total scheme budget is £0.513 million. Tenders in the region of £0.5 million are undergoing evaluation and slippage of £0.387 million is expected.

Ravens Court (£0.442 million)

In February 2019, Council agreed the establishment of an annual Corporate Capital Fund of £0.2 million, from which allocations would be agreed by Corporate Management Board (CMB). CMB has agreed to vire the 2019-20 allocation into the Raven's Court Minor Works Scheme along with £0.017 million of capital minor works funding. This will supplement the £0.245 million already allocated to provide a replacement heating, ventilation and air conditioning (HVAC) system at Ravens Court offices, which will mitigate current failures, address health and safety issues and provide energy savings going forward giving a total budget of £0.462 million. The system is at the end of its operational life and options appraisal and feasibility work have been undertaken to determine the most suitable replacement system. It is anticipated that the work will be carried out in the latter half of this calendar year and will require the temporary decant of staff on a wing-by-wing basis to enable these works.

Estimated fees this year are circa £0.02 million with the work commencing in the summer of 2020. Slippage of £0.442 million will therefore be required into 2020-21.

Parks/Pavilions/Community Centres CAT (£0.66 million)

On 22 October 2019 Cabinet approved the introduction of full cost recovery on the hire charges for pavilions and playing fields from September 2020, and this was reconfirmed at the Special Meeting of Cabinet on 13 November 2019 following a Call-in of the original decision. This is likely to mean that, although slippage of £0.66 million is required this year, usage of the fund will increase significantly in the future as work is undertaken to improve assets ready for transfer.

Non Operational Assets (£0.48 million)

The Council previously approved £1 million within the capital programme for the purchase of investment assets and spent £0.52 million on acquiring an office building, which generates a rental income of £0.056 million per year. There is a balance of £0.48 million available within the capital programme but as yet no suitable options have been identified within the Bridgend area, which would produce a reasonable return and at acceptable levels of risk. The Council may in the future wish to consider expanding its property investment portfolio, in which case it would need to review the criteria and investment strategy but this would be on a risk based approach.

Capital Programme 2019-20 Onwards

- 4.5 Since the last capital report in October 2019, there have been a number of new externally funded schemes and additional income approved, which have been incorporated into the capital programme, including:

Community Hub – Brynteg Comprehensive (£0.284 million)

The Council has been successful in receiving an additional £0.284 million in respect of this scheme which will enable close integrated working between professionals from council departments and non-local authority professionals including health visitors and police liaison officers.

Capital support for the implementation and expansion of separate household collections of absorbent hygiene product (AHP) waste (£0.238 million)

The Council has been successful in receiving an award of £0.238 million from Welsh Government in respect of the above scheme. The scheme involves the purchase of two vehicles and ancillary equipment together with a rental charge for use of the Council's depot facilities by Kier Services Limited (Kier), the company carrying out the waste collection services on behalf of the Council. The Council will receive, as consideration for this, a revenue reduction in the waste collection service charge from Kier over the next 4 years, at the end of which the vehicles will revert to ownership by the Council.

Urban Centre Property Enhancement Fund (£0.1 million) and Urban Centre Living Grant (£0.05 million)

The Council has been successful in entering into a Service Level Agreement with Rhondda Cynon Taff County Borough Council in respect of the above Targeted Regeneration Investment (TRI) schemes. Delegated authority to award grants to property owners/long term tenants within Bridgend Town Centre was approved by Cabinet on 18 June 2019.

- 4.6 Other schemes which have material changes since the October report are as follows:

Coastal Risk Management Scheme - Porthcawl (£6.032 million)

The scheme has been identified as a priority as part of the Flood and Coastal works required to protect properties in the Porthcawl area. The scheme has been subject to a project appraisal and an outline business case submitted and approved by Welsh Government as part of their Coastal Risk Management Programme. Following approval of the submitted outline business case, funding to carry out the detailed design was secured. The detailed design has now been submitted for planning and the updated business case is to be submitted to Welsh Government. The Business Case seeks to secure funding to the value of £6.032 million for refurbishment of the Western Breakwater, improvement of the Eastern Promenade, repairs to Rhych point and introduction of a dune management system to enhance and retain the relic dunes at Sandy Bay. These works will protect approximately 531 Residential and 175 Business Properties.

If the scheme is approved, this will be funding 75% from Welsh Government grant (£4.523 million) and 25% from BCBC (£1.509 million). An earmarked reserve has been set up in respect of the Council contribution.

21st Century Schools Band B Programme

The overall funding envelope for the programme has been increased to reflect the capital contributions required for the 2 proposed Mutual Investment Model (MIM) funded schemes within the overall programme. Whilst these will primarily

be funded from revenue budgets there is a requirement to fund furniture, equipment and ICT from the capital budget. This will be funded at the same intervention rate as capital grant funded schemes, namely 65% Welsh Government and 35% BCBC. The overall funding of the programme within the capital budget has been revised and updated to reflect current intervention rates. All schemes will be subject to full business cases and any changes to the overall funding envelope will be reported back to Cabinet and Council as necessary.

Welsh Medium Childcare Provision.

The design team working on the project have indicated that completion of the Bettws element of the scheme, which was originally scheduled to be in September 2021, can now be achieved in January 2021. The Council has been successful in obtaining approval from Welsh Government for a change in the funding profile and as a result £0.481 million of the spend has been brought forward from 2021-22 to 2020-21.

School Maintenance Grant

It was originally intended to fund the replacement of the mobile classroom at Cefn Cribwr Primary School using part of this grant. However delays in obtaining an acceptable price from the contractors tendering for the work have resulted in that element of the grant, which needed to be utilised in 2019-20, being used to fund other minor works schemes. This has released £0.513 million to fund the Cefn Cribwr scheme.

Complex and Medical Needs Works in Schools

CMB has agreed to vire £0.180 million from the Capital Asset Management Fund to complete the ALN provision at Pencoed Comprehensive School.

Llynfi Valley Loan

The Council received a loan from the Welsh Government Central Capital Retained Fund for regeneration works within the Llynfi Valley in March 2014. Capital works have not yet commenced. Officers are currently in discussion with Welsh Government on this loan, which is due to be repaid by the end of the financial year, about some possible options including the extension of the loan into 2020-21, which is yet to be confirmed by Welsh Government.

- 4.7 There are a number of other schemes within the Capital Programme that are awaiting confirmation of external funding over the winter period. Once approval is known, it may also result in some schemes needing re-profiling. The Capital Programme has not been updated at this time for these schemes and further reports will be brought to Cabinet and Council in due course for approval.

A Revised Capital Programme is included as **Appendix B**.

Prudential and Other Indicators 2019-20 Monitoring

- 4.8 In February 2019, Council approved the Capital Strategy for 2019-20, which included the Prudential Indicators 2019-20 to 2021-22 together with some local indicators.

- 4.9 The Capital Strategy is intended to give an overview of how capital expenditure, capital financing and treasury management activity contribute to the provision of services along with an overview of how associated risk is managed and the implications for future sustainability. To this end, a number of prudential indicators were included, and approved by Council. In line with the requirements of the Prudential Code, the Chief Finance Officer is required to establish procedures to monitor both performance against all forward-looking prudential indicators and the requirement specified.
- 4.10 **Appendix C** details the actual indicators for 2018-19, the estimated indicators for 2019-20 set out in the Council's Capital Strategy and the projected indicators for 2019-20 based on the revised Capital Programme. These show that the Council is operating in line with the approved limits.

Capital Strategy Monitoring

- 4.11 The Capital Strategy also requires the monitoring of non-treasury management investments and other long term liabilities. The Council does have an existing investment portfolio which is 100% based within the County Borough and primarily the office and industrial sectors. The income streams are generally spread between the single and multi-let office investments on Bridgend Science Park, the multi-let industrial estates and the freehold ground rent investments. The total value of Investment Properties was £4.635 million at 31 March 2019.
- 4.12 The Council has a number of Other Long Term Liabilities which are included within the Capital Strategy. Details of these were provided in the Quarter 2 Report to Cabinet. No new loans have been taken out in Quarter 3.

5. Effect upon Policy Framework and Procedure Rules

- 5.1 As required by Financial Procedure Rule 3.5.3 within the Council's Constitution, "The Chief Finance Officer shall report quarterly to Cabinet an update on the Capital Strategy and the Prudential Indicators."

6. Equality Impact Assessment

- 6.1 Projects within the capital programme will be subject to the preparation of Equality Impact Assessments before proceeding

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

- 7.1 The 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 wellbeing goals/objectives as a result of this report. Specifically the development of a 10 year capital programme, which reflects the Council's affordability in terms of capital receipts and borrowing, supports the principle of sustainability over the long term.

8. Financial Implications

8.1 The financial implications are outlined in the body of the report.

9. Recommendation

9.1 It is recommended that Cabinet:

- note the Council's capital programme for 2019-20 for the period to 31 December 2019 (**Appendix A**);
- agrees that the revised Capital Programme (**Appendix B**) be submitted to Council for approval;
- note the projected Prudential and Other Indicators for 2019-20 (**Appendix C**).

Gill Lewis

Interim Head of Finance and Section 151 Officer

10 January 2020

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Background documents:

Capital Strategy 2019-20– Report to Council 20 February 2019

Capital Strategy Report Q1 2019-20 – Report to Council 24 July 2019

Capital Strategy Report Q2 2019-20 – Report to Council 23 October 2019

Medium Term Financial Strategy 2019-20 onwards – Report to Council 20 February 2019

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Bridgend County Borough Council

CAPITAL MONITORING REPORT

APPENDIX A

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<u>Main Scheme</u>	Whole Scheme Budget	Budget 19-20 (Council October 2019)	New Approvals	Virement	Slippage	Revised Budget 2019-20	Total Exp to date	Projected Spend	Over / (Under) spend
	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000

Education & Family Support

Learning

21ST CENTURY SCHOOLS BAND B	49,454	320	-	-	-	320	-	320	-
PENYFAI PRIMARY	7,191	356	-	(48)	-	308	308	308	-
BRYNMENYN PRIMARY	8,310	44	-	-	-	44	0	44	-
GATEWAY TO THE VALLEYS SEC SCH	39,757	140	-	-	-	140	6	140	-
COITY PRIMARY SCHOOL	8,514	46	-	(46)	-	-	-	-	-
GARW VALLEY SOUTH PRY PROVIS.	10,642	160	-	-	-	160	(209)	160	-
PENCOED PRIMARY	10,834	100	-	-	-	100	(134)	100	-
GARW VALLEY PRIMARY HIGHWAYS	300	30	-	-	-	30	0	30	-
PENCOED PRY SCH HIGHWAYS WORKS	400	65	-	-	-	65	1	65	-
BRYNMENYN SCHOOL HIGHWAYS WORK	807	70	-	-	-	70	52	70	-
OGMORE COMPREHENSIVE	4,120	37	-	-	-	37	30	37	-
CWMFELIN PRIMARY	31	204	-	(204)	-	-	-	-	-
REDUCTION OF INFANT CLASS SIZES	(521)	200	-	-	-	200	127	200	-
CROESTY PRIMARY SCHOOL	521	521	-	-	-	521	189	521	-
SCHOOLS CAPITAL MINOR WORKS	931	828	-	(309)	-	519	259	519	-
HERONSBRIDGE SCHOOL	250	50	(50)	-	-	-	1	-	-
FLYING START- BETWS	17	17	-	-	-	17	5	17	-
SCHOOLS TRAFFIC SAFETY	588	265	-	-	-	265	4	265	-
MAESTEG COMP HIGHWAYS	412	-	-	-	-	-	-	-	-
CEFN CRIBWR PRIMARY SCHOOL ALN		-	-	513	(387)	126	54	126	-
SCHOOL MODERNISATOIN RETENTION	591	-	-	48	(48)	-	-	-	-
EDUCATION S106 SCHEMES	190	232	-	-	-	232	30	232	-
COMPLEX&MEDICAL NEEDS SCHOOLS	1,045	470	-	180	-	650	342	650	-
SCHOOL'S CAPITAL MAINTENANCE GRANT	1,863	1,685	-	46	-	1,731	716	1,731	-
WELSH MEDIUM CHILDCARE PROVISION - BETTWS	650	55	-	-	-	55	41	55	-
WELSH MEDIUM CHILDCARE PROVISION - BRIDGEND	650	-	-	-	-	-	3	-	-
WELSH MEDIUM CHILDCARE PROVISION - OGMORE	650	55	-	-	-	55	1	55	-
WELSH MEDIUM CHILDCARE PROVISION - HIGHWAYS	100	100	-	-	-	100	-	100	-

