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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, 25 Chwefror 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 - 22
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10. Mae Peirianeg Amddiffyn yr Arfordir yn gweithio i Morglawdd y Gorllewin a 379 - 384
Phromenâd y Dwyrain, gan gynnwys Rhych Point, Porthcawl
11. Materion Brys

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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.

12. Gwahardd y Cyhoedd

Nid oedd y cofnodion/adroddiad 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 eitemau hyn yn breifat, bydd y cyhoedd yn cael eu gwahardd o'r cyfarfod yn ystod ystyriaeth o'r fath.

13. Cymeradwyaeth Cofnodion wedi'u Eithrio 385 - 390
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Yn ddiffuant

K Watson

Prif Swyddog – Gwasanaethau Cyfreithiol, Adnoddau Dynol a Rheoleiddio

Dosbarthiad:

Cynghowrwyr

HJ David

CE Smith

Cynghorwyr

PJ White

HM Williams

Cynghorwyr

D Patel

RE Young

COFNODION CYFARFOD Y CABINET A GYNHALIWDYD YN YSTAFELL BWYLLGORA 1/2/3, SWYDDFEYDD DINESIG, STRYD YR ANGEL, PENYBONT AR OGWR DYDD MAWRTH, 14 IONAWR 2020, AM 14:30

Presennol

Y Cyngorydd HJ David – Cadeirydd

CE Smith

HM Williams

D Patel

RE Young

Swyddogion:

Gill Lewis	Pennaeth Cyllid a Swyddog 151 Dros Dro
Kelly Watson	Prif Swyddog – Gwasanaethau Cyfreithiol, Adnoddau Dynol a Rheoleiddio
Mark Shephard	Prif Weithredwr
Susan Cooper	Cyfarwyddwr Corfforaethol - Gwasanaethau Cymdeithasol a Lles
Andrew Rees	Rheolwr Gwasanaethau Democrataidd
Lindsay Harvey	Cyfarwyddwr Corfforaethol – Addysg a Chymorth i Deuluoedd

454. DATGAN BUDDIANT

Dim.

455. STRATEGAETH ARIANNOL TYMOR CANOLIG 2020-21 HYD 2023-24

Cyflwynodd y Swyddog Adran 151 ddrafft o Strategaeth Ariannol Tymor Canolig 2020-21 hyd 2023-24, a nodai flaenoriaethau gwariant y Cyngor, yr amcanion buddsoddi allweddol a'r rhannau o'r gyllideb lle targedwyd arbedion angenrheidiol. Roedd y Strategaeth hefyd yn cynnwys rhagolygon ariannol ar gyfer 2020-2024, a drafft manwl o Gyllideb Refeniw 2020-21. Roedd tri amcan llesiant y Cyngor a oedd wedi'u cynnwys yn y Cyllun Corfforaethol wedi llywio'r SATC.

Dywedodd y Swyddog Adran 151 Dros Dro wrth y Cabinet am y Trosolwg Ariannol Corfforaethol, lle'r oedd y Cyngor wedi sicrhau £68m o ostyngiadau cyllidebol dros y 10 mlynedd diwethaf, a oedd yn cynrychioli 30% o gyllideb y Cyngor yn 2009-10. Dywedodd fod cyllideb refeniw net y Cyngor wedi'i chynllunio ar £286.885m ar gyfer 2020-21, ond bod gwariant cyffredinol yn uwch na hynny. O ystyried gwariant a gwasanaethau a ariennir drwy grantiau a ffioedd a thaliadau penodol, tua £420 miliwn fydd cyllideb gros y Cyngor yn 2020-21, gyda'r Cyngor yn chwarae rhan sylweddol iawn yn economi'r Fwrdeistref Sirol. Daw'r rhan fwyaf o gyllid refeniw y Cyngor oddi wrth Lywodraeth Cymru, drwy'r Grant Cynnal Refeniw a chyfran o Ardrethi Annomestig. Mae casgliadau'r Dreth Gyngor, grantiau eraill a ffioedd a thaliadau yn ychwanegu at hyn, a'r Dreth Gyngor sydd i gyfrif am bron i 30% o'r gyllideb. Tynnodd y Swyddog Adran 151 Dros Dro at y pwysau ar gyllideb y Cyngor, sef newidiadau deddfwriaethol a demograffig a chynnydd yn niferoedd y disgyblion yn ysgolion y Cyngor.

Rhoddodd y Swyddog Adran 151 Dros Dro drosolwg i'r Cabinet o'r modd y cynigiwyd neilltuo'r gyllideb i bob un o'i feysydd gwasanaeth allweddol:-

- Addysg
- Gofal Cymdeithasol a Chymorth Cynnar
- Tir y Cyhoedd
- Cefnogi'r Economi
- Gwasanaethau Eraill

Dywedodd y Swyddog Adran 151 Dros Dro fod SATC y Cyngor wedi'i gosod yng nghydestun cynlluniau'r DU ar gyfer yr economi a gwariant cyhoeddus, a blaenoriaethau a rhaglen ddeddfwriaethol Llywodraeth Cymru. Roedd y SATC yn cynnwys yr egwyddorion a fydd yn rheoli'r strategaeth a rhagolygon ariannol pedair blynedd; y rhaglen gyfalaf ar gyfer 2019-20 hyd 2029-30 sy'n gysylltiedig â meysydd â blaenoriaeth ar gyfer buddsoddiad cyfalaf a'r Strategaeth Cyfalaf a'r Strategaeth Rheoli Trysorlys a'r Asesiad Risg Corfforaethol. Hysbysodd y Swyddog Adran 151 Dros Dro y Cabinet fod Canghellor y Trysorlys ym mis Medi 2019 wedi cynnal Cylch Gwariant blwyddyn ar frys, gan gyhoeddi cynnydd yng ngwariant y llywodraeth. Mewn ymateb i hyn, roedd y Gweinidog Cyllid a'r Trefnydd wedi cyhoeddi y byddai cyllideb refeniw Llywodraeth Cymru ar gyfer 2020-21 yn cynyddu 2.3% neu £593 miliwn. Roedd y cylch gwariant hefyd yn cynnwys cynnydd o £18 miliwn i gyllideb cyfalaf Llywodraeth Cymru ar gyfer 2020-21. Oherwydd natur y cylch gwariant, hysbysodd y Swyddog Adran 151 Dros Dro y Cabinet nad oedd y gyllideb a bennwyd gan Lywodraeth Cymru ond yn cynnwys cyllideb refeniw blwyddyn, a'i bod yn neilltuo dyraniadau ychwanegol at yr hyn a gyhoeddwyd yn flaenorol yn y cynlluniau cyfalaf dangosol ar gyfer 2020-21.

Hysbysodd y Swyddog Adran 151 Dros Dro y Cabinet ynghylch Setliad Dros Dro Llywodraeth Cymru ar gyfer Llywodraeth Leol 2020-21 a oedd, ar ôl addasu ar gyfer trosglwyddiadau o £183.8 miliwn neu 4.3%, ar draws Cymru ac ar gyfer Pen-y-bont ar Ogwr, yn gynydd o 4.7% mewn Cyllid Allanol Cyfunol neu £9.18 miliwn. Ar ôl addasu ar gyfer y newid yn y sylfaen drethi, 4.57% neu £8.878 miliwn oedd y cynnydd gwirioneddol. Dywedodd y Swyddog Adran 151 Dros Dro, er bod y setliad dros dro yn welliant sylweddol o gymharu â'r rhagdybiaeth -1.5% "fwyaf tebygol" a oedd wedi'i chynnwys yn SATC wreiddiol y Cyngor ar gyfer 2020-21, nid oedd yn cydnabod llawer o bwysau newydd ar y Cyngor, a dylid edrych arno gyda gofal. Hysbysodd y Swyddog Adran 151 y Cabinet fod y Gweinidog Cyllid a'r Trefnydd wedi hysbysu, yn dilyn cyllideb blwyddyn 2020-21, y byddai goblygiadau ariannu cyllideb Llywodraeth Cymru y tu hwnt i hynny yn cael eu pennu yn rhan o'r Adolygiad Cynhwysfawr nesaf o Wariant y DU sydd wedi'i gynllunio ar gyfer 2020, a fydd yn trafod sawl blwyddyn.

Adroddodd y Swyddog Adran 151 Dros Dro fod drafft Cyllideb Refeniw 2020-21 yn tybio y ceid cynnydd o 4.5% i'r Dreth Gyngor, a oedd yn is na'r cynnydd isafswm o 6.5% a oedd wedi'i gynnwys yn yr ymgynghoriad cyhoeddus ar y gyllideb, ond roedd her ariannol sylweddol o flaen y Cyngor o hyd. Hysbysodd y Swyddog Adran 151 Dros Dro y Cabinet ynghylch y setliad cyfalaf, a ddarparodd £7.893 miliwn o gyllid cyfalaf i'r Cyngor yn 2020-21.

Adroddodd y Swyddog Adran 151 Dros Dro gymhariaeth o'r gyllideb yn erbyn yr alldro a ragamcanwyd ar 30 Medi 2019, a adlewyrchai danwariant net o £575,000. Hysbysodd y Swyddog Adran 151 Dros Dro y Cabinet am y SATC arfaethedig ar gyfer y 4 blynedd nesaf, ynghyd ag egwyddorion y Strategaeth honno. Tynnodd y Swyddog Adran 151 sylw at y Gronfa Wrth Gefn ar gyfer Gostyngiadau Cyllidebol y SATC. Roedd y Gronfa yn galluogi'r Cyngor i reoli achosion o oedi neu rwystrau nas rhagwelwyd wrth gyflawni cynigion am ostyngiadau sylweddol i'r gyllideb yn y SATC. Rhoddodd amlinelliad o ragolygon y SATC dros y 4 blynedd nesaf, gan ddangos y Senario Orau: Y Senario Fwyaf Tebygol a'r Senario Waethaf. Ar sail y senario fwyaf tebygol, tybiwyd gostyngiadau cyllidebol o £29.332 miliwn o 2020-2024. Roedd gostyngiadau cyllidebol gwerth £8.257 miliwn wedi cael eu nodi dros gyfnod y SATC, gan gynnwys y £2.452 miliwn llawn yr oedd ei angen ar gyfer 2020-21. Amlygodd y Swyddog Adran 151 statws risg y cynigion i ostwng y gyllideb, a ddangosai'r sefyllfa anodd y mae'r Cyngor ynddi, gydag ond £3.464 miliwn (38%) o'r arbedion wedi'u nodi. Manylwyd ar bwysau cyllidebol yn Atodiad A yr adroddiad, tra'r oedd cynigion a oedd wedi'u nodi i ostwng y gyllideb yn Atodiad B yr adroddiad.

Amlygodd y Swyddog Adran 151 Dros Dro brif ganfyddiadau'r ymgynghoriad ar y gyllideb a gynhaliwyd rhwng 9 Medi a 3 Tachwedd 2019. Bu'r Cabinet a'r Bwrdd Rheoli

Corfforaethol yn myfyrio ar ymatebion yr ymgynghoriad, ac fe ddrafftwyd y gyllideb yn unol â hynny.

Adroddodd y Swyddog Adran 151 ar Ddrafft y Gyllideb Refeniw ar gyfer 2020-21, a oedd yn seiliedig ar gyllideb arfaethedig o £286.885 miliwn, ac a gynigiai gynnydd o 4.5% i'r Dreth Gyngor. Dywedodd na chafwyd unrhyw gytundeb hyd yma ynghylch yr hawliad cyflogau i staff nad ydynt yn addysgu ac, yn dibynnu ar y canlyniad, y gallai'r gyllideb fod o dan bwysau ychwanegol y byddai'n rhaid i'r Cyngor eu bodloni yn ystod 2020-21. Byddai pwysau ychwanegol hefyd yn cael ei achosi yn sgil unrhyw ddyfarniad cyflog newydd i athrawon i'w weithredu o fis Medi 2020, er bod Llywodraeth Cymru wedi nodi y dylai'r cynnydd i'r cyllid a ddarperir drwy'r setliad gydnabod yr effaith ar ddyfarniadau cyflog athrawon yn y dyfodol. Roedd canlyniadau dros dro prisiad actiwaraid y Gronfa Bensiwn Llywodraeth Leol wedi dod i law, ac effaith hynny oedd y posibilrwydd o ostyngiad o £1.126 miliwn y flwyddyn yng nghyfraniadau'r cyflogwr. Mae cyllidebau'r ysgol wedi'u gwarchod rhag y targed effeithlonrwydd o 1% gan fod y setliad dros dro yn well na'r hyn a ragwelwyd.

Adroddodd y Swyddog Adran 151 Dros Dro fod pwysau newydd cylchol o £2 miliwn ar y gyllideb wedi cael ei gyflwyno i ymdrin â materion ar dir y cyhoedd a materion creu lleoedd ar gyfer ailwynebu cerbytyffyrdd, diogelwch trafnidiaeth a ffyrdd, glanhau gyliau, draenio caeau ac ardaloedd chwarae, paratoi safleoedd ar gyfer datblygiadau tai a masnachol a gwaith cynnal a chadw cyffredinol, ynghyd â'r seilwaith cefnogol. Gwnaed darpariaeth bellach i ddatblygu rhaglen brentisiaethau er mwyn i'r Cyngor feithrin ei staff medrus a phroffesiynol ei hun. Roedd cynigion gwerth £2.452 miliwn wedi cael eu nodi i ostwng y gyllideb o gyllidebau gwasanaethau a chorfforaethol.

Adroddodd y Swyddog Adran 151 Dros Dro ar y cronfeydd a oedd wedi'u clustnodi ar 30 Medi 2019, a fyddai fel arfer yn cael eu cynnal ar 5% o gyllideb net y Cyngor, ac eithrio'r ysgolion. Adroddodd y Swyddog Adran 151 Dros Dro hefyd ar y rhaglen gyfalaf ac ar y strategaeth cyllid cyfalaf. Mae rhaglen gyfalaf 2019-20 i 2029-30 wedi cael ei datblygu'n unol â'r SATC, ac mae'n adlewyrchu'r setliad cyfalaf drafft ar gyfer 2020-21, a oedd yn darparu'r Cyllid Cyfalaf Cyffredinol o £7.983 miliwn ar gyfer 2020-21, y mae £3.986 miliwn ohono yn fenthyciad â chymorth sydd heb ei neilltuo, a'r £3.997 sy'n weddill wedi'i ddarparu drwy grant cyfalaf. Dywedodd fod y rhaglen gyfalaf a gymeradwywyd gan y Cyngor ym mis Chwefror 2019 wedi cael ei diwygio i gynnwys cyllidebau a ddygwyd ymlaen o 2018-19 ac unrhyw gymeradwyaeth am grantiau neu gynlluniau newydd. Mae'r rhaglen gyfalaf yn cynnwys nifer o ddryniadau a delir o gyfanswm y cyllid cyfalaf cyffredinol, sef cyfanswm o £4.820 miliwn. Hysbysodd y Swyddog Adran 151 Dros Dro y Cabinet mai cyfanswm y Benthyciadau Darbodus ar 1 Ebrill 2019 oedd £43.998 miliwn, a bod £27.796 miliwn o'r swm hwnnw'n weddill. Amcangyfrifwyd y byddai cyfanswm y benthyciadau'n codi i £44.95 miliwn erbyn diwedd y flwyddyn ariannol.

Dywedodd y Swyddog Adran 151 Dros Dro wrth y Cabinet ei bod yn ofynnol iddi adrodd yn flynyddol ar gadernid lefelau'r cronfeydd, ac adrodd bod lefel gyfredol y cronfeydd, a'r lefel a ragwelir ar eu cyfer yn y dyfodol, yn ddigon i amddiffyn y Cyngor ar sail gofynion neu argyfyngau anhysbys a lefelau cyllido cyfredol. Pwysleisiodd mai'r risgiau ariannol fwyaf i'r Cyngor yw'r ansicrwydd ynghylch cyllid Llywodraeth Cymru. Os bydd Swyddog Adran 151 Dros Dro o'r farn nad oes digon o adnoddau i gyflawni ei rôl, mae'n ofynnol i'r Swyddog adrodd hynny wrth y Cyngor. Dywedodd y Swyddog Adran 151 Dros Dro fod digon o adnoddau ar hyn o bryd i gyflawni'r rôl hon.

Wrth gymeradwyo'r cynigion, mynegodd y Dirprwy Arweinydd ddiolch i'r Prif Weinidog a'r Gweinidog Cyllid a'r Trefnydd am y cyllid ychwanegol o £8.8 miliwn yr oedd y Cyngor wedi'i dderbyn yn y setliad. Dywedodd fod y Cyngor yn parhau i wynebu dyfodol anodd, ac y byddai angen sicrhau £29 miliwn o arbedion dros y 4 blynedd nesaf. Dywedodd fod y preswylwyr a gymerodd ran yn ymgynghoriad y gyllideb wedi gwrthod cynnydd mawr

i'r Dreth Gyngor, ac wedi gofyn i'r Cyngor ystyried ffyrdd eraill o ddarparu gwasanaethau. Dywedodd hefyd y byddai'r Pwyllgorau Trosolwg a Chraffu yn awr yn ystyried y cynigion, ac edrychai ymlaen i weithio gyda'r pwyllgorau craffu cyn i'r Cyngor ystyried y gyllideb.

Dywedodd yr Arweinydd y dylid bod yn bwylllog ynghylch cynigion y gyllideb, oherwydd nid oedd yn hysbys ai arian newydd oedd y cyllid ychwanegol yn araith y Frenhines ai peidio. Nid oeddem yn gwybod ychwaith beth fyddai ei effaith ar Lywodraeth Cymru ac awdurdodau lleol. Dywedodd fod Llywodraeth Cymru wedi gwrandao ar lobïo llywodraeth leol am gyllid ychwanegol, ac roedd y Cyngor yntau wedi gwrandao ar safbwyntiau'r cyhoedd a oedd wedi cymryd rhan yn ymgynghoriad y gyllideb. Dywedodd hefyd fod y cyllid ychwanegol a dderbynnir gan y Cyngor wedi golygu bod modd gwarchod ysgolion rhag gorfod sicrhau 1% o arbedion effeithlonrwydd yn 2020-21. Credai y byddai'r Cyngor cyfan yn cefnogi'r gyllideb a gynigir, a dywedodd fod rhai cynigion arbed wedi cael eu hepgor. Yr oedd yn gobeithio y byddai Canghellor y Trysorlys yn cadw at ei air ac yn dirwyn mesurau cyni i ben. Dywedodd y Swyddog Adran 151 Dros Dro wrth y Cabinet nad oedd cytundeb eto ynghylch sut yn union y byddai'r arian newydd y cyfeiriwyd ato yn araith y Frenhines yn cael ei ddrynnu.

Diolchodd yr Aelod Cabinet Addysg ac Adfywio i'r Dirprwy Arweinydd, y Swyddog Adran 151 Dros Dro a'i thîm am y gwaith yr oeddent wedi'i gyflawni i lunio'r SATC. Dywedodd fod angen yr holl gyllid posibl ar ysgolion. Er mwyn sicrhau llwyddiant y cwricwlwm newydd, byddai angen cyllid digonol arnynt. Drwy arloesi a mentergarwch, mae ein swyddogion wedi gallu datblygu prosiectau adfywio er gwaethaf y cyni, ond rydym yn dal i orfod cyflwyno toriadau byrdymor a fydd yn golygu colledion yn y tymor hir.

Roedd yr Aelod Cabinet Cymunedau yn croesawu'r gwelliant i'r setliad, ond dywedodd fod angen i'r Cyngor gofio bod ansicrwydd o hyd ynghylch a oedd mesurau cyni wedi dod i ben. Byddai'r setliad gwell yn golygu bod modd buddsoddi i wella priffyrdd a thrwsio seilwaith a phriffyrdd. Byddai adnoddau ychwanegol yn cael eu neilltuo ar gyfer Trosglwyddo Asedau Cymunedol, gyda chynnig i sefydlu cronfa cefnogi clybiau chwaraeon, ac ni fyddai clybiau sy'n cychwyn trafodaethau i reoli cyfleusterau eu hunain yn wynebu cynnydd mewn ffioedd yn 2020-21. Dywedodd fod y sefydliadau hynny a oedd yn cychwyn trafodaethau yn rhan o'r broses TAC yn gweld manteision hynny, ac y byddai clybiau rygbi sy'n cychwyn deialog o'r fath yn ymuno â mwyafrif y clybiau yng Nghymru. Hysbysodd yr Aelod Cabinet Cymunedau y Cabinet fod angen deialog â'r heddlu ynghylch ariannu darpariaeth TCC yn y dyfodol. Er bod y setliad i'w groesawu, dywedodd hefyd na ellid mynd i'r afael â 10 mlynedd o fesurau cyni o fewn un blwyddyn.

Diolchodd yr Aelod Cabinet Llesiant a Chenedlaethau'r Dyfodol i'r swyddogion sy'n gweithio yn yr holl Gyfarwyddiaethau am eu cyfraniad y tu ôl i'r llenni yn gysylltiedig â'r gyllideb. Roedd hi'n ddiolchgar i Lywodraeth Cymru am y setliad cadarnhaol a fyddai'n golygu bod modd rhoi cymorth ym maes tai, brecwastau am ddim yn yr ysgol, draenio caeau chwaraeon ac ardaloedd chwarae, datblygu rhaglen brentisiaeth, darparu cyrbiau is, a phwyntiau gwefru cerbydau trydan, a sicrhau cyllideb gytbwys. Roedd hi hefyd yn falch o weld y byddai cyllid yn cael ei ddarparu ar gyfer y diffyg rhwng y Budd-dal Tai a oedd yn daladwy a chymhorthdal yr Adran Gwaith a Phensiynau y gellir ei hawlio am eiddo i oedolion sy'n agored i niwed.

Wrth gymeradwyo'r SATC, adleisiodd yr Arweinydd y sylwadau a wnaed gan Aelodau'r Cabinet, yn enwedig o ran datblygiad y rhaglen brentisiaeth lle mae'r Cyngor wedi llwyddo i feithrin ei staff ei hun, yn enwedig mewn ardaloedd lle ceir cystadleuaeth i recriwtio o du'r sector preifat i'r sector cyhoeddus, a lle bydd hi'n cymryd amryw o flynyddoedd i hyfforddi staff. Dywedodd fod cyllid yn cael ei ddarparu ar gyfer pwysau'r gaeaf, a fyddai'n golygu y byddai llai o bobl yn cael eu derbyn i'r ysbyty. Gofynnodd am adroddiad i gyfarfod o'r Cabinet yn y dyfodol ar y Grant Datblygu Disgyblion, a

dywedodd fod newyddion da yn gysylltiedig ag ariannu'r grant cynnal ysgolion. Dywedodd y Cyfarwyddwr Corfforaethol Addysg a Chymorth i Deuluoedd wrth y Cabinet nad oedd yn hysbys faint o grwpiau blwyddyn y byddai'r chwistrelliad o gyllid drwy'r Grant Mynediad i Ysgolion yn ei gynnwys.

PENDERFYNWYD: Bod y Cabinet yn cyflwyno, er ymgynghoriad â'r Pwyllgorau Trosolwg a Chraffu, cyllideb flynyddol 2020-21 a datblygiad y SATC 2020-21 hyd 2023-24, fel y nodwyd yn yr adroddiad hwn, cyn cyflwyno'r fersiwn derfynol i'w chymeradwyo gan y Cyngor ym mis Chwefror 2020.

456. EITEMAU BRYD

Nid oedd unrhyw eitemau brys.

Daeth y cyfarfod i ben am 15:45

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COFNODION CYFARFOD Y CABINET A GYNHALIWDYD YN YSTAFELL BWYLLGORA 1/2/3, SWYDDFEYDD DINESIG, STRYD YR ANGEL, PENYBONT AR OGWR DYDD MAWRTH, 21 IONAWR 2020, AM 14:30

Presennol

Y Cyngorydd HJ David – Cadeirydd

CE Smith
RE Young

PJ White

HM Williams

D Patel

Swyddogion:

Gill Lewis	Pennaeth Cyllid a Swyddog 151 Dros Dro
Kelly Watson	Prif Swyddog – Gwasanaethau Cyfreithiol, Adnoddau Dynol a Rheoleiddio
Mark Shephard	Prif Weithredwr
Susan Cooper	Cyfarwyddwr Corfforaethol - Gwasanaethau Cymdeithasol a Lles
Lindsay Harvey	Cyfarwyddwr Corfforaethol – Addysg a Chymorth i Deuluoedd
Zak Shell	Pennaeth Gwasanaethau Cymdogaeth
Michael Pitman	Swyddog Gwasanaethau Democrataidd – Pwyllgorau

457. DATGAN BUDDIANT

Dim

458. CYMERADWYO'R COFNODION

PENDERFYNWYD: Cymeradwyo bod cofnodion 17/12/2019 yn wir ac yn gywir.

459. MONITRO CYLLIDEB 2019-20 - RHAGOLWG REFENIW CHWARTER 3

Cyflwynodd y Pennaeth Cyllid Dros Dro adroddiad a oedd yn rhoi'r newyddion diweddaraf i'r Cabinet ynghylch sefyllfa ariannol refeniw'r Cyngor ar 31 Rhagfyr 2019.

Esboniodd fod y Cyngor, ar 20 Chwefror 2019, wedi cymeradwyo cyllideb refeniw net o £270.809 miliwn ar gyfer 2019-2020. Yn rhan o'r Fframwaith Rheoli Perfformiad, caiff amcanestyniadau'r gyllideb eu hadolygu'n rheolaidd a'u hadrodd gerbron y Cabinet bob chwarter. Bydd cyflawniad gostyngiadau cytunedig i'r gyllideb hefyd yn cael ei adolygu yn rhan o'r broses.

Yn gryno, cymharodd y Pennaeth Cyllid Dros Dro y gyllideb â'r alldro a ragwelwyd ar 31 Rhagfyr 2019, y manylwyd arno yn Nhabl 1 yr adroddiad. Ymhelaethodd ar y tanwariant o £4.391 miliwn gan nodi mai'r prif reswm wrth wraidd hynny oedd bod Llywodraeth Cymru wedi hysbysu Awdurdodau Lleol ynghylch cyllid grant ychwanegol sy'n cael ei neilltuo i dalu cost ychwanegol pensiynau athrawon, pensiynau'r gwasanaeth tân yn ogystal â'r cynnydd yng nghyflogau athrawon. Roedd hyn yn creu cyfanswm o £2,006,096, £272,405 a £343,701, yn yr un drefn.

Esboniodd y Pennaeth Cyllid Dros Dro fod y Cyngor wedi derbyn ei setliad llywodraeth leol dros dro ar gyfer 2020-2021 oddi wrth Lywodraeth Cymru ar 16 Rhagfyr 2019. Cyflwynwyd adroddiad gerbron y Cabinet ar 14 Ionawr 2020 ar ddrafft o'r Strategaeth Ariannol Tymor Canolig 2020-21 hyd 2023-24, a nodai flaenoriaethau gwariant y Cyngor, amcanion buddsoddi allweddol a rhannau o'r gyllideb a fyddai'n cael eu targedu i sicrhau arbedion angenrheidiol. Mae'r strategaeth yn cynnwys rhagolygon ariannol ar gyfer 2020-2024 a chyllideb refeniw drafft fanwl ar gyfer 2020-21.

Dywedodd na chafwyd unrhyw drosglwyddiadau yn gysylltiedig â'r gyllideb, ond y bu amryw o addasiadau technegol rhwng cyllidebau ers adrodd rhagolygon chwarter 2 gerbron y Cabinet ar 22 Hydref 2019. Amlinellwyd y rhain yn y tabl yn yr adroddiad, yn 4.1.6.

Oherwydd y pwysau cynyddol ar Gyngorau Cymru dros oes y SATC, esboniodd y Pennaeth Cyllid Dros Dro fod angen datblygu cynigion cylchol i sicrhau gostyngiad o gyfanswm o £29.332 miliwn i'r gyllideb dros y pedair blynedd nesaf, yn seiliedig ar y senario fwyaf tebygol. Roedd gostyngiadau cyllidebol blaenorol a gafwyd yn 2016-17 hyd 2018-19 yn tystio i hyn, lle na lwyddwyd i gyflawni gwerth £3.242 miliwn o gynigion i leihau'r gyllideb yn llawn.

Amlinellodd y Pennaeth Cyllid Dros Dro y gostyngiadau cyllidebol yr oedd eu hangen yn y Cyfarwyddiaethau Addysg a Chymorth i Deuluoedd, Gwasanaethau Cymdeithasol a Llesiant a Chymunedau. Manylwyd ar y rhain yn Nhabl 2 yr adroddiad.

Dywedodd y Pennaeth Cyllid Dros Dro y nodwyd y canlynol fel egwyddor 7 y SATC "Mae cynigion arbed wedi'u datblygu'n llawn ac yn cynnwys graddfeydd amser realistig i'w cyflawni, cyn eu cynnwys yn y gyllideb flynyddol. Bydd Cronfa Wrth Gefn ar gyfer Gostyngiadau Cyllideb yr SATC yn cael ei chynnal i liniaru rhag unrhyw achosion o oedi nas rhagwelwyd". Sefydlwyd Cronfa Wrth Gefn ar gyfer Gostyngiadau Cyllideb yn 2016-17. Defnyddiwyd y gronfa wrth gefn hon i fodloni cynigion penodol i ostwng y gyllideb yn y blynyddoedd cynt ar sail untro, gan ddisgwyl mesurau amgen. Roedd y gronfa'n cael ei defnyddio i liniaru'r diffyg parhaus yng nghynigion lleihau cyllideb, fel y nodwyd yn 4.2.4 yn yr adroddiad.

Rhoddodd grynodeb o gynigion lleihau'r gyllideb ar gyfer pob cyfarwyddiaeth, a oedd wedi'u cynnwys yn nhabl 3 yr adroddiad, a chyda manylion pellach yn atodiad 2. Darparwyd cymhariaeth o'r sefyllfa ar sail CAG yn erbyn Chwarter 2 yn y tabl yn 4.2.5 yn yr adroddiad.

Esboniodd y Pennaeth Cyllid Dros Dro mai dyma oedd y cynigion mwyaf sylweddol am ostyngiadau cyllidebol a fyddai'n annhebygol o gael eu bodloni'n llawn:

- EFS1 Gweithredu'r Polisi Trafnidiaeth Dysgwyr Fesul Cam (£67,000) - nid yw'n debygol y bydd arbedion yn cael eu sicrhau yn 2019-20
- SSW22 - Arbedion pellach o gyfleusterau llyfrgell a diwylliannol (£60,000) - nid yw'n debygol y bydd unrhyw arbedion yn cael eu sicrhau yn 2019-20
- COM52 - Gostyngiad i'r gyllideb ar gyfer y Ganolfan Adfer Deunyddiau ac Ynni (£1,300,000) - £650,000 yn debygol o gael ei sicrhau yn 2019-20

Esboniodd fod Atodiad 2 yn manylu ar swm yr arbedion a ragamcanwyd yn erbyn y tri chynnig hyn, ac ar y camau i'w cymryd gan y Gyfarwyddiaeth i liniaru'r diffyg. Ychwanegodd fod crynodeb o sefyllfa ariannol pob prif faes gwasanaeth wedi'i gynnwys yn atodiad 3 yr adroddiad.

Rhoddodd y Pennaeth Cyllid Dros Dro esboniad i'r aelodau ynghylch y Cronfeydd wedi'u Clustnodi ar gyfer chwarter 3, sef swm o £4.391 miliwn. Roedd yr ychwanegiad net hwn wedi cael ei ariannu o'r tanwariant a ragamcanwyd ar gyllidebau nad oeddent yn perthyn i'r Cyfarwyddiaethau ar ddiwedd Chwarter 3, fel y dangoswyd yn nhabl 1.

Esboniodd mai'r prif ychwanegiadau oedd:

- creu cronfa 'Buddsoddi mewn Cymunedau' £2 filiwn, fel y cyfeiriwyd ati yn adran 4.3.5;

- ychwanegiad o £2 filiwn i'r gronfa gyfalaf heb ei dyrannu i'w defnyddio yn erbyn pwysau rhagamcanol ar gyfalaf;
- cynnydd o £500,000 i'r Gronfa Rheoli Newid i gefnogi ceisiadau newydd i'r gronfa; a
- chynnydd o £335,000 i'r gronfa wrth gefn wedi'i chlustnodi yn erbyn y Ganolfan Arloesi i gefnogi'r cyfnod datblygu ar gyfer prosiect yr Hwb Menter.

Ychwanegodd fod y prif gronfeydd wrth gefn sydd wedi'u dadweindio yn gysylltiedig â'r cynllun cyfalaf Gofal Ychwanegol (£308,000), y Gronfa Hawliadau Mawr (£248,000) a'r Gronfa Diogelwch Cymunedol (£100,000) yn dilyn adolygiad o'r gwariant tebygol ar y meysydd hyn.

Gofynnodd y Pennaeth Cyllid Dros Dro i'r Aelodau nodi sefyllfa'r alldro rhagamcanol ar 2019-20.

Diolchodd y Dirprwy Arweinydd i'r Pennaeth Cyllid Dros Dro am y trosolwg, a nododd ei bod hi'n bwysig i CBSPO gydnabod ei sefyllfa gadarnhaol yn sgil derbyn grantiau hwyr gan Lywodraeth Cymru. Ychwanegodd fod pennu cyllideb yn dal yn heriol heb wybod beth sydd angen ei wario bob blwyddyn, a'n bod yn wynebu heriau gwirioneddol, fel y gwelwyd yng ngofynion arbed bob blwyddyn.

Gofynnodd yr Arweinydd i'r Cyfarwyddwr Corfforaethol - Gwasanaethau Cymdeithasol a Llesiant am eglurhad ynghylch y cynnydd yn nifer y Plant Dan Ofal (PDO) o 376 i 381, ac a oedd hyn yn dangos tuedd neu'n fân amrywiad yn unig.

Esboniodd y Cyfarwyddwr Corfforaethol - Gwasanaethau Cymdeithasol a Llesiant fod y gwasanaeth wedi gwneud cynnydd sylweddol ond ei fod ond megis dechrau, ac roedd angen amser o hyd i'r cynnydd ymwreiddio'n iawn.

Gofynnodd yr Arweinydd i'r Cyfarwyddwr ymhelaethu ynghylch y cynnydd a gafwyd gyda Maple Tree House. Esboniodd y Cyfarwyddwr Corfforaethol - Gwasanaethau Cymdeithasol a Llesiant fod Maple Tree House wedi agor flwyddyn yn ôl, a bod gan y cyfleuster 16 o blant sy'n cael mynediad i'r uned frys, a bod 6 o blant wedi cael eu derbyn i'r uned asesu. Dyma ganlyniad cadarnhaol, oherwydd byddai'r plant hyn wedi gorfod mynd allan o'r sir i dderbyn gofal, ar gost o oddeutu £4,000 yr wythnos. Ychwanegodd fod y grant cymorth tai wedi ariannu 7 uned o gymorth 24 awr, a 4 lle ar gyfer llety cam-i-lawr. Dywedodd hefyd y bu 2 achos penodol yn y 6 mis diwethaf lle rhoddwyd darpariaeth gan nad oedd lleoliad ar gael yng Nghymru na Lloegr i'r plant dan sylw, oherwydd eu hanghenion neilltuol.

Esboniodd y Cyfarwyddwr Corfforaethol - Gwasanaethau Cymdeithasol a Llesiant y sefyllfa o ran recriwtio a chadw gofalwyr maeth. Ar hyn o bryd, yr oedd 62 o leoliadau gofal maeth annibynnol a 140 o leoliadau cyffredinol. Yn ogystal â hyn, yr oedd 220 o leoliadau gofal maeth mewnol, a oedd fymryn yn uwch na'r 209 yn 2018-19. Ychwanegodd fod ffynonellau eraill o gymorth dan ystyriaeth, felly teimlai fod mecanweithiau cymorth gofal maeth ar y trywydd iawn. Roedd hyn yn cynnwys defnydd hefyd o'r Gronfa Gofal Integredig, yn ogystal â swyddi gweithiwr cymorth ymarferol sy'n gweithio gyda theuluoedd maeth i ymchwilio i broblemau a'u datrys. Ychwanegodd y gellir cynnig cymorth ychwanegol hefyd ar gyfer pobl ifanc sy'n mynd drwy gyfnodau anodd yn eu harddegau, yn ogystal â chymorth y tu allan i oriau os oes angen.

Diolchodd yr Arweinydd i'r Cyfarwyddwr Corfforaethol - Gwasanaethau Cymdeithasol a Llesiant am yr ymateb cynhwysfawr, ac i'r tîm am ei waith, yn enwedig am ei fod yn gweithio dan bwysau parhaus.

Esboniodd yr Aelod Cabinet - Gwasanaethau Cymdeithasol a Chymorth Cynnar ei bod hi'n amlwg bod tîm y gwasanaethau cymdeithasol wedi bod yn weithgar, a bod y newidiadau a oedd wedi arwain at welliannau i'r gwasanaeth bellach yn dwyn ffrwyth.

Dywedodd yr Arweinydd mai rhagolwg yn unig oedd y gyllideb ar hyn o bryd, yn hytrach na'i bod yn ffigur pendant. Gallai newid am amryw o resymau wrth i'r flwyddyn fynd rhagddi, ee cerbydau graeanu ychwanegol yn y gaeaf. Gofynnodd a ellid cyflwyno adroddiad diweddar i'r Cabinet mewn 3 mis, ac adrodd am unrhyw ddatblygiadau o bwys cyn hynny os oedd angen.

PENDERFYNWYD: Bod y Cabinet:

1. Yn nodi sefyllfa'r alldro referniw rhagamcanol ar gyfer 2019-20
2. Yn gofyn am adroddiad diweddar mewn 3 mis ac i unrhyw ddatblygiadau o bwys gael eu hadrodd cyn hynny.

460. Y DIWEDDARAF AM Y RHAGLEN GYFALAF - CHWARTER 3 2019-20

Cyflwynodd y Pennaeth Cyllid Dros Dro adroddiad a oedd:

- Yn rhoi'r diweddaraf am Raglen Gyfalaf 2019-20 ar 31 Rhagfyr 2019 (Atodiad A)
- Yn gofyn am gytundeb y Cabinet i gyflwyno adroddiad i'r Cyngor er mwyn cymeradwyo rhaglen gyfalaf ddiwygiedig ar gyfer 2019-20 hyd 2028-29 (Atodiad B)
- Yn nodi rhagamcan o ddangosyddion darbodus a dangosyddion eraill ar gyfer 2019-20 (Atodiad C)

Dywedodd fod Rheoliadau Awdurdodau Lleol (Cyllid Cyfalaf a Chyfrifyddu) (Cymru) 2003 fel y cawsant eu diwygio, yn cynnwys darpariaethau manwl o'r rheolaethau cyllid cyfalaf a chyfrifyddu.

Ychwanegodd fod y Cyngor, ar 20 Chwefror 2019, wedi cymeradwyo rhaglen gyfalaf ar gyfer y cyfnod 2019-20 hyd 2028-29 yn rhan o'r Strategaeth Ariannol Tymor Canolig (SATC). Diweddarwyd a chymeradwywyd y rhaglen gyfalaf ddiwethaf gan y Cyngor ar 23 Hydref 2019.

Esboniodd y Pennaeth Cyllid Dros Dro fod yr adroddiad hwn yn rhoi'r newyddion diweddaraf am y meysydd a ganlyn:

- Monitro Rhaglen Gyfalaf 2019-20
- Rhaglen Gyfalaf 2019-20 Ymlaen
- Monitro Dangosyddion Darbodus a Dangosyddion Eraill
- Monitro'r Strategaeth Gyfalaf

Monitro Rhaglen Gyfalaf 2019-20

Mae'r rhaglen ddiwygiedig ar gyfer 2019-20 ar hyn o bryd yn creu cyfanswm o £33.700 miliwn, y mae £15.057 miliwn ohono wedi'i fodloni o adnoddau Cyngor Bwrdeistref Sirol Pen-y-bont ar Ogwr (CBSPO), gan gynnwys derbyniadau cyfalaf a chyfraniadau referniw o gronfeydd wrth gefn sydd wedi'u clustnodi, a'r £18.643 miliwn sy'n weddill o adnoddau allanol, gan gynnwys y Grant Cyfalaf Cyffredinol. Roedd gwybodaeth bellach am raglen gyfalaf bob cyfarwyddiaeth o 2019 wedi'i chynnwys yn nhabl 1 yr adroddiad.

Esboniodd y Pennaeth Cyllid Dros Dro fod tabl 2 yr adroddiad yn rhoi crynodeb o ragdybiaethau ariannu cyfredol rhaglen gyfalaf 2019-20.

Ychwanegodd fod Atodiad A yn rhoi manylion cynlluniau unigol o fewn y rhaglen gyfalaf, gan ddangos y gyllideb a oedd ar gael yn 2019-20 o gymharu â'r gwariant a ragamcanwyd.

Dywedodd y Pennaeth Cyllid Dros Dro fod nifer o gynlluniau eisoes wedi'u nodi'n gynlluniau lle'r oedd angen llithro'r gyllideb i flynyddoedd nesaf 2020-21 a thu hwnt. Roedd angen cyfanswm o £5.158 miliwn o lithriant yn chwarter 3, a oedd yn cynnwys y cynlluniau a ganlyn:

- Neuadd y Dref Maesteg (£1.6 miliwn)
- Hyb Cymunedol - Ysgol Gyfun Brynteg (£0.768 miliwn)
- Darpariaeth Anghenion Dysgu Ychwanegol (ADY) yn Ysgol Gynradd Cefn Cribwr (£0.387 miliwn)
- Ravens Court (£0.442 miliwn)
- TAC Parciau/Pafiliynau/Canolfannau Cymunedol (£0.66 miliwn)
- Asedau Anweithredol (£0.48 miliwn)

Rhaglen Gyfalaf 2019-20 a Thu Hwnt

Ers mis Hydref 2019, dywedodd y Pennaeth Cyllid Dros Dro fod nifer o gynlluniau newydd wedi'u hariannu'n allanol ac incwm ychwanegol wedi'u cymeradwyo, a bod hynny wedi'i ymgorffori yn y rhaglen gyfalaf, gan gynnwys y canlynol:

- Hyb Cymunedol - Ysgol Gyfun Brynteg (£0.284 miliwn)
- Cymorth cyfalaf ar gyfer gweithredu ac ehangu casgliadau
- cartref ar wahân ar gyfer gwastraff cynnyrch hylendid amsugol (£0.238 miliwn)
- Cronfa Gwella Eiddo Canol Tref (£0.1 miliwn)
- Grant Byw yng Nghanol y Dref (£0.05 miliwn)

Dywedodd fod newidiadau o bwys i gynlluniau eraill hefyd:

- Cynllun Rheoli Risg Arfordirol - Porthcawl (£6.032 miliwn)
- Rhaglen Band B Ysgolion yr 21ain Ganrif
- Darpariaeth Gofal Plant Cyfrwng Cymraeg
- Grant Cynnal a Chadw Ysgolion
- Gwaith ar Anghenion Cymhleth a Meddygol mewn Ysgol
- Benthyciad Cwm Llynfi

Ychwanegodd fod nifer o gynlluniau eraill yn y Rhaglen Gyfalaf yr oedd disgwyl iddynt dderbyn cadarnhad ynghylch cyllid allanol dros gyfnod y gaeaf. Cyn gynted ag y byddai'r gymeradwyaeth yn hysbys, gallai hynny olygu bod angen ailbroffilio cynlluniau eraill, ac nid oedd y Rhaglen Gyfalaf wedi cael ei diweddarau ar y pryd ar gyfer y cynlluniau hynny. Ymhen amser, bydd adroddiadau pellach yn cael eu cyflwyno gerbron y Cabinet a'r Cyngor i'w cymeradwyo pan fydd gwybodaeth bellach ar gael yn eu cylch. Mae Rhaglen Gyfalaf ddiwygiedig wedi'i chynnwys yn Atodiad B yr adroddiad.

Monitro Dangosyddion Darbodus a Dangosyddion Eraill 2019-20

Esboniodd y Pennaeth Cyllid Dros Dro fod y Cyngor, ym mis Chwefror 2019, wedi cymeradwyo'r Strategaeth Gyfalaf ar gyfer 2019-20, a oedd yn cynnwys Dangosyddion Darbodus 2019-20 hyd 2021-22 ynghyd â rhai dangosyddion lleol.

Dywedodd mai pwrpas y Strategaeth Cyfalaf yw rhoi trosolwg o'r modd y mae gwariant cyfalaf, cyllid cyfalaf a gweithgarwch rheoli trysorlys yn cyfrannu at ddarparu gwasanaethau, a rhoi trosolwg o'r modd y rheolir risg gysylltiedig a'r goblygiadau o ran cynaliadwyedd i'r dyfodol.

Dywedodd fod Atodiad C yr adroddiad yn cynnwys manylion dangosyddion gwirioneddol 2018-29, y dangosyddion amcangyfrifedig ar gyfer 2019-20 a nodwyd yn Strategaeth Gyfalaf y Cyngor, a'r dangosyddion rhagamcanol ar gyfer 2019-20 yn seiliedig ar y Rhaglen Gyfalaf ddiwygiedig.

Monitro'r Strategaeth Gyfalaf

Adroddodd y Pennaeth Cyllid Dros Dro fod y Strategaeth Gyfalaf hefyd yn ei gwneud hi'n ofynnol i fonitro buddsoddiadau nad ydynt yn gysylltiedig â rheoli trysorlys a rhwymedigaethau eraill hirdymor. Dywedodd fod gan y Cyngor bortffolio presennol o fuddsoddiadau sydd wedi'i seilio'n llwyr yn y Fwrdeistref Sirol, a hynny'n bennaf yn y sectorau swyddfa a diwydiannol. Yn gyffredinol, mae'r ffrydiau incwm wedi'u gwasgaru rhwng y buddsoddiadau swyddfa sengl ac aml-osod ar Barc Gwyddoniaeth Pen-y-bont ar Ogwr. Cyfanswm gwerth yr eiddo buddsoddi oedd £4.635 miliwn ar 31 Mawrth 2019.

Ychwanegodd fod gan y Cyngor nifer o Rwymedigaethau Hirdymor Eraill, a oedd wedi'u cynnwys yn y Strategaeth Gyfalaf. Darparwyd manylion am y rhain yn Adroddiad Chwarter 2 i'r Cabinet. Ni chymerwyd unrhyw fenthyciadau newydd yn Chwarter 3.

Ymhelaethodd y Pennaeth Gweithrediadau - Gwasanaethau Cymunedol ar ran o'r adroddiad a drafodai Neuadd y Dref Maesteg a'r ffigurau a ddarparwyd yn gysylltiedig â hynny. Er bod y costau'n uwch nag a ragwelwyd yn flaenorol, dywedodd mai'r nod oedd sicrhau bod neuadd y dref wedi'i ddiogelu am y tymor hir, yn hytrach nag ymrwymo gwariant uwch a mwy mynych ar gyfer hyn yn y tymor byr.

Cytunai'r Arweinydd â'r pwynt a wnaed, a phwysleisiodd bwysigrwyd sicrhau Neuadd y Dref Maesteg ar gyfer y tymor hir. Gobeithiai y byddai'r buddsoddiad uwch yn diogelu'r adeilad am y 30 i'r 40 mlynedd nesaf.

Mynegodd y Dirprwy Arweinydd ddiolch am y grantiau ychwanegol a dderbyniwyd a oedd wedi galluogi CBSPO i gyflawni nifer o gynlluniau buddiol ledled y fwrdeistref. Fodd bynnag, dywedodd fod angen o hyd i'r Cyngor sicrhau ei fod yn gwario'n ddarbodus, gan sicrhau ein bod yn meddwl am y tymor hir.

Roedd yr Aelod Cabinet - Llesiant a Chenedlaethau'r Dyfodol yn falch o weld bod yr adroddiad yn cynnwys amrywiaeth o gynlluniau. Ychwanegodd ei bod hi'n arbennig o falch o weld buddsoddiad mewn asedau, wrth gaffael adeilad swyddfa a fyddai'n cynhyrchu incwm o £0.056 miliwn y flwyddyn.

Roedd yr Arweinydd yn falch o weld y ddarpariaeth ADY yn Ysgol Gynradd Cefn Cribwr, gan gynnwys cael gwared â'r ystafelloedd dosbarth dros dro. Diolchodd i Reolwr y Rhaglen Ysgolion am y gwaith yr oedd y tîm wedi'i gyflawni er mwyn datblygu darpariaeth gofal plant cyfrwng Cymraeg.

Dywedodd y Cyfarwyddwr Corfforaethol - Addysg a Chymorth i Deuluoedd ei fod hefyd yn fodlon â'r ddarpariaeth ADY yn Ysgol Gynradd Cefn Cribwr, a'i bod yn ysgol gynhwysol iawn a oedd wedi bod yn cydweithio â'r Awdurdod Lleol ers sawl blwyddyn er mwyn sicrhau'r ddarpariaeth ychwanegol hon. Esboniodd fod 3 lleoliad seiliedig ar adnoddau wedi'u sefydlu i blant ag ADY, a'u bod wedi gwneud gwaith anhygoel ar hyn, gan gynnwys addasu rhai o'r ystafelloedd dosbarth. Ychwanegodd hefyd fod y gymuned wedi arwain llawer o'r gwaith, drwy godi arian i'r ysgol. Esboniodd fod hyn nid yn unig yn newyddion da i'r ysgol, ond hefyd i deuluoedd, o ran sicrhau bod eu plant yn derbyn y ddarpariaeth ofynnol yn ysgolion y Fwrdeistref.

Dywedodd yr arweinydd fod hyn yn newyddion ardderchog a bod yr awdurdod wedi gwneud cynnydd da dros y blynyddoedd o ran darparu cymorth ar gyfer anableddau corfforol mewn ysgolion o fewn y fwrdeistref. Ychwanegodd ei fod yn falch o weld 75% o

grant ariannu oddi wrth Lywodraeth Cymru a oedd i gyfrif am £4.523 miliwn tuag at y Cynllun Rheoli Risg Arfordirol.

PENDERFYNWYD: Bod y Cabinet:

- yn nodi rhaglen gyfalaf y Cyngor ar gyfer 2019-20 am y cyfnod hyd at 31 Rhagfyr 2019 (Atodiad A);
- yn cytuno y dylid cyflwyno'r Rhaglen Gyfalaf ddiwygiedig (Atodiad B) i'r Cyngor i'w chymeradwyo;
- yn nodi'r Dangosyddion Darbodus a'r Dangosyddion Eraill ar gyfer 2019-20 (Atodiad C).

461. ARDRETHI ANNOMESTIG: RHYDDHAD DEWISOL: CYNLLUN RHYDDHAD ARDRETHI'R STRYD FAWR A MANWERTHU 2020-21

Cyflwynodd y Pennaeth Cyllid Dros Dro adroddiad a ofynnai i'r Cabinet fabwysiadu Cynllun Rhyddhad Ardrethi'r Stryd Fawr a Manwerthu gan Lywodraeth Cymru.

Esboniodd fod Llywodraeth Cymru wedi cyhoeddi y byddai'r cynllun ar gael i gefnogi busnesau o fewn y sector manwerthu yng Nghymru, ac y byddai'n cael ei weithredu ar y cyd â'r Rhyddhad Ardrethi Busnesau Bach, yn unol â'r manylion yn Atodiad A yr adroddiad.

Esboniodd y Pennaeth Cyllid Dros Dro fod rhyddhad o hyd at £2,500 ar gael ar gyfer eiddo manwerthu cymwys wedi'i feddiannu, a chanddo werth ardrethol o hyd at £50,000 ym mlwyddyn ariannol 2020-21, yn amodol ar gyfyngiadau ar gymorth gwladwriaethol. Ychwanegodd y gallai amcangyfrif o oddeutu 1000 o drethdalwyr ledled y Fwrdeistref elwa ar filiau ardrethi is o dan y cynllun hwn.

Esboniodd y Pennaeth Cyllid Dros Dro y gall y Cyngor ddewis mabwysiadu'r cynllun, ond nad oedd ganddo unrhyw ddisgresiwn dros unrhyw elfen ohono. Pe bai'r cynllun yn cael ei fabwysiadu, ychwanegodd y byddai'r busnesau hynny a wnaeth elwa ar y cynllun yn 2019-20 ac a oedd yn dal i fodloni meini prawf Llywodraeth Cymru, yn derbyn rhyddhad yn awtomatig ar gyfer 2020-21.

Dywedodd y Dirprwy Arweinydd fod hyn yn newyddion cadarnhaol i fusnesau bychain, ac roedd yn falch o weld bod yr awdurdod yn gallu dysgu yn sgil yr hyn a wnaed yn flaenorol a gwella hynny. Gobeithiai y byddai'r busnesau cymwys yn cyflwyno'r ceisiadau angenrheidiol er mwyn elwa ar y rhyddhad. Sicrhodd yr aelodau y byddai cyhoeddiad yn cael ei wneud yng nghyfarfod nesaf y Cyngor llawn er mwyn lledaenu ymwybyddiaeth ynghylch yr uchod.

PENDERFYNWYD Bod y Cabinet:

Yn mabwysiadu Cynllun Rhyddhad Ardrethi Annomestig y Stryd Fawr a Manwerthu ar gyfer 2020-21, fel y manylwyd yn Atodiad A.

462. AILDDATBLYGU NEUADD Y DREF MAESTEG

Cyflwynodd y Pennaeth Gweithrediadau - Gwasanaethau Cymunedol adroddiad a ofynnai am gymeradwyaeth i'r Cabinet ymrwymo i gontract â Knox and Wells Ltd i ailddatblygu Neuadd y Dref Maesteg.

Esboniodd mai adeilad rhestredig gradd 2 mewn ardal gadwraeth oedd Neuadd y Dref Maesteg. Yr oedd mewn man amlwg yng Nghanol Tref Maesteg ac yn ganolbwynt i'r celfyddydau ac i weithgareddau cymunedol yng Nghwm Llyfni. Byddai'r gwaith ehangu yn golygu bod modd cael mwy o gyfleusterau fel ystafelloedd hyfforddi a llyfrgell ac ati.

Esboniodd y Pennaeth Gweithrediadau - Gwasanaethau Cymunedol fod yr awdurdod wedi defnyddio tîm amlddisgyblaethol i ddarparu'r dyluniad cysyniadol a'r gost ar gyfer y gwaith trwsio, adfer ac estyn arfaethedig ar Neuadd y Dref Maesteg. Roedd y tîm dylunio yn cynnwys:

- The MACE Group - Rheoli prosiect ac ymgynghori ynghylch costau
- Knox and Wells Ltd - Contractwyr Dylunio ac Adeiladu (wedi'u penodi ar hyn o bryd ar gyfer eu gwasanaethau dylunio proffesiynol)
- Purcell Architects - Penseiri
- Musker Sumner partnership - Peirianwyr Sifil
- Hoare Lea - Ymgynghorwyr Mecanyddol a Thrydanol

Hyd yma mae'r tîm dylunio wedi:

- cynnal amryw o arolygon o fewn yr adeilad
- datblygu'r dyluniadau ymlaen yn unol â chanfyddiadau'r arolwg
- darparu cynllun costau arfaethedig

Dywedodd y Pennaeth Gweithrediadau - Gwasanaethau Cymunedol fod Neuadd y Dref wedi cau ym mis Hydref 2019, a bod Ymddiriedolaeth Ddiwylliannol Awen wedi gwagio'r adeilad. Oherwydd oedi wrth ddychwelyd tendrau is-contractwyr, cafwyd ychydig oedi cyn dechrau adeiladu. Fodd bynnag, mae'r prosiect bellach wedi cyrraedd y pwynt lle mae angen ymrwmo i ail gam y contract dylunio ac adeiladu, fel bo modd cychwyn gwaith adeiladu. Gwerth contract yr elfen hon fydd £6.5 miliwn o gyfanswm cost y prosiect o £8.2 miliwn a oedd wedi'i gynnwys yn adroddiad Diweddariad Rhaglen Gyfalaf Chwarter 3 a gyflwynwyd gerbron y Cabinet ar 21 Ionawr 2020, a gerbron y Cyngor i'w gymeradwyo ar 22 Ionawr 2020.

Rhoddodd y Pennaeth Gweithrediadau - Gwasanaethau Cymunedol amlinellid i'r Aelodau o'r Asesiad Effaith Cydraddoldeb a'r asesiad Deddf Llesiant Cenedlaethau'r Dyfodol (Cymru) 2015 a oedd wedi'u cynnwys yn adrannau 6 a 7 o'r adroddiad.

Dywedodd yr Arweinydd fod y cynllun hwn yn fuddsoddiad hirdymor, ac er ei bod hi'n anodd cynllunio'r mathau hyn o gostau, ei fod yn fuddsoddiad gwerth chweil er mwyn diogelu adeilad pwysig am flynyddoedd i ddod. Adleisiodd yr Aelod Cabinet Addysg ac Adfywio y sylwadau hyn, ac ychwanegodd ei fod yn gynllun strategol ar gyfer canol y dref.

Nododd y Prif Weithredwr ei bod hi'n bosibl y ceir llawer o sylw i'r cynllun yn y cyfryngau a'r cyfryngau cymdeithasol. Roedd hi'n bwysig felly sicrhau bod y cyhoedd yn ymwybodol pa mor bwysig yw'r ymrwymiad i fuddsoddi yn yr adeilad am y tymor hir.

Adleisiodd Aelod Cabinet y Gwasanaethau Cymdeithasol a Chymorth Cynnar y sylwadau hyn. Diolchodd i Halo ac ARWEN am eu cefnogaeth drwy gydol y broses, ac roedd yn edrych ymlaen at gael gweld y canlyniad wrth i'r gwaith ar y cyfleuster pwysig hwn gael ei gwblhau.

Roedd yr Arweinydd yn gobeithio y byddai'r Cyngor llawn yn cymeradwyo datblygiad Neuadd y Dref Maesteg am ei bod yn bwysig cynnal ei threftadaeth leol.

Holodd yr Arweinydd lle'r oedd y gwaith celf a oedd wedi'i greu gan artist lleol. Dywedodd fod y gwaith celf wedi cael ei dynnu i lawr a'i storio yn dilyn gwaith i ailwampio Siambr y Cyngor flynyddoedd yn ôl. Ychwanegodd y byddai'n syniad da cael hyd i'r gwaith hwnnw a'i ailarddangos yn Neuadd y Dref Maesteg.

PENDERFYNWYD: Bod y Cabinet, yn amodol ar gymeradwyaeth y Cyngor:

- Yn rhoi awdurdod dirprwyol i'r Pennaeth Gweithrediadau - Gwasanaethau Cymunedol, mewn ymgynghoriad â'r Swyddog Adran 151 a'r Prif Swyddog - Gwasanaethau Cyfreithiol, AD a Rheoleiddio, ymrwmo i gcontract adeiladu gwerth £6.5 miliwn â Knox and Wells Ltd, a'r holl gyfryw ddogfennau contractio eraill ategol, fel bo'r angen, er mwyn cwblhau prosiect Adeiladu Ailddatblygu Neuadd y Dref Maesteg.

463. CYNLLUN SHOPMOBILITY PEN-Y-BONT AR OGWR

Cyflwynodd y Pennaeth Gweithrediadau - Gwasanaethau Cymunedol adroddiad a ofynnai am gymeradwyaeth y Cabinet ar gyfer cynigion i fodloni'r gofyniad i ostwng cyllideb y Strategaeth Ariannol Tymor Canolig yn gysylltiedig â gweithredu Cynllun Shopmobility Pen-y-bont ar Ogwr.

Rhoddodd y Pennaeth Gweithrediadau - Gwasanaethau Cymunedol gefndir y cynllun, a dywedodd mai CBSPO oedd yn ei weithredu ym maes parcio aml-lawr Brackla, a'i fod yn rhoi amrywiaeth o ddyfeisiau symudedd ar fenthyg i aelodau'r cyhoedd sy'n ei chael hi'n anodd symud o gwmpas. Roedd y cyfleuster ar agor rhwng 08:30 ac 17:00.

Er mwyn defnyddio'r cynllun, esboniodd fod angen i gwsmeriaid ymuno (yn rhad ac am ddim ar hyn o bryd) a thalu ernes o £2 wrth ddefnyddio'r peiriannau. Wrth eu dychwelyd roedd cwsmeriaid wedyn yn gallu gofyn am y £2 yn ôl, ond roedd hi'n werth nodi bod mwyafrif y cwsmeriaid yn fodlon cyfrannu'r £2.

Esboniodd y Pennaeth Gweithrediadau - Gwasanaethau Cymunedol mai'r nod oedd galluogi'r cynllun i fod yn fwy hunangynhaliol a dibynnu llai ar gymhorthdal y Cyngor. Dywedodd wrth yr Aelodau fod costau cyfredol y cynllun wedi'u hamlinellu yn 4.2 yn yr adroddiad. Yr oedd amryw o newidiadau wedi'u cynnig i'r cynllun, a amlinellwyd yn 4.7 yn yr adroddiad. Ceir crynodeb ohonynt isod:

- **Newid yr amser agor o 08:30am - 5pm i 10am - 4pm**
- **Cyflwyno ffi gofrestru flynyddol o £5**
- **Cyflwyno ffi o £5 wrth logi cyfarpar**
- **Gwneud cais am Gyllid Grant**

Esboniodd y Pennaeth Gweithrediadau - Gwasanaethau Cymunedol fod proses ymgynghori wedi'i chynnal lle'r oedd 48% o'r ymatebwyr o blaid archwilio opsiynau codi tâl am y gwasanaeth Shopmobility. Fodd bynnag, dywedodd fod 39% o'r ymatebwyr yn gwrthwynebu'r ffi llogi o £5 ac yn teimlo y byddai'n anfforddiadwy i'r mwyafrif o ddefnyddwyr. O ran yr amseroedd agor, nid oedd 80% o'r ymatebwyr yn gwrthwynebu'r

cais hwnnw, ond yn 20% o'r ymatebion nodwyd y gallai hyn effeithio naill ai ar y gallu i siopa'n gynnar neu ar apwyntiadau meddygol.

Ychwanegodd fod y safbwyntiau wedi cael eu hystyried a chynigion diwygiedig wedi'u cyflwyno yn eu sgil, a oedd yn cynnwys y canlynol:

- **Diwygio'r cynnig i newid yr amseroedd agor i 10am tan 4pm, er mwyn agor o 9:15am tan 4pm, gan leihau'r amser gweithredol o 51 awr i 40.5 awr.**
- **Newid y ffi a gynigiwyd o £5 i £3. Ar sail defnydd 2018-19, byddai hyn yn creu cyfraniad ariannol o £12,168.**

Diolchodd yr Arweinydd i'r Pennaeth Gweithrediadau - Gwasanaethau Cymunedol am yr adroddiad, a dywedodd fod yr ymgynghoriad wedi bod yn gadarnhaol ac wedi cynnwys llawer o safbwyntiau. Adleisiodd yr Aelod Cabinet Cymunedau bwynt yr Arweinydd, a dywedodd fod y cynigion terfynol yn dangos ein bod yn gwrando ar y cyhoedd, yn gwerthfawrogi eu barn ac yn rhoi ystyriaeth i'w safbwyntiau.

Roedd yr Aelod Cabinet Llesiant a Chenedlaethau'r Dyfodol yn cytuno â'r pwyntiau hyn ac yn falch o weld ystyriaeth o safbwyntiau defnyddwyr gwasanaeth yn yr Asesiad Effaith Cydraddoldeb.

Gofynnodd i'r Pennaeth Gweithrediadau - Gwasanaethau Cymunedol am eglurhad ynghylch lefel y defnydd am ei bod hi'n ymddangos fel pe bai'r defnydd wedi gostwng.

Dywedodd y Pennaeth Gweithrediadau - Gwasanaethau Cymunedol fod hynny i'w ddisgwyl gan fod prisiau prynu cadeiriau olwyn a sgwteri symudedd yn gostwng o hyd, a'i bod hi'n haws eu storio ee, mewn cistiau ceir ac ati. Roedd llawer o bobl felly yn prynu un eu hunain gan fod hynny'n fwy cyfleus.

Gofynnodd yr Arweinydd i'r Pennaeth Gweithrediadau - Gwasanaethau Cymunedol am adolygiad o'r cynllun diwygiedig ymhen amser, er mwyn gweld sut yr oedd y newidiadau newydd wedi cael eu gweithredu, ac effaith y newidiadau hynny.

PENDERFYNWYD: Bod y Cabinet:

1. yn cymeradwyo gweithredu'r cynigion a ganlyn o 1 Ebrill 2020 er mwyn bodloni'r gofyniad i leihau cyllidebau yn y SATC yn gysylltiedig â gweithredu Cynllun Shopmobility Pen-y-bont ar Ogwr:
 - Newid amser agor Shopmobility o 08:30am - 5pm i 09:15am - 4pm
 - Cyflwyno ffi gofrestru flynyddol o £5, gan gynnwys y sesiwn logi gyntaf wrth adnewyddu aelodaeth neu ar gyfer aelodaeth newydd.
 - Cyflwyno ffi logi ddyddiol o £3
 - Yn rhoi awdurdod dirprwyol i'r Cyfarwyddwr Corfforaethol Cymunedau awdurdodi newidiadau i wasanaeth Shopmobility Pen-y-bont ar Ogwr yn y dyfodol.
2. Nodi y bydd Swyddogion yn parhau i chwilio am gyfleoedd i gefnogi'r gwasanaeth drwy gyllid grant allanol.

464. **LLEOLIADAU PROFIAD GWAITH I WEITHWYR SYDD YN GADAEI Y LLUOEDD ARFOG**

Cyflwynodd y Prif Weithredwr adroddiad a oedd yn hysbysu'r Cabinet ynghylch cyflwyno Cynllun Lleoliad Profiad Gwaith i weithwyr sy'n gadael y Lluoedd Arfog yn rhan o ymrwymiad y Cyngor i Gyfamod Cymunedol y Lluoedd Arfog.

Esboniodd fod Cynllun Gwarant Cyfweliad wedi cael ei gyflwyno'n ddiweddar, a sefydlwyd er mwyn rhoi sicrwydd o gyfweliad i rai sy'n gadael y Lluoedd Arfog. Byddai'r Cynllun Lleoliad Profiad Gwaith yn gweithredu ochr yn ochr â Rhaglen Profiad Gwaith CBSPO sydd wedi'i hen sefydlu, a oedd yn cynnig lleoliadau i unigolion o ystod eang o oeddrannau a chefnidiroedd.

Esboniodd y Prif Weithredwr y goblygiadau a oedd yn gysylltiedig â Deddf Llesiant Cenedlaethau'r Dyfodol (Cymru) 2015, a'r modd yr oedd y Cynllun Lleoliad Profiad Gwaith yn cyfrannu at y nodau llesiant. Amlinellodd y pum ffordd o weithio a ystyriwyd, fel yr amlinellwyd yn yr adroddiad.

Diolchodd yr Aelod Cabinet - Cymunedau i'r Prif Weithredwr am yr adroddiad, ac fel Hyrwyddwr y Lluoedd Arfog, roedd yn croesawu'r cynllun hwn. Esboniodd fod cyn-filwyr yn aml yn ei chael hi'n anodd ymaddasu ar ôl gadael y Lluoedd arfog, a dychwelyd i fyw mewn amgylchedd dinesig.

Ychwanegodd fod y cynllun yn gam cadarnhaol er mwyn cyflwyno llywodraeth leol i grŵp gwahanol o bobl a chanddynt sgiliau gwahanol i'w cynnig. Yr oedd yn falch mai CBSPO fyddai'r llywodraeth leol gyntaf yng Nghymru i gyflwyno menter fel hon.

Cyfeiriodd yr Arweinydd at dystiolaeth frawychus yn gysylltiedig â'r rhai a oedd yn gadael y Lluoedd arfog, gan ddweud bod iselder, digartrefedd a hunanladdiad yn llawer rhy gyffredin. Yr oedd yn falch ganddo gael gweld CBSPO yn darparu'r cynllun er mwyn cefnogi cyn-filwyr wrth iddynt adael y Lluoedd arfog. Gofynnodd a ellid rhannu'r cynllun hwn â'r holl gategoriâu a oedd yn rhan o'r Lluoedd arfog, fel eu bod yn ymwybodol o gynigion yr adroddiad.

PENDERFYNWYD: Bod y Cabinet:

1. Yn nodi bod cynllun lleoliad profiad gwaith yn cael ei weithredu ar gyfer gweithwyr sydd ar fin gadael y Lluoedd Arfog.

465. PENODI LLYWODRAETHWYR YR AWDURDOD LLEOL

Cyflwynodd y Cyfarwyddwr Corfforaethol - Addysg a Chymorth i Deuluoedd adroddiad a ofynnai am gymeradwyaeth y Cabinet i benodi llywodraethwyr awdurdod lleol i gyrff llywodraethu'r ysgolion a restrwyd yn yr adroddiad, ac i hysbysu'r Cabinet nad oedd penodiad llywodraethwr awdurdod lleol blaenorol wedi mynd rhagddo.

Esboniodd fod cyfanswm o 7 swydd wag, a bod 7 ymgeisydd wedi bodloni'r meini prawf ar gyfer llywodraethwyr awdurdod lleol. Dyma'r penodiadau a argymhellwyd:

Enw	Ysgol
Cyng. David Unwin	Ysgol Brynteg
Mrs Cheryl Board	Ysgol Gyfun Pencoed
Cyng. Sean Aspey	Ysgol Gyfun Porthcawl
Mrs Amanda Williams	Ysgol Gynradd Bracla
Mr Christopher Davies	Ysgol Iau Llangewydd
Mr Gary Chappell	Ysgol Gynradd Mynydd Cynffig
Mrs Janet Jones	Ysgol Gynradd y Drenewydd

Ychwanegodd fod atodiad A yr adroddiad yn cynnwys manylion y 25 o swyddi gwag eraill yr oedd angen eu llenwi mewn 17 o ysgolion.

Esboniodd y Cyfarwyddwr Corfforaethol - Addysg a Chymorth i Deuluoedd fod yr Aelodau, yng nghyfarfod y Cabinet ar 17 Medi 2019, wedi cymeradwyo penodi llywodraethwr lleol i gorff llywodraethu Ysgol Gynradd Notais. Fodd bynnag, nodwyd yn ddiweddarach nad oedd swydd wag i lywodraethwr yr awdurdod lleol ar y pryd, a bod y swydd wag wedi'i hysbysebu ar ddamwain. Dywedodd fod y sawl a benodwyd wedi cael gwybod am hynny, a bod y tîm bellach yn ymchwilio ymhellach i'r mater.

Diolchodd yr Aelod Cabinet Addysg ac Adfywio i'r gwirfoddolwyr a oedd wedi'u cynnig eu hunain am y swyddi, a gofynnodd a ellid hysbysebu'r swyddi gwag a oedd yn weddill ledled Pen-y-bont ar Ogwr. Dywedodd nad oedd angen i Gynghorwyr lenwi'r swyddi, ond y gallai aelodau o'r cyhoedd a oedd yn barod i wasanaethu'r gymuned hefyd ymgeisio.

PENDERFYNWYD: Bod y Cabinet:

1. Yn cymeradwyo'r penodiadau a restrwyd ym mharagraff 4.2 yr adroddiad.
2. Yn nodi'r wybodaeth a amlinellwyd yn 4.3 yn yr adroddiad.

466. ADRODDIADAU I'W NODI ER GWYBODAETH

Cyflwynodd y Prif Swyddog - Gwasanaethau Cyfreithiol, AD a Rheoleiddio adroddiad i hysbysu'r Cabinet am adroddiad i'w nodi er gwybodaeth a oedd wedi'i gyhoeddi ers ei gyfarfod diwethaf.

Rhoddodd amlinelliad o'r adroddiad ar Adroddiad Rheoli Trysorlys - Chwarter 3 2019-20, a gyhoeddwyd ar 15 Ionawr 2020.

Dywedodd fod y ddogfen wedi cael ei rhannu'n electronig ag Aelodau Etholedig drwy e-bost, a'i gosod ar wefan CBSPO.

PENDERFYNWYD: Bod y Cabinet yn nodi'r adroddiad.

467. EITEMAU BRYD

Dim

468. GWAHARDD Y CYHOEDD

PENDERFYNWYD: O dan Adran 100A (4) o Ddeddf Llywodraeth Leol 1972 fel y'i diwygiwyd gan Orchymyn Llywodraeth Leol (Mynediad at Wybodaeth) (Amrywio) (Cymru) 2007, y dylid gwahardd y cyhoedd o'r cyfarfod wrth ystyried yr eitem fusnes ganlynol, gan ei bod yn cynnwys gwybodaeth esempt fel y'i diffinnir ym Mharagraff 12 o Ran 4 ac/neu Baragraff 21 o Ran 5 o Atodlen 12A o'r Ddeddf.

Yn dilyn cymhwyso prawf budd y cyhoedd, penderfynwyd, yn unol â'r Ddeddf y cyfeirir ati uchod, ystyried yr eitem ganlynol yn breifat, gan wahardd y cyhoedd o'r cyfarfod, oherwydd ystyriwyd yn yr holl amgylchiadau a oedd yn gysylltiedig â'r eitem, fod y budd i'r cyhoedd yn sgil cynnal yr esemptiad yn gorbwyso'r budd

i'r cyhoedd yn sgil datgelu'r wybodaeth, oherwydd byddai'r wybodaeth yn niweidiol i'r ymgeiswyr y cyfeirid atynt.

469. RHAGLEN MODERNEIDDIO YSGOLION: BAND B

Daeth y cyfarfod i ben am 16:30

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BRIDGEND COUNTY BOROUGH COUNCIL

REPORT TO CABINET

25 FEBRUARY 2020

REPORT OF THE CHIEF EXECUTIVE

CORPORATE PLAN 2018-2022 REVIEWED FOR 2020-21

1. Purpose of Report

- 1.1 To seek Cabinet endorsement of the Council's Corporate Plan 2018-2022 reviewed for 2020-21 (Appendix A) prior to submission to Council for approval.

2. Connection to Corporate Improvement Objectives / Other Corporate Priorities

- 2.1 This report assists in the achievement of the following corporate well-being objectives (priorities):-

1. **Supporting a successful sustainable economy** – taking steps to make the county borough 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 borough.
2. **Helping people and communities to be more healthy and resilient** – taking early steps to reduce or prevent people from becoming vulnerable or dependent on the Council and its services. Supporting individuals and communities to build resilience and enable them to develop solutions to have active, healthy and independent lives.
3. **Smarter use of resources** – ensuring that all its resources (financial, physical, human and technological) are used as effectively and efficiently as possible and support the development of resources throughout the community that can help deliver the Council's priorities.

3. Background

- 3.1 The Corporate Plan 2018-2022, describes the council's vision for Bridgend County Borough, our 3 well-being objectives and our organisational values and principles that underpin how we will work to deliver our priorities.
- 3.2 The Plan represents our contribution to achieving the 7 national well-being goals as set out in the Well-being of Future Generations (Wales) Act 2015 and our improvement objectives under the Local Government (Wales) Measure 2009.

4. Current Situation / Proposal

- 4.1 The Corporate Plan has been refreshed for 2020-21. This follows a corporate planning process carried out between October 2019 and January 2020 to

review progress, streamline the plan to focus on key priority areas and to further maximise our contribution to the national well-being goals.

- 4.2 The revised Corporate Plan includes minor changes to our well-being objectives, new priority areas to effectively direct resources towards shared outcomes and new commitments to accelerate the pace of progress, and aims to improve alignment with the 7 well-being goals.
- 4.3 There are a number of new success measures in the Plan (some of which are new national indicators), linked to our commitments to ensure we can monitor progress. Where possible targets have been set to help drive improvement - in the case of new indicators with no benchmark information, the target is to establish a baseline.
- 4.4 On 13th February 2020, the Corporate Overview and Scrutiny Committee considered the revised draft Plan. The Committee made a series of constructive comments for amendment and inclusion. All the comments have been duly considered and wherever feasible, appropriate amendments made to the Plan.
- 4.5 The Plan will be reviewed annually to take into account changing circumstances and progress made against the well-being objectives and to ensure that the requirements of Local Government (Wales) Measure 2009 and the Well-being of Future Generations (Wales) Act 2015 are met.
- 4.6 Once approved, this Plan replaces the current Corporate Plan. Delivery will be supported by the MTFS and directorate business plans. It will be monitored quarterly through the Corporate Performance Assessment process, directorate management team meetings and the Corporate Overview and Scrutiny Committee.

5. Effect upon Policy Framework & Procedure Rules

- 5.1 The Council's Corporate Plan forms part of the Policy Framework.

