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

### Bridgend County Borough Council



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

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

Gofynnwch am / Ask for: Mark Anthony Galvin

Ein cyf / Our ref:

Eich cyf / Your ref:

**Dyddiad/Date:** Wednesday, 29 January 2020

Dear Councillor,

#### **CORPORATE OVERVIEW AND SCRUTINY COMMITTEE**

A meeting of the Corporate Overview and Scrutiny Committee will be held in the Council Chamber, Civic Offices Angel Street Bridgend CF31 4WB on **Tuesday, 4 February 2020 at 09:30**.

#### **AGENDA**

1. Apologies for Absence  
To receive apologies for absence from Members.
2. Declarations of Interest  
To receive declarations of personal and prejudicial interest (if any) from Members/Officers in accordance with the provisions of the Members Code of Conduct adopted by Council from 1 September 2008 (including whipping declarations).
3. Medium Term Financial Strategy 2020 - 2021 to 2023 - 24 and Draft Budget Consultation Process 3 - 18
4. Urgent items  
To consider any other item(s) of business in respect of which notice has been given in accordance with Rule 4 (paragraph 4) of the Council Procedure Rules and which the person presiding at the meeting is of the opinion should by reason of special circumstances be transacted at the meeting as a matter of urgency.

Yours faithfully

**K Watson**

Chief Officer, Legal, HR & Regulatory Services

#### Councillors:

JPD Blundell  
NA Burnett  
N Clarke  
J Gebbie

#### Councillors

T Giffard  
CA Green  
M Jones  
RL Penhale-Thomas

#### Councillors

KL Rowlands  
RMI Shaw  
JC Spanswick  
T Thomas

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## BRIDGEND COUNTY BOROUGH COUNCIL

### REPORT TO CORPORATE OVERVIEW AND SCRUTINY COMMITTEE

4 FEBRUARY 2020

#### REPORT OF THE CHIEF OFFICER – LEGAL, HR & REGULATORY SERVICES

#### MEDIUM TERM FINANCIAL STRATEGY 2020-21 TO 2023-24 AND DRAFT BUDGET CONSULTATION PROCESS

#### 1. Purpose of report

1.1 The purpose of the report is to present the Committee with:

- a) the final report of the Budget Research and Evaluation Panel (BREP) attached at **Appendix A**;
- b) the responses from all the Subject Overview & Scrutiny Committees in relation to Cabinet's draft budget proposals, attached at **Appendix B**.

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

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

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

#### 3. Background

3.1 In considering the challenges associated with continued budget reductions, Members recognised the need for a 'whole Council' response to be adopted in managing anticipated cuts to services against a backdrop of increasing demand and the challenging financial outlook.

3.2 It was therefore recommended in 2017, that a Budget Research and Evaluation Panel (BREP) be established to engage Members on budget proposals as well as to enable members to feed in community intelligence gained from their representative role and to engage in shaping future service provision.

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

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

- 4.1 The BREP has considered the draft budget proposals for the year 2020-21.
- 4.2 The Panel met on six occasions and were supported by two Scrutiny Officers, Interim Head of Finance and Section 151 Officer, Interim Deputy Head of Finance and the Deputy Leader.
- 4.3 The September, October and November 2019 meetings of BREP considered individual presentations from all Corporate Directors and the Chief Executive detailing the impact that the budget plans and proposals would make to their Directorate.
- 4.4 The Corporate Overview & Scrutiny Committee is asked to consider the findings of the Budget Research and Evaluation Panel attached at **Appendix A** and determine whether the recommendations should be forwarded to Cabinet along with the consolidated responses from all four Overview and Scrutiny Committees at **Appendix B** as part of the budget consultation process.

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

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

## **6. Equality Impact Assessment**

- 6.1 The draft budget proposals cover a wide range of services and it is inevitable that the necessary budget reductions will impact on the local population in different ways. In developing these proposals, consideration has been given to their potential impact on protected groups within the community and on how to avoid a disproportionate impact on people within these groups.
- 6.2 A full Equality Impact Assessment will be undertaken before final recommendations are made concerning the budget.

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

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

## **8. Financial implications**

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

## **9. Recommendation**

- 9.1 The Committee is asked to determine whether it wishes to submit the recommendations outlined in **Appendices A and B** to Cabinet on 11 February 2020 as part of the budget consultation process, subject to any modifications and amendments that the Committee decides are appropriate.