Main Scheme	Whole Scheme Budget	Budget 19-20 (Council October 2019)	New Approvals	Virement	Slippage	Revised Budget 2019-20	Total Exp to date	Projected Spend	Over / (Under) spend
	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
WLGA - ADDITIONAL FUNDING FOR ICT -SCHOOLS	81	81	-	-	-	81	-	81	-
EAST HUB- BRYNTEG COMPREHENSIVE	1,328	1,044	284	-	(768)	560	74	560	-
TOTAL Learning	149,706	7,175	234	180	(1,203)	6,386	1,901	6,386	-

TOTAL Education & Family Support	149,706	7,175	234	180	- 1,203	6,386	1,901	6,386	-
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Social Services and Wellbeing

BRYNGARW PARK-ACCESS IMPROVEMENTS	35	35	-	-	-	35	-	35	-
BRYN Y CAE - HFE'S	40	40	-	-	-	40	-	40	-
WELLBEING MINOR WORKS	105	105	-	-	-	105	23	105	-
TREM YMOR							8	-	-
TY PENYBONT	50	50	-	-	-	50	-	50	-
BAKERS WAY MINOR WORKS	13	13	-	-	-	13	3	13	-
GLAN YR AFON CARE HOME	98	51	-	-	-	51	-	51	-
HARWOOD HOUSE	286	-	-	-	-	-	-	-	-
ELECTRONIC SCHEDULING SYSTEM	-						(37)	-	-
ARCH WELLBEING CENTRE	847	547	-	-	-	547	551	547	-
CHILDRENS RESIDENTIAL HUB	700	600	-	-	-	600	5	600	-
ICF CAPITAL FUNDING			65			65	-	65	-
EXTRA CARE FACILITIES	2,692	200	-	-	-	200	44	200	-
TOTAL Social Services & Wellbeing	4,866	1,641	65	-	-	1,706	597	1,706	-

Communities

Street Scene

PARKS/PAVILIONS/COMMUNITY CENTRES CAT	1,000	1,000		-	(660)	340	163	340	-
ABERFIELDS PLAYFIELDS	11	11				11	-	11	-
CITY DEAL	45,581	2,595		-	-	2,595	-	2,595	-
PORTHCAWL TOWN SEA DEFENCE	3,235	83	-	-	-	83	(24)	83	-
EASTERN PROMENADE PORTHCAWL	465	207	-	-	-	207	169	207	-
CORNELLY CEMETERY EXT	314	-	-	-	-	-	-	-	-
COYCHURCH CREM	776	173	-	-	-	173	98	173	-
PORTHCAWL CEMETERY EXT	216	-	-	-	-	-	-	-	-
REMEDIAL MEASURES - CAR PARKS	215	152	-	-	-	152	25	152	-
CIVIL PARKING ENFORCEMENT	38	-	38			38	38	38	-
STREET LIGHTING ENERGY SALIX	2,500	600	-	-	-	600	384	600	-
SAFE ROUTES TO SCHOOL	243	243	-	-	-	243	114	243	-
ROAD SAFETY SCHEMES	115	115	-	-	-	115	25	115	-

Main Scheme	Whole Scheme Budget	Budget 19-20 (Council October 2019)	New Approvals	Virement	Slippage	Revised Budget 2019-20	Total Exp to date	Projected Spend	Over / (Under) spend
	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
BRIDGEND HEAT SCHEME	350	100	-	-	(100)	-	-	-	-
MAESTEG TOWN HALL CULTURAL HUB	5,798	1,497	-	630	(1,577)	550	155	550	-
TOWN & COMMUNITY COUNCIL FUND	328	328	-	-	(189)	139	114	139	-
BRIDGEND TOWNSCAPE HERITAGE	-	-	-	-	-	-	0	-	-
PORTHCAWL THI	1,172	425	-	50	-	475	113	475	-
TOTAL Reeneration & Development	14,421	6,593	150	630	(1,866)	5,507	1,581	5,507	-

Corporate Landlord

CAPITAL ASSET MANAGEMENT FUND	820	200	-	(180)	-	20	-	20	-
CORP LANDLORD ENERGY EFFIC SAV	1,300	50	-	-	-	50	0	50	-
ENTERPRISE HUB INNOVATION CENT	3,715	989	-	-	-	989	406	989	-
RAVEN'S COURT MINOR WORKS	462	245	-	217	(442)	20	1	20	-
RELOCATION OF REGISTRARS	300	296	-	-	-	296	71	296	-
BRIDGEND/MAESTEG MARKET MINOR WORKS	25	25	-	-	-	25	-	25	-
DDA WORKS	109	109	-	-	-	109	34	109	-
MINOR WORKS	320	239	-	(17)	-	222	111	222	-
FIRE PRECAUTIONS MINOR WORKS	216	211	-	-	-	211	75	211	-
BRYNCETHIN DEPOT FACILITIES	4,316	192	-	-	-	192	40	192	-
NON OPERATIONAL ASSETS	480	480	-	-	(480)	-	-	-	-
WATERTON UPGRADE	8,144	342	-	-	-	342	-	342	-
CIVIC OFFICE ENVELOPE	2,545	12	-	-	-	12	(3)	12	-
MINOR WORKS BOILERS	-	-	-	-	-	-	(4)	-	-
EVERGREEN HALL - LEASE ACQUISITION	40	40	-	-	-	40	-	40	-
INVESTING IN COMMUNITIES	1,503	2,000	-	(497)	(379)	1,124	-	1,124	-
Total Corporate Landlord	24,295	5,430	-	(477)	(1,301)	3,652	731	3,652	-

TOTAL Communities	113,284	25,097	426	20	-	3,955	21,588	6,493	21,588	-
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CORPORATE CAPITAL FUND	-	200	-	(200)	-	-	-	-	-
TOTAL Office of Chief Exec	-	200	-	(200)	-	-	-	-	-

BRYNMENYN HOMELESSNESS UNIT	171	90	-	-	-	90	0	90	-
MANDATORY DFG RELATED EXPEND	2,493	2,493	-	-	-	2,493	1,384	2,493	-
TARGET HARDENING GRANTS	-	-	-	-	-	-	21	-	-
HOUSING RENEWAL AREA	101	101	-	-	-	101	9	101	-

Main Scheme	Whole Scheme Budget	Budget 19-20 (Council October 2019)	New Approvals	Virement	Slippage	Revised Budget 2019-20	Total Exp to date	Projected Spend	Over / (Under) spend
	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
EMPTY HOMES GRANT							60	-	
COMFORT SAFE & SECURITY GRANTS	-	-	-	-	-	-	12	-	-
EMERG REPAIR LIFETIME GRANT	-	-	-	-	-	-	54	-	-
ENABLE SUPPORT GRANT	-	-	-	-	-	-	74	-	-
HOMES IN TOWN GRANT	-						71	-	-
TOTAL Housina/Homelessness	2,765	2,684	-	-	-	2,684	1,685	2,684	-
ICT LAPTOP REPLACEMENT	400	86	-	-	-	86	86	86	-
DIGITAL MEETING SPACES	130	100	-	-	-	100	65	100	-
ICT INFRA SUPPORT	300	300	-	-	-	300	-	300	-
DIGITAL TRANSFORMATION	1,000	520	-	-	-	520	-	520	-
DATA CENTRE	330	330	-	-	-	330	223	330	-
TOTAL ICT	2,160	1,336	-	-	-	1,336	374	1,336	-
TOTAL Chief Executive	4,925	4,220	0	-200	0	4,020	2,059	4,020	0
GRAND TOTAL	272,781	38,133	725	-	(5,158)	33,700	11,050	33,700	-

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	Total 2019-2029			Total Costs to 31-3-19 £'000	Council October 2019 £'000	2019-2020				FUTURE YEARS								CUMULATIVE		
	Total Cost £'000	BCBC Funding £'000	External Funding £'000			New Approvals £'000	Vire £'000	Slippage £'000	Revised 2019-20 £'000	2020-2021 £'000	2021-2022 £'000	2022-2023 £'000	2023-2024 £'000	2024-2025 £'000	2025-2026 £'000	2026-2027 £'000	2027-2028 £'000	2028-2029 £'000	Total 2019 - 2029 £'000	
																				Total 2019 - 2029 £'000
Education & Family Support																				
Pen Y Fai Primary School	308	308	-	6,883	356		(48)		308											308
Coleg Cymunedol y Dderwen Comprehensive School	140	140	-	15	140				140											140
Coety/Parc Derwen Primary School	-	-	-	8,514	46		(46)		-											-
Additional Learning Needs	37	37	-	4,082	37				37											37
Garw Valley South Primary Provision	160	160	-	10,433	160				160											160
Garw Valley Primary Highways Works	30	30	-	265	30				30											30
Pencoed Primary School	100	100	-	10,933	100				100											100
Pencoed School Highways Works	65	65	-	355	65				65											65
Brynmenyn Primary School	44	44	-	8,115	44				44											44
Brynmenyn Primary Highways Works	70	70	-	737	70				70											70
21st Century Schools Band B	49,454	15,815	33,639		320				320	923	3,566	14,786	18,162	9,321	2,046	330				49,454
Highways Schemes Band B Schools	3,400	3,400	-						-	500	2,900									3,400
Flying Start Provision	17	-	17		17				17											17
Héronsbridge Special School	-	-	-	250	50		(50)		-											-
Cwmfelin Primary	-	-	-	24	204		(204)		-											-
School's Capital Maintenance Grant	1,863	1,863			1,685		46		1,731	132										1,863
Welsh Medium Childcare Provision - Bettws	650	-	650		55				55	578	17									650
Welsh Medium Childcare Provision - Bridgend	650	-	650						-	55	98	497								650
Welsh Medium Childcare Provision - Ogmores	650	-	650		55				55	98	497									650
Welsh Medium Childcare Provision -Porthcawl	650	-	650						-	55	98	497								650
Welsh Medium Childcare Provision - Highways Schemes	100	100			100				100											100
WLGA - Additional funding for ICT in Schools	81	-	81		81				81											81
Reduction of Infant Class Sizes - Bro Ogrwr	200	-	200	10	200				200											200
Reduction of Infant Class Sizes - Croesty	540	-	540	17	521				521	19										540
Brynteg Comp - East Hub	1,328	-	1,328		1,044	284		(768)	560	729	39									1,328
Schools Minor Works	697	697	-	136	828		(309)		519	178										697
Cefn Cribwr Primary School ALN	513	513					513	(387)	126	387										513
School Modernisation	591	591					48	(48)	-	591										591
Maesteg Comprehensive School Highways Improvements	-	-	-	410					-											-
Schools Traffic Safety	265	265	-	323	265				265											265
Education S106 Schemes	232	-	232	146	232				232											232
Complex and Medical Needs Works in Schools	650	650	-	313	470		180		650											650
Total Education and Family Support	63,485	24,848	38,637	51,961	7,175	234	180	-1,203	6,386	4,245	7,215	15,780	18,162	9,321	2,046	330	0	0	0	63,485
Social Services and Well-being																				
Adult Social Care																				
Extra Care Facilities	200	200	-	1,717	200				200											200
Adult Social Care Minor works	50	50	-		50				50											50
Bryn Y Cae	40	40			40				40											40
Baker's Way	13	13			13				13											13
Social Services Care Act	51	51	-	71	51				51											51
ARCH - Healthy Living and Wellbeing Centre	547	547	-	390	547				547											547
Wellbeing Minor Works	105	105			105				105											105
Bryngarw Park- Access	35	35			35				35											35
Children's Residential Accommodation Hub - Newbridge House	600	600	-	367	600				600											600
ICF Capital Schemes	65	-	65				65		65											65
Total Social Services and Well-being	1,706	1,641	65	2,545	1,641	65	0	0	1,706	0	0	0	0	0	0	0	0	0	0	1,706
Communities																				
Street Scene																				
Town Beach Revetment Sea Defence, Porthcawl	83	28	55	3,151	83				83											83
Eastern Promenade, Porthcawl	207	52	155	258	207				207											207
Highways Structural Works	1,987	1,987	-	213	187				187	200	200	200	200	200	200	200	200	200	200	1,987
Carriageway Capital Works	2,439	2,439	-	311	189				189	250	250	250	250	250	250	250	250	250	250	2,439
Highways Refurbishment Grant	1,600	-	1,600		1,600				1,600											1,600
Replacement of Street Lighting Columns	3,854	3,854	-	1,093	230				230	424	400	400	400	400	400	400	400	400	400	3,854
River Bridge Protection Measures	190	190	-		190				190											190
Road Safety	115	115	-	26	115				115											115
Fleet Vehicles	1,972	1,972	-	236	232				232	1,740										1,972
Re-locate Household Waste Recycling Centre - West	1,322	1,322	-	6	30				30	1,292										1,322
AHP Waste	238	-	238				238		238											238
Parks/Pavilions/Community Centres CAT	1,000	1,000	-	3	1,000			(660)	340	660										1,000
Aber Playing Fields	11	11			11				11											11
Bridge Strengthening - A4061 Ogmores Valley	2,034	1,300	734	381	1,220				1,220	814										2,034
Communities Minor Works	250	250	-	50	250				250											250
Residents Parking Bridgend Town Centre	128	128	-		128			(128)	-	128										128
S106 Highways Small Schemes	65	-	65		65				65											65
Remedial Measures - Car Parks	152	152	-	64	152				152											152
Prow Capital Improvement Programme	40	40	-		40				40											40
Transport Grant Scheme - Safe Routes to School	243	-	243	928	243				243											243