6. Equality Impact Assessment

- 6.1 A full Equality Impact Assessment was undertaken when the Plan was developed. Consideration was given to the potential impact on protected groups within the community and on how to avoid a disproportionate impact on people within these groups. Separate EIAs will be undertaken when proposals for carrying out the Plan are developed and implemented.

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

- 7.1 The Well-being of Future Generations (Wales) Act 2015 provides a framework for embedding sustainable development principles within the activities of Council and has major implications for the long-term planning of finances and service provision. The 7 well-being goals identified in the Act have driven the Council's three well-being objectives.

7.2 A well-being assessment of the impact of the Corporate Plan has been completed (Appendix B).

8. Financial Implications

8.1 There are no financial implications arising from this report. The Corporate Plan is closely aligned to the Medium Term Financial Strategy which sets out the resources for delivering the council's corporate plan.

9. Recommendation

9.1 That the Cabinet endorse the Corporate Plan 2018-2022 reviewed for 2020-21 and recommend it to Council for approval on 26th February 2020.

Mark Shephard, Chief Executive

Contact Officer: Gill Lewis, Interim Head of Finance and 151 Officer
Telephone: 01656- 643224; email: gill.lewis@bridgend.gov.uk

Background Documents – Medium Term Financial Strategy 2020-21 to 2023-24

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**One Council Working Together
to Improve Lives**

Corporate Plan 2018-2022 reviewed for 2020-2021

INTRODUCTION

Welcome to the Council's revised corporate plan for 2020-21.

The Council delivers, or enables, many hundreds of services across all the diverse communities within the County Borough of Bridgend. Like all parts of the public sector across the UK, the Council is very much a people business. We are confronted with significant challenges, increased demand, such as meeting the needs of a growing number of older residents, new legislation as well as challenges such as Brexit and how best to embrace new technology in how we deliver services.

This corporate plan in no way attempts to include every service that the Council delivers or will deliver in the coming years. What it does, is set out our well-being objectives; the long-term outcomes that we want to achieve for the county borough and for the people we are privileged to serve. We want to contribute to a place where people love to live, work, study and do business, where people have the skills and qualifications they need to improve their life chances, enjoy good health and a sense of well-being and independence. One of the most significant changes in April 2019 was the transfer of all health services within Bridgend County Borough from Abertawe Bro Morgannwg University Health Board to the new Cwm Taf Morgannwg University Health Board.

We will need to prioritise where we spend our money if we are to make smarter use of our resources. It will mean investing in those things that make the most difference to outcomes for local people. Enhanced and intelligent collaboration with the private sector, other public sector partners and the third sector is crucial, as is ongoing engagement with our citizens, to gain a better mutual understanding of what they feel the Council should focus on to enable us to create workable solutions together. Against this backdrop we have to be honest with our communities and partners in saying that the Council can no longer deliver all of the services it once did or always to the same level as in previous years. However, we remain committed to making smarter use of our resources, in supporting and protecting the most vulnerable in our communities and building an economically sound county borough that meets the needs of our citizens in the future.

Our Corporate Plan 2018-22, reviewed for 2020-21 sets out the changes the Council is making through its well-being objectives and what its focus will be over the next year, as part of a four year plan. This plan represents our ambitions and commitments to our citizens and our contribution to Wales' seven well-being goals as outlined in the Well-being of Future Generations (Wales) Act 2015.

In reviewing this plan for 2020-21, we further developed our well-being objectives and aims. We also reviewed the priority areas which are integral to us meeting our well-being objectives. A lot of the commitments listed in the plan are ambitious and some are in the early stages of development. We therefore review these annually to ensure we are progressing with these in line with our long term ambitions and the resources available to us. As part of this year's review we have also introduced a suite of new indicators to better focus on measuring our achievements in improving the lives of those we serve. These new measures also support and drive forward our sustainability principles. We check our performance regularly to see how successful we are in achieving what we set out to do.

We welcome your comments on this corporate plan and your suggestions for improvement. Ways of providing feedback are found at the back of this report.



Councillor Huw David
Leader of the Council



Mark Shephard
Chief Executive



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A SNAPSHOT OF BRIDGEND COUNTY BOROUGH

In Numbers



Population	144,876
Size	98.5 square miles
Households	64,766
Average House Price	£150,412 (UK HPI: April 2019)
Active Businesses	4,160
People in Employment	72.1% (June 2019)
Average (median) salary	£28,418 (Welsh average £26,468)

Representation

Wards	39
Councillors	54
Constituency AMs	2
Regional AMs	4
MPs	2

Education

Primary schools	39
Secondary schools	7
Faith schools	6
Special schools	2
Pupil referral unit	1
Welsh language schools	5

Homelessness

Homeless hostels	2
Domestic abuse refuges	2
Rough sleepers provision	2
Supported and temporary accommodation schemes	8

Leisure and Well-being

Swimming Pools	5
Life centres & sports facilities	9
Libraries	11

Social Care

Extra Care Homes	3
Reablement Unit	1
Resource Centre for people with complex needs	1

We develop, manage and maintain **280 hectares** of open spaces, including children's play areas, sports pitches, commons, highway verges, landscapes and horticultural features.



Total Council Income (2020-21)



Council Tax	£83.758m
Non-Domestic Rates	£49.685m
Revenue Support Grant (Welsh Government)	£153.442m
Other funding	£134.615m
Total Gross Income	£421.500m

We have **4,225** full-time equivalent staff delivering over **800** separate services that include:

Education and schools, social care, safeguarding our most vulnerable adults and children; youth justice, planning and building control, housing support, maintaining highways and public transport, refuse and recycling, street cleaning and safety, parks, environmental and natural resources protection, play areas, food hygiene, licensing, health and safety inspectors, collecting revenues and administering benefits, elections, sports, arts and libraries, supporting employment, business and tourism, special events and festivals.

OUR VISION, PRINCIPLES AND VALUES

Our Vision

In formulating this corporate plan the Council has considered the type of organisation it wants to be. Our vision is to act as

“One Council working together to improve lives”.

We will do this by delivering our well-being objectives. Achieving this will improve the quality of life of all those living and working in the county borough. This plan represents our ambitions and commitments to our citizens and sets out our contribution to Wales’ seven well-being goals as outlined in the Well-being of Future Generations (Wales) Act 2015.

This means that we will become a smaller, more flexible and innovative local authority that works with partners and local communities to create a future in which residents have access to a more responsive and tailored service. It will also mean that residents take greater responsibility for making that happen, to improve their own resilience and for that of the community as a whole.

Our Principles

A number of key principles underpin how we work. They highlight the importance of working in partnership with our citizens, our communities and with other organisations to develop and deliver sustainable services. Together, we will identify and meet local need as best we can:

- To support communities and people to create their own solutions and reduce dependency on the Council.
- To focus diminishing resources on communities and individuals with the greatest need.
- To use good information from service users and communities to inform its decisions.
- To encourage and develop capacity amongst the third sector to identify and respond to local needs.
- To not let uncertainty over the future of public services prevent meaningful and pragmatic collaboration with other public sector bodies.
- To work as one Council and discourage different parts of the organisation from developing multiple processes or unnecessarily different approaches.
- To transform the organisation and many of its services to deliver financial budget reductions as well as improvements.

These principles highlight the importance of other organisations in delivering services to meet local needs. The Council has a track record of working with the third sector, the not-for-profit sector and the private sector, each of which already provides some services for the Council. We will continue to build on this approach for the duration of this plan.

These principles, together with the Council’s values, support the principle of sustainable development defined by the Well-being of Future Generations (Wales) Act 2015. Sustainable development is about improving the way in which we can achieve our economic, social, environmental and cultural well-being by focusing on the long term, prevention, integration collaboration and involvement. It will underpin everything we do and help us make the county borough a great place for people to live, work, study and visit.

Our Values

These represent what we stand for and shape how we work:

Fair - taking into account everyone's needs and situation

Ambitious - always trying to improve what we do and aiming for excellence

Citizen-focused - remembering that we are here to serve our local communities

Efficient - delivering services that are value for money

Our principles, together with our values, support the principle of sustainable development defined by the Well-being of Future Generations (Wales) Act 2015. Sustainable development is about improving the way in which we can achieve our economic, social, environmental and cultural well-being by focusing on the long term, prevention, integration collaboration and involvement. It will underpin everything we do and help us make the county borough a great place for people to live, work, study and visit.

WELL-BEING OBJECTIVES

The Well-being of Future Generation (Wales) Act 2015 has been put in place to make sure that public bodies are doing all they can to improve the social, economic, environmental and cultural well-being of Wales.

The Act introduces seven long-term well-being goals, puts in place a sustainable development principle, and defines five ways of working that public bodies will need to adopt to show they have applied the sustainable development principle.

This document sets out a small number of important long-term objectives we want to achieve. These are our well-being objectives under the Well-being of Future Generations (Wales) Act 2015. They are also our improvement objectives under the Local Government (Wales) Measure 2009.

In setting our well-being objectives we set out what we aim to achieve and why they are important. Our well-being objectives are integrated, which ensures we are working together to achieve shared outcomes. This plan sets out the steps we will take and identifies the priority areas to drive improvements. Details on how we have already made progress towards these objectives can be found in our Annual Report 2018-19.

Our well-being objectives



In this plan, we have laid out the Council's commitment to the well-being goals and embedded the sustainable development principles of the Act. We have made sure that, when we make decisions, we take into account the impact they could have on people living their lives in Wales both today and in the future.

Our contribution to the well-being goals

This report sets out the contribution our well-being objectives make to the seven well-being goals. These are set out below:

Well-being Goal	Well-being Objective		
	Supporting a successful sustainable economy	Helping people and communities to be more healthy and resilient	Smarter use of resources
A prosperous Wales	✓		✓
A resilient Wales			✓
A healthier Wales	✓	✓	✓
A more equal Wales	✓	✓	✓
A Wales of cohesive communities	✓	✓	✓
A Wales of vibrant culture and thriving Welsh language	✓	✓	
A globally responsible Wales	✓		✓

How we are using the five ways of working

In addition to the seven well-being goals, the Well-being of Future Generations (Wales) Act 2015 puts in place the sustainable development principle, and defines the five ways of working that public bodies must adopt to demonstrate they have applied the sustainable development principle. The five ways of working are:

Long term – The importance of balancing short-term needs with the need to safeguard the ability to also meet long term needs.

Prevention – We are being proactive in resources into preventing problems occurring or getting worse.

Integration - Considering how our well-being objectives may impact upon each of the well-being goals, or on the objectives of other public bodies.

Collaboration - Acting in collaboration with any other person/organisation or different parts of the local authority to deliver our well-being objectives.

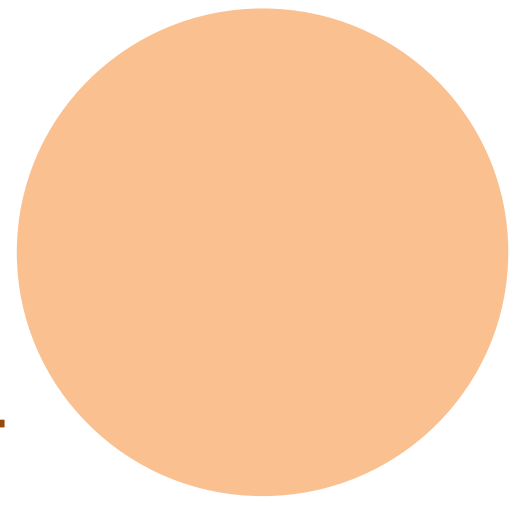
Involvement - The importance of involving people with an interest in achieving the well-being goals, and ensuring that those people reflect the diversity of the areas which we serve.

We have embedded the five ways of working, as expressed in the Well-being of Future Generations (Wales) Act 2015 into our principles.

5 Ways of Working	Long term	Prevention	Integration	collaboration	Involvement
					
Our Principles					
To support communities and people to create their own solutions and reduce dependency on the Council.					
To focus diminishing resources on communities and individuals with the greatest need.					
To use good information from service users and communities to inform its decisions.					
To encourage and develop capacity amongst the third sector to identify and respond to local needs.					
To not let uncertainty over the future of public services prevent meaningful and pragmatic collaboration with other public sector bodies.					
To work as one Council and discourage different parts of the organisation from developing multiple processes or unnecessarily different approaches.					
To transform the organisation and many of its services to deliver financial budget reductions as well as improvements.					

WELL-BEING OBJECTIVE 1

SUPPORTING A SUCCESSFUL SUSTAINABLE ECONOMY



This means we will take steps to make the county borough a great place to do business, for people to live, work, study and visit, and to ensure that our schools are focussed on raising the skills, qualifications and ambitions for all people in the county borough.

Our well-being aims

- To support local people develop skills and take advantage of opportunities to succeed.
- To create conditions for growth and enterprise.
- To create town centres and communities that improve the quality of life for citizens.

Why these are important

Our citizens have told us that a local, vibrant economy is one of their top priorities. We want to build a county borough where people have more opportunities to secure a meaningful job, develop a career and improve their family income and circumstances.

Helping us to achieve our ambition of a successful sustainable economy, the Council, along with key partners, is working on a number of projects which will deliver the outcomes to help Bridgend thrive over the long term. These include:

- A Replacement Local Development Plan (LDP), which sets out our objectives for the development and use of land in the county borough up to 2033, including the need to build around 7,500 homes.
- The Cardiff Capital Region City Deal, which the local authority is part of, with the aim of creating 25,000 jobs across the entire region and bringing in £4bn of private sector investment by 2036. The City Deal includes four strategic themes which will benefit the county borough - skills and employment, innovation, connecting the region and infrastructure.
- The Valley's task force programme, an initiative the local authority is committed to, along with other South East authorities, which includes supporting the Maesteg Town Hall project, along with grant programmes for housing and business and tourism investment across the valleys, including the £6.6m Valleys Regional Park programme.

We know that higher levels of prosperity boost health and well-being and create more resilient communities needing fewer services. For future prosperity and long-term resilience, our town centres and businesses need to thrive and be profitable to generate wealth, provide better jobs, attract investment, reduce economic inactivity and improve skills and encourage visitors.

We will work towards the principles of the foundation economy model – better jobs closer to home which will nurture and grow local economies by stimulating meaningful employment in communities with high levels of unemployment. We will seek to boost economic development throughout the County Borough through a range of activities including the development of enterprise hubs and direct business support packages.

We believe that education remains the most important lever for improving the life chances and resilience of young people. Our future long-term prosperity depends on the skills and knowledge of our communities.

Estyn (Her Majesty's Inspectorate for Education and Training in Wales) inspected the local authority in March 2019 under the new Local Government Education Services (LGES) Inspection framework, introduced in September 2018. The inspection identified many strengths that the local authority has in providing education to its learners, but also recognised some areas that we need to improve in.

We recognise that we must support the diverse needs of our young people and promote their well-being so they can fulfil their potential, through the medium of English and Welsh. We have prioritised the need to raise standards of achievement for all our young people. We also recognise that we need to improve education for key groups of learners to help them to achieve their full potential, focussing on numeracy, literacy, vulnerable young people, those currently in the care system as well as our more able and talented pupils. We know we will need to continue the focus on addressing inequality in achievement, participation and progression to further study or equipping young people with the skills to move into employment.

It is important to balance these long term projects with activities that address the short and medium term needs of Bridgend. To that end, we have identified two priority areas that will drive these forward over the duration of this corporate plan:

Our priority areas to support this well-being objective

- **Improve learner outcomes** – To inspire and support children, adults and families to achieve better outcomes; leading to prosperous, healthy, safe and happy communities.
- **Growth and prosperity** - Promote the conditions for growth and prosperity by supporting people and business to take advantage of the opportunities to help them succeed.

Who will help us?

Bridgend Business Forum; City Deal partners; Bridgend College and training providers; schools; Careers Wales; Job Centre Plus.

Steps we will take to support this well-being objective

To help improve learner outcomes we will

Sustain the current good performance of key stage 4.

Raise standards of literacy in primary schools.

Improve outcomes for post-16 learners in sixth forms.

Deliver the priorities in the Welsh in Education Strategic Plan (WESP) to promote Welsh medium education and increase the number of Welsh speakers to support Cymraeg 2050.

To support growth and prosperity we will

As part of regeneration to support the growth and prosperity of the county borough two key developments are planned:

- Redevelopment of Maesteg Town Hall providing improved community facilities to include the town library, performance spaces, offering improved accessibility for visitors and creating jobs.
- Complete on the sale of Salt Lake Development for food retail as part of an ambitious regeneration scheme in Porthcawl.

Create better town centres through improving property and the environment.

Through Employability Bridgend, work with individuals to improve their job opportunities and reduce economic inactivity.

Providing the right infrastructure and support for business to thrive by:

- Supporting business start ups
- Supporting resilience of businesses - (enterprise hubs)
- Developing procurement strategies to boost the foundational economy

Improving the visitor experience to boost tourism:

- Enhancing the natural environment through Valleys Regional Park
- Deliver the Porthcawl Resort Investment Focus (PRIF) programme

How will we know we are successful?

By monitoring our measures of success, we will be able to keep track of performance to help drive improvements to achieve the following outcomes:

Priority area: Improve learner outcomes

Success Indicators	Actual 2018-19	Target 2019-20	Target 2020-21
Average capped 9 score for pupils in Year 11.	357.2	Establish baseline	363.0
Percentage of pupils, at end of foundation phase, achieving Outcome 5 or above in teacher assessments for LLC-E and LLC-W (Language Literacy and Communication in English and Welsh).	84.7%	84.9%	85.1%
Percentage of pupils assessed at the end of key stage 2, in schools maintained by the local authority, achieving the expected outcome in English/Welsh first language, as determined by teacher assessment.	90.0%	90.0%	90.2%
Percentage of pupils at A level achieving 3 A*-C grades.	54.2%	Establish baseline	55.6%
Percentage of Year 1 learners being taught through the medium of Welsh.	8.7%	8.7%	8.7%

Priority area: Growth and prosperity

Success Indicators	Actual 2018-19	Target 2019-20	Target 2020-21
The number of participants in the Employability Bridgend programme going into employment.	N/A	180	200
The number of vacant premises in town centres: a) Bridgend b) Maesteg c) Porthcawl d) Pencoed	a) 60 b) 10 c) 11 d) 6	a) 60 b) 10 c) 11 d) 6	a) 60 b) 10 c) 11 d) 6
The number of visitors to town centres- footfall for a) Bridgend b) Porthcawl	a) 2,160,100 b) 6,761,710	a) 2.5m b) 7.2m	a) 2.5m b) 7.3m
Financial value of externally funded town centre regeneration projects underway/in development	£20.8m	£13m	£13m
The number of participants in the Employability Bridgend programme going into employment.	N/A	180	200
Number of start-up business.	460	461	462
Total annual expenditure by tourists.	£347.3m	2% increase	2% increase

WELL-BEING OBJECTIVE 2

HELPING PEOPLE AND COMMUNITIES TO BE MORE HEALTHY AND RESILIENT

This means we will work with our partners, including the people who use our services to take steps to reduce or prevent people from becoming vulnerable or dependent on the Council and its services. We will support individuals and communities to build resilience, and enable them to develop solutions to have active, healthy and independent lives.

Our well-being aims

- To give people more choice and control over what support they receive by providing early access to advice and information.
- To reduce demand through targeted early help and intervention programmes.
- To develop more active, healthy and resilient communities by working in partnership with the third sector, town and community councils and community groups.

Why these are important

Local authorities have a role to play in helping individuals and communities to develop social capital. There is growing recognition that although disadvantaged social groups and communities have a range of complex and inter-related needs, they also have assets at the social and community level that can help improve health, and strengthen resilience.

The Council is committed to taking asset-based approaches to improving health and building resilience for well-being. By intervening early and focusing on preventative services we can help people and communities to be more independent, less reliant on council services and more likely to achieve better outcomes. At the service delivery level, timely and appropriate interventions help reduce costs which helps safeguard the sustainability of services ensuring the Council can effectively support those with greatest need.

The prevention and well-being focus within the Council has allowed assets such as community centres to re-design the service model so that they now offer a wider range of services that support better physical health and emotional well-being.

The positive impact of housing on standards of health and overall well-being, means housing is increasingly seen as a primary preventative measure in building resilience. Empty properties are a wasted resource and a missed opportunity to improve well-being. The Council is committed to reducing the number of empty properties across the county borough and help contribute towards increasing the availability of quality affordable housing for sale or for rent. The additional wider

benefits include improving the aesthetic of the local environment, creating training and job opportunities. The Council will work collaboratively with external partners providing responsive, creative and innovative approaches to prevent and relieve homelessness, ensuring accessibility to suitable accommodation with the appropriate support.

Our priority areas to support this well-being objective

- **Developing and enhancing community support and services** – Ensuring there are high quality, seamless opportunities, support and services in place for those who need our help to enable them to remain independent for as long as possible.
- **Building resilient communities** – Working with our partners and communities we will develop through co-production new and innovative alternatives to improve well-being and to support and sustain delivery. New service models will be sustainable and less reliant on the Council and will reflect a positive shift in responsibility by empowering other organisations and local people.
- **Better health and well-being** – Improve the physical, mental and emotional well-being of children and young people and vulnerable citizens, to ensure they can thrive and fulfil their potential.

Who will help us?

We will work with partners to help achieve our aims, in particular the NHS, Police, Awen, Halo and the third sector. Similarly, Registered Social Landlords (RSLs) and private sector landlords are also essential partners.

We also work collaboratively on a regional basis as members of the Cwm Taf Morgannwg Partnership Board. In addition, our key stakeholders, the people who use social care, play a vital role in helping design services that best meet need.

Steps we will take to support this well-being objective

To develop and enhance community support and services we will

Expand a range of integrated community services to 7 days – over an extended day

Target the use of early intervention services to reduce demand on statutory services.

To build resilient communities we will

Continue the safe reduction of looked after children to ensure young people are supported to live with their families and where this is not possible alternative permanence options are achieved at the earliest opportunity.

Enable community groups and the third sector to have more voice and control over community assets, supporting sporting clubs and other organisations to transfer assets to the community.

Work with households and partners to provide a range of accommodation options to prevent people from becoming homeless, and support vulnerable people to prevent homelessness and escalation into statutory services.

Work with landlords to return empty properties back into use helping to increase the availability of affordable housing for sale or rent.

To support better health and well-being we will

Improve the quality of care and support provided to individuals at home through a multidisciplinary team around people in our Community Cluster Networks, ensuring timely and responsive assessments that are people centred and meet need. This will also improve our ability to anticipate future need and ensure contingency plans are in place.

Increase participation in leisure and cultural activities by improving accessibility, removing barriers to involvement and creating age friendly communities.

How will we know we are successful?

By monitoring our measures of success, we will be able to keep track of performance to help drive improvements to achieve the following outcomes:

Priority Area: Developing and enhancing community support and services

Success Indicators	Actual 2018-19	Target 2019-20	Target 2020-21
Number of people aged 65+ referred to Community Resource Team.	N/A	N/A	Establish baseline
Number of referrals to Community Resource Team on Saturday, Sunday and Monday.	N/A	N/A	Establish baseline
Percentage of reablement packages completed that: a) Reduced the need for support b) Maintained the same level of support c) Mitigated the need for support	N/A	N/A	Establish baseline

Priority Area: Building resilient communities

Success Indicators	Actual 2018-19	Target 2019-20	Target 2020-21
Number of council owned assets transferred to the community for running.	4	5	40
Percentage of households threatened with homelessness successfully prevented from becoming homeless.	70.6%	70%	72%
Percentage of people presenting as homeless or potentially homeless, for whom the local authority has a final legal duty to secure suitable accommodation.	8.1%	11.85%	10%
Number of additional dwellings created as a result of bringing empty properties back into use.	N/A	5	7
Percentage of private sector dwellings that had been vacant for more than 6 months at 1 April that were returned to occupation during the year through direct action by the local authority.	8.41%	5%	6%
The number of children and young people looked after.	381	378	375

Priority Area: Better health and well-being

Success Indicators	Actual 2017-18	Target 2018-19	Target 2019-20
Percentage of completed TAF (Team Around the Family) support plans that close with a successful outcome.	69%	72%	73%
Percentage of individuals in managed care supported in the community.	N/A	N/A	Establish baseline
Percentage of individuals in managed care supported in a care home setting.	N/A	N/A	Establish baseline
Number of individuals engaged/supported in targeted programmes linked to leisure and cultural facilities and services.	N/A	N/A	Establish baseline
Number of people who have improved access to leisure and cultural activities by reducing cost as a barrier to taking part.	N/A	N/A	Establish baseline

WELL-BEING OBJECTIVE 3

SMARTER USE OF RESOURCES

This means we will ensure that all of our resources (financial, physical, ecological, human and technological) are used as effectively and efficiently as possible and support the creation of resources throughout the community that can help to deliver the Council's well-being objectives.

Our well-being aims

- To ensure that the council is financially sustainable over the longer term.
- To improve the efficiency of, and access to, services by redesigning our systems and processes.
- To work collaboratively to make the most of natural and physical assets.
- To develop the culture and skills required to meet the needs of a changing organisation.

Why these are important

We recognise we need to continue to make smarter use of our resources, looking at different ways of delivering services, embracing technology and working with partners and our communities to deliver financially sustainable services for the long term. In this way we can maximise our contribution to achieving our well-being objectives and improving well-being for our citizens while achieving those planned savings.

Over the past four years, we have made budgetary savings of more than £27 million. Some of the ways we have done this include:

- streamlining senior management and reducing our workforce by more than 400 employees
- relocating staff and closing some council premises
- developing more online services

Also, we have remodelled two children's homes, removed surplus properties and assets, and reorganised our back office services.

Despite the changes made to date, we still have to make a further £29 million saving by 2024, which is currently 10.8% of our net budget. Some big decisions will need to be made on what we will and will not provide as a Council. Our staff are integral to the delivery of services and we will need to increase the capabilities of our workforce as the organisation continues to change, making savings, whilst still improving the social, economic, cultural and environmental well-being of our citizens.

Over the longer term this well-being objective is essential for the sustainability of council services and for the local economy. The transition to decarbonisation outlined in the Local Area Energy

Strategy (up to 2025) is one of the largest economic development opportunities Bridgend County Borough will have in the next 30 years. Working with others we also need to better manage our natural resources, seek to maintain and enhance biodiversity as well as continuing to consider how best to dispose of waste, with an emphasis on reducing, reusing and recycling.

Through our Corporate Landlord model we are transforming the council's estate, with an on ongoing disposals programme to have fewer but better buildings, reducing maintenance backlogs and running costs, whilst also reducing our carbon footprint.

By generating capital receipts from our disposals programme, we will continue to build new schools and improve the conditions of our existing school buildings to provide better teaching and learning environments for our pupils whilst also maximising community usage of these facilities.

We recognise that having access to technology for online study can support positive outcomes for learners. As part of the Learning in Digital Wales Programme funded by Welsh Government, £2m will be invested in our schools to provide high speed and quality broadband, together with new and replacement classroom-based, end-user devices.

Over the short and medium term this corporate plan will focus on the following priority areas to help deliver improvements:

Our priority areas to support this well-being objective

- **Transforming the council's estate** - Ensure the Council's estate is appropriately developed and utilised to improve service delivery, reduce running costs, minimise our impact on the environment and provide the best possible setting to meet the needs of all users including citizens.
- **Areas of corporate change** - We will adapt our ways of working to ensure the effective delivery of our well-being objectives. Embracing innovation and technology, developing the skills and approaches of staff and adopting alternative ways of working will ensure the Council is equipped to respond to future challenges.
- **Environmental sustainability** - Programmes of work that protect and safeguard the environment for future generations by lowering the Council's carbon footprint, enhancing reduction, re-use and recycling of materials and promoting environmental awareness and responsibility with our communities.

Who will help us?

Employees; Schools; Contractors; Trade Unions

Steps we will take to achieve our well-being objective

To transform the council's estate we will

Have fewer better buildings. Dispose of or release surplus land and buildings to generate capital receipts and reduce our financial liabilities and improve those buildings which are retained.

Provide sufficient school places in the right areas by delivering 21st Century Schools' under the council's schools' modernisation programme

To support areas of corporate change we will

Work with the regional delivery group to identify and agree regional procurement frameworks fit for purpose to deliver economies of scale on common and repetitive spend.

Provide support to facilitate organisational and cultural change and develop, support and engage with our workforce to ensure that they are equipped to meet current and future challenges.

Implement the planned budget reductions identified in the MTFS, in particular for the 2020-21 financial year, set annual balanced budgets and establish long term financially sustainable solutions.

Embrace and invest in innovation and technology including improvements in connectivity and new and replacement classroom-based, end-user devices in our schools.

To support environmental sustainability we will

Invest £1.3 million to install energy and cost saving technologies to reduce our energy consumption and CO2 emissions

Implement a sustainable local area energy plan with a programme of work throughout the county borough to improve the carbon footprint for all residents, including schemes such as the:

- Caerau Minewater Heat Scheme,
- Bridgend Heat Network

Continue to exceed the national recycling targets and increase opportunities for reuse of materials by :

- building a new community recycling centre with a reuse centre,
- recycling street scene waste,
- raising public awareness of how to reduce, reuse and recycle by using public campaigns and publicity

Maintain and enhance the natural resources and biodiversity of Bridgend County Borough.

How will we know we are successful?

By monitoring our measures of success, we will be able to keep track of performance to help drive improvements to achieve the following outcomes:

Priority Area: Transforming the councils' estate

Success Indicators	Actual 2018-19	Target 2019-20	Target 2020-21
Percentage surplus capacity in primary schools.	4.9%	10%	10%
Percentage surplus capacity in secondary schools.	22%	18%	18%
Realisation of capital receipts targets.	£1.821m	£2.8m	£600k
Percentage of BCBC operational buildings achieve full statutory compliance.	N/A	100%	100%

Priority Area: Areas of corporate change

Success Indicators	Actual 2018-19	Target 2019-20	Target 2020-21
Percentage of staff participating in the staff survey.	41.5%	43%	44.5%
Percentage of managers attending the Managers Induction programme who rated it excellent or good.	N/A	N/A	80%
Percentage budget reductions achieved (Overall BCBC budget).	91.7%	100%	100%
Percentage of indoor learning space in primary schools benefitting from high speed Wi-Fi connectivity for 30+ simultaneous devices.	N/A	N/A	100%
Percentage of indoor learning space in secondary schools benefitting from high speed Wi-Fi connectivity for 30+ simultaneous devices.	N/A	N/A	100%

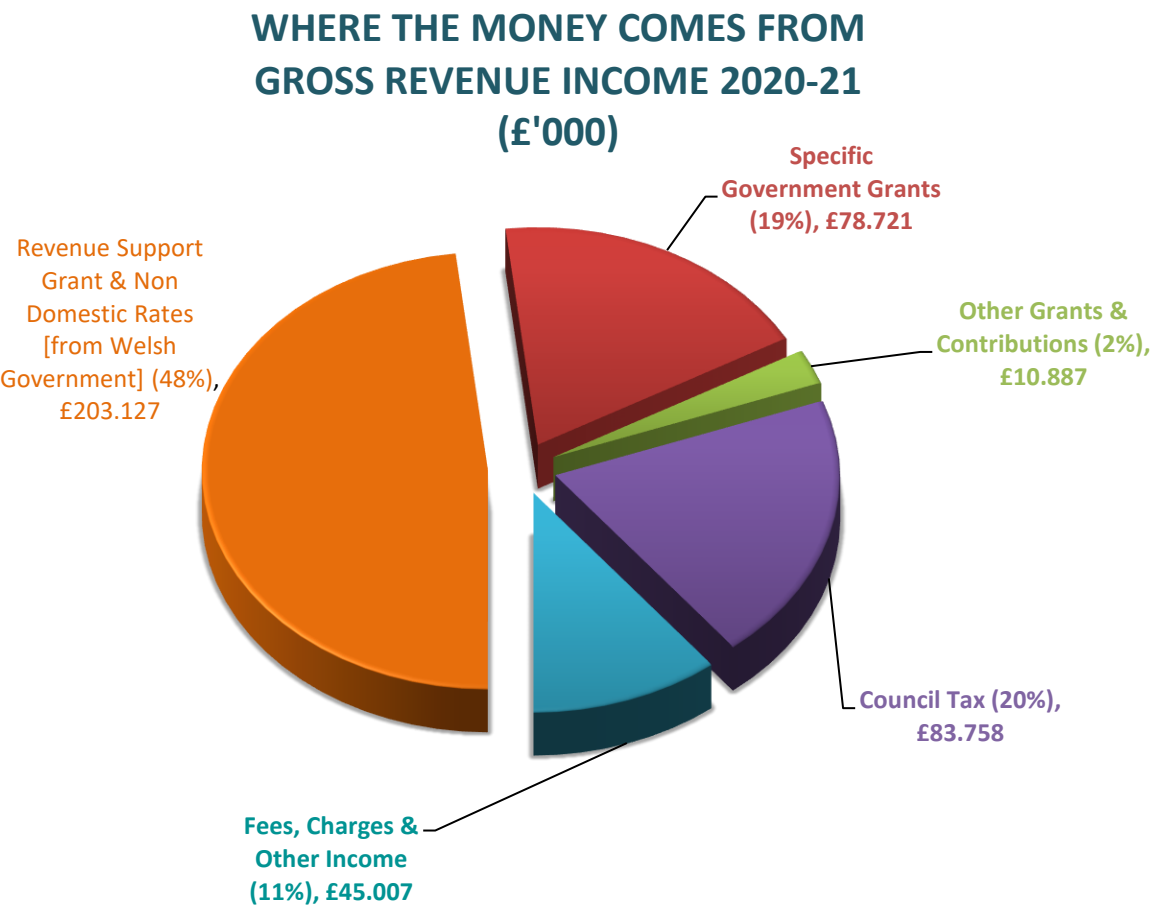
Priority Area: Environmental sustainability

Success Indicators	Actual 2018-19	Target 2019-20	Target 2020-21
Annual gas consumption across the local authority - kWh	N/A	N/A	Establish baseline
Annual electricity consumption across the local authority - kWh	N/A	N/A	Establish baseline

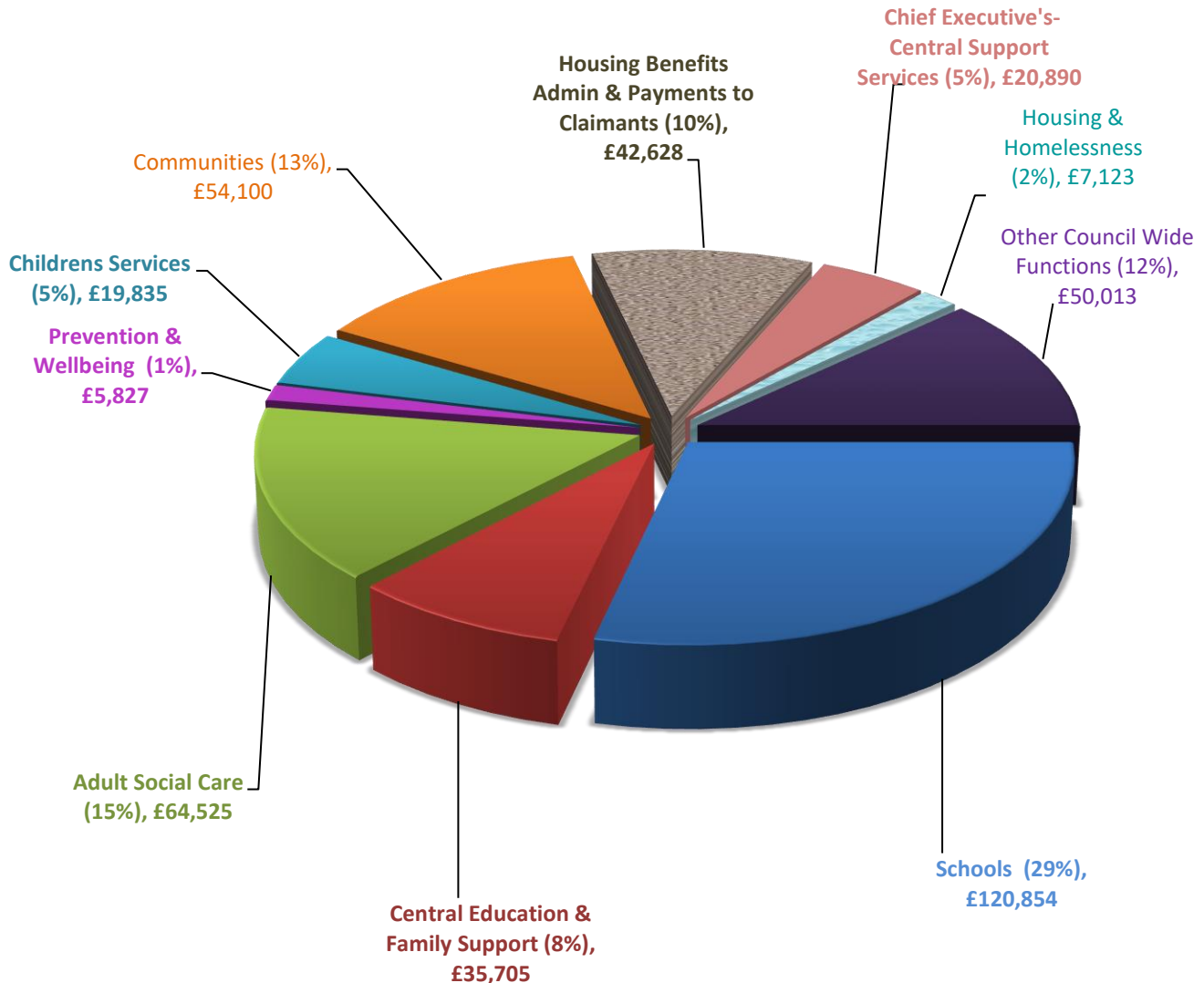
Success Indicators	Actual 2018-19	Target 2019-20	Target 2020-21
Annual CO2 emissions related to gas consumption across the local authority - kWh	N/A	N/A	Establish baseline
Annual CO2 emissions related to electricity consumption across the local authority - kWh	N/A	N/A	Establish baseline
Kilograms of residual waste generated per person.	122.95kg	130kg	130kg
Percentage of waste reused, recycled or composted	69.39%	69%	69%
a) reuse	2.56%	3%	4%
b) recycled	45.96%	46%	46%
c) composted	20.87%	21%	21%
Percentage of street cleansing waste prepared for recycling.	N/A	N/A	20%
Undertake schemes to increase the County Borough's tree cover	N/A	N/A	3 schemes
Deliver community biodiversity schemes	N/A	N/A	3 schemes
Undertake Local Nature Reserve Enhancement projects	N/A	N/A	4 projects

Managing our Budget

The charts below outline our income and spending plans for 2020-21. The Council's gross revenue income for 2020-21 is £421.5 million.



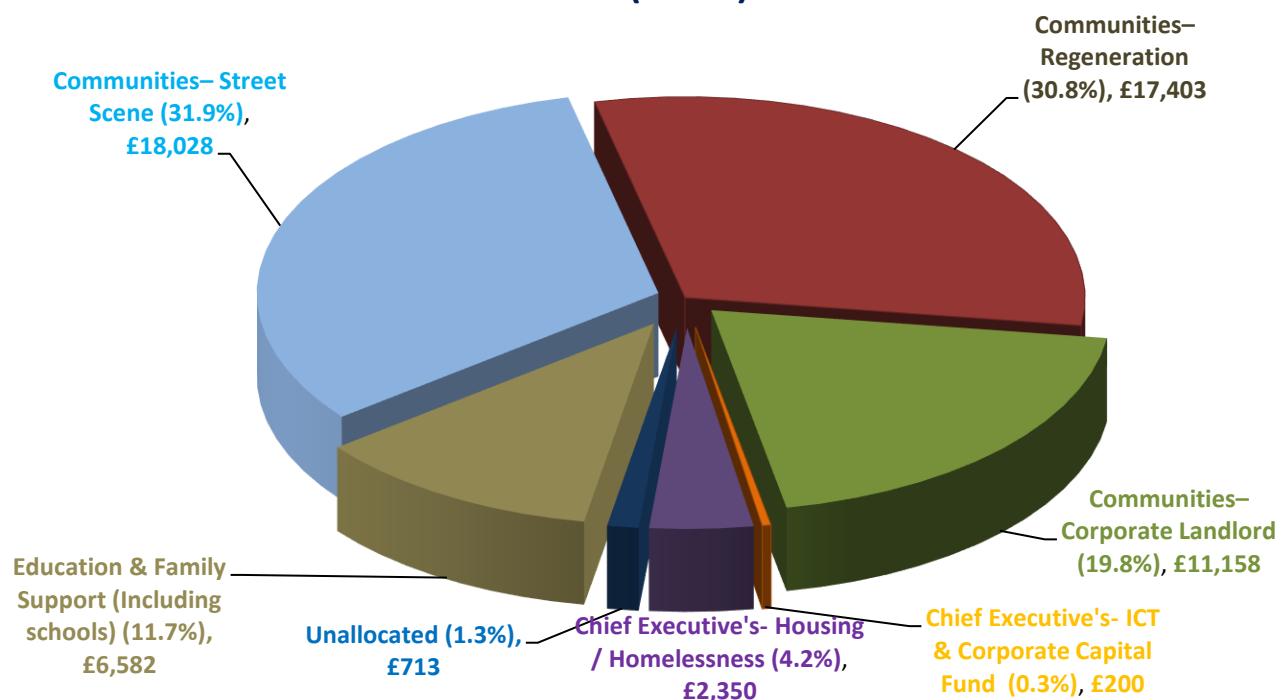
WHERE THE MONEY IS SPENT GROSS REVENUE EXPENDITURE 2020-21 (£'000)



Note: **Other Council Wide Functions** includes Capital Financing Costs, Precepts and Levies, Council Tax Reduction Scheme and corporate provision for pay and price. **Chief Executive's - Central Support Services** - includes :Finance, Audit, HR ,ICT, Legal & Democratic & Regulatory , Elections & Partnerships. **Communities** - includes Regeneration, Development, Streetworks, Highways & Fleet, Parks & Open Spaces, and Transport & Engineering .

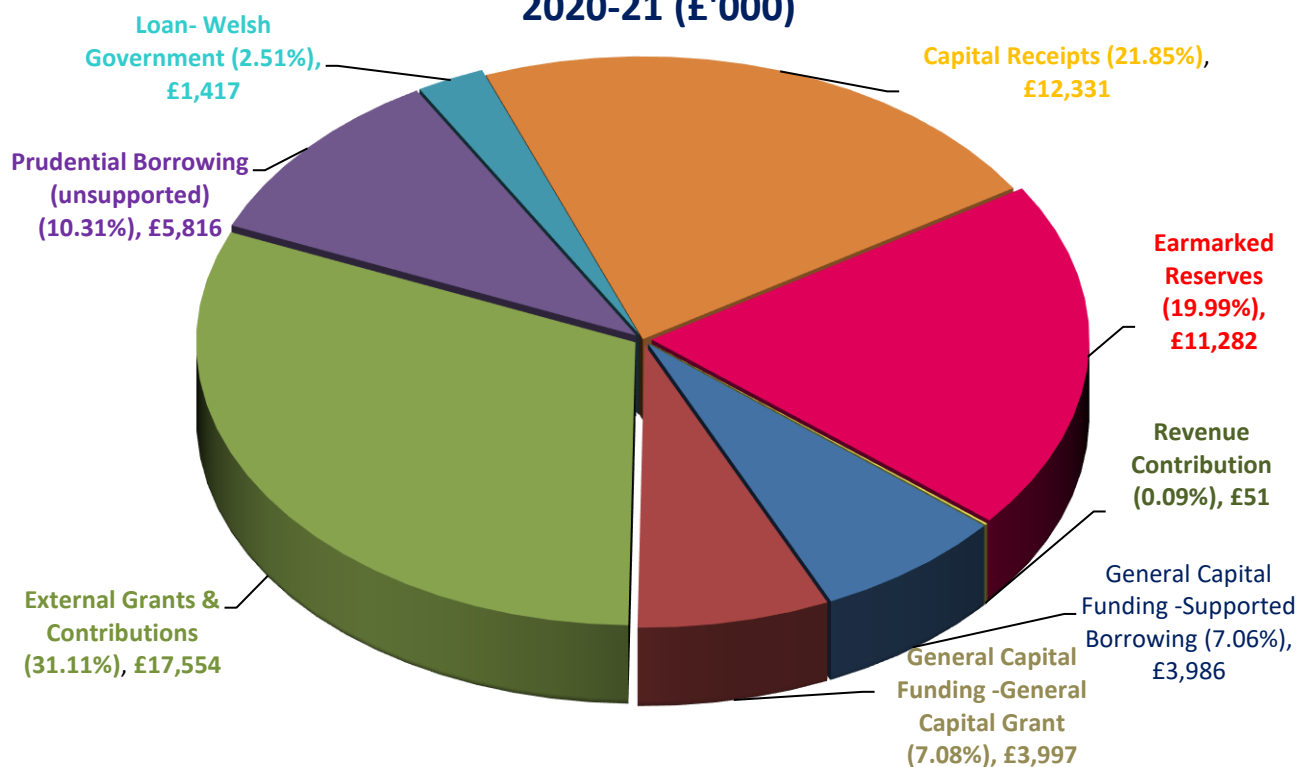
In addition to spending money on providing day-to-day services, the Council also spends money on providing new facilities, improving assets and the infrastructure, enhancing assets or providing capital grants to others. Planned capital expenditure for 2020-2021 amounts to £56.434 million.

CAPITAL EXPENDITURE 2020-21 (£'000)

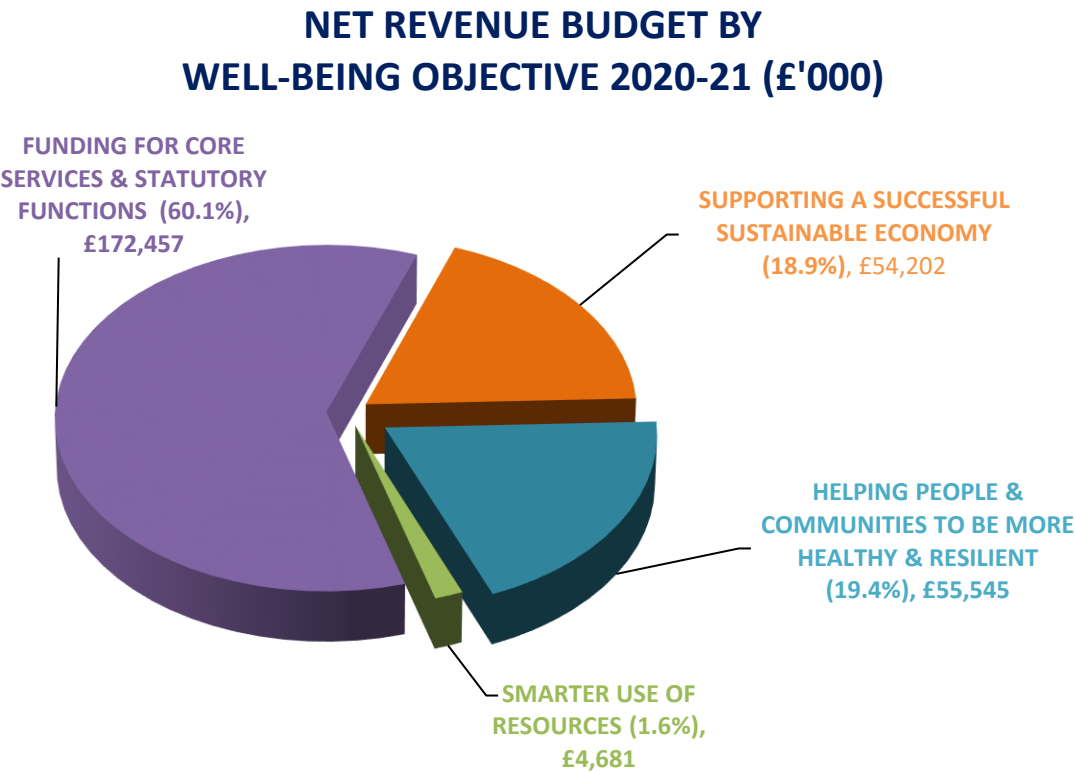


The chart (above) provides details of the service areas where capital expenditure is planned and (below) how the expenditure will be financed in the year.

SOURCES OF CAPITAL FINANCING 2020-21 (£'000)



The local authority has a net revenue budget of £286.885 million that supports the delivery of the Council’s corporate Well-Being Objectives, core services and statutory functions. The net budget is financed by the Revenue Support Grant, Non-Domestic Rates (NDR) and Council Tax income. It excludes income from other financing streams such as other government grants, customer and client receipts, and interest which finance the gross revenue expenditure. The chart below provides details of how the net revenue budget has been allocated for 2020-21.



Democracy and Partnership

How the Council Works

Council

Made up of 54 councillors representing 39 wards, the full Council meets to approve key strategic policies and set the Council corporate plan and budget. The rules for how the Council operates are written in the council's constitution.

Cabinet

Made up of six councillors and chaired by the Leader, the Cabinet is responsible for making major decisions and policies in Bridgend County Borough. Each councillor has a portfolio covering a specialist area.

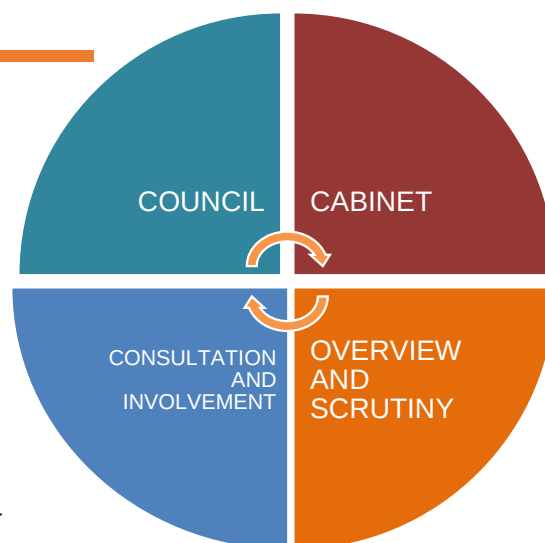
Overview and Scrutiny

Made up of four committees who look at decisions that the Council are making and make sure they have been examined properly.

Consultation and Involvement

Throughout the year we carry out a range of consultations to inform our decisions, including the 'Shaping Bridgend's Future' 2019 budget consultation. Building on our experience of previous consultations, we developed new ways for people to participate and get involved. Our methods included surveys, social media, community engagement stands, town and community council meetings, and community group meetings. In total there were 7,437 interactions across the different platforms which represents an increase of 40.6% (2,149) compared to the previous year.

Members of the Citizens' Panel receive up to three surveys per year on diverse service areas; topics have included play areas, grass cutting and potential increased charges for the use of sports fields and pavilions, adult community learning, the council budget, dog fouling and mental health provision. They also receive updates through our 'You said, we did' newsletter.



Our newly revised website: www.bridgend.gov.uk



Instagram at www.instagram.com/BridgendCBC/



Facebook www.facebook.com/BridendCBC



Twitter: [@BridgendCBC](https://twitter.com/BridgendCBC)



Email to talktous@bridgend.gov.uk

We also engage with specific groups of people, such as those who use our social care services, to ask for their views about the services they receive.

Working with Others

- The [Bridgend Public Services Board \(PSB\)](#) was created as part of a legal requirement for each local authority under [The Well-being of Future Generations \(Wales\) Act 2015](#). The Council is one of a group of local health, education, social care and well-being organisations from the public sector and not for profit sectors who work together to create a better Bridgend County Borough. The work is based on collaboration and consultation with local people and communities.
- Following a Well-being Assessment, the Bridgend PSB has developed a [Well-being Plan](#) to address the issues that influence the long-term well-being of Bridgend.
- The [Cwm Taf Morgannwg Regional Partnership Board \(RPB\)](#) brings together health, social services, housing, the third sector and other partners to deliver strategic approaches to deliver integrated Health and Social Care services as set out in [The Social Services and Well-being Act Wales \(2014\)](#)

The [Bridgend Multi-Agency Safeguarding Hub](#) (MASH) brings together professionals to provide safeguarding services from both the council and our partners across the community, in one place. The Bridgend MASH is made up of people from:

- Children's and adult services
- South Wales Police public protection unit
- Education
- Housing
- Community drug and alcohol team
- Probation and community rehabilitation
- Health
- Early help services
- Mental health services

- [Shared Regulatory Services](#) is a partnership with the Vale of Glamorgan and Cardiff Councils to provide a more efficient services covering Trading Standards, Environmental Health, Licensing and Private Sector Housing.
- [Bridgend Community Safety Partnership](#) is a sub- board of the Bridgend PSB, which brings together public, private and voluntary agencies that work together to reduce crime, disorder and fear of crime.
- The Council's Internal Audit Service had been delivered under a formal collaborative agreement with the Vale of Glamorgan Council since 2013. From April 2019 a Regional Shared Internal Audit Service has been in existence bringing together Merthyr Tydfil CBC, Rhondda Cynon Taf CBC and the existing shared service. An efficient Internal Audit service provides independent assurance that the Council's risk management, governance and internal control processes are operating effectively.
- We have partnered with [GLL/Halo Leisure](#) to manage eight leisure centres and swimming pools. We have a long term partnership with [Awen](#) Cultural Trust to run our cultural venues and services for 20 years. This includes the Bridgend library service, Maesteg Town hall, Porthcawl Grand Pavilion, four community centres and Bryngarw House and Country Park.
- We are one of ten local authorities in South East Wales that are part of [The Cardiff Capital Region City Deal](#), which is a programme to bring about significant economic growth in the region.

Feedback

We welcome your comments on this Corporate Plan and your suggestions for improvement. You can give your feedback through



Our website: www.bridgend.gov.uk



Instagram at www.instagram.com/BridgendCBC/



Facebook at www.facebook.com/BridgendCBC



Twitter: [@BridgendCBC](https://twitter.com/BridgendCBC)



Email to talktous@bridgend.gov.uk



Or by writing to Corporate Performance Team, Bridgend County Borough Council,
Raven's Court, Brewery Lane, Bridgend CF31 4WB

This report is available in both Welsh and English. It is also available in another language or format on request.

Each year, the Welsh Government publishes a range of national performance indicators that enable citizens to compare how their local authority performed in comparison with the other 21 Welsh local authorities across a whole range of services. You can see more detail about how councils across Wales compare by clicking on

www.mylocalcouncil.info

Corporate Plan on a Page

Our vision			
One Council Working Together To Improve Lives			
Our well-being objectives	Supporting a successful sustainable economy	Helping people and communities to be more healthy and resilient	Smarter use of resources
Our well-being aims	To support local people develop skills and take advantage of opportunities to succeed. To create conditions for growth and enterprise. To create town centres and communities that improve the quality of life for citizens.	To give people more choice and control over what support they receive by providing early access to advice and information. To reduce demand through targeted early help and intervention programmes. To develop more active, healthy and resilient communities working in partnership with the third sector, town and community councils and community groups.	To ensure that the council is financially sustainable over the longer term. To improve the efficiency of and access to services by redesigning our systems and processes. To work collaboratively to make the most of public assets. To develop the culture and skills required to meet the needs of a changing organisation.
To achieve these aims we will	Continue the physical regeneration work to support growth and prosperity, including the completion of Maesteg Town Hall and the sale of Salt Lake Car Park. Grow the value of tourism by utilising the Porthcawl Resort Investment Focus programme and the Valleys Regional Park programme. Create better town centres through property enhancement. Improve the resilience of business, assist business start ups and adopt smarter ways of procuring to help boost the foundational economy. Improve the skills and employability of individuals to increase their job opportunities and reduce economic inactivity. Sustain good performance at key stage 4. Raise standards of literacy in primary schools. Improve learner outcomes for post-16 learners in sixth forms. Promote Welsh medium education.	Improve the quality of care and support and the timeliness of interventions by (a) expanding a range of social care and support to 7 days as well at night (b) extending the multidisciplinary working within Community Cluster Networks. Continue the safe reduction of looked after children to ensure young people are supported to live with their families. Enable community groups and the third sector to have more voice and control over community assets. Target the use of early intervention services to reduce demand on statutory services. Increase participation in leisure and cultural activities by improving accessibility, removing barriers to involvement and creating age friendly communities. Work with partners to provide a range of accommodation options to prevent people from becoming homeless. Return empty properties back into use helping increase the availability of affordable housing for sale or rent.	Invest £1.3m to install energy and cost saving technologies to reduce our energy consumption and CO2 emissions. Exceed national recycling targets and increase opportunities for reuse of materials. Implement a sustainable local area energy plan to improve the carbon footprint for all residents. Agree a regional procurement framework to deliver economies of scale. Facilitate organisational and cultural change to develop our workforce to ensure they meet current and future challenges. Dispose of or release all surplus land and buildings to generate capital receipts and reduce rental liabilities. Optimize school places and deliver our Schools' Modernisation Programme. Review capital expenditure and implement the planned budget reductions. Invest in technology to improve the connectivity in our schools.

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APPENDIX B

WELL-BEING OF FUTURE GENERATIONS (WALES) ACT 2015 ASSESSMENT

Project Description (key aims): Corporate Plan 2018-2022 reviewed for 2020-21	
Section 1 Complete the table below to assess how well you have applied the 5 ways of working.	
Long-term (The importance of balancing short term needs with the need to safeguard the ability to also meet long term needs)	1. How does your project / activity balance short-term need with the long-term and planning for the future?
	Working with our partners and communities we will develop through co production new and innovative alternatives to improve well-being and to support and sustain delivery over the longer term. New service models will be less reliant on the Council and will reflect a positive shift in responsibility by empowering other organisations and local people. The plan also includes delivery of the first phase of the Local Area Energy Strategy (up to 2025), which aims to reduce the carbon footprint. The transition to decarbonisation is arguably the largest economic development opportunity for Bridgend County Borough over the next 30 years. There are commitments to improve learner outcomes for all children and young people which will reap substantial future benefits relating to health, equality and job creation. The Welsh government set an aspiration of 100,000 hectares of new woodland by 2030 to help Wales meet its carbon emission reduction targets. Bridgend Council sets out in the Corporate Plan its contribution to this ambition by collaborating with PSB partners on a tree planting project to increase the tree cover across the county borough. In addition to the long term benefits that fully matured trees provide to the environment, there are also many well-being benefits for individuals and communities.
Prevention (How acting to prevent problems occurring or getting worse may help public bodies meet their objectives)	2. How does your project / activity put resources into preventing problems occurring or getting worse?
	Our strategy for the next few years is to manage demand and introduce new ways of working in order to lessen dependency and enable people to maximise their independence. There is a commitment to extend the availability of a range of social care and support to 7 days, and to improve care and support in the home utilising multidisciplinary teams ensuring more timely and responsive assessments of need.

	There is a commitment to remove barriers that prevent people from participating in cultural and leisure activities. As well as being of great social value, these activities are effective early interventions which are more likely deliver better outcomes whilst also been cost effective. The corporate plan continues to prioritise targeted early help and support for children and families- taking steps where possible to provide timely and appropriate support to improve outcomes and prevent people becoming reliant on council services. The Council has increased its ambition for community asset transfer, which will give sports clubs and community organisations more security and sustainability enabling people to protect the assets in their communities. This process also involves people in designing and running the services from which they benefit. The Housing Act (2014) introduced the need to move to a preventative approach to homelessness and this is a core principle of the commitments in the Corporate Plan. The support activities to prevent homelessness are broad and diverse and include services for people suffering domestic abuse, substance misuse issues, learning disabilities, accommodation for young people and people with mental health support needs.
Integration (Considering how the public body's well-being objectives may impact upon each of the wellbeing goals, on their objectives, or on the objectives of other public bodies)	3. How does your project / activity deliver economic, social, environmental & cultural outcomes together? One of the aims of the corporate plan review was to identify key priority areas to provide the strategic focus to encourage and support integrated working towards shared outcomes- either within the council or with external partners. In the reviewed corporate plan, well-being objective two has a broader remit than in previous years, resulting in greater integration in the response to <i>Supporting people and communities to be more healthy and resilient</i> which now includes all four directorates, as well as the third sector, Registered Social Landlords and private landlords. Well-being objective 3, <i>Smarter use of resources</i> is now more strongly integrated with the PSB's well-being objectives, with the inclusion of commitments to enhance natural resources and biodiversity. This addition to the corporate plan has the added benefit of strengthening our contribution to the Resilient Wales national well-being goal, along with the inclusion of commitments on reducing our carbon footprint and waste recycling.

Collaboration (Acting in collaboration with any other person (or different parts of the body itself) that could help the body meet its well-being objectives)	4. How does your project / activity involve working together with partners (internal and external) to deliver well-being objectives? It follows that the increased level of integrated working within the corporate plan, has led to more collaboration to deliver our well-being objectives: Examples include: • Community asset transfer to enable sustainable management of community assets • Working with landlords to help return empty properties back into use • Joint working and contract arrangements with third sector organisations to deliver housing projects for people with complex needs. • Children's social care working with early help and intervention services to provide timely effective support • Tree project with Natural Resources Wales and other PSB partners including the Cwm Taf Morgannwg health board • Collaborating with Halo Leisure and the Awen Trust to transform our venues into next generation wellbeing hubs • On a regional foot print we are collaborating with other local authorities as part of the Cardiff Region City Deal, the Valleys Taskforce, and working as part of the Cwm Taf Morgannwg Regional Partnership Board that includes the Cwm Taf Morgannwg health board, and other partners, to deliver the Regional Transformation programme
Involvement (The importance of involving people with an interest in achieving the well-being goals, and ensuring that those people reflect the diversity of the area which the body serves)	5. How does your project / activity involve stakeholders with an interest in achieving the well-being goals? How do those stakeholders reflect the diversity of the area? Consultation is carried using a mixed method approach to ensure and promote the widest range of participation to ensure the views of people living in Bridgend County Borough are considered as part of the evidence when identifying priorities. Beyond consulting with people, there are many aspects of the corporate plan that actively involve and seek the views of service users to help develop strategies (e.g. Homeless strategy) or help improve service design and process (e.g. the new CAT process). As part of our commitment to continue the safe reduction of children looked after we are developing a new Children's Residential Hub over the next 12 months. The design of the hub includes the input from a young person currently using the service and as the project develops their input will continued to be used.

	Our commitment to remove the barriers that prevent people from accessing leisure services is supported by the Champions of Wales project which aims to increase the participation of girls and young women in physical activity. We invite participants to identify their own well-being needs and then develop the opportunities to help meet them. For older people, their involvement in the super-agers programme has improved the opportunities to be physically active and increased the level of engagement with the programme. BCBC, supported by Cwm Taf Morgannwg health board is involving stakeholders in the development of wellbeing hubs in our leisure and cultural facilities.

Section 2 Assess how well your project / activity will result in multiple benefits for our communities and contribute to the national well-being goals (use Appendix 1 to help you).		
Description of the Well-being goals	How will your project / activity deliver benefits to our communities under the national well-being goals?	Is there any way to maximise the benefits or minimise any negative impacts to our communities (and the contribution to the national well-being goals)?
A prosperous Wales An innovative, productive and low carbon society which recognises the limits of the global environment and therefore uses resources efficiently and proportionately (including acting on climate change); and which develops a skilled and well-educated population in an economy which generates wealth and provides employment opportunities, allowing people to take advantage of the wealth generated through securing decent work.	The corporate plan refreshed for 2020-21 will promote the conditions for growth and prosperity by focusing on • regeneration projects to boost tourism and town centres, • skills and employability to upskill residents, • supporting business with direct support packages and enterprise hubs • utilising procurement to boost the foundational economy. On a regional basis we continue to contribute to projects as part of the Cardiff Capital Region City Deal (eg the new Regional Energy Deal) to deliver investment to benefit the local economy.	Education is key for improving the life chances and resilience of future generations, so they can benefit from the economic opportunities available. The corporate plan is committed to improving the outcomes for all learners. The transition to decarbonisation not only supports the shift towards a low carbon society but is arguably the largest economic development opportunity for the county borough over the next 30 years. Our Smart Energy Plan identifies the projects and activities to support the transition agenda. The programme of work set out in the plan, when fully secured will, inject £35m into the decarbonisation. We are the lead authority for the Valleys Regional Park project. The aim is to unlock and maximise the potential of the natural and associated cultural heritage of the Valleys to generate social, economic and environmental benefits.

A resilient Wales A nation which maintains and enhances a biodiverse natural environment with healthy functioning ecosystems that support social, economic and ecological resilience and the capacity to adapt to change (for example climate change).	As part of our objective to <i>Make smarter use of resources</i> we want to retain fewer but better buildings that deliver cost efficiencies, reduce carbon footprint, and improve service delivery. The two programmes to drive this forward are the Corporate Landlord and School Modernisation programme. <i>Making smarter use of resources</i> also contributes to a resilient Wales with commitments on our natural environment through biodiversity enhancement activities and a sustainable tree management programme. We are also committed to maximising waste recycling and reduction opportunities building on the councils performance as one of the highest recycling councils in Wales staying ahead of targets towards a Zero Waste Wales.	The benefits of our tree planting programme for communities will be amplified due to the collaborative working with PSB partners including Natural Resources Wales and Cwm Taf Morgannwg. The Valleys Regional Park programme has a strong emphasis on the involvement of local communities, recognising that the knowledge, skills and expertise of local people is critical to achieving good outcomes.
A healthier Wales A society in which people's physical and mental well-being is maximised and in which choices and behaviours that benefit future health are understood.	The refreshed corporate plan for 2020-21, has strengthened its commitment to achieving a healthier Wales. Wellbeing objective 2 has been reworded as <i>Supporting people and communities to be more healthy and resilient</i>. There are commitments to remove the barriers that can prevent people from accessing leisure and cultural activities, and programmes such as the Valleys Regional Park will deliver health and well-being benefits by improving and enhancing our natural landscapes.	By directing resources and integrating services that offer early help and intervention programmes such as the new generation of well-being hubs.

	There are ambitious targets for Community Asset Transfers, a policy which will boost the opportunities for communities to be active by ensuring assets (such as sports clubs) remain open and available to residents. The refreshed plan has commitments to increase the resilience and independence of people and families, by helping them achieve their own well-being outcomes through targeted early intervention and support.	
A more equal Wales A society that enables people to fulfil their potential no matter what their background or circumstances (including their socio economic background and circumstances).	Ensuring the benefits of the corporate plan are equally realised for all people living in the county borough, the corporate plan has commitments to remove barriers and improve accessibility so that more people can access the well-being benefits of our services.	Involving our key target groups, ensures we can offer services designed to meet need, which improves our chance of success. Examples include our Champions of Wales project and Super Agers programme, which have both seen an increase in participation among our target groups (girls and older people respectively).
A Wales of cohesive communities Attractive, viable, safe and well-connected communities.	The refreshed corporate plan has commitments to support communities and people to create their own solutions and reduce dependency on the Council. In addition to making services more sustainable for the future, these commitments have the potential to improve the cohesiveness of communities. Buildings and the physical environment can improve the vibrancy of where people live and work. The corporate plan has	.

	commitments to regenerate town centres (e.g Maesteg Town hall) and to work with private landlords to reduce the number of empty properties. There are also commitments to improve the natural environment – so that people and communities can access the well-being benefits of green and blue spaces.	
A Wales of vibrant culture and thriving Welsh language A society that promotes and protects culture, heritage and the Welsh language, and which encourages people to participate in the arts, and sports and recreation.	The Welsh language has a stronger presence in the refreshed corporate plan. Under well-being objective 1 we now have a commitment to promote Welsh medium education and increase the number of Welsh speakers. Culture also has a more explicit reference in the plan, and is recognised as equal to leisure services when improving well-being.	Compliance with the Welsh Language act is imbedded in Council policies and procedures.
A globally responsible Wales A nation which, when doing anything to improve the economic, social, environmental and cultural well-being of Wales, takes account of whether doing such a thing may make a positive contribution to global well-being.	The refreshed corporate plan is more strongly aligned to the global calls for greater action to tackle climate change. There are commitments to reduce our carbon footprint and actions to support the transition to decarbonisation. We have commitments to increase opportunities to reuse and recycle, and commitments to improve our natural resources and the resilience of our biodiversity.	

Section 3 Will your project / activity affect people or groups of people with protected characteristics? Explain what will be done to maximise any positive impacts or minimise any negative impacts			
Protected characteristics	Will your project / activity have any positive impacts on those with a protected characteristic?	Will your project / activity have any negative impacts on those with a protected characteristic?	Is there any way to maximise any positive impacts or minimise any negative impacts?
Age:	Unknown - The impact, positive or negative, will depend on the nature of the service delivered	Unknown - The impact, positive or negative, will depend on the nature of the service delivered	This will vary according to the service provided.
Gender reassignment:	As above	As above	As above
Marriage or civil partnership:	As above	As above	As above
Pregnancy or maternity:	As above	As above	As above
Race:	As above	As above	As above
Religion or Belief:	As above	As above	As above
Race:	As above	As above	As above
Sex:	As above	As above	As above
Welsh Language:	As above	As above	As above

Section 4 Identify decision meeting for Project/activity e.g. Cabinet, Council or delegated decision taken by Executive Members and/or Chief Officers	
Corporate Overview and Scrutiny Committee, Cabinet, Council	
Compiling Officers Name:	Ann-Marie Mc Cafferty
Compiling Officers Job Title:	Corporate Improvement Officer
Date completed:	3 February 2020

BRIDGEND COUNTY BOROUGH COUNCIL

REPORT TO CABINET

25 FEBRUARY 2020

JOINT REPORT OF THE CHIEF EXECUTIVE AND INTERIM SECTION 151 OFFICER

MEDIUM TERM FINANCIAL STRATEGY (MTFS) 2020-21 to 2023-24

1. Purpose

- 1.1 The purpose of this report is to present Cabinet with the Medium Term Financial Strategy 2020-21 to 2023-24, attached at Annex 3, which includes a financial forecast for 2020-24, a detailed revenue budget for 2020-21 and a Capital Programme for 2019-20 to 2029-30.

2. Connections to Corporate Improvement Objectives / Other Corporate Priorities

- 2.1 This report assists in the achievement of the following corporate priorities:-
1. Supporting a successful economy – taking steps to make the county a good place to do business, for people to live, work, study and visit, and to ensure that our schools are focused on raising the skills, qualifications and ambitions of all people in the county.
 2. Helping people to be more self-reliant – taking early steps to reduce or prevent people from becoming vulnerable or dependent on the Council and its services.
 3. Smarter use of resources – ensuring that all its resources (financial, physical, human and technological) are used as effectively and efficiently as possible and support the development of resources throughout the community that can help deliver the Council's priorities.
- 2.2 The allocation of budget determines the extent to which the Council's well-being objectives can be delivered. The Corporate Plan and Medium Term Financial Strategy (MTFS) identify the Council's service and resource priorities for the next four financial years, with particular focus on 2020-21.

3. Background

- 3.1 The Council's well-being objectives under the Well-being of Future Generations (Wales) Act 2015 are currently:
- Supporting a successful economy
 - Helping people to be more self-reliant
 - Smarter use of resources

This MTFS has been significantly guided by these priorities. Although previous year-on-year reductions in Aggregate External Finance (AEF) have necessitated significant budget reductions across different service areas, the Council still plays a very significant role in the local economy of Bridgend County Borough and is responsible

for annual gross expenditure of around £420 million and is the largest employer in the county borough.

- 3.2 The Council's Corporate Plan is being presented to Council for approval alongside the MTFS 2020-24, which includes more re-focused wellbeing objectives, and the two documents are aligned to each other, enabling the reader to make explicit links between the Council's priorities and the resources directed to support them.

4. Current Situation / Proposal

- 4.1 This report is presented to Council to provide details of the Council's Medium Term Financial Strategy for the four year period 2020-21 to 2023-24. The MTFS is complimentary to the Council's Corporate Plan, and looks to provide the resources to enable the Council's wellbeing objectives to be met. The MTFS outlines the principles and detailed assumptions which drive the Council's budget and spending decisions, outlines the financial context in which the Council is operating, and tries to mitigate any financial risks and pressures going forward, at the same time as taking advantage of any opportunities arising.
- 4.2 The MTFS focuses on how the Council intends to respond to the forecasted public sector funding reductions as a result of on-going austerity and increasing pressures on public sector services. It sets out the approaches and principles the Council will follow to ensure the Council remains financially viable and delivers on its corporate priorities.
- 4.3 The Council is required to approve a balanced budget for the following financial year and set the Council Tax rates for the County Borough. This report sets out proposals to achieve that objective and contribute towards a sustainable position going into the medium-term.
- 4.4 The announcement of the final local government settlement for 2020-21 is approximately two months later than previous years, due to the changing Brexit deadline and then the UK general election, and as a result this budget is being proposed on the basis of the provisional settlement received in December 2019. Whilst we do not anticipate any significant change in funding between the provisional and final settlement, how we deal with any changes will be made clear in the Medium Term Financial Strategy and reported back to Council at a later date. It is not envisaged that any changes will impact upon council tax.

5. Effect on Policy Framework and Procedure Rules

- 5.1 The budget setting process is outlined within the Council's Constitution and Financial Procedure Rules.

6. Equality Impact Assessment

- 6.1 The proposals contained within this report 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 high level Equality Impact Assessment (EIA) has been undertaken on the Council's budget proposals and updated MTFS (see Annex 1). Individual EIAs are completed for

2020-21 proposed budget reduction proposals which may impact on certain groups of citizens within the County Borough.

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

7.1 The Well-being of Future Generations (Wales) Act 2015 provides a framework for embedding sustainable development principles within the activities of Council and has major implications for the long-term planning of finances and service provision. The 7 well-being goals identified in the Act have driven the Council's three wellbeing objectives:

1. Supporting a successful economy
2. Helping people to be more self-reliant
3. Smarter use of resources

The wellbeing objectives are designed to complement each other and be part of an integrated way of working to improve wellbeing for people in Bridgend County. In developing the MTFs, officers have considered the importance of balancing short-term needs in terms of meeting savings targets, with safeguarding the ability to meet longer-term objectives.

7.2 The proposals contained within this report cover a wide range of services and it is inevitable that the necessary budget reductions will impact on the wellbeing goals in different ways. A Wellbeing of Future Generations Assessment will be undertaken on proposed individual projects and activities where relevant and will feed into specific reports to Cabinet or Council.

7.3 The Council's approach to meeting its responsibilities under the Well-being of Future Generations (Wales) Act 2015, including acting in accordance with the sustainable development principle, is reflected in a number of areas within the Medium Term Financial Strategy, not least:

5 Ways of Working	Examples
Long Term	• Outlining the impact of a number of different funding scenarios (Best, Most Likely and Worst) to provide an element of flexibility to the Council. • Majority of savings generated from making smarter use of resources with service reductions kept to a minimum and only as a last resort. • The development of a 10 year capital programme which reflects the Council's affordability in terms of capital receipts and borrowing. • Investment in capital schemes that support the Council's corporate priorities and benefits the County Borough over a longer period.
Prevention	• Investment in preventative measures to reduce the burden on more costly statutory services.

Collaboration	• Savings generated from collaboration and integrated working.
Integration	• Explicit links between the Corporate Plan, the Capital Strategy, the Treasury Management Strategy and the Medium Term Financial Strategy.
Involvement	• A robust budget consultation exercise, including surveys, community engagement stands and social media debates, to inform proposals.

- 7.4 The above features are aimed at ensuring the Council's finances are as healthy as they can be for future generations. Although resources are limited, they have been targeted in a way that reflects the Council's priorities, including the seven wellbeing goals included in Bridgend's Well-being Plan, and this is reflected in the relevant appendices. Where possible the Council has aimed to protect front line services and invest to save, with budget reductions targeted at making smarter use of resources, commercialisation, collaboration and transformation. The Well-Being of Future Generations (Wales) Act 2015 Assessment is attached at Annex 2.

8. Financial Implications

- 8.1 This report outlines the financial issues that Council is requested to consider as part of the 2020-21 to 2023-24 MTFS. The Council's Section 151 Officer is required to report annually on the robustness of the level of reserves. The level of Council reserves is sufficient to protect the Council in light of unknown demands or emergencies and current funding levels. It must be emphasised that the biggest financial risks the Council is exposed to at the present time relate to the uncertainty of Welsh Government funding, the increasing difficulty in the delivery of planned budget reductions as well as the identification of further proposals. Therefore, it is imperative that the Council Fund balance is managed in accordance with the MTFS Principle 9, as set out in the MTFS, and it is essential that revenue service expenditure and capital expenditure is contained within the identified budgets.
- 8.2 The Section 151 Officer is also required to report to Council if they do not believe that they have sufficient resource to discharge their role as required by s114 of the Local Government Act 1988. Members should note that there is sufficient resource to discharge this role.
- 8.3 The budget includes estimates which take into account circumstances and events which exist or are reasonably foreseeable at the time of preparing the budget. The budget has been prepared following consultation with Members, the School Budget Forum and service managers. Subject to the risks identified the MTFS provides a firm basis for managing the Council's resources for the year 2020-21 and beyond.