**K Watson**  
**Chief Officer - Legal, HR & Regulatory Services**

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CF31 4WB

**Background Documents:** None

**Report of the Budget Research and Evaluation Panel in respect of the Medium Term Financial Strategy 2020-21 to 2023-24**

- 1.1. The Budget Research and Evaluation Panel (BREP) has considered the draft budget proposals for the year 2020-21.
- 1.2. The Panel met on six occasions and were supported by two Scrutiny Officers, Interim Head of Finance and Section 151 Officer, Interim Deputy Head of Finance and the Deputy Leader.
- 1.3. The September, October and November 2019 meetings considered individual presentations from all Corporate Directors and the Chief Executive, detailing the impact that the budget plans and proposals would make to their Directorate.
- 1.4. Members of the BREP appreciate the support of the Chief Executive and his management team.
- 1.5. The work of the BREP helps to ensure financial transparency and accountability with regard to the draft budget proposals. This ensures that Elected Members have the opportunity to help to develop and shape Council policies on the delivery of services, which is particularly important at a time of increasing demand for services and the challenging financial outlook.
- 1.6. The BREP acknowledge the financial challenges facing the Authority and agreed that a forward thinking approach is required when taking into account the overall budget savings which are required from 2020-2024 and should avoid any duplication with the work of the Subject Overview and Scrutiny Committees.
- 1.7. BREP Members are aware of the pressures on each Directorate when compiling and meeting budget savings year on year, which left little scope for BREP to suggest additional budget saving proposals, although BREP were able to provide views on what proposals were acceptable and which were not.

**Legislative Pressures**

- 1.8. A continuous theme from BREP discussions is the legislative influence on the local authority's finances. The BREP understood the difficulties Welsh Government (WG) have in trying to negotiate parity across Wales.
- 1.9. There may be an opportunity for the WG Minister for Finance and Trefnydd to attend a future BREP meeting.

## MTFS Budget Reduction Proposals for 2020-21 to 2023-24

### Chief Executive's Directorate

- 1.10. The Panel invited the Chief Executive to attend the BREP on two occasions. Firstly, to present a report to the Panel regarding his own Directorate and then to provide a corporate perspective.
- 1.11. The Panel noted the decade of austerity and increased pressures on the local authority, combined with funding mechanisms that do not work e.g. short term grants at late notice, and single year financial settlements. Long-term, there were increased democratic pressures, and legislative changes and regulations, which increase expectations on the authority, all of which had to be met with less financial resource and less staff. There has been a range of strategies employed over the last 10 years to set a balanced budget but noted that it was now much more difficult to identify savings that did not have a direct impact on service provision to the public. The Authority have reached a point where the strategies to identify savings at the same time as still trying to run all services, at the same level with much reduced budgets, can no longer be done.
- 1.12. The Panel noted that the Chief Executive's Directorate is characterised by its budget being over 85% staffing based and that any cuts to staff can have a knock on effect on other areas of the Council e.g., a reduction in childcare lawyers would have an impact on social services. It was important that this is understood. In terms of the management structure, the Directorate had recently been put together and by definition needed to be as efficient and productive as possible to avoid further front line service cutbacks. It was however, becoming more and more difficult to squeeze savings in this area.

### **Recommendation 1**

**In terms of Legal and Procurement's obligations to the MTFS, the panel recommended that funding is increased to address, for example, specific support to new initiatives e.g. Community Asset Transfer Scheme (CATS).**

- 1.13. The Panel debated whether it was looking in the right places, including looking at the roles in the Council, although it noted that in terms of SMT there was a lean senior management structure in place. The Panel acknowledged the competing budget syndrome and felt there is little evidence of how the silo mentality is broken. The one council approach should be fully supported.



### **Recommendation 2**

**The Panel therefore recommend to Cabinet that there needs to be further work done to break the silo approach to budgeting.**

- 1.14. The Panel noted that the scale of cuts to be achieved next year and debated the total cost of statutory services. The Panel acknowledged that both statutory and non-statutory services can be reduced to lower levels, but that the Authority would need to raise awareness to the public that the standards of delivery could be lowered significantly. Furthermore, it was often some of the authority's non-statutory preventative services that were the most cost effective in reducing demand on some of the statutory services.