	Total 2019-2029			Total Costs to 31-3-19 £'000	Council October 2019 £'000	2019-2020				FUTURE YEARS								CUMULATIVE	
	Total Cost £'000	BCBC Funding £'000	External Funding £'000			New Approvals £'000	Vire £'000	Slippage £'000	Revised 2019-20 £'000	2020-2021 £'000	2021-2022 £'000	2022-2023 £'000	2023-2024 £'000	2024-2025 £'000	2025-2026 £'000	2026-2027 £'000	2027-2028 £'000	2028-2029 £'000	Total 2019 - 2029 £'000
Capital Receipts - Schools	808	808	-		488		(281)	207	601									808	
Capital Receipts - General	19,619	19,619	-		5,016		(1,400)	3,616	10,696	5,307								19,619	
Earmarked Reserves	25,309	25,309	-		7,308	(50)	(1,706)	5,552	7,076	3,987	1,677	3,185	1,082	1,375	1,375			25,309	
Revenue Contribution	844	844	-		805	38	(48)	795	49									844	
Prudential Borrowing (Directorate Funded)	3,986	3,986	-		282			282	3,704									3,986	
Prudential Borrowing (Corporately Funded)	4,402	4,402	-		67			67	2,035	2,300								4,402	
SALIX Interest Free Loan - WG	2,017	2,017	-		600			600	1,417									2,017	
Llynfi Development Site Loan - WG	2,246	2,246	-		2,246			2,246										2,246	
Sub-Total General Capital Funding	126,001	126,001	0		24,477	-12	0	-3,435	21,030	34,003	17,929	8,012	9,520	7,417	7,710	7,710	6,335	6,335	126,001
External Funding Approvals																			
WG - Highways Grant	1,600	-	1,600		1,600			1,600										1,600	
WG - Other	905	-	905		117	238	(100)	255	530	120								905	
WG - 21st Century Schools	34,918	-	34,918		1,044	284	(768)	560	729	39	11,852	14,004	7,266	468				34,918	
WG - Safe Routes in Communities	461	-	461		461			461										461	
WG - Porthcawl Revetment	55	-	55		55			55										55	
WG - Coastal Risk Mangement Program - Porthcawl	4,523	-	4,523					-	2,062	2,349	112							4,523	
WG - Eastern Promenade	155	-	155		155			155										155	
WG - Integrated Care Fund (ICF)	65	-	65			65		65										65	
WG - Welsh Medium Capital Grant	2,600	-	2,600		110			110	786	710	994							2,600	
WG - Infant Class Size Grant	740	-	740		721			721	19									740	
WG - Economic Stimulus Grant	887	-	887		887			887										887	
WG- VRP	900	-	900		579			579	321									900	
WG - TRI	920	-	920			150		150	770									920	
Westminster	30,677	-	30,677		1,989			1,989	1,988	3,128	3,128	4,504	4,505	5,722	5,713			30,677	
CSC Foundry	3,577	-	3,577					-	113	175	430	443	456	470	482	762	246	3,577	
S106	346	-	346		346			346										346	
Transport Grant	2,755	-	2,755		2,755			2,755										2,755	
Heritage Lottery Fund (HLF)	1,007	-	1,007		541		(301)	240	671	96								1,007	
EU	12,694	-	12,694		1,675		(437)	1,238	6,364	3,135	1,568	389						12,694	
Other	1,660	-	1,660		621		(117)	504	1,156									1,660	
Sub-Total External Funding Approvals	101,445	0	101,445		13,656	737	0	-1,723	12,670	15,509	9,752	18,084	19,340	12,227	6,660	6,195	762	246	101,445
Total Funding Available	227,446	126,001	101,445		38,133	725	0	-5,158	33,700	49,512	27,681	26,096	28,860	19,644	14,370	13,905	7,097	6,581	227,446

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PRUDENTIAL AND OTHER INDICATORS 2019-20

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. Table 1 shows the 2018-19 actual capital expenditure, the capital programme approved by Council on 20 February 2019 and the latest projection for the current financial year which has incorporated slippage of schemes from 2018-19 together with any new grants and contributions or changes in the profile of funding.

Table 1: Prudential Indicator: Estimates of Capital Expenditure

	2018-19 Actual £m	2019-20 Estimate (Council Oct19) £m	2019-20 Projection £m
Council Fund services	27.614	37.653	33.700
Investment Properties	-	0.480	0.000
TOTAL	27.614	33.133	33.700

All capital expenditure must be financed, either from external sources (government grants and other contributions), the Council's own resources (revenue, reserves and capital receipts) or net financing requirement (borrowing, leasing and Private Finance Initiative). The planned financing of the expenditure has been projected Table 2 is as follows:

Table 2: Capital financing

	2018-19 Actual £m	2019-20 Estimate (Council Oct 19) £m	2019-20 Projection £m
External sources	12.407	19.629	18,643
Own resources	9.045	13.617	10,170
Net Financing Requirement	6.162	4.887	4,887
TOTAL	27.614	38.133	33.700

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

Table 3: Replacement of debt finance

	2018-19 Actual £m	2019-20 Estimate (Council Oct 19) £m	2019-20 Projection £m
Minimum Revenue Provision (MRP)	2.858	2.885	2.885
Additional Voluntary Revenue Provision	1.459	1.504	1.548
Total MRP & VRP	4.317	4.389	4.433
Other MRP on Long term Liabilities	0.641	0.690	0.690
Total Own Resources	4.958	5.079	5.123

The Council's cumulative outstanding amount of debt finance is measured by the Capital Financing Requirement (CFR). This increases with new debt-financed capital expenditure and reduces by the MRP amount within the year. Based on the above figures for expenditure and financing, the Council's estimated CFR is as follows based on the movement on capital expenditure at quarter 3:

Table 4: Prudential Indicator: Estimates of Capital Financing Requirement

	2018-19 Actual £m	2019-20 Estimate (Council Oct 19) £m	2019-20 Projection £m
Capital Financing Requirement			
Opening CFR excluding PFI & other liabilities	153.240	155.084	155.084
Opening PFI CFR	17.640	17.000	17.000
Total opening CFR	170.880	172.084	172.084
Movement in CFR excluding PFI & other liabilities	1.845	0.498	0.454
Movement in PFI CFR	(0.641)	(0.690)	(0.690)
Total movement in CFR	1.204	(0.192)	(0.236)
Closing CFR	172.084	171.892	171.848
Movement in CFR represented by:			
Net financing need for year (Table 2 above)	6.162	4.887	4.887
Minimum and voluntary revenue provisions	(4.317)	(4.389)	(4.433)
MRP on PFI and other long term leases (Table 3)	(0.641)	(0.690)	(0.690)
Total movement	1.204	(0.192)	(0.236)

The capital borrowing need (Capital Financing Requirement) has not been fully funded with loan debt as cash supporting the Council's reserves, balances and cash flow has been used as a temporary measure. This is known as Internal Borrowing. Projected levels of the Council's

total outstanding debt, which comprises of borrowing, PFI and Other Long Term Liabilities, are shown below compared with the Capital Financing Requirement:-

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

	2018-19 Actual £m	2019-20 Estimate (Council Oct 19) £m	2019-20 Projection £m
Debt (incl. PFI & leases)	114.750	114.882	114.220
Capital Financing Requirement	172.084	171.892	171.848

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

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

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

	2018-19 Actual £m	2019-20 Estimate (Council Oct 19) £m	2019-20 Projection £m
Authorised limit – borrowing	140.000	170.000	170.000
Authorised limit – other long term liabilities	30.000	30.000	30.000
Authorised Limit Total	170.000	200.000	200.000
Operational boundary – borrowing	105.000	115.000	115.000
Operational boundary – other long term liabilities	25.000	20.000	20.000
Operational Boundary Limit Total	130.000	135.000	135.000
Total Borrowing and Long Term Liabilities	114.750	114.882	114.220

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

Table 7: Prudential Indicator: Proportion of financing costs to net revenue stream

	2018-19 Actual £m	2019-20 Estimate (Council Oct 19) £m	2019-20 Projection £m
Capital Financing Central	6.451	6.509	6.551
Other Financing costs	3.406	3.451	3.451
TOTAL FINANCING COSTS	9.857	9.960	10.001
Proportion of net revenue stream	3.71%	3.68%	3.69%

This shows that in 2018-19, 3.69% of our net revenue income was spent paying back the costs of capital expenditure.

BRIDGEND COUNTY BOROUGH COUNCIL

REPORT TO CABINET

21 JANUARY 2020

REPORT OF THE INTERIM HEAD OF FINANCE AND SECTION 151 OFFICER

NON DOMESTIC RATES: DISCRETIONARY RELIEF: HIGH STREET AND RETAIL RATES RELIEF SCHEME 2020-21

1. Purpose of Report

- 1.1 The purpose of the report is for Cabinet to adopt the Welsh Government's High Street and Retail Rates Relief Scheme for 2020-21.

2. Connection to Corporate Improvement Objectives/Other Corporate Priorities

- 2.1 The outcome of this Scheme is aligned to:-

- Supporting a successful economy – helping businesses to reduce their rates charges for the period 01/04/20 – 31/03/21 in order to support continued occupation of the High Street and Retail premises.

3. Background

- 3.1 The Welsh Government has announced that a High Street and Retail Rates Relief Scheme will be available for 2020-21 to support businesses within the retail sector in Wales. This relief will be in conjunction with the Small Business Rates Relief. The Scheme sets out the various categories of retail premises that will benefit from relief. These are detailed in **Appendix A** of the report, but broadly the premises included are those that have a rateable value of £50,000 or less; are occupied; and are wholly or mainly used as shops, restaurants, cafes and drinking establishments. (These categories are intended to cover premises that are being used for the sale of goods and/or services, or food and/or drink, to visiting members of the public). As in 2019-20, the 2020-21 scheme is not limited to high street premises but will include all properties within the County borough who meet the wider criteria.
- 3.2 The Scheme will be administered by the Council as a 'reimbursing local authority' that uses discretionary relief powers (under section 47 of the Local Government Finance Act 1988). It will be for individual local billing authorities to decide to grant relief under section 47 but Welsh Government will reimburse local authorities for the relief that is provided.
- 3.3 The Welsh Government will provide relief of up to £2,500 for qualifying occupied retail properties with a rateable value of up to £50,000 in the

financial year 2020-21, subject to State Aid limits of up to €200,000 in a three year period.