9. Recommendations

- 9.1 Cabinet is asked to approve the MTFS 2020-21 to 2023-24, including the 2020-21 revenue budget and the Capital Programme 2019-20 to 2029-30, and recommend these to Council for adoption. In particular it is asked to approve that the following specific elements are forwarded to Council for approval:

- The MTFS 2020-21 to 2023-24 (Annex 3).
- The Net Budget Requirement of £286,885,169 in 2020-21.
- A Band D Council Tax for Bridgend County Borough Council of £1,537.06 for 2020-21 (Table 11 of the MTFS).
- The 2020-21 budgets as allocated in accordance with Table 9 in paragraph 3.3 of the MTFS.
- The Capital Programme 2019-20 to 2029-30, attached at Appendix G of the MTFS.

Mark Shepherd
Chief Executive

Gill Lewis CPFA
Interim Head of Finance and Section 151 Officer

February 2020

Contact Officer: Deborah Exton CPFA
Interim Deputy Head of Finance

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Brewery Lane
Bridgend
CF31 4AP

Background Documents: Provisional Local Government Revenue and Capital Settlements 2020-21

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ANNEX 1

Equality Impact full assessment form

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.

Equality impact full assessment form

Name of project, policy, function, service or proposal being assessed:	Medium Term Financial Strategy 2020-21 to 2023-24
Date EIA Screening assessment completed:	24 th January 2020
Full assessment date for completion (from EIA screening):	5 th February 2020

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)?	The council was mindful that the full impact of the proposed budget reductions detailed in the Medium Term Financial Strategy will potentially be high level, negative and may impact many customers, citizens, visitors and service users from all protected characteristic groups. The council was also mindful that, in order to maximise its reach into its communities and the people who use its services, it needed to build on the knowledge gained from previous consultations and further develop the consultation to include new ways for people to participate and engage with the Council. A wide variety of methods of communication were used including surveys, social media, community engagement stands, town and community council and community group meetings across the county borough. In addition, in order to gather the views of young people, the consultation team attended an all-Bridgend headteacher's event to promote the survey as well as asking individual schools to take part in interactive sessions in order to gather feedback. Details of the consultation were promoted to/shared with the following stakeholders: citizens of Bridgend County Borough, Citizens' Panel members, comprehensive schools, school governors, BCBC cabinet	The details of the full consultation are included in the Report to Cabinet on 17th December 2019.

	members/councillors, local businesses, council staff, town and community councils, partner organisations, community and equality groups, local interest/ community groups and local media.	
How will you ensure your consultation is inclusive?	The council was mindful that different groups have different needs in terms of accessibility. The consultation was therefore carried out in as inclusive a manner as possible.	Surveys were available in several formats, including easy-read, large print, standard and a youth version. All were available in paper format and on-line. All were available in English and Welsh. Both were developed to ensure participation with a diverse audience. The easy read and youth versions contained all of the questions but were written in a less complex language and using images where appropriate.
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 Council's MTFS consultation ran from 9 September to 3 November 2019. The consultation received 7,437 interactions from a combination of survey completions, engagement at stands held across the county borough, workshops held with comprehensive pupils, engagement at various meetings with different local groups, social media engagement and via the authority's Citizens' Panel.	Please see the consultation report for full details of questions asked and actions.

	10 public engagement stands were held in libraries throughout the county borough. The consultation and engagement team attended 9 community group's meetings to inform people about the consultation and assist attendees to complete paper surveys (where requested) or to share their views via the clicker-pad version of the survey. These included: ➤ Bridgend Carers Café ➤ OAP Association ➤ Stroke Association ➤ Bridge Vision ➤ Bridgend Coalition for Disabled People (BCDP) ➤ Bridgend Shout ➤ Headway ➤ Tai Chi ➤ Yarny Army In order to gather the views of young people, the consultation team attended an all-Bridgend headteachers event to promote the survey as well as to ask individual schools to take part in the interactive sessions in order to gather feedback. As a result, comprehensive schools across the County Borough took part in clicker-pad sessions. The consultation team engaged with 1,218 young people.	

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
Bridgend Carers Café (Carers)	30/10/2019 34 people in attendance	The consultation team attended to ensure the group were aware of the consultation and assisted attendees to complete the survey.	A full public consultation with a specific EIA for each proposal will be carried out if any of the proposals are taken forward
OAP Association (50+)	03/10/2019 28 people in attendance	The consultation team attended to ensure the group were aware of the consultation and assisted attendees to complete the survey.	A full public consultation with a specific EIA for each proposal will be carried out if any of the proposals are taken forward
Stroke Association (Stroke recovery)	24/09/2019 32 people in attendance	The consultation team attended to ensure the group were aware of the consultation and assisted attendees to complete the survey.	A full public consultation with a specific EIA for each proposal will be carried out if any of the proposals are taken forward
Bridge Vision (Visually impaired)	04/10/2019 43 people in attendance	The consultation team attended to ensure the group were aware of the consultation and assisted attendees to complete the survey.	A full public consultation with a specific EIA for each proposal will be carried out if any of the proposals are taken forward
BCDP (Disabilities)	08/10/2019 11 people in attendance	The consultation team carried out the consultation using clicker-pads. 11 people completed the survey in full.	A full public consultation with a specific EIA for each proposal will be carried out if any of the proposals are taken forward
Shout (50+)	16/10/2019 18 people in attendance	The consultation team attended to ensure the group were aware of the consultation and assisted attendees to complete the survey.	A full public consultation with a specific EIA for each proposal will be carried out if any of the proposals are taken forward
Headway (Mental Health)	03/10/2019 11 people in attendance	The consultation team attended to ensure the group were aware of the consultation and assisted attendees to complete the survey.	A full public consultation with a specific EIA for each proposal will be carried out if any of the proposals are taken forward

Tai Chi – Evergreen Hall (50+)	16/10/2019 34 people in attendance	The consultation team attended to ensure the group were aware of the consultation and assisted attendees to complete the survey.	A full public consultation with a specific EIA for each proposal will be carried out if any of the proposals are taken forward
Yarny Army (50+)	31/10/2019 2 people in attendance	The consultation team attended to ensure the group were aware of the consultation and assisted attendees to complete the survey.	A full public consultation with a specific EIA for each proposal will be carried out if any of the proposals are taken forward

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	The Full Equality Impact Assessment reinforces the detail in the Initial Screening EIA which is that “the impact on women and men may differ based on the demographics of the county borough rather than service delivery/provision. The full impact will be unknown until a consultation exercise has been undertaken with the public where feedback and concerns regarding the proposed budget reductions may be gathered and subsequent mitigating actions considered.” From the 2011 census there were 139,178 people living in the county borough comprising of a gender split of 49.4% male (68,789) and 50.6% (70,389) Female. Many of the proposals will also impact carers, parents and children. The vast majority of caring and parenting responsibilities are undertaken by women; some proposals therefore regarding caring, children and nursery provision are likely to negatively impact women. Within the consultation, 1,442 people responded to the question regarding gender as follows: ➤ Female – 834; ➤ Male – 587; ➤ Transgender – 1; ➤ Prefer not to say – 20	There will be an impact on women and men as a result of some of the proposed budget reductions although, potentially, the impact may differ depending on the service being delivered / reviewed. For each of the proposed budget reductions included in the Medium Term Financial Strategy a consultation exercise and an Equality Impact Assessment will be undertaken prior to the final approval (or not) of the proposal by Cabinet / Council. Members will then be in a position to make an informed decision based on a more focussed consultation and engagement exercise.

	Additionally, 15 women said they were pregnant and 14 had given birth in the last 26 weeks.	
Disability	The Full Equality Impact Assessment reinforces the detail in the Initial Screening EIA which is that “from the 2011 census, there were 18,756 people (out of a county borough total of 139,178 people) who considered they had a physical, sensory or learning disability or long term illness. The full impact will be unknown until a consultation exercise has been undertaken with the public where feedback and concerns regarding the proposed budget reductions may be gathered and subsequent mitigating actions considered.” Of the 1,406 people responding to the question on the consultation survey, 177 (13%) stated they considered themselves disabled. Whilst the council is mindful of the potential impact of the budget proposals on disabled people, there are opportunities for us to work with our third sector partners to deliver an alternative form of service. The budget proposals will include reviews of services for disabled people.	There will be an impact on people with disabilities as a result of some of the proposed budget reductions. For each of the proposed budget reductions included in the Medium Term Financial Strategy a consultation exercise and an Equality Impact Assessment will be undertaken prior to the final approval (or not) of the proposal by Cabinet / Council. Members will then be in a position to make an informed decision based on a more focussed consultation and engagement exercise.
Race	The Full Equality Impact Assessment reinforces the detail in the Initial Screening EIA which is that “from the 2011 census there are 2000 BAME	There may be an impact on race as a result of some of the proposed budget reductions. For each of the proposed budget reductions included in the

	people living in Bridgend comprising of 1.5% of the total population. The full impact of the budget restrictions is currently unknown however we will continue to monitor the impact and introduce mitigating actions where possible. The council currently provides information in languages other than Welsh, English and British Sign Language. The full impact will be unknown until a consultation exercise has been undertaken with the public where feedback and concerns regarding the proposed budget reductions may be gathered and subsequent mitigating actions considered. The responses to the consultation exercise were from: ➤ Welsh – 904; ➤ English – 105; ➤ British – 388; ➤ Scottish – 8; ➤ Northern Irish – 1; ➤ Prefer not to say – 14; ➤ Other – 23 In terms of ethnicity, the following data was captured: ➤ White – 1,387; ➤ Mixed/multiple ethnic groups – 11;	Medium Term Financial Strategy a consultation exercise and an Equality Impact Assessment will be undertaken prior to the final approval (or not) of the proposal by Cabinet / Council. Members will then be in a position to make an informed decision based on a more focussed consultation and engagement exercise.

	➤ Asian or Asian British – 6; ➤ Black/African/Caribbean/Black British – 1; ➤ Other ethnic group – 3; ➤ Prefer not to say – 22 We will continue to monitor the impact of our proposed budget reductions on this protected characteristic.	
Religion and belief	The Full Equality Impact Assessment reinforces the detail in the Initial Screening EIA which is that “from the 2011 census there are 2,000 black and minority ethnic (BAME) people living in Bridgend comprising of 1.5% of the total population. In terms of religion and belief there were: ➤ Buddhist - 357; ➤ Hindu - 270; ➤ Muslim - 529; ➤ Jewish – 33 ; ➤ Sikh - 46 From the consultation exercise, the following data was collected: ➤ No religion - 682; ➤ Christian – 667; ➤ Buddhist – 10;	There may be an impact on religion and belief as a result of some of the proposed budget reductions. For each of the proposed budget reductions included in the Medium Term Financial Strategy a consultation exercise and an Equality Impact Assessment will be undertaken prior to the final approval (or not) of the proposal by Cabinet / Council. Members will then be in a position to make an informed decision based on a more focussed consultation and engagement exercise.

	➤ Hindu – 4; ➤ Muslim – 3; ➤ Other – 22; ➤ Prefer not to say – 48 The full impact of the budget reductions is currently unknown however we will continue to monitor the impact and introduce mitigation where possible.	
Sexual Orientation	The Full Equality Impact Assessment reinforces the detail in the Initial Screening EIA which is that “the potential impact of the budget reductions on this particular protected characteristic group is unknown as, although consultees are asked to share their personal and sensitive data with the council, this is not always disclosed. The full impact will be unknown until a consultation exercise has been undertaken with the public where feedback and concerns regarding the proposed budget reductions may be gathered and mitigation considered. Further efforts will be made to encourage service users, customers, visitors and staff to disclose information regarding sexual orientation.” From the consultation exercise, the following data was collected: ➤ Heterosexual / Straight – 1,278; ➤ Gay man – 33;	There is not expected to be an impact on sexual orientation as a result of some of the proposed budget reductions. For each of the proposed budget reductions included in the Medium Term Financial Strategy a consultation exercise and an Equality Impact Assessment will be undertaken prior to the final approval (or not) of the proposal by Cabinet / Council. Members will then be in a position to make an informed decision based on a more focussed consultation and engagement exercise.

	➤ Gay woman/lesbian – 17; ➤ Bisexual – 31; ➤ Other – 8; ➤ Prefer not to say - 60	
Age	The Full Equality Impact Assessment reinforces the detail in the Initial Screening EIA which is that “the impact on age will differ and will depend on the nature of the service delivered and the service user. From the 2011 census the age breakdown of people living in Bridgend is: ➤ 0 – 15 = 18.3% (25,288); ➤ 16 – 64 = 63.2% (89,036); ➤ 65+ = 18.5% (24,854). The budget proposals contain some reductions that could potentially negatively impact older and younger people. The full impact will be unknown until a consultation exercise has been undertaken with the public where feedback and concerns regarding the proposed budget reductions may be gathered and subsequent mitigating actions considered”. A total of 1,414 provided a response to this question.	There may be an impact on people of varying ages as a result of some of the proposed budget reductions. For each of the proposed budget reductions included in the Medium Term Financial Strategy a consultation exercise and an Equality Impact Assessment will be undertaken prior to the final approval (or not) of the proposal by Cabinet / Council. Members will then be in a position to make an informed decision based on a more focussed consultation and engagement exercise.

	From the consultation exercise, the following data was gathered: ➤ Age under 18 = 18; ➤ Age 18 – 24 = 54; ➤ Age 25 – 34 = 247; ➤ Age 35 – 44 = 300; ➤ Age 45 – 54 = 251; ➤ Age 55 – 64 = 226; ➤ Age 65 – 74 = 205; ➤ Age 75+ = 102; ➤ Prefer not to say = 11 Some of the proposals could impact children's' social and educational development and household incomes.	
Pregnancy & Maternity	The Full Equality Impact Assessment reinforces the detail in the Initial Screening EIA which is that “the potential impact of the proposed budget reductions on pregnancy and maternity is currently unknown. Some of the proposed reductions may influence the decisions of women to have (or not) children as it may no longer be economically and socially viable. Women could face the decision of either staying at home (which has shown to have a negative impact on their income, career prospects and their longer term income) or paying private nursery	There may be an impact on pregnancy and maternity as a result of some of the proposed budget reductions. For each of the proposed budget reductions included in the Medium Term Financial Strategy a consultation exercise and an Equality Impact Assessment will be undertaken prior to the final approval (or not) of the proposal by Cabinet / Council. Members will then be in a position to make an informed decision based on a more focussed consultation and engagement exercise.

	fees until their children reach the age of 4-5. . The full impact will be unknown until a consultation exercise has been undertaken with the public where feedback and concerns regarding the proposed budget reductions may be gathered and subsequent mitigating actions considered." From the consultation exercise, the following data was collected: ➤ Pregnant – 15 ➤ Given birth in the last 26 weeks – 14	
Transgender	The Full Equality Impact Assessment reinforces the detail in the Initial Screening EIA which is that "the potential impact of the budget reductions on this particular protected characteristic group is unknown as, although consultees are asked to share their personal and sensitive data with the council, this is not always disclosed. The full impact will be unknown until a consultation exercise has been undertaken with the public where feedback and concerns regarding the proposed budget reductions may be gathered and subsequent mitigating actions considered. Further efforts will be made to encourage service users, customers, visitors and staff to disclose	There is not expected to be an impact on transgender people as a result of some of the proposed budget reductions. For each of the proposed budget reductions included in the Medium Term Financial Strategy a consultation exercise and an Equality Impact Assessment will be undertaken prior to the final approval (or not) of the proposal by Cabinet / Council. Members will then be in a position to make an informed decision based on a more focussed consultation and engagement exercise.

	information regarding reassignment. From the consultation exercise the following data was collected: ➤ Transgender - 1 ➤ Prefer not to say - 20	
Marriage and Civil partnership	The Full Equality Impact Assessment reinforces the detail in the initial screening EIA which is that “the potential impact of the budget reductions on this particular protected characteristic group is unknown however there is not expected to be an impact either positive or negative.” From the consultation exercise the following data was collected:- ➤ Single – 183; ➤ Partnered – 217; ➤ Married – 837; ➤ Civil Partnered – 11; ➤ Divorced – 78; ➤ Widowed – 74; ➤ Prefer not to say – 39	There is not expected to be an impact on marriage and civil partnership as a result of some of the proposed budget reductions. For each of the proposed budget reductions included in the Medium Term Financial Strategy a consultation exercise and an Equality Impact Assessment will be undertaken prior to the final approval (or not) of the proposal by Cabinet / Council. Members will then be in a position to make an informed decision based on a more focussed consultation and engagement exercise.
Welsh language	From the 2011 census, there were 17,796 people (out of a county borough total of 139,178 people – 12.8%) who can read, speak or write welsh. From the consultation exercise the following data was collected for those able to speak /	The council continues to promote the welsh language and complies with the Welsh Language Standards in all of its activities.

	read / write Welsh either fairly well or fluently: ➤ Speak Welsh – 139; ➤ Read Welsh – 169; ➤ Write Welsh – 137 There is not expected to be a negative impact on the Welsh language.	

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
Undertake a consultation and engagement exercise and produce a meaningful and robust Equality Impact Assessment on each proposed budget reduction where there is a change to service,	Relevant Corporate Director / Head of Service with support and advice from the Consultation Engagement and Equalities Team	Prior to submission of reports to Cabinet and/or Council on Medium Terms Financial Strategy reductions.	Support and advice from the Consultation Engagement and Equalities Team. Full public consultation.	Each relevant service area

policy, practice or procedure.				

Please detail the name of the independent person (someone other than the person undertaking the EIA) countersigning this EIA below:

Countersigned:	Role:	Date:
Gill Lewis	Interim Head of Finance and S151 Officer	5 th February 2020

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 Full EIA will take place on an annual basis and data that is subsequently made available following consultation and engagement on the individual proposed budget reductions will also be considered.	December 2019

Details of person completing the Full EIA:

Name:	Role:	Date:
Joanne Norman	Group Manager – Financial Planning and Budget Management	5 th February 2020

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

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WELL-BEING OF FUTURE GENERATIONS (WALES) ACT 2015 ASSESSMENT

Project Description (key aims):**Medium Term Financial Strategy (MTFS) 2020-21 to 2023-24****Section 1****Complete the table below to assess how well you have applied the 5 ways of working.****Long-term****1. How does your project / activity balance short-term need with the long-term and planning for the future?**

The development of the MTFS aims to balance short-term needs in terms of meeting savings targets, while safeguarding the ability to meet longer-term objectives. It provides a financial basis for decision making and aims to ensure that the Council's finances can be as healthy as they can be for future generations. It does this by:

- Outlining the impact of a number of different funding scenarios (Best, Most Likely and Worst) to provide an element of flexibility to the Council.
- Adhering to a clear set of MTFS principles that drive expenditure decisions.
- Ensuring that the majority of savings are generated from making smarter use of resources with front line service reductions kept to a minimum and only as a last resort.
- The development of a 10 year capital programme which reflects the Council's affordability in terms of capital receipts and borrowing and investment in capital schemes that support the Council's corporate priorities and benefits the County Borough over a longer period.
- Front line services have been protected as far as possible.

Prevention**2. How does your project / activity put resources into preventing problems occurring or getting worse?**

The MTFS attempts to balance investment in preventative measures against costs of reacting to unanticipated situations in statutory services. Each budget reduction proposal is weighed in terms of the impact on other areas of the Council, on the public and on the Well-being of Future Generations. Where a budget cut in one area of non-statutory prevention would lead to increased costs in another, this is not considered to be good financial management. A number of budget pressures target investment in public realm, and additional learning needs in school settings rather than more costly out of county placements, and budget reductions are achieved through remodelling of existing service provision to prevent more costly long term residential placements. In addition, the Council's capital programme targets significant investment in refurbishing or replacing highways, buildings and other infrastructure to prevent longer term maintenance costs.

Integration	3. How does your project / activity deliver economic, social, environmental & cultural outcomes together? The Medium Term Financial Strategy is closely aligned to the Council's Corporate Plan, with explicit links between resources and corporate priorities. The MTFS has been guided by the 3 Wellbeing Objectives outlined in the Corporate Plan. The development of the Corporate Plan and MTFS are both the responsibility of Cabinet and the Corporate Management Board.
Collaboration	4. How does your project / activity involve working together with partners (internal and external) to deliver well-being objectives? A number of budget reduction proposals are achievable through inter-agency working, with the Third Sector, Social Enterprises, other local authorities and partners. These include joint services across local authorities, and with the Health Service, and new models of working internally, such as the Corporate Landlord model which aims to provide a resilient service that maximises the use of and improves the quality of the Council's assets going forward. A number of services already collaborate with other partners and these continue to improve performance whilst operating with reducing resources.
Involvement	5. How does your project / activity involve stakeholders with an interest in achieving the well-being goals? How do those stakeholders reflect the diversity of the area? A full consultation "Shaping Bridgend's Future" was launched on 9 September 2019 and ran until 3 November 2019. This covered a range of budget proposals under consideration as well as seeking public views on resource allocation, priorities and the principles around budget protections and taxation levels. Details of the consultation were promoted to/shared with the following stakeholders: general public/residents, Citizens' Panel members, elected members, BCBC employees, Bridgend businesses, town and community councils, school governors, Bridgend Community Cohesion and Equality Forum (BCCEF) members, local interest/community groups, BAVO, Bridgend College, partners, secondary schools (inc. head teachers) and media outlets. The consultation included an online survey, attendance at a diverse range of external stakeholder groups and social media debates. Members have had the opportunity to take part in a budget workshop also. The results were collated and presented to Cabinet on 17 December 2019 in order to further inform decisions on the MTFS.

Section 2 Assess how well your project / activity will result in multiple benefits for our communities and contribute to the national well-being goals		
Description of the Well-being goals	How will your project / activity deliver benefits to our communities under the national well-being goals?	Is there any way to maximise the benefits or minimise any negative impacts to our communities (and the contribution to the national well-being goals)?
A prosperous Wales An innovative, productive and low carbon society which recognises the limits of the global environment and therefore uses resources efficiently and proportionately (including acting on climate change); and which develops a skilled and well-educated population in an economy which generates wealth and provides employment opportunities, allowing people to take advantage of the wealth generated through securing decent work.	• Improved educational outcomes for children and young people leading to a well-educated and skilled population to meet future skills needs. • Improve future outcomes for young people including educational attainment, cohesive safe communities are more attractive and easier places to do business. • Increase productivity, employment and skills. Encourage a lower carbon economy.	The majority of savings will be generated from making smarter use of resources with front line service reductions kept to a minimum and only as a last resort. The MTFS will be aligned with the Corporate Plan to achieve the Council's current Wellbeing Objectives: <u>Supporting a successful economy</u> - 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. <u>Helping people to be more self-reliant</u> - taking early steps to reduce or prevent people from becoming vulnerable or dependent on the Council and its services. <u>Smarter use of resources</u> – 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. Funding will be targeted in line with these priorities and in line with the 13 MTFS Principles.
A resilient Wales A nation which maintains and enhances a biodiverse natural environment with healthy functioning ecosystems that support social, economic and ecological resilience and the capacity to adapt to change (for example climate change).	• Break long term cycles to secure better outcomes for people and communities. • Stronger individuals and communities are more resilient to change. • Communities place a greater value on their environment and more people get involved in local issues and recognise the importance of green space in wellbeing and as a prevention factor. • Healthy active people in resilient communities, volunteering, keeping young people in the local area, reducing travel to work, increased use and awareness of green spaces.	The impact on local communities will be monitored through the wide range of services that will continue to be provided by the Council or its partners.
A healthier Wales A society in which people's physical and mental well-being is maximised and in	• Improved future physical and mental well-being, by reducing health harming behaviours.	The impact on local communities will be monitored through the wide range of

which choices and behaviours that benefit future health are understood.	• Promote more involvement in communities to benefit mental health, social and physical activity. • Focus on healthy lifestyles and workplaces, increased income linked to health.	services that will continue to be provided by the Council or its partners.
A more equal Wales A society that enables people to fulfil their potential no matter what their background or circumstances (including their socio economic background and circumstances).	• Helping all children and young people to reach their full potential, by improving their early years experiences and ensure access to information to help make informed decisions. Improving outcomes for teenage parents and their children. • Recognising that communities are becoming more diverse. Addressing barriers that some groups have in feeling part of communities. • Address income inequality and health inequality, focus on disability, older people and other equality groups. Focus on increasing income and reducing the skills gap.	The impact on local communities will be monitored through the wide range of services that will continue to be provided by the Council or its partners.
A Wales of cohesive communities Attractive, viable, safe and well-connected communities.	• Increased number of confident secure young people playing an active positive role in their communities. • Healthy active people in resilient communities, keeping young people and skills in the local area, tackling poverty as a barrier to engagement in community life a supportive	The impact on local communities will be monitored through the wide range of services that will continue to be provided by the Council or its partners.

	network, developed through initiatives at work, can help to support staff through challenging times in their lives.	
A Wales of vibrant culture and thriving Welsh language A society that promotes and protects culture, heritage and the Welsh language, and which encourages people to participate in the arts, and sports and recreation.	• Cultural settings provide support sensitive to our increasingly diverse communities and help us identify opportunities to increase the number of Welsh speakers. • Importance of culture and language as a focus for communities coming together. • Bringing more people from different cultures together. More people identifying with their community. • Encourage take up of sports, arts and recreation initiatives through the workplace. • Ensure Welsh culture and language are a part of this. Welsh language skills are beneficial to businesses and in increasing demand.	Compliance with the Welsh Language act and specific Welsh Language Standards will be monitored as part of the annual report.
A globally responsible Wales A nation which, when doing anything to improve the economic, social, environmental and cultural well-being of Wales, takes account of whether doing such a thing may make a positive contribution to global well-being.	• Diverse, confident communities are resilient to change. Promotes a better knowledge of different cultures and a better knowledge of the local environment. • Healthy lifestyles include cultural activities that promote	The impact on local communities will be monitored through the wide range of services that will continue to be provided by the Council or its partners.

	understanding of diversity of communities, different cultures, races. Promote apprenticeships to people from different backgrounds.	

Section 3 Will your project / activity affect people or groups of people with protected characteristics? Explain what will be done to maximise any positive impacts or minimise any negative impacts			
Protected characteristics	Will your project / activity have any positive impacts on those with a protected characteristic?	Will your project / activity have any negative impacts on those with a protected characteristic?	Is there any way to maximise any positive impacts or minimise any negative impacts?
Age:	Unknown - The impact, positive or negative, will depend on the nature of the service delivered, the specific budget reduction proposed or budget pressure funded and the service user.		This will vary according to the service provided and will be considered through individual Equality Impact Assessments (EIAs).
Gender reassignment:	See above		This will vary according to the service provided and will be considered through individual (EIAs).
Marriage or civil partnership:	See above		This will vary according to the service provided and will be considered through individual (EIAs).
Pregnancy or maternity:	See above		This will vary according to the service provided and will be considered through individual (EIAs).
Race:	See above		This will vary according to the service provided and will be considered through individual (EIAs).
Religion or Belief:	See above		This will vary according to the service provided and will be

		considered through individual (EIAs).
Race:	See above	This will vary according to the service provided and will be considered through individual (EIAs).
Sex:	See above	This will vary according to the service provided and will be considered through individual (EIAs).
Welsh Language:	See above	This will vary according to the service provided and will be considered through individual (EIAs).

Section 4 Identify decision meeting for Project/activity e.g. Cabinet, Council or delegated decision taken by Executive members and/or Chief Officers	
Council	
Compiling Officers Name:	Deborah Exton
Compiling Officers Job Title:	Interim Deputy Head of Finance
Date Completed:	10/12/19

Bridgend County Borough Council

Cyngor Bwrdeistref Sirol Pen-y-bont ar Ogwr



MEDIUM TERM FINANCIAL STRATEGY

2020-21 to 2023-24





MEDIUM TERM FINANCIAL STRATEGY 2020-21 to 2023-24

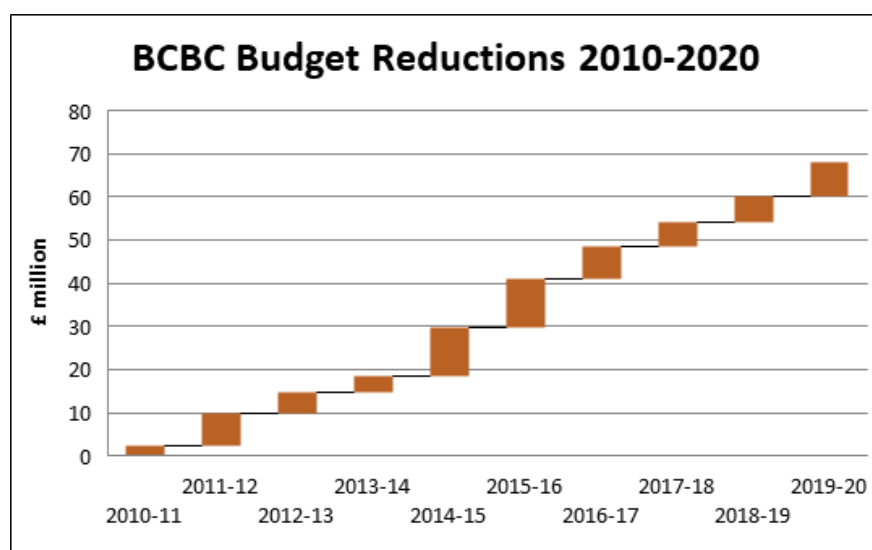
1. INTRODUCTION

- 1.1 The Council aspires to improve the understanding of its financial strategy, link more closely to its well-being objectives and explain the Council's goal of delivering sustainable services in line with the overarching ambition of the Well-being of Future Generations (Wales) Act 2015. This narrative summarises the continued and significant investment in public services that the Council will make. It also sets out where we will be making significant changes to particular areas of service and consequences of these to the budget.

1.2 Corporate Financial Overview

Over the last 10 years, the Council has made £68 million of budget reductions, as shown in the chart below. This represents 30% of the Council's 2009-10 budget:

Bridgend County Borough Council Budget Reductions 2010 to 2020



While the Council's net revenue budget is planned at £286.885 million for 2020-21, its overall expenditure far exceeds this. Taking into account expenditure and services which are funded by specific grants or fees and charges, the Council's gross budget will be around £420 million in 2020-21. The local authority's annual revenue budget covers the day-to-day running costs of the local authority (including staff salaries, housing maintenance, pensions, operational costs etc.). Around £175 million of the gross budget is spent on the Council's own staff including teachers and school support staff. Much of the cost of the services provided by external organisations is also wage related – these include for example waste collection operatives, domiciliary care workers, leisure staff and foster carers.

The Council gets the majority of its revenue funding from Welsh Government through the Revenue Support Grant and a share of Non Domestic Rates. It supplements this through council tax collection, other grants and fees and charges. Council tax is a charge that local authorities charge to help to pay for their services. The amount that council tax payers pay is made up of 3 elements:

- Bridgend County Borough Council charge
- Community Council charge
- Police and Crime Commissioner for South Wales charge

In terms of council tax, the proportion of council tax required to balance the Council's budget has steadily increased over recent years and it currently funds almost 30% of the budget.

As well as having less income to fund services, there are other pressures that squeeze resources. Amongst these are:

- Legislative changes e.g. the Environmental (Wales) Act 2016, the Well-being of Future Generations (Wales) Act 2015, and the Additional Learning Needs and Education Tribunal (Wales) Act 2018.
- Demographic changes - People are living longer which is obviously good news but that also can bring increased dependency through people living with more complex or multiple conditions.
- An increase in the number of pupils at our schools, which places increased pressure on school budgets, along with an increase in free school meals entitlement which brings additional funding pressures.

The Council has adopted a Corporate Plan that sets out the approaches that it will take to manage these pressures whilst continuing to ensure that, as far as possible, services can be provided that meet the needs of the citizens and communities in Bridgend. These approaches are:

- Though a large and complex organisation, the Council will make every effort to work as one single organisation. That means avoiding duplication and double handling of data through sharing of systems and processes. This isn't always as easy as it sounds because often different rules or opportunities apply to different services. Nevertheless acting as 'One Council working together to improve lives' is enshrined in the Council's vision.
- Wherever possible the Council will support communities and people to become more resilient by creating their own solutions and reducing dependency on the Council. This is because it is not sustainable for the Council to continue to aspire to meet all and every need that arises and because there is capacity, talent and ideas in other parts of the community that can be encouraged to play an active and effective role in sustaining and often enhancing local services. The Council has a role in encouraging, enabling and leading this approach and has adopted this as one of its underlying principles.

- The Council has agreed a principle of focusing diminishing resources on communities and individuals with the greatest need. Parts of our community have long standing problems of poverty and disadvantage. The solutions to this are not all in the direct control of the Council (for example the effects of changes to the welfare system) but where possible the Council has agreed that it wants to both alleviate problems in these areas and develop longer term sustainable solutions. The new proposed socio-economic duty on public bodies will reflect these aims.
- The Council has three wellbeing objectives that reflect these and other principles. One of these objectives is to make “Smarter Use of Resources”. This means we will ensure 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.

1.3 Education

The Council is proposing to spend £121 million on services delivered by the Education and Family Support Directorate in 2020-21. The majority of this money will be spent by Bridgend’s 59 schools and one pupil referral unit.

In addition to the £100 million proposed budget to be delegated to schools in 2020-21, which mostly pays for the salaries of teaching and other school staff, and the running costs of the facilities (ongoing revenue expenditure), the Council has already spent £21.6 million in building and refurbishing schools as part of our 21st Century School Modernisation Band A Programme and has provisionally committed to a further £19 million as part of the Band B Programme. This comprises one-off capital expenditure across several years, with significant match funding from Welsh Government. Welsh Government has provided approval in principle in respect of the Strategic Outline Programme submitted by the Council around our aspirations for Band B funding. However, approval will also be required for individual project business cases. While it is too early to say how this will progress, the concepts proposed are based around forecast demand for primary school places, our support to promote the growth in Welsh-medium education and our desire to create additional capacity to meet the needs of children with additional learning needs in our main special school, mainly in the primary sector. While this is inevitably dependent to some extent on an increased population as a result of new housing, it is likely that this will represent the most significant area of capital expenditure for the Council in future years.

The Council has a longer-term goal to make the overall schools system more efficient (e.g. through making sure we have the right number of school places available in the right parts of the county (including ensuring enough capacity for anticipated future increases in school age population)).

For 2020-21 the level of budget reductions required is not as great as had been feared. As a result, it has been possible to protect schools from a proposed 1% annual efficiency target for one year. However, the forecast pressure on Council budgets for future years is such that it may be unavoidable for 2021-2022 onwards, and so it will be necessary for headteachers and governing bodies to plan ahead.

The Council has identified ‘Helping people and communities to be more healthy and resilient’ as a ‘Well-being Objective’ and early intervention is an important part of this

– taking steps wherever possible to prevent people becoming reliant on Council services. As well as being of great social value to individuals and communities, this approach is more cost effective. Successful intervention at an early age and at an early stage can prevent needs from escalating and requiring more costly and complex help later on.

In seeking to protect our investment in education and early intervention, the Council is making minimal changes to the services delivered at this time. We are proposing the following changes in 2020-2021 that are reflected in the budget:

- We intend reviewing our staffing structures within the directorate, which we anticipate will secure efficiency savings of around £50,000.
- We would like to reduce our contribution to Central South Consortium over the coming years. This is, however, subject to agreement with our partners. For 2020-2021, we anticipate a further cut of £17,000 (3%). We will continue discussions around savings that can be made in future years.

We will continue our phased implementation of the Council's revised Home-to-School/College Transport Policy, where we have established it is safe to do so. We expect to achieve at least £75,000 of efficiency savings during 2020-21. We are also reviewing other aspects of our transport provision including post-16 transport and a full consultation exercise is being carried out to inform this.

1.4 Social Care and Early Help

After Education, the largest area of Council spend is on social care. This includes social care for children and for adults who are vulnerable or at risk. Within the Directorate there is a strong ethos on social care as a professional discipline and by the two areas working more closely together there is a strong focus on ensuring positive outcomes for those people we work to support. The Directorate continues to develop new approaches to service delivery and this includes better support and outcomes for prevention, early intervention and wellbeing. This approach supports the wellbeing objective of 'helping people and communities to be more healthy and resilient' and is also part of the Directorate's transformation plan with a clear link to the Medium Term Financial Strategy.

There are established working relationships between children's social care and early help and intervention services with mechanisms in place to ensure close working and appropriate and proportionate responses to families and children in need.

Our strategy for the next few years is to more effectively manage demand and introduce new ways of working in order to lessen dependency and enable people to maximise their independence.

Social services is largely a demand led service and whilst the long term strategy is to enable people to be more self-reliant, the demographics show that people are living longer, often with more complex conditions than ever before. This means that there are more people living in the community who would previously have remained in hospital or entered a care home. Children's social care is also demand led and the financial pressure to meet need can fluctuate very rapidly. This needs to be achieved

within available budgets. In total, the Council is proposing to spend £71 million on social care and wellbeing services in 2020-21.

Though some pressures are allowed for in planning the 2020-21 budget, we are not simply increasing the budget to meet demand. This would be unsustainable and if we increased budgets year on year to meet new demand, it would increasingly mean the Council would have to restrict other services. Therefore the Council's strategy is to transform how services are delivered. Introducing new ways of working which will be sustainable in the long term alongside a demand led service is inevitably taking time. The service has made good progress in achieving the required savings, however the increase in demand and complexity of care required continues to put pressure on our budgets.

In order to be sustainable going forward, the Council is ensuring that any changes are introduced in a planned and timely way in order to take existing and future customers with us as well as the general workforce. This work has already commenced and the budget saving proposals for 2020-21 build on the implementation plans that are already underway. The re-modelling programmes focus on changing the culture and reviewing what has become 'custom and practice'.

The Council has already made changes. In adult social care we have changed the assessment framework in order to improve the outcomes for people who need care and support whilst also reducing the numbers of people who require long term support. The Council focuses on helping people to achieve the outcomes they want for themselves, targeting our interventions on what is missing, rather than going straight to what package of care we can give them. We are also actively reviewing the way we deliver domiciliary care, day services and residential care for children. There has also been an increased focus on developing foster care.

Importantly these transformations are designed to both better support people and cost less. The Council has identified a number of further transformations that continue this approach, some of which are reflected in changes to the budget. These include a full review of the learning disability accommodation strategy for complex needs and remodelling of Children's residential and fostering services.

Housing as a determinant of physical and mental health is widely recognised and this link is reinforced by the range of activities and services provided by the Housing Team. The Housing Act (2014) introduced the need to move to a more preventative approach to homelessness and this is a core principle of the work undertaken. The Council does not have any housing stock of its own but retains a number of statutory functions relating to addressing housing need and combatting homelessness. The service also administers the Supporting People Grant from Welsh Government (£5.8 million).

The support activities are both broad and diverse. This is done both through a range of corporate joint working and contract arrangements with third sector organisations, delivering specific projects for people who are vulnerable with complex needs. These projects include services for people suffering domestic abuse, mental health and substance misuse issues, learning disabilities, accommodation for young people, people with mental health support needs and other housing related support for people who need help to access or maintain accommodation successfully.

Housing will be looking at service efficiencies in 2019-20 through changing the way we operate in terms of Disabled Facilities Grants (DFGs) and the development of an interactive experience for housing applicants. Alongside the continued adoption of a strategic approach to homelessness prevention and provision by working with partner organisations, housing will continue to use the Social Housing Grant effectively to increase the supply of social housing.

1.5 Public Realm

Most of the Council's net budget is spent on education and social care – these are very valued services, but are naturally aimed at certain groups within our community. However, the Council's work on the public realm has a direct and visible impact on everybody. This includes our work to maintain highways, parks and open spaces, clean our streets, collect and dispose of our waste.

In 2020-21 the Council is likely to receive around £4.2 million of direct Welsh Government grant for public realm services. This includes waste services, public transport, rights of way and road safety.

The overall net budget that the Council proposes to spend on public realm services is £21.8 million. The fact that schools have had a high degree of financial protection in previous years has meant that the Council's other services have been under considerable pressure to make savings and in many cases we have had to reduce levels of service. However the services in the Communities Directorate have also been subject to service changes that have resulted in alternative delivery models that have increased productivity, as well as collaborative approaches that have increased both efficiency and service resilience. Additional investment in this area is proposed for 2020-21.

The seven year contract with Kier is now moving into its third year and the costs associated with waste collection still remain competitive on an all Wales basis. During the first two years of the contract there has been a significant increase in the amount of waste recycled, (Bridgend is currently the second best performing authority in Wales), and therefore a significant reduction in the volume of our residual waste – we expect this to benefit the Council financially over time, subject to contractual conditions with our disposal arrangements. An indicative net saving of £1.3 million was identified in 2019-20 as a result of negotiating new operating arrangements at the Materials Recovery and Energy Centre (MREC) but achieving these savings is dependent on reaching agreement with Neath Port Talbot Council to appoint a new operator able to run the site in a more cost efficient manner, with a reduced cost per tonne, recognising the substantial reduction in the overall tonnage of residual waste Bridgend now takes to the facility. We expect to spend in the region of £8.5 million on the collection and disposal of waste in 2020-21.

A major challenge for the Council is how to continue to meet public expectations for many highly visible and tangible services when the available overall Council budget inevitably means the Council will be less able to deliver these services to the same level and frequency. These services are often the ones the public identify with their council tax payments.

The Council's strategy is to retain and maintain the most important public services in this area whilst driving ever greater efficiency, making some service reductions where we think it will have the least impact across Council services, recognising that this still may be significant in some areas. We will also develop alternative ways of delivering and sustaining services including greater and more effective collaboration and encouraging others to work with us or assume direct responsibility for services in some cases. The most significant proposed change in this respect is:

- A move to shift the responsibility for the management and maintenance of sports fields and pavilions from the Council to user clubs and groups or local town and community councils. The Council will adopt a flexible approach to community asset transfer (CAT), utilising the new streamlined CAT process, and ensuring that appropriate advice and both capital investment (from the CAT fund in the capital programme) and revenue support (from the new sports club support fund) are made available. The Council aims to achieve savings of £300,000 in 2021-22 from transferring these assets.

Reductions in spend in these areas will allow us to protect our investment in the Council's priorities and in areas where we have far less ability to exercise control.

1.6 Supporting the Economy

Whilst this is a Council priority, services such as regeneration and economic development as a discretionary service have nevertheless made significant reductions to their budgets over recent years. The Council has delivered this by employing fewer but more highly skilled staff, and focussing activity more narrowly on priority areas to maximise impact. Going forward, we will increasingly collaborate on a regional basis with the nine other Councils that make up the Cardiff Capital Region City Deal, particularly in areas such as transport, economic development and strategic planning. The City Deal is creating a £1.2 billion fund for investment in the region over the next 20 years. This long term investment will be targeted to focus on raising economic prosperity, increasing job prospects and improving digital and transport connectivity. In order to play an effective part in the City Deal, the Council will maintain as far as possible existing investment in its transport planning, spatial planning and regeneration teams to reflect this direction of travel. The Council will be spending in the region of £1.9 million a year running these services, plus a further £700,000 as Bridgend's contribution to the Deal itself. These teams will ensure successful delivery of high profile regeneration projects as well as efforts to mitigate the Ford engine plant closure. We are also in the process of developing a new Local Development Plan and an important part of our budget planning is making sure that it is resourced appropriately to ensure our plan is properly researched and evidenced and sets out the development planning proposals for the County Borough which will shape its future, including housing growth.

More specifically, the Council has made and continues to make good progress in pursuit of the development of our main towns. These include the development of Cosy Corner and the Harbour Quarter and the marketing of the initial development sites at Salt Lake in Porthcawl, the redevelopment of Maesteg Town Hall, and investment in initiatives to improve the town centre in Bridgend. Much of this

investment is not the Council's own money, but skilled teams are required to bid successfully in a competitive environment to ensure money is levered in.

The Council will continue to operate a number of grant funded programmes of work to support our most vulnerable groups and those furthest away from employment, including training and skills and work support programmes such as Bridges into Work.

1.7 Regulatory and Corporate Services

The Council operates a number of other services which it recognises fulfil specific and important roles. In many cases these are statutory though the precise level of service to be provided is not defined in law. The most significant areas are as follows:

Regulatory Services

This is a combined service with the Vale of Glamorgan and Cardiff City Councils which will spend around £1.8 million on a group of services that includes Trading Standards, Environmental Health, Animal Health and Licensing (Alcohol, Gambling, Safety at Sports Grounds, Taxis etc.). These services all ensure in different ways that the public is protected.

As well as allowing for financial savings, the collaboration delivers greater resilience in the service and stronger public protection across all three Council areas.

Registrars

The Council operates a registrar's service that deals primarily with the registration of Births, Marriages and Deaths. The service also undertakes Civil Partnership and Citizenship ceremonies. It is proposed that the main base for the registrars' service is moved from Tyr Ardd to Civic Offices during 2020-21, creating efficiencies in terms of operating costs by rationalising the Council's estate and generating an additional capital receipt.

Council Tax and Benefits

The taxation service collects over £80 million in Council tax from around 65,000 households across the county borough. Our collection rates over the last two years have been the highest ever in the Council's history. We are determined to maintain this high level, but we are seizing the opportunity to reduce the cost of operating the service, by offering online services. We now offer a range of secure Council tax functions online, allowing residents to self-serve at a time and location convenient to them. This will allow us to reduce the cost of running the service.

Benefits are funded by the central UK government but the administration of Housing Benefit and the Council Tax Reduction Scheme falls to the Council.

Universal Credit (UC) for working age people was fully introduced in Bridgend during June 2018. In conjunction with Citizens Advice, the Benefits Service will provide digital and personal budgeting support to assist people making new claims for UC.

We are continuing to invest in the automation and digitisation of services where appropriate, for example the schools admissions service is now almost entirely automated, and while some of the financial benefits have taken longer to achieve, as developing the necessary systems has taken longer than anticipated, work is ongoing to identify priority areas throughout the council which will help achieve savings in future years of the MTFS.

1.8 Corporate Services

There are a number of things that the Council does that support the delivery of services but which themselves are not visible to the public. We need to maintain these services with sufficient capacity to support our services whilst making them as efficient and effective as possible. In many cases we operate such services by sharing with other organisations. Opportunities for further collaboration or sharing in these service areas has been and will continue to be explored.

Property and building maintenance

The Council is undertaking a review of its commercial property portfolio, identifying asset management opportunities and the mechanisms required to deliver a sustainable increase in income. Alongside this, the Council is continuing to dispose of assets it no longer requires to deliver services, in order to provide further investment in our capital programme.

The Council has brought together its asset management and building maintenance functions, and has centralised all premises repairs, maintenance and energy budgets into a single 'corporate landlord' service within the Communities Directorate. This will better enable us to manage compliance, embed 'whole life costing' approaches into decision-making, manage the quality of work undertaken by contractors, and thereby deliver efficiencies in the management of our estate.

This is intended to produce further savings of £350,000 with effect from 2020-21 including savings from further operational efficiencies, streamlined business processes, IT investment, improved procurement and contract management and the deletion of some vacant staff posts.

Legal services

The Council needs to maintain effective legal support for all of its services. At a time when the Council is trying to transform services it is important to bring about these changes within the law. The service also directly supports front line services such as Education and Social Services, and is provided by a mix of permanent internal staff and expertise purchased from the private sector when necessary. Almost half of our in-house legal team is specifically focussed on child protection cases.

The service is nevertheless very lean and so our focus will be on ensuring that we can build more resilience and responsiveness into the service through some changes in responsibilities and operating practice.

Finance

The Council has a central team that manages all of the financial management of the Council. This includes high level strategic advice, the Council's accounts, monitoring of financial performance and supports the oversight and management of the Council's finances. The service fulfils certain legal requirements that ensures transparency and accountability in the way that public money is used – for example in producing accounts which are then audited and in delivering value for money in service delivery.

The Council has recently upgraded its finance system to achieve improvements in the way the Finance Section works, and will be looking to further improve and enhance functionality to meet legislative changes. Significant progress has been made in automating payments and the Council will continue to develop and extend this to a wider range of suppliers.

Human Resources (HR) and Organisational Development (OD)

With over 6,000 employees including schools, the Council needs a dedicated human resources service. The primary role of the service is to provide professional advice, guidance and support to managers and staff on a wide range of HR and OD issues as well as provide HR services for the payment of salaries, pension, contract and absence administration. Other services include training and development, recruitment and retention, developing employee skills and 'growing our own'. We intend making greater investment in recruiting more apprentices next year.

Working closely with our recognised trade unions, it maintains positive and transparent employee relations arrangements.

ICT

The ICT service is assisting the Digital Transformation programme, supporting the changes across a range of services that in turn allow savings or improvements through more flexible working or new ways to access services. The Council spends around £5 million on its ICT services provision to support main Council activities and schools. The ICT service has focused on developing staff through the apprenticeship programme in conjunction with HR, developing skills and enabling career progression in-house.

Procurement

The Council has a central team that provides procurement support across the range of services that we provide. Effective procurement is essential to ensuring good value for money across the Council, but we will still continue to seek corporate wide efficiencies in the operation of this service. The service is also focusing more efforts on developing the foundational economy based on local procurement as well as reviewing its overall approach in an effort to secure better outcomes for the Council from its large annual spend in this area.

Democratic Services

The Council is a democratic organisation with 54 elected members (Councillors) who make decisions, set policy direction and oversee the general performance of the Council. Like many Councils, Bridgend has a mayor whose job is to chair meetings of the Council and represent the Council in the community (this is completely different to the elected mayors in cities like London and Bristol). These democratic processes require support to ensure accountability and transparency in decision making. The number of elected members in each authority is set independently. Their remuneration is also determined by an independent Panel.

Internal Audit

Our Regional Internal Audit Shared Service is provided by a joint service that we share with the Vale of Glamorgan, Rhondda Cynon Taf and Merthyr Councils. The service carries out routine checks and investigations to ensure that the Council maintains good governance – especially as it relates to the proper accountability of money and other resources.

2. STRATEGIC FINANCIAL CONTEXT

2.1 The Council's MTFS is set within the context of UK economic and public expenditure plans, Welsh Government's priorities and legislative programme. The MTFS articulates how the Council plans to use its resources to support the achievement of its wellbeing objectives and statutory duties, including the management of financial pressures and risks over the next four years. It helps the Council to work more effectively with partners in other sectors and provides a strategy for the use of balances to meet changes in resources or demands from year to year without impacting unduly on services or Council tax payers.

2.2 The MTFS includes:-

- The principles that will govern the strategy and a four year financial forecast, comprising detailed proposals for 2020-21 and outline proposals for 2021-22 to 2023-24.
- The capital programme for 2019-20 to 2029-30, linked to priority areas for capital investment based upon the Council's Capital Strategy.
- The Corporate Risk Assessment.

The Financial Context

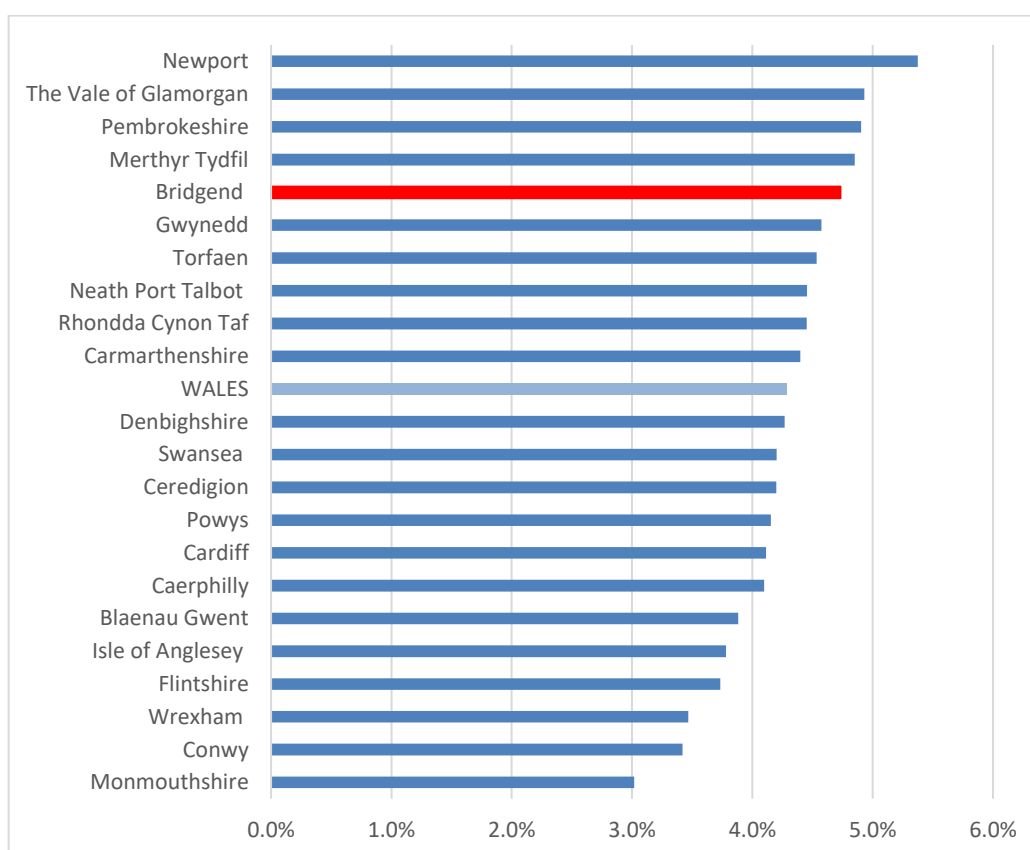
2.3 In September 2019 the Chancellor undertook a fast tracked one-year Spending Round to set departmental budgets for 2020-21. In his report he announced that the UK government will ramp up government spending next year at the fastest rate in 15 years, vowing to "turn the page on austerity". This included new funds to boost the NHS, improve schools and tackle violent crime, along with £600 million extra for the Welsh Government's budget in 2020-21. In response to the Spending Round the Minister for Finance and Trefnydd announced that Welsh Government's revenue budget for 2020-21 would increase by 2.3% or £593 million but the Welsh Government's budget in 2020-21 would still be 2 per cent, or £300 million, lower in real terms than in 2010-11.

2.4 Following this, on 28 October 2019 European Union (EU) ambassadors agreed to further delay Brexit until 31 January 2020, and then on 6 November 2019 the Prime Minister, Boris Johnson, called a UK General Election for 12 December 2019. As a result of this, Welsh Government decided to defer the announcement of their draft budget, along with the provisional local government settlement, until 16 December 2019. This also meant a delay in the announcement of the Welsh Government's final budget and local government settlement until 25 February 2020, so the Medium Term Financial Strategy and the budget for 2020-21 is proposed on the basis of the provisional settlement.

Welsh Government Final Local Government Settlement

- 2.5 Bridgend's draft MTFs was presented to Cabinet on 14 January 2020, based on the provisional settlement, before being submitted for scrutiny. As outlined in that report, Bridgend's published provisional settlement was an increase in Aggregate External Funding (AEF) of 4.7%. This was the fifth highest increase across all Welsh Local Authorities as illustrated below.

Revenue Funding for Welsh Councils 2020-21 (provisional settlement)



- 2.6 The final local government settlement is due to be announced on 25 February 2020, and debated by Welsh Government on 4 March 2020. Whilst not anticipated, if there are any significant changes in funding between the provisional and final settlement, these will not impact upon the level of council tax proposed, but will be managed in the first instance through council wide budgets, such as those held for pay or price increases, or one-off transfers to or from earmarked reserves until a report can be brought back to Council at a later date to provide a more sustainable solution.

Settlement Implications for 2020-2024

- 2.7 As a result of the one-year Spending Round, Welsh Government has not provided any indications of likely funding levels for 2021-22 onwards, which makes forward planning quite difficult, particularly in the post-Brexit years. It is likely that this will be informed by the outcome of the next UK budget which has been announced for 11

March 2020. The assumptions currently built into the MTFS for future years will be reviewed and updated as necessary following the UK Budget.

Transfers into and out of the 2020-21 Revenue Settlement

- 2.8 As mentioned in the draft MTFS report to Cabinet in January, the provisional settlement includes information on a small number of transfers into the Revenue Support Grant (RSG) in respect of the Teachers' Pensions Grant (£1.807 million) and the Teachers' Pay Grant (£555,000) for the period September 2019 to March 2020, along with £80,000 towards the costs of social care tasks performed by registered nurses in nursing homes.

Specific Grants

- 2.9 The picture on changes to specific grants is available at an all Wales level, but not yet at an individual authority level for a number of grants. While many of the grants remain unchanged from the 2019-20 figure, there is a proposed significant decrease in the Sustainable Waste Management grant of around 10%. This has been mitigated through a budget pressure.
- 2.10 However, there are also increases in several grant schemes, including the Social Care Workforce and Sustainability Pressures Grant which has increased by an additional £10 million, from £30 million to £40 million (an additional £444,000 for Bridgend), an increase of £8 million to the PDG Access Grant to cover more year groups and an increase to the Pupil Development Grant. Welsh Government has advised that the specific information will be updated for the final settlement.

Council Tax

- 2.11 The 2020-21 final Revenue Budget, shown in Table 9, includes a Council Tax increase of 4.5%, as proposed in the draft MTFS report to Cabinet in January 2020. This is lower than the options included in the public budget consultation (6.5% minimum) to strike a balance between the responses received from residents about council tax increases, and the need to mitigate against a number of unfunded, unavoidable pressures, including pay increases and demographic changes. Going forward the scale of the financial challenge remains considerable once external pressures and risks have been taken into consideration so an assumed annual increase of 4.5% continues to be included for 2021-2024.

Welsh Government Capital Settlement

- 2.12 In February 2019 Council approved a capital programme for 2018-19 to 2028-29, based on the assumption that local authorities would receive the third tranche of the additional £100 million capital funding allocated across Wales for 2018-19 to 2020-21 (£20 million for 2020-21) and then funding would return to its pre 2018-19 level. Council has approved revised versions of the capital programme during the financial year to incorporate budgets carried forward from 2018-19 and any new schemes and grant approvals. The provisional local government capital settlement provides this

Council with £7.983 million capital funding for 2020-21, which is £318,000 more than 2019-20 and £761,000 more than was originally anticipated. This is as a result of an additional un-hypothecated allocation of £15 million which Welsh Government hopes “will enable local authorities to respond to the urgent need to decarbonise, in light of the climate emergency declared by the Welsh Government and many councils over the past year”. No indications have been given for 2021-22 or beyond but it is anticipated that the funding will return to the pre 2018-19 levels.

- 2.13 A review has been undertaken of the capital resources available to the Council, along with the capital pressures that it faces. Due to the limited capital resource available, following a number of years of significant investment in the Council’s infrastructure, service managers have not been asked to submit capital bids for funding at this stage, but there is recognition that there are a number of capital pressures that will need addressing and funding during the year and beyond so specific areas have been targeted for requests, particularly in respect of public realm proposals.

Current Year (2019-20) Financial Performance

- 2.14 The in-year financial position as at 31 December 2019 is shown in Table 1 below.

Table 1 – Comparison of budget against projected outturn at 31 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 to Reserves			4,391	4,391	3,574
Total	270,809	270,809	270,011	(798)	(575)

- 2.15 The overall projected position at 31 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. The main reason for the under spend of £4.154 million

on 'Other Corporate Budgets' is due to Welsh Government advising local authorities of £2.622 million of additional grant funding being made available during 2019-20 to meet the increased cost of teachers' pensions, fire service pensions, and teachers' pay increases, all of which were originally funded in full through the MTFS. The balance relates to uncommitted funding centrally retained for pay, prices and budget pressures, which will be monitored during the winter period. 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.

- 2.16 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. Going forward, directorates will either have to realise any outstanding budget reductions in full or find alternative proposals to meet the saving, in addition to any new proposals for 2020-21 onwards.
- 2.17 In accordance with the Council's Financial Procedure Rules any planned over spends or under spends by directorates may be carried forward into next year. Fortuitous under spends in budgets may be applied to offset over spends on other budgets.

Medium Term Financial Strategy (MTFS) 2020-21 to 2023-24

- 2.18 This section of the report sets out the proposed MTFS for the Council for the next four financial years, based on the latest information available from the Welsh Government. It does not include fixed funding, expenditure or activity projections, but sets best, worst and most likely scenarios for the resources that will be available. The MTFS is reviewed regularly and amended as additional information becomes available, with the detail for future years being developed over the period of the strategy.
- 2.19 The development of the MTFS 2020-21 to 2023-24 is led by Cabinet and Corporate Management Board (CMB) and takes into account auditors' views, the recommendations of the Budget Research and Evaluation Panel, the public consultation, and issues arising during 2019-20, underpinned by the ongoing aim to embed a culture of medium term financial planning closely aligned with corporate planning.
- 2.20 Implementation of the MTFS will continue to be led by Cabinet and CMB, supported by financial and performance data. Cabinet and CMB will seek to ensure that it is widely understood by internal stakeholders (Members, employees and Unions) and external stakeholders (citizens, businesses and partners).

Scrutiny and Challenge

- 2.21 As stated in paragraph 2.19, Cabinet and CMB continue to seek to embed a culture of medium term financial planning within the Council. Against that background, further efforts have been made again this year to secure greater involvement of stakeholders in the development of the MTFS and the Corporate Plan. An eight week consultation 'Shaping Bridgend's Future 2019' was undertaken between 9 September and 3 November 2019. This covered a range of budget proposals under consideration as well as seeking public views on resource allocation, priorities and the principles around budget protections and taxation levels. The consultation included an online survey, community engagement stands, attendance at town and community council meetings, community group meetings and social media debates. In addition, in order to gather the views of young people, the consultation team attended an all-Bridgend headteachers' event to promote the survey as well as asking individual schools to take part in interactive sessions in order to gather feedback. The results were collated and presented to Cabinet on 17 December 2019 in order to further inform decisions on the MTFS.
- 2.22 The consultation was supported by a full communications and promotional plan. The main activities included two media releases, a BCBC budget explainer video, various press release/editorials in the media, a social media/web campaign, poster/sign campaign, direct marketing to key target audiences e.g. businesses, schools, youth council and internal communications for staff and elected members. Links were also made to the consultation through HALO, Awen and BAVO's communication outlets. Elected Members have also received pre-Council briefings.
- 2.23 Overall, the council received 7,437 interactions during the consultation, covering survey completions, engagement event attendees and social media interactions and via the authority's Citizens' Panel. This is an increase of 2,149 (40.6%) on the 5,288 interactions from last year, of which 1,200 related to an increase on social media comments.
- 2.24 A summary of the main headlines arising from the consultation is provided in Table 2 below.

Table 2 – Headline Figures from Public Consultation

Headlines from the Public Consultation	
Council Tax	
64% of respondents stated that they would be prepared to pay an additional 6.5% council tax (this was the lowest amount that could be chosen).	
83% of respondents were not willing to pay an additional 13.6% council tax in order to protect all services for 12 months.	
The proposals to make savings that were supported by respondents were:	
Close Community Recycling Centres for one day per week each (70%).	
The council is not best placed to provide pest control services (58%).	
Remove funding for town centre events (54%).	
Remove funding for all strategic events (40%) and remove funding for Elvis Festival (32%).	
Remove funding for Bridgend Business Forum (72%).	
Reduce the funding for Adult Community Learning to save £65k (58%).	
Support for a model of localised day services through the development of Community Hubs (69%).	
Remove escorts from school transport where there are less than eight pupils (56%).	
Delegate funding to primary schools for pupils with additional learning needs (57%).	
Move to less face to face interactions within the Customer Services Contact Centre within Civic Offices (70%).	
Move to an appointment based system in the Customer Services Contact Centre (59%).	
The proposals that were not supported by respondents were:	
Move to a reactive street cleaning service (63%).	
Removal of funding for CCTV (70%).	
Removal of funding for Pop-up Business School (58%).	
Reconfiguration of the homelessness service (54%).	
Delegation of money for cognition and learning services to schools (52%).	
Generating Income	
61% of respondents agreed that the council should consider commercial ventures to fund and protect front line services.	
60% of respondents stated that the council should consider the possibility of providing energy to its residents to generate income.	
Social Media Responses – most common comments:	
Theme	No.
Don't increase council tax by 13.6%	242
We pay more council tax yet receive less services	203
Cut council staff/wages/expenses/pensions	200
Requests for more information on annual accounts and budget reductions	116
Cut councillors/wages/expenses	99
Council should challenge central government funding cuts	88
Issues with recycling and waste service	73

- 2.25 In addition to the public consultation, Cabinet and CMB have been working with the Budget Research and Evaluation Panel (BREP) over the last six months to facilitate the budget planning process. The draft budget report approved by Cabinet in January 2020 has also been scrutinised by the Council's Overview and Scrutiny

Committees resulting in a report to Cabinet from the Corporate Resources and Improvement (CRI) Committee, outlining a number of recommendations. Cabinet has considered the CRI Committee's recommendations, which include recommendations from BREP, and a response to these is provided in Appendix H.

2.26 Cabinet and CMB have reflected on the responses received from the public consultation and have drafted the budget based on the comments and responses received. Consequently, some budget reduction proposals which were previously under consideration have either been amended, deferred or removed for this final budget. These include:

- removal of adult community learning
- reduced funding for the pop-up business school
- removal of the CCTV service
- reducing or removing street cleaning provision
- removal of certain community recycling centres, and
- reduced funding for highways.

MTFS Principles

2.27 As well as consideration of future income and expenditure scenarios, the MTFS provides a set of clear principles which drive the budget and spending decisions over 2020-2024 and which Members and others can examine and judge the Council's financial performance against. The fourteen key principles included within the last MTFS for 2019-20 to 2022-23 have been considered by BREP and Cabinet and updated to reflect the current Council situation. There are now thirteen updated principles as follows:

1. There will be a "One-Council" approach to the Medium Term Financial Strategy with a view on long term, sustainable savings proposals that are focused on re-shaping the Council over the full period of the MTFS.
2. All budget related decisions will align with the principles of the Well-being of Future Generations (Wales) Act 2015.
3. The Council will continue to meet its statutory obligations and demonstrate how it directs resources to meet the Council's wellbeing objectives. Other resource strategies (including the Treasury Management Strategy and Capital Strategy) are kept under review to maintain alignment with the MTFS and the Corporate Plan.
4. The financial control system is sufficiently robust to support the delivery of financial plans and mitigate corporate risks, with adequate provision being made to meet outstanding and reasonably foreseen liabilities.
5. All services will seek to provide value for money and contribute to public value, and will continuously review budgets to identify efficiency savings.
6. Financial plans will provide an optimum balance between income and

expenditure for both capital and revenue, with opportunities for generating additional income taken in line with the Council's Income Generation and Charging Policy.

7. 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.
8. Balances are not used to fund recurrent budget pressures or to keep down Council Tax rises unless an equivalent budget reduction or increase in Council Tax is made in the following year in recognition that balances are a one-off resource.
9. The Council Fund balance should be set at a prudent but not excessive level. This will normally be maintained at a level of 5% of the Council's net budget, excluding schools.
10. Capital investment decisions are in alignment with the Council's Capital Strategy, and mitigate any statutory risks taking account of return on investment and sound option appraisals.
11. Prudential borrowing is only used to support the capital programme where it is affordable and sustainable within the Council's overall borrowing limits and the revenue budget over the long term.
12. Decisions on the treatment of surplus assets are based on an assessment of the potential contribution to the revenue budget and the capital programme.
13. Resources are allocated to deliver transformational projects based on clear strategic plans that are kept under review by Corporate Directors to maintain alignment with the MTFS.

The MTFS Budget Reduction Contingency Reserve referenced in Principle 7 enables the Council to manage delays or unforeseen obstacles to the delivery of significant MTFS budget reduction proposals. Table 3 below identifies the allocations to date from this reserve during 2019-20:

Table 3: MTFS Proposals supported by Budget Reductions Contingency Reserve in 2019-20

MTFS Reference	Original Saving Proposal £'000	Funding from MTFS Budget Reduction Contingency £'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

The level of this reserve will be kept under review by the Section 151 officer in light of forecast difficulties in delivering specific future budget reduction proposals.

MTFS Resource Envelope

- 2.28 The published provisional 2020-21 Aggregate External Finance (AEF) figure is an increase of 4.7%. In the MTFS 2019-20 to 2022-23, it was stated that the Council would continue to work towards a most likely scenario in its planning assumptions for 2020-21 of an annual reduction in AEF of -1.5% and an assumed increase in Council tax of 4.5% for 2020-21 to 2022-23, recognising the ongoing uncertainty around our funding in future years following Brexit. Whilst the settlement for next year is significantly better than anticipated, given the uncertainty going forward and the significant pressures resulting from pay, pensions and demographic increases in 2020-21 onwards, the proposed Council Tax increase for 2021-22 onwards will remain at 4.5%.
- 2.29 The MTFS will be regularly reviewed against service performance and external economic and fiscal information to ensure that early action can be taken as necessary to keep it and the Corporate Plan on track. This is particularly important given the uncertainties around Brexit in the coming months and years. In view of the uncertainties, the MTFS has been developed taking into account possible resource envelope scenarios, based on percentage changes in AEF shown in Table 4. These will be updated as necessary following any information arising from the UK Budget on 11 March 2020.

Table 4 – MTFS Scenarios: % Change in AEF

	2020-21	2021-22	2022-23	2023-24
	% Change	% Change	% Change	% Change
Best Scenario	+4.7%	-1.0%	-1.0%	-1.0%
Most Likely Scenario	+4.7%	-1.5%	-1.5%	-1.5%
Worst Scenario	+4.7%	-3.0%	-3.0%	-3.0%

Managing within the MTFS Resource Envelope

2.30 The financial forecast for 2020-24 is predicated on £29.293 million budget reductions being met from Directorate and Corporate budgets and these are referred to later in the report. It is also predicated on a number of spending assumptions, including:

- Projections for demographic changes, including an ageing population and an increasing number of young people with complex disabilities living into adulthood and adding progressively to the demand for care.
- Inflationary uplifts to support specific contractual commitments including increases in energy costs.
- The future impact of national policies and new legislation which may not be accompanied by commensurate funding such as the Additional Learning Needs and Educational (Tribunal) Act Wales 2018 and the Environment (Wales) Act 2016.
- Fees and Charges will increase by the statutory minimum or CPI (+1.3% at December 2019) plus 1%.
- Significant increases in staffing costs as a result of the 6.2% increase in the national living wage from April 2020 (with further increases expected in April 2021), along with the impact of staff pay increases in 2020-21. These include the full year effect of the teachers' pay increase in September 2019 (minimum 2.75%) and potential increases for non-teachers following the unions recent pay claim, which includes a 10% pay increase for all NJC pay points, an increase in annual leave and reduction in the working week. If these were agreed, in part or in full, they would be completely unaffordable for the Council and would require a significant increase in the value of budget reductions required or a significant increase in council tax, beyond that proposed already. These agreements would significantly increase the overall pay bill, and the amount we pay in respect of external contracts.
- With regard to pensions' contributions, the employer contribution rate for teachers' pensions increased from 16.48% to 23.68% from September 2019. The part-year cost for Bridgend for 2019-20 is around £2.1 million, and this was met in the main from one-off grant funding from Welsh Government. This grant has transferred into the settlement in 2020-21 and the amount allocated to Bridgend is £1.807 million, which just falls short of the total requirement. The full year effect is around £3.6 million, an additional £1.8 million for 2020-21, and this is one of the pressures to be funded from within the 4.7% increase in AEF announced by the Welsh Government.

2.31 For 2020-21, the MTFS includes an additional £9.364 million for the above known pay and price pressures. In addition, each year consideration is given to any

inescapable, unforeseen Directorate pressures that cannot be accommodated within existing budgets. £6.683 million of inescapable pressures have emerged during 2019-20 and are explained in more detail in paragraphs 3.12 to 3.15 below. In total, the Council has identified pressures of £16.047 million in 2020-21.

MTFS Budget Reduction Requirement

- 2.32 Table 5 below shows the Council's potential net budget reduction requirement based on the forecast resource envelope and assumed council tax increases (paragraph 2.28 above) and inescapable spending assumptions (paragraph 2.30 and 2.31 above).

Table 5 – Budget reduction scenarios

	2020-21 £'000	2021-22 £'000	2022-23 £'000	2023-24 £'000	Total £'000
Best Scenario	2,413	8,162	7,972	7,775	26,322
Most Likely Scenario	2,413	9,178	8,962	8,740	29,293
Worst Scenario	2,413	12,225	11,872	11,518	38,028

- 2.33 Cabinet and CMB are working together to develop plans to meet the most likely scenario above for the four year period. In the event of the worst case materialising in any year, the budget shortfall would have to be met from the Council Fund and / or a further increase in Council Tax while additional budget reduction plans could be developed. Should the best case scenario arise then Cabinet and CMB would look to reduce the impact on services as well as Council Tax.

- 2.34 Table 6 shows current progress on identifying budget reduction proposals.

Table 6 – Risk Status of Budget Reduction Proposals 2020-21 to 2023-24

Year	GREEN:	AMBER:	RED:	Budget reductions Identified so far	Budget reductions not yet developed	Total Required
	Proposal developed and deliverable	Proposal in development but includes delivery risk	Proposals not fully developed and include high delivery risk			
	£'000	£'000	£'000	£'000	£'000	£'000
2020-21	1,023	996	394	2,413	0	2,413
2021-22	309	1,941	1,214	3,464	5,714	9,178
2022-23	0	955	208	1,163	7,799	8,962
2023-24	0	955	223	1,178	7,562	8,740
Total	1,332	4,847	2,039	8,218	21,075	29,293
% of total required	5%	17%	7%	28%	72%	100%

2.35 As mentioned in paragraph 2.26, a number of the initial 2020-21 budget reduction proposals have been removed, deferred or amended following the public consultation and member scrutiny. A number of proposals for 2020-21 onwards require further information and analysis and so are not sufficiently well developed to be included at this point in time. Proposals currently under consideration include:

- Digital transformation of wider Council services
- Income generation opportunities
- Further reductions in employee numbers
- Working with partners to asset transfer and protect community facilities;
- Further development of the Corporate Landlord Model.

2.36 Cabinet and CMB have given a commitment to try and find at least 50% of the budget reductions through smarter use of resources rather than by cutting the quality or level of services. This gets incrementally harder to achieve, but as Table 7 shows the plans set out in this report will deliver 62% of the required budget reductions through smarter use of resources, such as:

- The wider digital transformation of Council services;
- Further development of efficiencies in the corporate landlord function;
- Income generation opportunities;
- Further reductions in employee numbers;
- Working with partners to protect sustainable community facilities.

Table 7 – Budget Reduction Proposals 2020-21 to 2023-24

	2020-21 £'000	2021-22 £'000	2022-23 £'000	2023-24 £'000	Total £'000	%
Smarter Use of Resources	1,561	1,649	955	955	5,120	62%
Managed Service Reductions	502	1,405	208	223	2,338	28%
Collaboration & Service Transformation	35	300	0	0	335	4%
Policy Changes	315	110	0	0	425	5%
Total Identified to date	2,413	3,464	1,163	1,178	8,218	

2.37 Budget reduction proposals relating to Collaboration and Service Transformation amount to 4% of the total budget reductions. Policy changes amount to 5% and include reducing services to the statutory minimum as well as cutting some discretionary services. The policy change proposals are subject to consultation.

2.38 All of the proposals have implications for the Council workforce given that around two thirds of the Council's net revenue budget relates to pay costs. It follows that annual real term's reductions in Council budgets over the next four years will lead to a reduced workforce over the MTFS period. The intention is to manage such a reduction through the continuation of strong vacancy management, redeployment, early retirements and voluntary redundancies, but some compulsory redundancies will continue to be necessary.

Corporate Risk Assessment

- 2.39 The Council's Corporate Risk Assessment identifies the key corporate risks and mitigating actions and is attached as Appendix I. These risks have been taken into account in the preparation of the MTFS and where there are identifiable financial implications these have been provided for either within the budget or earmarked reserves. Where the financial risks are not clear, the risk is covered by the Council Fund.

3. REVENUE BUDGET 2020-21

- 3.1 The net budget requirement is the amount of budget the Council requires to fulfil its functions. It is calculated using the previous year's budget as the baseline, adding any inescapable budget pressures and specific transfers into the settlement from Welsh Government, and subtracting any budget reduction proposals.
- 3.2 The financing of the net budget comes from the Welsh Government settlement and Council Tax income. Table 8 summarises the 2020-21 budget requirement and how it will be financed.