### **Recommendation 3**

**The Panel recommends that Cabinet and CMB review statutory and non-statutory services with particular emphasis on non-statutory preventative services being beneficial and cost effective to the Authority.**

- 1.15. The Panel also acknowledged that some of the Authority's preventative services saved monies for other bodies and partner agencies. There was a paucity of information available to identify that partner agencies accepted and appreciated this ongoing investment. The Panel identified significant sole funding for CCTV across the borough, which had clear benefits for South Wales Police.

### **Recommendation 4**

**The Panel recommend to Cabinet that they review the Authority's financial relationship with partners, especially within the Community Safety Partnership.**

## **Communities**

- 1.16. The Panel invited the Chief Executive and Head of The Head of Operations – Community Services to attend BREP to present a report on the budget proposals for the Communities Directorate.
- 1.17. The Panel acknowledged that the Communities Directorate had undertaken a substantial senior management restructure in 2018, reducing the Heads of Services from 2 to 1 and the loss of the Group Manager, by combining some aligned services. There is a general feeling that all the services have had comprehensive reviews and there are strong examples of how the service has changed and coped with a third less budget. There have been overall net budget savings in excess of 30% of the total budget for the period. It was noted that some parts of the Directorate budget, for example the waste contract, were competitively priced and it was more difficult to alter contractual terms to make further significant savings.

- 1.18. The Panel discussed the budget reduction strategies, including a car parking review (carried out last year) and increased income generation, including the temporary car park in Salt Lake and heat network energy schemes. To reduce expenditure and maintenance there has been investment in energy saving lighting and highways and a shift in responsibility with CAT. However, the Panel noted that the Directorate have been confronted by increased responsibility to health and safety e.g. revised policy and assessment.
- 1.19. The Panel noted that the Council had considered changing household food waste bags from biodegradable to plastic as part of an earlier proposal. The Panel acknowledged that there would be negative publicity as a result of the proposed change and this would be seen as a backward step in terms of recycling in the borough and did not feel that the cost reduction would justify the proposed change. As a result of continuous dialogue between BREP and Cabinet throughout the year, Cabinet subsequently removed this proposal.
- 1.20. In respect of Town and Community Council's (TCC's) the Panel acknowledged that they had previously raised this issue at length and encouraged the authority to improve communication with TCC's. The Panel felt frustrated that engagement and communication with TCC's had not improved and was disappointed not to see a joint strategic approach to support the MTFS.

**Recommendation 5**

**BREP therefore recommend to Cabinet to establish a more strategic approach to working in partnership with TCC's to support the MTFS.**

- 1.21. The Panel acknowledged that £1M had been put aside in respect of Community Asset Transfers (CAT) as capital support. The Panel saw little evidence that TCC's were aware of their potential role in supporting CATS and having access to this capital fund. CAT projects need to comply with the equality act in terms of gender based sports provision.

**Recommendation 6**

**BREP further reviews CAT in the financial 2021/22 as a specific item on the BREP Forward Work Programme and that Cabinet endorses this recommendation.**

## **Education**

- 1.22. The Panel requested and received a comprehensive presentation from the Corporate Director, Education and Family Support setting out his budget, structure, key themes, opportunities for collaboration, income generation opportunities, required investment and long-term vision for the Directorate.
- 1.23. In respect of Home to School Transport the Panel noted that the authority currently provides above and beyond its statutory requirement for Home to School Transport. BREP were aware that a consultation programme was underway.

### **Recommendation 7**

**That BREP reviews the consultation product in relation to Home to School Transport and advises Cabinet/CMB on any issues that could be discussed outside of the Scrutiny process and that Cabinet/CMB support this.**

- 1.24. During their discussions, the Panel raised concern that the Schools Admissions Policy appeared inflexible, highlighting the issue of children being transported across county where they were not able to attend their catchment school, and the increased costs of transport as a result. The Panel noted that in terms of the foundation phase the numbers are capped at 30 as determined by Welsh Government and that in terms of the published admission number (PAN) for every year group into which pupils can be admitted, each school has a published number. The Panel acknowledged that it is not good teaching practice to have much more than 30 learners in a class from an educational and staff welfare point of view but that there could be some flexibility around the PAN at key stage 2.