3.4 The High Street and Retail Rates Relief Scheme for 2020-21 will run alongside the Small Business Rates Relief Scheme.

3.5 It is estimated that in the region of 1,000 ratepayers across the Borough could potentially benefit from reduced rates bills under this Scheme.

4. Current situation / Proposal

4.1 The Council can elect to adopt the Scheme but does not have discretion over any elements of the Scheme. It is proposed that the Council adopts the Scheme for 2020-21 by making the appropriate determination and decision, as required by Sections 47(1)(a) and 47(3) respectively of the Local Government Finance Act 1988.

4.2 Full details of the High Street and Retail Rates Relief Scheme for 2020-21 and the guidance on the application of the Scheme have been received from Welsh Government. If the Scheme is adopted, those businesses benefiting from the scheme in 2019-20 and still meeting the criteria set by Welsh Government will be awarded the relief for 2020-21 automatically. However application forms will be issued to all new qualifying business properties. It is proposed that upon receipt of a valid application form, the decision to award relief be made by the Revenues Manager providing all terms of the Scheme are met.

4.3 The Chief Executive has delegated power to award relief to all qualifying businesses in accordance with the Non-domestic Rates Relief Scheme that may be eligible following receipt of a valid application form.

5 Effect upon Policy Framework & Procedures Rules

5.1 There is no direct impact on the Council's policy framework and procedure rules.

6. Equality Impact Assessment

6.1 An initial assessment has identified that there are no equality implications arising from this report.

6.2 Once adopted, the Council is obliged to comply with the Welsh Government's rules in applying the Scheme. These are detailed in Appendix A.

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 There are no direct financial implications to the Council in adopting the scheme. The full value of the High Street and Retail Rates Relief awarded will be reimbursed by the Welsh Government along with an allowance for the cost of administration.

9. Recommendations

It is recommended that Cabinet:

- 9.1 Adopt the Non Domestic Rates High Street and Retail Rates Relief Scheme for 2020-21 as detailed within Appendix A;

Gill Lewis

Interim Head of Finance & Section 151 Officer

10 January 2020

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Revenues Manager

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Postal Address: Ravens Court
Brewery Lane
Bridgend
CF31 4AP

Background documents:

Non-domestic Rates High Street and Retail Rates Relief in Wales - 2020-21
Guidance

APPENDIX A

Resolution

(a) The Council determines that, unless hereditaments are excepted under (b) below, Section 47(1)(a) (discretionary relief) of the Local Government Finance Act 1988 will apply as regards the hereditaments described in 'The Scheme' in accordance with the rules described in relation to those hereditaments.

It is reasonable for the Council to make this decision having regard to the interests of persons liable to pay business rates set by the Council.

(b) Relief is not available under this resolution in respect of any hereditament which is occupied by -

- the Welsh Ministers, a Minister of the Crown or government department,
- any public authority (including any local authority),
- the holder of any public office, or
- the Crown

(c) The Council decides, under Section 47(3) of the Local Government Finance Act 1988, that during the billing year 2020-21 'The Scheme' shall apply to the hereditaments described..

The Scheme to be Adopted

Introduction

This relief scheme has been extended for a further year for 2020-21. It is aimed at high street businesses and retailers in Wales, for example shops, pubs, restaurants and cafes

The Welsh Government will provide up to £2500 discount to eligible high street retailers occupying premises with a rateable value of £50,000 or less in the financial year 2020-21, subject to State Aid limits.

Properties that will benefit from this relief will be occupied high street businesses and retail properties such as shops, restaurants, cafes and drinking establishments, with a rateable value of £50,000 or less on 1 April 2020.

It is intended that, for the purposes of this scheme, retail properties such as, "shops, restaurants, cafes and drinking establishments" will mean the following (subject to the other criteria in this guidance).

Premises that are being used for the sale of goods to visiting members of the public

- Shops (such as florists, bakers, butchers, grocers, greengrocers, jewellers, stationers, off-licences, newsagents, hardware stores, supermarkets, etc)
- Opticians
- Pharmacies
- Post offices
- Furnishing shops or display rooms (such as carpet shops, double glazing, garage doors)

- Car or caravan showrooms
- Second hand car lots
- Markets
- Petrol stations
- Garden centres
- Art galleries (where art is for sale or hire)

i. Premises that are being used for the provision of the following services to visiting members of the public

- Hair and beauty services
- Shoe repairs or key cutting
- Travel agents
- Ticket offices, eg. for theatre
- Dry cleaners
- Launderettes
- PC, TV or domestic appliance repair
- Funeral directors
- Photo processing
- DVD or video rentals
- Tool hire
- Car hire
- Cinemas
- Estate and letting agents

ii. Premises that are being used for the sale of food and / or drink to visiting members of the public

- Restaurants
- Drive-through or drive-in restaurants
- Takeaways
- Sandwich shops
- Cafés
- Coffee shops
- Pubs
- Wine Bars

To qualify for the relief a hereditament listed in (i) to (iii) should be wholly or mainly used as a shop, restaurant, café or drinking establishment. This is a test on use rather than occupation. Therefore, hereditaments which are occupied but not wholly or mainly used for the qualifying purpose will not qualify for the relief.

The list set out above is not intended to be exhaustive as it would be impossible to list all the many and varied high street retail uses that exist. There will also be mixed uses. However, it is intended to be a guide as to the types of uses that the Welsh Government considers should qualify for the High Street Rate Relief Scheme. Determinations will be required as to whether particular properties not listed are broadly similar in nature to those above and, if so, to consider them eligible for the relief. Conversely, properties that are not broadly similar in nature to those listed above should not be eligible for the relief.

As the grant of the relief is discretionary, local authorities may choose not to grant the relief if they consider that to be appropriate, however it is highly unlikely that the Council would not wish an eligible business to benefit from the reduction in rates that the scheme affords.

There are certain business types that Welsh Government has specifically excluded from the scheme namely:

i. Premises that are being used for the provision of the following services:

- Financial services (eg. banks, building societies, cash points, ATMs, bureaux de change, payday lenders, betting shops, pawn brokers)
- Medical services (eg. vets, dentists, doctors, osteopaths, chiropractors)
- Professional services (eg. solicitors, accountants, insurance agents, financial advisers, tutors)
- Post office sorting office
- Tourism accommodation, eg. B&Bs, hotel accommodation and caravan parks
- Sports clubs
- Children's play centres
- Day nurseries
- Outdoor activity centres
- Gyms
- Kennels and catteries
- Show homes and marketing suites
- Employment agencies

There are a number of further types of hereditaments which the Welsh Government believes should not be eligible for the high street relief scheme:

ii. Premises with a rateable value of more than £50,000

It is recognised there are some retail businesses with rateable value above the £50,000 relief who will not be eligible for this relief. Local authorities have the option to use their discretionary powers to offer discounts outside this scheme to such businesses if it is in the interest of the local community to do so.

iii. Premises that are not reasonably accessible to visiting members of the public

If a business is not reasonably accessible to visiting members of the public, it will be ineligible for relief under the scheme.

iv. Premises that are not occupied

Properties that are not occupied on 1 April 2020 should be excluded from this relief. There are other statutory rate reliefs that provide reductions under certain circumstances for empty properties.

v. Premises owned, rented or managed by a local authority

Premises that are owned, rented or managed by a local authority such as Visitor Centres, Tourist Information shops and council run coffee shops/gift shops attached to historic buildings are exempt from this scheme.

vi. Premises that are in receipt of mandatory charitable rates relief

The properties, such as charity shops are excluded from receiving additional relief under the High Street Relief Scheme as they already receive mandatory charitable relief which gives an 80% reduction in liability.

Other Considerations

Ratepayers that occupy more than one property will be entitled to High Street Rates Relief for each of their eligible properties, subject to State Aid de minimis limits.

Eligibility for the relief will be calculated based on the circumstances of the property and ratepayer as at 1 April 2020 Changes to properties which occur after this date will have no impact on eligibility for this relief.

Empty properties becoming occupied after 1 April 2020 will not qualify for this relief.

If there is a change in occupier part way through the financial year, after relief has already been provided to the hereditament, the new occupier will qualify for the relief on a pro-rata basis based on the remaining days of occupation.

This treatment is intended to simplify the administration of the scheme but also reflects that the relief is to help support those affected by the revaluation. It is assumed that the rateable values for properties being occupied after 1 April 2018 will have been known in advance.

State Aid

Awards made under the High Street Rate Relief Scheme will in most instances count as state aid and the European Union regulates state funded support to businesses.

The De Minimis Regulation allows an undertaking to receive up to €200,000 of De Minimis aid in a three-year period (consisting of the current financial year and the two previous financial years).

To administer the scheme and comply with the De Minimis regulations it is necessary for the council to establish that the award of aid will not result in the undertaking having received more than €200,000 of De Minimis aid. The threshold only relates to aid provided under the De Minimis Regulations (aid under other exemptions or outside the scope of State Aid is not relevant to the De Minimis calculation).

To comply with the state aid rules all ratepayers will be required to declare if they consider that they have exceeded the de minimis limits and will be sent a form for this purpose.

Further information on the state aid and de Minimis rules can be found at:

<http://gov.wales/funding/state-aid/de-minimis-aid/?lang=en>

http://ec.europa.eu/competition/state_aid/legislation/de_minimis_regulation_en.pdf

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BRIDGEND COUNTY BOROUGH COUNCIL

REPORT TO CABINET

21 JANUARY 2020

REPORT OF THE HEAD OF OPERATIONAL SERVICES - COMMUNITIES

RE-DEVELOPMENT OF MAESTEG TOWN HALL

1 Purpose of Report

- 1.1 To seek Cabinet approval to enter a construction contract with Knox and Wells Ltd for the re-development of Maesteg Town Hall.

2 Connection to Corporate Improvement Objectives / Other Corporate Priorities

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

- **Supporting a successful economy** – taking steps to make the county a good place to do business, for people to live, work, study and visit, and to ensure that our schools are focused on raising the skills, qualifications and ambitions of all people in the county.
- **Helping people to be more self-reliant** – taking early steps to reduce or prevent people from becoming vulnerable or dependent on the Council and its services.
- **Smarter use of resources** – ensuring that all its resources (financial, physical, human and technological) are used as effectively and efficiently as possible and support the development of resources throughout the community that can help deliver the Council's priorities.

3 Background

- 3.1 Maesteg Town Hall is a grade II listed building located within a conservation area. It occupies a prominent position in Maesteg Town Centre and is a focal point for arts and community activity in the Lynfi valley. The venue hosts a programme of professional and amateur performances and provides rehearsal and meeting space for many local groups and organisations. Bridgend County Borough Council (the Authority), in partnership with Awen Cultural Trust, are looking to redevelop the Town Hall into a cultural community venue to support the social and economic regeneration of the town and wider valley communities.
- 3.2 Several reports on the proposed restoration and redevelopment of Maesteg Town Hall have been presented to Cabinet at project milestone stages:

- 4 October 2016: Cabinet Report to seek Cabinet approval to commence development and delivery work to secure regeneration for Maesteg Town Hall
- 30 January 2018: Cabinet Report to provide an update on the Maesteg Town Hall project
- 21 January 2020: Capital Programme Update – Quarter 3 2019-20 report to Cabinet

3.3 In April 2019 Knox and Wells Ltd were appointed to undertake the first stage of a two stage design and build contract. This appointment was made through the South East and Mid Wales Collaborative Construction Framework under a pre-construction agreement to complete the Royal Institute of British Architects (RIBA) 4 technical design and provide a price for the construction works before the award of the main construction contract once the design is approved and the contract sum agreed.

4 Current Situation

4.1 The Authority has appointed a multi-disciplinary team to deliver the concept design and cost for the proposed repair, restoration and extension of Maesteg Town Hall. The design team include:

- The MACE Group – Project management and cost consultancy
- Knox and Wells Ltd – Design and Build Contractors (appointed currently for their professional design services)
- Purcell Architects – Architects
- Musker Sumner partnership – Civil Engineers
- Hoare Lea – Mechanical and Electrical Consultants

To date the design team have:

- undertaken several surveys within the building
- progressed the designs in line with survey findings
- provided a proposed cost plan

The team are currently reviewing an array of cost items. As a summary the Mace Group are reviewing the overall construction package which take into account both principal contractor (Knox and Wells Ltd) costs as well as supply chain cost returns. Knox and Wells are reviewing solely the supply chain cost returns.