Table 8 – Net Budget Requirement

	2020-21 £'000
2019-20 Net Budget (Table 1)	270,809
Transfers and New Responsibilities (para 2.8)	2,442
2020-21 Pressures (para 2.31)	16,047
2020-21 Budget Reductions (Table 5)	-2,413
2020-21 Net Budget Requirement	286,885
<i>Financed by:</i>	
2019-20 Net Budget (Table 1)	270,809
Net Cash Increase in AEF (para 2.28)	11,320
Council tax increase of 4.5% (para 2.11) plus increase in tax base	4,756
2020-21 Net Funding Total	286,885

2020-21 Revenue Budget

- 3.3 Table 9 presents the detailed net revenue budget for 2020-21. This includes specific grants transferring into the settlement as outlined in paragraphs 2.9 and 2.10.

Table 9 – Net Revenue Budget 2020-21

	Revised Budget 2019-20	Specific Transfers to/ (from) WG	Inter-Directorate Transfers	Pay / Prices / Pupil Growth	Budget Pressures	Budget Reduction Proposals	Revenue Budget 2020-21
	£000	£000	£000	£000	£000	£000	£000
Service Directorate Budgets:							
Central Education & Family Support	21,319	45	-166	64	356	-239	21,379
Schools	95,546	2,121	-298	808	1,375	0	99,552
Education and Family Support	116,865	2,166	-464	872	1,731	-239	120,931
Social Services & Wellbeing	71,577	80	-353	0	410	-820	70,894
Communities	25,862		-157	45	2,686	-646	27,790
Chief Executives	18,622		-152	0	266	-508	18,228
Total Directorate Budgets	232,926	2,246	-1,126	917	5,093	-2,213	237,843
Council Wide Budgets:							
Capital Financing	7,329						7,329
Levies	7,406				53		7,459
Repairs and Maintenance	870						870
Council Tax Reduction Scheme	14,854			400			15,254
Apprenticeship Levy	700					-50	650
Pension Related Costs	430						430
Insurance Premiums	1,588			0		-150	1,438
Other Council Wide Budgets	4,706	196	1,126	8,047	1,537		15,612
Total Council Wide Budgets	37,883	196	1,126	8,447	1,590	-200	49,042
Net Budget Requirement	270,809	2,442	0	9,364	6,683	-2,413	286,885

3.4 The net budget will be funded by:

Table 10 – Net Budget Funding

	£	%
Revenue Support Grant	153,441,858	53.48
Non Domestic Rates	49,685,392	17.32
Council Tax Income	83,757,919	29.20
Total	286,885,169	100%

Council Tax Implications

3.5 The implications in terms of the Council Tax increase (excluding Police & Crime Commissioner for South Wales and Community Council precepts) are shown in Table 11.

Table 11 – Council Tax Increase 2020-21

2019-20 Average Band D	£1,470.87
2020-21 Average Band D	£1,537.06
% Increase	4.50%
Weekly Increase	£1.27

Pay, Prices, Pensions and Demographics

- 3.6 As mentioned in paragraph 2.30, the National Joint Council (NJC) negotiating body has submitted a pay claim for non-teaching local government workers for 2020-21 and discussions are ongoing. No agreement has been reached on this at present. Depending on the final outcome of these discussions there could be additional budget pressures that the Council has to meet, which may not be known until during the 2020-21 financial year. In addition, whilst the teachers' pay award has been agreed for the 2019-20 academic year, there will be additional pressure from any new pay award to be implemented from September 2020. Welsh Government has indicated that the increased funding that it has provided through the settlement should recognise the future impacts of teachers' pay awards which will come into effect from September 2020.
- 3.7 Funding for price inflation has been allocated to service budgets, where known, including provision for increases in business rates, rents and other contractual commitments, where known.
- 3.8 The remaining inflationary provision will be retained centrally within corporate budgets and allocated during the year as any unknown or unforeseen contract price inflation is agreed, in particular where the index is set after the Council's budget is approved.

Non-Teachers' Pensions

- 3.9 The Council has received the provisional results of the actuarial valuation of the Local Government Pension Fund as at 31 March 2019. The valuation shows that, based on the performance of the fund at that time, the employer's contributions required by the authority from April 2020 for the next three years is a potential reduction from the current 21.3% to a proposed 19.8%. This is based on changes to the assumptions used to value liabilities and changes to membership since the last valuation. The impact of this is a potential reduced cost of employer's contributions of £1.126 million per annum, the budget for which has been centralised under 'Inter-Directorate Transfers' in Table 9 to be set aside for the unknown non-teachers' pay award referred to above until such time as the final contribution rate and the costs of the pay award are known with certainty.

Schools' Budgets

- 3.10 In 2019-20 school budgets were again protected from the proposed 1% annual efficiency target. However, the forecast pressure and uncertainty around Council budgets for future years was deemed to be such that it was felt to be almost impossible not to include the 1% efficiency target in proposals for 2020-21 onwards, given that school budgets account for around a third of net revenue expenditure, so head teachers and governing bodies were advised to use the 2019-20 financial year to plan ahead. However, following receipt of the better than anticipated 2020-21 provisional settlement from Welsh Government, and recommendations from the various consultation events, school budgets have again been protected from the 1% efficiency target in 2020-21.

- 3.11 There are a significant number of pressures on school delegated budgets for 2020-21 and beyond, not least the full year cost of the teachers' pay award and pensions increase, and pressures of funding additional learning needs. The total impact of these pressures is around £4.3 million, which is partly met from transfers into the settlement and partly from funding for pay, prices and unavoidable pressures.
- 3.12 It should be noted that the 1% efficiency target is maintained for 2021-22 and beyond, in recognition of the pressures stated above, forecast reductions to the settlement and mounting external pressures across Council services.

Budget Pressures

- 3.13 The final schedule of budget pressures is attached at Appendix A and presents a number of recurrent pressures, totalling £6.683 million. These mainly represent unavoidable pressures arising from legislative changes, increased costs and contractual changes. However, in addition to these unavoidable pressures, Cabinet have considered the responses to the budget consultation and other issues arising during the year and have included a new recurrent budget pressure of £2 million to address a number of public realm and place shaping issues, not least carriageway resurfacing, transport and road safety, gulley cleaning, pitch drainage and play areas, site preparation for housing and commercial development and general maintenance issues throughout the county borough, along with supporting infrastructure. This will, in part, help to address the estimated £50 million backlog of highways repairs and maintenance work that exists. This could be a combination of capital or revenue spend, and any capital requirements will be subject to full Council approval in line with financial procedures.
- 3.14 Further provision has been made to develop an apprenticeship programme throughout the Council to enable staff to undertake formal training alongside the development of practical skills. The aim is to "grow our own" skilled and professional workforce particularly in services where we are struggling to recruit to specialist posts, e.g. building control, transportation officers, engineers, planners and surveyors.
- 3.15 The January Draft Budget report to Cabinet explained that budget pressures identified at that time were subject to change before the Final Budget. The main changes are identified in Table 12 below.

Table 12: New Budget Pressures

Item	Value £'000	Description
Fire Service Levy	53	Increase in precept to cover pay, price and demographic increases, including the increase in employer's contributions to superannuation. Total precept increase is £325,000 but £272,000 set aside in 2019-20 towards pensions increase.

- 3.16 Furthermore, inevitably additional pressures will arise during the year as a result of increased numbers or legislative changes. Officers are currently considering the

pressures arising from increased numbers of pupils needed behavioural support along with legislative pressures in other services, and a provisional allocation of £500,000 has been set aside for these. Funding will be allocated in-year subject to business case approval, where necessary. Cabinet is also minded to invest in capital improvements to the highways network to make it more sustainable for the future, and reduce the need for ad hoc repairs. Additional funding is likely to be committed during the financial year to meet the recurrent revenue costs of any required borrowing to fund this proposal, and some funding has been held centrally for this purpose until such time as a scheme is fully developed. Any proposal will be submitted for full Council approval before inclusion in the capital programme. The total cost of pressures identified in Appendix A equates to £6.683 million.

Budget Reductions

- 3.17 Budget reduction proposals totalling £2.413 million have been identified from service and corporate budgets to achieve a balanced budget. These are detailed in Appendix B. Since the draft MTFS was reported to Cabinet in January 2020, only one budget reduction proposal has been amended:

EFS54 – Reduction to the Central South Consortium – this has been reduced from £56,000 to £17,000, to take into account the 3% reduction to local authority contribution levels for 2020-21 agreed by the Joint Committee.

Council Wide Budgets

- 3.18 Council Wide budgets include funding for the Council Tax Reduction Scheme, costs of financing capital expenditure, levies, centrally held pay and prices provisions, insurance budgets, discretionary rate relief and provision for redundancy related costs. A thorough review of recent years' under spends within corporate budgets was undertaken in 2017-18 which led to budget reductions totalling £2.610 million in 2018-19 and a further £2.388 million in 2019-20. Consequently the scope available for further reductions is quite limited, as a number of these budgets are fixed and unavoidable, without putting the Council at risk. The higher than anticipated pay awards, teachers' pensions' increases and inflationary increases has put also additional pressure on these budgets.
- 3.19 The South Wales Fire and Rescue Authority covers 10 South Wales Council areas including Bridgend County. It is funded by raising a levy on its constituent Councils, based on population. For 2019-20 the levy on Bridgend, and consequently its Council Tax payers, is £6,746,905. The Fire and Rescue Authority is facing similar pension increase pressures on its budget as teachers, and has received some grant funding towards this in both 2019-20 and 2020-21, but there is a shortfall, and when pay and demographic pressures are added to this, the increase in levy for 2020-21 for Bridgend is £325,000. The Council provided a budget pressure towards fire service pension costs in 2019-20, but there is still a remaining budget pressure for 2020-21 of £53,000.

Fees and Charges

- 3.20 Generally, income from fees and charges will be increased by CPI (at the prevailing rate, 1.3% at December 2019) plus 1%, subject to rounding, or in line with statutory

or service requirements. Schedules of fees and charges will be reported separately, as usual, under Delegated Powers. New charges or charges that have been included in the 2020-21 budget and are above the general increase are shown in Appendix C.

- 3.21 Council approved a corporate income generation policy in March 2016 which aims to set a consistent approach across Council services and outline key principles to be applied. As a key principle, where a decision has been taken to charge for a service, the Council will aim for full cost recovery, except where there is a conscious decision which is consistent with Council priorities, recognising that the service would then be subsidised by Council Tax payers.

MTFS Support for Well-being Objectives

- 3.22 Appendix D details the Directorate Base Budgets for 2020-21. The MTFS supports the delivery of the Council's well-being objectives and Table 13 below summarises Directorate budgets which will be used to support these and core services and statutory functions. A more detailed analysis is shown in Appendix E.

Table 13 – 2020-21 Budget by Well-being Objective

Budget 2020-21 Wellbeing Objectives			
Directorate	Wellbeing Objectives £'000	Core Services & Statutory Functions £'000	Total £'000
Central Education & Family Support	8,114	13,265	21,379
Schools	41,499	58,053	99,552
Social Services and Wellbeing Communities	53,541	17,353	70,894
Chief Executive's	8,848	18,942	27,790
Council Wide Budgets	2,075	16,153	18,228
	351	48,691	49,042
NET BUDGET REQUIREMENT	114,428	172,457	286,885

4. COUNCIL RESERVES

- 4.1 The Council's Reserves and Balances Protocol attached at Appendix F sets out the principles used to assess the adequacy of reserves, the rationale for establishing reserves and the arrangements for monitoring reserves. For the last three years, the Council has maintained its Council Fund at a minimum of £7 million and at 31 March 2019 it was £8.776 million, which is 4.98% of the net budget excluding school delegated budgets. In the face of continued uncertainty regarding the economy and public finances, and in line with the revised MTFS Principles it is recommended that the Council seeks to increase its Council Fund to a level of 5% of the Council's net budget, excluding schools. This will be monitored and will depend upon financial performance during future periods and the need to cover against specific risks as they arise through the earmarked reserves process.
- 4.2 In accordance with the Protocol, a review of the Council's financial risks, pressures and reserves was undertaken at period 6 and period 9 in 2019-20. Appendix F also sets out the forecast movement in the Council's Earmarked Reserves by the end of 2019-20 and 2020-21. At this point the forecast movement to 31 March 2020 on Earmarked Reserves is an overall reduction of £4.250 million on the assumption of:
- The estimated draw down of a large amount of the Capital Programme Contribution reserves of £3.786 million, which does rely on capital spend being incurred from January until March 2020. Offsetting this is an increase in the Capital Programme reserve during the year of £6 million, including £2 million for Investing in Communities;
 - Estimated draw-down of £1.130 million for Digital Transformation, £643,000 for MTFS contingency and £365,000 change fund, with £606,000 of reserves unwound;
 - The forecast draw down of £1.413 million from the Directorate Earmarked Reserves, either by Directorates, or as a result of any reserve that is no longer required being unwound, both offset by additions of £777,000 as a result of new Directorate Reserves following the various reviews. This results in a projected net decrease on **Reserves Held for Directorates' Planned Developments** of £635,000;
 - The projected net draw down from the **Equalisation and Grant Reserves** for 2019-20 is £844,000;
- 4.3 In line with the Protocol, a further review will be undertaken at the end of the current financial year and transfers made at this point taking account of the overall financial position of the Council, including the final outturn, actual accrued Council Tax income, Earmarked Reserve levels, the Council Fund level and any new pressures or risks that need to be provided for. At this time Directors will be invited to submit earmarked reserve requests to meet any specific unfunded pressures that they expect to arise in 2020-21 and these will be considered in the context of Directorate outturn positions as well as that of the Council as a whole. In advance of that process, the forecast movement in reserves for 2020-21 assumes:
- An overall reduction in Earmarked Reserves of £8.345 million during 2020-21;
 - Full draw down from a number of reserves including demolition reserves, Investing in Communities and the Road Safety Reserve.

- Draw down from the Capital Programme Contribution Reserve, Capital Feasibility Reserve and Asset Management Reserve in line with the current Capital Programme expenditure profile.

It does not include the potential increase of reserves for 2020-21 as a result of fortuitous under spends at the end of this financial year. The forecast position is summarised in Table 14 below:

Table 14 – Summary of Usable Earmarked Reserves

Opening Balance 1 April 2019 £'000	Reserve	Movement 2019-20 £'000	Closing Balance 31 March 2020 £'000	Movement 2020-21 £'000	Closing Balance 31 March 2021 £'000
48,107	Total Earmarked Reserves	(4,250)	43,857	(8,345)	35,512

5. CAPITAL PROGRAMME AND CAPITAL FINANCING STRATEGY

- 5.1 This section of the report deals with the proposed Capital Programme for 2019-20 to 2029-30, which forms part of, but extends beyond the MTFS. It has been developed in line with the MTFS principles and the Council's Capital Strategy and reflects the Welsh Government capital settlement for 2020-21. The Programme has been revised during the financial year to bring it up to date and take into account new capital schemes either funded from external resources, or from internal resources following a review of the Council's capital investment requirements.

Capital Programme 2019-20 to 2029-30

- 5.2 This section of the report reflects the Welsh Government provisional capital settlement for 2020-21, which provides general capital funding (GCF) for the Council for 2020-21 of £7.983 million of which £3.986 million is provided through un-hypothecated supported borrowing and the remainder £3.997 million as general capital grant. This is £318,000 more than the amount received in 2019-20 and £761,000 more than was originally anticipated.
- 5.3 The funding includes the 2020-21 share (£20 million across Wales) of the additional £100 million of general capital funding (across Wales for 2018-19 to 2020-21) announced by Welsh Government last year. This is in addition to the additional £60 million capital provided across Wales over the same three years for a local authority road refurbishment scheme, funded by grant outside of the settlement. The £7.983 million also includes this authority's share of an additional £15 million across Wales to enable local authorities to respond to the urgent need to decarbonise, in light of the climate emergency declared by the Welsh Government and many councils over the past year. No indicative allocations have been provided for 2021-22, so for now it is assumed that the level of funding will revert to the pre 2018-19 level, assuming the end of the £100 million capital grant, but this will be indicative only.
- 5.4 The original budget approved by Council on 20th February 2019 has been further revised and approved by Council during the year to incorporate budgets brought forward from 2018-19 and any new schemes and grant approvals. A review has also been undertaken of the capital resources available to the Council, along with the capital pressures that it faces. Due to the limited capital resource available, following a number of years of significant investment in the Council's infrastructure, service managers have not been asked to submit capital bids for funding at this stage. Cabinet has, and will continue to, determine its strategy in terms of capital priorities and where known these are built into the Capital Strategy to be approved by Council in February 2020.
- 5.5 Since the latest capital programme was approved by Council in January 2020 there are a small number of new schemes that need building into the programme:

Caerau Heat Network

The Caerau Heat Scheme is an innovation project with a total cost of £9,732,922. The cost of the operation will be funded through a mixture of European Regional Development Fund (ERDF) grant (£7,296,245) and match funding (£2,436,677). The match funding has all been secured and is primarily derived from retrospective project spend (WG/UK Government funding) which has all been received by BCBC and submitted and audited by WEFO. The remainder of the match funding is from a small amount of ongoing BCBC staff time. Nordic Heat have been procured to develop the project through to construction and are currently engaged in the preparation of an Outline Business Case and ground investigation. If both activities provide suitable answers to progress the scheme a contractor will be procured in 2021 to design, build and operate the scheme.

Valleys Task Force Empty Homes Grant Scheme

A report was presented to Cabinet in November 2019 on the Valleys Task Force Empty Homes Grant. It was reported that the Welsh Government had provided support to the Valleys Taskforce by rolling out an Empty Homes Grant to all local authorities in the taskforce areas as a pilot for the period from October 2019 to the end of March 2020. This was met 100% by Welsh Government. It was indicated that this would be extended to a second phase, which would require 35% match funding contribution from local authorities. For Bridgend it is anticipated that the total cost of phase 2 could be in the region of £300,000, with a match funding requirement of £105,000 but this will depend upon demand for the grant funding from home owners. It is intended that the match funding will be met from uncommitted capital receipts.

This grant will support the delivery of the Council's and Welsh Government's priority of returning empty properties into use in the Valleys areas of Bridgend County Borough, to help regenerate communities, provide more choice and suitable accommodation for residents.

Schools' Capital Maintenance Grant

Similar to last year, Welsh Government has recently announced a grant of £43 million across Wales, £1,961,250 for Bridgend, to address the backlog of maintenance works across schools. The funding can be used to offset locally determined capital expenditure in 2019-20 and the funding displaced by this grant will be spent in 2020-21 for investment in the improvement of schools. This includes spend on:

- Window repairs or replacement
- Roof replacement
- Electrical works / re-wiring
- Repairing or replacing flooring
- Plumbing / Boiler replacement
- Minor structural repairs
- Plastering /Ceiling replacement
- Asbestos Removal

In addition, there are changes to a number of existing schemes, including:

Maesteg Town Hall

The total scheme cost for Maesteg Town Hall has reduced since January 2020 following the receipt of final contract sums. There is a reduction of £309,000 in respect of the total contract sum following receipt of tenders, and value engineering. Further work to reduce costs through the identification of value engineering options will be considered on site. The reduction in cost will be offset in a reduction in the funding required from the Investing in Communities Fund. In addition, the remaining element of cost originally anticipated to be met from the Investing in Communities Fund will now be met from uncommitted capital receipts to ensure that the Fund is used to maximum effect and targets as many assets as possible.

Fleet Vehicles

A number of fleet vehicles are reaching the end of their useful life and need replacement. These are generally purchased using prudential borrowing and repayments made by the relevant service cover the cost of the borrowing. Those currently requiring replacement include two 3.5T Light Sweepers for highways, four Kubota M4002 Tractors, a trailer for the bereavement service and a replacement minibus for one of the Council's special schools. The total cost will be in the region of £352,000, which will be funded mostly by prudential borrowing, with a small element funded from the revenue budget.

There is also slippage of some funding into 2020-21 for some schemes plus a small number of new grant funded schemes. Any additional proposals will be considered in light of, and in line with, the proposed Capital Strategy and brought back to Council for approval at a later date.

- 5.6 The Capital Programme contains a number of fixed annual allocations that are met from the total general capital funding for the Council. These annual allocations have been reviewed as part of the capital planning process and no changes are proposed to be made to them in 2020-21 at this time.

The proposed allocations are therefore outlined in Table 15:

Table 15 – Proposed Annual Allocations of Capital Funding

	2020-21 £'000
Highways Structural Works	200
Carriageway Capital Works	250
Disabled Facilities Grant	1,950
Housing Renewal / Empty Property Schemes	100
Special Regeneration Funding	540

	2020-21 £'000
Minor Works	1,130
Community Projects	50
Corporate Capital Fund (Renewals / Match Funding)	200
Street lighting / Bridge infrastructure replacement	400
Highways Structural Works	200
Total	4,820

Capital Programme link to the Wellbeing Objectives

- 5.7 Table 16 outlines how the Council is using its capital programme to support the wellbeing objectives.

Table 16 – Capital Programme by Wellbeing Objective

Wellbeing Objective	Revised 2019-20 £'000	2020-21 £'000	2021-22 £'000	2022-23 to 2029-30 £'000	Total £'000
1. Supporting a Successful Sustainable Economy	10,525	22,719	7,838	33,477	74,559
2. Helping People and Communities to be more Healthy and Resilient	4,333	1,950	1,950	15,600	23,833
3. Smarter Use of Resources	14,608	29,240	17,893	65,444	127,185
Core Services & Statutory Functions	671	2525	0	8,367	11,563
TOTAL	30,137	56,434	27,681	122,888	237,140

Supporting a Successful Sustainable Economy

- 5.8 The proposed capital programme includes a number of new and existing projects which will help to support a successful sustainable economy by, for example, the redevelopment of Maesteg Town Hall, providing improved community facilities to include the town library and performance spaces, as well as offering improved accessibility for visitors and creating jobs. This is in addition to significant new investment in ensuring that the highways and footways are of a good standard to encourage the use of local services by the public and avoid the need to travel to out of town developments. There is extensive investment in all of our town centres, with works progressing on Porthcawl Regeneration and the development of Enterprise Hubs, to build on previous investment and initiatives. These supplement those existing schemes, such as the Cardiff Capital Region City Deal (CCRCDD) investment which will be targeted to focus on raising economic prosperity, increasing job prospects and improving digital and transport connectivity. As mentioned above, investment to bring empty properties back into use will also help to improve the aesthetic appearance of our communities and help to regenerate them.

Helping People and Communities to be more Healthy and Resilient

- 5.9 The two new Extra Care Schemes opened in Ynysawdre and Maesteg to enable people to live more independently than they would in residential care. There is also significant investment in Disabled Facilities Grants and other Housing Schemes, to enable people to live as independently as possible in their own homes. The Council receives Integrated Care Fund capital grant on an annual basis as part of its partnership with Cwm Taf Morgannwg University Health Board. This is built into the capital programme as it is approved for specific schemes.

Smarter Use of Resources

- 5.10 The Schools' Modernisation Programme forms a cornerstone of the wellbeing objective of smarter use of resources, with the remaining schemes in Band A of the 21st Century Schools programme all now completed, and work commencing on Band B options, which will result in further capital investment of around £70 million in the Council's schools' estate.
- 5.11 There is a total budget of £1 million in the capital programme for works to Council assets, to make them suitable for Community Asset Transfer (CAT). This is to ensure that as many buildings as possible can be kept open and provide long term community benefits.
- 5.12 In addition, Council has previously approved significant investment in upgrading existing buildings through the capital minor works programme and the Investing in Communities fund to reduce running costs, including maintenance, and improving energy efficiency across its assets. This is in addition to the two existing schemes within the programme which will see significant investment in energy efficiency schemes, across Council buildings and street lighting, which will be repaid from recurrent revenue savings generated.
- 5.13 The revised capital programme is attached as Appendix G. This includes those amendments outlined in paragraph 5.5, along with any other changes to the programme since it was approved in January 2020.

Capital Receipts

- 5.14 The Council estimated that around £21 million could be generated as part of the enhanced disposals programme which commenced in 2014. So far, circa £18 million has already been delivered, with £2.56 million under contractual agreement and the balance projected to be realised over the next 6 months (2019-2020). Of the £21 million, £9.8 million relates to school buildings and land vacated through the 21st Century Schools Programme, to be used as match funding for the programme. It excludes any receipts anticipated from the sale of Waterton or Porthcawl Regeneration sites which will be the focus of the disposal programme in the future. Receipts are subject to the exchange of contracts, so it is prudent not to commit them until we have a contractual agreement.

Prudential (Unsupported) Borrowing

- 5.15 Total Prudential Borrowing taken out as at 1 April 2019 was £43.998 million, of which £27.796 million was outstanding. It is estimated that the total borrowed will increase to £44.95 million by the end of this financial year.
- 5.16 Future prudential borrowing could include an estimated £2 million towards the costs of the 21st Century Schools Band B Programme, including associated highways works.

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Ref	Directorate	Wellbeing Objective	Pressure	£'000
EFS1	Education and Family Support	Core Services & Statutory Functions	Home to School Transport - additional costs following re-tendering as a result of contracts being handed back	115
EFS2	Education and Family Support	Core Services & Statutory Functions	Home to School Transport - re-tendering exercise of taxis. The profile of the learners has changed with pupils now with greater needs, longer journey times and higher prices than previous years.	241
EFS3	Education and Family Support - Schools	Core Services & Statutory Functions	Increase in Special School pupil numbers	346
EFS4	Education and Family Support - Schools	Core Services & Statutory Functions	Significant number of special school pupils identified as requiring specific 1:1 support additional to their core funding	185
EFS5	Education and Family Support - Schools	Core Services & Statutory Functions	Increase in number of pupils eligible for Free School Meals which impacts upon the amount required in school delegated budgets to meet the cost of meals plus additional learning needs	844
SSW1	Social Services and Wellbeing	Helping People to be Self Reliant	Fostering Service Medical Assessments following the health boundary change.	20
SSW2	Social Services and Wellbeing	Helping People to be Self Reliant	Deprivation of Liberty Safeguards (DOLS) costs to be charged by Cwm Taf Morgannwg University Health Board.	100
SSW3	Social Services and Wellbeing	Helping People to be Self Reliant	Implications of National Living Wage uplift on commissioned contracts within Social Services and Wellbeing - National Living Wage will increase from £8.21 per hour to £8.72 per hour in April 2020.	1,037
SSW4	Social Services and Wellbeing	Helping People to be Self Reliant	Linked to an increase in the Older Persons population, and the increased pressure on services - estimated that the older person population will increase by 1.44% in 2020.	290
COM1	Communities	Supporting the Local Economy	Treatment of Japanese knot weed.	20
COM2	Communities	Core Services & Statutory Functions	Cost of upgrading and maintaining the database for the control and management of Traffic orders.	10
COM3	Communities	Core Services & Statutory Functions	Development of a Strategic Development Plan (SDP) for the region as agreed by full Council.	55
COM4	Communities	Core Services & Statutory Functions	Regular Inspections of land under BCBC control in accordance with the Mines and Quarries act and also Occupiers liability.	20
COM5	Communities	Core Services & Statutory Functions	Replacement of Cleaner Streets Pedestrian Road Sweepers - under the Environmental Protection act, street cleansing is a legislative requirement.	16
COM6	Communities	Supporting the Local Economy	Enhanced regeneration resource to support existing and future schemes for the whole County Borough	360
COM7	Communities	Core Services & Statutory Functions	Additional costs arising from the break in the Civil Enforcement joint venture by the Vale of Glamorgan Council	50

Ref	Directorate	Wellbeing Objective	Pressure	£'000
COM8	Communities	Core Services & Statutory Functions	Parks & Playing Fields - development budget	75
COM9	Communities	Core Services & Statutory Functions	Funding to mitigate the Welsh Government reduction in Sustainable Waste Management Grant, to support recycling initiatives	80
COM10	Communities	Supporting the Local Economy	Funding to support a raft of public realm and place shaping measures. Programme of works, capital or revenue, to be agreed along with supporting infrastructure. This will help to tackle the backlog of highways repairs and maintenance work.	2,000
CEX1	Chief Executive	Core Services & Statutory Functions	Shortfall between Housing Benefit (HB) payable and Department for Works and Pensions (DWP) subsidy that can be claimed for property for vulnerable adults.	37
CEX2	Chief Executive	Core Services & Statutory Functions	Funding to meet the costs of the union facility agreement.	29
CEX3	Chief Executive	Core Services & Statutory Functions	Council Wide Apprenticeship Programme to develop practical skills alongside more formal learning opportunities.	200
CW1	Council Wide - Fire Service Precept	Core Services & Statutory Functions	Increase in precept to cover pay, price and demographic increases, including the increase in employer's contributions to superannuation. Total precept increase is £325k but £272k set aside in 2019-20 towards pensions increase.	53
CW2	Centrally Managed Budget Pressures	Core Services & Statutory Functions	To mitigate in-year pressures in respect of increased numbers or legislative changes, such as behaviour support, pupil numbers, new legislation etc.	500
Total Budget Pressures				6,683

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Ref.	Links to 7 Wellbeing Goals	Improvement Priority 2016-20	Categories	Budget Reduction Proposal	Impact, including on 5 Ways of Working as set out in the Wellbeing of Future Generations Act	Budget 2019-20 £'000	Total Budget Reduction 2020-2024 as % of 2019-20 Budget	2019-20 Budget Reductions £'000	Indicative 2020-21 £'000	Indicative 2021-22 £'000	Indicative 2022-23 £'000	Indicative 2023-24 £'000

IMPROVEMENT PRIORITY

IP1- Supporting a successful economy
IP2 -Helping people to be self-reliant
IP3 -Smarter use of resources
NONPTY-Core services & statutory functions

CATEGORIES

SUR- Smarter Use of Resources
MSR- Managed Service Reductions
CST - Collaboration and Transformation
PC - Policy Changes

RAG STATUS KEY

RED Proposals not fully developed and include high delivery risk
AMBER Proposal in development but includes delivery risk
GREEN Proposal developed and deliverable

EDUCATION & FAMILY SUPPORT

CENTRAL EDUCATION & FAMILY SUPPORT

EFS1	A more equal Wales	IP2	PC	Phased implementation of Learner Transport Policy regarding statutory distances for free travel	• 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.	5,145	3%	67	75	75		
EFS33	A more equal Wales	IP2	PC	Home to School Transport - removal of Escorts on primary school service with fewer than 8 pupils	Driver only supervision of pupils on school transport. The most vulnerable pupils may not be supported with concerns around behaviour/pupil safety. Full 12 week public consultation. Parent groups, learners and contractor all likely to be opposed to change. Negative media coverage likely. Reputational risk to local authority. Health & Safety risk likely to increase and will need to be mitigated in other ways.	5,145	1%			35		
EFS41	A more equal Wales	IP2	MSR	Full cost recovery of Post 16 transport	• Full 12 week consultation would be required with a full academic year required before policy is implemented post policy change. • Parent groups, learners and others likely to be opposed to policy change. • Negative media coverage. • Reputational risk to local authority. • Sustainability risk to secondary schools sixth forms. • Risk to financial viability of Bridgend College. Some courses may cease if numbers of pupils reduce. • Possible increase in the number of young people not engaged in education, employment or training (NEET). • Impact on local road infrastructure around schools as more pupils chose private motor vehicles rather than public transport. • The most deprived may lose out the most and may chose not to consider post-16 education. • Reduction in vehicles required by local authority may increase the risk for some transport operators, effectively forcing them out of the market. This would then impact the ability of the local authority to contract transport services to meets its statutory transport requirements. Therefore, there is a risk that transport operators would increase their costs against these contracts to compensate.	£314,500 for college transport. 6th form budget part of secondary school transport which is £1.8m	28%			292	208	

Page 146	Ref.	Links to 7 Wellbeing Goals	Improvement Priority 2016-20	Categories	Budget Reduction Proposal	Impact, including on 5 Ways of Working as set out in the Wellbeing of Future Generations Act	Budget 2019-20 £'000	Total Budget Reduction 2020-2024 as % of 2019-20 Budget	2019-20 Budget Reductions £'000	Indicative 2020-21 £'000	Indicative 2021-22 £'000	Indicative 2022-23 £'000	Indicative 2023-24 £'000
	EFS44	A more equal Wales	IP2	SUR	Review of Childcare Team	Review existing staffing structure within the Childcare Team with a view to moving core funded staff to grant, where this option is eligible under grant conditions. In addition a review of the service demand placed on the Development Officers in supporting the private nursery settings throughout the county borough, ensuring a streamlined service that meets minimum statutory requirements. There are however, significant risks in making further reductions in this budget line (RSG) given Welsh Government's policy linked with both the national statutory Childcare Offer and Child Sufficiency requirements. In addition, this budget line has been reduced in previous years and existing demand (to fund placements) is exceeding budget.	145 (RSG) / 101 (grant)	7%		10			
	EFS48	None	IP3	SUR	Efficiency saving targeting supplies and services budgets across the Education and Family Support Directorate	Limited impact as review has identified small historic underspends against this budget category.	1,700	5%		87			
	EFS49	A more equal Wales	IP2	MSR	Reduction in Cognition and Learning Team	Reduction in support for a vulnerable group	307	20%	110		61		
	EFS51	A more equal Wales	IP2	MSR	Reduction in support to Gypsy and Traveller learners	This will result in some slight reduction in the service offered to this vulnerable group but there will still be a service offering support	363	14%			50		
	EFS52	A prosperous Wales	IP1	MSR	Removal of BCBC core Adult Community Learning budget	Remove the council subsidised support to adult learners although there are other providers - e.g. College. Loss of £130K grant.	133	100%			133		
	EFS54	A prosperous Wales	IP2	MSR	Further reduction to the contribution to the Central South Consortium	Further c. 3% saving in relation to CSC school improvement services.	566	3%	30	17			
	EFS56	A more equal Wales	IP2	MSR	Removal of statementing team - as the ALN act moves to the development of Independent Development Plans by schools	Capacity and ability of schools to write the Independent Development Plans without support. Risk of legal challenge and reputational damage	75	100%			75		
	EFS57	A prosperous Wales	IP2	MSR	Further review of staffing structures across the Education and Family Support Directorate	Potential delays in service delivery.	Total staffing budget across the directorate (exc schools) - £17.556m	0.28%		50			
					Total Education and Family Support					239	721	208	0

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Ref.	Links to 7 Wellbeing Goals	Improvement Priority 2016-20	Categories	Budget Reduction Proposal	Impact, including on 5 Ways of Working as set out in the Wellbeing of Future Generations Act	Budget 2019-20 £'000	Total Budget Reduction 2020-2024 as % of 2019-20 Budget	2019-20 Budget Reductions £'000	Indicative 2020-21 £'000	Indicative 2021-22 £'000	Indicative 2022-23 £'000	Indicative 2023-24 £'000
SCHOOLS												
SCH1	A prosperous Wales	IP3	SUR	Efficiency savings against School Delegated Budgets	The annual saving represents a 1% efficiency per annum against individual schools budgets. Risk of increased school deficit positions. Implementation will be a matter for individual schools - potential to result in some teacher and other staff redundancies. If efficiency is made solely from staffing budgets, this could range from a minimum of 1 teacher in our larger Primary Schools to 5 teachers in our larger Comprehensive schools over the MTFs period.	£95.5m - ISB Budget	3%	0	0	955	955	955
				Total Schools					0	955	955	955
				Total Education & Family Support Directorate					239	1,676	1,163	955

SOCIAL SERVICES & WELLBEING

SSW19	A healthier wales	IP3	SUR	Further review of HALO partnership contract, including the Council taking over the management and payment of utility bills currently incurred by HALO. This will result in VAT efficiencies for HALO and contribute towards the reduction in the management fee	Previous negotiations have proved successful. No adverse impact identified.	1,595	3%	80	40			
SSW20	A healthier wales	IP3	MSR	Identify further savings from leisure centres and swimming pools including reviewing the number of facilities and also reductions in services or opening hours.	Reduced availability of services and accessibility to the public. Negative impact on healthier wales wellbeing goals.	1,595	4%		70			
SSW22	A healthier wales	IP3	MSR	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.	2,933	1%	60	20			
SSW26	A healthier wales	IP2	MSR	Remodelling day service provision for older people and learning disability services	Full review of services which could mean alternative methods of service delivery	2,795	6%	50	90	90		
SSW27	A healthier wales	IP3	SUR	Increase income generation from mobile response and telecare charging	Limited impact on current services but would require commercial expertise to assist with the proposal	N/a - new income stream	N/a - new income stream		75	75		
SSW28	A healthier wales	NONPTY	PC	Increase non-residential charging limits from £90 to £100 per week. This is totally reliant on Welsh Government changing the limits within their non-residential charging policy in 2020/21	Limited impact on services	-2,975	-7%		200			

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Ref.	Links to 7 Wellbeing Goals	Improvement Priority 2016-20	Categories	Budget Reduction Proposal	Impact, including on 5 Ways of Working as set out in the Wellbeing of Future Generations Act	Budget 2019-20 £'000	Total Budget Reduction 2020-2024 as % of 2019-20 Budget	2019-20 Budget Reductions £'000	Indicative 2020-21 £'000	Indicative 2021-22 £'000	Indicative 2022-23 £'000	Indicative 2023-24 £'000
SSW29	A healthier wales	IP3	SUR	Further review of staffing structures across Adults and Children Services including:- • The management structures in the direct provider services as well as reviewing the demands on the service and the direct care hours needed to meet those demands. • The overall management structure across Adults, Children and Wellbeing services • The service will be reviewing its overall professional staff to ensure the levels of the staff meet current demands whilst being aware that the service need to ensure that the caseloads of qualified staff are in line with acceptable standard because if they are not it would impact on practice and performance and increase risk in the service as well as impacting on recruitment and retention and the Authority's ability to attractive suitably experienced and qualified staff .	This will mean reducing staff numbers, which will incur redundancy costs. There will also be reduced capacity within teams across the directorate	Total staffing budget across the directorate - £34.020m	1%		175	200		
SSW30	A healthier wales	IP2	MSR	Further review of care packages linked to the assessment framework to include consideration of transport	It is envisaged that the number of care hours will reduce for service users across the directorate	Not specific			150	150		
				Total Social Services & Wellbeing Directorate					820	515	0	0

COMMUNITIES

COM26	A more equal Wales	IP2	MSR	Investigate the introduction of charging to users of the Shopmobility facility in Bridgend Town Centre to reduce/remove the current level of subsidy otherwise closure of the facility will be necessary	The popularity of the service is generally declining with a significantly reduced number of users. Changes in technology have meant that lightweight, affordable scooters have now greatly increased in private ownership, compared to when the facility was introduced. The provision is non statutory and not one provided in other town centres in the County Borough or in many town centres of neighbouring authorities. On this basis in order to make the service viable it is proposed to introduce charging but if this does not present a realistic option to make the full required saving closure of the facility would be necessary. There is a risk that some members of the community with mobility issues may struggle to pay the necessary charges and therefore maybe unable to gain access to the town centre. It is proposed to engage with users of the facility to inform the way forward.	18	100%	5	18			
COM42	A Healthier Wales	IP2	MSR	Review of parks and playing fields service split over two financial years - 19/20 and 20/21:- 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 both 2019-20 and 2020-21 will mean that there are reduced levels of maintenance and slower reaction times which will mean a degradation over time which will result in higher future capital costs i.e. maintenance of remaining pavilions.	2,141	3%	69	69			

Budget Reduction Proposals 2020-21 to 2023-24

APPENDIX B

Ref.	Links to 7 Wellbeing Goals	Improvement Priority 2016-20	Categories	Budget Reduction Proposal	Impact, including on 5 Ways of Working as set out in the Wellbeing of Future Generations Act	Budget 2019-20 £'000	Total Budget Reduction 2020-2024 as % of 2019-20 Budget	2019-20 Budget Reductions £'000	Indicative 2020-21 £'000	Indicative 2021-22 £'000	Indicative 2022-23 £'000	Indicative 2023-24 £'000
COM42a	A Healthier Wales	IP2	CST	Transfer of pitches/pavilions through Community Asset Transfer. Increase charges for end-users to achieve full cost recovery for pitches/pavilions that do not transfer. Reduction of grass cut areas and maintained parkland and number of children's play areas.	The savings identified will see the removal of the majority of the remaining seasonal operatives budget with corresponding cuts to plant, equipment and materials. Where asset transfers occur the respective club (Rugby, football, bowls and cricket etc) will be expected to fully fund the ongoing maintenance of the asset. The remaining parks budget will be used to maintain the Council's main parks, highway grass cutting which is safety related, and to secure the ongoing site management and safety of the sites that will remain in Council ownership but, as described, will no longer maintain to a level associated with club level matches and sports events. The level of funding will also dictate the standard of open space maintenance and may impact on the ability to maintain the current number of children's play areas.	2,141	14%			300		
COM43	None	IP2	CST	Management of Kenfig National Nature Reserve ended in December 2019. The 2020-21 saving represents the balance of the saving already achieved in 2019-20.	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.	35	100%	10	35			
COM51	None	IP3	SUR	Ongoing implementation of Corporate Landlord model	The savings will be delivered in a number of ways including operational efficiencies, streamlined business processes, IT investment, improved procurement and contract management, and some deletions of vacant posts.	3,092	11%		350			
COM55	None	IP3	SUR	Increase charge for Green Waste Service from £28.30 per household to £38.30. The 2020-21 saving represents the balance of the saving already achieved in 2019-20.	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.	£191k - net budget for green waste service	13%	25	25			
COM56	None	IP3	SUR	Increase charge for collection of 3 bulky waste items from £15.50 to £20. The 2020-21 saving represents the balance of the saving already achieved in 2019-20.	The waste contract 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.	£90K income budget	11%	10	10			
COM59	None	IP3	SUR	Reduction to the opening hours of the Community Recycling Centres by 1 hour, per day. The 2020-21 saving represents the balance of the saving already achieved in 2019-20.		1,458	1%	17	17			
COM62	None	IP3	SUR	Re-location of Community Recycling Centre from Tythegston to Pyle resulting in cessation of lease payments at existing site.	Construction of the new site will mean that this saving will not be effective until 2021/22.	60	100%			60		
COM64	None	IP3	SUR	Closure of each of the CRC sites for one weekday per week (this already takes into account the reduction to the opening hours of one each day of the week)	The waste contract related items would require both Contract variation negotiations with Kier to confirm the saving levels proposed along with public consultation regarding the reduced levels of service.	1,458	3%			50		
COM70	A Wales of cohesive communities	IP2	MSR	Strategic Regeneration Fund - Removal of Strategic Events Fund	Finance no longer available to support any events such as waste and highways management for the Elvis Festival.	Overall SRF budget - £314K - £40K of this is the SEF	50%			20		

Ref.	Links to 7 Wellbeing Goals	Improvement Priority 2016-20	Categories	Budget Reduction Proposal	Impact, including on 5 Ways of Working as set out in the Wellbeing of Future Generations Act	Budget 2019-20 £'000	Total Budget Reduction 2020-2024 as % of 2019-20 Budget	2019-20 Budget Reductions £'000	Indicative 2020-21 £'000	Indicative 2021-22 £'000	Indicative 2022-23 £'000	Indicative 2023-24 £'000
COM71	A Wales of cohesive communities	IP2	MSR	Strategic Regeneration Fund - Reduction to Town Maintenance/Events Budget	Maintenance of footfall cameras would be removed and the financial and organisational contributions to town centre events across towns would be reduced. Whilst some events are undertaken by external organisations such as the Town Councils already, the reduction in this funding will place a greater reliance on those external organisations to support the promotional events in the towns going forwards.	Overall SRF budget - £314K - £23K of this is the TM/Events budget	52%			12		
COM72	A Wales of cohesive communities	IP2	MSR	Strategic Regeneration Fund - reduction to annual allocation	The reduction to the Strategic Regeneration Fund will directly impact on the Council's ability to provide match-funding, through which to lever other external funding. There will be no funding for feasibility or development work, on which to prepare bids for funding. Also potential for a loss of private sector investment as a result of inability to engage productively with developers and present Bridgend County in a positive light.	314	71%					223
COM73	A Wales of cohesive communities	IP1	PC	BCBC to save the annual BID funding now BID no longer functions	No impact that is within the control of BCBC following a unsuccessful BID ballot.	Overall SRF budget - £314K - £15K of this is the BID budget	100%		15			
COM76	A Wales of cohesive communities	IP2	PC	Review of Porthcawl Marina with a view to it running on a full cost recovery basis. This will involve a review of the berth fees.	This would involve a review of the berth fees and other operational costs. Any approach to outsourcing management would likely require financial support and therefore negate any savings.	25	100%		25			
COM77	None	IP3	SUR	Direct Services Organisation (DSO) staffing restructure - the front line staffing for highways which deal with a range of highway issues such as Winter gritting, Traffic collisions clear up, Flooding, Gully maintenance, Maintenance of Traffic signs, streetlights and traffic signals. The team have a major role within the Borough in the maintenance and repair of the highway. Since the loss of work the team undertook on behalf of the South Wales Trunk Road Agency (SWTRA) there is the potential to make a saving in the DSO staffing structure.	This would be potentially focused at a managerial level with the implication on the ability to deal with service requests in regard of local construction projects. It would also increase the single point failure in regard of sickness absence for remaining members of team.	2,756	2%		50			
COM79	A prosperous Wales	IP2	MSR	Investigate reducing costs and increasing charging for running the Bridgend Business Forum for specific events to reduce/remove the current level of subsidy otherwise reduction in the service level will be necessary.	If reduced costs and increased charges are accepted impact should be minimal, there is a risk that the level of support / number of events may need to be reduced to support the saving.	35	100%		18	17		

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Ref.	Links to 7 Wellbeing Goals	Improvement Priority 2016-20	Categories	Budget Reduction Proposal	Impact, including on 5 Ways of Working as set out in the Wellbeing of Future Generations Act	Budget 2019-20 £'000	Total Budget Reduction 2020-2024 as % of 2019-20 Budget	2019-20 Budget Reductions £'000	Indicative 2020-21 £'000	Indicative 2021-22 £'000	Indicative 2022-23 £'000	Indicative 2023-24 £'000
COM81	A prosperous Wales	IP2	MSR	Cessation of Tourism contract with AMA Associates an external Public Relations Company who promote Bridgend with a range of publishers.	News coverage about Bridgend County will reduce and this potentially would have implications for visitor numbers and the local economy.	25	100%			25		
COM89	A prosperous Wales	IP3	MSR	Reduction to Highways - Carriageway budget	Reduction of this level of funding will mean that the number of streets able to be treated will be reduced and the likelihood of priority to main roads rather than residential streets that may be subject to more temporary repairs and increased times before more significant treatment. May result in increased complaints.	180	100%			180		
COM96	None	IP2	SUR	WG National AHP Waste Programme - capital contribution from WG towards 7.5 tonne vehicle to collect AHP recycling	This would require Contract Variation negotiations with Kier to confirm the saving levels proposed based on a reduction in costs in relation to the current AHP vehicle that is leased	58	24%		14			
COM97	None	IP3	SUR	The lease for Sunnyside House expires on 31/03/21 - savings will be made from this date.	No impact on service provision.	309	100%			309		
				Total Communities Directorate					646	973	0	223

CHIEF EXECUTIVES

CEX1	A healthier wales	IP3	SUR	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.	1,423	3%	111	37			
CEX11	None	IP3	SUR	The expansion of the shared internal audit service has created efficiencies resulting in reduced contribution for BCBC	No impact on service provision	311	13%		40			
CEX12	None	IP3	SUR	Reduction of HR staffing budgets	Potential reduction of posts and redundancy costs	1,630	3%		44			
CEX13	None	IP3	SUR	Reduction of Partnerships Services budgets - savings achieved through software rationalisation and removal of vacancies within the ICT service unit	Minimal service impact as savings a result of vacancies and efficiencies	6,679	3%		200			
CEX15	None	IP3	SUR	Reduction of Legal fees budgets	Minimal impact	427	19%		80			
CEX16	None	IP3	SUR	Reduce Members' training budget	Less training opportunities for elected members.	14	51%		7			
CEX17	None	IP3	SUR	Reduction of Business Support staffing budgets	Potential reduction of posts and redundancy costs	957	10%		100			

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Ref.	Links to 7 Wellbeing Goals	Improvement Priority 2016-20	Categories	Budget Reduction Proposal	Impact, including on 5 Ways of Working as set out in the Wellbeing of Future Generations Act	Budget 2019-20 £'000	Total Budget Reduction 2020-2024 as % of 2019-20 Budget	2019-20 Budget Reductions £'000	Indicative 2020-21 £'000	Indicative 2021-22 £'000	Indicative 2022-23 £'000	Indicative 2023-24 £'000
EX19	A prosperous Wales	IP2	MSR	Close the CCTV service provided by BCBC	Potential impact on community safety and crime levels across the Borough	369	81%			300		
				Total Chief Executive's Directorate					508	300	0	0

CORPORATE / COUNCIL WIDE

CWD9	None	NONPTY	SUR	Reduction in funding required for Apprenticeship Levy	No impact as budget historically been higher than required.	700	7%		50			
CWD 11	None	NONPTY	SUR	Reduction in the budget to cover the cost to the Council of the outstanding liability for Employers Liability, Public Liability and Property following favourable insurance contract renewals in previous years.	No impact as favourable insurance contract renewals have been achieved, however no mitigation available for potential increases to premiums in future years.	1,588	9%		150			
				Total Corporate / Council Wide					200	0	0	0

				GRAND TOTAL REDUCTIONS					2,413	3,464	1,163	1,178
ESTIMATED BUDGET REDUCTION REQUIREMENT (MOST LIKELY)									2,413	9,178	8,962	8,740
				REDUCTION SHORTFALL					0	5,714	7,799	7,562

1,023	309	0	0
996	1,941	955	955
394	1,214	208	223
2,413	3,464	1,163	1,178

FEES AND CHARGES PROPOSALS 2020-21

APPENDIX C

Type of Charge	Comment	Detail of Revised / New Fee or Charge
SOCIAL SERVICES AND WELLBEING DIRECTORATE		
Adult Social Care	Whilst charges are adjusted annually in light of the anticipated year's costs of providing services, it is a requirement that the charges reflect the actual costs of delivering services. It is therefore not possible to increase costs simply on the basis of an inflationary amount. Irrespective of the calculated charges for services, the amount an individual pays for any services is based on a financial means test, and for non-residential services is capped in line with The Care and Support (Charging) (Wales) Regulations irrespective of the total cost of all services provided to an individual. Welsh Government has advised that the current cap of £90 (applicable from 8 April 2019), may increase to £100 per week from 6 th April 2020 however this is still subject to Welsh Government approval.	There are a wide range of fees and charges levied across the service that will be considered separately for approval under delegated power, in some instances following agreement with service providers.
COMMUNITIES DIRECTORATE		
'Shopmobility'	Following a Cabinet report on the 21 st January 2020 considering the Bridgend Shopmobility service, approval has been given to introduce a charging regime for the 'Shopmobility' provision in Bridgend, with new charges being introduced from 1 st April 2020.	Equipment charge £3 per day
Daily charge for the use of shopmobility equipment	These charges consisting of a daily use charge and an annual membership/joining charge.	Annual membership Joining/renewal £5
Annual membership joining/renewal charge		

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DIRECTORATE BASE BUDGETS BY SERVICE AREA

	Revised Budget 2019-20	Specific Transfers to/(from) WG	Inter Directorate Transfers	Pay/Prices/ Demographics	Adjustments for virements within Directorates	Budget Pressures 2020-21	Budget Reduction Proposals 2020-21	Revenue Budget 2020-21
BASE BUDGET BY SERVICE AREA	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Central Education & Family Support								
INCLUSION	2,407	13	-19				-87	2,314
FOUNDATION	1,001		-1				-10	990
YOUTH SERVICE	451		-7					444
TRANSITION								0
POST-14			-2					-2
STATUTORY ADVICE & PSYCHOLOGY	367		-5					362
EMOTIONAL HEALTH & BEHAVIOUR	1,790	21	-7	46				1,850
SCHOOL IMPROVEMENT	622		-1				-17	604
SCHOOLS MUSIC SERVICE	18	10						28
ADULT LEARNING	133		-4					129
SKILLS	107		-9					98
STRATEGIC PLANNING & RESOURCES	3,715		-2	18				3,731
BUSINESS STRATEGY & SUPPORT	290		-4				-50	236
SUPPORT FOR CHILDREN&LEARNERS	6,656		-51			356	-75	6,886
COMMISSIONING & PARTNERSHIPS	1,522	1	-34					1,489
STRATEGIC MANAGEMENT	1,495		-4					1,491
YOUTH OFFENDING SERVICE	361		-11					350
HEALTH & SAFETY	384		-5					379
	21,319	45	-166	64	0	356	-239	21,379
Schools								
SCHOOL DELEGATED BUDGETS	95,546	2,121	-298	808		1,375		99,552
	95,546	2,121	-298	808	0	1,375	0	99,552
Social Services & Wellbeing								
OLDER PEOPLE	20,175	80	-84		-354	285	-275	19,827
ADULT PHYS DIS/SENS IMPAIRMENT	4,510		-16		-53			4,441
ADULTS LEARNING DISABILITIES	15,718		-52		356	5	-90	15,937
ADULTS MENTAL HEALTH NEEDS	3,471		-24		11			3,458
OTHER ADULT SERVICES	223		-2		5			226
ADULT SERVICES MGT & ADMIN	3,442		-77		-117	100	-325	3,023
RECREATION AND SPORT	5,162		-7		9		-130	5,034
CHILDREN'S SERVICES	18,876		-91		143	20		18,948
	71,577	80	-353	0	0	410	-820	70,894
Communities								
DIRECTOR - COMMUNITIES	146		-2			3		147
PLANNING & DEVELOPMENT	438		-17		-9	85		497
STRATEGIC REGENERATION	1,383		-8		-34	373	-15	1,699
HEAD OF OPERATIONS- COMMUNITY SERVICES	122		-1		0	2		123
ECONOMY, NATURAL RESOURCES & SUSTAINABILITY	912		-9		37	9	-77	872
CLEANER STREETS & WASTE CONTRACT	10,101		-19	3	6	128	-66	10,153
HIGHWAYS AND FLEET	6,974		-25	13	-27	1,877	-51	8,761
PARKS & PLAYING FIELDS	2,142		-17	5		121	-69	2,182
TRANSPORT ENGINEERING O	570		-21	3		88	-18	622
CORPORATE LANDLORD	77		-1					76
STRATEGIC ASSET MANAGEMENT	2,384		-9	18	25		-326	2,092
TOTAL FACILITIES MANAGEMENT	539		-22	3	2		-24	498
CAPITAL DESIGN & DELIVERY	74		-6					68
	25,862	0	-157	45	0	2,686	-646	27,790
Chief Executive's								
CHIEF EXECUTIVE	511		-2					509
INTERNAL AUDIT	271							271
FINANCE	3,248		-45			37	-40	3,200
PERFORMANCE	179		-2					177
HR&ORGANISATIONAL DEVELOPMENT	1,622		-17			229	-44	1,790
TRANSFORMATION	426		-10				-40	376
COMMUNICATION AND ENGAGEMENT	1,598		-12					1,586
LEGAL SERVICES	1,721		-17				-80	1,624
DEMOCRATIC SERVICES	1,581		-4				-7	1,570
PROCUREMENT	279		-3					276
REGULATORY SERVICES	1,434						-37	1,397
ELECTIONS	139		-1					138
ICT	3,498		-22				-160	3,316
HOUSING & COMMUNITY REGEN	1,132		-6					1,126
BUSINESS UNIT	983		-11				-100	872
	18,622	0	-152	0	0	266	-508	18,228
Service Base Budgets	232,926	2,246	-1,126	917	0	5,093	-2,213	237,843
CAPITAL FINANCING	7,329							7,329
LEVIES	7,406					53		7,459
REPAIRS & MAINTENANCE	870							870
COUNCIL TAX REDUCTION SCHEME	14,854			400				15,254
APPRENTICESHIP LEVY	700						-50	650
PENSION RELATED COSTS	430							430
INSURANCE PREMIUMS	1,588						-150	1,438
OTHER CORPORATE BUDGETS	4,706	196	1,126	8,047		1,537		15,612
Council Wide Budgets	37,883	196	1,126	8,447	0	1,590	-200	49,042
TOTAL BUDGETS	270,809	2,442	0	9,364	0	6,683	-2,413	286,885

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APPENDIX E

2020-21 DIRECTORATE BASE BUDGETS IN LINE WITH WELLBEING OBJECTIVES

Service Budgets	Supporting a Successful Sustainable Economy £'000	Helping People & Communities To Be More Healthy & Resilient £'000	Smarter Use Of Resources £'000	Core Services & Statutory Functions £'000	TOTAL £'000
Central Education & Family Support	6,490	1,058	566	13,265	21,379
Schools	41,499	0	0	58,053	99,552
Social Services and Wellbeing	13	53,313	215	17,353	70,894
Communities	5,903	1	2,944	18,942	27,790
Chief Executive's	-7	1,126	956	16,153	18,228
Council Wide Budgets	304	47	0	48,691	49,042
NET BUDGET REQUIREMENT	54,202	55,545	4,681	172,457	286,885

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RESERVES AND BALANCES PROTOCOL

1. Background

- 1.1 Bridgend County Borough Council is required to maintain adequate financial reserves to meet the needs of the organisation. The purpose of this protocol is to set out how the Council will determine and review the level of its Council Fund Balance and Earmarked Reserves. The protocol has regard to LAAP Bulletin 99 'Local Authority Reserves and Balances', issued in July 2014.
- 1.2 The requirement for local authorities to hold financial reserves is acknowledged in statute. Reserves are one component of an authority's medium-term financial planning—other components include revenue spending plans, income forecasts, potential liabilities, capital investment plans, borrowing and council tax levels. These decisions are inter-linked. This means that, to ensure prudent financial management, some authorities will need to maintain reserves at higher levels than others.
- 1.3 Section 32 and 43 of the Local Government Finance Act 1992 require local authorities in Wales to have regard to the level of reserves needed to meet estimated spending when calculating the budget requirement. Section 25 of the Local Government Act 2003 requires:-
- the Chief Finance Officer to report to Members on the budget including the adequacy of reserves; and
 - Members to have regard to the Chief Finance Officer's report in making their decisions.
- 1.4 As a result, in reviewing medium-term financial plans and preparing annual budgets, the Council will consider the establishment and maintenance of reserves for the Council Fund. The nature and level of reserves will be determined formally by the Council, informed by the judgement and advice of the Chief Finance Officer (CFO).
- 1.5 In November 2018, Alun Davies, the then Cabinet Secretary for Local Government and Public Services, issued a Statement which said "it is prudent to build up and hold reserves for specific purposes, including transforming services to meet the continuing financial pressures, which I recognise Councils face...I believe that local authorities in Wales will wish to use their reserves strategically to drive forward the change required to deliver essential services to communities. They will need to consider how to use available funds to work with others to deliver longer term efficiencies".

2. Types of Reserve

- 2.1 The Council will maintain the following usable reserves:

Nature of Reserve	Description
Council Fund	to manage the impact of uneven cash flows and unexpected events or emergencies;
Earmarked Reserves	to meet known or predicted requirements and include Directorate and Contingency Reserves. Earmarked Reserves will be established on a "needs" basis, in line with planned or anticipated requirements;
Delegated School Balances	these represent the cumulative effect of over and under-spending on school delegated budgets not available to the Council;
Equalisation & Grant Reserves	to facilitate the carry forward of grants, where permitted, or to spread the costs incurred in a particular future year over the period of the Medium Term Financial Strategy (MTFS);
Capital Receipts Reserve	this has been shown for completeness as it forms part of the Usable Reserves of the Council. Capital Receipts are available to finance capital expenditure in future years.

- 2.2 The Council will also maintain a number of other reserves that arise out of the interaction between legislation and proper accounting practices. These reserves, which are not resource-backed, will be specified in the annual Statement of Accounts. These are called Unusable Reserves. The Council's Unusable Reserves are the Capital Adjustment Account, the Revaluation Reserve, Pension Reserve,

3. Regulatory Framework

- 3.1 It is the responsibility of the CFO to advise local authorities about the level of reserves that they should hold and to ensure that there are clear protocols for their establishment and use. CIPFA do not accept the case for introducing a generally applicable minimum level of reserves either as an absolute amount or a percentage of budget. It is for the local authority to make their own judgements based on relevant local circumstances.
- 3.2 For each Earmarked Reserve there needs to be a clear protocol setting out:-
- The reason for / purpose of the Reserve
 - How and when the Reserve can be used
 - Procedures for the management and control of the Reserve
 - A process and timescale for review

4. Principles to Assess the Adequacy of Reserves

- 4.1 The CFO will advise the Council on the adequacy of reserves. In considering the general reserve, or Council Fund, the CFO will have regard to:
- the strategic financial context within which the Council will be operating through the medium-term;
 - the overall effectiveness of governance arrangements and the system of internal control;
 - the robustness of the financial planning and budget-setting process;
 - the effectiveness of the budget monitoring and management process.
- 4.2 CIPFA guidance on Local Authority Reserves and Balances advises that a statement reporting on the annual review of earmarked reserves should be made to Council, at the same time as the budget is approved. Within the Council's Medium Term Financial Strategy (MTFS), there are a number of main principles that relate to reserves. These are detailed below:-

MTFS Principle 9

The Council Fund balance should be set at a prudent but not excessive level. This will normally be maintained at a level of 5% of the Council's net budget, excluding schools

The Council Fund balance provides resources for purposes such as general contingencies and cash flow management. It acts as a working balance to help cushion the impact of uneven cash flows and avoid unnecessary temporary borrowing. It acts as a contingency to cushion the impact of unexpected events or emergencies. This is in accordance with CIPFA's Guidance Note on Local Authority Reserves and Balances. The Council Fund balance at the 31 March 2018 was £8.776 million (£8.347 million 17-18). This represents 4.98% of the net budget excluding school delegated budgets. It also equates to 2.53% of Gross Revenue Expenditure (GRE) compared to a Welsh average of 2.76% for the same period.

MTFS Principle 4

The financial control system is sufficiently robust to support the delivery of financial plans and mitigate corporate risks, with adequate provision being made to meet outstanding and reasonably foreseen liabilities

The Council holds a number of earmarked reserves to cover potential liabilities or for unforeseen events and include the Insurance Earmarked Reserve and a Major Claims Reserve. These are reviewed throughout the year and the balances are adjusted at the end of the financial year based on the most up to date information of potential outstanding liabilities. This process includes analysis of external assessments or actuary reports on the levels needed for the insurance or pension funds. The Council also holds an Insurance Provision to meet the estimated cost to the Council of outstanding liabilities for Employer's Liability, Public Liability and Property.

MTFS Principle 8

Balances are not used to fund recurrent budget pressures or to keep down Council Tax rises unless an equivalent budget reduction or increase in Council Tax is made in the following year in recognition that balances are a one-off resource

The principle allows for the use of balances where there is to be an equivalent saving in the following year. There are a number of Earmarked Reserves that have been established specifically relating to this principle. For example, the funding of new Information Technology to make services more efficient in the future. These reserves will be utilised over the forthcoming financial year.

MTFS Principle 10

Capital investment decisions are in alignment with the Council's Capital Strategy, and mitigate any statutory risks taking account of return on investment and sound option appraisals

In order to support sound option appraisals, a Capital Feasibility earmarked reserve has been created. Capital investment is intrinsic in the MTFS and as a result there are also Earmarked Reserves that support asset management planning, fund capital minor works in relation to health and safety and one specifically to support major schemes within the Capital Programme of the Council. Additions have been made during 2019-20 to provide for significant capital pressures over the MTFS period.

MTFS Principle 7

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

The MTFS proposed the establishment of a Change Management Programme Earmarked Reserve specifically to support delivery of the Corporate Plan and MTFS. There are also some other earmarked reserves which are supporting service reconfiguration and digital transformation.

The current financial landscape demands that significant savings need to be made in order to deliver a sustainable budget. It is therefore prudent to have reserve levels to provide a buffer or a safeguard during uncertain times. An Earmarked Reserve has been established at a level determined annually following an assessment of budget reductions categorised as 'red' and deemed material within the MTFS. This will provide additional capacity for discretionary use by the CFO to manage inescapable problems with delivery.

5. Establishment and Monitoring of Reserves

- 5.1 In considering specific reserves, the CFO will have regard to matters relevant in respect of each reserve, and will advise the Council accordingly. The process for the determination of Directorate reserves will be based upon the principles of effective financial management. The agreement of business cases will be determined by the CFO, having considered the recommendations of the Corporate Management Board.
- 5.2 Directorate Finance Officers are issued with details of how to apply for Earmarked Reserves within the Closing of Accounts Pack for the financial year. The requested amount must be material and should be restricted in number to those considered to be of key importance. Subject to these criteria being met, the Directorate will be informed of whether the requests have been approved.
- 5.3 The Finance Senior Management Team will review the establishment, monitoring and the level of Corporate Reserves. These include Specific Contingency Reserves, Capital Development or Asset Related Reserves and MTFS Reserves. The meetings will examine evidence from external information such as actuary reports or insurance and risk management assessments; changes in legislation; new emerging risks or capital initiatives. The establishment of the Earmarked Reserves, both Directorate and Corporate, is authorised by CFO and reported to Cabinet within the Quarterly Monitoring Reports during the financial year and within the Statement of Accounts for any set up at the end of the financial year. The draft accounts are presented to Audit Committee following the end of the financial year. They are then scrutinised by External Audit and a revised post-audit Statement of Accounts is reported to Audit Committee and published on the Council's website in accordance with the Accounts and Audit (Wales) Regulations.
- 5.4 The CFO will monitor the drawdown of specific reserves in accordance with the agreed policy, and keep Members advised, through normal monitoring reports. Reserves can only be used once and should not be held to fund ongoing expenditure (MTFS Principle 8). This would be unsustainable as, at some point, the reserves would be exhausted. To the extent that reserves are used to meet short term funding gaps, they must be replenished in the following year. However, Earmarked Reserves that have been used to meet a specific liability would not need to be replenished, having served the purpose for which they were originally established.
- 5.5 All Earmarked Reserves are recorded on a central schedule held by the Financial Control and Closing Team which lists the various Earmarked Reserves and the purpose for which they are held. The schedule sets out the opening balances for the year, additions/withdrawals and the closing balance. Any appropriations to or from Earmarked Reserves are controlled by this Team. Evidence of expenditure incurred at period 6, period 9 and year-end will be required from Directorate Finance Officers. The drawdown from reserves will be included within the Quarterly Monitoring Reports to Cabinet. Appropriate working papers for each reserve are produced at year-end and provided to the External Auditor to support the disclosures within the Statement of Accounts.

6. Summary of Specific Provisions and Balances

- 6.1 As well as the Council Fund and Earmarked Reserves, there are a number of specific provisions and balances as follows:-

a) Delegated School Balances

These balances represent the cumulative effect of over and under-spending on school delegated budgets not available to the Council. School balances were only £614,000 at 31 March 2019. Current projections suggest that these balances will be significantly depleted by 31 March 2020 as more schools fall into a deficit position and projections suggest a deficit reserve of £1,090,000.

b) Specific Provisions

The Council holds provisions for unforeseen events with the major one being to meet the total outstanding liability of Bridgend's self -insurance fund based on a professional analysis of the claims outstanding for Employer's Liability, Public Liability and Property. The current projections suggest that the balance on the provisions will remain at around £1.881 million by 31 March 2020.

7. Summary of Earmarked Reserves

7.1 A summary of the Earmarked Reserves are detailed below:-

a) Corporate Reserves

These reserves include Change Fund, Feasibility and Capital reserves and are for planned developments in the forthcoming years, such as 21st Century Band B schools, Waste recycling, ICT and Financial Systems and Adult Social Care developments. These reserves will be increased at year-end to meet any agreed funding arising from planned under spends within Directorates. Any reserves that are no longer required will be released back into the general revenue budget. Some of these reserves are used over a number of financial years.

b) Directorate Earmarked Reserves

These reserves have been created for specific pressures or priorities, such as pressures from Looked After Children, Road Safety works and City Deal.

c) Equalisation and Grant Earmarked Reserves

These reserves ensure that expenditure that is incurred in a particular future year is smoothed over the period of the MTFS. These include the costs of elections, Building Control Costs, Special Regeneration Fund projects and the preparation of the Local Development Plan. In addition, where carry forward has been approved, the income is recognised in the Council's Income and Expenditure statement but the unused funds are held within these earmarked reserves.

7.2 The table below sets out the forecast movement in the Council's Earmarked Reserves by the end of the financial years 2019-20 and 2020-21. It is based on estimates of expenditure at period 9 projected forward to year end for 2019-20 and where expenditure is forecast for 2020-21 this is also included. It does not include the potential increase of reserves for 2019-20 at year-end.

Opening Balance 01/04/19	Reserve	Net Additions/ Re-classification	Draw-down	Unwound	Projected Closing Balance 31/03/20	Projected Movement 2020/21	Projected Closing Balance 31/03/21
£'000		£'000	£'000	£'000	£'000	£'000	£'000
	Corporate Reserves:						
(9,243)	Education & Family Support	-	2,136	49	(7,058)	1,123	(5,935)
(841)	Social Services & Wellbeing	-	36	-	(805)	200	(605)
(7,397)	Communities	(2,597)	1,892	313	(7,789)	3,768	(4,021)
(5,415)	Chief Executives	(4,000)	1,636	47	(7,732)	1,394	(6,338)
(13,833)	Non-Directorate	2,240	770	248	(10,575)	50	(10,525)
(36,729)	Total Corporate Reserves	(4,357)	6,470	657	(33,959)	6,535	(27,424)
	Directorate Earmarked Reserves:						
(634)	Education & Family Support	-	-	-	(634)	-	(634)
(1,854)	Social Services & Wellbeing	-	187	-	(1,667)	42	(1,625)
(2,539)	Communities	(652)	971	100	(2,120)	1,456	(664)
(2,770)	Chief Executives	(125)	155	-	(2,740)	75	(2,665)
(7,797)	Total Directorate Reserves	(777)	1,313	100	(7,161)	1,573	(5,588)
	Equalisation & Grant Earmarked Reserves:						
(850)	Education & Family Support	(7)	857	-	-	-	-
(1,634)	Communities	(13)	-	-	(1,647)	183	(1,464)
(483)	Chief Executives	7	-	-	(476)	54	(422)
(2,967)	Total Equalisation Reserves	(13)	857	-	(2,123)	237	(1,886)
(614)	School Balances	-	-	-	(614)	-	(614)
(48,107)	Total Usable Reserves	(5,147)	8,640	757	(43,857)	8,345	(35,512)

NB: Differences due to rounding of £'000s

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CABINET RESPONSE TO CRI OVERVIEW AND SCRUTINY COMMITTEE ON BUDGET ISSUES

	BREP Recommendation	Cabinet Response	Action to be Completed by
1	In terms of Legal and Procurement's obligations to the MTFS, the panel recommended that that funding is increased to address, for example, specific support to new initiatives e.g. Community Asset Transfer Scheme (CATS).	With regard to ensuring that appropriate resource is made available to progress CAT across the Council a business case has been prepared by the CAT officer to increase capacity and enable the CAT process to be accelerated. This includes proposals to increase resource in the relevant areas of property and legal, and the change management fund has been increased accordingly to allow appropriate bids for funding to be supported.	Corporate Management Board to approve the business case March 2020, to allow implementation early in the new financial year when it is anticipated there will be an increase in demand to progress CAT.
2	The Panel therefore recommend to Cabinet that there needs to be further work done to break the silo approach to budgeting.	There has been a significant change in approach over recent years to ensure that the whole budget, and its implications, are considered jointly by Cabinet/CMB. Cabinet believe therefore that the 'One Council' approach is largely adopted in setting the budget but recognise that there is always more that can be done and will endeavour to continue to work with the Chief Executive and senior managers to ensure this happens.	The budget setting process for the 2021/22 budget will start initially in June 2020 and the principle of operating as 'One Council' will be reinforced as a key priority and principle
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.	The distinction between statutory and non-statutory services is not always a helpful one in determining priorities. It is recognised that what is more important is understanding and evidencing the impact of services. Certainly, for example, some of the early intervention non statutory services in both Education and Social Care have demonstrable impact in managing and preventing demand for some of the statutory services in those areas. Cabinet and CMB will continue to review the impact of various interventions and ensure that investment is made in those services that are most cost effective and make the most difference.	This process is ongoing but informed by some of the performance information that will become available at the end of quarter 3 and the year end, quarter 4, corporate performance assessment.

CABINET RESPONSE TO CRI OVERVIEW AND SCRUTINY COMMITTEE ON BUDGET ISSUES

	BREP Recommendation	Cabinet Response	Action to be Completed by
4	The Panel recommend to Cabinet that they review the Authority's financial relationship with partners, especially within the Community Safety Partnership.	There are clearly some examples where the potential to seek greater financial contributions from relevant partners should be considered and potentially pursued. For example: contributions towards the costs of operating the CCTV service (already being pursued with the police), the post 16 school transport service and numerous examples where town and community councils might reasonably make a contribution towards sustaining or enhancing a service. These will continue to be explored thoroughly as part of the annual budget setting process and as part of the ongoing relationship and collaboration arrangements with partners.	Ongoing as part of existing partnerships and collaborations.
5	BREP therefore recommend to Cabinet to establish a more strategic approach to working in partnership with TCC's to support the MTFS.	The Chief Executive has prepared a paper, that has been agreed by Group Leaders, seeking to review and change the nature of the existing Town and Community Council Forum and potentially create a ' Board ' with an annual work programme to enable the Council and Town and Community Councils to work better in partnership, with agreed strategic priorities.	Initial paper to be presented to March Town and Community Council Forum and implemented for the next financial year subject to the input and agreement of T and CC's.
6	BREP considers the outcome of the scrutiny process with regards to CAT in the financial year 2020/21 and that Cabinet endorses this recommendation.	The CAT process was fully reviewed during the 2019/20 financial year resulting in streamlining of the process to make it simpler and quicker. This new process has not yet had the opportunity to bed in but Cabinet are content that BREP continue to monitor and look at the success of CAT through 2020/21 and recommend where they think further improvements can be made, as real transfers emerge.	Ongoing through 2021/22 as part of the BREP process.

CABINET RESPONSE TO CRI OVERVIEW AND SCRUTINY COMMITTEE ON BUDGET ISSUES

	BREP Recommendation	Cabinet Response	Action to be Completed by
7	That BREP considers the outcome of the scrutiny process with regards to the consultation process 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.	The proposals to amend the local authority's Home-to-school/College Transport Policy has followed good practice guidance in offering a full 12-week public consultation with bespoke engagement with learners. This follows the same approach that the local authority took in 2014 when the policy was previously consulted upon. Scrutiny will be presented with the outcome of this consultation in March 2020 to review the approach and provide recommendations to Cabinet as part of their consideration on the policy proposals and consultation report.	31 st March 2020
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.	The local authority has a statutory duty to ensure the effective and efficient education of all pupils. The published admission number (PAN) of a school is directly related to the capacity of the school. Any decision to breach the PAN should not be taken lightly and the School Admissions Code 2013 identifies that the admission number reflects the school's ability to accommodate pupils and it should not be exceeded other than in exceptional circumstances. Although there are pressures on places within certain year groups in primary schools in Bridgend, no school is currently at capacity. The additional financial pressure of transporting pupils to alternative schools cannot be considered as an exceptional circumstance to admit over a school's PAN.	Ongoing

CABINET RESPONSE TO CRI OVERVIEW AND SCRUTINY COMMITTEE ON BUDGET ISSUES

	BREP Recommendation	Cabinet Response	Action to be Completed by
8 cont.		It is not uncommon for local authorities to transport pupils to schools that are not their nearest suitable schools especially when these pupils have been admitted as 'in-year transfers'. The local authority is unable lawfully to hold back places for pupils for in-year admissions on the basis of, for example, a house move. There has not been a significant escalation and therefore cost of the need for school transport for pupils refused admission to the nearest suitable school to other schools in the county borough. The School Modernisation Team is currently leading on a school capacity review to assess whether additional capacity can be secured from the existing accommodation at each school (eg by using intervention spaces as teaching spaces). Additionally, there are proposals to expand capacity through Band B of the 21st Century Schools Modernisation Programme.	
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.	Education and Family Support and Finance officers will continue to support schools with the financial management process. Termly meetings are held with headteachers and governors from schools in deficit budget positions. Support is provided during the deficit budget setting process and schools are actively involved when monitoring progress, additional support is provided from the Directorate where possible.	Ongoing

CABINET RESPONSE TO CRI OVERVIEW AND SCRUTINY COMMITTEE ON BUDGET ISSUES

	BREP Recommendation	Cabinet Response	Action to be Completed by
10	Cabinet considers a political approach to the WG Minister for Finance and Trefynydd 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.	Work has been undertaken on reviewing the quantum and spread of our grants. Inevitably there will be timing issues and restrictions on the use of grants, particularly in some cases the short term nature of the funding. Representations are made through the Society of Welsh Treasurers and the WLGA to streamline grants wherever possible and to give more certainty on longer term funding. We are working with the WG on funding flexibilities.	
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.	The Council continues to look proactively at commercial opportunities. Currently, for example, there are a number of property and energy related schemes that are being explored but clearly the terms of any financial agreement and the risk profile has to be right for the Council and meet the principles of its capital strategy. One of the challenges remains weighing up the amount of time and resource that is necessary to pursue commercial opportunities against the likely commercial return and a number of proposals have been rejected in previous years for this reason. Sometimes for smaller schemes it is difficult to prioritise speculative projects when the capacity in areas such as Property, Energy and Street Scene are already very stretched.	Cabinet is happy to receive from BREP and scrutiny any specific suggestions for commercial consideration as part of the 2021/22 budget setting process.