### **Recommendation 8**

**The Panel recommend that Cabinet ask the Corporate Director, Education and Family Support to review KS2 PAN to allow some flexibility where children are refused entry to their closest school and therefore putting extra pressures on the family to transport their children to a school further away with the costs being passed onto the Authority.**

- 1.25. The Panel further discussed the corporate support given to schools in respect of managing their deficit budgets and support with deficit recovery plans. The Panel identified this as good practice and welcomed this approach from the Directorate. The Panel identified that it would be advantageous for the Directorate to support schools in the initial planning process.

**Recommendation 9**

**That Cabinet continues to support schools with deficit budgets but looks to extend this support by engaging with schools at the initial budget planning process.**

**Social Services and Wellbeing**

- 1.26. The Panel invited the Corporate Director, Social Services and Wellbeing to attend September's meeting of BREP and, along with the Head of Children's Social Care and Head of Adult Social Care, presented a report.
- 1.27. The Panel acknowledged the legislative pressures on the Directorate in terms of the Social Services and Wellbeing (Wales) Act (2014). In addition the Wellbeing and Future Generations (Wales) Act (2015) also providing additional pressure on the Directorate. Sustained high levels of Looked After Children and a demographic changing landscape of increased older population, increases demand and complexity in providing bespoke services.
- 1.28. In terms of the Directorate, BREP identified significant staffing costs required to provide specialist support to the most vulnerable. BREP acknowledged that Social Services is a regulated service and is subject to regular inspection. Safeguarding and wellbeing are paramount. BREP identified that the Directorate is committed to transformation and efficiency, whilst also meeting its statutory responsibilities.
- 1.29. The Panel identified good practice which included increased collaborative working with the Health Board and other relevant regional partners and in particular the remodeling of Social Services Phase 2 and increased prevention and early help.
- 1.30. The Panel raised concern at the grant-funding situation, which was identified as being sporadic and fragmented. The Panel acknowledged that the Council delivery of Social Services and Wellbeing was dependant on this grant funding. Additionally the Panel identified that considerable time, energy and cost was required to manage various grants.

**Recommendation 10**

**Cabinet considers a political approach to the WG Minister for Finance and Trefnydd to discuss the current management of grant funding. A Pan Wales approach could be taken to ensure some of this grant funding could be included in the revenue support grant.**

### **Fees and Charges**

- 1.31. The Panel received a comprehensive report from the Interim Head of Finance and Section 151 Officer on Fees and Charges. BREP appreciated the considerable work in preparing this report.
- 1.32. The Panel discussed looking robustly at income generation and commercialisation options that would support the MTFS. The Panel re-emphasised the work on charging and ensuring that the Council were now charging for those services that other Councils charge for in accordance with previous recommendations.
- 1.33. The Panel acknowledged the guidance issued to authorities in relation to developing commercialisation to support the MTFS. The Panel discussed broadening the scope of advertising to include parks and educational premises. The Panel were keen to explore sponsorship of schools but were cautious that this raised the issue of ethics when dealing with multi-national companies. The Panel questioned whether the Authority had the capability and capacity to generate income from commercial opportunities.

#### **Recommendation 11**

**That Cabinet and CMB ensure that all previous recommendations on charging are delivered and take a fresh look at commercial opportunities to support the MTFS.**

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

- 1.34. The Panel commended and identified the progress made with the consultation process, in particular the 41% increase in interactions since 2018. However, the Panel were mindful that the consultation had hit less than 5% of the population and suggested that this was something to build on. The Panel noted that feedback from Community Councillors was that they felt better informed and more engaged.

## **Conclusion**

**This report should be read in conjunction with recommendations from 2018-19. A schedule and timetable to address each and every recommendation should be prepared and made available for BREP entering the financial year 2020-21.**

**It is suggested that the Council Leader and the Chief Executive meet with BREP at its first 2020-21 budget meeting. This would be beneficial to reflect on the recommendation schedule and consider prioritising work programme for the duration of the MFTS.**

## **Subject Overview and Scrutiny comments and recommendations on Medium Term Financial Strategy 2020-21 to 2023-24**

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

- 1.1 Following the Committee's consideration of the draft budget proposals for the Social Services and Wellbeing Directorate, Members determined to make the following comments and recommendations:
- 1.2 In relation to SSW26, in particular the Bridgend Resource Centre, the committee would welcome further investigation into the quality of provision and the efficacy of the current approach, which should be one council.