4.2 The project is nearing RIBA stage 4b technical design and cost completion. The Town Hall closed in October 2019 and Awen Cultural Trust have decanted the building. Due to a delay in the return of sub-contractor tender returns there has been a slight delay in construction start, however the project is now at the stage where there is a need to enter into the second stage of the design and build contract so that construction works can commence. The contract value for this element will be £6.5 million of the total project costs of £8.2 million included in the Capital Programme Update

Quarter 3 report presented to Cabinet 21 January 2020, and to Council for approval on 22 January 2020.

5 Effect upon Policy Framework & Procedure Rules

5.1 There is no effect on the Council's policy framework and procedure rules.

6 Equality Impact Assessment

6.1 An initial Equality Impact Assessment screening has highlighted that no negative impact on those with one or more of the protected characteristics as a result of the recommendation of this report. The proposed scheme will develop full disabled access to the Town Hall for the first time. The project as a whole will ensure that there is a positive impact on the equalities agenda.

7 Well-being Future Generation (Wales) Act 2015 Assessment

7.1 The Well-being of Future Generations (Wales) Act 2015 Assessment Template has been completed and a summary of the implications from the assessment relating to the five ways of working is below:

- Long Term: The regeneration of the Town Hall will drive local prosperity, providing local employment opportunities and offering better environments to promote the health and wellbeing of those who live, work and visit town centres in the long term.
- Prevention: By improving the Town Hall it will strengthen the existing economic assets of not just the Town Hall but surrounding businesses while diversifying its economic base. Converting underutilised commercial space into economically productive property also helps boost the profitability of the town centre.
- Integration: The project will focus on delivering a set of physical, commercial and social improvements through re-developing an iconic Grade II listed building which in recent years has been under used. The project will generate employment opportunities; provide a prominent and suitable arena for commercial, learning and cultural use and help sustain Maesteg Town Centre and increase town centre footfall.
- Collaboration: The Authority will be undertaking a partnership approach to deliver positive enhancement to a key site that will include for repair, restoration and extension of a prominent listed building. The Authority, in partnership with our cultural services providers Awen Cultural Trust, have carefully developed the project through a combination of consultation and community engagement, technical testing and development.

- Involvement: Investing in a community offers a means to connect with local stakeholders. Strong, resilient communities will reinforce the regional and Welsh culture which is a key feature in promoting visitors and tourists to the area. Increased visitor numbers to the Town Hall will help to make the Cardiff Capital Region a more prosperous environment.

8 Financial Implications

- 8.1 The total costs of the scheme as reported to Council in the Capital Programme Update Quarter 3 is £8.2 million. The result of the tender exercise for contract works sets the contract value at £6.5 million. The project will be subject to a value engineering exercise to seek reductions in the total scheme cost where possible, without detriment to the overall redevelopment.
- 8.2 The Capital Programme Update Quarter 3 includes the Maesteg Town Hall scheme. Award of the contract will be subject to Council approving the revised Capital Programme on 22 January 2020.

9 Recommendation

- 9.1 Subject to approval of the revised project budget as set out in the Capital Programme Update report to Council on 22 January 2020, Cabinet is recommended to:
- Delegate authority to the Head of Operations - Community Services, in consultation with the Section 151 Officer and the Chief Officer - Legal, HR & Regulatory Services, to enter into a construction contract with Knox and Wells Ltd of £6.5million and all such other ancillary contractual documentation as shall be necessary to complete the Maesteg Town Hall Re-development construction project.

ZAK SHELL

Head of Operations - Community Services

15 January 2020

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Background documents:

- 4 October 2016: Cabinet Report to seek Cabinet approval to commence development and delivery work to secure regeneration for Maesteg Town Hall
- 30 January 2018: Cabinet Report to provide an update on the Maesteg Town Hall project
- 21 January 2020: Capital Programme Update – Quarter 3 2019-20 report to Cabinet
- Well-being Future Generation (Wales) Act 2015 Assessment

BRIDGEND COUNTY BOROUGH COUNCIL

REPORT TO CABINET

21 JANUARY 2020

REPORT OF THE HEAD OF OPERATIONAL SERVICES – COMMUNITIES

BRIDGEND SHOPMOBILITY SCHEME

1. Purpose of Report.

- 1.1 The purpose of this report is to seek Cabinet approval for proposals to meet the Medium Term Financial Strategy (MTFS) budget reduction requirement in respect of the operation of Bridgend Shopmobility Scheme.

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

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

- 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 Shopmobility is a scheme operated by Bridgend County Borough Council from premises within the Brackla multi storey car park which lends manual wheelchairs, powered wheelchairs and powered scooters to members of the public with limited mobility, to shop and to visit leisure and commercial facilities within Bridgend Town Centre. The facility is open **between 08:30am and 5.00pm** on Monday to Saturday.
- 3.2 Shopmobility in Bridgend is for anyone, young or old, whether their disability is temporary or permanent. It is available for those with injuries, long or short-term disabilities – anyone who needs help with mobility. Shopmobility is about the freedom to get around. There is no specific requirement for someone to be disabled to use it.
- 3.3 Shopmobility actively encourages inclusion and equality by providing the environment for wheelchairs, power chairs and scooters to be used safely.
- 3.4 The MTFS 2019-20 to 2022-23 budget reduction proposal COM 26, which was approved by Council on 20 February 2019 proposed savings of £5,000 in 2019-20 and a further £10,000 in 2020-21 predicated on the introduction of charging to users of the Shopmobility facility in Bridgend Town Centre to reduce/remove the current level of subsidy.
- 3.5 The provision is not a statutory duty and one not provided in other town centres of the county borough or in many of the town centres of neighbouring authorities. On this basis it is reasonable to investigate whether introducing charging for use is a

viable way of reducing the overall cost of the service. If however this does not prove feasible, in order to make the full saving required over successive financial years closure of the facility may prove necessary.

4. Current situation / proposal.

4.1 To utilise the Shopmobility Scheme customers are required to join the scheme for which there is currently no charge. Once registered, customers tender a £2 deposit for the use of the apparatus. On their return the £2 deposit may be refunded if requested. This deposit was first introduced some 15 years ago and has remained unchanged since then. Of note the majority of users currently donate the £2 deposit.

4.2 The figures shown in the table below gives a brief summary of Shopmobility finances for 2018/19 financial year.

Costs related to opening hours	£29,800
Total site costs, administrative expenses and maintenance of equipment	£8,200
Donations (4,056) hires	(£7,300)
Net operating cost	£30,700

4.3 As indicated in paragraph 4.2, the service receives donations of circa £7,300 from users of the service but still has a deficit of £30,700, which is subsidised by Bridgend County Borough Council. As well as the shortfall indicated above there are various indirect costs associated with the facility such as its location in the Brackla multistorey carpark which removes car parking spaces, and therefore potential income. Additionally, costs such as rates and utilities are absorbed in the Car Park management costs.

4.4 Some staffing costs are also absorbed, as when the current shopmobility staff are absent due to sick leave or on annual leave, then their shifts are covered by Council staff from other areas within the Communities Directorate.

4.5 Usage figures are as follows:

2016/17 recorded usage 4,088
2017/18 recorded usage 3,993
2018/19 recorded usage 4,056.

4.6 There are other Shopmobility schemes in Wales which have different ways of operating the scheme. These can vary between charging a membership fee every year, to also having a hiring out fee every time a mobility scooter is utilised.

4.7 A range of interventions have been explored based around differing operating models and examination of current usage. This examination resulted in the following proposals:

- **Change the opening time from 08:30am – 5pm to 10am - 4pm** - usage identified very few transactions before 10am, whereas the bulk of usage is between the hours of 10am until 4pm. This change would reduce the operational

time from 51 hours to 36 hours and make a financial saving in respect of operational costs.

- **Introduce a £5 annual registration fee** – An annual registration fee of £5 based upon approximately 200 members would provide a possible off-set in costs of £1,000 per year. Currently, any joining member receives a membership card after providing evidence of residence or provision of security against the loan of a scooter for persons residing outside the borough. The charge would offset the administration cost for production of the membership photo card, and maintenance of an up to-date database. The annual membership/renewal fee of £5 would include the first hire on renewal or new membership.
- **Introduction of a £5 fee when equipment is hired** – This would require Shopmobility members to pay for the service every time they use it instead of the £2 donation as is currently the case which based on 2018-19 usage would equate to a financial contribution of £20,280.
- **Seek Grant Funding** – As the provision is specifically aimed at persons with mobility issues it may be possible to secure government grants towards capital purchase of equipment. However, there are no guarantees that such funding would be forthcoming or be provided on a long term basis.

Consultation and Consideration of Proposals

- 4.8 The consideration of users paying for shopmobility services formed part of the Council's 'Shaping Bridgend's Future' 2018 consultation whereby respondents were 48% in favour of exploring options of charging for the shopmobility service.
- 4.9 In addition to this consultation, 281 letters dated 30 August 2019 were sent to current members of the scheme to gauge their views on the proposals regarding operational times and proposed hire charges. The greatest concern related to the charge for the hire of the mobility scooter. 39% of respondents indicated that a charge of £5.00 per hire would not prove affordable and made alternative proposals that have been considered in arriving at the proposed recommendations.
- 4.10 All expressed a dependency on this service in one form or another to assist in mobility issues. From this engagement it is recommended that the charge should be £3.00 per hire. Based on 2018-19 usage, this would equate to a financial contribution of £12,168.
- 4.11 In relation to opening times 80% of responses were not against such a proposal but 20% of responses did indicate that this may impact upon either early shopping or medical appointments. In consideration of the comments it is recommended to amend the proposal of opening times from 10am until 4pm to 9:15am until 4pm providing an operational time from 51 hours to 40.5 hours.

5. Effect upon Policy Framework & Procedure Rules.

- 5.1 There is no effect upon Policy Framework or Procedure Rules

6. Equalities Impact Assessment

6.1 An full equality impact assessment has been carried out and is attached at Appendix 1 for information.

7.0 Wellbeing of Future Generations (Wales) Act 2015 Implications

7.1 The Well-being of Future Generations (Wales) Act 2015 Assessment Template has been completed and a summary of the implications from the assessment relating to the five ways of working is outlined below in respect of the proposed changes to the Shopmobility Scheme:

- **Long-term**
The proposal seeks sustainable funding for the provision of the Bridgend shopmobility scheme.
- **Prevention**
The proposal seeks sustainable sources of funding for the shopmobility scheme to ensure that the facility can be correctly maintained and managed for the benefit of the membership
- **Integration**
The provision of a shopmobility scheme enables persons with mobility issues to access services within the town centre
- **Collaboration**
The facility enables persons without access to mobility scooters to spot hire to enable access to services within the town centre, thus the proposal seeks to ensure sustainability for such provision
- **Involvement**
The proposal has been subject to the Council's consultation process in regard of MTFs and engagement has taken place with scheme members.

8. Financial Implications.

8.1 The Medium Term Financial Strategy includes a budget reduction of £5,000 in 2019-20 with a move to full cost recovery beyond that. The proposals in this report seek to address the initial saving as well as mechanisms to move towards full cost recovery with implementation from 1st April 2020.

8.2 The following table is the potential impact of the revised proposals based upon 200 members and 4,000 hires per annum:-

Hire charge contribution	£12,000
Membership fee contribution	£1,000
Savings related to running costs	£10,000
Total	£23,000
External Grant contribution	£5,000

9. Recommendation.

9.1 It is recommended that Cabinet approves the following proposals to meet the MTFS budget reductions requirement in respect of the operation of the Bridgend Shopmobility Scheme with implementation from 1st April 2020:

- Changes to the Shopmobility opening time from 08:30am – 5pm to 09:15am – 4pm
- Introduction of an annual registration fee of £5, includes the first hire on renewal or new membership.
- Introduction of a daily hire charge of £3
- Delegated authority is given to the Corporate Director for Communities to authorise future changes to the Bridgend Shopmobility service

9.2 Cabinet should also note that Officers will continue to explore the opportunity for external grant funding to support the service.