CABINET RESPONSE TO CRI OVERVIEW AND SCRUTINY COMMITTEE ON BUDGET ISSUES

	Scrutiny Committee Recommendations	Cabinet Response	Action to be Completed by
	Social Services and Wellbeing		
1.1	RE SSW26, particularly in respect of 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.	BRC provides a day service for 50 young adults with very complex needs and 8-12 people with advanced dementia. The day service has 1 manager, 2 team leaders, 6 assistant team leaders and 30 day support workers. The management structure is 4% of the overall day services budget whereas a few years ago the management structure was 16% of the overall budget. The Service has recently revised the service principles and have a new quality audit tool which will commence in March 2020. There have been no reported issues of the quality of care or support delivered at the Centre. The resource centre is equipped to deal with complex conditions and complex behaviours and the staff are all trained up to at least QCF level 2 although most staff have a QCF 3 and some have level 5. The building is a key feature of the success of the model. It has been purpose built to a very high specification and is therefore able to effectively manage high risk behaviours. E.g. managing the risk of people wandering off/leaving the building by a very advanced door control system. It has also proved to be a cost effective model. This model for those individuals with very complex needs was initiated in order to provide an improved quality provision and better outcomes for individuals as well as being cost effective. It would not be cost effective to re-produce the Bridgend Resource Centre model elsewhere.	Development of alternative day time opportunities to continue with close financial monitoring by Group Manager and Head of Service

CABINET RESPONSE TO CRI OVERVIEW AND SCRUTINY COMMITTEE ON BUDGET ISSUES

	Scrutiny Committee Recommendations	Cabinet Response	Action to be Completed by
	Social Services and Wellbeing		
1.1 cont.		There are also a number of people with a learning disability who receive day time support from the independent sector. The cost of this is under close scrutiny as there has been an increase in costs over the last 12 months. The individuals have received a very individual and at times bespoke service which has been of a high standard but this has not been cost effective. The service has recently reviewed the care needs to those attending the Centre and as a result have identified 12 individuals who are going to be introduced to a community daytime service. This will free up places for 12 people who are currently within the independent provision. This will in turn have a positive impact on the budget. There are a further number of people with a more moderate learning disability who receive day time support closer to the community in which they live and there are 4 bases across the Borough where people are able to attend and get the support that they have been assessed as needing. The service is currently reviewing the day time model which make sure that assessment of need are based on a preventative and strength based approach. As result there are now a range of alternative support and community options available to people with a learning disability. Development in this area will continue.	

CABINET RESPONSE TO CRI OVERVIEW AND SCRUTINY COMMITTEE ON BUDGET ISSUES

	Scrutiny Committee Recommendations	Cabinet Response	Action to be Completed by
	Communities		
2.1	In respect of budget pressure COM10 Members asked that the £2m realm fund prioritise gully and culvert maintenance in particular.	It is intended that investment will be made in improvements to gulleys and culverts as part of the programme of works to invest an additional £2 million in the 'public realm' across the County Borough. It should be noted however that not all gulleys and culverts are on Council land or the responsibility of the Council to maintain so we are also working with relevant partners such as V2C Housing to ensure that they properly understand and carry out their maintenance responsibilities.	The proposed programme of work for the 2020/21 'public realm' fund is currently being prepared by officers for approval by the Cabinet Member prior to the start of the 2020/21 financial year.
2.2	Regarding 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.	Condition surveys are in the process of being carried out for all building assets that have been identified as priorities for CAT, such as parks pavilions. In addition it is proposed to make a high level assessment of other assets such as playing fields to better understand their current state and investment requirement. It is proposed that all CAT is on the basis of full repairing responsibility passing to the relevant group or town and community council under the terms of a lease or licence.	Ongoing as part of the approved CAT process.

CABINET RESPONSE TO CRI OVERVIEW AND SCRUTINY COMMITTEE ON BUDGET ISSUES

	Scrutiny Committee Recommendations	Cabinet Response	Action to be Completed by
2.2 cont.		The Council will continue to monitor the assets under the terms of the lease and reserve the right to step in if it clear that assets are deteriorating. However, the whole basis of CAT is that it is in the interests of the relevant club(s) or group to ensure that the assets are maintained to a standard that they remain in beneficial use. It should be noted that the alternative that the Council is proposing in the absence of CAT for some facilities is that often those assets would close and not be maintained anyway as there would not be the financial resource to do so.	
	Education and Family Support		
3.1	In respect of 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.	Planning officers, finance officers and highway safety officers are closely integrated into the School Modernisation Programme's governance arrangements. Traffic impact assessments are developed for each scheme and include discharging the council's statutory responsibility to consider active travel arrangements. Schemes and the peripheral transport infrastructure supporting those schemes include specific requirements for active travel links into communities.	Ongoing

CABINET RESPONSE TO CRI OVERVIEW AND SCRUTINY COMMITTEE ON BUDGET ISSUES

	Scrutiny Committee Recommendations	Cabinet Response	Action to be Completed by
3.1 cont.		However, there is no match funding from Welsh Government to support these initiatives from the School Modernisation Programme and must be paid for fully by the council. These active travel links need formal identification as available routes to school. However, as post-16 education is non-statutory, there is no legal basis to consider available routes to school in the context of post-16 learners. Officers will ensure that throughout the planning for Band B projects of the School Modernisation Programme, that there is early discussion with transport planning officers to assess and act on opportunities to bid for grant from Welsh Government to support additional active travel links where needed, to support new school builds and to reduce the burden on home-to-school transport.	
3.2	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.	Officers will work with colleagues in South Wales Police to develop this	30 th April 2020

CABINET RESPONSE TO CRI OVERVIEW AND SCRUTINY COMMITTEE ON BUDGET ISSUES

	Scrutiny Committee Recommendations	Cabinet Response	Action to be Completed by
3.3	In relation to EFS5 with regard to 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.	There are set criteria on what the PDG Access grant can be used for and provision of food for breakfast clubs does not fall under the criteria.	
	Chief Executive's		
4.1	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.	A phrase could be included within the budget consultation document highlighting that the proposals could be subject to change if the final settlement is better or worse than the current projections.	To be included in the 2020/21 budget consultation in September 2020
	Corporate Overview and Scrutiny		
5.1	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.	This saving relates to the current policy proposal to remove the local authority's discretion to provide post-16 learners with free home-to-school or home-to-college transport. The view of Scrutiny Committee is noted and will be reported to Cabinet as part of the responses to the public consultation on this proposal.	30 th April 2020
5.2	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.	The view of BREP will be reported to Cabinet as part of the responses to the public consultation on this proposal.	30 th April 2020

CABINET RESPONSE TO CRI OVERVIEW AND SCRUTINY COMMITTEE ON BUDGET ISSUES

	Scrutiny Committee Recommendations	Cabinet Response	Action to be Completed by
5.3	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.	See earlier answer to number 4 of Corporate Scrutiny Recommendations. We are already in dialogue with the Police, and the Police and Crime Commissioner, both about directly getting an annual financial contribution towards the cost of operating the CCTV service but also about collaborating with other neighbouring authorities to share the cost of the service, now that the historic arrangement with the Vale of Glamorgan Council has ended.	It is anticipated that a formal response will be forthcoming from the Police before the end of this financial year now that their annual precept figure for the 2020/21 budget is known.
5.4	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.	This is something that is a fairly continuous process, directly in terms of the Council's responses to consultations and through the WLGA where collectively the local authorities in Wales will make the case for local government to be properly funded, particularly when it seems that 'new burdens' emerge through legislation.	Ongoing process.
5.5	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.	The feedback we have had is that this does not appear to be a particular problem in terms of other agencies cooperating with publicising the EU settlement scheme. However, there is always more that can be done and Cabinet will request that the Chief Executive writes to Welsh Government requesting further effort and publicity to promote the scheme.	March 2020

CORPORATE RISK ASSESSMENT
FEBRUARY 2020

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No.	IDENTIFIED RISK					ACTION PLAN										Well-Being Objective
	There is a risk that if..	Consequences of risk	Raw risk score			Control method	How is the council addressing this risk	Key actions to be established - NB business as usual activity not reflected here	Who	Last Reviewed	Next Review	Action completed by	Residual risk score			
			Li	Im	Total								Li	Im	Total	
1	The council is unable to make robust medium to long term decisions requiring service change	It is harder each year to make ongoing budget reductions as easier decisions have already been made. If more difficult decisions about cutting or reducing service levels against a background of declining budgets are not made, then the council will not deliver the changes necessary to achieve a balanced budget which will result in it being in breach of its legal responsibilities.	4	5	20	Treat	The council manages this risk through existing budget and business planning processes which include early identification of savings targets and development of options for cabinet, challenge from BREP, scrutiny and formal and informal briefings of members and political groupings.	Develop proposals for a stronger focus on future and multiple year financial planning including scrutiny and outline budget decisions by elected members for multiple years. Cabinet and Corporate Management Board have met regularly as part of the budget planning process for 2020-21 and beyond. This has focussed not only on the immediate requirement for an indicative £10 million savings for 2020-21 but also discussion to begin to shape a longer term strategy for the Council based on projected savings over the next 3-4 years.	CMB	Dec-2019	Mar-2020	Feb-2020 Then ongoing quarterly review	3	5	15	Smarter use of resources
2	The council is unable to deliver transformation including agreed financial savings	If the council is unable to change the way that staff work, including new roles, collaborations and the acquisition of new skills, it will be unsuccessful in delivering service transformation which will lead to it not meeting its commitments within available budgets.	4	4	16	Treat	The council has a number of transformations in place that either directly support specific proposals for service improvement and /or financial savings. Further transformations have been identified that are intended to support a "One council culture" and support staff and managers through transformation.	Review and rationalisation of management activity. Further development of a 'One Council' culture and transformational change has progressed since the appointment of a new Chief Executive, initially on an interim basis in January 2019 and then on a permanent basis in May 2019. Much work has been done to bring together Directorates and a real corporate approach by CMB. This is work in progress and there is still occasionally some inconsistency, but huge progress has been made in working as a unified team. A review of Council processes has meant that some deemed unnecessary and bureaucratic have ceased but full compliance with those that remain is required. The Chief Executive's Directorate is being embedded to provide a coordinated and efficient corporate support service. The Human Resource/Occupational Development review will ensure, among other things, that managers are given the right training to meet current challenges and that a more balanced approach to promoting and enhancing the wellbeing of those staff in work is developed, as well as teaming with those who unfortunately are absent from work through sickness.	CMB	Dec-2019	N/A	Oct-2019	2	2	4	All Well-Being Objectives

	IDENTIFIED RISK					ACTION PLAN											
No.	There is a risk that if..	Consequences of risk	Raw risk score			Control method	How is the council addressing this risk	Key actions to be established - NB business as usual activity not reflected here	Who	Last Reviewed	Next Review	Action completed by	Residual risk score			Well-Being Objective	
			Li	Im	Total								Li	Im	Total		
Page 182	3	The council is unable to respond to legislative change	If reducing budgets and a reducing workforce decreases the council's ability to ensure compliance with statutory requirements and to adapt successfully to an ever changing legislative landscape there is a risk that the council will be in breach of its legal responsibilities and may receive adverse regulatory reports, adverse publicity, fines and ultimately the threat of prosecution.	5	4	20	Treat or Transfer	The council manages this risk in a number of ways that are contingent on the particular service area affected. This might include reducing service quality or reprioritising a response to a legislative change over other activity or transferring risk - for example, where legally possible, by transferring responsibility to another provider. However, some service areas are subject to a non delegable duty of care. Examples of where the council has shared risk are Leisure and Waste.	No further actions to be commissioned at this stage.	CMB	Dec-2019	Mar-2020	Complete with ongoing review	3	4	12	All Well-Being Objectives
4	The council is unable to identify and deliver infrastructure required in the medium to longer term	If the council does not raise sufficient capital to maintain its infrastructure, including roads, street lights, buildings and technology then it may deteriorate bringing financial and safety risks which could lead to adverse incidents, reports, publicity, fines and ultimately prosecution.	4	5	20	Treat	The council has a ten year capital programme. The development of this programme and arrangements for its review and updating are well established. However the council has identified scope to improve upon this to ensure that these needs are balanced with other demands for capital (such as new schools).	A revised capital strategy has been prepared and agreed by Council setting out capital spending plans and priorities for the next 10 years. The Capital Programme will be reviewed quarterly and will be updated by Cabinet and Council.	CMB	Dec-2019	Mar-2020	Complete with ongoing review	3	5	15	Supporting a successful sustainable economy and smarter use of resources	
5	The council is unable to develop positive working relationships across all partners within the new region to ensure that the needs of the Bridgend community are fairly recognised in the immediate future.	If the council is unable to successfully build on the progress made, during the transitional year, of operating within a new region with the health Board, local government and third sector partners, there is a risk that appropriate care to citizens through new service models and relationships will be slowed down or not be delivered resulting in citizens receiving a less satisfactory service with poorer outcomes.	4	4	16	Treat	In April 2019 the council appointed a 2 year fixed term Programme Manager specifically to support Bridgend transition effectively into the new region. This has enabled Bridgend to influence and shape the new region by ensuring effective governance and appropriate membership on the Regional Partnership Board and the associated groups set up as part of regional arrangements. Bridgend are leading the regional work on reviewing the existing governance arrangements and ensuring that the necessary changes are made so that the processes will be fit for the future. Progress is being overseen by the Regional Partnership Board and a report will be provided to the RPB in March 2020. The Leader, Cabinet Member for SS and Early Help, the Cabinet member for WBFGA and the Corporate Director of SS & WB all sit on the RPB. There is a Senior Officer Group (TLG) that sits below the RPB and the Director and Programme Manager sit on this. Heads of Service and other Officers are working closely with their counterparts across the region. Good relationships have been established at political and senior managerial levels with the new Cwm Taf Morgannwg University Health Board and the Cabinet Member in an Independent CTB Board Member. By working with the new region, Bridgend has continued to receive Integrated Care Funding for a range of bids that have enabled either the continuation of previously funded services or assisted with the development of new service initiatives. In addition Bridgend has benefitted from the allocation of Transformation Funding from Welsh Government and actively contributes to the regional processes that are overseeing the allocation of the Transformation Funding which is reported to and scrutinised by Welsh Government.	Continue to work with the Health Board, local government and third sector partners to ensure processes are in place to develop regional approaches to service delivery. This includes effective management and monitoring of regional grant funding that is directed through the Partnership Board and the ongoing development of integrated services.	CMB	Dec-2019	Mar-2020	Apr-2020	2	4	8	Helping people and communities to be more healthy and resilient and smarter use of resources	

	IDENTIFIED RISK					ACTION PLAN										
No.	There is a risk that if..	Consequences of risk	Raw risk score			Control method	How is the council addressing this risk	Key actions to be established - NB business as usual activity not reflected here	Who	Last Reviewed	Next Review	Action completed by	Residual risk score			Well-Being Objective
			Li	Im	Total								Li	Im	Total	
Page 183																
6	The council fails to safeguard vulnerable individuals e.g. children, adults in need of social care, homeless etc.	If budgets and the workforce continue to decline there is a risk that the council will be unable to provide the necessary services to vulnerable people resulting in the possibility that vulnerable people will not be kept safe and be encouraged to greater safe self-reliance.	4	5	20	Treat	The council has well established mechanisms to ensure compliance with statutory responsibilities. This includes its own operational safeguarding board and active management of demand and caseloads. All meetings of CMB and of Cabinet/CMB have a standing item to consider safeguarding matters and allow for appropriate management actions to be taken quickly. Good management oversight with robust quality assurance and risk management arrangements will mitigate presenting risks.	The review by internal audit identified gaps in completion of mandatory training through e learning. These gaps are identified, reported on and monitored by Human Resources Department. The full range of Safeguarding activities was reported to Overview and Scrutiny Committee on 3 July 2019. Inspection of Youth Offending by her Majesty's Inspectorate Probation (HMIP) has identified the need to ensure that all links between Youth Offending Services and other early help or social care services are effective and effectively documented. An action plan has been agreed by Cabinet and Corporate Management Board and rapid improvement will be made before an anticipated inspection in six months time. Significant work has been undertaken to mitigate risks associated with the Youth Justice Services. There is now an agreed protocol in place between Youth justice and Social Care services which details a set of actions to be monitored and steps to take where the systems potentially fails. The action plan is being closely monitored by the Management board with frequent updates to other strategic forums. A 'mock ' inspection undertaken by the Youth Justice Board in February 2020 indicates marked improvement in all areas.	CMB	Dec-19	Mar-2020	Completed with ongoing monitoring	2	5	10	Helping people and communities to be more healthy and resilient and smarter use of resources
7	The council is unable to plan for and recover from major threats to service continuity such as civil emergencies, school failure, cyber attack and discontinuation of funding streams and major contracts	If the council does not have the capacity and expertise to plan for and protect itself against major threats such as cyber-attack, civil emergencies and significant financial variations there is a risk that there may be a failure to deliver services and a balanced financial position which could harm citizens who rely on council services.	4	4	16	Treat	The council has anti virus installed which is regularly updated. All critical data is backed up and located offsite. Software update processes exist that includes the installation of patches. Security awareness training is provided to all employees. The council has established emergency planning arrangements including a Major Incident Plan and contributes to the SWLRF (South Wales Local Resilience Forum) and SWRT (South Wales Resilience Team). Contract conditions are included in relevant contracts. The terms of these conditions will vary depending on the nature of the contract, but will cover compliance with GDPR (General Data Protection Regulation), security of personal information and general cyber security. Where contracts are awarded via a framework the necessary conditions will be imposed by the contracting agency for the framework.	Attendance at cyber resilience training. The council responds appropriately to WLGA/WG/UK Government consultations and seeks to influence the development of any future regional investment programme, via informed discussions with WG The situation is being monitored on an ongoing basis.	CMB		Mar-2020	Jan-2020	3	3	9	All Well-Being Objectives

	IDENTIFIED RISK					ACTION PLAN										
No.	There is a risk that if..	Consequences of risk	Raw risk score			Control method	How is the council addressing this risk	Key actions to be established - NB business as usual activity not reflected here	Who	Last Reviewed	Next Review	Action completed by	Residual risk score			Well-Being Objective
			Li	Im	Total								Li	Im	Total	
Page 184 8	The council is unable to attract or retain a workforce with the necessary skills to meet the demands placed upon the authority and its services	If there is a continual decreasing number of suitably skilled and experienced staff then there may not be the expertise required to deliver services and protect the interests of the council. This could lead to the wellbeing of citizens suffering and a loss of moral amongst the remaining staff if they feel unsupported and are seeking to work elsewhere.	4	4	16	Treat	The council has workforce planning in place (through directorate level service planning) and is prioritising finite training budget to ensure that key skills and qualifications are targeted. In addition the council is using apprenticeships to actively bring in or develop key skills (such as Welsh language skills or ICT capability). This investment will be enhanced in 2020/21. In specific service areas the council is actively seeking opportunities to collaborate where this will enhance capacity or resilience.	The council will continue to monitor the profile of the workforce and identify challenges through the business planning process. Appropriate action plans will be developed.	CMB	Dec-2019	Mar-2020	Ongoing	3	4	12	All Well-Being Objectives
								The staff survey has been completed and a range of actions implemented. These will improve engagement and feedback and shape the learning and development programme. The council will prioritise role specific training to enable staff to do what is expected of them, it will promote good practice examples of staff development and maximise access to funded learning and development programmes. e.g. WG and TUC. A further Staff Survey is currently underway.		Dec-2019	Mar-2020	Ongoing				
9	Important council services are compromised due to the failure of a key supplier	If the suppliers of council services are not resilient there is a risk that they may fail to deliver those services leading to disruption for citizens and the council, which will be impacted as it seeks to restore provision and suffers a loss of reputation.	4	4	16	Treat or Transfer	The council's strongest defence against this is through its procurement strategy and procurement processes. When tendering for services the council requires contingency arrangements to be in place to allow for the eventuality of supplier failure (for example in the case of refuse and recycling collection contracts). The council also seeks to shape the market where possible to avoid over reliance on single suppliers (for example in social care). Where appropriate contract conditions are included to ensure the contractor has the appropriate level of security required for the service they provide. This will differ depending on the nature of the service and the legal requirements applicable.	Social Services have quarterly forum meetings with providers where risks, issues and pressures are identified. There are regular contract monitoring visits to monitor performance and quality.	CMB	Dec-2019	Mar-2020	Ongoing	4	3	12	Helping people and communities to be more healthy and resilient and smarter use of resources
								Directorates to monitor the financial performance and stability of contractors on an ongoing basis. Dialogue with some major suppliers is required and contingency planning has been progressed.		Dec-2019	Mar-2020	Ongoing				

Control Method Definition

Definition	Meaning
Treat	To continue with the activity, but at the same time take action to bring the risk to an acceptable level
Transfer	Transferring the responsibility of the risk to outside the Council.

BRIDGEND COUNTY BOROUGH COUNCIL

REPORT TO CABINET

25 FEBRUARY 2020

REPORT OF THE INTERIM HEAD OF FINANCE AND SECTION 151 OFFICER

TREASURY MANAGEMENT AND CAPITAL STRATEGIES 2020-21 ONWARDS

1. Purpose

- 1.1 The purpose of this report is to present to Cabinet the Treasury Management Strategy 2020-21 (**Appendix A**) which includes the Treasury Management Indicators and the Capital Strategy 2020-21 to 2029-30 (**Appendix B**) which includes the Prudential Indicators before submitting for approval by Council.

2. Connections to Corporate Improvement Objectives / Other Corporate Priorities

- 2.1 This report assists in the achievement of the following corporate priorities:-
 1. Supporting a successful economy – taking steps to make the county a good place to do business, for people to live, work, study and visit, and to ensure that our schools are focused on raising the skills, qualifications and ambitions of all people in the county.
 2. Helping people to be more self-reliant – taking early steps to reduce or prevent people from becoming vulnerable or dependent on the Council and its services.
 3. Smarter use of resources – ensuring that all its resources (financial, physical, human and technological) are used as effectively and efficiently as possible and support the development of resources throughout the community that can help deliver the Council's priorities.
 - 2.2 Prudent treasury management arrangements will ensure that investment and borrowing decisions made by officers on behalf of the Council support smarter use of financial resources and hence assist in the achievement of our Corporate Priorities. Also, capital investment in the Council's assets is a key factor in meeting the Council's Wellbeing Objectives as set out in the Corporate Plan.
- ##### 3. Background
- 3.1 Both treasury management and the control of capital expenditure are based in legislation. The Council's treasury management activities are regulated by the Local Government Act 2003, which provides the powers to borrow and invest as well as providing controls and limits on this activity. The Local Authorities (Capital Finance and Accounting) (Wales) Regulations 2003, as amended, develop the controls and powers within the Act. This requires the Council to undertake any borrowing activity with regard to the Chartered Institute of Public Finance and Accountancy's (CIPFA) Prudential Code for Capital Finance in Local Authorities and to operate the overall treasury function with regard to the CIPFA Code of Practice for Treasury Management in the Public Services.

- 3.2 The 2003 Regulations also contain detailed provisions for the capital finance and accounting controls, including the rules on the use of capital receipts and what is to be treated as capital expenditure. They modify accounting practice in various ways to prevent adverse impacts on authorities' revenue resources. The Local Authorities (Capital Finance and Accounting) (Wales) (Amendment) Regulations 2018 relaxed the constraints around loan capital transactions, specific share capital transactions and bonds placing for local authorities in Wales and enables the Council to invest in certain instruments which were previously treated as capital expenditure (for example Money Market Funds (MMF)) without the potential revenue cost of Minimum Revenue Provision (MRP) and without the proceeds from sale being considered a capital receipt.
- 3.3 As well as the legislation, the Council manages its Treasury Management and Capital activities in accordance with the following associated guidance:-
- CIPFA's Treasury Management in the Public Services: Code of Practice
 - CIPFA's The Prudential Code for Capital Finance in Local Authorities
 - The Welsh Government (WG) revised Statutory Guidance on Local Authority Investments
- 3.4 In December 2017, CIPFA published new editions of Treasury Management in the Public Services: Code of Practice and the Prudential Code for Capital Finance in Local Authorities. The definition of investments in CIPFA's revised Treasury Management Code now covers all the financial assets of the Council as well as other non-financial assets which the Council holds primarily for financial return. This is in response to changes within the marketplace with Councils diversifying their portfolios with more investment properties.
- 3.5 The revised Prudential Code placed a new requirement on local authorities from 1 April 2019 to determine a Capital Strategy, to be approved by 31 March by full Council, which demonstrates that the Authority takes capital expenditure and investment decisions in line with service objectives and properly takes account of stewardship, value for money, prudence, sustainability and affordability. Local Authorities need to have in place a Capital Strategy that sets out the long-term context in which capital expenditure and investment decisions are made and gives due consideration to both risk and reward and impact on the achievement of priority outcomes.
- 3.6 The Capital Strategy contains the Prudential Indicators and the Treasury Management Strategy contain the Treasury Management Indicators.
- 3.7 The Capital Strategy should demonstrate how the Council ensures that all of its capital and investment plans and borrowing are prudent and sustainable. It is intended to give a high level overview of how capital expenditure, capital financing and treasury management activity contribute to the provision of services along with an overview of how associated risk is managed and the implications for future sustainability.
- 3.8 The Treasury Management Strategy requires that formal and comprehensive objectives, policies and practices, strategies and reporting arrangements are in place for the effective management and control of treasury management activities, and that the effective management and control of risk are the prime objectives of these activities.

4. Current Situation / Proposal

- 4.1 The Treasury Management Strategy 2020-21 (**Appendix A**) confirms the Council's compliance with the Treasury Management in the Public Services: Code of Practice. It also fulfils the Council's legal obligation under the Local Government Act 2003 to have regard to both the CIPFA Code and the Welsh Government Guidance.
- 4.2 The Treasury Management Strategy is an integrated strategy where borrowing and investments are managed in accordance with best professional practice. The Council borrows money either to meet short term cash flow needs or to fund capital schemes within the capital programme but loans taken are not associated with particular assets. The Council is exposed to financial risks including the potential loss of invested funds and the effect on revenue of changing interest rates. The Council endeavours to minimise the risks by investing its funds prudently, and having regard firstly to the security of investments then to their liquidity and finally to the seeking the highest rate of return, or yield. The Strategy outlines the Council's definition of specified and non-specified investments, the financial limits for each category of investments and the approved counterparties with associated credit ratings.
- 4.3 The Capital Strategy 2020-21 to 2029-30 (**Appendix B**) was presented to the Corporate Overview and Scrutiny Committee on 13 February 2020 for information. It confirms the Council's compliance with the Prudential Code for Capital Finance in Local Authorities. It sets out the guiding principles for capital decisions as to:-
1. Focus capital investment on delivery of the Council's Objectives and Priorities
 2. Ensure strong governance over decision-making
 3. Ensure that capital plans are affordable, sustainable and prudent
 4. Maximise and promote the best use of available funds
- 4.4 The Capital Strategy sets out a framework for the self-management of capital finance and examines the following areas:
- Capital expenditure and investment plans
 - Prudential Indicators
 - External debt
 - Treasury Management

It reports on the delivery, affordability and risks associated with the long-term context in which capital expenditure and investment decisions are made.

- 4.5 The Local Authority (Capital Finance and Accounting) (Amendment) (Wales) Regulations 2008 requires the Council to produce and approve an Annual Minimum Revenue Provision (MRP) Statement before the start of the financial year. Where a Council finances capital expenditure by debt, it must put aside revenue resources to repay that debt in later years and this is charged to revenue. This Statement is attached at **Appendix B - Schedule A**.

5. Effect on Policy Framework and Procedure Rules

- 5.1 As required by 3.5 of the Financial Procedure rules, the Chief Finance Officer will be responsible for preparing a Capital Strategy for submission to Council for approval prior to the start of each financial year.

- 5.2 As required by 20.2 of the Financial Procedure Rules, contained within the Council's Constitution, the Chief Finance Officer will be responsible for preparing and presenting an annual Treasury Management Strategy for Council to approve prior to the start of each financial year.

6. Equality Impact Assessment

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

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

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

- A prosperous Wales
- A resilient Wales
- A Wales of cohesive communities
- A globally responsive Wales

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

8. Financial Implications

- 8.1 The financial implications are reflected within the report.

9. Recommendations

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

- the Treasury Management Strategy 2020-21 including the Treasury Management Indicators 2020-21 to 2022-23 (**Appendix A**);
- the Capital Strategy 2020-21 to 2029-30 including the Prudential Indicators 2020-21 to 2022-23 (**Appendix B**);
- the Annual Minimum Revenue Provision (MRP) Statement 2020-21 (**Appendix B - Schedule A**).

Gill Lewis CPFA
Interim Head of Finance and Section 151 Officer

12 February 2020

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Background documents

CIPFA Code of Practice on Treasury Management in Local Authorities (Fully Revised 2017)
CIPFA The Prudential Code for Capital Finance in Local Authorities (Fully Revised 2017)

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APPENDIX A

Draft Treasury Management Strategy 2020-21

Bridgend County Borough Council

Cyngor Bwrdeistref Sirol



1.0 INTRODUCTION

The Council carries out its treasury management activities in accordance with the Chartered Institute of Public Finance and Accountancy's (CIPFA) *Treasury Management in the Public Services: Code of Practice (2017) (the 'Code')*. These require the Council to set out the policies and objectives of its treasury management activities and to manage its treasury risks in accordance with the Code.

CIPFA has adopted the following as its definition of treasury management activities:

'The management of the organisation's borrowing, investments and cash flows, its banking, money market and capital market transactions; the effective control of the risks associated with those activities; and the pursuit of optimum performance consistent with those risks.'

The definition of 'Investments' above includes:

- Treasury Management investments (held for the prudent management of financial affairs), and
- Non-Treasury Investments, undertaken as part of a Capital Strategy either in the course of provision of services; or made for commercial reasons purely to make a financial gain. These are managed outside of normal treasury management activity

In addition, the Welsh Government (WG) issued revised *Guidance on Local Authority Investments* in November 2019 that requires the Authority to approve an investment strategy before the start of each financial year. This Strategy fulfils the Authority's legal obligation under the Local Government Act 2003 to have regard to both the CIPFA Code and the WG Guidance. In accordance with the WG Guidance Council would be asked to approve a revised Treasury Management Strategy (TMS) should the assumptions on which it is based change significantly. This might be for example a large unexpected change in interest rates, in the Council's Capital Programme, or in the level of its investment balance, or a material loss in the fair value of a non-financial investment identified as part of the year end accounts preparation and audit process, or a change in Accounting Standards.

Local authorities are required to separately approve a Capital Strategy for capital expenditure and financing, treasury management and non-treasury investments. The Council's Capital Strategy includes the Prudential Indicators along with details regarding the Council's non-treasury investments. The CIPFA Code 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 which are integral to the TMS. The Capital Strategy and TMS should be read in conjunction with each other as borrowing and investments are directly impacted upon by capital plans.

The Council has an integrated TMS where borrowing and investments are managed in accordance with best professional practice, which is assessed either from internal expertise or consultation with our external advisers. The Council borrows money either to meet short term cash flow needs or to fund capital schemes approved within the

capital programme. Therefore any actual loans taken are not generally associated with particular items of expenditure or assets. The Council is exposed to financial risks including the potential loss of invested funds and the revenue effect of changing interest rates. The successful identification, monitoring and control of risk are therefore central to the Council's TMS. Should these change significantly, a revised TMS will be presented to Council for approval. A half year review of treasury management performance will also be presented to Council for approval as will an annual report for the financial year

The Council delegates responsibility for the implementation and regular monitoring of its treasury management policies and practices to Cabinet, and for the execution and administration of treasury management decisions to the Section 151 Officer, who will act in accordance with the organisation's strategy, Treasury Management Practices (TMP) and CIPFA's *Standard of Professional Practice on Treasury Management*. Quarterly reports will be presented to Cabinet. The Council nominates the Audit Committee to be responsible for ensuring effective scrutiny of the treasury management strategy and policies and regular reports will be presented to Audit Committee for their consideration.

2.0 ECONOMIC CONTEXT

Economic background: The UK's progress negotiating its exit from the European Union, together with its future trading arrangements, will continue to be a major influence on the Council's TMS for 2020-21. The Bank of England maintained Bank Rates at 0.75% in December 2019 following a 7-2 vote by the Monetary Policy Committee (MPC). The Committee's latest projections for activity and inflation were set out in the November Monetary Policy Report and were based on the assumption of an orderly transition to a deep free trade agreement between the United Kingdom and the European Union. Despite keeping rates on hold, MPC members did confirm that if Brexit uncertainty drags on or global growth fails to recover, they are prepared to cut interest rates as required. Moreover, the downward revisions to some of the growth projections in the Monetary Policy Report suggest the Committee may now be less convinced of the need to increase rates even with a Brexit deal.

Credit outlook: Credit conditions for larger UK banks have remained relatively benign over the past year. The UK's departure from the European Union was delayed three times in 2019 and while there remains some concern over a global economic slowdown, this has yet to manifest in any credit issues for banks. Meanwhile, the post financial crises banking reform is now largely complete, with the new ringfenced banks embedded in the market.

Looking forward, the potential for a "no-deal" Brexit and/or a global recession remain the major risks facing banks and building societies in 2020-21 and a cautious approach to bank deposits remains advisable.

Interest rate forecast: The Council's treasury management advisor Arlingclose is forecasting that the Bank Rate will remain at 0.75% until the end of 2022. The risks to this forecast are deemed to be significantly weighted to the downside, particularly given the result of the general election, the need for greater clarity on Brexit and the continuing global economic slowdown. The Bank of England, having previously indicated interest rates may need to rise if a Brexit agreement was reached, stated in

its November Monetary Policy Report and its Bank Rate decision to hold rates that the MPC now believe this is less likely even in the event of a deal.

Gilt yields have risen but remain at low levels and only some very modest upward movement from current levels are expected based on Arlingclose's interest rate projections. The central case is for 10-year and 20-year gilt yields to rise to around 1.00% and 1.40% respectively over the time horizon, with broadly balanced risks to both the upside and downside. However, short-term volatility arising from both economic and political events over the period is a near certainty.

3.0 **EXTERNAL DEBT AND INVESTMENT POSITION**

On 31 December 2019, the Council held £96.87 million of borrowing and £38.95 million of investments. The external debt and investment position is shown in table 1 below and more detail is provided in sections 4.0 Borrowing Strategy and 5.0 Investment Strategy.

Table 1: Council's external debt and investment position as at 31 December 2019

	Principal as at 31 March 19 £m	Average Rate %
External Long Term Borrowing		
Public Works Loan Board	(77.62)	4.70
Lender's Option Borrower's Option	(19.25)	4.65
Total External Long Term Borrowing	(96.87)	4.69
Other Long Term Liabilities		
Private Finance Initiative*	(16.83)	
Llynfi Loan**	(2.25)	
Other Long Term Liabilities	(1.22)	
Total Other Long Term Liabilities	(20.30)	
Total Gross Debt	(117.17)	
Treasury Investments		
Banks	4.90	0.91
Building Societies	2.00	0.78
Local Authorities	22.50	0.91
Money Market Funds***	9.55	0.74
Total Treasury Investments	38.95	0.86
Net Debt	(78.22)	

* (PFI) arrangement for the provision of a Secondary School in Maesteg 14.25 years remaining term

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

***the funds provide instant access

Table 2 below shows forecast changes borrowing and investments and has been produced using estimates of capital spend and forecasts on useable reserves for the current financial year and the next three years. The Capital Plans highlight that the Loans CFR, which is the Council's need to borrow to fund capital expenditure, is increasing year on year due to additional prudential borrowing.

Table 2: Balance sheet summary and forecast

	31 March 19 Actual £m	31 March 20 Estimate £m	31 March 21 Estimate £m	31 March 22 Estimate £m	31 March 23 Estimate £m
Capital Financing Requirement	170.88	172.08	172.20	178.25	178.50
Less: Other Debt Liabilities	(16.31)	(15.57)	(14.77)	(13.90)	(12.97)
Loans Capital Financing Requirement	154.57	156.52	157.44	164.35	165.53
Less: External Borrowing	(96.87)	(96.87)	(103.09)	(105.39)	(105.39)
Internal Borrowing	57.70	59.65	54.35	58.96	60.14
Less: Usable Reserves	(76.70)	(70.54)	(48.13)	(38.37)	(36.69)
Less: Working Capital	(2.00)	-	-	-	-
Investments	21.00	10.00	10.00	10.00	10.00
New Borrowing - cumulative	0.00	0.00	16.22	30.59	33.45

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

Where a Council finances capital expenditure by borrowing it must put aside revenue resources to repay that debt in later years, known as 'Minimum Revenue Provision' or 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 charge as 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 level of prudential borrowing in the capital programme and the impact of the new MRP policy approved by Council in September 2018. Changes in the accounting treatment for leases under International Financial Reporting Standard (IFRS) 16 - will also have an impact and, once this impact is known, an updated TMS will be presented to Council for approval. As the implementation of the new Standard is for 2020-21, further work is needed before the changes are applied. This requires the Council to 'bring on' to the balance sheet a 'Right of Use Asset' and an equivalent liability, for any assets it leases or is presumed to lease through service contract arrangements

Liability benchmark: To compare the Council's actual borrowing against an alternative strategy, a liability benchmark has been calculated showing the lowest risk level of borrowing. This forecasts the minimum amount of debt the Council could hold if its internal resources are used in lieu of external borrowing. This assumes the same forecasts as table 2 above, but that cash and investment balances are kept to a minimum level of £10 million at each year-end to maintain sufficient liquidity but minimise credit risk. CIPFA's *Prudential Code for Capital Finance in Local Authorities* recommends that the Council's total debt should be lower than its highest forecast CFR over the next three years. Table 3 below shows that the Council complied with this in 2018-19 and expects to comply with this recommendation during 2019-20, 2020-21 and the following two years. More detail is provided in the Capital Strategy.

Table 3: Liability benchmark

	31 March 19 Actual £m	31 March 20 Estimate £m	31 March 21 Estimate £m	31 March 22 Estimate £m	31 March 23 Estimate £m
Loans Capital Financing Requirement	154.57	156.52	157.44	164.35	165.53
Less: Usable Reserves	(76.70)	(70.54)	(48.13)	(38.37)	(36.69)
Less: Working Capital	(2.00)	-	-	-	-
Plus: Minimum Investments	21.00	10.00	10.00	10.00	10.00
Liability Benchmark	96.87	95.98	119.31	135.97	138.84

4.0 BORROWING STRATEGY

The Council currently holds £96.87 million of loans as part of its strategy for funding previous years' capital programmes. The balance sheet forecast in table 2 above shows that the Council will have to borrow over the next three years as detailed in table 4 below:

Table 4: New Borrowing

	31 March 19 Actual £m	31 March 20 Estimate £m	31 March 21 Estimate £m	31 March 22 Estimate £m	31 March 23 Estimate £m
New Borrowing	0.00	0.00	16.22	14.37	2.86

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

The Council's **primary 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 2020-21 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

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

The Section 151 Officer will take the most appropriate form of borrowing depending on the prevailing interest rates at the time. However, with long term rates forecast to rise modestly in future years, any such short term savings will need to be balanced against the potential longer term costs. The Council's treasury management advisers will assist the Council with this 'cost of carry' and breakeven analysis. The last time the Council took long term borrowing was £5 million from the Public Works Loan Board (PWLB) in March 2012. As detailed above, it is anticipated that there will be a requirement for new long term borrowing in 2020-21, 2021-22 and 2022-23. It is anticipated that this would be from PWLB and for estimate purposes it has been assumed that this will be over 30 years.

Alternatively, the Council may arrange forward starting loans during 2020-21 where the interest rate is fixed in advance, but the cash is received in later years. This would enable certainty of cost to be achieved without suffering a cost of carry in the intervening period. In addition, the Council may borrow short term (normally for up to one month) to cover unexpected cash flow shortages.

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

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

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

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

The Council has previously raised the majority of its long-term borrowing from the PWLB, but the government increased PWLB rates by 1% in October 2019 making it now a more expensive option. The Council will look to borrow any long-term loans from other sources such as Welsh Government and local authority loans and bank loans, which may be available at more favourable rates. Alternatively the Council may arrange forward starting loans, where the interest rate is fixed in advance, but the cash is received in later years. This would enable certainty of cost to be achieved without suffering a cost of carry in the intervening period.

LOBOs: The £19.25 million shown in table 1 above, relates to Lender's Option Borrower's Option (LOBO) loans which have a maturity date of 2054, however these may be re-scheduled in advance of this maturity date. The LOBO rate and term may vary in the future depending upon the prevailing market rates, the lender exercising their option to increase rates at one of the bi-annual trigger points and therefore the Council being given the option to accept the increase or to repay the loan without incurring a penalty. There are two trigger points in 2020-21 and although the Council understands that the lender is unlikely to exercise this option in the current low interest rate environment, an element of refinancing risk remains and the Council would take the option to repay these loans at no cost if it has the opportunity to do so in the future.

Short term and variable rate loans: These loans expose the Council to the risk of short term interest rate rises should interest rates change.

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

Maturity structure of borrowing indicator: This indicator is set for the forthcoming financial year to control the Council's exposure to refinancing risk with respect to the maturity of the Council's external borrowing and has been set to allow for the possible restructuring of long term debt where this is expected to lead to an overall saving or reduction in risk. It is the amount of projected borrowing maturing in each period as a percentage of total projected borrowing. The upper and lower limits on the maturity structure of borrowing will be:

Table 5: Treasury Management Indicator Maturity Structure of Borrowing 2020-21

Refinancing rate risk indicator Maturity structure of borrowing 2020-21	Upper limit	lower limit
Under 12 months	50%	0%
12 months and within 24 months	25%	0%
24 months and within 5 years	25%	0%
5 years and within 10 years	40%	0%
10 years and within 20 years	50%	0%
20 years and above	60%	25%

5.0 INVESTMENT STRATEGY

The preparation each year of an Investment Strategy is central to the Welsh Government statutory guidance on Local Authority Investments. It encourages the formulation of policies for the prudent investment of the surplus funds that authorities hold on behalf of their communities. In addition, the need for the Strategy to be approved by full Council ensures that these policies are subject to the scrutiny of elected Members: this is particularly important as since 2004 central government no longer closely regulates local government investment.

The Council holds surplus funds representing income received in advance of expenditure plus balances and reserves and as shown in table 1 above in section 3, the balance at 31 December 2019 was £38.95 million. Investments are estimated to drop to between £10 and £20 million by 31 March 2020. As in previous years this is due partly to increased expenditure expected to be incurred in respect of the capital programme and the reduction in income collected from Council Tax in February and March 2020 as the majority of residents continue to pay Council Tax over 10 months rather than 12. Based on its cash flow forecasts, the Council anticipates its investment balances in 2020-21 to range between £10 million to £55 million with an average investment rate of between 0.75% to 1.00% depending on the Bank Rate and investment types, which will be reviewed at half year and reported to Council. The actual balance varies because of the cash flow during the year as to when income is received (such as specific grant income, housing benefits subsidy and Revenue Support Grant) and payments are made (such as salaries and wages, major capital expenditure and loan repayments).

The Council may also hold investment properties with a view to securing a financial return, such as rental income. The Council will consider such investment opportunities should they arise, in line with CIPFA Treasury Management in the Public Services Code of Practice. As at 31 December 2019, the Council owned £4.635 million of investment properties with an expected return of £0.478 million in 2020/21, representing a rate of return of 10.3%.

Both the CIPFA Code and the Welsh Government Guidance require the Council to invest its funds prudently, and to have regard to the security and liquidity of its investments while seeking the highest rate of return, or yield. The Council's main objective when investing money is to strike an appropriate balance between risk and return, minimising the risk of incurring losses from defaults and the risk of receiving unsuitably low investment income. Where balances are expected to be invested for more than one year, the Council will aim to achieve a total return that is equal to or higher than the prevailing rate of inflation, in order to maintain the spending power of the sum invested.

The major **objectives** are:

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

Negative interest rates: If the UK enters into a recession in 2020-21, there is a small chance that the Bank of England could set its Bank Rate at or below zero, which is likely to feed through to negative interest rates on all low risk, short-term investment options. This situation already exists in some other European countries. In this event, security will be measured as receiving the contractually agreed amount at maturity, even though this may be less than the amount originally invested.

Strategy: The Council's investments have historically been placed in mainly short term bank and building society unsecured deposits and local and central government. However, investments may be made with any public or private sector organisations that meet the credit criteria detailed below. Given the increasing risk and very low returns from short-term unsecured bank investments, the Council will consider further diversifying into more secure and/or higher yielding asset classes during 2020-21 as appropriate in consultation with the Council's treasury management advisers. The majority of the Council's surplus cash is currently invested in Money Market Funds (MMF) and with other local authorities but the Council will continue to look at investment options in line with the limits detailed below.

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

Business Models: Under the new IFRS 9, the accounting for certain investments depends on the Council's "business model" for managing them. The Council aims to achieve value from its internally managed treasury investments by a business model of collecting the contractual cash flows and therefore these investments will continue to be accounted for at amortised cost.

Approved counterparties: The Council may invest its surplus funds with any of the counterparty types shown in table 6 below, subject to the cash limits and the time limits shown. **These cash/time limits are per counterparty and relate to principal only and exclude any accrued interest.**

Table 6: Approved investment counterparties and limits

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

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

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

Banks unsecured: Accounts, deposits, certificates of deposit and senior unsecured bonds with banks and building societies, other than multilateral development banks. These investments are subject to the risk of credit loss via a bail-in should the regulator determine that the bank is failing or likely to fail. Where additional amounts received into our accounts with our own bankers are received too late in the day to make an investment the same day, the limit in table 6 will not apply as this does not count as an investment.

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

Government: Loans, bonds and bills issued or guaranteed by national governments, regional and local authorities and multilateral development banks. These investments are not subject to bail-in, and there is generally a lower risk of insolvency, although they are not zero risk. Investments with the UK Central Government may be made in unlimited amounts for up to 50 years.

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

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

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

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

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

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

Long-term ratings are expressed on a scale from AAA (the highest quality) through to D (indicating default). Ratings of BBB- and above are described as investment grade, while ratings of BB+ and below are described as speculative grade. The Council's credit rating criteria are set to ensure that it is very unlikely the Council will hold speculative grade investments, despite the possibility of repeated downgrades.

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

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

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

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

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

in government treasury bills for example, or with other local authorities. This will cause a reduction in the level of investment income earned, but will protect the principal sum invested.

Specified investments: The *Welsh Government Statutory Guidance on Local Government Investments* defines specified investments as those:

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

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

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

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

The *Welsh Government Statutory Guidance on Local Government Investments* requires the Council’s Investment Strategy to set an overall limit for non-specified investments which is currently set at £20 million. Table 7 below shows the non-specified categories and the relevant limits and although the total of the individual limits exceed £20 million, at any one point in time a **maximum of £20 million** could be invested in these non-specified investments.

Table 7: Non-specified investment limits

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

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

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

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

Price risk indicator	2020-21 £m	2021-22 £m	2022-23 £m
Limit on principal invested beyond financial year end	15	10	8

Investment Limits: In addition to the above limits, the combined values of specified and non-specified investments with any one organisation are subject to the approved investment limits detailed in table 9 below.

Table 9: Investments limits

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

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

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

Liquidity Management: The Council forecasts on a prudent basis the maximum period for which funds may be committed therefore minimising the risk of the Council

being forced to borrow on unfavourable terms to meet its financial commitments. A limit of £15 million (table 8 above) has been set for 2020-21 for long term investments and this has been set with reference to the Medium Term Financial Strategy and cash flow forecast as shown in the principal sums invested for periods longer than a year indicator in table 7 above. This represents just under 30% of the maximum amount of investments that the Council anticipates to have at any one point in time in 2020-21.

6.0 INTEREST RATE EXPOSURES BORROWING AND INVESTMENTS

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

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

An indicator has been set in table 10 below to measure the net impact over one year on the revenue account of both a 1% rise and a 1% fall in all interest rates for borrowing net of treasury investments. This is calculated on the assumption that maturing loans and investments will be replaced at rates 1% higher or lower than they would otherwise have been on their maturity dates and that the treasury investment and borrowing portfolios remain unchanged over the coming year. Interest rates can move by more than 1% over the course of a year, although such instances are rare.

Table 10: Treasury Management Indicator Interest Rate Exposures

Interest rate risk indicator	£'000
One year revenue impact of a 1% rise in interest rates	(264)
One year revenue impact of a 1% fall in interest rates	181

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

7.0 PERFORMANCE INDICATORS

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

One debt performance indicator is where the average portfolio rate of interest is compared to an appropriate average available such as the average PWLB Debt for Welsh and UK local authorities. The rate of return on investments can be monitored against the average rate of return on investments against the Bank Rate and the average rate of return on investments as compared to the average rate of Arlingclose's Welsh local authority clients at each relevant quarter/year-end.

8.0 NON-TREASURY INVESTMENTS

The Council recognises that investment in other financial assets and property primarily for financial return, taken for non-treasury management purposes, requires careful investment management. Such activities includes loans, investments in subsidiaries and investments in property. Welsh Government Guidance defines a loan as a written or oral agreement where the council temporarily transfers cash to a third party, joint venture, subsidiary or associate who agrees a return according to the terms and conditions of receiving the loan, except where the third party is another local authority. The council can demonstrate that its financial exposure to loans is proportionate by setting the limit as set out in table 11 below.

Table 11: Loan Limits

Loan limit	£'000
Limit on loans to third parties	1,000

A schedule of the Council's existing non-treasury investments (currently limited to owned property) is set out in table 12 below:

Table 12: Non-treasury investments

Non-treasury investments	Fair Value £'000
Bridgend Science Park - Units 1 & 2	3,200
Waterton Cross Land	600
Brynmenyn Industrial Estate Plot 53	220
Village Farm Plots 32,119 & 120	415
Tyrewise Bridgend	200
Total	4,635

The Council considers that the scale of its investment properties is proportionate to the resources of the Council, since such investment represents less than 1% of its total long term assets.

In accordance with Welsh Government Investment Guidance, these will be classified as non-treasury investments.

9.0 IFRS9 – LOCAL AUTHORITY OVERRIDE

The Welsh Government legislated in the Local Authorities (Capital Finance and Accounting) (Wales) (Amendment) Regulations 2020 for a statutory override for fair value gains and losses on most pooled investment funds not to be taken to revenue until 2023-24. The statutory override takes effect for the 2019/20 financial year. This has the effect of allowing any unrealised capital gains or losses arising from qualifying investments to be held on the balance sheet until 31 March 2023: this will enable Councils to initiate an orderly withdrawal of funds if required.

10.0 OTHER ITEMS

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

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

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

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

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

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

September 2020 a re-tendering exercise will be undertaken during the spring and early summer 2020.

Investment of money borrowed in advance of need: CIPFA's Prudential Code sets out that authorities should never borrow for the explicit purpose of making an investment return. Therefore borrowing in advance of need purely to profit from the investment of the extra sums borrowed is against the principles, however, the Council could potentially borrow in advance of need where this is expected to provide the best long term value for money. Since amounts borrowed will be invested until spent, the Council is aware that it will be exposed to the risk of loss of the borrowed sums, and the risk that investment and borrowing interest rates may change in the intervening period. These risks will be managed as part of the Council's overall management of its treasury risks.

As the Council has an integrated TMS, borrowing is not linked to the financing of specific items of expenditure. The Council's Capital Financing Requirement (CFR) as at 1 January 2020 was in excess of the actual debt of the Council as shown in table 2 above indicating there was no borrowing in advance of need. More detail is provided in the Prudential Indicators in the Council's Capital Strategy.

Schedule A

Credit Rating Equivalence Table

	Description	Fitch		Moody's		Standard & Poor's	
		Long	Short	Long	Short	Long	Short
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+	B	Ba1	Not Prime (NP)	BB+	B
		BB		Ba2		BB	
		BB-		Ba3		BB-	
	Very speculative	B+	C	B1		B+	C
		B		B2		B	
		B-		B3		B-	
	Vulnerable	CCC+	D	Caa1		CCC+	D
		CCC		Caa2		CCC	
		CCC-		Caa3		CCC-	
		CC		Ca		CC	
	Defaulting	C				C	
		D		C		D	

GLOSSARY

Annuity	A method of repaying a loan where the cash payment remains constant over the life of the loan, but the proportion of interest reduces and the proportion of principal repayment increases over time. Repayment mortgages and personal loans tend to be repaid by the annuity method.
Asset Management	The stewardship of capital assets, including decisions around on-going maintenance and eventual disposal
Authorised limit	The maximum amount of debt that a local authority may legally hold, set annually in advance by the Council itself. One of the <i>Prudential Indicators</i> .
BACS	Bankers' automated payment system. UK bulk payments system allowing transfers between bank accounts with two days' notice, for a small charge.
Bail-in	A method of rescuing a failing <i>financial institution</i> by cancelling some of its <i>deposits</i> and <i>bonds</i> . Investors may suffer a reduction in their investment, but may be given shares in the bank as part compensation.
Bail-out	A method of rescuing a failing <i>financial institution</i> by the injection of public money. This protects investors at the expense of taxpayers.
Bank	Regulated firm that provides financial services to customers.
Bank of England	The <i>central bank</i> of the UK, based in London, sometimes just called 'the bank'.
Bank Rate	The official interest rate set by the <i>Monetary Policy Committee</i> , and the rate of interest paid by the <i>Bank of England</i> on commercial bank deposits. Colloquially termed the 'base rate'.
Bond	A certificate of <i>long-term</i> debt issued by a company, government, or other institution, which is tradable on financial markets
Borrowing	Usually refers to the stock of outstanding loans owned and <i>bonds</i> issued.
Broker	Regulated firm that matches either borrowers and lenders (a money broker) or buyers and sellers of <i>securities</i> (a stockbroker) with each other in order to facilitate transactions
Brokerage	Fee charged by a <i>broker</i> , normally paid by the borrower
Building Society	A mutual organisation that performs similar functions to a <i>retail bank</i> but is owned by its customers
Capital	(1) Long-term, as in <i>capital expenditure</i> and <i>capital receipts</i> (2) <i>Principal</i> , as in <i>capital gain</i> and <i>capital value</i> (3) <i>Investments in financial institutions that will absorb losses before senior unsecured creditors</i>

Capital Expenditure	Expenditure on the acquisition, creation or enhancement of fixed asset that are expected to provide value for longer than one year, such as property and equipment, plus expenditure defined as capital in legislation such as the purchase of certain investments
Capital Finance	Arranging and managing the cash required to finance <i>capital expenditure</i> , and the associated accounting.
Capital Financing Requirement (CFR)	A local authority's underlying need to hold debt for capital purposes, representing the cumulative capital expenditure that has been incurred but not yet financed. The CFR increases with <i>capital expenditure</i> and decreases with <i>capital finance</i> and <i>MRP</i> .
Capital Receipt	Cash obtained from the sale of an item whose purchase would be <i>capital expenditure</i> . The law only allows local authorities to spend capital receipts on certain items, such as new capital expenditure. They are therefore held in a capital receipts reserve until spent.
Capital strategy	An annual policy document required by the <i>Prudential Code</i> that sets out a local authorities' high-level plans for capital expenditure, debt and investments and its <i>Prudential Indicators</i> for the forthcoming financial year.
CIPFA	The Chartered Institute of Public Finance and Accountancy – the professional body for accountants working in the public sector. CIPFA also sets various standards for local government – eg Treasury Management Code and Prudential Code
Cost of Carry	When a loan is borrowed in advance of need, the difference between the interest payable on the loan and the income earned from investing the cash in the interim
Counterparty	The other party to a loan, investment or other contract
Counterparty limit	The maximum amount an investor is willing to lend to a <i>counterparty</i> , in order to manage <i>credit risk</i> .
Credit rating	Formal opinion by a <i>credit rating agency</i> of a <i>counterparty's</i> future ability to meet its financial obligations. As it is only an opinion, there is no guarantee that a highly rated organisation will not default.
Credit rating agency	An organisation that publishes <i>credit ratings</i> . The three largest agencies are Fitch, Moody's and Standard & Poor's but there are many smaller ones.
Credit risk	The risk that a <i>counterparty</i> will <i>default</i> on its financial obligations.
Debt	(1) A contract where one party owes money to another party, such as a <i>loan</i> , <i>deposit</i> , or <i>bond</i> . (2) In the Prudential Code, the total outstanding borrowing plus other long-term liabilities

Default	Failure to meet an obligation under a debt contract, including the repayment of cash, usually as a result of being in financial difficulty
Deposit	A regulated placing of cash with a <i>financial institution</i> . Deposits are not tradable on financial markets.
DMO	Debt Management Office – an executive agency of HM Treasury that deals with central government's debt and investments.
Fair value	<i>IFRS</i> term for the price that would be obtained by selling an investment, or paid to transfer debt, in a market transaction.
FCA	Financial Conduct Authority – UK agency responsible for regulating financial markets and the conduct of <i>financial institutions, brokers, custodians, fund managers</i> and <i>treasury management advisors</i> .
Financial institution	A <i>bank, building society or credit union</i> . Sometimes the term also includes insurance companies.
Financial instrument	<i>IFRS</i> term for investments, borrowing and other cash payable and receivable.
Financing costs	In the <i>Prudential Code</i> , interest payable on <i>debt</i> less investment income plus <i>premiums</i> less <i>discounts</i> plus <i>MRP</i> .
Forward deal	An arrangement where a loan or deposit is arranged in advance of the cash being transferred, with the advance period being longer than the standard period (if any) for such a transaction.
GDP	Gross domestic product – the value of the national aggregate production of goods and services in the economy. Increasing GDP is known as economic growth.
General Fund	A local authority reserve that holds the accumulated surplus or deficit on revenue income and expenditure, except on council housing.
Gilt	Bond issued by the UK Government, taking its name from the gilt-edged paper they were originally printed on.
IFRS	International Financial Reporting Standards, the set of accounting rules in use by UK local authorities since 2010.
Impairment	A reduction in the value of an investment caused by the counterparty being in financial difficulty.
Inflation risk	The risk that unexpected changes in inflation rates cause an unplanned loss, for example by costs rising faster than income.
Interest	Compensation for the use of cash paid by borrowers to lenders on debt instruments.
Interest rate risk	The risk that unexpected changes in interest rates cause an unplanned loss, for example by increased payments on borrowing or lower income on investments.

Internal borrowing	A local government term for when actual “external” debt is below the capital financing requirement, indicating that difference has been borrowed from internal resources instead; in reality this is not a form of borrowing.
Investment property	Land and buildings that are held purely for rental income and/or capital growth. Investment properties are not owner-occupied and provide no direct service benefit.
Investment strategy	A document required by investment guidance that sets out a local authority’s investment plans and parameters for the coming year. Sometimes forms part of the authority’s treasury management strategy.
Lease	A contract where one party permits another to make use of an asset in return for a series of payments. It is economically similar to buying the asset and borrowing a loan, and therefore leases are often counted as a type of debt.
Lessee	Party to a lease contract that uses an asset owned by the lessor.
Lessor	Party to a lease contract that own an asset but permits another (the lessee) to use it.
Liability benchmark	Term in CIPFA’s Risk Management Toolkit which refers to the minimum amount of borrowing required to keep investments at a minimum liquidity level. Used to compare against the actual and forecast level of borrowing.
LIBOR	London interbank offer rate - the benchmark interest rate at which banks offer to lend cash to other banks. Published every London working day at 11am for various currencies and terms. Due to be phased out by 2022.
Liquidity risk	The risk that cash will not be available to meet financial obligations, for example when investments cannot be recalled and new loans cannot be borrowed.
Loan	Contract where the lender provides a sum of money (the principal) to a borrower, who agrees to repay it in the future together with interest. Loans are not normally tradable on financial markets. There are specific definitions in government investment guidance.
Loans CFR	The capital financing requirement less the amount met by other long-term liabilities; i.e. the amount to be met by borrowing.
LOBO	Lender’s option borrower’s option – a long-term loan where the lender has the option to propose an increase in the interest rate on pre-determined dates. The borrower then has the option to either accept the new rate or repay the loan without penalty. LOBOs increase the borrower’s interest rate risk and the loan should therefore attract a lower rate of interest initially.
Long-term	Usually means longer than one year.

Market risk	The risk that movements in market variables will have an unexpected impact. Usually split into interest rate risk, price risk and foreign exchange risk.
Maturity	(1) The date when an investment or borrowing is scheduled to be repaid. (2) A type of loan where the principal is only repaid on the maturity date.
MiFID II	The second Markets in Financial Instruments Directive - a legislative framework instituted by the European Union to regulate financial markets in the bloc and improve protections for investors.
Monetary policy	Measures taken by central banks to boost or slow the economy, usually via changes in interest rates. Monetary easing refers to cuts in interest rates, making it cheaper for households and businesses to borrow and hence spend more, boosting the economy, while monetary tightening refers to the opposite. See also fiscal policy and quantitative easing.
Monetary Policy Committee (MPC)	Committee of the Bank of England responsible for implementing monetary policy in the UK by changing Bank Rate and quantitative easing with the aim of keeping CPI inflation at around 2%.
Money market fund (MMF)	A collective investment scheme which invests in a range of short-term assets providing high credit quality and high liquidity. Usually refers to CNAV and LVNAV funds with a WAM under 60 days which offer instant access, but the European Union definition extends to include cash plus funds.
Money markets	The markets for short-term finance, including deposits and T-bills. See also capital markets.
MRP	Minimum revenue provision - an annual amount that local authorities are required to set aside and charge to revenue for the repayment of debt associated with capital expenditure. Local authorities are required by law to have regard to government guidance on MRP.
Net borrowing	Borrowing minus treasury investments.
Net revenue stream	In the Prudential Code, income from general government grants, Council Tax and rates.
Non-specified investments	Government term for investments not meeting the definition of a specified investment or a loan upon which limits must be set. Since 2018, the term does not apply to treasury investments in England. Not applicable in Scotland.
Other long-term liabilities	Prudential Code term for credit arrangements.

Operational boundary	A prudential indicator showing the most likely, prudent, estimated level of external debt, but not the worst-case scenario. Regular breaches of the operational boundary should prompt management action.
Operational risk	The risk that fraud, error or system failure leads to an unexpected loss.
Pension Fund	Ringfenced account for the income, expenditure and investments of the local government pension scheme. Pension fund investments are not considered to be part of treasury management.
Private Finance Initiative (PFI)	A government scheme where a private company designs, builds, finances and operates assets on behalf of the public sector, in exchange for a series of payments, typically over 30 years. Counts as a credit arrangement and debt.
Property fund	A collective investment scheme that mainly invests in property. Due to the costs of buying and selling property, including stamp duty land tax, there is usually a significant fee charged on initial investment, or a significant difference between the bid and offer price.
Prudential borrowing	Another term for unsupported borrowing.
Prudential Code	Developed by CIPFA and introduced in April 2004 as a professional code of practice to support local authority capital investment planning within a clear, affordable, prudent and sustainable framework and in accordance with good professional practice. Local authorities are required by law to have regard to the Prudential Code.
Prudential indicators	Indicators required by the Prudential Code and determined by the local authority to define its capital expenditure and asset management framework. They are designed to support and record local decision making in a manner that is publicly accountable.
PWLB	Public Works Loans Board - a statutory body operating within the DMO that lends money from the National Loans Fund to local authorities and other prescribed bodies and collects the repayments.
Refinancing risk	The risk that maturing loans cannot, be refinanced, or only at higher than expected interest rates leading to an unplanned loss. Managed by maintaining a smooth maturity profile.
Supported borrowing	Borrowing for which the repayment costs are supported by government grant.
T-bill	Treasury bill - a bill issued by a government.
TMS	(1) Treasury management strategy. (2) Treasury management system.
Treasury bill	See T-bill.

Treasury investments	Investments made for treasury management purposes, as opposed to commercial investments and service investments.
Treasury management	The management of an organisation's cash flows, investment and borrowing, with a particular focus on the identification, control and management of risk. Specifically excludes the management of pension fund investments.
Treasury management advisor	Regulated firm providing advice on treasury management, capital finance and related issues.
Treasury Management Code (TM Code)	CIPFA's Code of Practice for Treasury Management in the Public Services and Cross-Sectoral Guidance Notes, to which local authorities are required by law to have regard.
Treasury management indicators	Indicators required by the Treasury Management Code to assist in the management of credit risk, interest rate risk, refinancing risk and price risk.
Treasury management policy statement	Document required by the Treasury Management Code setting out a local authority's definition of and objectives for treasury management.
Treasury management practices (TMPs)	Document required by the Treasury Management Code setting out a local authority's detailed processes and procedures for treasury management.
Treasury management strategy	Annual report required by the Treasury Management Code covering the local authority's treasury management plans for the forthcoming year.
Unsupported borrowing	Borrowing where the cost is self-financed by the local authority. Sometimes called prudential borrowing since it was not permitted until the introduction of the Prudential Code in 2004. See also supported borrowing.
Working capital	The cash surplus or deficit arising from the timing differences between income/expenditure in accounting terms and receipts/payments in cash terms.

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Draft Capital Strategy

2020-21 to 2029-30

1.0 INTRODUCTION

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

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

1.1 AIMS AND PRINCIPLES

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

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

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

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

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

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

PRINCIPLE 1 : Focus capital investment on delivery of the Council's Objectives and Priorities
• Ensuring that capital investment plans are driven by the Council's Corporate Plan • Ensuring decision-makers are clear on the positive contribution capital investment makes to our Wellbeing objectives • Appraising all investments in the context of objectives/priorities • Ensuring there is a corporate business planning process incorporating service transformation and the impact on property assets
PRINCIPLE 2 : Ensure strong governance over decision-making
• Ensuring that proposals demonstrate that a rigorous process of options appraisal has been followed, requiring evidence of need, cost, risk, outcomes and methods of financing • Schemes will only be added once an affordable business plan is in place and it demonstrates value for money • All major capital schemes have a lead Project Sponsor and follow project management principles • The approval process within the Financial Procedure Rules contained in the Constitution are strictly adhered to
PRINCIPLE 3 : Ensure capital plans are affordable, sustainable and prudent
• Promote capital investment which allows invest to save outcomes and which contribute to future MTFS savings • Make sure assets perform at an optimal level through effective ongoing asset management and are consistent with levels of investment • Review and challenge the Council's assets, including the need, cost and performance of the estate • Maximise the use of Internal Borrowing and maintain an under-borrowed position compared to its Capital Financing Requirement if feasible
PRINCIPLE 4 : Maximise and promote the best use of available funds
• Generate funding, where possible, from the rationalisation of existing assets with a strong Disposal Strategy • Minimise the use of ring-fencing capital receipts to ensure a One-Council approach • Bidding for external funds where appropriate and ensuring that there are effective working relationships with external funders • Have clear policies for the consumption of our reserves • Ensuring that there is effective pre- and-post project appraisal • Ensuring up to date property information relating to condition surveys, life cycle costs and maintenance back logs • An estates strategy which tracks lease covenant compliance

CAPITAL EXPENDITURE AND INVESTMENT

2.0 CAPITAL EXPENDITURE

Capital investment is technically described as:

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

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

Expenditure can be capitalised where it relates to the:

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

Enhancement of an existing fixed asset means:

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

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

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

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

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

The Council has acquired relatively few property assets over the last few years. Its focus has been on releasing or remodelling existing assets. From time to time it has acquired property required for service developments, for example purchasing land and buildings for school modernisation projects. It has also secured £1 million capital funding for commercial property investment, which has been partially spent on acquiring an income producing leased property.

To date the remainder is unspent as no suitable options which meet the Council's criteria have been forthcoming.

In 2020-21, the Council is planning capital expenditure of £56.434 million as summarised below:

Table 1: Prudential Indicator: Estimates of Capital Expenditure

	2018-19 Actual £m	2019-20 Projection £m	2020-21 Estimate £m	2021-22 Estimate £m	2022-23 Estimate £m
Council Fund services	27.614	30.137	55.954	27.681	26.096
Investment Properties			0.480		
TOTAL	27.614	30.177	56.434	27.681	26.096

2.1 CAPITAL FINANCING

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

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 (PFI)). The planned financing of the expenditure outlined in Table 2 is as follows:

Table 2: Capital financing

	2018-19 Actual £m	2019-20 Projection £m	2020-21 Estimate £m	2021-22 Estimate £m	2022-23 Estimate £m
External sources	12.407	18.419	21.551	11.496	20.481
Own resources	9.044	6.565	23.664	9.947	1.677
Net Financing Requirement	6.163	5.153	11.219	6.238	3.938
TOTAL	27.614	30.137	56.434	27.681	26.096

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 Minimum Revenue Provision, or MRP. As well as MRP, the Council makes additional voluntary revenue contributions to pay off Prudential or Unsupported Borrowing. The total of these are shown in Table 3 below:-

Table 3: Replacement of debt finance

	2018-19 Actual £m	2019-20 Projection £m	2020-21 Estimate £m	2021-22 Estimate £m	2022-23 Estimate £m
Minimum Revenue Provision (MRP)	2.858	2.885	2.925	2.938	3.007
Additional Voluntary Revenue Provision	1.459	1.459	1.505	2.201	2.628
Total MRP & VRP	4.317	4.344	4.430	5.184	5.635
Other MRP on Long term Liabilities	0.641	0.690	0.743	0.801	0.863
Total Own Resources	4.958	5.034	5.173	5.985	6.498

The existing Capital Programme will be approved by Council before the start of the 2020-21 financial year as part of the MTFS.

The Council's cumulative outstanding amount of debt finance is measured by the Capital Financing Requirement (CFR). This increases with new debt-financed capital expenditure and reduces by the MRP amount within the year. The CFR is expected to increase by £6.046 million during 2020-21. Based on the above figures for expenditure and financing, the Council's estimated CFR is as follows:

Table 4: Prudential Indicator: Estimates of Capital Financing Requirement

	2018-19 Actual £m	2019-20 Projection £m	2020-21 Estimate £m	2021-22 Estimate £m	2022-23 Estimate £m
Capital Financing Requirement (CFR)					
Opening CFR adjusted excluding PFI & other liabilities	153.239	155.084	155.893	162.682	163.737
Opening PFI CFR	17.640	17.000	16.309	15.567	14.766
Total Opening CFR	170.879	172.084	172.203	178.249	178.503
Movement in CFR excluding PFI & other liabilities	1.845	0.809	6.790	1.054	(1.697)
Movement in PFI CFR	(0.640)	(0.690)	(0.743)	(0.801)	(0.863)
Total Movement in CFR	1.205	0.119	5.047	0.253	(2.560)
Closing CFR	172.084	172.203	178.249	178.503	175.942
Movement in CFR represented by :-					
Net Financing Need for Year (Table 2 Above)	6.163	5.153	11.219	6.238	3.938
Minimum and Voluntary Revenue Provisions	(4.317)	(4.344)	(4.430)	(5.184)	(5.635)
MRP on PFI and Other Long Term Leases (Table 3 above)	(0.641)	(0.690)	(0.743)	(0.801)	(0.863)
Total Movement	1.205	0.119	6.046	0.253	(2.560)

THE COUNCIL'S CAPITAL PLANS

3.0 CAPITAL PROGRAMME BY WELLBEING OBJECTIVE

Within the Corporate Plan, there are three Wellbeing Objectives namely:-

- Supporting a Successful Sustainable Economy
- Helping People and Communities to be more Healthy and Resilient
- Smarter Use of Resources

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

Supporting a Successful Sustainable Economy

The proposed capital programme includes a number of new and existing projects which will help to support a successful economy through regeneration and local development schemes. For example, the redevelopment of Maesteg Town Hall will provide improved community facilities to include the town library and performance spaces, as well as offering improved accessibility for visitors and creating jobs; and new Enterprise Hubs will create new business workspace. Regeneration work will continue to progress in Porthcawl following the acquisition of Salt Lake Car Park. There are also new allocations in respect of road safety improvements in a bid to improve access across the highway to residential and commercial areas and a commitment to invest in highways into the future. These supplement those existing schemes, such as the Cardiff Capital Region City Deal (CCRCD) investment, which will be targeted to focus on raising economic prosperity, increasing job prospects and improving digital and transport connectivity.

Helping People and Communities to be more Healthy and Resilient

In addition to the current programme of recommissioning adult home care and developing extra care there is approximately £2 million annually invested in supporting people to be self-reliant through the Welsh Government funded disabled facilities grant scheme. Further to this there is a total budget of £1 million to facilitate Community Asset Transfer (CAT) to ensure that as many buildings as possible can be kept open and provide long-term community benefits.

Smarter Use of Resources

One of the Council's Corporate Priorities is to ensure that we have Smarter Use of Resources and crucially this includes assets. The Council's AMP 2021 strategic aim is to have a lean sustainable estate that enables the authority to live within its means and support delivery of our wellbeing objectives. This is achieved through review and challenge on a geographic and service led basis and exploring how property assets can help enable innovative options for service transformation and maximising regeneration and growth. Examples of schemes within this priority include:-

- The Schools' Modernisation Programme and Strategic Review of Post-16 Education and Training - to provide sufficient school places in the right area and in new and improved schools by delivering 21st Century Schools, which will result in capital investment of around £49 million over the next 5 years.
- Porthcawl - the Council has substantial land holdings in Porthcawl which it is looking to bring forward to support regeneration of the area and to generate capital receipts.
- Community Asset Transfers – Review of assets and support services to enable the successful transfer of those most suitable to community groups and organisations.

3.1 OTHER KEY DRIVERS

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

- Asset management requirements
- Health and Safety works

3.2 ASSET MANAGEMENT REQUIREMENTS

The Council's Asset Management Plan vision has been re-aligned with the Corporate Plan 2018-22 reviewed for 2019-20 "One Council Working Together to Improve Lives" as follows:

"To have a lean sustainable estate that enables BCBC to live within its means and support delivery of our wellbeing objectives"

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

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

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

1. Much of the infrastructure serving the northern half of the county borough was originally constructed in the early 1900's and was not designed to cope with the current demands (economic, social and environmental) placed upon it.
2. The BCBC highway network is continuously growing with no sign of abatement. The Council has seen much in the way of development over the last decade, resulting in a significant increase in the amount of asset requiring management.
3. Highway Authorities have a statutory duty to maintain highways and ensure that they are available for safe use by all.

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

3.3 HEALTH AND SAFETY WORKS

There is an earmarked reserve for Asset Management including funding for Condition Surveys. Up to date condition surveys for the whole estate are currently being commissioned, which will include planned preventative maintenance data. This will inform the Council's budget allocation for both revenue and capital repairs, maintenance and new build. Given the

limited capital and revenue funding and the currently known high level of maintenance backlog, a prioritisation matrix for budget allocation has been developed. The Matrix works to give highest priority to Health and safety works. Given the potential level of funding compared to the demand for repairs and maintenance, this may lead to the closure of buildings or the drive for further capital investment in new build projects. Once fully implemented the Corporate Landlord model will be able to effectively inform the capital funding planning and decision making as it relates to asset management.

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

In 2019-20 a new Capital Asset Management Fund of £1.5 million and a Highways Asset Management Fund of £1.2 million were established. The intention of these is to fund those schemes that have been prioritised by the condition surveys as posing a Health and Safety risk either within buildings or within our Highways Infrastructure. The aim will be to replenish these reserves as funding allows. The monitoring of these reserves will be undertaken on a regular basis.

3.4 COMMERCIAL ACTIVITIES

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

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

The first would see authorities investing in property by directly purchasing/developing properties with the intention of securing a revenue income from that investment. Investment in property leaves the Council open to all of the risks that would go with such a policy, such as devaluations, maintenance issues and potential tenant default, as well as the potential benefits such as a long term asset on the balance sheet and rental income. The second route would be to receive income from property by investing in an appropriate property unit trust. Returns from this fund are typically in the order of 5.5%-6% per annum though at a fee from the fund manager. It is an actively managed property fund, which means that fund managers have the potential for growth in the income as, over time, higher rents can be achieved by buying properties in areas where demand is growing, by adjusting the exposure to different areas of the market and by improving the quality of the properties as appropriate. These funds present greater risk and such investments will be considered in line with the Treasury Management Strategy.