### **2 Communities**

- 2.1 Following the Committee's consideration of the draft budget proposals for the Communities Directorate, Members determined to make the following comments and recommendations:
- 2.2 Members welcomed the investment in Communities as part of the improved settlement. In relation to the budget pressures COM10, Members asked that the £2m realm fund, prioritise gully and culvert maintenance in particular.
- 2.3 In relation to COM42a Members recommend that condition surveys should be completed on all assets to ensure the condition of the asset is known before being handed over. Members also asked for confirmation on how these assets will be monitored and what strategy is in place if an asset is seen to be deteriorating.

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

- 3.1 Following the Committee's consideration of the draft budget proposals for the Education & Family Support Directorate, Members determined to make the following comments and recommendations:
- 3.2 The Committee welcomed the better budget settlement but considered that school budgets were at standstill and it would be harder to make savings going forward as many schools had experienced an increase in the behavioural demands of pupils, which schools had to fund themselves and which would get more difficult to fund. The Committee expressed concern that the increase in behavioural demands of pupils could have an impact on the wellbeing of staff, which in turn could lead to an increase in sickness and place pressure on school budgets.

- 3.3 That in relation to EFS1 and EFS41 Home to School Transport, Post 16 Education and the School Modernisation Programme with the development of new schools and its impact on existing catchment areas and Section 106 Agreements there needs to be a one Council approach with officers from Education, Planning and Finance working in a holistic manner to provide footways and crossing points thereby negating the reliance on and the cost of school transport. That safe routes to school be part of the review of Post 16 education.
- 3.4 A request be made to the Police to establish the differing levels of support the Police, PCSOs and School Liaison Officers provide to support schools across the County Borough.
- 3.5 That in relation to EFS5, the increase in number of pupils eligible for free school meals, that it be established whether the Pupil Development Grant can be used for the provision of food for breakfast clubs.

#### **4 Chief Executive**

- 4.1 Following the Committee's consideration of the draft budget proposals for the Chief Executive Directorate, Members determined to make the following comments and recommendations:
- 4.2 The committee welcomes the improved budget settlement, which has been directed to where it is favourable.
- 4.3 In relation to the consultation 'Shaping Bridgend's Future', Members suggested that future Budget Consultation's should include a caveat at the bottom stating that 'should the settlement be more generous, this could be subject to change' or similar.

#### **5 Corporate Overview**

- 5.1 Following the Committee's consideration of the draft budget proposals for the authority, Members determined to make the following comments and recommendations:
- 5.2 In relation to EFS41 the Committee expressed concern at the proposal to seek the full cost recovery of Post 16 transport as it believed its removal would impact on the economy and disadvantage pupils living in rural areas and in valley communities from accessing post 16 education due to the distances they would have to travel to attend lessons. The Combined Overview and Scrutiny Committee requested that Cabinet consider the removal of this budget reduction proposal from the Medium Term Financial Strategy until such time as the consultation on post 16 education had been completed.



- 5.3 In relation to budget reduction proposal EFS33 that Cabinet consider not removing escorts on primary school service with fewer than 8 pupils on the grounds of safety to the pupils, to protect the drivers of home to school transport and in the interest of road safety.
- 5.4 In relation to budget reduction proposal CEX19 a request be made to the Police and Crime Commissioner that the police consider making a contribution towards the funding of the CCTV service due to the use of CCTV footage by the police in detecting crime and in securing convictions. That the Authority explore working collaboratively with other local authorities on the provision of the CCTV service.
- 5.5 That the Authority continue to lobby the Welsh Government through the Welsh Local Government Association to fully fund the cost of legislative changes in order to alleviate those pressures and new responsibilities placed on local government to deliver the Welsh Government's agenda.
- 5.6 The Committee expressed that other agencies, particularly the NHS were not co-operating with the Authority in publicising the EU Settlement Scheme and requested that the Chief Executive raise this matter through the Public Service Board and Regional Partnership Board. Additionally, the Committee requested that the Chief Executive write to the Welsh Government requesting that it undertakes a media campaign to publicise the EU Settlement Scheme to encourage citizens to register to become UK citizens.

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