Zak Shell
HEAD OF OPERATIONS – COMMUNITY SERVICES
January 2020

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Background documents:

Well-being of Future Generations (Wales) Act 2015 Assessment - dated 19 Nov 2019

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Appendix1 Equality Impact Full Assessment

Name of project, policy, function, service or proposal being assessed:	Shopmobility provision - proposed introduction of a charge for the service and changes to opening hours
Date EIA Screening assessment completed:	September 2019
Full assessment date for completion (from EIA screening):	November 2019

At this stage you will need to re-visit your initial screening template to inform your consultation and refer to [guidance notes on completing a full EIA](#)

Consultation

	Method	Action Points
Who do you need to consult with (which equality groups)? Members of the shop mobility scheme and the local equality forum	Letter with return SAE sent to all current shopmobility service users	
How will you ensure your consultation is inclusive?	Letter provided in Welsh and English. All current registered users of the service were included in the consultation.	
What consultation was carried out? Consider any consultation activity already carried out, which may not have been specifically about equality but may have information you can use	The proposals for charging for shopmobility had been outlined in the MTFS consultation proposals for 2019-20 to 2022-23.	This consultation ran from 24 September to 18 Nov 2018 From this consultation 48% of responders indicated that we should explore charging for shopmobility – the council is therefore exploring options for

	<p>2,677 survey responses were received to the MTFS consultation 2018.</p> <p>The letter sent to all current service users outlined the following proposals:</p> <p>Introduce a charge for hire of £5 per day</p> <p>Introduce amended opening hours from 08:30 am to 5pm daily to 10am – 4pm daily (Monday to Saturday)</p>	charging for the service with current shopmobility users.
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Record of consultation with people from equality groups

Group or persons consulted	Date/venue and number of people	Feedback/areas of concern raised	Action Points
Current shopmobility service users	281 letters sent	<p>41 written responses received</p> <p>18 (44%) stated they agreed with proposals</p> <p>16 (39%) provided alternative proposals. Alternatives suggested included a lesser fee £3 instead of £5. Some suggested an hourly tariff.</p>	Consideration given to alternative proposals

		<p>Also suggested maintaining a longer opening hours than the proposed 10am – 4pm</p> <p>7(17%) did not agree with proposals</p>	
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Assessment of Impact

Based on the data you have analysed, and the results of consultation or research, consider what the potential impact will be upon people with protected characteristics (negative or positive). Include any examples of how the policy helps to promote equality. If you do identify any adverse impact you **must seek legal advice as to whether, based on the evidence provided, an adverse impact is or is potentially discriminatory, and identify steps to mitigate any adverse impact – these actions will need to be included in your action plan.**

	Impact or potential impact	Actions to mitigate
Gender	No specific impact identified from consultation	None identified
Disability	<p>The majority of users of this service have needs related to a disability or limited mobility.</p> <p>The proposal made was an opening time of 10am until 4pm – in this regard responses indicated a potential impact on medical appointments and accessing services within the town centre</p> <p>Also in terms of the proposed hire charge of £5 – whilst 44% of respondents agreed with this proposal there was also a</p>	<p>The original proposals have been amended to take into consideration feedback from service users as detailed below:</p> <p>Whilst the provision is not specifically to allow access to doctors surgeries that may be located in the town consideration of the 10am opening has been made against the comments received and the proposal now reflects revised opening hours of 09:15 until 4pm.</p>

	<p>significant response (39%) who commented on the hire charge, and offered an alternative amount for consideration.</p>	<p>In response to the feedback received in relation to the proposed fee this has now been amended in the proposals to £3 instead of £5.</p> <p>The introduction of a membership joining/renewal fee of £5 which would include the first hire on renewal or new membership</p>
Race	No specific impact identified from consultation	None identified
Religion and belief	No specific impact identified from consultation	None identified
Sexual Orientation	No specific impact identified from consultation	None identified
Age	<p>The majority of users of this service have needs related to a disability or limited mobility.</p> <p>The proposal made was an opening time of 10am until 4pm – in this regard responses indicated a potential impact on medical appointments and accessing services within the town centre</p> <p>Also in terms of the proposed hire charge of £5 – whilst 44% of respondents agreed with this proposal there was also a significant response (39%) who commented on the hire charge, and</p>	<p>The original proposals have been amended to take into consideration feedback from service users as detailed below:</p> <p>Whilst the provision is not specifically to allow access to doctors surgeries that may be located in the town consideration of the 10am opening has been made against the comments received and the proposal now reflects revised opening hours of 09:15 until 4pm.</p> <p>In response to the feedback received in relation to the proposed fee this has now</p>

	offered an alternative amount for consideration.	been amended in the proposals to £3 instead of £5. The Introduction of a membership joining/renewal fee of £5 which would include the first hire on renewal or new membership
Pregnancy & Maternity	No specific impact identified from consultation	None identified
Transgender	No specific impact identified from consultation	None identified
Marriage and Civil partnership	No specific impact identified from consultation	None identified
Welsh language	No specific impact identified from consultation	None identified

Equality Impact assessment Action Plan

It is essential that you now complete the action plan. Once your action plan is complete, please ensure that the actions are mainstreamed into the relevant Service Development Plan.

Action	Lead Person	Target for completion	Resources needed	Service Development plan for this action
Recommendations to cabinet to approve the revised proposal in regard of charging and opening times	Group Manager Highways and Green Spaces	January 2020	N/A	

Continue to Monitor service provision	Traffic and Transportation Manager	N/A	Shop mobility staff	
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Please detail the name of the independent person (someone other than the person undertaking the EIA) countersigning this EIA below:

Countersigned:	Role:	Date:
Zak Shell	Head of Operations - Community Services	November 2019

Please outline how and when this EIA will be monitored in future and when a review will take place (max. three years):

Monitoring arrangements:	Date of Review:
A review of this EIA to be monitored in relation to ongoing service provision of this facility	August 2022

Details of person completing the Full EIA:

Name:	Role:	Date:
Kevin Mulcahy	Group Manager Highways and Green Spaces	19 November 2019

Publication of a Full EIA and feedback to consultation groups

It is important that the results of this impact assessment are published in a user friendly accessible format.

It is also important that you feedback to your consultation groups with the actions that you are taking to address their concerns and to mitigate against any potential adverse impact.

When complete, this form must be signed off and retained by the service area. The Full EIA should be recorded as complete on share point (your business manager has access to share point). Where a full EIA is needed this should be included as an appendix with the relevant cabinet report and therefore available publically on the website.

If you have queries in relation to the use of this toolkit please contact the Equalities Team on 01656 643664 or equalities@bridgend.gov.uk

BRIDGEND COUNTY BOROUGH COUNCIL

REPORT TO CABINET

22 JANUARY 2019

REPORT OF THE CHIEF EXECUTIVE

WORK EXPERIENCE PLACEMENTS FOR SERVICE PERSONNEL LEAVING THE ARMED FORCES

1. Purpose of report

- 1.1 The purpose of the report is to inform Cabinet of the introduction of a Work Experience Placement Scheme (the scheme) for personnel leaving the Armed Forces as part of the Council's commitment to the Armed Forces Community Covenant

2. Connection to corporate improvement objectives/other corporate priorities

- 2.1 This report assists in the achievement of the following corporate priority:
- Smarter use of resources – ensuring that all its resources (financial, physical, human and technological) are used as effectively and efficiently as possible and support the development of resources throughout the community that can help deliver the Council's priorities.

3. Background

- 3.1 Bridgend County Borough Council (BCBC) recognises that it has a role to play in helping those leaving the Armed Forces fulfil their potential in civilian life.
- 3.2 Many service leavers have a clear idea of what they would like to do in civilian life. This is often supported by training opportunities arranged by HM Armed Forces. However, service leavers may lack work experience pertinent to the occupation they wish to enter.
- 3.3 Other service leavers may have little idea of what they would like to do after the forces and take a long time to settle into civilian life.
- 3.4 These factors may lead to a delay in securing work, in-work poverty or unemployment.

4. Current situation/proposal

- 4.1 The introduction of the scheme supports Bridgend County Borough Council's Armed Forces Community Covenant.
- 4.2 The scheme will be part of the well established BCBC Work Experience Programme, which offers work experience placements to individuals from a wide range of ages and backgrounds.

- 4.3 The existing BCBC Work Experience Protocol, Managers Guidelines and supporting documents will be used to facilitate the scheme.
- 4.4 The scheme will offer service leavers valuable work experience in a civilian setting, support them to build links in their home community and provide them with additional employability support.
- 4.5 For the Council, the scheme may generate a wider selection of high quality candidates who may not otherwise have considered a career in local government.
- 4.6 A nominated lead within Employabilty Bridgend will be responsible for promotion of the scheme to regiments who recruit in South Wales, Armed Forces Charities and the two Veteran Hubs in Bridgend County.

5. Effect upon policy framework and procedure rules

- 5.1 None.

6. Equality Impact Assessment

- 6.1 As an equal opportunities employer the Council recognises that a diverse workforce, coming from all sections of the community, can improve services by offering different skills, experiences, backgrounds and cultures.
- 6.2 An initial screening has been undertaken which identifies that a full EIA is not required.

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

- 7.1 The scheme contributes to the well-being goals: a Healthier Wales, a Prosperous Wales and a more Equal Wales.
- 7.2 The five ways of working have been considered as follows:
- Long term – this may help reduce the risk of health and welfare problems as a result of long term unemployment and in work poverty
 - Prevention - it may assist veterans to overcome barriers in finding civilian employment and support veterans to enjoy financial security and independence in later life.
 - Integration – the scheme will be shared with members of the Bridgend Public Services Board (PSB) to encourage them to implement their own work experience placement scheme for serving personnel about to leave the armed forces.
 - Collaboration – Commitment to providing work experience placements for those about to leave the armed forces will require the collaboration of all directorates and services within the council. Learning from the scheme will be shared with Bridgend PSB members
 - Involvement – the work experience placement scheme is supported by the Bridgend Armed Forces Covenant Forum. Membership of the forum includes

the council, private and public sector organisations, specialist armed forces charities, other 3rd sector organisations and veterans.

8. Financial implications

8.1 There are no financial implications.

9. Recommendation

9.1 It is recommended that Cabinet note the implementation of a work experience placement scheme for serving personnel about to leave the Armed Forces.

Mark Shephard
Chief Executive

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Background documents:

None

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BRIDGEND COUNTY BOROUGH COUNCIL

REPORT TO CABINET

21 JANUARY 2020

REPORT OF THE CORPORATE DIRECTOR - EDUCATION AND FAMILY SUPPORT

APPOINTMENT OF LOCAL AUTHORITY GOVERNORS

1. Purpose of report

- 1.1 The purpose of this report is to seek approval from Cabinet for the appointment of local authority governors to the school governing bodies listed at paragraph 4.1 and to inform Cabinet that a previous local authority governor appointment has not been progressed.

2. Connection to corporate improvement objectives/other corporate priorities

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

- **Supporting a successful economy** – taking steps to make the county a good place to do business, for people to live, work, study and visit, and to ensure that our schools are focused on raising the skills, qualifications and ambitions of all people in the county.

3. Background

- 3.1 In accordance with the Council's '*Guidance on the appointment of local education authority governors*' approved by Cabinet on 14 October 2008, officers have considered applications received for current and forthcoming vacancies for local authority governor positions on school governing bodies (see paragraph 4.1 and Appendix A).

4. Current situation/proposal

- 4.1 For the seven schools in the table below, all seven applicants met the approved criteria for appointment as local authority governors and there was no competition for any of the vacancies. Therefore, the recommended appointments are:

Name	School
Cllr David Unwin	Brynteg School
Mrs Cheryl Board	Pencoed Comprehensive School
Cllr Sean Aspey	Porthcawl Comprehensive School
Mrs Amanda Williams	Brackla Primary School
Mr Christopher Davies	Llangewydd Junior School
Mr Gary Chappell	Mynydd Cynffig Primary School
Mrs Janet Jones	Newton Primary School

- 4.2 Subject to the above appointments being approved, there are still 25 vacancies that need to be filled in 17 schools (see Appendix A).