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

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

- Low liquidity and flexibility
- Physical/structural issues with buildings

- Greater exposure to economic, cultural and technological changes
- Void periods

But against this it has the potential benefits of:-

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

The Council does have an existing investment portfolio which is 100% based within the County Borough and primarily the office and industrial sectors. The income streams are generally spread between the single and multi-let office investments on Bridgend Science Park, the multi-let industrial estates and the freehold ground rent investments. The portfolio therefore does not accord with the risk balance in location and sectoral terms to the majority of investment portfolios and is also management intensive, with a large number of units relative to the overall income and value. The total value of Investment Properties was £4.635 million as at 31 March 2019. This would be expected to generate a rental income of £478,000 per annum excluding any vacant or rent-free periods.

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

The majority of the Council's investment portfolio has grown organically. In 2014 the Council approved £1 million within the capital programme and spent £520,000 on acquiring an office building, which generates a rental income of £56,000 per year or just over 9% return on the investment. There is a further £480,000 available but as yet no suitable options have been identified within the Bridgend area, which would produce a reasonable return and at acceptable levels of risk. The Council may in the future wish to consider expanding its property investment portfolio, in which case it would need to review the criteria and investment strategy and consider the investment taking into account the level of associated risk.

3.5 TREASURY MANAGEMENT STRATEGY (TMS)

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

3.6 BORROWING STRATEGY

The Council's major objectives when borrowing are:-

- to minimise the revenue costs of debt
- to manage the Council's debt maturity profile i.e. to leave no one future year with a high level of repayments that could cause problems in re-borrowing
- to effect funding in any one year at the cheapest cost commensurate with future risk
- to forecast average future interest rates and borrow accordingly

- to monitor and review the level of variable interest rate loans in order to take greater advantage of interest rate movement
- to reschedule debt if appropriate, in order to take advantage of potential savings as interest rates change
- to optimise the use of all capital resources including borrowing, both supported and unsupported, usable capital receipts, revenue contributions to capital and grants and contributions

3.7 LIMITS TO BORROWING ACTIVITY

The Council's long term borrowing at 31 December 2019 was £96.87 million. External borrowing can arise as a result of both capital and revenue expenditure and timing of cash flows. As the Council has an integrated TMS, there is no association between individual loans and particular types of expenditure. The Council makes use of internal borrowing and maintains an under-borrowed position in accordance with **PRINCIPLE 3** above. The capital borrowing need (Capital Financing Requirement) has not been fully funded with loan debt as cash supporting the Council's reserves, balances and cash flow has been used as a temporary measure. Projected levels of the Council's total outstanding debt, which comprises 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 Projection £m	2020-21 Estimate £m	2021-22 Estimate £m	2022-23 Estimate £m
Debt (incl. PFI & leases)	117.891	116.867	117.867	118.867	122.867
Capital Financing Requirement	172.084	172.203	178.249	178.503	175.942

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

To compare the Council's actual borrowing against an alternative strategy, a liability benchmark has been calculated showing the lowest risk level of borrowing. Further details of the Liability Benchmark can be found within the Treasury Management Strategy 2020-21. It does show that an additional £33.45 million will need to be borrowed for the period 2020-21 to 2022-23 based on the assumptions within the Capital Programme and the use of Capital Receipts and Reserves. The actual amount will be monitored and assumptions challenged and borrowing will only be taken if there is no opportunity to use Internal Borrowing.

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

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

	2018-19 Actual £m	2019-20 Projection £m	2020-21 Estimate £m	2021-22 Estimate £m	2022-23 Estimate £m
Authorised limit – borrowing	145.000	145.000	170.000	170.000	175.000
Authorised limit – other long term liabilities	30.000	30.000	30.000	30.000	30.000
Authorised Limit Total	175.000	175.000	200.000	200.000	205.000
Operational boundary – borrowing	105.000	105.000	140.000	150.000	150.000
Operational boundary – other long term liabilities	25.000	25.000	20.000	20.000	20.000
Operational Boundary Limit Total	130.000	130.000	165.000	175.000	170.000
Total Borrowing and Long Term Liabilities	117.891	116.867	117.867	118.867	122.867

3.8 INVESTMENT STRATEGY

The Council's major objectives when investing are:-

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

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

Table 7: Treasury management investments

	2018-19 Actual £m	2019-20 Projection £m	2020-21 Estimate £m	2021-22 Estimate £m	2022-23 Estimate £m
Cash and Cash Equivalents	3.400	0.100	-	-	-
Short term Investments	20.000	31.650	34.085	7.421	7.000
Longer term Investments	4.000	12.000	3.000	3.000	3.000
TOTAL	27.400	43.750	37.085	10.421	10.000

Loans to Other Organisations

The Council can make investments to assist local public services, including making loans to small businesses to promote economic growth. The Council will assess these opportunities

and will only consider if such investments break even after all costs. Loans to such organisations will be approved as part of the capital programme.

3.9 OTHER LONG TERM LIABILITIES

Private Finance Initiative

The Council has a Private Finance Initiative (PFI) arrangement for the provision of a Secondary School in Maesteg. This forms a long-term liability for the Council (with fourteen years remaining on the term) which is £17.0 million at 31 March 2019 including the short term liability of £0.69 million included as current liabilities in the Council's balance sheet in the Statement of Accounts. This is a technical adjustment and is equivalent to the amount that is paid during 2020-21.

Pension Guarantees

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

3.10 REVENUE BUDGET IMPLICATIONS

The financing of capital expenditure via interest on loans and MRP are charged to the revenue budget, offset by any investment income receivable. Table 8 below shows the proportion of the budget that will need to be set aside to finance capital expenditure, which is expected to increase over the life of the current capital programme, accelerating the pressure that capital expenditure, funded from debt, puts on the revenue budget.

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

	2018-19 Actual £m	2019-20 Projection £m	2020-21 Estimate £m	2021-22 Estimate £m	2022-23 Estimate £m
Capital Financing Central	6.451	6.617	6.995	7.291	7.545
Other Financing costs	3.406	3.406	3.451	4.147	4.575
TOTAL FINANCING COSTS	9.857	10.023	10.446	11.439	12.120
Proportion of net revenue stream	3.71%	3.70%	3.85%	4.20%	4.44%

The central revenue budget for capital financing for 2020-21 is £7.329 million as detailed in Table 9 below. The Projection for 2019-20 is lower than the actual spend 2018-19 because of the change in MRP Policy that Council approved in September 2018. The Interest Paid budget 2019-20 reflects the need to fund the increased costs of borrowing which is anticipated to rise over the period from 2019-20 to 2022-23 by £33.45 million.

Table 9: Central Capital Financing Revenue Budget 2020-21

	2018-19 Actual £m	2019-20 Projection £m	2020-21 Budget £m
Interest Paid	4.534	4.792	5.345
Minimum Revenue Provision (MRP)	2.858	2.754	2.918
Other Financial Instruments	0.008	0.009	0.009
Interest Received	(1.012)	(1.019)	(0.943)
Central Capital Financing Budget	8.387	6.536	7.329

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

Table 10: Directorate Capital Financing Revenue Budget 2020-21

	2018-19 Actual £m	2019-20 Projection £m	2020-21 Budget £m
Additional Voluntary MRP	1.459	1.459	1.505
PFI & Lease Liability Payments	2.086	1.947	1.947
Directorate Capital Financing Budget	3.545	3.406	3.451

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

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

	2020-21 Projection £m	2021-22 Estimate £m	2022-23 Estimate £m
Central Capital Financing Budget (Table 9)	7.329	7.329	7.329
Directorate Capital Financing Budget (Table 10)	3.406	3.451	3.451
Total Capital Financing Budget	10.735	10.780	10.780
Total Financing Costs (Table 8)	10.023	10.446	11.439
Under/(Over) Spend	0.712	0.334	(0.659)

This would be the worst case scenario with unsupported borrowing being used for future schemes should the Council not have available the cash resources currently held as earmarked reserves. The Council will endeavour to minimise the revenue pressure by maximising alternative capital resources such as earmarked reserves and capital receipts.

RESOURCING STRATEGY

4.0 FINANCIAL CONTEXT

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

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

There had been a steady decline in the amount of general capital funding received from Welsh Government over several financial years. However, a letter from the First Minister in November 2019 identified £100 million across Wales (2018-19 £50 million, 2019-20 £30 million, 2020-21 £20 million) of new general capital funding. For 2020-21 the Council has received its share of the final instalment of £20 million (circa £0.9 million for Bridgend). Further to this the Council has also received a share of an additional £15 million across Wales (circa £0.7 million for Bridgend) to enable local authorities to respond to the urgent need to decarbonise. For 2020-21 Bridgend has received an increase in general capital funding of £318,000 more than the amount received in 2019-20 and £761,000 more than was originally anticipated. In light of the above context, it is imperative that capital expenditure plans are affordable, prudent and sustainable.

4.1 PRINCIPLES FOR ALLOCATION OF CAPITAL ALLOCATION

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

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

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

In summary the main principles of capital allocation are:

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

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

Unsupported (Prudential) Borrowing will be prioritised as follows:

- To mandatory capital expenditure, including health and safety requirements. This will be considered to be an inescapable budget pressure and will be included in future years' budgets as part of the annual budget setting process.
- To capital expenditure which directly supports the achievement of the Council's corporate priorities. Borrowing for such projects will be funded corporately through an increase in budget allocation, which must be approved by full Council. Such borrowing commits the Council to interest and repayments during the asset life, and therefore it must be recognised that as budgets are reduced, the financing costs must be met by budget cuts elsewhere.
- To capital expenditure which attracts a high level of matched funding. This is particularly important as the Council tries to maximise every £1 it spends on capital with schemes involving external grants or contributions from partners. The aim is for

the Council to ensure that it invests in its strategic buildings and town centre infrastructure as grant funding and inward investment opportunities become available by allocating uncommitted reserves, maximising interest free loans or unsupported borrowing.

- To capital expenditure which provides a good financial return. Borrowing for such projects must be funded by the directorate, and therefore the financial benefit accruing to the directorate will be net of financing costs. This approach aligns the directorate incentives with the corporate benefit of such projects. Advantage will be taken of interest free loans where available.

CAPITAL INVESTMENT APPRAISAL

5.0 CAPITAL EXPENDITURE BIDS

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

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

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

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

These will be ranked in order of fit to:

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

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

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

5.1 EVALUATION APPROACH

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

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

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

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

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

In Year Approvals

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

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

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

GOVERNANCE AND RISK MANAGEMENT

6.0 STRATEGY

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

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

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

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

6.1 CAPITAL EXPENDITURE/INVESTMENT DECISION

A monitoring process is in place which:

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

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

6.2 RISK MANAGEMENT

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

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

The effective management and control of risk are also prime objectives of the Authority's treasury management activities. The treasury management strategy therefore sets out various indicators and limits to constrain the risk of unexpected losses and details the extent to which financial derivatives may be used to manage treasury risks.

7.0 KNOWLEDGE AND SKILLS

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

Where Authority staff do not have the knowledge and skills required, use is made of external advisers and consultants that are specialists in their field. The Authority currently employs Arlingclose Limited as treasury management advisers. This approach is more cost effective than employing such staff directly and ensures that the Authority has access to knowledge and skills commensurate with its risk appetite.

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

Schedule A**ANNUAL MINIMUM REVENUE PROVISION STATEMENT 2020-21**

The Annual Minimum Revenue Provision Statement needs to be approved by Council before the start of each financial year. The MRP charges for 2020-21 will be on the following bases:-

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

The MRP Charge 2020-21 based on the estimated capital financing requirement is detailed below:-

	Options	Estimated Capital Financing Requirement 31/03/20 £m	2020/21 Estimated MRP £m
Capital expenditure before 01/02/2008 and any after 01/04/2008 that does not result in a significant asset (Supported)	(i)	124.940	2.793
Supported capital expenditure that results in a significant asset, incurred on or after 1 April 2008 (Supported)	(ii)	3.157	0.132
Unsupported capital expenditure, exercised under the Prudential Code (Unsupported)		27.796	1.505
PFI, Finance Leases and other arrangements – PFI School	(iii)	16.310	0.743
TOTAL		172.203	5.173

Schedule B**Sources of Capital Investment****Borrowing**

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

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

All schemes funded from Prudential Borrowing are approved by full Council, and in accordance with MTFS **PRINCIPLE 11** must be affordable and sustainable, with payback met from Directorate or Council revenue budgets over a period no longer than the life of the asset. Projects requiring funding through prudential borrowing should submit a robust business case to include forward predictions of affordability, with the aim that projects should be self-funding (i.e. create a revenue stream so that the cost of borrowing is cost neutral on Council Tax).

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

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

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

External Grants

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

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

Any additional capital grant funding received from external sources must be managed in line with the Council's Grants Policy. Delegated authority is required to bid for and accept any external funding, and external funding applications should be supported by a strong business

case which demonstrates how the project meets the Council's Corporate Priorities and how any future revenue costs will be met.

Capital Receipts from Asset Disposals

The Council generates capital receipts from the sale of surplus assets. Maximisation of these receipts will increase the amount that can be spent on capital investment. Capital receipts cannot be spent on revenue items.

The Council has a statutory obligation to deliver best consideration under S123 of the Local Government Act 1972 and will seek to obtain market value in its disposals. However, there are exceptions and there will sometimes be a balance to strike where disposals can achieve social, economic or environmental policy objectives which contribute towards the Corporate Plan. In such instances, consideration will be given to the Value for Money that this represents.

The Council has also introduced a Community Asset Transfer (CAT) Strategy, where it considers the transfer of assets to third party groups at less than best consideration to support its objectives. The Council will consider, on a case-by-case basis, the potential transfer of assets to an alternative provider after a full assessment of the long-term (full life) risks and rewards of the transfer, including the achievement of best value including potential market value, linked to the Council's aims and objectives. Where the Council proposes to dispose of or grant a long lease at nil consideration, or at a value below market value, a valuation will be undertaken to ensure that the Council is fully aware of the receipt that it is foregoing as a result of the Community Asset Transfer.

A key principle of the Council's Capital Strategy, **PRINCIPLE 4**, is that, unless specifically agreed by Cabinet for exceptional circumstances, all capital receipts will be treated as general capital funding and allocated according to determined priorities. This supports the "One Council" approach. However, this does not negate the need for Council to approve any proposed schemes from that receipt. One example of where the Council has departed from the principle is with regards to school disposals and the ring fencing of those capital receipts to fund the School Modernisation Band A Programme. There may potentially be other schemes where the Council decides to set aside receipts in this way and these will be approved within the reporting of the Capital Programme.

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

S106 contributions

Section 106 (S106) Agreements are legal agreements between Local Authorities and developers; these are linked to planning permissions and can also be known as planning obligations. A section 106 agreement is designed to make a development possible that would otherwise not be possible, by obtaining concessions and financial contributions from the developer. Any contributions received from the developer are 'ring-fenced' for the purpose as set out in the relevant S106 agreement and are applied to fund schemes within the capital programme once an eligible scheme has been identified. S106 contribution agreements can be used, for example, for the provision of educational facilities, highways infrastructure, affordable housing, play areas and open spaces, in line with the Council's adopted policy on the use of section 106 agreements. Consideration of available S106 funding should be taken

when agreeing the capital programme for future years to maximise the use of the available funding and reduce the reliance on other sources of funding. Contributions can be time limited in that if they are not spent within an agreed timescale, typically 5 – 10 years, dependent on what has been agreed in the S106 agreement, any funds not spent in line with the agreement would have to be repaid to the developer.

Revenue and Reserves

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

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BRIDGEND COUNTY BOROUGH COUNCIL

REPORT TO CABINET

25 FEBRUARY 2020

REPORT OF THE CHIEF EXECUTIVE

PLAYING FIELDS, OUTDOOR SPORTS FACILITIES & PARKS PAVILIONS AND COMMUNITY ASSET TRANSFER

1. Purpose of Report

- 1.1 This report provides Cabinet with an update on the community asset transfers (CATs) of playing fields and park pavilions to Town and Community Councils (T&CCs) and/or sports clubs under self-management arrangements.
- 1.2 The report also makes recommendations to support the improvement and development of playing fields and park pavilions post transfer to ensure that facilities become more sustainable. The measures outlined are also designed to stimulate the Council's CAT Programme and ensure that the expectations of sports clubs are appropriately managed and transfers progressed and completed in a timely manner in support of the Medium Term Financial Strategy (MTFS).

2. Connection to Corporate Improvement Objectives / Other Corporate Priorities

- 2.1 This report assists in the achievement of the following corporate priorities:-
 1. Helping people to be more self-reliant – taking early steps to reduce or prevent people from becoming vulnerable or dependent on the Council and its services.
 2. Smarter use of resources – ensuring that all its resources (financial, physical, human and technological) are used as effectively and efficiently as possible and support the development of resources throughout the community that can help deliver the Council's priorities.

3. Background

Sports Facilities Managed by Green Spaces & Bereavement Services

- 3.1 The provision of playing fields, outdoor sports facilities and parks pavilions is recognised as making an important contribution in helping to achieve healthy lifestyles and better levels of physical and mental wellbeing for the County Borough's residents. The Council promotes and has historically subsidised a range of measures intended to support and increase levels of participation in sport and physical activity. However, the Council also recognises that the current level of subsidy provided to manage and maintain outdoor sports

facilities is financially unsustainable and will lead to the inevitable closure of facilities over time unless there is a significant shift to self-management. The status quo position is not sustainable and will lead to significant detriment to future generations, as evidenced by the fact that a number of sports pavilions have already had to close for health and safety reasons as the Council has insufficient funding to consistently invest in them and the condition of many others is critical unless the operating model is changed.

3.2 The Council currently manages 39 playing fields (excluding areas that have already undertaken CATs) which includes:

- 40 pavilions;
- 43 football pitches;
- 25 rugby pitches;
- 14 bowling greens; and
- 6 cricket squares.

3.3 The majority of the facilities are shared by a number of clubs and community groups as well as being accessible on an informal basis to the wider community. In contrast some facilities are used almost exclusively by a single club. Four bowls clubs already hold leases that are in the process of being regularised by the Council.

3.4 The Council established a £1 million Sports Pavilion Fund in February 2014 to encourage sports clubs to self-manage pavilions. The fund was intended to allow investment to improve the condition of such assets as part of an agreement to lease and take over the responsibility for the maintenance and repair of facilities and the payment of running costs - in line with their needs and expectations. A series of independent condition surveys are due to be undertaken shortly upon all Council controlled pavilions so that the extent of building works required in the future can be determined. The Cabinet has already agreed in principle that it will seek Council approval to replenish the fund, as and when necessary, as demand for CAT increases and the fund diminishes. This will be in conjunction with the S151 officer and will be actioned through quarterly capital monitoring reports to Cabinet and Council when the fund reaches a level of around £200,000 and will be based on known commitments going forward.

3.5 In response to concerns that have been expressed by the relevant overview and scrutiny committee regarding the nature of leases and the potential deterioration of facilities it is worth setting out the following:

- The terms and conditions of leases and/or tenancies at will issued by the Council requires the tenant, i.e. T&CC or sports club, to maintain the state and condition of the pavilion in a safe, clean and tidy manner and to ensure that the various statutory obligations including fire safety; electricity; gas; legionella and asbestos management are duly being complied with.
- The Council also requires that grounds shall be maintained in a condition that is suitable for the safe unhindered recreational use by the public and other users and kept free of litter and debris with the playing pitch areas

being maintained in a safe condition, appropriate to the sport and level being played in line with Governing Body requirements.

- The Council as landlord is required to provide written consent, i.e. issue a licence, for internal or external alterations to the premises before any such works are permitted to be carried out
- The Council as landlord also has the right to inspect pavilions and playing fields to ensure that these requirements are being complied with and facilities can also be subject to periodic independent assessment, e.g. match and league officials.

3.6 The measures required to achieve the level of indicative savings of £369,000 in 2020-21 under the MTFS were outlined in the report of the Chief Executive which was approved by the Cabinet on 22 October 2019 and re-affirmed at a special meeting of Cabinet on 13 November 2019 after further consideration of comments and recommendations of the Corporate Overview and Scrutiny Committee from their meeting held on 4 November 2019, following a Call-in on the decision originally taken. These included:

Area	Action Proposed
Playing fields, outdoor sports facilities and parks pavilions	Hire fees will not increase for any club or organisation that is committed to the CAT process. For clarity, the Council will not introduce full cost recovery charges for any clubs provided that they commit to undertaking self-management either by full lease or licence, and the Council is pleased to report that it has received expressions of interest for all of its playing fields and park pavilions either from T&CCs and/or sports clubs.
Bowling clubs	Grant arrangements with bowling clubs should be discontinued, and existing lease arrangements regularised as the Council moves towards full cost recovery.
Newbridge Fields	A separate strategy should be developed for the management and operation of the various facilities available throughout Newbridge Fields with an option appraisal being undertaken to enable an informed decision to be taken.

Community Asset Transfer

- 3.7 The transfer of assets or services to T&CCs, sports clubs or community groups offers opportunities to maintain and preserve valuable community services which may otherwise be under threat; or alternatively improve the provision that is already available. Throughout Wales there are a considerable number of sports clubs that already run and manage their own facilities very successfully, often utilising the skills and experience of local people and attracting external funding to improve facilities that is not available to local government. Additionally there is a good track record of many sports clubs in the County Borough similarly successfully running their clubs and facilities without the direct support of the Council. Over recent years the local authorities in Carmarthenshire, Blaenau Gwent, Vale of Glamorgan and Neath Port Talbot have all successfully adopted policies to CAT sports facilities to T&CCs and/or local sports clubs.
- 3.8 The Corporate Director Communities first wrote to T&CCs, sports clubs and community groups on 16 October 2015 outlining the Council's CAT policy, assets available for transfer, timescales and inviting expressions of interest in transferring Council assets which included sports pavilions and playing fields. It is evident that the Council's level of subsidy of more than 80% has in the main been a disincentive to the number of sports clubs seeking to complete transfers with only ambitious teams such as Bryncethin RFC, who secured funding of more than £550K, to turn their outdated pavilion into a community centre selecting self-management. However, the transfer of Bryncethin Playing Fields was protracted and highlighted limitations in the CAT process which needed to be improved and streamlined.
- 3.9 The CAT Task & Finish Group established by the CAT Steering Group with the primary objective of providing strategic direction in respect of the Council's CAT Programme and associated policies, systems and processes intended to make the process simpler and shorten timescales. The main recommendations arising from the CAT Task & Finish Group can be summarised as follows:
- A list of assets available for CAT should be maintained and periodically reviewed and updated (see latest CAT Priority 1 Asset List grouped by T&CC areas at **Appendix A**);
 - Asset data (compliance, condition survey and operating costs) should be issued to community groups at the earliest opportunity;
 - Model Heads of Terms and template Leases for particular asset groups should be utilised wherever possible with a "take it or leave it" approach being adopted;
 - The submission of income and expenditure projections for a minimum of a 5-year period should suffice for the majority of CATs but detailed business plans should still be requested for more complex projects;
 - A risk based approach should be adopted for the Business Diagnostic Assessment undertaken upon community groups/sports clubs and the assets being subject to CAT;

- T&CCs and established community groups/sports clubs should have their applications fast tracked particularly where the asset subject to CAT is in a compliant condition. The risk based approach will enable a risk matrix to be produced identifying suitability for fast tracking.
- 3.10 The Council's updated CAT Policy was approved by the Cabinet on 23 July 2019 and takes account of the changes summarised above and in particular the simplified "fast track" process which will be applicable to all T&CCs and the majority of community groups wishing to progress transfers. The Cabinet has also agreed that any organisation that is fully committed to progressing a CAT and are unable to complete a lease, a licence, a tenancy at will or management agreement of the playing fields and sports pavilions through no fault of their own, will have their hire fees frozen at the current levels, other than the regular inflation adjustment, until these issues are resolved.

4. Current Situation / Proposal

Welsh Government Financial Settlement 2020/21

- 4.1 The Councils received their provisional settlements from Welsh Government on 16 December 2019 which shows an overall budget increase for Bridgend of 4.7%. The provisional settlement is a significant improvement compared to the -1.5% "most likely" assumption contained within the Council's original MTFS for 2020-21. The provisional settlement does not recognise a number of new pressures faced by the Council, however, it does provide an opportunity for savings previously identified in the MTFS to be re-considered in line with the priorities of the Council.
- 4.2 The Final MTFS saving of £300,000 for playing fields and parks have been deferred until the 2021-22 financial year to reflect the level of ongoing CAT activity and this will have a number of clear benefits including:
- Providing sports clubs and the Council with more time to complete transfers in an orderly manner;
 - Allowing the Council to engage more effectively with the governing bodies of sport and where possible developing joint strategies and more partnership working. Initial positive meetings have already been held with the Welsh Rugby Union (WRU), Football Association of Wales (FAW) Trust and Cricket Wales.
- 4.3 The situation beyond April 2021 will need to be re-assessed by the Council in December 2020 to take account of the financial settlement from Welsh Government for 2021-22 and the level of CAT activity particularly the number of completed transfers. In view of current level interest in CAT from T&CCs and local sports clubs, the increased resources intended to be deployed by the Council to support CAT, the positive dialogue with the relevant Governing Bodies, and the enhanced packages of support that are now in place, the Council is confident that the process of completing CAT's will accelerate significantly over the next year.

Level of CAT Activity

- 4.4 T&CCs and sports clubs are actively engaging with the CAT Officer to progress CATs on all the sports facilities that would potentially be impacted by the introduction of any new hire charges:

Progress Reached	Playing Fields & Pavilions
Completed Transfers (Long Lease or Tenancy at Will)	1
Freehold Transfers being Finalised	0
Transfer Approved with Heads of Terms / Lease being Finalised	10
Renewable 5 Year Lease being Finalised	1
License to Occupy / Use	0
Expression of Interest Approved with Business Diagnostic Assessment & Financial Projections / Business Case being Developed	21
Informal Expression of Interest Received with Discussions Ongoing	16
Total	49

A detailed summary of CAT activity as at 31 January 2020 is included at **Appendix B**.

- 4.5 There are currently 7 T&CCs progressing CATs of playing fields and/or pavilions:

T&CC	Asset
Coity Higher Community Council	Great Western Avenue Playing Fields
Cornelly	North Cornelly Playing Fields
Laleston Community Council	Bryntirion Playing Fields
Llangynwyd Lower Community Council	Coytrahen Playing Fields

Newcastle Higher Community Council	Pen-Y-Fai Playing Fields
Pencoed Town Council	Pencoed Recreation Ground Pavilion and 2 x Pitches
Porthcawl Town Council	Griffin Park (including Bowls Pavilion & Greens)

- 4.6 Informal discussions have also been held with a further 5 T&CCs regarding the future arrangements of pavilions and playing fields in their areas and the support that could potentially be provided to sports clubs undertaking community asset transfers:

T&CC	Asset(s)
Coychurch Lower Community Council	Coychurch Playing Fields
Llangynwyd Middle Community Council	Llangynwyd Playing Fields
Maesteg Town Council	All Playing Fields (including Maesteg Welfare Park)
Ogmore Valley Community Council	Aberfields ("the Planka")
Ynysawdre Community Council	Pandy Park

- 4.7 There are 8 CATs to sports clubs that it is hoped will be completed shortly:

Sports Club / Group	Asset(s)
Bridgend Athletic Club	Newbridge Fields Athletic Field & Track
Caerau FC	Hermon Road / Metcalf Street Playing Fields
Carn Rovers FC	Cwm Garw Playing Fields
Kenfig Hill RFC	Croft Goch Playing Fields (Pavilion + Rugby Pitch)
Maesteg Harlequins RFC	South Parade Playing Fields

Maesteg Park FC	Tudor Park Playing Fields
Pencoed Athletic BGC	Woodlands Park
Rest Bay Sports	Rest Bay Playing Fields

CAT Resources

- 4.8 Resourcing shortages were noted by the CAT Task & Finish Group as being a contributory factor in the delay in processing CATs. The staff resources required to progress multiple CATs within agreed timescales for the influx of transfers required has been assessed by the Head of Operations Community Services and shortages within the Corporate Landlord and Green Spaces and Bereavement Services teams identified together with additional support requirements for the CAT Officer. Proposals for additional staff resources have been outlined in a business case that will be submitted to the Corporate Management Board shortly. Additional funding has been identified and earmarked provisionally in the Change Management Fund to support this application for more resource that will ensure that the pace of CAT is accelerated.
- 4.9 The “Team” approach favoured by the CAT Task & Finish Group whereby multi-disciplinary staff from different sections of the Council work together has already commenced with the formation of a CAT Operations Group.

Sports Governing Bodies

- 4.10 Cricket Wales, FAW Trust and WRU wrote jointly to the Council on 9 January 2020 to re-affirm that the 3 governing bodies were already actively working to find alternative solutions for the provision of sports across Bridgend – highlighting the time required to ensure this new model of delivery was successful and sustainable and the need for more support, and also setting out a clear willingness to work with the Council.
- 4.11 As previously indicated the Council has already held positive meetings with representatives from Cricket Wales, FAW Trust and WRU and will seek to do the same with Bowls Wales in the near future. The Council wish to work closely with relevant governing bodies to give our proposals the best chance of a successful implementation and to this end will be establishing a joint CAT Advisory Panel from representatives of the governing bodies of each sport and members and officers of the Council. The Advisory Panel will enable partnership working to be further developed to achieve the best outcomes and utilise resources more effectively by exploring joint funding opportunities, the sharing of experiences, and finding practical solutions to overcome common concerns such as public open space and the day to day maintenance of non-sporting areas. It is intended that the first meeting of the Advisory Panel will be held in March 2020.

CAT Fund

- 4.12 The Sports Pavilion Fund outlined in paragraph 3.4 was re-designated as the CAT Fund and the scope for funding widened under the MTFS 2019-20 to 2022-23 in February 2019 to also include building works on other Council facilities such as community centres and public toilets, to support the CAT process. This is to ensure that as many buildings as possible can be kept open and provide long-term community benefits.
- 4.13 Funding applications up to £50K are approved by the CAT Steering Group with all sums in excess of this threshold being referred to the Cabinet for approval. To date six projects have been allocated funding from this source totalling up to £340,520:

Community Group / Sports Club	Asset	Purpose	Amount
Bryncethin RFC	Bryncethin Playing Fields	Develop a community centre	£110,000
Careau FC	Hermon Road/Metcalf Street Playing Fields	Refurbish the existing pavilion	£50,000
Pencoed Town Council	Pencoed Recreation Ground Pavilion	Repairs to enable pavilion to be re-opened	*£75,000
Carn Rovers	Cwm Garw Playing Fields	Pavilion repairs and security measures	£10,300
Rest Bay Sports	Rest Bay Playing Fields	Pavilion Refurbishment	£45,220
Porthcawl Town Council	John Street Public Toilets	Refurbishment of Grade 2 Listed Building	£50,000

* Maximum contribution agreed by Cabinet on 21 May 2019

- 4.14 The Cabinet has previously confirmed their commitment to replenishing the CAT Fund as and when necessary, subject to the availability of finite capital resources, to encourage transfers and meet demand particularly where value for money can be clearly demonstrated post CAT.

- 4.15 Currently a sum of £340,520 is already committed from the £1 million CAT Fund.

T&CC Capital Grant Scheme

- 4.16 Funding under the T&CC Capital grant scheme since 2017-18 has prioritised CAT projects. The CAT Officer has liaised with T&CCs to assist them in submitting funding applications and Cabinet has approved match funding of £229,211 in respect of 10 CAT related projects during this period:

T&CC	Project	2017-18	2018-19	2019-20
Cornelly	Cornelly Community Centre Roof	£50,000		
Porthcawl	Griffin Park Public Toilets	£35,000		
Garw Valley	Bus shelter refurbishment in Betws		£3,795	
Pencoed	Provision of skateboard park		£20,000	
Cornelly	Landscaping around Cornelly Community Centre including pocket park		£40,000	
Pencoed	Refurbishment of Pencoed Recreation Ground Pavilion			£20,000
Bridgend	Refurbishment of Athletic Track at Newbridge Fields			£20,000
Cornelly	Refurbishment of Community Centre Toilets			£10,000
Coity Higher	Refurbishment of Pendre Fields Play Area			£15,000
Coity Higher	Refurbishment of Coity Castle Play Area			£15,416
Total		£85,000	£63,795	£80,416

- 4.17 Applications to the T&CC Capital grant scheme 2020-21 were made available in January 2020 with the deadline for receipt of completed applications of 28 February 2020 being established. Decisions on the allocation will be made by Cabinet in March 2020 ready for the start of the new financial year. Funding of up to £83,139 (T&CC Capital Grant Annual Allocation of £50,000 + Carry Forwards from Previous Years of £33,139) is currently available for 2020/21, and paragraphs 4.5 and 4.6 have already highlighted the good level of engagement between the Council, T&CCs and sports clubs.

Bridgend Sports Team Support Fund

- 4.18 As part of their approval of the report to Cabinet outlining the introduction of full cost recovery methodology on 22 October 2019, the Cabinet announced their desire to establish an annually recurrent support fund primarily aimed at assisting the development of mini, junior and youth teams, particularly those involved with sports clubs undertaking self-management or CAT. Consequently Cabinet has included a new recurrent budget pressure within the MTFS (Parks and Playing Fields Development Budget - £75,000) to be submitted for approval by Cabinet on 25 February and Council as part of the overall MTFS on 26 February 2020.
- 4.19 Subject to Council approval the Bridgend Sports Team Support Fund (BSTSF) will be established to encourage participation in sport with the following simple eligibility criteria and basis for operation being applied:
- Funding of up to £75,000 will be made available in both of the next two financial years to support voluntary sports clubs based within the County Borough of Bridgend.
 - Applications should be open to any age group; however, the scheme will prioritise supporting mini, junior and youth clubs and underrepresented sports / groups and will encourage growth and improvement.
 - Financial assistance will be limited to a maximum of £2,000 per team and potentially can be used as match funding with Sports Wales Community Chest and the governing bodies of each sport.
 - The cost of equipment, training and day to day operating costs will be allowable under the scheme.
 - Funding will be provided based upon the submission of original invoices with expenditure being substantiated, e.g. copy of corresponding bank statement to verify proof of payment.
 - The BSTSF will be open twice yearly to receive bids:

	<i>Application Start Date</i>	<i>Application Closing Date</i>
Spring / Summer	1 April	30 June
Autumn / Winter	1 October	31 December

- Administration of the Fund should be delegated to the CAT Officer on behalf of the Cabinet Member for Communities with all funding awards being approved by the Cabinet.
- 4.20 The BSTSF will require annual revenue funding of £75,000 being made available initially in both 2020-21 and 2021-22, which the proposed budget pressure will allow, and will follow the Council's general grant funding arrangements. Future years' funding will be reviewed at that point informed by the take up and success of both the fund and the CAT policy.

Pitch Maintenance & Improvement

- 4.21 Paragraphs 4.12 and 4.13 have previously highlighted the support currently available under the CAT Fund to assist T&CCs and community groups undertake essential building works following the completion of a CAT, based upon an independent condition survey commissioned by the Council to highlight the future liabilities of a particular asset. It is also evident that a number of the pitches, greens and wickets currently maintained by Green Spaces and Bereavement Services may be in a poor condition due to enforced cuts in service provision over a number of years and issues surrounding drainage.
- 4.22 The Council are therefore also seeking to introduce the following initiatives aimed at improving green spaces pre and post CAT, and thereby improving the chances of long-term sustainable CAT by:
- Commissioning consultants, as necessary, to undertake independent condition assessments of sports pitches, greens and wickets so that future maintenance requirements can be determined;
 - Developing a programme of sports pitch improvement and drainage capital grants valued at £5,000 to £25,000 in consultation with the governing bodies to ensure that prioritised sites are fit for purpose.
 - Establishing pitch maintenance equipment grants to provide capital funding valued from £5,000 up to £10,000 for T&CCs and sports clubs who complete transfers to assist with the purchase of equipment to enable the self-management of associated green spaces.
- 4.23 It is envisaged that the scope of the CAT Fund should be extended to include the maintenance of playing fields so that capital grants to enable pitch and drainage improvements, and equipment purchases can be administered via this source.
- 4.24 The proposed independent pitch condition surveys will need to be subject to selective tendering and a budget of up to £50,000 would need to be set aside under the Change Management Fund for this purpose so that these can be undertaken during 2020-21. This will be subject to approval from Corporate Management Board.

Transitional Support for Bowls Facilities

- 4.25 The Council has previously confirmed that the annual grant provided to bowling clubs will end in 2019-20. The Council appreciates that bowls club that currently make no direct financial contributions for the hire or the upkeep of bowls greens will be impacted most when self-management arrangements are introduced and that to lessen the initial burden that some form of transitional relief may be required to ensure sustainability of such assets. The Council is therefore prepared to make available a one-off grant of £5,000 for each bowls facility on the condition that the bowls clubs using them also commit to taking over the bowls green maintenance on a day to day basis from 30 September 2020 and that they complete a CAT lease of these facilities. This funding should not be linked to the number of bowls clubs or bowls greens attributed to a particular site.
- 4.26 This measure will cost the Council a maximum of £60,000 in 2020-21 based upon the 12 bowls sites maintained by Green Spaces and Bereavement Services. A request for an earmarked reserve to be established to meet this cost in 2020-21 will be made as part of the year end process for closing the accounts.

Strategy for Newbridge Fields / Maesteg Welfare Park / Aberfields

- 4.27 The Council has previously identified that Newbridge Fields may require alternative management and operational arrangements and is not suitable to be divided into plots to facilitate CATs to individual sports clubs. The CAT Steering Group also recognises that there are two further sites – Maesteg Welfare Park and Aberfields (more commonly known as “the Planka”) that currently provides sports facilities (pavilions and playing fields) that are also extensively used as public parks by local residents and visitors. Due to the size of the sites, level of public usage, the number of clubs involved, and/or need for improvement / development that options available in addition to the standard CAT to sports clubs should also be assessed and individual strategies developed for these sites.
- 4.28 The CAT Officer has already held informal discussions with the relevant T&CCs and some of sports clubs involved and intends to establish a Stakeholder Steering Group for each of the three sites to determine the most appropriate way of managing and developing these facilities in the future with option appraisals being independently commissioned.
- 4.29 A specification of requirements has been prepared and selective tender exercise to engage consultants is due to commence shortly. A budget of £20K has been set aside from the Change Management Fund already earmarked for CAT and is estimated that the assignment will take up to 6 months to complete with final reports being required by October 2020 so that any new arrangements can potentially be introduced by 1 April 2021.

Conclusions

- 4.30 The level of engagement with T&CCs and sports clubs outlined at paragraphs 4.4 to 4.7 has been good with all sports related facilities being subject to

discussions surrounding self-management arrangements. The Council wishes to continue to work in partnership with T&CCs and sports clubs so that CATs of playing fields and parks pavilions can be finalised to ensure the best outcomes are achieved to benefit our local communities.

- 4.31 The Council wishes to foster a culture of joint working with T&CCs and recognises the extremely important role that they can play in helping to manage and maintain facilities and services that otherwise may come under threat as the Council continues to experience cutbacks to its overall budget. The Council also acknowledges that in some cases, because of their direct links to local communities and sports clubs, T&CCs may be better placed to work in partnership at a local level to develop long-term sustainable solutions.
- 4.32 The better than expected financial settlement for 2020/21 enables the Council to reinforce our intention of not imposing new charges but to progress the preferred option of transferring the day to day management of such facilities to T&CCs and sports clubs instead. This will ensure that CATs can be completed in a more orderly manner and also enables the Council to work more collaboratively with the governing bodies of the sports impacted to achieve the most mutually beneficial results.
- 4.33 The Council has identified other enhancements to its support mechanisms such as pitch / drainage improvements and equipment grants that may also be needed in addition to grants already provided to refurbish pavilions to ensure that self-management can be completed successfully and assets become sustainable to the benefit of future generations. While it is the intention of the Council to replenish the CAT Fund to reflect the needs of community groups this cannot be guaranteed and is subject to the availability of continued funding. It is in the interests of T&CCs and sports clubs to complete transfers at the earliest opportunity so that required funding to improve assets can be duly secured and essential maintenance works progressed.

5. Effect upon Policy Framework& Procedure Rules

- 5.1 The Council's CAT policy document has already been updated to reflect the changes to process recommended by the CAT Task & Finish Group and approved by the Cabinet on 23 July 2019.

6. Equality Impact Assessment

- 6.1 A full EIA was undertaken to support the original report - "Playing Fields, Outdoor Sports Facilities and Parks Pavilions" - considered by Cabinet on 22 October 2019 and is reproduced at **Appendix C**.

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

- 7.1 The Council is committed to promoting sustainable development and to discharge our duties under the Well-being of Future Generations (Wales) Act 2015. The proposals made by the CAT Task & Finish Group were aimed at

streamlining processes to enable CATs to be fast tracked, wherever possible, and to reduce the burden placed upon T&CCs and community groups.

- 7.2 Bridgend County Borough Council wishes to promote CATs of its playing fields and sports pavilions to either T&CCs or relevant sports groups to ensure that existing users are not required to pay any increased charges. The proposals seek to take into consideration the long-term sustainability of sports facilities in the County Borough and recognises the importance of such facilities in delivering a healthier Wales and the role these facilities have in a Wales of cohesive communities. In light of increasing budget pressures, taking an integrated approach to the way the Council operates these kinds of facilities is vital. The report outlines how T&CCs, sports clubs and community groups can have an involvement in the development of collaborative working opportunities to ensure the long-term sustainability of the facilities and the Council's ability to fund other services.
- 7.3 An assessment under the Well-being of Future Generations (Wales) Act 2015 was completed for the original Cabinet report considered on 22 October 2019 and has been included to the report at **Appendix D**. In respect of the Council's CAT policy and processes a summary of the implications from the assessment relating to the five ways of working is outlined below:

Long-term	Supports the corporate priorities of the Council outlined at paragraph 2.1.
Prevention	Ensures the assets and services threatened by financial austerity can continue to be used by the community and promote healthier lifestyles and general well-being.
Integration	Enables the Council to work in partnership with T&CCs, sports clubs, community groups, other stakeholders and the wider community to meet local needs in a more holistic way.
Collaboration	The proposals have been developed and will be delivered through a strong partnership between BCBC, T&CCs and relevant stakeholders including the governing bodies of the sports concerned.

Involvement	The proposals will be delivered in close partnership with a range of local stakeholders including T&CCs, community groups / current users and the national governing bodies.

8. Financial Implications

- 8.1 The financial implications of the Council's current CAT activities and additional measures aimed at supporting sports clubs and stimulating transfers are reflected in the report and summarized below. These are in addition to any future capital funding agreed to replenish the CAT Fund:

Report Ref	Usage of Funding	Required Funding		Financial Year
		Capital	Revenue	
4.18 to 4.20	Establishment of Bridgend Sports Team Support Fund	-	£75,000	2020-21
		-	£75,000	2021-22
4.21 to 4.24	Commissioning Pitch Condition Surveys	-	£50,000	2020-21
4.25 & 4.26	Transitional Grants for Bowls Sites	-	£60,000	2020-21

9. Recommendation

It is recommended that Cabinet approves:-

- 9.1 The Council should regularly monitor the level of CAT engagement with T&CCs and sports clubs and associated progress on a case for case basis to ensure that this key priority is being achieved in line with the requirements of the MTFS.
- 9.2 The principle of replenishment of the CAT Fund as and when necessary as CAT's are completed be agreed, subject to known commitments, and there being sufficient capital resources and the approval of Council through quarterly capital reporting.
- 9.3 The creation of the Bridgend Sports Team Support Fund for an initial 2-year period, to be reviewed prior to the 2022-23 financial year and

informed by the level of take up and the success of the Council's CAT policy for playing fields and parks pavilions.

- 9.4 Extending the scope of the CAT Fund to include pitch and drainage improvements and pitch equipment grants.
- 9.5 Commissioning of pitch condition and drainage surveys.
- 9.6 The principle of providing transitional funding to facilitate the self-management of bowls greens by 30 September 2020, subject to the establishment of an earmarked reserve for this purpose.

Mark Shephard
CHIEF EXECUTIVE
February 2020

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Background documents:

Cabinet Report - Community Asset Transfer Policy (23 July 2019)
Cabinet Report - Playing Fields, Outdoor Sports Facilities and Parks Pavilions (22 October 2019)
Revised CAT Policy Document (July 2019)

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Community Asset Transfer Priority 1 Asset List

Town & Community Council / Ward	UPRN	CAT Priority 1 Assets		Description	Whole/Part	Existing Users	PROPOSED AGREEMENT			Comments
		Name	Address				MA / Licence to Occupancy	Short Term (1-7 yrs)	Long Term (up to 35 years)	
Maesteg Town Council - Caerau	10033	Noddfa Community Centre	34 Caerau Road, Caerau, CF34 0PB	Community Centre	Whole	Community Association	✓	✓	✓	
	10041	Caerau Welfare Park*	Prothero Street, Caerau	Changing pavilion; football pitch; outdoor bowling green; car park & playground,	Whole	3 x sports clubs	✓	✓	✓	Request for CAT of bowling green received.
	10040	Caerau Athletic Club*	Humphrey's Terrace, Caerau, CF34 0SG	Changing pavilion & 1 x football pitch	Whole	1 x sports club	✓	✓	✓	
	10029	Caerau Community Centre & Amenity Land to the North*	Woodland Terrace, Caerau, CF34 0SR	Community Centre	Whole	Caerau Development Trust	✖	✓	✓	Community Centre already subject to Licence to Occupy
	10043	Hermon Road/Metcalf Street Playing Field & Pavilion*	Hermon Road, Maesteg	Changing pavilion & 1x football pitch with adjacent children's playground	Whole	3 x sports clubs	✓	✓	✓	
Maesteg Town Council - Maesteg West	10047	Maesteg Welfare Park Bowls Pavilion & Green*	Neath Road, Maesteg	Bowling pavilion & 1 x outdoor bowling green	Whole	1 x sports club	✓	✓	✓	
	10051	Tudor Park Playing Fields*	Bryn Celn, Cwmfelin	No pavilion. 1 x football pitch	Whole	1 x sports club	✓	✓	✓	Former club-house including changing rooms and car park subject to existing lease
Maesteg Town Council - Maesteg East	10042	Garth Park Pavilion & Playing Fields*	Bridgend Road, Garth, Maesteg	Changing pavilion, 2 x rugby pitches, 1 x cricket ground	Whole	3 x sports club & 1 x non-sport group	✓	✓	✓	Bowling green excluded due to BCBC title. Also title issue with land on which pavilion is built.
	10050	South Parade Pavilion & Playing Fields*	South Parade, Maesteg	Changing pavilion, 1 x football & 1 x rugby pitch	Whole	5 x sports clubs	✓	✓	✓	Fields in Trust status
Llangynwyd Middle Community Council	10045	Llangynwyd Pavillon & Playing Fields*	Heo Maesteg, Llangynwyd	Changing pavilion, 1 x football & 1 x dual use rugby/football pitch	Whole	2 x sports clubs	✓	✓	✓	
	20019	Blaengarw Cricket Pavillon*	Garreg Side, Blaengarw	Pavilion and 1 x cricket ground	Whole	1 x sports club	✓	✓	✓	Pavilion currently closed. Potential demolition
	20021	Cwm Garw Pavillon & Playing Fields*	Garreg Side, Blaengarw	Pavilion and 1 x football pitch	Whole	1 x sports club	✓	✓	✓	
	20024	Pwll y Garn Pavillon & Playing Fields*	Gwendoline Street, Blaengarw	1 x football pitch. Existing pavilions to be demolished	Whole	None	✓	✓	✓	Pavilion to be demolished
Garw Valley Community Council - Pontcymmer	20020	Blandy Park Pavillon & Playing Fields*	Oxford Street, Pontcymmer	Changing pavilion & 1 x football pitch	Whole	1 x sports club	✓	✓	✓	Pavilion likely to be demolished - funding obtained
	20022	Lawrence Park Pavillon & Playing Fields*	Gwaunbant, Pontcymmer	Changing pavilion, 1 x rugby pitch & 1 x former football pitch	Whole	1 x sports club	✓	✓	✓	Part subject to CAT application - former football field
	20064	Waunbant Bowling Green*	Federation Lane, Pontcymmer	Outdoor bowling green and store	Whole	1 x sports club	✓	✓	✓	Pavilion subject to existing CAT
	20064	Waunbant Tennis Pavilion*	Federation Lane, Pontcymmer	Pavilion only	Whole	1 x sports club	✓	✓	✓	Tennis courts subject to exisiting CAT
Garw Valley Community Council - Llangeinor	20023	Llangeinor Pavillon & Playing Fields*	Bettws Road, Llangeinor	Changing pavilion, 1 x football pitch & 1 x Scancis mini pitch	Part	2 x sports clubs	✓	✓	✓	Part of site subject to existing CAT
Garw Valley Community Council - Bettws	20001	Bettws Pavilion & Playing Fields*	Heol Richard Price, Bettws	Changing pavilion, 2 x football pitches & all weather training area.	Part	3 x sports clubs	✓	✓	✓	Funding obtained for old section of pavilion to be demolished
Ogmore Valley Community Council - Nantymoel	30028	Nantymoel RFC*	Gwendoline Street, Price Town, Nantymoel	Changing pavilion & 1 x rugby pitch	Whole	2 x sports clubs	✓	✓	✓	
	30030	Waun Llwyd Bowling Green*	Rhes Y Waun Fach, Price Town, Nantymoel	1 x outdoor bowling green	Whole	1 x sports club	✓	✓	✓	Community / Bowls Pavilion subject to existing CAT
Ogmore Valley Community Council - Ogmore Vale	30066	Caedu / Ogmore Park*	Park Avenue, Ogmore Vale	Bowling pavilion, 1 x outdoor bowling green & 2 x tennis courts	Whole	1 x sports club	✓	✓	✓	Courts not in use
	30029	Ogmore Vale RFC (Pavilion & Playing Fields)*	Bridge Street, Ogmore Vale	Changing pavilion & 1 x rugby pitch	Whole	1 x sports club	✓	✓	✓	
	30025	Aberfelds Pavilion & Playing Fields*	Aber Road, Pricetown	Changing pavilion, 2 x football pitches & 1 x rugby pitch	Whole	3 x sports club	✓	✓	✓	
	30027	Lewistown Pavillon & Playing Fields*	Blackmill Road, Lewistown	Changing pavilion & 1 x football pitch	Whole	None. Historically used by 2 x sports clubs	✓	✓	✓	Pavilion currently closed. Title issue with land on which pavilion built.
Ogmore Valley Community Council - Blackmill	30026	Evanstown Welfare Park*	Heol-Y-Parc, Evanstown, Giffach Goch	Changing/bowls pavilion, bowling green & 1 x rugby pitch	Whole	3 x sports clubs	✓	✓	✓	
St Brides Minor Community Council - Bryncoch	40113	Sarn Lifelong Learning Centre	Merfield Close, Sarn, CF32 9SW	Mutli use building including community centre, day centre & library	Part	Mutli use	✓	✓	✓	Only area utilised by community assoication. Remaining areas of building excluded from any CAT
Ynysawdre Community Council - Ynysawdre	40018	Ynysawdre Community Centre	Bryn Road, Tondy	Community Centre	Whole	Community Association	✓	✓	✓	
	40028	Pandy Park Pavillon & Playing Fields*	Terfyn Ynysawdre, Ynysawdre	Changing pavilion, 1 x football pitches & 2 x rugby pitch	Whole	3 x sports clubs	✓	✓	✓	Possible S106 implications
Llangynwyd Lower Community Council	40027	Coytrahen Playing Fields*	A4063 Maesteg Road Tondy To Cildaudu Road, Goetre-Hen	Playing field only - not currently used for formal sports use	Whole	None	✓	✓	✓	
Coity Higher Community Council - Pendre	50020	Litchard Cross Playing Fields	Heol West Plas, Coity	2 x football pitches (no pavilion) with adjacent playground (UPRN 50031)	Whole	3 x sports clubs	✓	✓	✓	
	50021	Great Western Avenue Pavilion & Playing Fields*	Great Western Avenue, Bridgend	Changing pavilion & 1 x football pitch	Whole	2 x sports clubs	✓	✓	✓	
Brackla Community Council - Brackla	50001	Brackla Playing Fields*	Whitethorn Drive to Channel View	No pavilion, 1 x football pitch & 1 x rugby pitch	Whole	3 x sports clubs	✓	✖	✖	Dual use arrangements with school during school hours.
Coychurch Lower Community Council	50020	Coychurch Pavilion & Playing Fields*	B4181 Coychurch Roundabout to Heol Simonston	Changing pavilion & 1 x football pitch	Whole	None - historically used by 4 x sports club	✓	✓	✓	Pavilion currently closed - not economic to bring back into use
Laleston Community Council	60060	Bryntirion Playing Fields*	Mount Pleasant, Bryntirion	2 x football pitches	Whole	1 x sports clubs	✓	✓	✓	Land on which Scout Hall is located is subject to existing lease
	60161	Bryntirion & Laleston Community Centre*	Mount Pleasant, Bryntirion	Community Centre located within playing field site	Whole	Community Council	✓	✓	✓	
Bridgend Town Council - Oldcastle		Newbridge Fields Athletic Track*	Newbridge Fields off Park Court Road, Bridgend	Athletic Track	Whole	1 x sports club	✓	✓	✓	
Cefn Cribbwr Community Council - Cefn Cribbwr	70017	Cefn Cribbwr Community Centre	Cefn Road, Cefn Cribbwr	Community Centre	Whole	Community Association	✓	✓	✓	
	70022	Cae Gof Pavillon & Playing Fields*	Cefn Road, Cefn Cribbwr	Changing pavilion, bowls pavilion, 1 x football pitch, 2 x rugby pitches, 1 x dual use pitch, 1 x outdoor bowling green & 4 x tennis courts	Whole	3 x sports club	✓	✓	✓	Part of site subject to existing CAT
Pyle Community Council - Pyle	70023	Croft Goch Pavilion & Playing Fields*	Pisga Street, Kenfig Hill	Changing pavilion, 1 x football pitch & 1 x rugby pitch	Whole	2 x sports clubs	✓	✓	✓	
Cornelly Community Council - Cornelly	70025	North Cornelly Pavillon & Playing Fields*	Meadow Street, North Cornelly	Changing pavilion, 2 x football pitches & 1 x rugby pitch	Whole	4 x sports clubs	✓	✓	✓	
Porthcawl Town Council - Rest Bay	80030	Locks Lane Pavillion & Playing Fields*	Locks Lane, Porthcawl	Changing pavilion, 4 x football pitches & 1 x cricket ground	Whole	3 x sports clubs	✓	✓	✓	Part of site subject to historic CAT
	80033	Rest Bay Pavilion & playing Fields*	West Drive, Porthcawl	Changing pavilion, 2 x football pitches & 1 x rugby pitch	Whole	4 x sports clubs	✓	✓	✖	

Town & Community Council / Ward	UPRN	CAT Priority 1 Assets		Description	Whole/Part	Existing Users	PROPOSED AGREEMENT			Comments
		Name	Address				MA / Licence to Occupancy	Short Term (1-7 yrs)	Long Term (up to 35 years)	
Porthcawl Town Council - Porthcawl Central East	80028	Griffin Park Pavilion & Bowls greens*	Eastern Promenade, Porthcawl	Bowls Pavilion, 3 x outdoor bowling greens, 2 x tennis courts & putting course	Whole	2 x sports clubs	✓	✖	✖	Tennis courts & possibly southern most bowling green required for highways works associated with Phase 2 regeneration. Potential title issues as freehold of part vested in Town Council not BCBC. TUPE considerations.
	80075	Griffin Park Community Centre*	New Road, Porthcawl	Community Centre	Whole	Community Association	✓	✓	✓	
Coychurch Higher Community Council - Penprysg	90012	Heol-y-Cyw Pavillon & Playing Fields*	High Street, Heol-Y- Cyw	Changing pavilion, 2 x rugby pitches & kickabout area (former tennis courts)	Whole	1 x sports club	✓	✓	✓	
Pencoed Town Council - Felindre	90013	Pencoed Recreational Grounds Pavilion*	Felindre Road, Pencoed	Changing pavilion only	Whole	None - historicallu used by 4 x sports clubs & 3 x non sports groups	✓	✓	✓	Pavilion currently closed. Bowls Pavilion & Green; MUGA & Skate Park all subject to exists CAT's.
	90013	Pencoed Recreational Grounds Playing Fields*	Felindre Road, Pencoed	Playing fields only - 1 x football pitch & 1 x rugby pitch	Whole	4 x sports clubs	✓	✓	✖	
Pencoed Town Council - Hendre	90014	Woodlands Park Pavilion*	Llwyn Gwern, Pencoed	Changing pavilion, 2 x football pitches, 2 x rugby pitches & 1 x mulit use pitch	Whole	4 x sports clubs & 3 x non sports groups	✓	✓	✓	

* Asset either already subject to a lease or presently subject to CAT discussions

APPENDIX B

Bridgend County Borough Council - Community Asset Transfer Programme - Summary of Progress (31 January 2020)

A.	Sports Pavilions & Playing Fields			Process Stage			Commentary
	UPRN	Assets	CAT Lead Club	Informal Discussions / EOI	EOI Approved	Business Case Approved	
A1	30025	Aberfields (Planka) Playing Fields	Nantymoel RFC / Wyndham BGC FC	21/03/2017	15/02/2019		EOI approved 15/02/19. Discussions ongoing with the clubs and possible inclusion in a wider Ogmore Vale pitch project.
A2	20018	Bettws Playing Fields	Bettws FC	27/02/2019	10/04/2019		EOI approve and application to be fast tracked.
A3	20019	Blaengarw Cricket & Pavilion	Blaengarw Cricket Club	22/01/2020			First meeting held with Club on 05/02/20. EOI to be submitted shortly.
A4	20020	Blandy Park Playing Fields	Garw AFC	28/07/2017	16/05/2018		EOI approved by CAT Steering Group 16/05/18. Business Adviser appointed and concept drawings being developed.
A5	50002	Brackla Playing Fields	Brackla RFC	18/09/2018			EOI currently on hold while issues surrounding the site, e.g. dual use with local schools are resolved.
A6	40026	Bryncethin Playing Fields	Bryncethin RFC		28/01/2016	26/05/2017	Funding up to £110K approved from Sports Pavilion Fund. Lease issued on 09/10/18. Redevelopment complete.
A7	70022	Cae Gof Playing Fields	Cefn Cribwr Athletic Club/RFC		19/12/2019		Original EOI approved by SCCS Board on 07/10/16. Joint EOI approved 19/12/19 and application fast tracked.
A8	30066	Caedu / Ogmore Park	Ogmore Vale Bowling Club	03/01/2019	25/11/2019		EOI approved and Fast Track application being progressed.
A9	10041	Caerau Welfare Park Bowls Green	Caerau Welfare Bowling Club & Caerau Bowling Club		19/07/2019		EOI approved. Clubs requested to re-consider decision on the pavilion.
A10	10041	Caerau Welfare Park Playing Fields	Nantfyllon RFC	31/10/2019			EOI Submitted. Decision deferred while availability of site is being confirmed.
A11	10040	Caerau FC (Riverboat)	Caerau FC	18/01/2018	25/10/2018		Club seeking to relocate from Caerau Welfare Park following Caerau FC's CAT of Metcalf Street. EOT agreed in principle.
A12	10040	Caerau FC (Riverboat)	Careau All Whites	25/10/2019			Competing EOI submitted by existing user. BDA to be undertaken upon all interested parties.
A13	50020	Coychurch Playing Fields	Brackla Juniors / Brackla RFC	19/03/2017			Two separate groups have expressed an informal interest and open to working together. Meeting with Community Council to be held 10/12/19.
A14	40027	Coytrahen Playing Fields	Llangynwyd Lower Community Council	29/03/2017	04/07/2018	n/a	EOI approved by CAT Steering Group on 04/07/18. Landscape consultant engaged. Lease being finalised.
A15	70023	Croft Goch Playing Fields	Kenfig Hill RFC & Kenfig Hill AFC	24/04/2017	29/03/2018		Business case being finalised with the joint approach being subject to re-assessment.
A16	20021	Cwm Garw Playing Fields	Carn Rovers	26/10/2017	26/01/2018	22/11/2018	Business plan approved by CAT Steering Group. Funding application also approved with lease being finalised.
A17	30026	Evanstown Welfare Park	Gilfach Goch RFC / Gilfach Goch Bowls Club	22/09/2017	26/01/2018		EOI approved on 26/01/18 and independent condition survey undertaken. Bowls Club seeking to work in partnership with RFC.
A18	10042	Garth Park Playing Fields	Maseteg Celtic RFC	24/02/2017			Club discussing feasibility of working together and submitting a joint EOI. Some land ownership issues and historic disagreements between clubs.
A19	10042	Garth Park Playing Fields (Bowls Green)	Maseteg Celtic Bowls Club	21/02/2019			Meeting held with Bowls Club on 21/02/19 and feasibility of CAT possibly under a joint arrangement with RFC and cricket club being considered.
A20	50021	Great Western Avenue Playing Fields	Coity Higher Community Council		15/05/2019		EOI approved by CAT Steering Group - Application to be Fast Tracked
A21	80028	Griffin Park (including Bowls Green & Pavilion)	Porthcawl Town Council		19/12/2019		EOI from Town Council approved and fast tracked. Part freehold transfer with remainder under short-term agreement to enable future road development.
A22	90012	Heol-Y-Cyw Playing Fields	Heol-Y-Cyw RFC		05/10/2016		Business Plan to be submitted to the Finance Department shortly.
A23	10043	Heron Road/Metcalf Street Playing Field	Caerau FC		28/09/2016	23/04/2018	Business plan approved on 23/04/18 and funding of £50K assigned under the CAT Fund. Lease to be finalised shortly.
A24	20022	Lawrence Park Playing Fields	Pontycymer RFC	14/11/2019	25/11/2019		EOI approved and Fast Track application being progressed.
A25	20023	Llangeinor Playing Fields	Llangeinor AFC, Llangeinor Rangers, Richard Price Centre	23/11/2017	18/08/2017		Business plan being developed with assistance under the CAT Business Support contract.
A26	10045	Llangynwyd Playing Fields	Llangynwyd Rangers		24/03/2016		Business plan being developed with assistance under the CAT Business Support contract.
A27	80030	Locks Lane Playing Fields	Porthcawl Athletics Association (PAA)	26/03/2018			Discussions with PAA ongoing. EOI submitted on 19/12/19 deferred until issues surrounding the renewal of 3 expired leases resolved.
A28	10047	Maesteg Welfare Park	Nantfyllion RFC		16/05/2016		EOI Submitted. Decision deferred while availability of site is being confirmed.
A29	10047	Maesteg Welfare Park Bowls Pavilion & Green	Maesteg Welfare Bowls Club	04/03/2019	10/04/2019		EOI approved and application to be fast tracked.
A30	30028	Nantymoel R.F.C.	Nantymoel RFC	18/03/2016	15/02/2019		EOI approved 15/02/19. Discussion with club ongoing. Transfer could form part of a bigger project across Ogmore Vale.
A31	60022	Newbridge Fields Athletics Pavilion	Bridgend Athletics Club	20/12/2018	22/08/2018	n/a	Track being resurfaced with funding from Bridgend Town Council, Sports Wales, BCBC and Club. Leases for site and clubhouse being progressed.
A32	60064	Newbridge Fields (South) Newest Rugby Pitch	Bridgend Town Cricket Club	13/06/2018			Club seeking to develop dedicated cricket pitch. EOI submitted 13/06/18 deferred subject to further consultation with other users.
A33	60064	Newbridge Fields "Shack" Pavilion & Pitches	Bridgend Athletic RFC	04/03/2019			Meeting held with Club and RFC on 04/03/19. Club open to considering all options for future of Newbridge Fields.
A34	60062	Newbridge Field Bandstand Pavilion + 2 pitches	Bridgend Sports RFC	12/10/2018			EOI decision deferred while decision on Newbridge Fields is being taken.
A35	70025	North Cornelly Playing Fields	Cornelly Community Council.	08/01/2018	27/01/2020		EOI from Community Council approved by CAT Steering Group.
A36	30029	Ogmore Park Playing Fields	Ogmore Vale FC		20/08/2019		EOI approved with Business Diagnostic Assessment and full business plan being required. Site could form part of Ogmore Vale project.
A37	40028	Pandy Park Playing Fields	Tondu RFC	04/04/2017			CAT Officer has held discussions with other users (Tondu Robbins AFC and Aberkenfig BGC). EOI from Tondu RFC deferred multi-user site.
A38	40029	Pandy Park Playing Fields Amenity Land	Tondu Wheelers		19/12/2019		EOI approved with business plan to be developed and funding secured for the development of a velodrome.
A39	90013	Pencoed Recreation Ground	Pencoed Town Council	09/11/2017	15/05/2019		EOI approved and funding secured via Cabinet under T&CC Capital Grant & CAT Fund. Refurbishment due to commenced 19/11/19.
A40	90036	Pencoed Bowling Green & Pavilion	Pencoed Bowls Club	27/03/2019			Lease already held for pavilion and green. Arrangements need to be regularised.
A41	60066	Penfai Playing Field ("Kickabout Area")	Newcastle Higher Community Council / PVCA	20/12/2018	21/10/2019		EOI approved. PVCA also interested in future involvement to protect green space.
A42	70026	Pyle Bowling Green	Kenfig Hill & Pyle Bowls Club	27/02/2019			Lease already held for pavilion and green. Arrangements need to be regularised.
A43	20024	Pwll-Y-Garn Playing Fields	Calon y Cwm CIO		10/04/2019		EOI to use facility as an outdoor pursuit centre has been approved with detailed business plan required.
A44	80033	Rest Bay Playing Fields	FC Porthcawl & Porthcawl Utd.	10/02/2017	15/02/2019	15/02/2019	Business case approved with 5 year lease being finalised. Funding application on hold due to request for additional information.
A45	10050	South Parade Playing Fields	Maesteg Harlequins	27/11/2017	22/08/2018	10/04/2019	EOI approved and business plan agreed. Lease being finalised.
A46	10051	Tudor Park Playing Fields	Maesteg Park AFC	22/06/2017	24/09/2018	20/08/2019	EOI approved and business plan agreed. Lease of pitch being finalised. Harsnch Taverns. anding already included in earlier lease to Punch Taverns.
A47	20064	Waubont Bowls	Pontycymmer Bowls Club	14/07/2017	28/11/2017		EOI approved and business case for substantial re-development being prepared.
A48	30030	Waulnwyd Bowls Green & Pavilion	Wyndham Bowling Club		19/09/2019		EOI approved and fast track to application stage. Lease of Community Centre already held by Club.
A49	90014	Woodlands Park Playing Fields	Pencoed AFC & Pencoed B&GC	09/11/2017	20/12/2018		EOI approved and business plan being finalised. Funding for pitch maintenance improvements approved by Sports Wales.

Key:	Transfer completed	Transfer approved Lease being finalised	Expression of Interest Submitted / Approved & Business Case to be Developed	Informal Expression of Interest	Engagement on hold at request of Group	Management Agreement to be Developed

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Equality Impact Full Assessment

Name of project, policy, function, service or proposal being assessed:	Play area and grass cutting review and potential increased charges for the use of sports fields and sports pavilions consultation 2019
Date EIA Screening assessment completed:	
Full assessment date for completion (from EIA screening):	19 August 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)? General Public and specific users of facilities	Public consultation. All residents	Consultation went live 17 April 2019 to 10 July 2019 Facebook, Twitter and LinkedIn have widely been used to promote the consultation. During the consultation Paper and accessible versions in Welsh and English were available throughout the consultation period.
How will you ensure your consultation is inclusive?	Consultation survey forms were available online. The survey was available in English, Welsh and as an accessible version in both languages. Residents could also request a paper copy or another alternative	Facebook, Twitter and LinkedIn used to promote the consultation 12 week consultation An image was placed on the news page of the council website and the intranet homepage which

	format by telephone or email.	linked through to the consultation webpage and survey
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	Local community, equality and diversity groups were given details of the consultation proposals and told how to share their views. All comprehensive schools within the County Borough were offered the opportunity for their students to engage with the consultation during the live period. All Town and Community Councils were sent the link for the survey to share with their communities. All relevant sports clubs received an email or letter to inform them of the consultation.	

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
The consultation was shared via an electronic link with all members of the Bridgend Community Cohesion and Equality Forum	na	na	na
The consultation was shared via an electronic link with all Town and Community councils.	na	na	na
All clubs received information about the consultation either via email or letter.	na	na	na

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	899 females, 898 males, 1 transgender, 18 preferred not to say and 14 no answer in response to the consultation.	Engagement has commenced with clubs to consider the implications and support provided to carry out Community Asset Transfers

	It is considered that the majority of cricket, football and rugby have more male participants currently than female, so that they may be more adversely impacted if clubs are unable to Community Asset Transfer or fund increased charges.	
Disability	152 of the 1830 respondents to the consultation stated that they had a disability. It may be the case that the impact may be significant dependent upon their individual disability.	Engagement has commenced with clubs to consider the implications and support provided to carry out Community Asset Transfers.
Race	The majority of respondents were white British (96%)	As a result of the consultation no impact has been identified, therefore no action needs to be taken to mitigate.
Religion and belief	47% of respondents described themselves as Christian, followed by 46% who described themselves as having no religion or belief.	As a result of the consultation no impact has been identified, therefore no action needs to be taken to mitigate.
Sexual Orientation	90% of respondents described themselves as heterosexual or straight. 1% described themselves as bisexual and 2% stated they were a gay man or woman.	As a result of the consultation no impact has been identified, therefore no action needs to be taken to mitigate.
Age	Within the responses, it is suggested that there may be an impact on child development, health and antisocial behaviour. Although no specific age group is identified the responses suggest	Engagement has commenced with organisation to consider the implications and support provided to carry out Community Asset Transfers.

	that there this may be a specific impact on both younger and older persons	
Pregnancy & Maternity	No negative or positive impact was identified in relation to this characteristic	As a result of the consultation no impact has been identified, therefore no action needs to be taken to mitigate.
Transgender	No negative or positive impact was identified in relation to this characteristic	As a result of the consultation no impact has been identified, therefore no action needs to be taken to mitigate.
Marriage and Civil partnership	No negative or positive impact was identified in relation to this characteristic	As a result of the consultation no impact has been identified, therefore no action needs to be taken to mitigate.
Welsh language	No negative or positive impact was identified in relation to this characteristic	As a result of the consultation no impact has been identified, therefore no action needs to be taken to mitigate.

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
<i>E.G. Information about the service to be available in BSL video on the website</i>	<i>Service manager</i>	<i>End of financial year</i>	<i>£XX Staff time/resource</i>	<i>X Service Plan</i>
Support Community Asset transfer	Guy Smith	31 March 2020	CAT Transfer Fund CAT Business support contract	

			Legal and Property professional services	

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	August 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 CAT process and the target completion date	October 2021

Details of person completing the Full EIA:

Name:	Role:	Date:
Kevin Mulcahy	Group Manager Highways and Green Spaces	August 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

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WELL-BEING OF FUTURE GENERATIONS (WALES) ACT 2015 ASSESSMENT

Project Description (key aims):

Play area and grass cutting review and potential increased charges for the use of sports fields and sports pavilions consultation 2019

Section 1	Complete the table below to assess how well you have applied the 5 ways of working.
Long-term (The importance of balancing short term needs with the need to safeguard the ability to also meet long term needs)	1. How does your project / activity balance short-term need with the long-term and planning for the future? <i>The proposal seeks to remove subsidy which the authority can no longer sustain with the potential of the respective clubs paying a rate to recover the costs for their occupation of pavilions and playing fields to provide a sustainable basis for such provision.</i> <i>Rationalise Grass cutting to a more sustainable level</i> <i>Play areas rationalised to a more sustainable level</i>
Prevention (How acting to prevent problems occurring or getting worse may help public bodies meet their objectives)	2. How does your project / activity put resources into preventing problems occurring or getting worse? <i>The provision for sports facilities, play areas and parks grass cutting is generally non statutory, so the proposal enables scarce resources to be directed towards those areas that are a statutory duty.</i>
Integration (Considering how the public body's well-being objectives may impact upon each of the wellbeing goals, on their objectives, or on the objectives of other public bodies)	3. How does your project / activity deliver economic, social, environmental & cultural outcomes together? <i>The outcomes sought are to direct funding appropriately, with sports groups more directly funding the cost of provision, this can be enabled in transferring the asset to such groups for them to run and maintain in order for them to continue operating their sport or activity. Likewise for playareas that could be transferred to respective communities.</i>

Collaboration (Acting in collaboration with any other person (or different parts of the body itself) that could help the body meet its well-being objectives)	4. How does your project / activity involve working together with partners (internal and external) to deliver well-being objectives? <i>The parks Section works with various sections of the council including Regeneration, Planning and Development in considering wellbeing objectives.</i> <i>Working with Sports Groups and Town and Community Councils in providing funding to source assistance for groups who are considering taking over facilities in regard of preparing business plans and/or facilities improvement grant to assist in asset transfer.</i>
Involvement (The importance of involving people with an interest in achieving the well-being goals, and ensuring that those people reflect the diversity of the area which the body serves)	5. How does your project / activity involve stakeholders with an interest in achieving the well-being goals? How do those stakeholders reflect the diversity of the area? <i>As part of the consideration of the proposals, a 12-week consultation was undertaken. The consultation was online, as well as paper copies being available on request. Promotion of the consultation was available on BCBC website and social media networks.</i> All Town and Community Councils were sent the link for the survey to share with their communities. All comprehensive schools within the County Borough were offered the opportunity for their students to engage with the consultation during the live period. <i>All responses from the consultation will be subject of a subsequent report to Cabinet</i>

Section 2 Assess how well your project / activity will result in multiple benefits for our communities and contribute to the national well-being goals (use Appendix 1 to help you).		
Description of the Well-being goals	How will your project / activity deliver benefits to our communities under the national well-being goals?	Is there any way to maximise the benefits or minimise any negative impacts to our communities (and the contribution to the national well-being goals)?
A prosperous Wales An innovative, productive and low carbon society which recognises the limits of the global environment and therefore uses resources efficiently and proportionately (including acting on climate change); and which develops a skilled and well-educated population in an economy which generates wealth and provides employment opportunities, allowing people to take advantage of the wealth generated through securing decent work.	• <i>Enabling communities to take control of their local facilities to deliver the needs of their communities.</i> • <i>Enables efficient use of council funding</i> • <i>Change grass cutting regime to promote a more diverse ecology</i>	<i>The council has made provision for clubs to have support in deriving their business cases and a facilities improvement grant.</i>
A resilient Wales A nation which maintains and enhances a biodiverse natural environment with healthy functioning ecosystems that support social, economic and ecological resilience and the capacity to adapt to change (for example climate change).	• <i>Reduced Grass cutting may promote a more diverse ecology</i> • <i>Promotion of self management for resilience to change</i>	The impact on local communities will be monitored through the wide range of services that will continue to be provided by the Council or its partners.
A healthier Wales A society in which people's physical and mental well-being is maximised and in which choices and behaviours that benefit future health are understood.	• To enable the best use of resources and create a sustainable provision for future generations • Ownership of the asset will enable to local community to make best or better use. Possibly by encouraging	<i>The council has made provision for clubs to have support in deriving their business cases and a facilities improvement grant.</i>

	greater local involvement in the clubs or organisations	<i>Promotion of other activities that are offered within communities ie swimming, racket sports, fitness etc</i>
A more equal Wales A society that enables people to fulfil their potential no matter what their background or circumstances (including their socio economic background and circumstances).	Recognising that communities are becoming more diverse. Addressing barriers that some groups have in feeling part of communities.	The impact on local communities will be monitored through the wide range of services that will continue to be provided by the Council or its partners.
A Wales of cohesive communities Attractive, viable, safe and well-connected communities.	By aiming to improve local accountability the level of provision can be more viable and encourage community participation.	The council has made provision for clubs to have support in deriving their business cases and a facilities improvement grant.
A Wales of vibrant culture and thriving Welsh language A society that promotes and protects culture, heritage and the Welsh language, and which encourages people to participate in the arts, and sports and recreation.	This project is attempting to protect the long term viability of sports provision and recreation within local communities.	The council has made provision for clubs to have support in deriving their business cases and a facilities improvement grant.
A globally responsible Wales A nation which, when doing anything to improve the economic, social, environmental and cultural well-being of Wales, takes account of whether doing such a thing may make a positive contribution to global well-being.	Promotion of local accountability in providing sustainable facilities enables ownership of wider wellbeing outcomes	Consideration of the wider offer of facilities that may be available to communities at school and leisure facilities

Section 3 Will your project / activity affect people or groups of people with protected characteristics? Explain what will be done to maximise any positive impacts or minimise any negative impacts			
Protected characteristics	Will your project / activity have any positive impacts on those with a protected characteristic?	Will your project / activity have any negative impacts on those with a protected characteristic?	Is there any way to maximise any positive impacts or minimise any negative impacts?
Age:	<i>Should enable a more sustainable provision</i>	It is suggested in the consultation response that there may be an impact on child development, health and antisocial behaviour. Although no specific age group is identified the responses suggest that there this may be a specific impact on both younger and older persons	<i>The council has made provision for clubs to have support in deriving their business cases and a facilities improvement grant.</i>
Gender reassignment:	<i>Not Applicable</i>	<i>Not Applicable</i>	<i>Not Applicable</i>
Marriage or civil partnership:	<i>Not Applicable</i>	<i>Not Applicable</i>	<i>Not Applicable</i>
Pregnancy or maternity:	<i>Not Applicable</i>	<i>Not Applicable</i>	<i>Not Applicable</i>
Race:	<i>Not Applicable</i>	<i>Not Applicable</i>	<i>Not Applicable</i>
Religion or Belief:	<i>Not Applicable</i>	<i>Not Applicable</i>	<i>Not Applicable</i>
Race:	<i>Not Applicable</i>	<i>Not Applicable</i>	<i>Not Applicable</i>
Sex:	<i>Should enable a more sustainable provision</i>	It is considered that the majority of cricket, football and rugby have more male participants currently than female, so that they may be more adversely impacted if clubs are unable to Community Asset Transfer or fund increased charges.	Engagement has commenced with clubs to consider the implications and support provided to carry out Community Asset Transfers
Welsh Language:	<i>Not Applicable</i>	<i>Not Applicable</i>	<i>Not Applicable</i>

Section 4 Identify decision meeting for Project/activity e.g. Cabinet, Council or delegated decision taken by Executive Members and/or Chief Officers	
Compiling Officers Name:	Phil Beaman / Kevin Mulcahy
Compiling Officers Job Title:	Green Spaces and Bereavement services manager / Group manager Highways and Green Spaces
Date completed:	August 2019

BRIDGEND COUNTY BOROUGH COUNCIL

REPORT TO CABINET

25 FEBRUARY 2020

REPORT OF THE CORPORATE DIRECTOR OF EDUCATION AND FAMILY SUPPORT

PROPOSAL TO PILOT THE EARLY CHILDHOOD EDUCATION AND CARE (ECEC) INITIATIVE

1. Purpose of report

- 1.1 The purpose of this report is to outline the options to progress Welsh Government's Early Childhood Education and Care (ECEC) pilot and to seek approval of Cabinet's preferred option.

2. Connection to corporate improvement objectives/other corporate priorities

- 2.1 The report links to the following improvement priorities in the Corporate Plan:

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

3. Background

- 3.1 The current situation for early years' provision within Bridgend is set out below:

- a child who becomes 3 in the autumn term can access 10 hours per week of part-time provision from the start of the spring term following his/her 3rd birthday (in a maintained (ie in a school nursery) or non-maintained (not in a school nursery) setting);
- a child who becomes 3 in the spring term can access 10 hours per week of part-time provision from the start of the summer term following his/her 3rd birthday (in a maintained or non-maintained setting);
- a child who becomes 3 in summer term can access full-time provision in a maintained setting from the September following his/her 3rd birthday; and

- a parent could choose not to send their child to a maintained setting from the September following their child's 3rd birthday and could instead secure a local authority-funded place in a non-maintained setting, for 10 hours per week, until the child reaches statutory school age.

3.2 Currently, the cost of the enhanced Foundation Phase Nursery (FPN) hours in the maintained sector is met by the local authority. The foundation phase nursery provision is non-statutory, Welsh Government-funded, school nursery provision. Welsh Government funds all local authorities to provide 10 hours of foundation phase nursery provision for all children in the term following their 3rd birthday. Bridgend County Borough Council provides full-time, foundation phase school nursery provision for all learners from the September following a child's 3rd birthday.

3.3 Bridgend implemented the Welsh Government's national Childcare Offer across the whole of the county borough from April 2019.

3.4 The Welsh Government (WG) Childcare Offer is a commitment to provide 30 hours of funded early education and childcare for 3 and 4 year-old children of eligible working parents for up to 48 weeks of the year (ie 39 weeks of provision during school term time and 9 weeks of the year during school holiday periods). The primary aims of the policy are:

- to enable more parents to return to work;
- to increase the disposable income of those in work and help counteract poverty for those in low-paid jobs; and
- to encourage child development and school readiness.

3.5 Children born in the autumn or spring terms in receipt of part-time nursery provision in either the maintained or non-maintained sectors with working parents are also eligible for childcare via the WG Childcare Offer until they are offered full-time provision from the September following their third birthday.

4. Current situation/proposal

4.1 ECEC is a new approach being introduced by Welsh Government which aims to develop a holistic vision of education and childcare to support children in their early years. WG feels that piloting an ECEC approach would develop understanding of the challenges and opportunities this change could bring. These include:

- a universal system of ECEC - drawing together the existing early education and childcare practices into a single approach, all children would benefit from all aspects of the pedagogy and standards across the two sectors;
- increased parental choice - establishing delivery of both early education and childcare to all Care Inspectorate Wales (CIW) registered settings, would provide parents with increased flexibility in choosing settings which meet their family's needs;

- a better understanding of the delivery challenges - at the moment the two sectors have different qualification, regulation and inspection requirements, with little to no cross over (testing a single, aligned approach would help WG better understand the challenges and develop ways to address them); and
- testing capacity and sustainability of the proposed system – across Wales, many childcare settings claim that being unable to deliver early education has a negative impact on their business (opening up the ECEC landscape could test the impact upon provision with potential for new revenue streams for both maintained and non-maintained settings and improve working relationships across the sectors).

4.2 The ECEC pilot will ultimately focus on the removal of barriers that exist between education and care to ensure that any setting, whether a school or private/voluntary childcare, can offer ECEC provision. A consultation plan will be developed to ensure schools and other key partners are appropriately engaged in the pilot. The pilot is not about supplementing or replacing discretionary FPN funding but will work towards universal funding methods for provision across maintained and non-maintained settings. The options outlined at paragraph 4.8 provide further information in respect of the eligibility and type of provision on offer.

4.3 The overarching parameters of the pilot are:

- WG provides Bridgend County Borough Council (BCBC) with funding for the ECEC pilot;
- Bridgend continues to commit to provide 30 hours education provision for 'rising 4s';
- all settings who express an interest to pilot, both schools and childcare sector, are supported to deliver 30 hours ECEC provision;
- working parents are to be no worse off in Bridgend than in other local authorities (ie working parents will be able to access the 'Childcare Offer' hours during terms where part-time FPN provision is available, alongside holiday childcare provision);
- options available to non-working parents are set out at paragraph 4.8; and
- evaluation and monitoring activity will run alongside the pilot.

4.4 Welsh Government officials have confirmed that up to **£3.5m per year** is available to support this pilot. The parameters of the budget calculation have been identified as:

- The 10 hours statutory foundation phase provision is already paid to the local authority via the Revenue Support Grant (£2.1m).
- Only working parents are eligible for the Childcare Offer and therefore funding is to be provided for the children of working parents only (ie 64% of all families).

- Based on information provided to us by Welsh Government (in respect of the Childcare Offer which relates solely to children of working parents), not all families will take up the offer (assuming 65% take up in the first years of the pilot).
- Within the £3.5m, £70k has been made available to provide bespoke support for children with ALN who have working parents of children with ALN.

4.5 In order to test a number of ECEC elements, the pilot will take a staged approach to implementation. Some fundamental ECEC elements will be tested in the first year and these will be built on in following years by the testing of additional elements where possible.

4.6 On this basis, the requirements of Bridgend in Year 1 will be to:

- increase the number of non-maintained settings delivering the foundation phase for 3 and 4-year-olds in Bridgend;
- provide a fair funding rate (equity with Childcare Offer);
- determine and develop a package of support for non-maintained providers moving to foundation phase provision;
- work with maintained settings (ie schools) interested in delivering the ECEC offer; and
- develop a communication and engagement plan to ensure working parents understand and are aware of their choices.

4.7 To support the pilot, BCBC will need to develop, manage and process a system for paying providers monthly as well as being able to gather monitoring and evaluation information. This will be fully funded by WG.

4.8 In order to support clarity regarding the proposed ECEC pilot, the following options have been developed (Appendix B provides further information):

Option 1 'Do nothing'	The local authority does not progress the proposed pilot.
Option 2 'All for all parents'	The local authority provides 30 hours of provision to all parents of all 3 and 4 year-olds at any setting from the term after a child's 3rd birthday for 48 weeks (ie 39 weeks term-time provision and 9 weeks of school holiday provision). The funding available from Welsh Government to support this option would be up to £3.5m per year.
Option 3	The local authority provides 30 hours of provision to working parents of

'All for working parents only'	all 3 and 4 year-olds at any setting from the term after the child's 3rd birthday for 48 weeks (ie 39 weeks term-time provision and 9 weeks of school holiday provision). The funding available from Welsh Government to support this option would be up to £3.5m per year.
Option 4 One year scoping exercise	There is a fourth option open to Cabinet should they feel more time is needed to consider how the ECEC pilot would work in practice. The pilot could be delivered over a longer timescale, with the first year focusing more on scoping the pilot and working with settings to understand the implications on the ground. The specific parameters of this approach would need to be determined, but the available funding would not exceed £1m in Year 1.

- 4.9 It is proposed that the ECEC pilot would commence at the start of the 2021-2022 school year (from September 2021). It is clear that, following Cabinet approval, we would need to undertake scoping activity associated with the agreed option prior to implementation.

5. Effect upon policy framework and procedure rules

- 5.1 There is likely to be significant impact upon the policy framework and procedures. A project board will need to identify these and form an action plan to address each in turn.

6. Equalities Impact Assessment

- 6.1 The impact on equalities implications arising from this report will depend on the selected option from those proposed. A full equalities impact assessment will be developed once a proposed option is agreed.

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

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

Prevention

The proposed pilot ECEC system will assist the childcare sector, including Welsh-medium provision and support the anti-poverty agenda.

Integration

Option 2 offers a universal approach to early years education and will support all children aged 3 to 4 years-old to receive an equitable offer, including those children with additional learning needs. Other options set out have differing impacts on those

who benefit from early years support. However, no child will receive less than the current offer in any of the options proposed.

Collaboration

Collaboration with partners will be key to the successful delivery of the scheme.

Involvement

Involvement will need to include a range of stakeholders including parents, childcare providers and other partners are involved in the roll out of the selected pilot ECEC system.

8. Financial implications

- 8.1 ECEC will be funded at £4.50 per hour to all settings in line with the rate paid for childcare under the Childcare Offer. If future reviews of this rate result in an increased hourly rate, the amount of funding from WG will be adjusted in line with any increases.
- 8.2 WG has confirmed that the ECEC grant will be linked to achievement of project milestones and not be dependent on take up.
- 8.3 WG has estimated that 64% of families in Bridgend are eligible working parents under the current Childcare Offer.
- 8.4 Bridgend will need to understand the likely take up of the ECEC offer as not all of those who are eligible for it will seek to take it up. WG has used 65% as an estimate of future take up, as this is the national target rate for the Childcare Offer. However, this may well be higher or lower for Bridgend. WG has confirmed that the £3.5m grant offer is the ceiling offer for the grant. Therefore, if take up exceeds 65%, this may make the pilot unaffordable for Bridgend under Option 2.
- 8.5 Business models have been based on the additionality (eg parental choice over full-time provision in a maintained or non-maintained setting and additional holiday provision) of the ECEC offers over and above the current policy of BCBC (ie currently, all children receive part-time, 10 hours per week education provision from the term after their third birthday, with 30-hour provision continuing the September after their fourth birthday). Further to this, children who become 3 years of age before 1 September are offered access to a full-time education place in maintained nursery provisions. This model is currently implemented in Bridgend County Borough. The population of children used has been taken from an average of Bridgend school admissions so is also subject to change.
- 8.6 If Option 2 is the preferred option, then the nature of this option, by providing a universal offer, sets the percentage take-up ceiling where the pilot becomes unaffordable for Bridgend at 70%. This take-up level reduces further if there is a shift from parents choosing the ECEC offer to be provided in the non-maintained setting rather than in schools as the calculations have been based on additionality from current provision. This means that there would be some risk should parents decide to place their child in non-maintained rather than maintained settings (ie as the local authority would still be required to fund school nursery provision).

- 8.7 If Option 3 is the preferred option, there is minimal financial risk to BCBC as the £3.5m (per year) should cover the additional costs.
- 8.8 Under the pilot, consideration would have to be given to the treatment of the current per-pupil funding arrangements for schools. Consideration would have to be given as to whether the funding for existing early years education would be top-sliced from the school delegated budget and transferred to the private providers if parents decide to move their children from school to non-maintained settings as part of the ECEC offer.
- 8.9 It is important to note that the estimated additional cost of a universal ECEC offer for **all** children with additional learning needs (ALN) would be in the region of £500k per year. This would include the one-to-one staffing required to enable those children to access the childcare. If Cabinet were minded to select Option 2 and extend the pilot to children with ALN of non-working parents, without additional funding from WG, there is an additional risk on the affordability of this option which would have to be monitored closely.
- 8.10 WG has confirmed that additional financial support is available to local authorities to fund support for working parents with children with ALN accessing the Childcare Offer. The 2019-2020 Childcare Offer Additional Learning Needs Grant is £50k with an indicative allocation of £70k in 2020-2021. The support required for the children with ALN of non-working parents is not part of this pilot (ie there would be no additional funding specifically for this). However, as ECEC is designed to provide universal provision for all 3 and 4 year-old children, the local authority would need to approach WG for additional funding to support the needs of children with ALN from non-working parents to ensure parity of provision.
- 8.11 It is not known at this stage whether there are any capital implications, particularly for schools.
- 8.12 Although the start date for the public ECEC provision is September 2021, much of the preparatory work will be required in the months leading up to that date. The following additional pilot funding has therefore been agreed with WG to support preparatory activity leading up to the start of the 2021-2022 school year (ie September 2021):
- £50k grant to support the appointment of an ECEC Lead Officer; and
 - an administration grant (around £100k) will be provided in addition to the annual funding to cover associated costs such as engagement and communications activity and additional staffing.
- 8.13 To support the pilot, the local authority will need to develop and manage a system and process for paying providers monthly as well as being able to gather monitoring and evaluation information. The local authority would need to implement a system suitable to register service users, monitor their use of the service and support the paying of settings for the provision made. Although the national system will be fully funded and developed by WG, the system that the Council requires in the interim period (ie between now and September 2021) will be developed in-house within existing Education and Family Support Directorate resources.

9. Recommendation

9.1 Cabinet is recommended to:

- consider the four options outlined in the report; and
- select the preferred option to take forward as the pilot.

Lindsay Harvey

Corporate Director (Education and Family Support)

Contact officer: Mark Lewis

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E-mail: mark.lewis@bridgend.gov.uk

Postal address: Education and Family Support Directorate
Bridgend County Borough Council
Civic Offices
Bridgend
CF31 4WB

Background papers: None

WELL-BEING OF FUTURE GENERATIONS (WALES) ACT 2015 ASSESSMENT

Section 1 Complete the table below to assess how well you have applied the 5 ways of working.	
Long-term (The importance of balancing short term needs with the need to safeguard the ability to also meet long term needs)	1. How does your project / activity balance short-term need with the long-term and planning for the future? Each of the proposed options for the pilot of ECEC will meet both short-term and long term needs of children and their families accessing the early years' education, while the long-term strategic implications intend to support families out of poverty and offer children the opportunity to access high quality education. In addition, childcare providers will benefit from this scheme on a long-term basis as the potential increased flexibility or potential additional numbers of children accessing provision, dependent on the option selected, will support sustainability within the sector. Sustainable childcare, along with developing new childcare places to meet the commitments of the Childcare Offer aspect of the ECEC system, will, in the long term, help the local authority with its statutory duty of providing sufficient childcare across the county borough for working parents and those parents training with the intention of returning to work.
Prevention (How acting to prevent problems occurring or getting worse may help public bodies meet their objectives)	2. How does your project / activity put resources into preventing problems occurring or getting worse? The delivery of the proposed pilot of ECEC, dependent on the option selected, will contribute towards support and continued development of childcare in the county borough and support the local authority in meeting its statutory duty of providing sufficient childcare for working parents. The ECEC pilot scheme will also support the focus on the development of Welsh-medium places which will offer more choice to parents wishing to access Welsh-medium provision.
Integration	3. How does your project / activity deliver economic, social, environmental & cultural outcomes

(Considering how the public body's well-being objectives may impact upon each of the wellbeing goals, on their objectives, or on the objectives of other public bodies)	together? Economic The proposed options of the pilot of ECEC system with the integral Childcare Offer support for working parents focuses on encouraging parents back into work, therefore potentially reducing the numbers of children in poverty. Social Each of the proposed options for the pilot of ECEC will provide children the opportunity to access education provision across a range of settings. This universal early years' provision will offer children social environments. Working families who struggle to meet the costs of children during school holiday periods will continue to benefit with children supported by high quality provision, offering parents the opportunity to thrive in employment. Environmental Offering education provision locally, or close to a workplace, will help support the environment by reducing the carbon footprint of families travelling additional miles to a childcare provision. The focus of the local authority is to try and secure such childcare for every eligible family in the county who are seeking it. However, it is acknowledged that many families will need to access provision in other geographical areas. Cultural The proposed options for the pilot ECEC system will continue the focus on ensuring sufficient education and childcare places for those who wish to access provision in the medium of Welsh.
Collaboration (Acting in collaboration with any other person (or different parts	4. How does your project / activity involve working together with partners (internal and external) to deliver well-being objectives? The planning phase required should be supported by a project board where stakeholders, both internal and external, would contribute to advising Bridgend County Borough Council.

of the body itself) that could help the body meet its well- being objectives)	The childcare team works effectively with external partners, particularly the childcare umbrella organisations, and this will be built upon during the implementation of the proposed pilot ECEC system in whichever option is selected.
Involvement (The importance of involving people with an interest in achieving the well- being goals, and ensuring that those people reflect the diversity of the area which the body serves)	5. How does your project / activity involve stakeholders with an interest in achieving the well-being goals? How do those stakeholders reflect the diversity of the area? The stakeholders involved in the project board should include childcare providers and organisations, including those who support families with children who have additional learning needs, and Welsh language organisations. Wellbeing of the target audience/users is a strong focus, where the education and care of the child is of the utmost importance to the local authority. However, it is the choice of the parents as to what part of the proposed pilot ECEC system they access, where and when. The well-being of the parents is also a focus of this scheme, ensuring that childcare costs are not a barrier to accessing work or training.

Section 2 Assess how well your project / activity will result in multiple benefits for our communities and contribute to the national well-being goals (use Appendix 1 to help you).		
Description of the Well-being goals	How will your project / activity deliver benefits to our communities under the national well-being goals?	Is there any way to maximise the benefits or minimise any negative impacts to our communities (and the contribution to the national well-being goals)?
A prosperous Wales An innovative, productive and low carbon society which recognises the limits of the global environment and therefore uses resources efficiently and proportionately (including acting on climate change); and which develops a skilled and well-educated population in an economy which generates wealth and provides employment opportunities, allowing people to take advantage of the wealth generated through securing decent work.	The proposed options to pilot ECEC will support children's early years' experience of both education and childcare alongside parents in employment and those wishing to return to employment to meet the costs of childcare, which can often be seen as a barrier. It is hoped that more flexible education and funding for holiday childcare within some of the options will remove barriers and continue to allow parents to take advantage of the additional financial benefit and/or return to work.	The engagement and promotion of the proposed pilot ECEC system whichever option selected will be vital to ensure all parents are aware of this more flexible approach and dependent on the option selected where parents who are eligible for funded childcare in the holiday periods feel able to access the support, if they so wish.
A resilient Wales A nation which maintains and enhances a biodiverse natural environment with healthy functioning ecosystems that support social, economic and ecological resilience and the capacity to adapt to change (for example climate change).	Children and families benefiting from the proposed pilot ECEC system will be well placed to support this wellbeing goal based on the activities delivered by the range of educare providers.	Promotion of any of the options selected for the proposed pilot ECEC system across the County borough will assist in maximizing the benefits of the natural environment based on the activities delivered by education and childcare providers.
A healthier Wales A society in which people's physical and mental well-being is maximised and in which choices and behaviours that	Dependent on the option selected the opportunity for parents to receive financial support for childcare costs to offer to reduce or remove the financial barriers to	The engagement and promotion of the proposed options to pilot ECEC will be vital to ensure those parents who are eligible are accessing the support, if they

benefit future health are understood.	returning to work can, in many cases, benefit the health and well-being of the household, both mentally and physically. Uptake of early years' education in Bridgend is highly effective. Dependent on the option selected there is a potential for enhanced provision which could enable children to discover environments that they have not had experience of before, broadening their horizons and benefitting their well-being.	so wish. Evaluation of the scheme will be undertaken by both Bridgend County Borough Council officers and Welsh Government officials to measure the impact that this has had on families.
A more equal Wales A society that enables people to fulfil their potential no matter what their background or circumstances (including their socio economic background and circumstances).	The options set out in the report above include a proposed pilot ECEC universal scheme that supports all parents. The background of families is not relevant to eligibility in any option. Option 2 allows all parents both working and those not in work to meet their potential by removing the financial constraints of holiday childcare whilst at work, empowering them to remain in, extend or return to the workplace.	There are four options set out for consideration. If the option selected is not universal then only children who are in a household of working parent(s) will be able to access the funded school holiday childcare aspect of the proposed pilot ECEC system. If the household consists of two parents, both must work. If the household consists of a single parent, they must be in work. There are however a variety of other grants managed by the local authority's childcare team that could be considered for support of children in ineligible families to access childcare, minimising any negative impact this may have on certain families and/or communities.
A Wales of cohesive communities Attractive, viable, safe and well-	Early years' provision and education is often at the centre of a community,	Sufficient childcare is a statutory duty of the local authority. The local authority

connected communities.	particularly if it is attached, or in close vicinity to, a school building. Communities with a range of schools and childcare provisions are often thriving and further educate development will be a focus of whichever option is selected in the proposed pilot ECEC system.	ensures this duty is met by focusing childcare development in areas of need and identified in the Childcare Sufficiency Assessment (CSA). The Childcare Team is well established and has staff with experience and expertise in this area, allowing the required development to be supported effectively.
A Wales of vibrant culture and thriving Welsh language A society that promotes and protects culture, heritage and the Welsh language, and which encourages people to participate in the arts, and sports and recreation.	The proposed pilot ECEC options will all support greater flexibility for parents who wish to access provision in the medium of Welsh. It is a priority of the Childcare Team on behalf of BCBC to ensure that enough places are secured to meet this demand. This includes the development of four Welsh-medium childcare provisions strategically placed across the county. These developments will ensure that parents will be able to access the childcare in the Welsh language and encourage parents who have not yet made a decision to consider Welsh-medium provision.	Promotion and engagement is underway regarding the Cymraeg 2050 capital programme, ensuring that communities have an input into the additional services on offer in the Welsh language.
A globally responsible Wales A nation which, when doing anything to improve the economic, social, environmental and cultural well-being of Wales, takes account of whether doing such a thing may make a positive contribution to global well-being.	This scheme will offer positive outcomes to the people of Bridgend and Wales. Having a thriving, successful and resourceful Bridgend and Wales will make a positive contribution to global well-being.	Promotion and maximising take-up of the education and childcare will improve economic social environmental and cultural well-being.

Section 3 Will your project / activity affect people or groups of people with protected characteristics? Explain what will be done to maximise any positive impacts or minimise any negative impacts

Protected characteristics	Will your project / activity have any positive impacts on those with a protected characteristic?	Will your project / activity have any negative impacts on those with a protected characteristic?	Is there any way to maximise any positive impacts or minimise any negative impacts?
Age:	Yes	No	This will vary according to the option selected and will be considered through individual (EIAs).
Gender reassignment:	No	No	
Marriage or civil partnership:	No	No	
Pregnancy or maternity:	No	No	
Race:	No	No	
Religion or Belief:	No	No	
Race:	No	No	
Sex:	No	No	
Welsh Language:	Yes	No	This will vary according to the option selected and will be considered through individual (EIAs).

Section 4	Identify decision meeting for Project/activity e.g. Cabinet, Council or delegated decision taken by Executive Members and/or Chief Officers

Cabinet

Compiling Officers Name:	Mark Lewis

Compiling Officers Job Title:	Group Manager – Integrated Working and Family Support

Date completed:	7 February 2020

Appendix B

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Early Childhood Education Care Workshop Options 21 January 2020

Option	Who is it for?	Which provision could parents choose from?	What would it cover?	What would it cost?	What are the potential benefits?	What are the potential risks?
Option 1 'Do nothing'	Status quo					
Option 2 'All for all parents' 30 hours to all parents of 3 and 4 year olds at any setting from term after their 3 rd birthday for 48 weeks	All parents – working and non-working	Any provision – non-maintained or schools for both 3 and 4 year olds	Term time and holiday provision	% take up ceiling where the pilot becomes unaffordable would be 65% - 70% excluding additional ALN costs.	• Simple to communicate • Gives parents more choice • Provider neutral • Easier to administer • No children miss out. • Gives parity of access to all • Additional value to current offer is clear to WG • Delivers quickly on ECEC vision	• Is it affordable? • Cost pressures around take up/ALN/other (eg free school meals and transport) • Creates expectations for parents that are difficult to step away from • Capacity to deliver new places in non-maintained and schools limited • Schools may lose out if can't offer childcare
Option 3	Working parents	Any provision – non-maintained	Term time and holiday	Minimal financial risk to BCBC as	• Provides savings on current offer	• Less generous than current Bridgend offer for

'All for working parents only' 30 hours to working parents of all 3 and 4 year olds at any setting from term after their third birthday for 48 weeks	only – same criteria as current childcare offer	or schools for both 3 and 4-year-olds	provision	the £3.5m should cover the additional costs.	• Fits with focus of current childcare offer • Gives parents more choice • Provider neutral • Potential to change make up of provision – non-maintained start to offer early ed and schools start to offer childcare • Provides a step towards ECEC	non-working parents • Non-working parents lose access to free school nursery provision • Parental choice may result in some providers losing children • Less children benefitting from early education
Option 4 One year scoping exercise	Welsh Government officials have indicated that the pilot could be delivered over a longer timescale, with the first year focusing more on scoping the pilot and working with settings to understand the implications on the ground. Additional funding would be provided towards the staffing and engagement costs associated with this, though this would be lower than £3.5m. The specific parameters of this approach would need to be determined, but the available funding would not exceed £1m.					

BRIDGEND COUNTY BOROUGH COUNCIL

REPORT TO CABINET

25 FEBRUARY 2020

REPORT OF THE CORPORATE DIRECTOR - EDUCATION AND FAMILY SUPPORT

CENTRAL SOUTH CONSORTIUM JOINT EDUCATION SERVICE

1. Purpose of report

- 1.1 The purpose of the report is to secure Cabinet's commitment to the long-term future of the Central South Consortium Joint Education Service.

2. Connection to corporate improvement objectives/other corporate priorities

- 2.1 The information in this report relates to the following strategic priority in the Corporate Plan:
- Supporting a successful economy.

3. Background

- 3.1 Welsh Government is making significant changes to the delivery of education in Wales. In the autumn of 2018, the five Education Cabinet Members of the Central South Consortium Joint Committee commissioned the ISOS Partnership to undertake an independent review of Central South Consortium to ensure it was fit for purpose and financially viable for the foreseeable future.
- 3.2 A progress report from the Lead Chief Executive of the Consortium was presented to the Joint Committee on 19 December 2019, who approved recommendations 2.1 to 2.3. A copy of this report and the ISOS report is attached in the Appendix to this report.
- 3.3 The Joint Committee approved a request that five local authorities share the ISOS report with the Cabinets of the five local authorities to Central South Consortium before the end of February 2020, and that the five Councils consider and restate their commitment to a joint approach to school improvement through Central South Consortium.

4. Current situation

- 4.1 The ISOS report provides robust evidence that the educational performance of the Central South Region has significantly exceeded that of the other three Welsh regions; particularly when you consider the region has the highest levels of deprivation in Wales. Furthermore, the majority of the region's head teachers are positive about the support, advice and guidance provided by the Joint Service. However, given fundamental changes to the educational landscape in Wales against a backdrop of continued funding pressures, it is critical that the service evolves to meet needs in a flexible and sustainable manner.
- 4.2 It is therefore pleasing to note that the Joint Committee of Education Cabinet Members has been proactive and commissioned the ISOS review to independently evaluate the

performance of the Joint Service, identify the areas for improvement and to ensure it is fit for purpose and financially viable for the long term.

4.3 In one of the four regions, there has been some uncertainty as to the long-term future of their shared educational advisory services. This report seeks to provide a clear commitment from each of the five Councils to the long-term future of Central South Consortium and provide schools and Central South Consortium staff with some certainty in a period of significant flux for the education sector in Wales.

4.4 If the five Council Cabinets confirm their continued support for the delivery of the shared educational advisory services, the Directors of Education and the Managing Director of Central south Consortium will move forward with:

- plans to remodel Central South Consortium as advised by ISOS;
- three-year budget proposals for consideration by the five Councils; and
- opportunities to ensure that the vast majority of grant funding continues to go directly to schools, but that the relevant overheads of delivering Welsh Government curriculum support are appropriately funded by Welsh Government grants.

4.5 There will be significant engagement with headteachers and governors as part of the remodelling of Central South Consortium, and in the delivery of future work programmes.

4.6 If a Council wishes to withdraw from the Central South Consortium, the legal agreement states:

Any party proposing to withdraw from this agreement must notify each of the other parties by giving not less than two years notice in writing of its intention to withdraw expiring on 31 March in any given year.

4.7 Therefore, the earliest any Council could withdraw from the agreement is 31 March 2022.

5. Effect upon policy framework and procedure rules

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

6. Equality Impact Assessment

6.1 There are no equality issues arising from this report.

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

7.1 The Well-being of Future Generations (Wales) Act 2015 Assessment provides a comprehensive summary of the outcomes expected from the implementation of the service.

Long term	The Well-being of Future Generations Act 2015 ("the 2015 Act") requires the Council to think about the long-term impact of their decisions, to work better with people, communities and each other and to prevent persistent problems such as poverty, health inequalities and climate change.

Prevention	The local authority's commitment to raising standards in all of Bridgend schools.

Integration	Monitoring and acting upon schools' individual needs is key to ensuring that outcomes for schools are achieved thus helping to support a successful economy.
Collaboration	This report recognises the importance of working in collaboration to meet the needs of young people over the long term.
Involvement	This area of work involves all stakeholders in school improvement. Schools work closely with challenge advisers from CSC to refine their improvement plans or post-inspection action plans and to identify strategic support from the local authority, CSC and elsewhere (as required) reflecting the diversity of stakeholders involved in aspects of school improvement.

8. Financial implications

- 8.1 There are no financial implications aligned to this report. All costs will be covered from existing budgets.
- 8.2 It is important to note that savings have been identified within the Medium-Term Financial Strategy for 2020-2021 in respect of the local authority's financial commitment to Central South Consortium, and further savings are likely for future years. The local authority does not anticipate that these savings will have any negative impact on the service provided by Central South Consortium to its schools or pupil referral unit.

9. Recommendation

- 9.1 Based on the fact that an independent review of the work of Central South Consortium has determined the Joint Service will be well placed to deliver school improvement functions effectively, and support schools to manage the major reforms across the region, along with positive feedback received from head teachers at recent Scrutiny sessions, it is recommended that Cabinet:
- agrees to support the decision of the Central South Consortium Joint Committee to continue to deliver shared educational advisory services in partnership with the other four Councils in the region for at least the next three years.

Lindsay Harvey
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Background documents: None

CENTRAL SOUTH CONSORTIUM

REPORT FOR JOINT COMMITTEE

19th DECEMBER 2019

JOINT EDUCATION SERVICE

JOINT REPORT OF THE LEAD CHIEF EXECUTIVE – REVIEW OF THE FUTURE DIRECTION OF THE CONSORTIUM

Author: Paul Orders (Chief Executive – City of Cardiff Council)

1. PURPOSE OF REPORT

- 1.1 To update members on the current position following the ISOS review of Central South Consortium and to acknowledge progress to date.
- 1.2 To present a detailed implementation plan attached at Appendix A to take forward the ISOS recommendation to re-model the Consortium.

2. RECOMMENDATIONS

It is recommended that Members:

- 2.1 Review and accept the detailed implementation plan to remodel the current Consortium approach;
- 2.2 Request that the ISOS report attached at Appendix B is shared with the Cabinets of the five Local Authorities to the Consortium before the end of February 2020, and the five councils consider and restate their commitment to a joint approach to school improvement through the Consortium;
- 2.3 Request that a report is presented to the next Joint Committee meeting that sets out an indicative three year budget for the Consortium to make longer term planning easier.

3. BACKGROUND

- 3.1 Members agreed to commission ISOS to undertake an independent review of the Consortium at their October 2018 Joint Consortium Committee meeting. The context to the review was the national changes to the education system and the financial pressures facing schools and Local Authorities.

- 3.2 As Members will be aware, at a national level Welsh Government is making many changes to the education system in Wales, with a new curriculum from Foundation Phase through to Key Stage 5, new accountability frameworks, new approaches to supporting children with Additional Learning Needs, the implementation of schools as learning organisations, the introduction of a National Academy for Educational Leadership (endorsing programmes which will in turn attract funding), the launch of a professional learning model (which will impact upon school to school programmes) as well as changes to the way in which Estyn will inspect schools and local authorities. These changes are being made with no direct increase in the funding available to schools and local authorities.
- 3.3 The review was therefore asked to consider the following questions:
- How well are we performing currently and how well do we understand our own performance and strengths and challenges?
 - Are there any other examples and work we can learn from in other consortium in Wales or other local education systems particularly around the development of a school led-system?
 - Is the current model fit for purpose for the future taking into account WG planned changes to the education system?
 - Is the model affordable over the next 3-5 years, with a likely continued period of austerity?
 - What needs to change and how would you implement this change over the next 3-5 years?
- 3.4 The review was undertaken in two phases: an initial evidence gathering phase in November and December 2018 and further development and testing of proposals in February and March 2019. During the course of the review ISOS have spoken to senior Consortium staff, LA representatives including Lead Members for Education, Chief Executives and Directors, over 20 Headteachers, 2 Governors, Trade Unions representing other school based staff, other Consortia in Wales and Welsh Government. A full list of interviewees is included in the final report from ISOS.
- 3.5 ISOS presented their final report to Chief Executives on the 29th April 2019. The rest of this report provides an overview of the ISOS findings and recommendations about the way forward.

4. SUMMARY OF ISOS FINDINGS AND RECOMMENDATIONS

- 4.1 The full ISOS report is included at Annex A. It is structured around the five questions the review was asked to address. The main findings are summarised below.
- 4.2 **Section 1: How well are you performing currently and how well do you understand your own performance and strengths and challenges?** The data shows that schools have made good progress over the last 5 years against most key performance measures supported by the work of the Consortia and Local Authorities but that key performance challenges remain. These include the need to:

secure further improvement to match the performance of the fastest improving Local Authorities; to narrow the gap in outcomes for eFSM pupils; to secure further improvements to ensure all schools in the region are judged good or excellent by Estyn; to respond to new challenges around Wellbeing, Attendance and Exclusions.

4.3 **Section 2: Are there any other examples and work you can learn from in other consortium in Wales or other local education systems particularly around the development of a school led-system?** Isos looked at work in other Consortium in Wales as well as drawing on our research into the way local education systems are developing in England. They identified a number of potential lessons including: looking at the way others have developed and used Cluster working to support improvement; ensuring the links between the different levels are clear so clusters are connected up locally and local partnerships are connected to the Consortium; looking at whether there is more you could do to strengthen and deepen the engagement from a wider range of Headteachers across the region; and learning from other Consortium in Wales around their approach to planning and budgeting.

4.4 **Section 3: Is the current model fit for purpose for the future taking into account Welsh Government planned changes to the education system?** Interim feedback from conversations with stakeholders was presented to Joint Consortium Committee in December 2018. Subsequent conversations largely confirmed these messages which show there are many strengths and successes of the current model. However they also highlight a number of challenges the Consortium will need to address moving forward including the following:

1. **Leadership and capacity gaps.** The absence of permanent leadership, gaps at a senior level and uncertainty around the future of the Consortium have impacted its ability to do its job effectively over the last 12-18 months. There is a need therefore to reset the vision and ensure the Consortium has the leadership, credibility and capacity to drive forward work across the system in partnership with Local Authorities and schools.
2. **Clarity about roles and responsibilities.** There is a need to set out again for everyone involved the respective roles of the Consortium, Local Authorities and Schools and to show how the connection between the Consortium and the work of Local Authorities can be strengthened. Senior Challenge Advisers also need to be more effectively connected to the wider work of the Consortium to play a stronger system leadership role.
3. **Tension between the Consortium's role as a regional school improvement service and delivery arm for Welsh Government.** This tension needs to be managed more effectively so Local Authorities and schools understand and see how their priorities fit alongside and/or are different from national priorities which the Consortium is being asked to deliver against and how funding is being used to support them.
4. **Support schools to implement the new curriculum.** This is the biggest challenge facing the system in the coming years and the Consortium needs to ensure that the school to school support structures that exist through Pioneer Schools, Hubs and Clusters have sufficient expertise and capacity for the task.
5. **Determine the future Challenge Adviser model.** There is a need to continue to improve the quality of Challenge Advisers support and challenge to schools

and to determine the future role of Challenge Advisers in relation to different types of schools and the fit with Peer Review.

6. **Strengthen Governance.** There is a need to be clearer about the role and purpose of different groups and to rationalise and simplify the current model. There is also a need to further strengthen the engagement of Headteachers and System Leaders in Governance.
7. **Funding pressures.** For schools and Local Authorities this remains the biggest challenge in the system so any action the Consortium takes will also need to take account of these pressures and deliver further savings where possible.

4.5 **Section 4: Is the model affordable over the next 3-5 years, with a likely continued period of austerity?** The report provides an overview of current core and grant funding and shows what it is currently being spent on. It identifies spending on Challenge Advisers and other core CSC staff as the two areas with the greatest potential for further efficiencies, given the current limitations around grant funding. It includes more detailed analysis of the potential savings in relation to the Challenge Adviser budget and Senior Management structure. It includes scenarios showing what a 2%, 5% and 10% annual reduction looks like and concludes that achieving even a 5% annual saving would be very challenging and require the significant savings to be delivered from the Challenge Adviser budget.

4.6 **Section 5: What needs to change and how would you implement this change over the next 3-5 years?** ISOS identified a set of options for the potential way forward:

1. Local Authorities take back all school improvement functions and end any form of regional arrangements
2. Local Authorities take back some school improvement functions but retain a regional delivery function to support national priorities
3. Identification of a Lead Local Authority to take responsibility for delivery of all school improvement functions on behalf of others
4. Formal mergers between Local Authority education services so joint LAs undertake all school improvement functions
5. A more formalised shared services company model where LAs commission and hold it to account but don't oversee the governance
6. A merger with another regional school improvement service
7. Re-modelling of the current Consortium model

In discussion, **options 2 and 4** emerged as the most likely alternatives to the current regional arrangements and ISOS has undertaken further analysis of each of these options alongside **Option 7** to remodel the current Consortium model. ISOS conclude having looked at each of the options that Option 7 - to remodel the consortium - is the one that builds most logically on where we are now and provides certainty and stability to schools during a period of significant change. ISOS highlight in the rest of the report a number of areas they recommend focusing on to strengthen delivery and argue that these steps would be necessary in the short term anyway

even if a different decision is taken about the way forward longer term.

5.0 PROGRESS TO DATE

Detailed updates on progress are included within the implementation plan in Appendix B. Items of progress to note include:

- Managing Director appointed November 2019;
- Consultation on senior challenge advisers underway;
- Acting Managing Director and or members of senior leadership team attended all Local Authority headteacher meetings ;
- Revised Central South Wales Challenge model communicated to schools;and
- Initial review of governance models

6.0 NEXT STEPS

Short term priorities include:

- Consult and agree a revised governance model;
- Establish a senior leadership structure;
- Review and consult on revised senior challenge adviser & challenge adviser models;
- Publish the revised communication strategy; and
- Review and amend presentation of funding models and monitoring reports

7.0 CONCLUSION

- 7.1 It is acknowledged that some progress has been achieved since the conclusion of the ISOS review
- 7.2 The plan attached at Appendix B provides a robust set of agreed actions for delivering the remainder of the recommendations in a timely fashion
- 7.3 Working in partnership with the five local authorities, the Central South Consortium will be well placed to deliver school improvement functions effectively, and support schools to manage the major reforms across the region.

Review of Central South Wales Consortium

Final report April 2019



Executive Summary

- Isos Partnership were commissioned by Central South Consortium to undertake a review of the regional delivery arrangements in the Central South region. The background and context to the review is shown on page 3 along with the key questions we were asked to consider.
- The review has taken place in two phases: an initial evidence gathering phase in November and December 2018 and further development and testing of proposals in February and March 2019. During the course of the review we have spoken to senior Consortium staff, LA representatives including Lead Members for Education, Chief Executives and Directors, over 20 Headteachers, 2 Governors and Trade Unions representing other school based staff, other Consortia in Wales and Welsh Government. Full details of interviewees are shown on page 4.
- The rest of the report is then structured around the five core questions we were asked to address:
 - **Section 1: How well are you performing currently and how well do you understand your own performance and strengths and challenges? (p5-17)** The data shows that schools have made good progress over the last 5 years against most key performance measures supported by the work of the Consortia and Local Authorities but that key performance challenges remain (see Slide 12 for a summary of the challenges).
 - **Section 2: Are there any other examples and work you can learn from in other consortium in Wales or other local education systems particularly around the development of a school led-system? (p18-21).** We have looked at work in other Consortium in Wales as well as drawing on our research into the way local education systems are developing in England and drawn out potential lessons for you.
 - **Section 3: Is the current model fit for purpose for the future taking into account Welsh Government planned changes to the education system? (p22-32)** This section summarises feedback from external evaluations/surveys as well as from our conversations with stakeholders. It suggests that whilst there are many strengths and successes of the current model there will need to be clear and committed action to address the challenges facing the Consortium if it is going to be fit for purpose moving forward (see p29 for a summary of these challenges).
 - **Section 4: Is the model affordable over the next 3-5 years, with a likely continued period of austerity? (p33-43)** This section provides an overview of current core and grant funding and shows what it is currently being spent on. It identifies spending on Challenge Advisers and other core CSC staff as the two areas with the greatest potential for further efficiencies, given the current limitations around grant funding. It includes more detailed analysis of the potential savings in relation to the Challenge Adviser budget and Senior Management structure.
 - **Section 5: What needs to change and how would you implement this change over the next 3-5 years? (p44-55)** We identify a series of three steps to work through to determine the way forward. Step 1 includes our analysis of the delivery options (see p50 for a summary of our views); Step 2 asks you to consider the potential three year budget; and Step 3 includes our recommendations to strengthen delivery.



Background and context to the review

Isos Partnership were commissioned by Central South Consortium to undertake a review of the regional delivery arrangements in the Central South region. The review was asked to consider the implications of the changing national landscape including changes to the curriculum and accountability arrangements and national policies to support school to school working including the new National Academy and professional learning model. The other major driver for the review is the continued financial pressures on local authorities and schools. The review will develop proposals for a fit for purpose model for the next 3-5 years that is affordable and meets the needs of local authorities and schools whilst continuing to deliver improved outcomes for children and young people in the region.

The review is looking to answer the following questions:

- How well are you performing currently and how well do you understand your own performance and strengths and challenges?
- Are there any other examples and work you can learn from in other consortium in Wales or other local education systems particularly around the development of a school led-system?
- Is the current model fit for purpose for the future taking into account Welsh Government planned changes to the education system?
- Is the model affordable over the next 3-5 years, with a likely continued period of austerity?
- What needs to change and how would you implement this change over the next 3-5 years?

The review has been undertaken in two broad phases:

- an initial evidence gathering stage with interim feedback (Nov – Dec 2018)
- further development and testing of proposals for the future model with a final report (Jan-March 2019)



Who we have spoken to during the review

During the initial phase of the review we spoke with the following:

- A selection of Consortium staff including Senior Managers, Senior Challenge Advisers and other consortium staff working on a range of school improvement initiatives
- The Lead Member for Education, Chief Executive and Lead Director with responsibility for Education for each Local Authority; and the Scrutiny Leads in Cardiff, Vale, and Bridgend
- A sample of 18 schools nominated by their Directors to participate to achieve a mix of secondary, primary, special, welsh language schools
- A Governor representative and three representatives from Delegate Heads group
- We have also spoken to Welsh Government, the Managing Directors of other Consortium in Wales and Professor Mark Hadfield.

During the second phase of the review we held further discussions with senior consortium staff, a workshop with Delegate Heads and had further conversations with Headteachers who were chairing or leading Headteacher groups or clusters in Cardiff, Merthyr, RCT and Vale of Glamorgan. We also received feedback from Cardiff Secondary Headteachers, spoke to a Governor representatives from Merthyr Tydfil and Trade Union representatives from NEU, NASWUT and UCAC.

The full list of schools spoken to during the review is shown below:

• St Marys & St Illtyd's R C Primary	• Caegarw Primary	• St Mellons Primary
• Abercanaid Primary	• Ysgol Bro Eirwg	• Ysgol y Deri
• Tonysguboriau Primary	• Riverbank/Woodlands/Ty Gwyn	• Peterston super Ely CiW Primary
• Porthcawl Comprehensive	• Eastern High	
• Cynffig Comprehensive	• Cadoxton Primary	
• Blaengawr Primary	• Coryton Primary & Tongwynlais Primary	
• Cwmlai Primary	• Ferndale Community School	
• Springwood Primary	• Maesybryn Primary	
• Pencoedtre High School & Whitmore High School	• Greenway Primary	



Section 1: How well are you performing currently
and how well do you understand your own
performance and strengths and challenges?

This year's data shows an overall positive picture with CSC above the national average for all key stages and improvement against all apart from Foundation Phase

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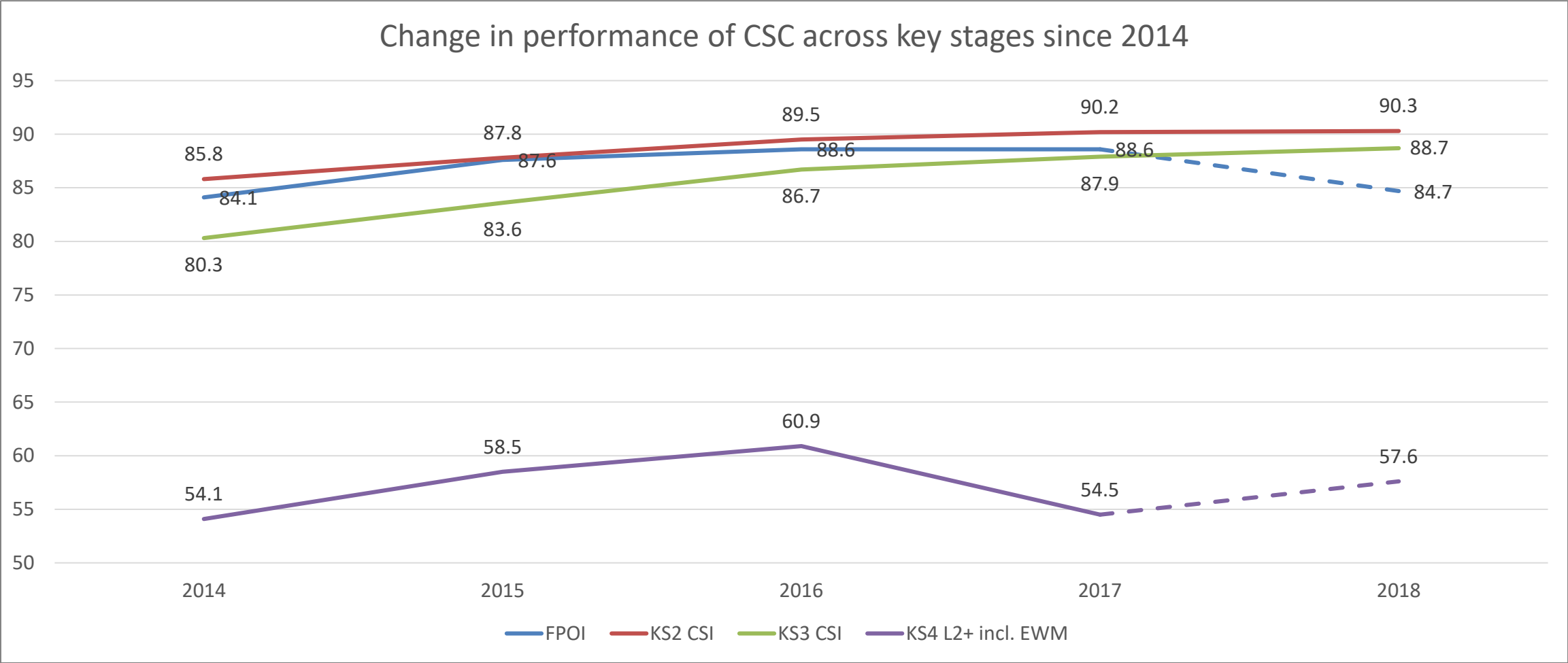
Performance Measure	Current performance	Improvement since previous year	Improvement over last three years	Range of performance across CSC	National average
Foundation Phase¹ (% of pupils with FPOI Outcome 5 or above)	84.7	-3.9	N/A	- Bridgend: 86.3 - Cardiff: 85.2 - Merthyr Tydfil: 85.5 - RCT: 81.3 - VoG: 87.5	82.6
Key Stage 2 (% of pupils with KS2 CSI Level 4 or above)	90.3	+0.1	+2.5	- Bridgend: 88.3 - Cardiff: 90.2 - Merthyr Tydfil: 88.3 - RCT: 89.3 - VoG: 94.9	89.5
Key Stage 3 (% of pupils with KS3 CSI Level 5 or above)	88.7	+0.8	+5.1	- Bridgend: 90.2 - Cardiff: 87.3 - Merthyr Tydfil: 88.1 - RCT: 87.9 - VoG: 92.3	88.1
Key Stage 4² (% of pupils with KS4 Level 2 or above inc EWM)	57.6	+3.1	N/A	- Bridgend: 56.5 - Cardiff: 60.4 - Merthyr Tydfil: 42.6 - RCT: 53.1 - VoG: 66.3	55.1
Categorisation outcomes (% schools as Green)	47%	+3%	+19%	- Bridgend: 49% - Cardiff: 55% - Merthyr Tydfil: 42% - RCT: 36% - VoG: 53%	41%

Confidential - for discussion at Joint Consortium Committee

Notes: *1. Changes to FP Areas of Learning were made, making historical comparisons inappropriate. 2. Historical comparisons before 2017 are inappropriate due to change in measures at KS4.⁶

It is also important to remember how far performance has improved since 2014

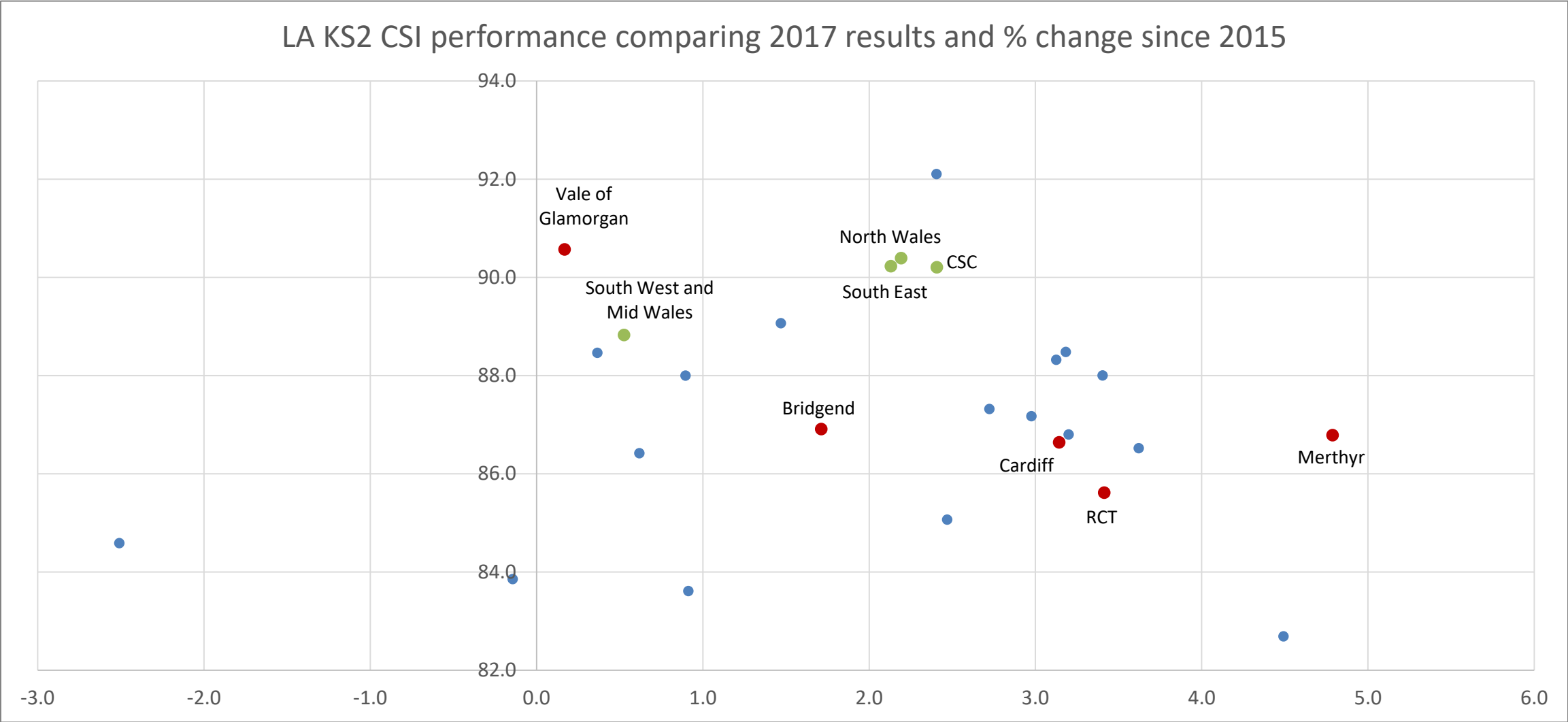
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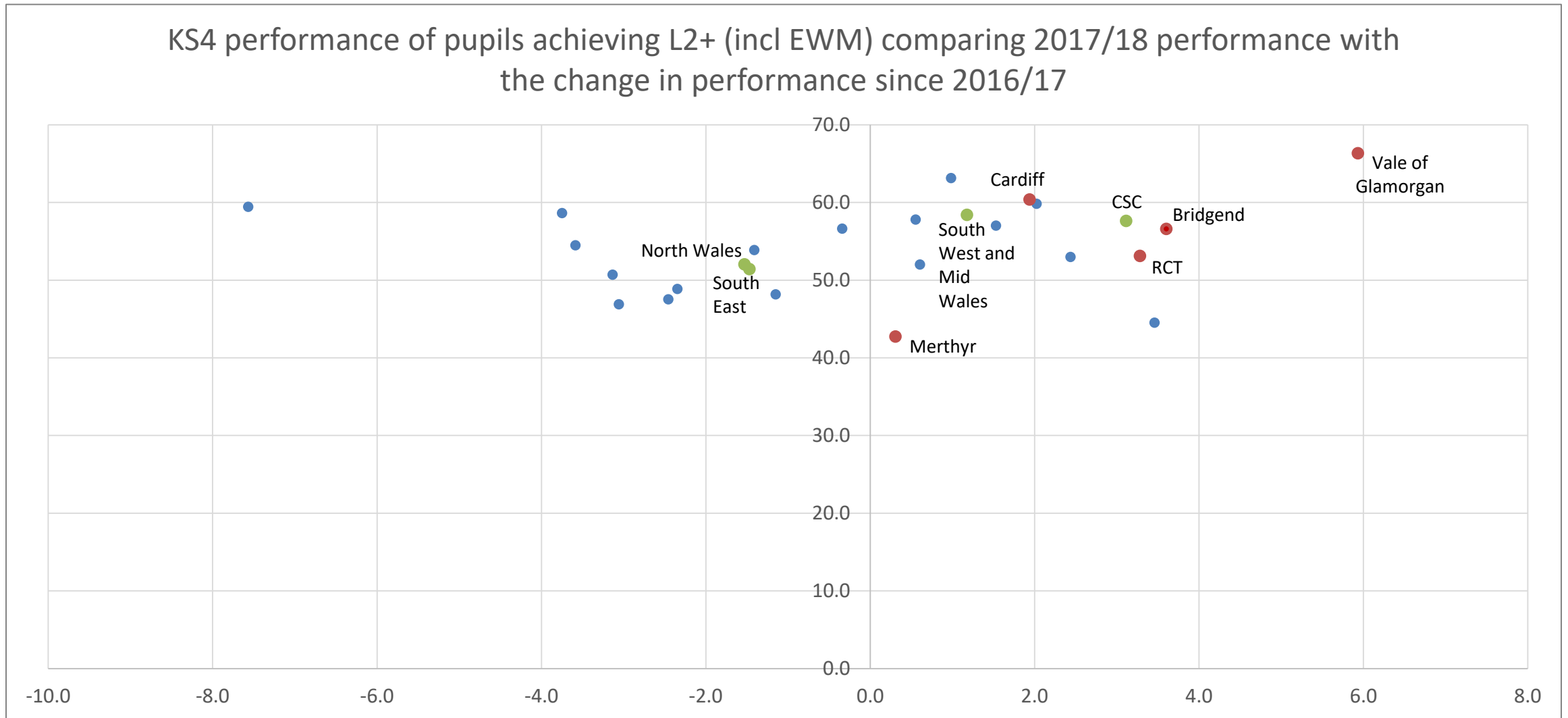
Note: Changes to FPOI Areas of Learning makes it difficult to compare historic performance with current. KS4 measure changed 2017-18 and therefore, results pre-2017 are not comparable to post 2017.



As a region CSC shows the best improvement rate at KS2, driven particularly by Merthyr Tydfil’s strong improvement and improvement in RCT, Cardiff and Bridgend

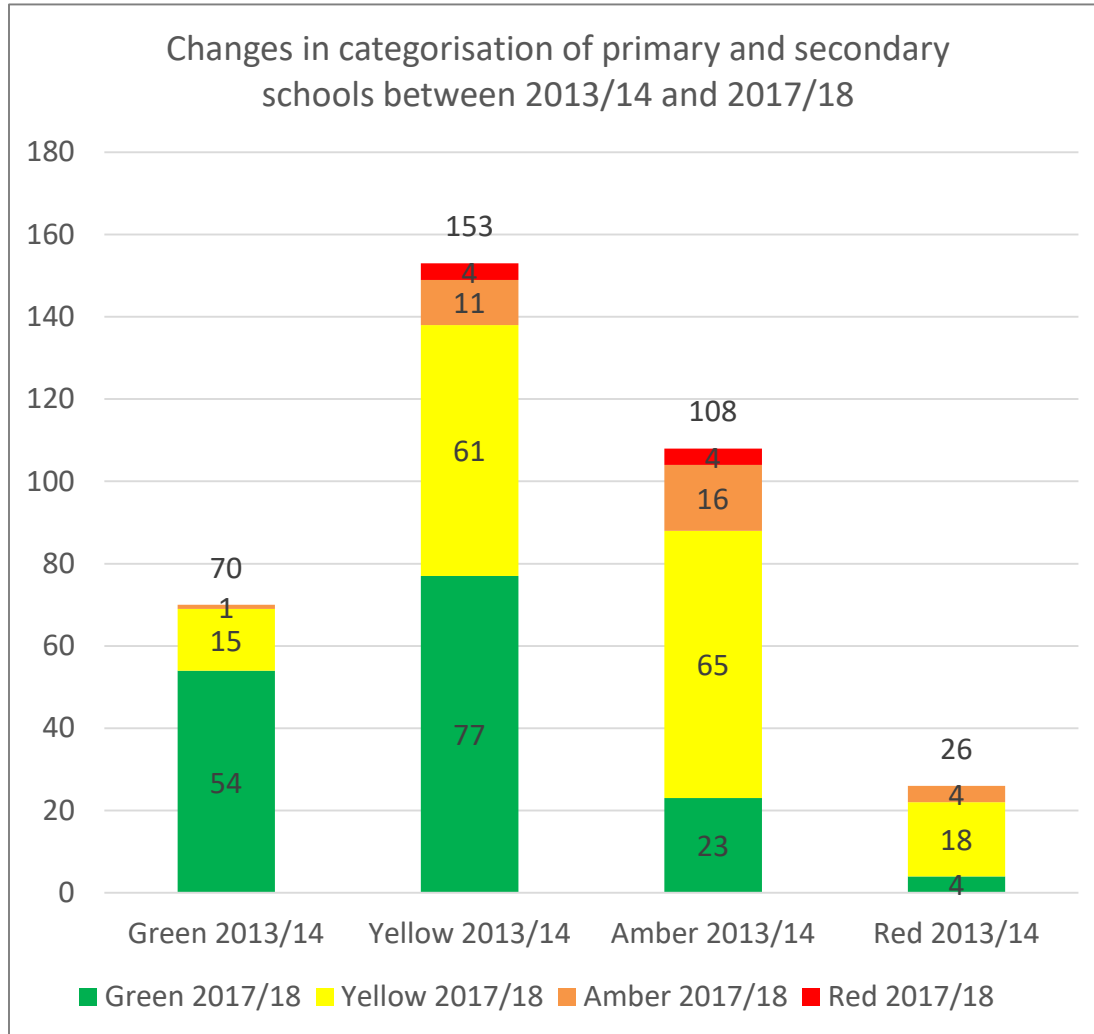


At KS4 CSC also shows the strongest improvement since the new measures came in in 2016/17 driven particularly by VoG's strong improvement and increases in Bridgend, RCT and Cardiff



CSC schools have moved up National Support Categorisations since 2013/14

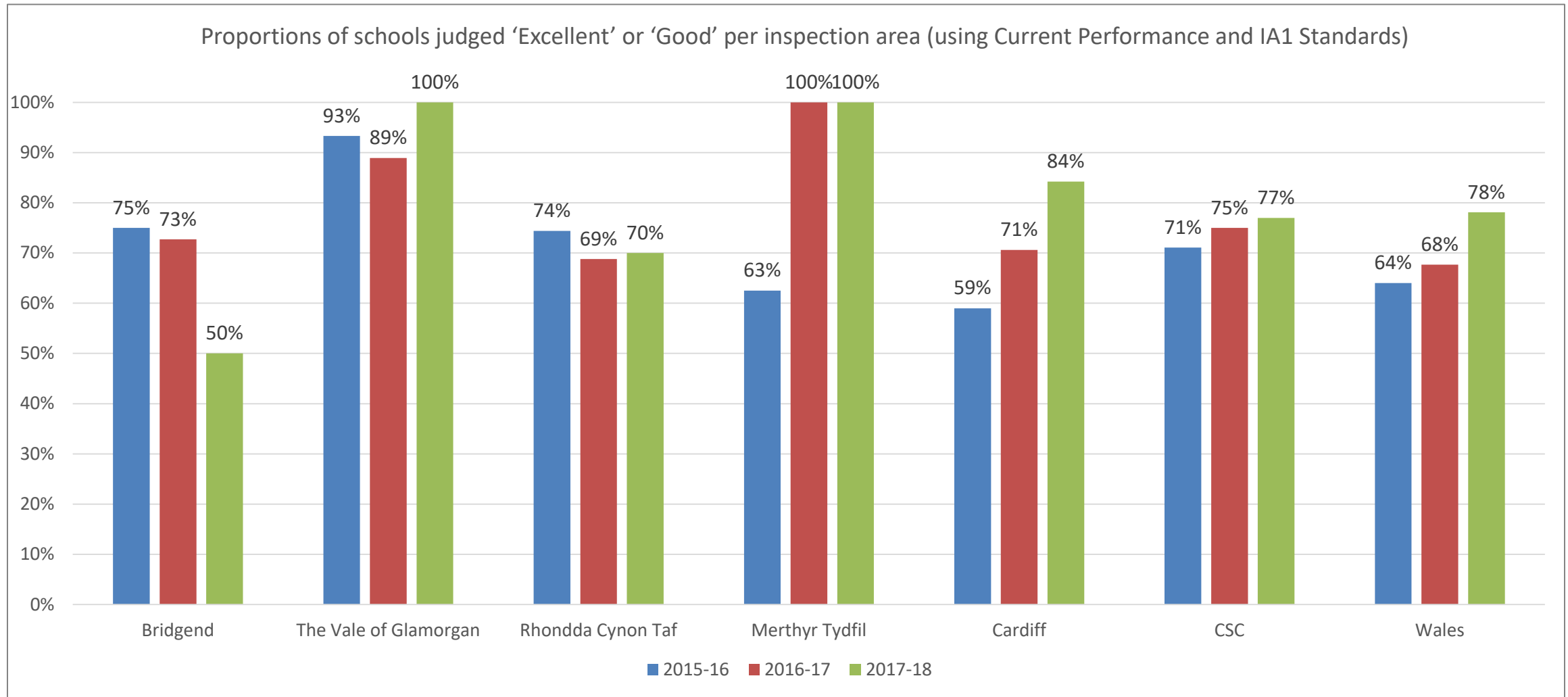
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- 30 schools moved down one support group (either from Green to Yellow, from Yellow to Amber or from Amber to Red).
- 5 schools moved down two support groups or more
- 131 schools remained in the same support category
- 146 schools moved up one support category (for example, from Yellow to Green); and finally
- 45 schools moved up two support categories or more (for example from Red to Yellow)
- Therefore, out of 357 possible primary and secondary schools to compare across this time period:
 - 37% remained the same
 - 54% went up
 - 10% went down
- The 2017/18 picture, therefore, is:
 - 3% Red (was 8% in 2013/14)
 - 8% Amber (30%)
 - 41% Yellow (43%)
 - 47% Green (19%)

There has also been an increase in the proportion of schools judged good or excellent each year over the last three years at CSC level although CSC is below Wales in 2017-18

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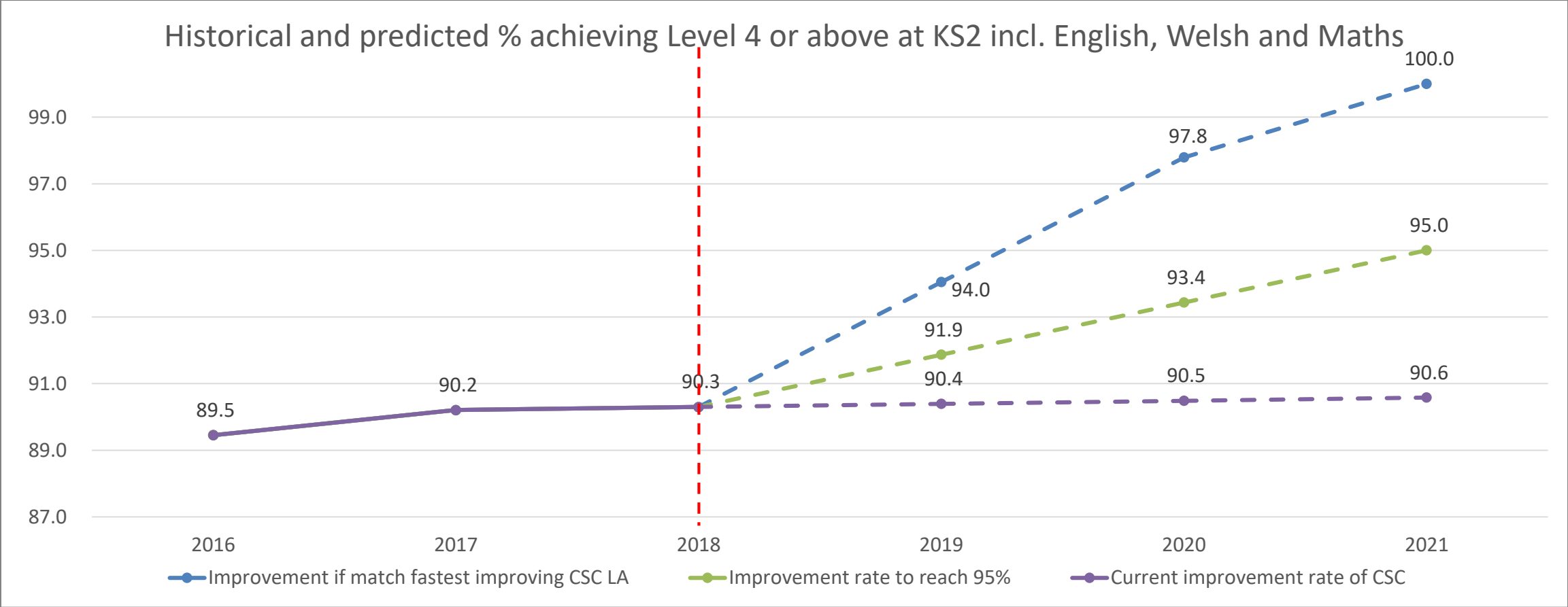
However there are still a number of areas where the region needs to improve further

- **There is room for further improvement at all Key Stages especially if all LAs could match the progress shown by the fastest improving LAs** in the region as Slide 13 and 14 show. At Key Stage 2 four out of five LAs are still in the lower half of performance amongst all LAs. At KS4 Merthyr is the lowest performing LA nationally and RCT is in the lower half of performance amongst all LAs.
- **There is more work to do in narrowing the gap for outcomes for eFSM pupils especially at Secondary level.** As slide 15 shows although the gap in performance between eFSM and non-eFSM pupils has narrowed year on year at KS2 this has not yet translated through to secondary level where the gap has increased at Key Stage 4 in each of the last 2 years despite a significant focus on improving the performance of eFSM students.
- **The region is performing less well on inspection outcomes under the new inspection regime and there is some way to go to ensure all schools are judged good or excellent.** Slide 16 shows the profile of inspection grades across the region and by LA under the new inspection arrangements. Merthyr and Vale of Glamorgan have achieved some consistently excellent or good judgments but performance in the other three LAs looks more variable. As Slide 17 shows just under a third of all schools across the region would need to improve to achieve the mark of 100% judged excellent or good.
- **There are new performance challenges emerging in other areas like Wellbeing, Attendance and Exclusions.** Tackling these challenges will require an even more joined up response with Local Authorities, who have primary responsibility in these areas, needing to work closely with the Consortium and with schools to drive improvements in these areas.



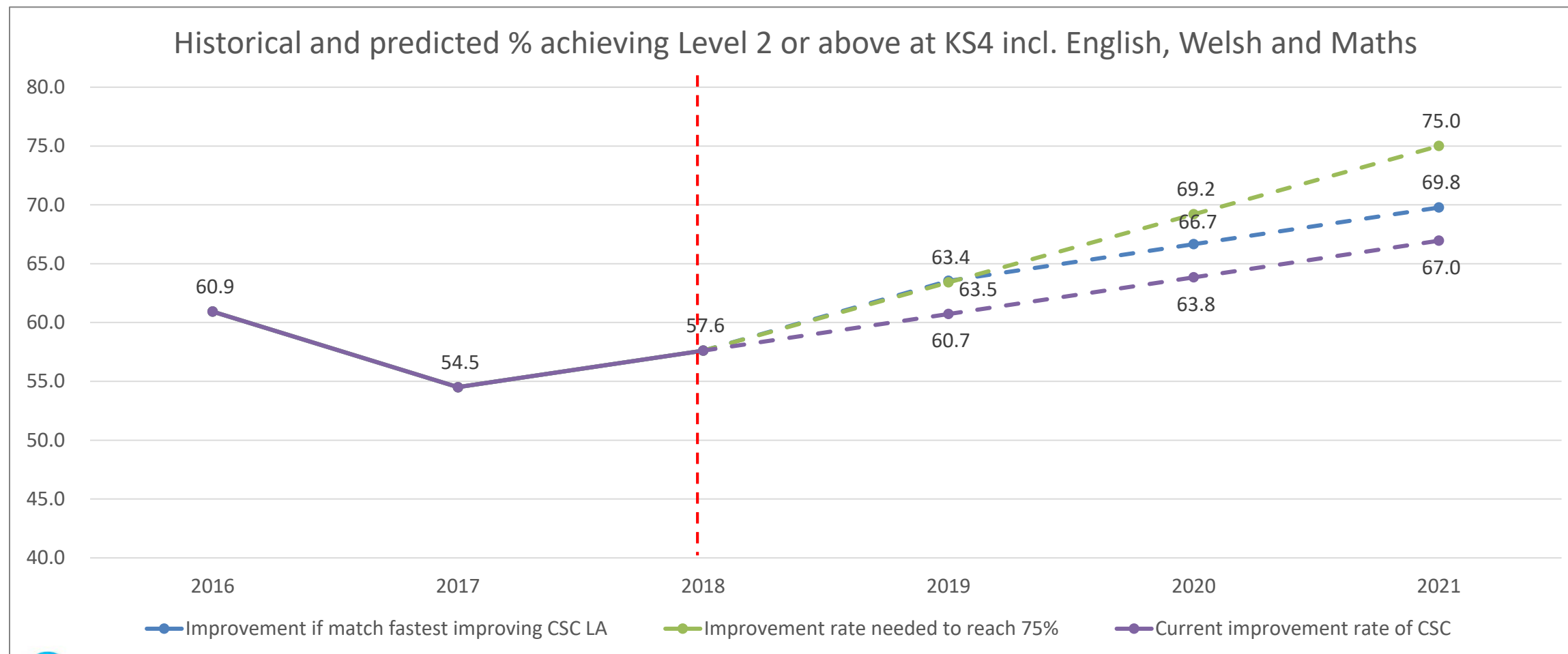
At KS2 if CSC continues at current rate of improvement it will see very little change by 2021. If however all LAs could match CSC’s fastest improving LA it would be possible to reach 100% by 2021

If CSC continues at the rate of improvement seen this year, the growth in the number of pupils achieving L4 or above would be marginal. The fastest improving LA in CSC, Merthyr Tydfil, achieved growth of 3.7% last year. If all LAs could match that rate of improvement it would be possible to achieve 100% of pupils achieving L4 and above by 2021. Or it would be possible to achieve a level of 95% of pupils achieving L4 or above with an improvement rate of an average of 1.6% per year – less than half the rate achieved by the fastest improver last year.