- 4.3 At the meeting held on 17 September 2019, Cabinet approved a local authority governor appointment to the governing body of Nottage Primary School. However, it was subsequently identified that there was no vacancy for a local authority governor on the governing body at that time and the vacancy was advertised in error. Therefore, the appointment can no longer be progressed and the appointee has been advised accordingly.

5. Effect upon policy framework and procedure rules

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

6. Equality Impact Assessment

- 6.1 An assessment of the appointment of local authority governors identifies that there are no equality issues related to this report.

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

- 7.1 A Well-being of Future Generations (Wales) Act 2015 assessment has been completed. A summary of the implications from the assessment relating to the five ways of working is as follows:

Long-term

While it is desirable for local authority governors to have previous or relevant experience of the role, in the short-term, the local authority may support any person for such an appointment who is interested in supporting schools, is not disqualified from being a school governor and is willing and able to dedicate the necessary time to the role.

Prevention

The local authority assesses the suitability of applicants for the local authority governor vacancy/vacancies applied for. The local authority, in conjunction with the Central South Consortium, supports governors with a comprehensive programme of both mandatory and voluntary training and access to resources, to enable them to develop and maintain their knowledge and skills, and be successful in fulfilling the role.

Integration

School governing bodies have a strategic role in running schools and ensuring that all pupils are supported to learn and achieve so that they can access opportunities for further learning and employment, know how to maintain their wellbeing, can play active roles in their communities and can contribute positively to society as a whole.

Collaboration

School governing bodies have a strategic role in ensuring that schools safeguard the health and wellbeing of pupils and staff. The local authority, in conjunction with the Central South Consortium, provides training to governors to enable them to

develop and maintain their relevant knowledge, skills and effectiveness in this respect.

Involvement

The local authority treats all applications for local authority governor vacancies fairly, to ensure equality of opportunity. School governing bodies have a strategic role in ensuring that schools safeguard the health and wellbeing of pupils and staff. The local authority, in conjunction with the Central South Consortium, provides training to governors to enable them to develop and maintain their relevant knowledge, skills and effectiveness in this respect.

8. Financial implications

8.1 There are no financial implications regarding this report.

9. Recommendation

9.1 Cabinet is recommended to approve the appointments listed at paragraph 4.1 and to note the position outlined in paragraph 4.3.

Mr Lindsay Harvey
Corporate Director, Education and Family Support

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Learner Support Officer

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Background documents

- Bridgend County Borough Council's 'Guidance on the appointment of local education authority governors', approved by Cabinet on 14 October 2008
- The Government of Maintained Schools (Wales) Regulations 2005
- Well-being of Future Generations Assessment.

Appendix A

Local authority governor vacancies: current and forthcoming (up to the end of April 2020)

Name of school	Number of current and forthcoming vacancies
Archbishop McGrath Catholic High School	1
Brynteg School	1
Abercerdin Primary School	2
Bryncethin Primary School	1
Bryntirion Infants School	2 (from February 2020)
Cefn Cribwr Primary School	1
Cwmfelin Primary School	1
Llangewydd Junior School	1
Llangynwyd Primary School	3
Mynydd Cynffig Primary School	1
Nantymoel Primary School	1
Ogmore Vale Primary School	2 (1 from February 2020)
Porthcawl Primary School	1
St Mary's Catholic Primary School	1
St Robert's Roman Catholic Primary School	2
Tondu Primary School	2
Ysgol Gynradd Gymraeg Calon Y Cymoedd	2
TOTAL VACANCIES	25

BRIDGEND COUNTY BOROUGH COUNCIL

REPORT TO CABINET

21 JANUARY 2020

REPORT OF THE CHIEF OFFICER – LEGAL, HR AND REGULATORY SERVICES

INFORMATION REPORT FOR NOTING

1. Purpose of Report

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

2. Connection to Corporate Improvement Objectives/Corporate Priorities

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

3. Background

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

4. Current situation / proposal

4.1 Information Reports

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

<u>Title</u>	<u>Date published</u>
Treasury Management – Quarter 3 Report 2019-20	15 January 2020

4.2 Availability of Documents

The document has been circulated to Elected Members electronically via Email and placed on the BCBC website, and is also available from the date of publication.

5. Effect upon Policy Framework and Procedure Rules

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

6. Equality Impact Assessment

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

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

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

8. Financial Implications.

8.1 There are no financial implications regarding this report.

9. Recommendation.

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

K Watson

Chief officer – Legal, HR and Regulatory Services

15 January 2020

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Background documents: None.

BRIDGEND COUNTY BOROUGH COUNCIL

INFORMATION REPORT TO CABINET

21 JANUARY 2020

REPORT OF THE INTERIM HEAD OF FINANCE & SECTION 151 OFFICER

TREASURY MANAGEMENT – QUARTER 3 REPORT 2019-20

1. Purpose of the Report

1.1 The purpose of this report is to:-

- Comply with the requirement of the Chartered Institute of Public Finance and Accountancy's 'Treasury Management in the Public Services: Code of Practice' (the Code) to produce interim Treasury Management Reports.
- Report on the projected Treasury Management Indicators for 2019-20.

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

3.2 Treasury risk management at the Council is conducted within the framework of the Chartered Institute of Public Finance and Accountancy's (CIPFA) Treasury Management in the Public Services: Code of Practice 2017 Edition (the CIPFA Code) which requires the Council to approve a Treasury Management Strategy (TMS) before the start of each financial year. The CIPFA Code also requires

the Council to set a number of Treasury Management Indicators which are forward looking parameters and enable the Council to measure and manage its exposure to treasury management risks and these are included throughout this report. In addition, the Welsh Government issued revised Guidance on Local Authority Investments in November 2019 that requires the Council to approve an Investment Strategy before the start of each financial year. This report fulfils the Council's legal obligation under the Local Government Act 2003 to have regard to both the CIPFA Code and the Welsh Government Guidance.

- 3.3 In 2017 CIPFA also published a new version of the Prudential Code for Capital Finance in Local Authorities (the Prudential Code). The updated Prudential Code includes a new requirement for Local Authorities to provide a Capital Strategy, which is a summary document approved by full Council covering capital expenditure and financing, treasury management and non-treasury investments. The definition of investments in the revised 2017 CIPFA Code now covers all the financial assets of the Council as well as other non-financial assets which the Authority holds primarily for financial return. The Council's Capital Strategy 2019-20, complying with CIPFA's requirement includes the Prudential Indicators which in previous years were included in the TMS, along with details regarding the Council's non-treasury investments.
- 3.4 The Capital Strategy and TMS should be read in conjunction with each other as they are interlinked as borrowing and investments are directly impacted upon by capital plans and were approved together by Council on 20 February 2019.
- 3.5 The Council's treasury management advisors are Arlingclose. The current services provided to the Council include:-
- advice and guidance on relevant policies, strategies and reports
 - advice on investment decisions
 - notification of credit ratings and changes
 - other information on credit quality
 - advice on debt management decisions
 - accounting advice
 - reports on treasury performance
 - forecasts of interest rates
 - training courses

4. Current Situation / Proposal

4.1 Economic Context

- 4.1.1 The interest rate views incorporated in the Council's TMS 2019-20 were based upon officers' views supported by a forecast from Arlingclose. When the TMS 2019-20 was prepared in January 2019, due to the anticipated short time for a Brexit withdrawal deal to be agreed and the possibility of an extended period of uncertainty over the possible outcome, Arlingclose's central case scenario was

forecasting a 0.25% rise in the Bank Rate during 2019-20 to take official UK interest rates to 1.00% by December 2019.

4.1.2 The Bank Rate started the financial year at 0.75% and the current forecast is that the Bank Rate will remain at this level for the foreseeable future. Substantial risks to this forecast remain, arising primarily from the government's policy around Brexit and the transitional period.

4.2 External Debt and Investment Position

4.2.1 On 31 December 2019, the Council held £96.87 million of external long-term borrowing and £38.945 million of investments. The external debt and investment position for 1 April to 31 December 2019 is shown below in Table 1; more detail is provided in section 4.3 - Borrowing Strategy and Outturn, and section 4.4 - Investment Strategy and Outturn.

Table 1: Council's external debt and investment position 1 April to 31 December 2019

	Principal as at 01-04-19 £m	Average Rate 01-04-19 %	Principal as at 31-12-19 £m	Average Rate 31-12-19 %
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 Long Term Borrowing	96.87	4.69	96.87	4.69
Other Long Term Liabilities (LTL)				
Private Finance Initiative (PFI)*	17.00		16.83	
Other LTL	0.88		1.22	
Total Other Long Term Liabilities	17.88		18.05	
Total Gross Long Term External Debt	114.75		114.92	
Treasury investments:				
Banks	5.40	0.86	4.90	0.91
Building Societies	1.00	0.90	2.00	0.78
Local Authorities	21.00	0.96	22.50	0.91
Money Market Funds**	-	-	9.55	0.74
Total treasury investments	27.40	0.94	38.95	0.86
Net Debt	87.35		75.97	

* (PFI) arrangement for the provision of a Secondary School in Maesteg 14.5 years remaining term

**the fund provides instant access

4.2.2 Where a Council finances capital expenditure by debt, it must put aside revenue resources to repay that debt in later years and this amount charged to revenue is called the Minimum Revenue Provision (MRP). The Local Authority (Capital Finance and Accounting) (Amendment) (Wales) Regulations 2008 requires the Council to produce and approve an annual Minimum Revenue Provision (MRP)

Statement before the start of the financial year that details the methodology for the MRP charge and this is detailed in the Council's Capital Strategy. The underlying need to borrow for capital purposes is measured by the Capital Financing Requirement (CFR), while usable reserves and working capital are the underlying resources available for investment. The Council's current strategy is to maintain borrowing and investments below their underlying levels, sometimes known as internal borrowing. This strategy is prudent as investment returns are low and counterparty risk is relatively high. The Council is forecasting an increased CFR due to the amount of prudential borrowing in the capital programme and the MRP policy approved by Council in September 2018.

- 4.2.3 The liability benchmark has been calculated and compares the Council's actual borrowing against an alternative strategy, showing the lowest risk level of borrowing. Table 2 below has been produced using estimates of capital spend and forecasts on usable reserves for the current financial year. These estimates highlight that the Loans CFR, which is the Council's need to borrow to fund capital expenditure, is increasing in line with the capital programme as highlighted in paragraph 4.2.2 above. The Loans CFR ignores cash balances and may be too high if the authority benefits from long term positive cash flows which this Council does benefit from. The benchmark assumes that cash and investment balances are kept to a minimum level of £10 million at each year-end to maintain sufficient liquidity but minimise credit risk. It shows a liability benchmark of £111 million at the end of the financial year. The Council will have debt above or below this amount, which will leave it with excess cash or a borrowing need respectively. The Council feels it is prudent to maintain an under-borrowed position.

Table 2: Liability benchmark

	2018-19 Actual £m	2019-20 Estimate TMS 2019-20 £m	2019-20 Projection £m
Loans CFR	155	161	165
Less: Usable reserves	-77	-55	-58
Working capital	-5	-	-6
Plus: Minimum investments	10	10	10
Liability Benchmark	83	116	111

4.3 Borrowing Strategy and Outturn

- 4.3.1 At 31 December 2019, the Council held £96.87 million of long-term loans as part of its strategy for funding previous years' capital programmes. The TMS 2019-20 forecast that the Council would need to borrow £16 million in 2019-20. It is now forecast that there will be no long term borrowing requirement in 2019-20 due to additional grants being received in the last quarter of 2018-19 and a change in the capital programme for 2019-20. More detail is provided in the Capital Strategy 2019-20 and the Capital Monitoring report.
- 4.3.2 The Council's chief objective when borrowing money is to strike an appropriately low risk balance between securing low interest costs and achieving certainty of those costs over the period for which funds are required. The flexibility to renegotiate loans, should the Council's long-term plans change, is a secondary objective. Therefore the major **objectives** to be followed in 2019-20 are:
- to minimise the revenue costs of debt
 - to manage the Council's debt maturity profile i.e. to leave no one future year with a high level of repayments that could cause problems in re-borrowing
 - to effect funding in any one year at the cheapest cost commensurate with future risk
 - to monitor and review the level of variable interest rate loans in order to take greater advantage of interest rate movement
 - to reschedule debt if appropriate, in order to take advantage of potential savings as interest rates change
 - to optimise the use of all capital resources including borrowing, both supported and unsupported, usable capital receipts, revenue contributions to capital and grants and contributions
- 4.3.3 Given the recent significant cuts to public expenditure and in particular to local government funding, the Council's borrowing strategy continues to address the key issue of affordability without compromising the longer-term stability of the debt portfolio. The uncertainty over future interest rates increases the risks associated with treasury activity. As a result the Council will take a cautious approach to its treasury strategy. With short-term interest rates currently much lower than long term rates, it is likely to be more cost effective in the short term to either use internal resources or take out short term loans instead.
- 4.3.4 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 out with the Public Works Loan Board (PWLB) at long term fixed rates of interest but we will also investigate other sources of finance, such as Welsh Government and local authority loans and bank loans that may be available at more favourable rates.
- 4.3.5 The last time the Council took out long-term borrowing was £5 million from the PWLB in March 2012 and, as detailed above, the current forecast is that there

will be no requirement for new long-term borrowing in 2019-20. The Council may take out short term loans (normally for up to one month) to cover unexpected cash flow shortages. Market conditions have meant that there has been no loan rescheduling so far this year however, in conjunction with Arlingclose, the loan portfolio will continue to be reviewed for any potential savings as a result of any loan rescheduling.

4.3.6 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 and therefore the Council being given the option to accept the increase or to repay the loan without incurring a penalty. The lender did not exercise their option on 22 July 2019 and the next trigger point is 22 January 2020. The lender is unlikely to exercise their option in the current low interest rate environment, however, an element of refinancing risk remains. The Council would take the option to repay these loans at no cost if it has the opportunity to do so in the future. The current average interest rate for these LOBO's is 4.65% compared to the PWLB Loans average interest rate of 4.70%.

4.3.7 The Treasury Management indicator shown in Table 3 below is for the **Maturity Structure of Borrowing** and is set for the forthcoming financial year to control the Council's exposure to refinancing risk with respect to the maturity of the Council's external borrowing, and has been set to allow for the possible restructuring of long term debt where this is expected to lead to an overall saving or reduction in risk. It is the amount of projected borrowing maturing in each period as a percentage of total projected borrowing. The upper and lower limits on the maturity structure of borrowing set out in the TMS 2019-20 and the projection for 2019-20 is:

Table 3: Treasury Management Indicator Maturity Structure of Borrowing 2019-20

Refinancing rate risk indicator Maturity structure of borrowing 2019-20	TMS 2019-20 Upper limit %	TMS 2019-20 Lower limit %	Projection 31-3-20 %
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	40	0	13.91
10 years and within 20 years	50	0	23.49
20 years and above	60	25	42.73

The 19.87% shown in Table 3 above relates to the £19.25 million LOBO loans which may be re-scheduled in advance of their maturity date of 2054, as detailed in paragraph 4.3.6. The Code requires the maturity of LOBO loans to be shown as the earliest date on which the lender can require payment, i.e. the

option/call dates in 2019-20, so the maturity date is actually uncertain but is shown in the “Under 12 months” category as per the Code

4.4 Investment Strategy and Outturn

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

The major objectives during 2019-20 are:-

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

4.4.2 The Annual Investment Strategy incorporated in the Council’s TMS 2019-20 includes the credit ratings defined for each category of investments and the liquidity of investments. The Council’s investments have historically been placed in mainly short term bank and building society unsecured deposits and local and central government. However, investments may be made with any public or private sector organisations that meet the minimum credit criteria and investment limits specified in the Investment Strategy. The majority of the Council’s surplus cash is currently invested in Money Market Funds and with other local authorities but the Council will continue to look at investment options in line with the limits detailed in the Investment Strategy.

4.4.3 The Council holds surplus funds representing income received in advance of expenditure plus balances and reserves and as shown in Table 1 above the balance on investments at 31 December 2019 was £38.945 million. Table 4 below details these investments by counterparty type. The average investment rate in the period 1 April to 31 December 2019 was 0.87% and was 0.71% at 31 December 2019 (as set out in Table 1).

Table 4: Investments Profile 1 April to 31 December 2019

Investment Counterparty Category	Balance 01 April 2019 (A) £m	Investments raised (B) £m	Investments Repaid (C) £m	Balance 31 Dec 2019 (A+B-C) £m	Investment income received** Apr-Dec 2019 £'000	Average original duration of the investment Days	Weighted average investment balance Apr-Dec £m	Weighted average interest rate Apr-Dec %
Government DMO	-	44.70	44.70	-	16.43	5	1.81	0.50
Local Authorities	21.00	27.50	26.00	22.50	168.23	298	21.89	0.97
Banks (Fixed Maturity)	4.00	4.00	4.00	4.00	23.43	201	3.33	1.02
Building Societies	1.00	4.00	3.00	2.00	2.07	138	3.87	0.91
Banks Instant Access/ Notice account*	1.40	36.87	37.37	0.90	16.79	n/a	5.61	0.85
Money Market Fund (instant access)*	-	75.15	65.60	9.55	73.98	n/a	15.23	0.73
Total/Average	27.40	192.22	180.67	38.95	300.93	160	51.73	0.87

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

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

4.4.4 The Treasury Management indicator shown below in Table 5 is for **Principal Sums Invested for periods longer than a year**. Where the Council invests, or plans to invest, for periods longer than a year, an upper limit is set for each forward financial year period for the maturing of such investments. The purpose of this indicator is to control the Council's exposure to the risk of incurring losses by seeking early repayment of long term investments. The limit on the long term principal sum invested to final maturities beyond the period end are set out in the TMS 2019-20.

Table 5: Treasury Management Indicator Principal Sums Invested for periods longer than a year

Price risk indicator	TMS 2019-20 £m	Projection 31-3-20 £m
Limit on principal invested beyond financial year end	15	4

All investments longer than 365 days (non-specified) will be made with a cautious approach to cash flow requirements and advice from Arlingclose will be sought as necessary.

4.4.5 There are two long term investments (original duration of 12 months or more) outstanding at 31 December 2019 totalling £4 million with Local Authorities, maturing in 2020-21. All other investments at 31 December 2019 were short term deposits including MMFs, Local Authorities, instant access and notice

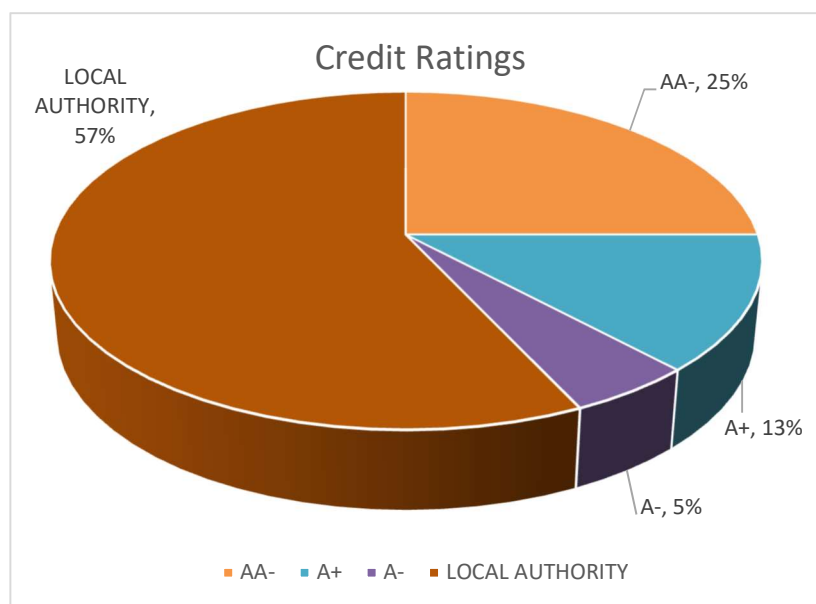
accounts. Table 6 below details these investments by counterparty type based on the remaining maturity period as at 31 December 2019:

Table 6: Investments Outstanding Maturity Profile 31 December 2019

Counterparty Category	Instant Access £m	Deposits Maturing Within 1 Month £m	Deposits Maturing Within 2-3 Months £m	Deposits Maturing Within 4-12 Months £m	Total £m	Total %
Local Authorities		8.50		14.00	22.5	58%
Banks	0.90	2.00		2.00	4.9	12%
Building Societies				2.00	2	5%
Money Market Fund	9.55				9.55	25%
Total	10.45	10.50	0.00	18.00	38.95	100%

4.4.6 Investment decisions are made by reference to the lowest published long-term credit rating from a selection of external rating agencies to ensure that this lies within the Council's agreed minimum credit rating. Where available the credit rating relevant to the specific investment or class of investment is used, otherwise the counterparty credit rating is used. However, investment decisions are never made solely based on credit ratings, and all other relevant factors including external advice will be taken into account. **Appendix A** shows the equivalence table for credit ratings for three of the main rating agencies Fitch, Moody's and Standard & Poor's and explains the different investment grades. The Council defines high credit quality as organisations and securities having a credit rating of A- or higher that are domiciled in the UK or a foreign country with a sovereign rating of AA+ or higher.

4.4.7 The pie chart below summarises Table 6 by credit ratings and shows the £38.945 million investments at 31 December 2019 by percentage outstanding. Most Local Authorities do not have credit ratings and the £2 million invested with an A- rated building society was an approved counterparty by Arlingclose whilst the remainder of the investments all had a credit rating of A or above.



4.5 Interest Rate Exposures – Borrowing and Investments

4.5.1 The Council is exposed to interest rate movements on its borrowings and investments. Movements in interest rates have a complex impact on the Council depending on how variable and fixed interest rates move across differing financial instrument periods. Short term and variable rate loans expose the Council to the risk of short term interest rate rises and are therefore subject to the Treasury Management indicator in Table 7 below to manage **Interest Rate Exposures**.

Table 7: Treasury Management Indicator Interest Rate Exposures

Interest rate risk indicator	Indicator £'000	Actual 31-12-19 £'000
One year revenue impact of a 1% rise in interest rates	(140)	(83)
One year revenue impact of a 1% fall in interest rates	315	264

4.5.2 This indicator has been set as an indicator (not a limit) to measure the net impact over one year on the revenue account of both a 1% rise and a 1% fall in all interest rates for borrowing net of treasury investments. This is calculated at a point in time on the assumption that maturing loans and investments will be replaced at rates 1% higher or lower than they would otherwise have been on their maturity dates and that the treasury investment and borrowing portfolios remain unchanged over the coming year. Interest rates can move by more than 1% over the course of a year, although such instances are rare.

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

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 2019-20 as approved by Council with due regard to the requirements of the CIPFA's Code of Practice on Treasury Management in the Public Services.

6. Equality Impact Assessment

- 6.1 There are no equality implications.

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

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

8. Financial Implications

- 8.1 The financial implications are reflected within the report.

9. Recommendation

- 9.1 It is recommended that Cabinet:

- Note the Council's treasury management activities for the period 1 April 2019 to 31 December 2019;
- Note the projected Treasury Management Indicators for 2019-20 against the ones approved in the Treasury Management Strategy 2019-20.

Gill Lewis
Interim Head of Finance and Section 151 Officer
10 January 2019

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Background documents:
Treasury Management Strategy 2019-20

APPENDIX A

Credit Rating Equivalence Table

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

Standard & Poor's (S&P), Moody's and Fitch are the three most significant rating agencies in the world. These agencies rate the creditworthiness of countries and private enterprises.

"AAA" or Aaa" is the highest rating across all three rating agencies and indicates the highest level of creditworthiness. A "D" rating ("C" rating from Moody's) indicates poor creditworthiness of a company or government. A difference is made between short-term and long-term ratings.

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By virtue of paragraph(s) 12, 14 of Part 4 of Schedule 12A of the Local Government Act 1972.

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