If CSC continues to improve at current rate it could get to 67% of pupils achieving Level 2+ at KS4 (incl. EWM) by 2021. If all LAs could match the highest rate of improvement seen last year it could get to 70%

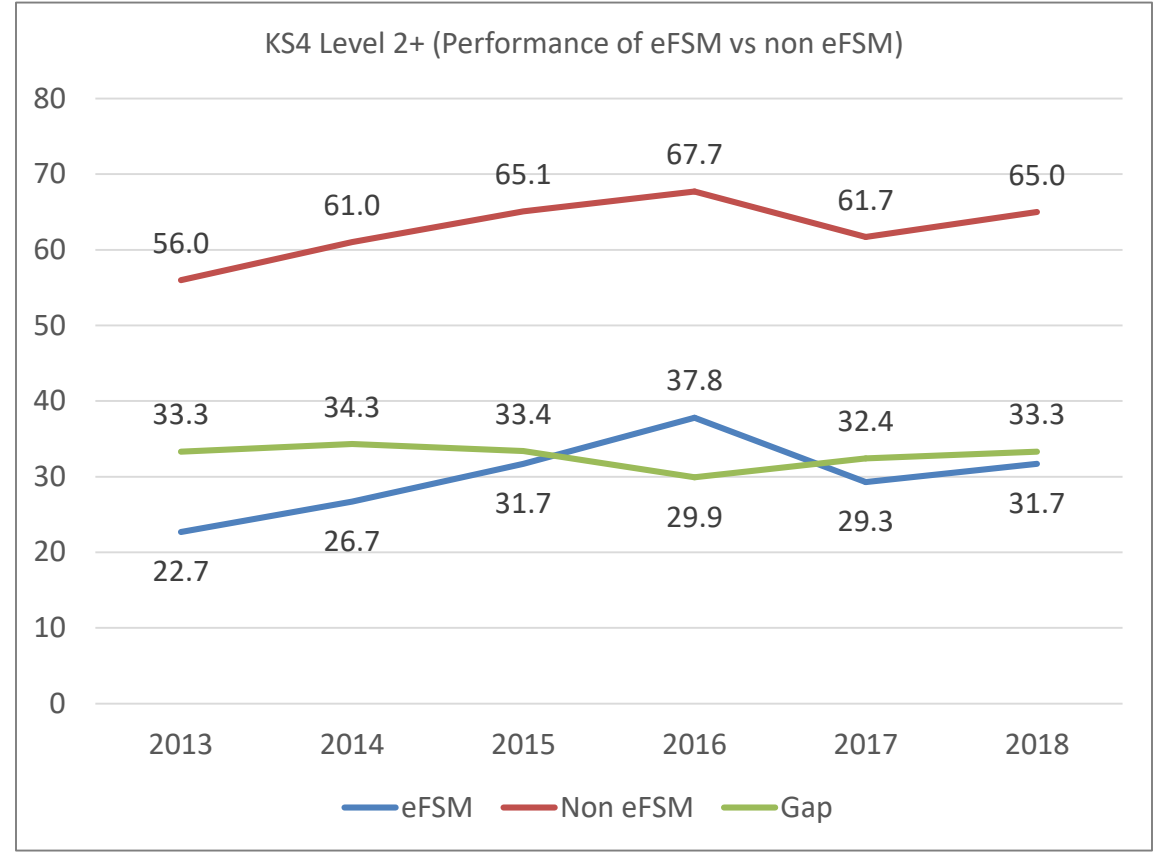
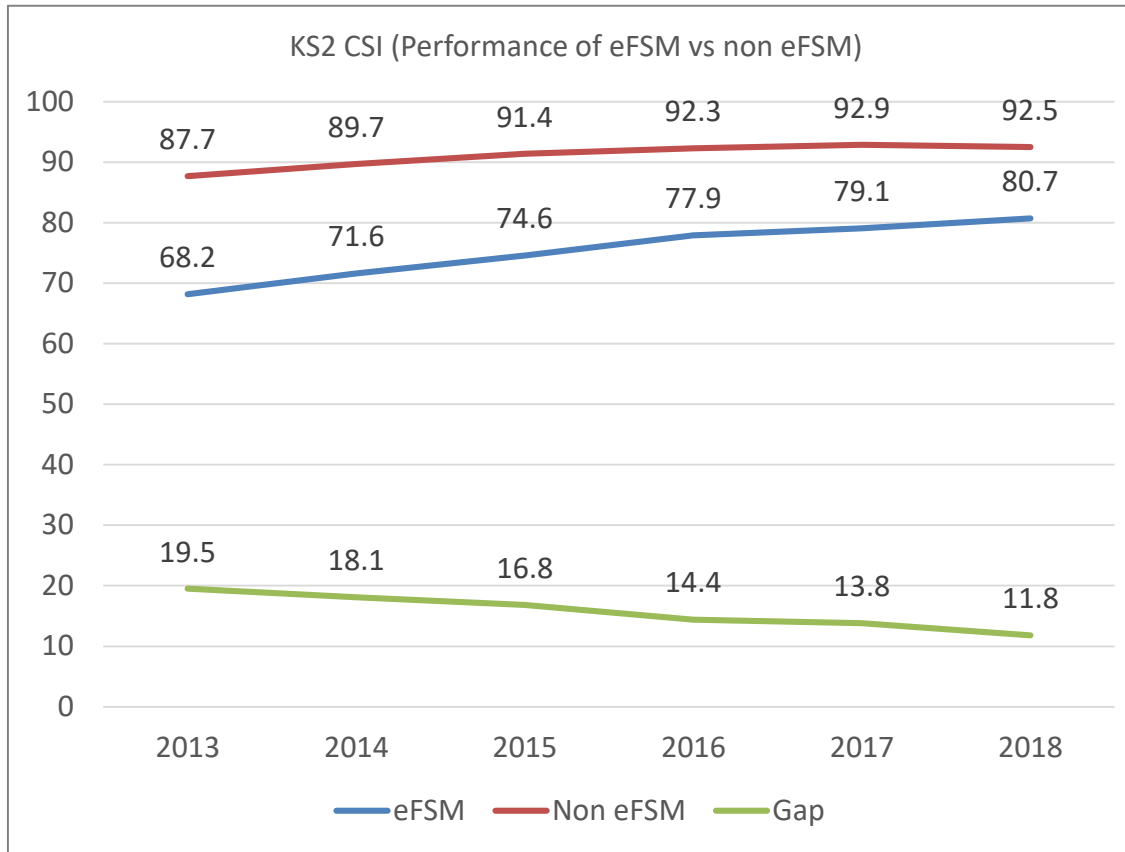
CSC improved at a rate above the national rate of improvement last year. If it can sustain this rate of improvement it would get to 67% of pupils achieving L2+ (inc EWM) at Key Stage 4 by 2021. If however all LAs could match the rate of the fastest improving LA¹ last year it would be possible to achieve close to 70% of pupils achieving this level. If CSC wanted to set an even more ambitious target of say 75% of students achieving Level 2+ (inc;. EWM) CSC would need to almost double the current rate of improvement.



1. This is based on the improvement Vale of Glamorgan exhibits the highest rate of improvement for 2017-18

Performance of eFSM pupils: The gap has continued narrowing at KS2 over the last 5 years but at KS4 gap has widened in last 2 years and is above the gap at national level.

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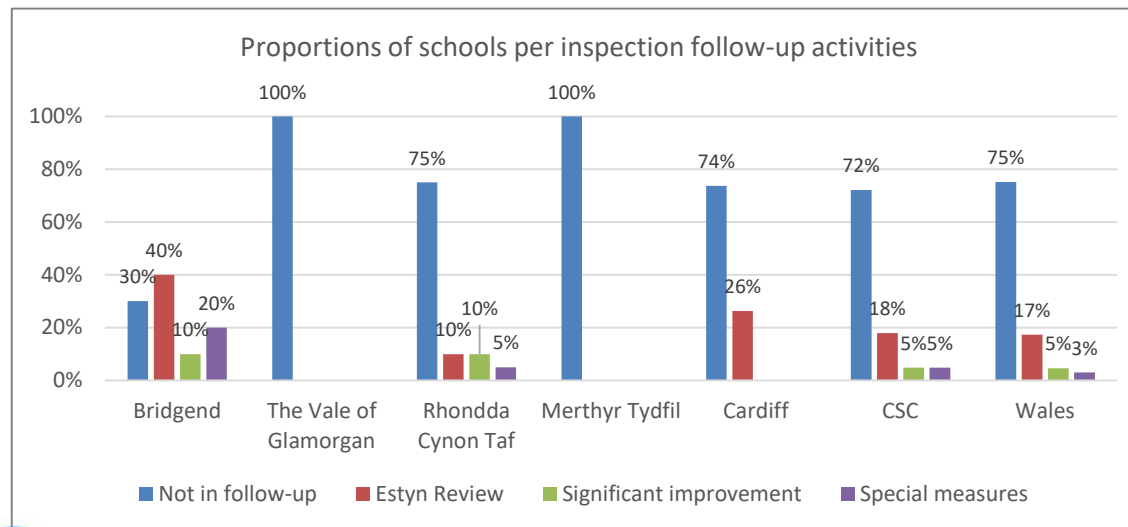
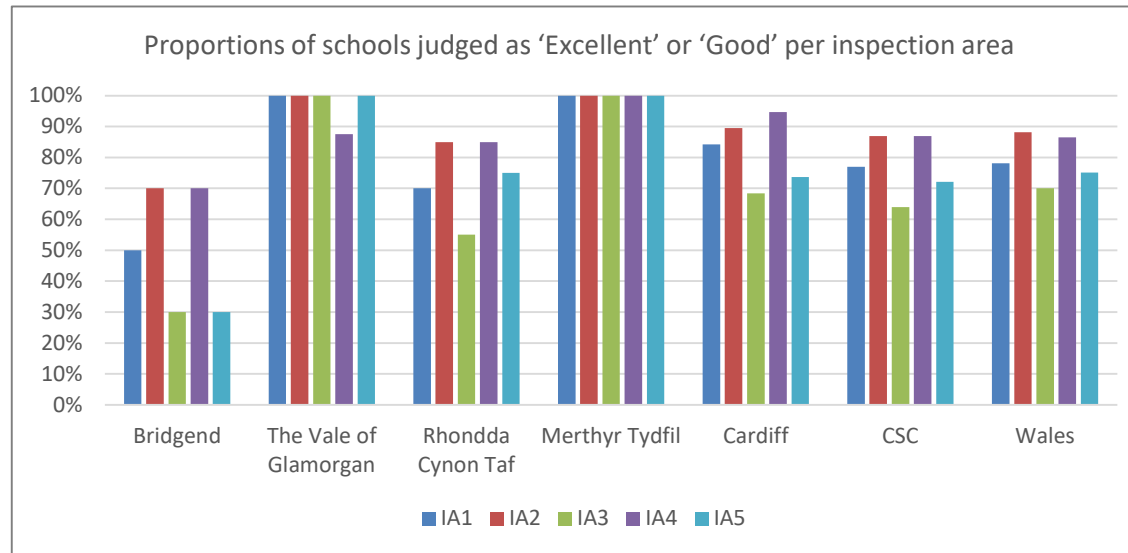


- The gaps in performance between eFSM and non eFSM pupils has decreased for all performance measures at both expected level and above-expected level
- This is driven by an increase in all performance measures for eFSM pupils, at both expected and above-expected level –whilst performance of non eFSM students has been more variable.

- The gap in performance for **KS4 Level 2 threshold** (incl. EWM) has widened, despite increases in performance for both eFSM and non eFSM
- This gap is wider than the national picture (CSC gap of 33.3pp and Wales of 32.3pp)



Given changes to the inspection framework, CSC is now the second lowest region for four out of five inspection areas although some LAs have performed very well on these new measures



Inspection Outcomes

- Given the new inspection framework introduced for 2017/18, there is no trend information for the breakdown of inspection areas
- The CSC region is below the national proportion of inspections judged as either 'Excellent' or 'Good' for all inspection areas, other than Inspection Area 4 (Care, Support and Guidance)
- There are some LAs within the region, however, that far outperform the national proportions – Merthyr Tydfil have 100% of schools inspected judged to be 'Excellent' or 'Good' for all inspection areas and Vale of Glamorgan has 100% for 4 out of 5 outcomes
- Overall, CSC is the second lowest region for the proportion of schools judged as either 'Excellent' or 'Good' for inspection areas 1, 2, 4 and 5 and is the lowest region for inspection area 3

Inspection Follow-Up

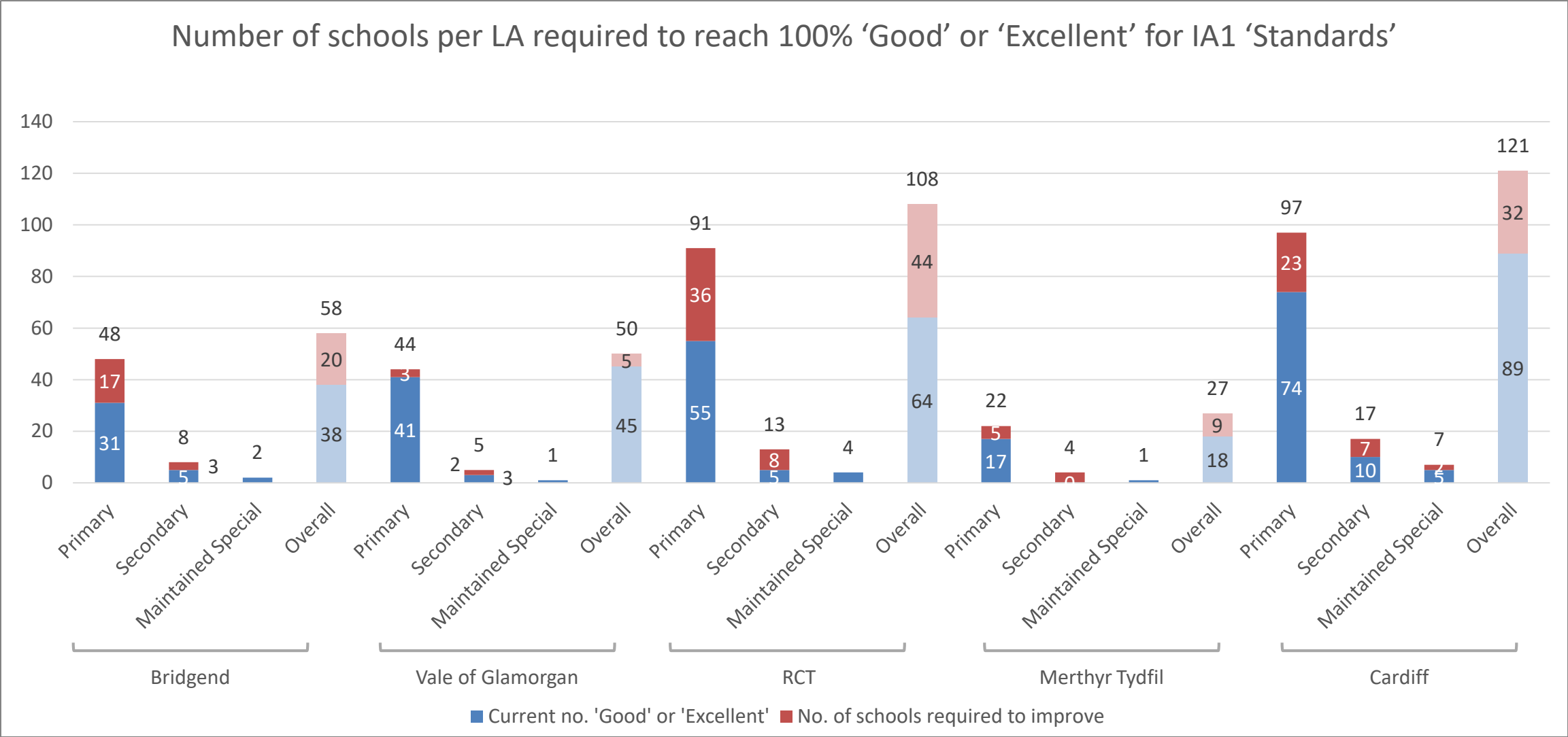
- CSC has fewer schools placed into the follow-up activity than the national proportion, and has similar proportions placed into follow-up activities Estyn Review and Significant Improvement
- But, CSC has a higher proportion of schools placed in Special Measures than national proportions

Excellent Practice Case Study

- Nearly four in ten schools inspected in CSC are invited to create excellent practice case studies, which compares favourably to national proportion of 32.5%

Out of 364 schools in the region with an inspection judgement, 110 would have to improve for CSC to reach 100% 'Excellent' or 'Good' for IA1 'Standards'

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* Only 364/387 schools have a current inspection judgement. The remaining 23 schools are not included in these figures.

Section 2: Are there any other examples and work you can learn from in other consortium in Wales or other local education systems particularly around the development of a school led-system?

Learning from other Consortium in Wales

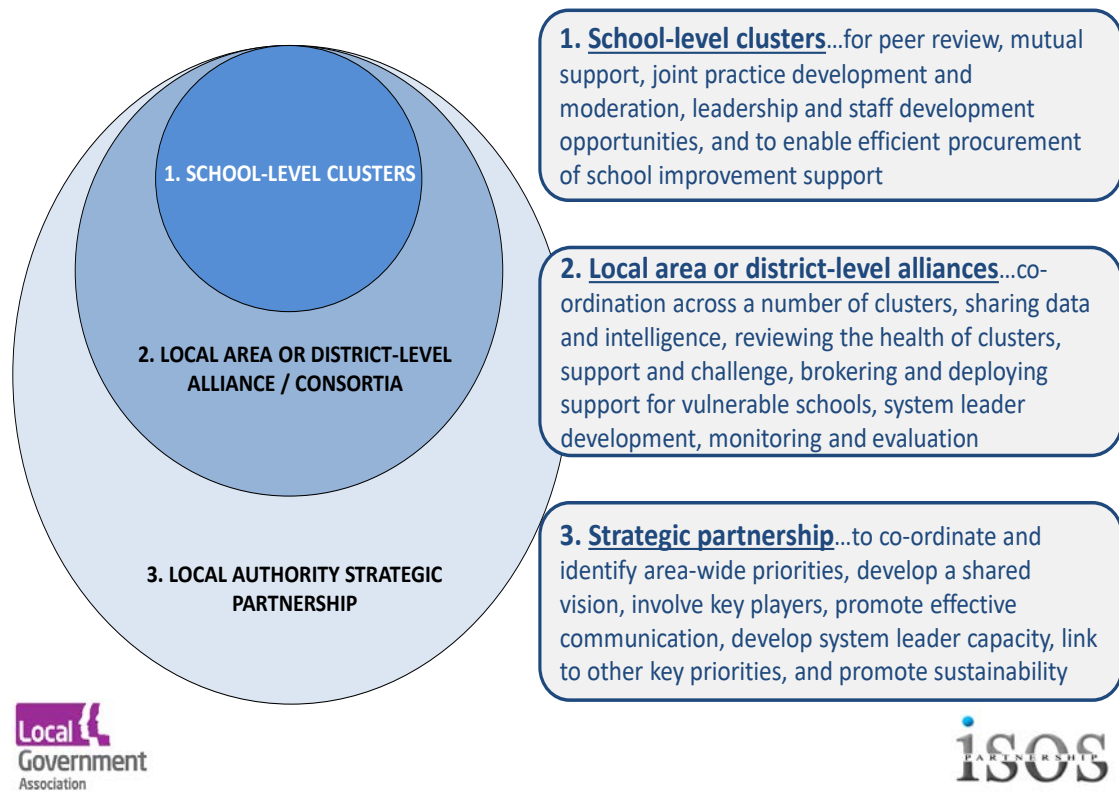
We have spoken to the Managing Directors in the three other regions to understand how their approach to Consortium working is evolving and changing. It is important to say that each of the other regions has a different delivery model to Central South – EAS has a company structure, GER has moved to a pan-region Consortium model and ERW is currently undergoing changes which will establish a stronger Consortium role for providing professional learning support. Whilst it is important to recognise these differences we believe there are still things you can learn from how they have developed elements of their delivery model and their business, planning and finance processes. Our main reflections are summarised below:

- **Be clear about your professional learning support offer and how this is distinct from the challenge role.** For example ERW have made it explicit that the Consortium's focus is all around supporting schools in three areas i) implementing the new curriculum ii) professional learning and iii) leadership development and this is a separate and distinct offer from the Challenge Adviser role. In GER they have made a deliberate change to the description of their Challenge Adviser role renaming it as a 'Supporting Improvement Adviser' to explicitly recognise that the role is about more than challenging schools and as important is the role they play in brokering and connecting schools to professional learning support.
- **Set forward budget projections in advance.** Two of the other Consortium have already set three year budgets to be clear to Local Authorities what the contributions required will be. In one this was discussed and agreed by Chief Executives, in the other the Consortium developed their proposals and put these to Members and Directors to agree. In both cases they were also looking at their core and grant budget as a single pot of funding and deciding how it would be allocated to meet their agreed strategic priorities rather than separating core and grant funding.
- **Provide transparency of spending and delegation to schools to allow easy reporting to Local Authorities.** EAS have developed an online tracking system that shows exactly what level of funding has been allocated to each school along with conditions of grant they are expected to meet. Schools are expected to report against this spending – either by uploading their own evaluation process or by completing simple one page form. The details of any support being provided and the latest Challenge Adviser reports are also available so LAs have this all in one place. ERW also talked about being more transparent about the delegation of grants to schools so schools and Local Authorities could more clearly see where the money is going and avoiding the perception that the Consortium was top-slicing a large part of the grant budgets.
- **Use the Business Planning process to engage widely around the strategic priorities and then stick to them.** Other Consortium described their business planning process as the key mechanism for engaging with LAs and schools about their priorities. They talked about consulting widely on the business plan as the chance for Heads and Governing Bodies to feed in their priorities too. In GER they develop local school improvement plans to feed into the regional plans and have regular local quality boards to review progress against the plans. GER also talked about the effort they have put into developing relationships with Members including having informal opportunities to meet and provide updates outside of the formal Governance processes. EAS have also invested heavily in the development of their relationships with Members.



Lessons from England

Partnership structures at three different levels



* *Enabling School Improvement: research into the role of LAs in supporting local school improvement systems* Isos Partnership for LGA (2018)

There are important differences in the way the education system has developed in England and the partnership structures that have emerged as a result. There are a range of different models now at a local level from local strategic partnerships, schools owned companies and traded services as well as the school level partnerships such as Federations and Multi-Academy Trusts. Whilst recognising the differences in the context and legal framework we think there are lessons you might learn from the way these partnerships are developing.

Learning from England

In our research for the LGA published in 2018* we observed partnerships working at the three levels described in the diagram on the left. Our research identified a number of lessons from experiences in England over recent years in developing a self-improving system that might be relevant to your challenges in Wales:

1. Developing a self-improving system is harder to achieve in a period of reducing budgets: reduced resources make school-to-school support more difficult and partnerships have had to prioritise what they want to use school to school capacity for
2. Many local areas are developing their own strategic partnerships to drive forward school improvement locally; these partnerships often have both Headteacher and Local Authority representation
3. The links and connections between the different levels in the system are critical to making it work. Clusters can provide good opportunities for developing peer review, building engagement with evidence-based practice, and creating staff development opportunities. But clusters need to be connected to local groups of schools and local groups to the strategic partnership and this is likely to require dedicated coordinating capacity and effort.

What implications might this learning from other systems have for you?

- **Other Consortium and local Partnerships in England have both seen the role of Clusters as critical to their delivery model** and invested time and effort in strengthening the work of these clusters. Given the focus on cross-regional collaboration in Central South over the last few years there has been less attention paid to the role of Clusters as more time and effort has been put into the development of SIGs and Hubs. This is now changing with a greater role envisaged for Clusters in relation to implementation of the new curriculum and ALN reforms and suggests that the same degree of effort will be required to get consistent implementation from clusters across the region. There is currently likely to be significant variation in the quality and capacity of cluster working.
- **In England one of the key features of the development of partnership working has been the links between the different levels of the system.** In many cases this means the work of clusters of schools is brought together in larger local area based groupings which in many cases are then overseen by the work of a whole area based strategic partnership which involves both Heads and the Local Authority. You are facing a similar question about how best to connect the work of local schools within their clusters to groups of Headteachers coming together in local partnerships with work at a regional level. Our understanding is that recent work has helped to develop stronger Headteacher led partnerships at local authority level which help join up the work going on in individual clusters of schools but there is less clarity about how these local partnerships come together with each other and join up with the work at regional level.
- **In most cases the partnerships in England are Headteacher led although they still have strong involvement from Local Authorities.** This might raise questions for you about how strong the involvement of Headteachers and System Leaders is in the current Governance model and whether there is more you could do to strengthen and deepen the engagement from a wider range of Headteachers across the region. One other feature of many of the partnerships in England is they have opted for an Independent Chair for the partnership so that neither schools nor Local Authorities are placed in the 'lead' role in chairing the partnership discussions. This might be something you also want to consider for your own Governance model moving forward.
- **There might be learning from some of the other Consortium in Wales around the disciplines of their planning and budgeting processes.** A number of other Consortium talked about the processes they used for engaging Local Authorities and schools in developing their annual business plan and had strong systems in place for making transparent to Local Authorities and schools where funding was then going. In some cases they had also developed a proposed three year budget for the work of the Consortium and got agreement from Local Authorities to this.



Section 3: Is the current model fit for purpose for the future taking into account Welsh Government planned changes to the education system?

There have already been a number of external evaluations and surveys conducted seeking more feedback on the work across the region...

- **NFER undertook two surveys of headteachers in 2015 and 2017 to test the development of a self-improving system.** They found a marked difference in the attitudes of school leaders between the first and second round of interviews with most now believing the development of a school-led model was the right direction for the region. They also found deeper engagement from middle leaders and classroom teachers and that they were increasingly involved in cross-regional work with structures such as SIGs, Hubs, Pathfinders and Peer Enquiry becoming more embedded. They identified that some schools were more engaged than others in cross-regional work. They identified priorities for development: the relationship between Peer Enquiry and Challenge Advisers; quality assurance of Hubs; and more effective brokerage.
- **The Consortium itself commissions an annual survey of a sample of leaders, teachers and pupils in 20% of its schools to seek their feedback.** The latest survey found that there has been a deepening across all phases in collaborative school-to-school work such as undertaking action research, joint practice development and learning walks – two thirds of staff said they had involvement in action research, for example. Over three quarters of staff said collaborative working had improved their classroom practice and was impacting pupil learning and attainment. The survey showed large numbers of staff felt confident in their ability to access high quality and varied external support. Priorities for improvement included: clearer alignment between the work of Pioneer and Hub schools; and the need to develop a comprehensive plan to support the implementation of the new Curriculum for Wales. It also identified the challenge of maintaining the commitment to self-improving culture and system at a time when many schools and Local Authorities would be facing further budget pressures.
- **RCT has undertaken its own survey of headteachers which included questions on the work of the Consortium around school improvement.** The survey found that over 80% of headteacher respondents strongly agreed or agreed that the Consortium had a clear vision for improving education and that there was effective and appropriate support and challenge for school improvement provided in schools/PRUs. Heads were slightly less positive about the LA/CSC facilitating school-to-school support and joint working and collaboration between Education Services and Central South Consortium in supporting schools to improve: just over two thirds were very positive or positive about these elements.



What did we hear when we spoke to headteachers, LAs and Consortium staff?

- We shared interim messages with you based on early conversations with headteachers, LAs and Consortium staff. They reinforced many of the strengths and challenges that had been identified by earlier evaluations and surveys. They are included on slides 24-26.
- Since then we have tested these further with the Delegate Heads Group and with other selected headteachers (we invited the headteachers who were originally nominated to participate, as well as those chairing each of the local headteacher partnerships/groups to participate and have had conversations with heads from Cardiff, Merthyr, RCT and VofG. Some of the other chairs had participated in our earlier workshops so chose not to participate in further discussions).
- These further conversations reinforced many of our earlier findings although we highlight some additional messages on slide 27.
- Overall the message coming from heads is still largely a positive one about the role they want the Consortium to play as a middle tier that connects and joins up the system from national to regional to local, and continues to promote and push a self-improving system.
- Some heads thought this role for the Consortium was even more vital during a period of such turbulence and change – *‘The Consortium can be the rock that provides some stability for schools during this period of uncertainty and change’* as one Delegate Head put it.
- However there was also a strong sense from Heads that if the Consortium is going to play this role it needs a re-launch or a refresh of its vision and purpose again, and to ensure it has the right capacity to lead work and drive this forward in partnership with LAs and schools.
- Communications and governance emerge as two other critical themes from the feedback. There is confusion and uncertainty about the purpose of different groups and how they are meant to connect to each other currently. Whilst local headteacher meetings seem to be providing a valuable connection between schools and cluster working and Delegate Heads play a powerful role at Consortium level in advising on the future strategy, there is no clear line of sight through these groups from regional to local to cluster working.



What were the main messages we heard – current strengths in the system

- **As a region we have come a long way in a relatively short period of time** – a number of interviewees said to us it was important not to forget what it was like before the consortium existed: we didn't know our schools well enough, too many of them were failing, and all of the LAs were judged adequate or unsatisfactory by Estyn. We had different systems and processes for school improvement across LAs and no way of bringing them together effectively. By working together across the region we've been able to address many of these system level weaknesses.
- **We've seen the collective impact we can have by working together across the region.** The continued improvement against key performance measures is a big part of the evidence for this, but so is the softer feedback from schools and leaders about the types of school improvement activity they are now undertaking working with colleagues from across the region in other schools. The development and depth of school to school working was seen as a key strength of regional working by many.
- **Despite improvement there is no complacency and a drive to improve further.** The commissioning of this review, the development of proposals for changes to HUBs, SIGs and other elements of the challenge as well as a desire to dig beneath the positive overall headline data to focus on improving outcomes for key groups of students such as disadvantaged, EOTAS and ALN are all evidence of the collective desire to secure even greater impact from working together as a region.
- **The Challenge Adviser model is seen to have improved over the last few years.** The quality of Challenge Advisers is seen to have improved, particularly by Local Authorities, and they welcome being allocated a dedicated Senior Challenge Adviser, although they still have questions about accountability and what their time is being spent on. Schools were still concerned about consistency of quality and frequent changes in their Challenge Advisers but were positive where the relationship was working well with their Challenge Adviser that this could help the school improve.
- **Schools were most positive about the opportunities to work with other schools.** SIGs were the most frequently mentioned element of the challenge and were seen positively by many schools for the opportunities they have provided to work with other schools from across the region and outside their LA. For schools in smaller LAs this push to look outwards across the region was particularly welcomed and schools who had both given and received support through these models were positive. This feels like a big change in the culture of collaborative working that shouldn't be underestimated.
- **At a time of budget pressures, the Consortium has already delivered savings** particularly to the core budget and by looking more flexibly at the way it uses core and grant funding as a combined pot. It has delivered a 5% saving to the core budget in each of the last two years and is proposing to do the same this year. This represents a total reduction in LA contributions of £626,000 over the last 3 years.



What were the main messages we heard – current challenges in the system

- **We've lost sight of the vision for school improvement over the last 18 months** – Many interviewees said they don't feel there is clear overall regional strategy or vision for school improvement or what comes next. They contrasted this strongly to the period when the Central South Challenge was first developed when the consortium, LAs and schools were all seen to be working towards the same aim, there was a strong sense of excitement from many schools, and everyone could explain the mission and purpose. School leaders said this wasn't just an issue for the Consortium to address – they were also looking to LAs for leadership on this - *'we should all be in this together but it hasn't felt like that over the last 12 months'*.
- **LAs feel a strong sense of loss of ownership over the Consortium's direction** and ability to influence its work. In large part this is driven by concerns that the level of demands being placed on the Consortium by Welsh Government has turned it into a regional delivery arm for large scale national initiatives. LAs feel like they are not part of the conversation and don't have the ability to influence how the Consortium delivers to their schools. The conditions attached to grants are seen as a barrier to being more flexible in the approaches that can be taken. There were concerns that the breadth of the Consortium's work had gone beyond the core focus on school improvement and too much resource was being spent on delivery of other priorities.
- **Questions were raised about value for money and evidence of impact.** At a time when LAs are being asked to deliver significant savings they are asking questions about value for money from the consortium. Concern was expressed that there isn't detailed enough information about the impact of different initiatives and how money is being spent to answer these questions effectively. Value for Money reports provide an overview of participation data and evidence of impact where available, but there is a strong view that more work is needed to give judgements of whether support is working to help improve schools or not.
- **Although the Challenge Adviser model is seen to have improved there are still big questions about it** – for LAs there remain questions about what Challenge Advisers are expected to spend their time on and how they are being held accountable for the impact of their work. Schools are still concerned about the variability in quality and the frequency of changes in personnel; they wanted to see Challenge Advisers playing more of a broker and signposting role. All were agreed there is a need to consider how the model will need to evolve in light of new arrangements for self evaluation and peer review and new national approaches to accountability. Some thought that Challenge Advisers should no longer be working with schools that are performing well and the role should be reserved for schools that are in difficulty.

What were the main messages we heard – current challenges in the system

- **Schools were less positive about how some elements of the Challenge model are working currently.** SIGs as a model were seen to work better for primary than secondary schools and there were questions about how they would fit with cluster working moving forward. Questions were raised about duplication and overlap in the role of Pioneer Schools and Hubs and there were concerns expressed by a number of schools about the quality and quality assurance of some Hub provision.
- **Questions were raised about Governance and the role of the Delegate Heads' Group.** For some this had provided the driving force behind the development of the strategy but there was concern that it has lost direction in recent months. There was very little visibility of the work of the Group to other Heads. Heads were concerned about capacity gaps at Consortium level and who would be taking forward key pieces of work. They also said there was confusion at times over roles and responsibilities between the Consortium and LAs and who to contact on different issues.



What additional messages emerged from our further interviews with heads?

- **Local headteacher meetings are providing a useful forum for connecting up the work of schools and clusters** and sharing information both in terms of feeding up and down to cluster level. In a number of cases, headteachers have taken on more responsibility for setting the agenda and managing these meetings. The Senior Challenge Adviser is playing an important role in connecting the Consortium to these discussions and the connection to the Local Authority remains strong in most cases. However there was confusion about how these arrangements are supposed to connect in and link to the Consortium's governance arrangements – what should the relationship be with Delegate Heads or Representative Head Group? The current arrangements are also very reliant on Senior Challenge Advisers playing the connecting role. There is also no forum currently for bringing together the heads leading these groups across Local Authorities to discuss and raise common issues and challenges.
- **There is greater clarity now about the delivery model moving forward and the important role of clusters.** The proposed development of the role of clusters within the Central South Wales Challenge model fits well with the way that clusters are being used and developed locally in many cases. Heads are keen to maintain cross-regional working through SIGs and other forums but recognise that much of the day-to-day collaboration between schools and teachers is more likely to come at a cluster level. However there is recognition that not all clusters are as strong as others, and more work will be needed to define their roles and ensure all are equipped to play them. The role of cluster convenor is likely to become as critical as the SIG convenor role and we should learn the lessons about what it has taken to make SIGs more effective and apply to clusters.
- **There are examples where the regional model is seen to be working well.** The most commonly mentioned example was the recent work around implementation of the ALN reforms which was seen to have been well led with clarity around roles and responsibilities, clear communication and engagement with schools, and a clear plan about how work is going to be take forward. It was described by some heads as a model of how regional working should look from a school's perspective. This was contrasted with other work led by the Consortium where there had been changes in personnel and uncertainty about who was taking work forward. One example given was the the Executive Head development programme which held a number of positive initial meetings but which has subsequently stopped. Some heads felt that the frequent changes in staff at Consortium level and consequent capacity constraints were too often limiting the effectiveness of the Consortium's work in many areas over the last year.
- **The role of the Consortium in filtering and communicating messages about national change is seen as critical during this period of change.** A number of heads were positive about the information the Consortium was providing them that helps them to understand the national agenda and upcoming developments like the curriculum changes. They saw the Consortium as the critical body to provide this intelligence and help them make sense of what can be a complex and confusing picture with so much change. However some Heads said they were still having to work hard themselves to find and interpret this information and thought the Consortium could do a better job at flagging critical information through its regular newsletters and bulletins. There was also seen to be too little face-to-face communication with not enough Consortium representation at Headteacher meetings and no one able to tell heads the 'bigger picture' story about what the Consortium was doing and how it connected to schools and LAs.

Conclusion: Is the Consortium fit for purpose for the future?

- In addition to the positive overall story about regional performance set out in Section 1 there are lots of positive messages from the qualitative feedback about the Consortium. Many of the Headteachers we spoke to remain committed to the development of a self improving system and regional working and still see the Consortium as the best vehicle for making that happen. The external evaluations and surveys of the Consortium's work also show a level of positive feedback from Headteachers and school staff which is impressive.
- However it is also clear from the feedback we received that the view of the Consortium has not been as positive over the last 12-18 months. It has suffered from frequent changes in staffing and has not provided clear direction and leadership as a result. Our conclusion to the question 'is the Consortium fit for purpose for the future' therefore would be not in its current state. We believe you will need to address a number of challenges if you want the Consortium to be fit for purpose for the future. It is important to say that many of these challenges would exist whatever organisational model you decide to opt for in future. We outline below our summary of the main challenges and provide more detail on subsequent slides.
 1. **Leadership and capacity gaps.** The absence of permanent leadership, gaps at a senior level and uncertainty around the future of the Consortium have impacted its ability to do its job effectively over the last 12-18 months. There is a need therefore to reset the vision and ensure the Consortium has the leadership, credibility and capacity to drive forward work across the system in partnership with Local Authorities and schools.
 2. **Clarity about roles and responsibilities.** There is a need to set out again for everyone involved the respective roles of the Consortium, Local Authorities and Schools and to show how the connection between the Consortium and the work of Local Authorities can be strengthened. Senior Challenge Advisers also need to be more effectively connected to the wider work of the Consortium to play a stronger system leadership role.
 3. **Tension between the Consortium's role as a regional school improvement service and delivery arm for Welsh Government.** This tension needs to be managed more effectively so Local Authorities and schools understand and see how their priorities fit alongside and/or are different from national priorities which the Consortium is being asked to deliver against and how funding is being used to support them.
 4. **Support schools to implement the new curriculum.** This is the biggest challenge facing the system in the coming years and you will need to ensure that the school to school support structures that exist through Pioneer Schools, Hubs and Clusters have sufficient expertise and capacity for the task.
 5. **Determine the future Challenge Adviser model.** There is a need to continue to improve the quality of Challenge Advisers support and challenge to schools and to determine the future role of Challenge Advisers in relation to different types of schools and the fit with Peer Review.
 6. **Strengthen Governance.** There is a need to be clearer about the role and purpose of different groups and to rationalise and simplify the current model. There is also a need to further strengthen the engagement of Headteachers and System Leaders in Governance.
 7. **Funding pressures.** For schools and Local Authorities this remains the biggest challenge in the system so any action you take will also need to take account of these pressures and deliver further savings where possible. We look in more detail at the options around funding in Section 4.



Further analysis of the challenges facing the Consortium

Challenge	What are the issues facing the Consortium that you need to address?
1. Leadership and Capacity Gaps	• Absence of permanent Managing Director has created uncertainty amongst Heads and CSC staff • Frequent changes in senior staffing have left gaps and meant that key pieces of work haven't been taken forward or are delayed e.g. Closing the Gap strategy, Executive Head Leadership Development • The ongoing debate about the future of the Consortium and consequent lack of clarity over the way forward has damaged morale amongst staff and created recruitment and retention issues for the Consortium • The uncertainty also means there has been no 'guiding coalition' driving the Consortium forward – there is a need for LAs (both members and Directors) as well as key system leaders to be seen to be setting a clear vision and way forward again
2. Roles and Responsibilities	• At a basic level challenge here is about being clearer about the respective roles of the Consortium, Schools, Local Authorities and Welsh Government and how they all work together as part of one overall system contributing to improved outcomes • Given the extent of change at Consortium level there is also an immediate need to set out again key roles and staffing • Another challenge here is how to strengthen the connection between the work of the Consortium on school improvement and the wider responsibilities Local Authorities have in relation to areas such as place planning, inclusion and wellbeing etc • For Local Authorities part of the challenge is about how well connected Consortium staff are to their own work – in some cases this is more of a practical issue about not being on the same e-mail system and not having regular opportunities to meet with Consortium staff to build relationships on a face to face basis • For Senior Challenge Advisers there is also a significant challenge in having to face both ways to Local Authorities and the Consortium. This means they often don't have the time needed to be both the lead officer for the Local Authority and to stay connected to the wider Consortium work. This in turn limits their effectiveness in being able to support and connect Local Authorities and schools to the wider work of the Consortium around the professional learning and leadership support.



Further analysis of the challenges facing the Consortium

Challenge	What are the issues facing the Consortium that you need to address?
3. Tension in the Consortium role between LA commissioned service and Welsh Government delivery body	• The challenge here comes from the combined role the Consortium is being asked to play to both deliver a school improvement service for Local Authorities and act as a regional delivery arm for Welsh Government on the national mission • Given the similarity in the aims of the national mission and Local Authorities ambitions for education there is nothing inherently incompatible in the Consortium being asked to play both of these roles at the same time • In practice however Local Authorities often feel that they have lost ownership over the direction of the Consortium's work, that they have no control over how a large part of the Consortium's budget is being spent given the conditions of grant funding whilst still having to bear all of the overheads associated with the Consortium's management and infrastructure • There is also a need to ensure there is more engagement and transparency in the conversations between the Consortium and Welsh Government so that all are clear about what they can influence and what they cannot
4. New Curriculum	• Getting all schools ready for the implementation of the new curriculum is one of the biggest challenges facing the region • One of the challenges here is the limited engagement of most schools in the curriculum design work to date – whilst the region has had a number of Pioneer Schools leading curriculum design work they have not always been well connected back into the Consortium's current structures for supporting school to school working like SIGs and HUBs • The Consortium now plans to deliver the majority of support and development for implementation of the new curriculum through local cross-phase clusters of schools. The challenge here is that whilst some Clusters have a strong history of working together in other cases their track record is more mixed and this will be asking them to take a much bigger role than they have played before. Ensuring all clusters are effectively supporting schools around the new curriculum will be a big challenge.



Further analysis of the challenges facing the Consortium

Challenge	What are the issues facing the Consortium that you need to address?
5. Challenge Adviser role	• There is an continuing need to improve the quality and consistency of Challenge Adviser advice, support and challenge to schools to ensure all schools are benefitting from positive external professional scrutiny and challenge of their performance • There is a need to review the role of Challenge Advisers moving forward to determine whether the same level of challenge and support needs to be given to different types of schools. There is also a need to review how the role of peer review and cluster working might change the role. This will also need to take account of developing Welsh Government thinking. • As part of re-designing the role there is a need to give greater emphasis to the 'support' side of the role to strengthen the role of the Challenge Advisers in brokering and signposting schools to appropriate professional development support and connecting them to other schools that they could learn from. This will become even more important during the implementation of the new curriculum. Challenge Advisers will need to be better connected to the wider work of the Consortium around Professional Development and Leadership development to play this role effectively.
6. Governance	• There are a number of different layers to the current Governance model with a number of groups playing different roles meaning that decision making is not always clear and transparent. There is a need to be clearer about the role and purpose of different groups and to look again at whether you can rationalise and simplify the current Governance structure. • For Local Authorities and Directors there is a lot of time and energy being put into Governance with frustration that they still cannot always influence decision making. For the Consortium there are also frustrations around the amount of time spent managing the current Governance structures without discussions necessarily contributing to moving the agenda forward. • There is too little engagement of Heads in the current Governance model and where that engagement does exist through the Delegate Heads group there is too little visibility of that role to other heads. There is the potential for the Headteachers who are leading local partnership structures to play a much stronger role in connecting the Consortium to clusters and schools.



Section 4: Is the model affordable over the next 3-5 years,
with a likely continued period of austerity?

Overview of funding: sources of funding for CSC

There are two principal sources of funding that support CSCs work:

1. **Local Authority Core Contributions** determined using the Indicator Based Assessment for education (IBA) and agreed by Joint Committee.
2. **Grant Funding from Welsh Government** which has now been consolidated into one grant the Regional Consortium School Improvement Grant. The vast majority of this grant (90%+) is delegated direct to schools but the centrally retained element funds a large element of CSCs work.

In addition to the above the Consortium receives and allocates the Pupil Development Grant to schools. The majority of the grant (95%) is delegated to schools however 5% of the Children Looked After element is retained to provide professional learning opportunities across the region to support previously looked after adopted children. Given it is not available to support the wider work of the Consortium it has not been considered as part of this review.

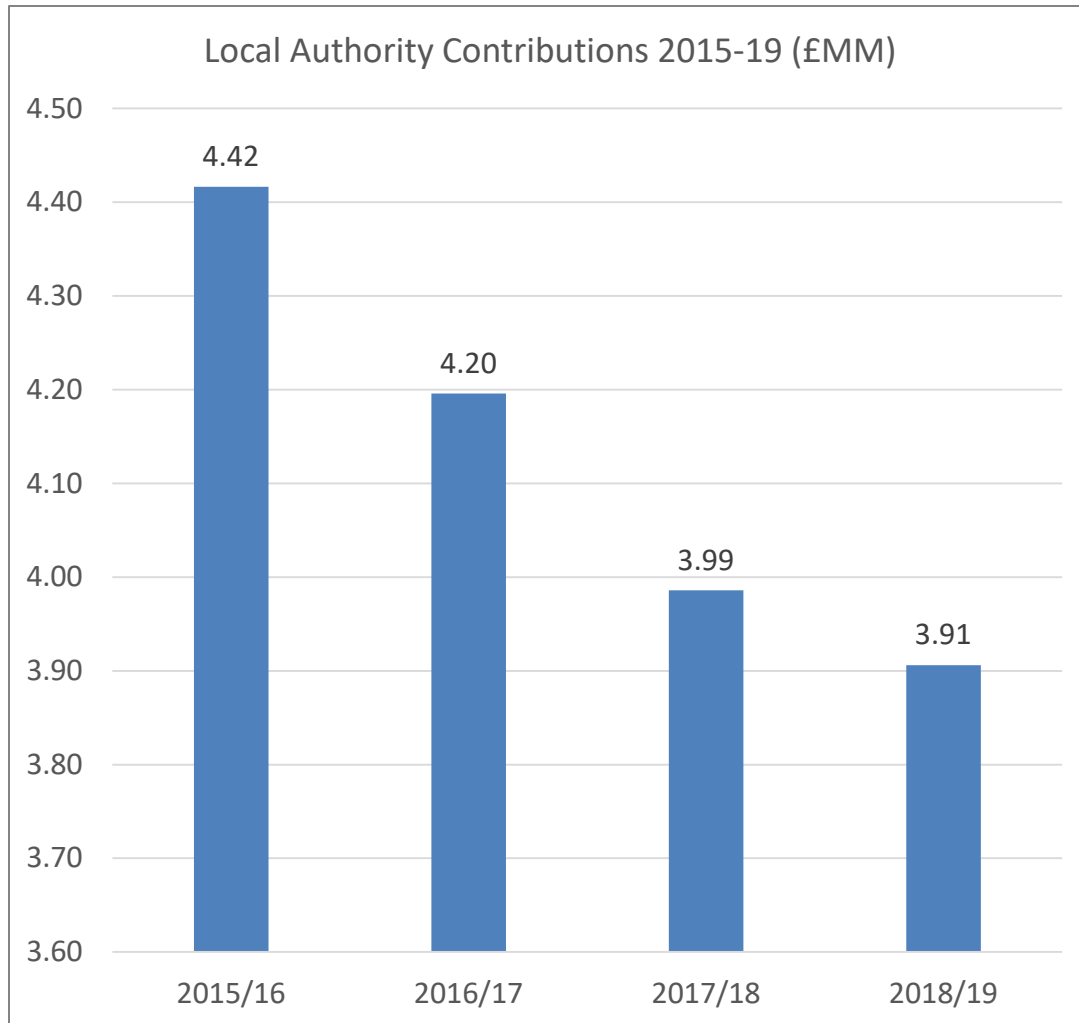
The Consortium does not seek to make income from any services provided to schools because it wants to encourage and promote school to school working as part of developing a self-improving system. So additional income generated is now a very small part of the total funding of CSC (c.80K). Given the commitment to the development of a self-improving system increasing income generated by the Consortium from its schools has not been considered as an option as part of this review.

In looking at the future budget of the Consortium therefore our focus has been on the two principal sources of income outlined above. We have looked at the recent trends in these budgets, how the funds are currently being spent as well as examining where there might be most potential for future efficiencies and savings. It is worth noting upfront that there are constraints on the Consortium's choices and options here imposed by the conditions of Welsh Government grant funding which currently limit the ability to use this budget on a more flexible basis.



Overview of funding: historical trends of core local authority contributions

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- Local Authority contributions have reduced since 2015
- The National Model initially recommended £5.4m of contributions to the Central South Consortium based on the constituent Local Authorities involved
- However, actual contributions agreed were less than this
- Furthermore, an additional 5% reduction was agreed in financial years 2016/17 and 2017/18, and a further reduction of 2% was approved for 2018/19
- These efficiencies have been achieved through a number of different strategies including:
 - A decrease in Challenge Advisers FTE (decrease from 2012/13 from 33.3 FTE to 22.8 2018/19)
 - Remodelling of Business Support Functions (reduction of 2.5 FTEs)
 - Relocation of CSC offices in Summer 2018 and removal of conference centre facilities (reduction of 7.5 FTEs)
 - General budget reductions



What is the core funding currently being spent on and where might there be most scope for further efficiencies or savings?

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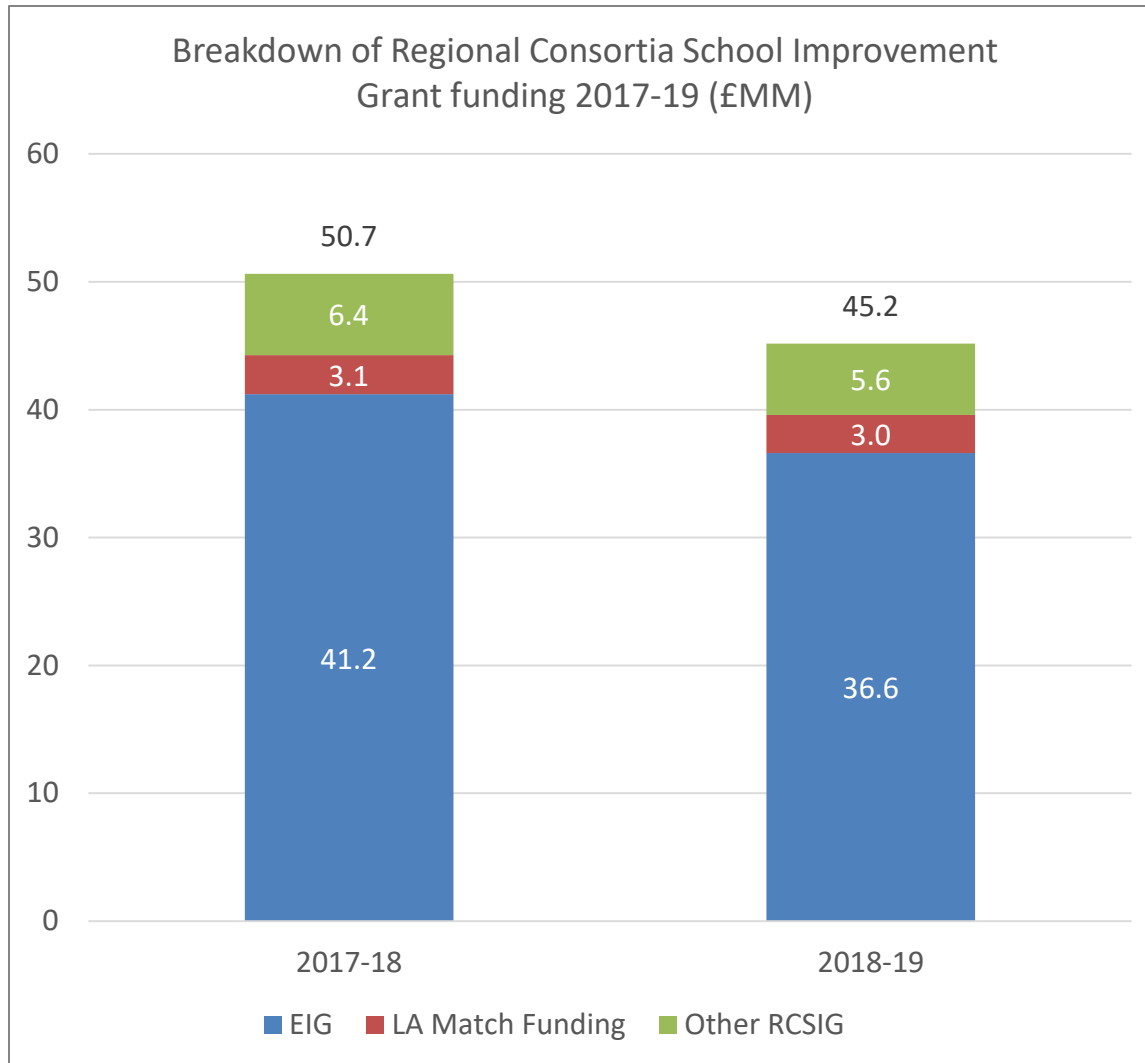
Table showing LA financial contributions and allocations 2017-18

Cost Category	Outturn 2017-18		City & County of Cardiff	Bridgend CBC	Vale of Glam CBC	Merthyr CBC	RCT CBC
			£	£	£	£	£
			36.02%	15.59%	14.71%	6.39%	27.29%
LA Contributions	3,985,879		1,435,669	621,381	586,223	254,827	1,087,779
Senior Challenge Advisers	477,431		135,971	68,004	70,361	67,523	135,572
Challenge Advisers	1,631,330		587,587	254,317	239,928	104,295	445,203
Other Employees	1,354,186		487,763	211,111	199,167	86,576	369,569
Premises	493,871		177,887	76,992	72,636	31,574	134,781
Transport	25,404		9,151	3,960	3,736	1,624	6,933
Supplies & Services	474,689		170,978	74,002	69,815	30,348	129,546

- The largest categories of expenditure are on Challenge Advisers and Other CSC Employees suggesting these are the areas with the greatest potential for further efficiencies/savings
- We shall consider the potential options for achieving further savings in the Challenge Adviser budget later in this report. This will include the role of Senior Challenge Advisers as well.
- In relation to the other Employee line this is funding a range of different posts currently including:
 - Senior Management Team (split 50:50 with grant funding)
 - Business Management Support
 - Data Team
 - Governance Support
 - Outdoor Education Adviser
 - Finance Team (split 30:70 with grant funding)
 - Project Support Staff (split 30:70 with grant funding)
- We will explore potential options around the future Senior Management structure of the Consortium later in the report.
- There have already been significant savings delivered on premises and supplies/services lines so we have not explored the potential for further efficiencies in relation to these.



Overview of funding: trend in Regional Consortia School Improvement Grant



- There has been an overall decrease in the Regional Consortia School Improvement Grant (RCSIG) for CSC by £5.3MM
- This is driven by large decreases in Education Improvement Grant (EIG) and in other elements of the RCSIG
- Since the introduction of the EIG in 2015, the funding allocation of the new grant was cut by 10% when compared to the historic funding levels of the previous standalone grants
- This has been followed by a further 5% cut in 2016/17, a 0.62% cut in 2017/18 and a 2.37% cut in 2018/19

What is the RCSIG currently being spent on and where might there be most scope for further efficiencies or savings?

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Cost Category	Outturn 2017/18		City & County of Cardiff	Bridgend CBC	Vale of Glam CBC	Merthyr CBC	RCT CBC
			£	£	£	£	£
			36.02%	15.59%	14.71%	6.39%	27.29%
Regional Support to LAs :							
Support for Vulnerable Schools	205,300		137,748	19,902	6,970	625	40,055
PDG CLA	329,112		116,742	44,474	48,177	21,512	98,207
LIDW	93,360		38,185	13,820	28,180	180	12,995
Specific Projects							
Hubs	1,701,670		557,002	251,251	286,417	120,000	487,000
Pathfinder Support	141,000		59,000	22,000	26,000	16,000	18,000
Peer Enquiry	23,350		3,750	250	4,100	-	15,250
School Improvements Groups	726,560		224,404	88,689	91,734	47,085	274,648
Governor Improvement Groups	6,000		-	-	1,500	4,500	-
Leadership	410,868		140,545	85,780	81,078	22,100	81,365
Literacy	2,775		900	225	75	675	900
Pioneer	1,349,465		418,892	305,000	285,000	40,000	300,573
New Deal Pioneer Network	669,248		216,715	94,700	94,200	45,900	217,733
NQTP Induction	47,750		15,600	5,850	13,650	250	12,400
Digital Competency Framework	78,200		15,200	6,600	24,600	12,600	19,200
Assessment for Learning	51,100		5,325	5,925	20,275	225	19,350
Modern Foreign Languages	11,600		5,100	3,000	2,300	-	1,200
Welsh Linguistic Skills	225,305		73,911	36,330	22,550	25,177	67,337
Welsh Language Charter	19,000		6,750	2,000	2,750	-	7,500
South Wales Valleys Project	38,905		-	3,850	-	19,655	15,400
Closing the Gap	40,350		40,000	-	350	-	-
School Challenge Cymru	303,684		180,466	60,921	61,196	552	549
Other Projects	37,492		-		22,492	-	15,000
LA Annex	128,421		46,262	20,023	18,992	8,095	35,049
Total	6,640,515		2,302,497	1,070,590	1,142,586	385,131	1,739,711
% spend received			34.67%	16.12%	17.21%	5.80%	26.20%

Confidential - for discussion at Joint Consortium Committee

- As noted previously as this is grant funding from Welsh Government there are generally grant conditions attached to each line item that limit the scope for flexibility e.g. two of the largest line items here are for Pioneer Schools and New Deal Pioneers over which the Consortium has no influence as budget allocations to schools are already pre-determined by Welsh Government.
- It is also worth noting that in most cases if efficiencies here can be achieved it will be schools who receive any additional savings not Local Authorities.
- The largest spending lines (other than Pioneer Schools) here are Hubs, SIGs and Leadership support where there are already proposals planned to reduce the budget and to ensure there is less duplication with other strands. This is the area where CSC have greatest control and can influence the decisions about what is spent where.
- Over time it might be expected that the support for vulnerable schools line and pathfinder support could be reduced further as less schools are in need of direct support although it is always likely that some schools will be at risk and will need additional support.
- Welsh Linguistic Skills is the other largest line item but given the priority attached to this nationally this is not an area which CSC are likely to be able to reduce spending.
- There are some areas where you might even want to consider whether the budget is sufficient given the priority attached to this work e.g. Closing the Gap.

Where are the opportunities to achieve greater efficiencies/savings?

- Given the way that budgets are currently allocated there is limited room for the Consortium to make savings around its grant funding and the focus is therefore likely to need to be on making any further savings around the core budget.
- This is difficult because the core budget is where many of the savings in recent years have already been delivered and it makes achieving further efficiencies more difficult without significant changes in the delivery model.
- The two areas which make up the largest element of the core funding budget are Challenge Advisers and other CSC employees funded by core including the Senior Management Team. These are the areas we have therefore looked at in more detail to see if further savings are possible.
- The only alternative way of making savings to the core budget is to further shift some of the costs currently incurred there to be met by grant funding – for example increasing the proportion of Senior Challenge Advisers and or Senior Management that is paid for by Grant Funding.
- This may be possible but it will require a clear story to Welsh Government about how these functions are supporting delivery of national priorities and grant conditions – for example if you could demonstrate clearly that Senior Challenge Advisers are taking more of a strategic leadership role across the Consortium it might be possible to justify funding a higher proportion of their time from Grant budgets.
- There may also be value in continuing to explore with Welsh Government whether further flexibility could be allowed in the use of Grant Funding. There are other examples where Welsh Government has moved towards more flexible funding arrangements and there is a strong case to be made that if you are continuing to deliver improvements in outcomes then you should be free to determine how best to use your overall budget. This would allow you to look more flexibly at the way the core and grant budget are allocated and whether there might be other efficiencies you could achieve with different combinations. There may also be a case to be made to Welsh Government that they should be directly funding more of the Consortium management overhead given the increased role it is playing in the delivery of the national mission.



What are the potential options for reducing Challenge Adviser time?

What are the potential options for reducing CA time?	What potential savings would it provide?	What are the risks/ downsides to the option?
1. Reduce the amount of time CAs spend in Green and/or Yellow schools. Options could include: a) Reduce all Green and Yellow by 1 day b) Reduce Yellow by 1 day and Green by 2 days c) Reduce Yellow by 1 day and Green by 3 days	On the basis of the number of Green and Yellow schools in 2017-18 this would reduce CA days by: a) 352 days = saving of c. £140,800 b) 529 days = saving of c. £211,600 c) 702 days = saving of c. £280,800 Note: all savings calculated on an average day rate of £400 which is the agreed day rate for partner headteachers. Savings may be less than this for employed CAs.	The argument against reducing CA time in these schools is twofold: - It makes it less likely CAs will spot the risks or sign of decline in the schools early enough - It is harder to identify good practice in Green and Yellow schools to share with others However as Slide 10 shows only 1 Green school has declined to Amber since 2013/14 so the risk for Green schools is small (15 have declined to Yellow). The risk of Yellow schools declining is greater with 15 that were Yellow in 2014 now Amber or Red. Set against this is the argument that the risks for all schools may increase over the next few years given the extent of national changes. It would also be important to ensure there is still enough time for statutory functions in all schools (although these may reduce with changes to categorisation).
2. Reduce the amount of time CAs are spending with Red and Amber schools by more strictly limiting their role to brokerage and evaluation. Options could include: a) Reduce time spent with Amber and Red by 2 days b) Reduce time spent with Red schools by 2 days and with Amber schools by 4 days	This is more difficult to estimate as it depends on the precise package of support being provided to individual schools. a) 88 days = saving of c. £35,200 b) 160 days = saving of c. £65,600	The additional support has arguably been critical to turning round these schools over the last few years, and schools that remain Red/Amber are likely to be some of the most challenging. Some Executive Heads argued to us that there has been too much support being put into Red and Amber schools that is not being well coordinated. Given the relatively small numbers of Red and Amber schools remaining in the region you would have to cut the support significantly to make big savings here.
3. Allocate Challenge Adviser time to a cluster of schools rather than on an individual basis and judge level of need at cluster level. Options could include: a) Reduce av. time spent with each school by 1 day b) Reduce av. time spent with each school by 2 days	a) 396 days = saving of c. £158,400 b) 792 days = saving of c. 316,800	Similar risks to those outlined above for less time with Green and Yellow schools although could be mitigated to some extent if clusters are doing a good job at spotting where risk may exist through peer enquiry. Not clear how achievable it would be to allocate all Challenge Advisers to clusters of schools – requires a minimum level of capacity which might mitigate against aim to increase serving headteachers playing the role.

What are the potential options for any savings around Senior Challenge Advisers?

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1. Increase consistency around functions and caseloads across LAs

- We understand that there are currently significant differences in the roles and functions which Senior Challenge Advisers are asked to play within Local Authorities and the deployment rates to schools.
- We would recommend developing a consistent and detailed specification for the Senior Challenge Adviser role which sets out a common set of agreed functions and roles across all LAs and which documents the amount of time they are expected to spend on these. It will then be possible to see whether there are potential efficiencies by greater standardisation in the role across LAs.
- There is also a question to address about whether Senior Challenge Advisers should be working with similar caseloads of schools or not. On the current model the allocation of Senior Challenge Advisers are weighted to ensure there is at least one Senior Challenge Adviser per Local Authority.
- If however the allocation of Challenge Advisers was based on a notional number of schools there would not necessarily be a need for one per Local Authority which might reduce the overall number. There might however be strong operational arguments for maintaining a dedicated Senior Challenge Adviser for each LA to provide dedicated oversight in each case.

2. Increase % of time spent on CSC activity so more time can be funded by Grant

- Currently approximately 15% of Senior Challenge Adviser time is funded by grant funding with 85% coming from the core budget. If it was possible to increase the proportion of time funded by grant funding there would potentially be a significant saving to the core budget.
- There is also a strong operational argument in favour of Senior Challenge Advisers playing a stronger strategic role within the Consortium. This could help to connect them better to the wider work the Consortium is undertaking to deliver support for the new curriculum and the wider workforce and leadership reforms. As we noted in Section 3 of this report they currently feel quite disconnected from this work and that is limiting their ability to represent the Consortium on these issues to LAs and Schools. It also limits their ability to help Challenge Advisers to connect, broker and signpost schools to the wider support available. This will arguably become an even more critical part of their role in the coming years.
- Increasing the proportion of Senior Challenge Adviser time spent on wider strategic roles would undoubtedly require freeing them up from some of the current roles they are undertaking on behalf of Local Authorities so it would need to be considered as part of the work above to redefine their role specification. But the potential savings to core budget are significant – increasing the proportion of Senior Challenge time funded by Grant to 50% would save nearly £200,000 from the core budget.

Senior Management Structure

It is worth noting that under the current staffing structure only the posts of Managing Director (75%), Senior Lead Business and Operations (50%) and Senior Lead Standards and Improvement (100%) are funded by the core budget as well as the majority of Senior Challenge Advisers time (85%). All of the other Senior Leads and Strategic Lead posts are funded 100% by Grant funding. In looking at potential savings in the core funded posts below it is important to note the inter-dependency between core funded posts and grant funded posts e.g. if you can shift some of the core funded responsibilities and roles into grant funded posts you potentially realise savings from the core budget as well:

- **Key initial decision is the Managing Director role.** You have found it challenging to recruit to this post in the past. The ideal candidate would have the leadership skills to navigate between the sometimes competing demands from Welsh Government and Local Authorities, and have school leadership background and/or high credibility with Heads. However this is a pretty unique skill set. An alternative would be to split the role into separate posts that could be more suited to more specific individuals. For example, recruiting senior staff who are already credible system leaders to posts that would speak to the system might then allow the MD function to be focused on coordinating and oversight (and perhaps also lead on business and operations). Alternatively, you might opt for an MD role that was both a figurehead to the system and a lead for lots of the work with schools; this would then require a dedicated Senior Business Manager role within the structure to undertake the other parts of the role.
- **At the next level of the leadership structure we think it is vital to ensure you have the skills and credibility to drive forward work with schools and Local Authorities.** There have been a number of changes in senior leadership and current vacancies in the staffing structure which creates opportunities to re-think what model you want to move forward with. In part this depends on decisions you make in relation to the Senior Challenge Adviser role – if they could be freed up to take on greater strategic leadership responsibility you might reduce the need for so many senior leadership posts. One potential structure would be to have two senior management posts sitting under the Managing Director with one given responsibility for standards and improvement and line managing the Senior Challenge Advisers and the other playing a combined role around the new curriculum and all of the professional learning that goes with it. Other strategic leadership posts could then sit under this senior post.
- **At the next level down we think the most important step needed is to clarify roles and responsibilities and ensure accountability and line management is clear** to drive work forward. We are assuming that the Strategic Adviser roles around Teaching and Learning, Curriculum, ITE and Leadership and Welsh would need to be maintained at least in the short term given the extent of changes you are being asked to manage. We think there would be real benefit in each of the Senior Challenge Advisers being matched to one of these areas and sharing some of the ownership and responsibility for the implementation of these strands. Over time it might then be possible to reduce the need for as many strategic lead posts. We also think you need to clarify roles and accountability for driving forward the key elements of the delivery model – SIGs, Hubs, Clusters. Currently there feels like there has been insufficient oversight and responsibility for following through on progress in some of these areas and it should be clear where leadership responsibility sits for each of these. Again Senior Challenge Advisers should be more explicitly linked to each of these strands of activity in our view.

Conclusions – what core budget savings are possible over the next three years?

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Year	Core Budget	2% Annual Saving	5% Annual Saving	10% Annual Saving
2019-20	£3,710,853 (on basis of 5% saving from 18-19)	£74,217.06	£185,542	£371,085
2020-21	£3,525, 311 (on basis of a 5% saving from 19/20)	£70,506.22	£176,265.55	£352,531.1
2021-22	£3,349,045.45 (on basis of a 5% saving from 20/21)	£66,980,909	£167,452, 272	£334,904.55
2022-23	£3,181,593.18 (on basis of 5% saving from 21/22)			
Total saving over 3 years	£529,259.82 (on basis of 5% saving each year)	Confidential - for discussion at Joint Consortium Committee		

- The table sets out on an annual basis what the scenarios would be if the core budget is cut by 2, 5 or 10% each year
- The scenarios are modelled on the basis of a 5% cut each year but show what the choices would then look like annually for 2/5/10%
- The total savings over a three three period if you opted for a 5% cut each year needed would equal £529,259.82
- This would be very challenging and would require the significant savings to be delivered from the Challenge Adviser budget as set out on Slide 40
- From the options we set out on Slide 40 for example a combination of 1b and 2a would save just less than £250,000.
- If you were also able to move 50% of Senior Challenge Advisers time as discussed on Slide 41 to Grant Budget you would save another c. £200,000.
- Finally depending on decisions taken around Senior Management Structures there might be further savings of c£50-100,000 possible. This would need to be balanced against the need to ensure you have sufficient leadership capacity to refresh and renew the Consortium as described in the following slides

Section 5: What needs to change and how would you implement this change over the next 3-5 years?

Moving forward:

There has been uncertainty over the future direction of regional working for some time now and it has undoubtedly had an impact on the way the Consortium is able to operate, affecting staff morale and causing some of the recruitment and retention issues. There is an urgent need to provide clarity about the way forward whatever decisions are taken about the future approach. We think there are a number of interlinked steps to determining the way forward:

Step 1: Decide the right organisational structure to drive forward the development of the self-improving system.

A number of potential alternative options have been identified that could become the organisational structures for school improvement in the region. We have examined which of these we believe are most feasible, what they would look like in practice, and the potential advantages and disadvantages. Members, Chief Executives and Directors need to decide which option they want to pursue or whether they want to retain and renew the current Consortium. Whatever decision is taken there are then a number of issues that will need to be addressed around the future budget and strengthening delivery by re-engaging schools and improving the effectiveness of delivery which are covered by Steps 2 and 3 below.

Step 2: Determine the future funding for whatever organisational structures will exist for the next three years.

The annual uncertainty over the Consortium budget combined with the uncertainty over levels of grant funding from Welsh Government make forward planning difficult and have arguably led to wider uncertainty which is having an impact on the functioning of the Consortium. Whatever organisational structures you decide on, ideally you would decide now what budget that organisation will need and commit to funding for at least a three year period. This will require key decisions around the future role of Challenge Advisers and organisational capacity and staffing for whatever organisational arrangements you decide on.

Step 3: Strengthen the delivery arrangements in a number of areas. We have identified three priority areas to take forward immediately:

- Renew and refresh the vision and strategy for regional working and re-communicate this extensively to schools and other partners
- Implement the revised delivery model including the new role for clusters and strengthen further school-to-school working
- Review and revise the Governance arrangements and agree the different ways school leaders are engaged in these



Step 1: Examining potential alternative delivery arrangements

We have identified six potential alternatives to the current Consortium arrangements for delivering school improvement. In addition to these options there is of course a seventh option of continuing with the current Consortium model. We have described this option as 'Re-modelling the current Consortium arrangements' because we think there are a number of changes that would be needed to make this option viable in the long term:

1. Local Authorities take back all school improvement functions and end any form of regional arrangements
2. **Local Authorities take back some school improvement functions but retain a regional delivery function to support national priorities**
3. Identify a Lead Local Authority to take responsibility for delivery of all school improvement functions on behalf of others
4. **Formal mergers between Local Authority education services so joint LAs undertake all school improvement functions**
5. A more formalised shared services company model where LAs commission and hold it to account but don't oversee the governance
6. A merger with another regional school improvement service
7. **Re-modelling of the current Consortium model**

In discussion with Directors, **options 2 and 4** emerged as the most likely alternatives to the current regional arrangements and we were asked to work up what these options might look like in practice and the potential advantages/disadvantages and cost implications of each. We were also asked to work up the same analysis for **Option 7** to remodel the current Consortium model.



Examining alternative delivery options: Option 2 to separate out LA school improvement function/role from a regional function to support national priorities

What is the rationale for this option and what might it look like in practice?

The development of the National Mission and in particular the implementation of the new curriculum over the next 5-10 years are going to require an intensive focus and support to schools. This option would recognise the difference in the roles currently being undertaken by the Consortium to provide support and challenge to schools largely through the role of Challenge Advisers from the implementation of support to help deliver the national changes. It would mean that Challenge Advisers were employed and managed directly by Local Authorities (although Senior Challenge Advisers might continue to provide a link to any regional organisation). The regional organisation (which might become a regional arm of Welsh Government or regional presence for the new National College) would then have a focus on delivering the support to schools and teachers to implement the new curriculum. That could still be done through the structures of the Central South Wales Challenge which could continue to be overseen and driven forward by a regional group of system leaders.

What are the potential advantages to this option?

- Clearer separation of roles and responsibilities between LAs and Welsh Government – challenge and support for schools would belong to LAs and implementation of support for the National Mission to Welsh Government
- The regional delivery body could have a much clearer focus on supporting the National Mission and implementation of curriculum reforms and this could be driven more effectively by Welsh Government with less variation by region
- Local Authorities have stronger oversight and responsibility for the quality of Challenge Advisers and their support and challenge to schools. It might be easier to manage the deployment of Challenge Advisers at a local level to link to clusters.

What are the potential disadvantages?

- Unclear that such a separation of roles is in practice possible – the intelligence and brokerage function of the Challenge Adviser should be helping schools to understand the changes facing them and connecting/signposting them to support
- Would place a heavy burden still on Senior Challenge Advisers as they would have to join the dots and connect Challenge Advisers to the wider support and development. This might be made more difficult if in separate organisations.
- Schools are largely positive about Challenge Advisers working across the region and at least being connected to schools and practice in other Local Authorities. Might be more difficult if a Challenge Adviser is employed by single Local Authority
- More challenging for smaller LAs to recruit high quality Challenge Advisers

What would the potential cost/resourcing implications be?

- Unclear that it delivers any efficiencies or savings overall as the roles needed in the system remain the same – they are just split between different organisations.
- Argument might be made that it would be easier to achieve efficiencies around Challenge Adviser allocation and time if this was being managed more directly closer to the ground by Local Authorities.
- Might also make an argument that there could be greater efficiencies achieved if the regional body was acting more directly on behalf of Welsh Government with a standardised agenda and plan to follow.
- Greatest potential benefit to Local Authorities would be they were no longer paying for the overheads associated with the regional delivery body and this funding was coming instead from Welsh Government.

Examining alternative delivery options: Option 4 to move to joint Local Authority Education Services

What is the rationale for this option and what might it look like in practice?

There could be significant benefits in joining up school improvement work with other Local Authority functions around inclusion and ALN more effectively. Merging Local Authority Education functions could allow for significant economies of scale to be achieved and would also potentially provide a more manageable number of organisations for Welsh Government to engage with directly in pursuit of the national mission. This might then negate the need for any form of regional infrastructure although it is also potentially possible to see how this option could be combined with an option in which a regional delivery arm of Welsh Government continues to operate. Under this option Challenge Advisers would be directly employed by joint Local Education Services but could therefore operate across more than one Local Authority area. It could still be possible to organise some roles and functions across more than one Joint Education authority although it may prove simpler and easier to organise the bulk of professional learning and development through the new joint functions.

What are the potential advantages to this option?

- Closer working between school improvement service and other Local Authority services like inclusion, wellbeing and ALN is easier to achieve.
- Provides a manageable footprint for Welsh Government and others to engage schools in pursuit of the National Mission and curriculum change.

What are the potential disadvantages?

- School leaders may be less positive about this option if they have been supportive of the Consortium and seen it as the champion of the self-improving system.
- School leaders would need reassurance that opportunities for working across the region could be maintained under this model.
- There may be concerns from schools in smaller Local Authorities that this will be a take-over model from larger Local Authorities and that they will get less attention as a result. Consortium is seen by many schools as providing independent view of needs across all schools regardless of which Local Authority they come from

What would the potential cost/resourcing implications be?

- Potential savings at management level – potential to have a single joint Education Director across Local Authorities and reduced need for Senior Management structure at regional level potentially. Savings at levels below this are unclear – some LAs who have explored this option already thought there were few savings to be achieved.
- Likely to require other senior school improvement posts to be created at local level (although these exist or are being created in some LAs already) - a) to oversee and manage Challenge Advisers and b) to lead the interaction with national level support. Therefore potentially less efficiency to be gained particularly as may be some duplication in roles if these posts are needed in each of the new organisations.
- Challenge Advisers could be employed jointly across Local Authorities which should make their deployment easier to manage and potentially more efficient than in a single Local Authority model. Senior Challenge Advisers could work across more than one Local Authority which could potentially reduce the overall number needed.

Examining alternative delivery options: Option 7 to remodel the current Consortium

What is the rationale for this option and what might it look like in practice?

The logic and arguments for continuing with the Consortium remain similar in many ways to the reasons why it was originally set up. It provides a way of organising school improvement support across the region that allows schools to work with other schools from outside their Local Authority and to deploy support and challenge wherever it is needed most across the region at any one time. There is also a strong argument that at a time of extensive national change and uncertainty for schools making the current model work more effectively is likely to provide more stability and certainty for schools than moving to another structural solution which might be destabilising and create more uncertainty for schools in the short term at least. The evidence also shows that the Consortium, working with Local Authorities and schools, has contributed to significant improvement in outcomes over the last five years. The development of the Central South Wales Challenge and model of school to school working are strongly supported by schools. However as this review has shown significant change will be needed to rebuild the commitment of school leaders and Local Authorities to the work of the Consortium moving forward so this should not be seen as the 'no change' or easy option. Step 3 of this section of the report sets out some of the areas we believe you will need to focus on to remodel the Consortium to make it fit for purpose for the future.

What are the potential advantages to this option?

- It builds on what exists already including the continued commitment of many Headteachers to regional working and the work of the Consortium
- It continues to balance the needs of Local Authorities and schools across the region and means resources are deployed to the local areas with greatest need
- Continues to provide opportunities for schools to work with other schools across the region which many have found beneficial and want to maintain
- Provides a delivery vehicle for Welsh Government to engage with schools in pursuit of the National Mission and curriculum change.

What are the potential disadvantages?

- Will require a lot of hard work and effort to reinvigorate the Consortium and Heads around a clear sense of purpose and shared vision of where you want to go next
- Will continue to have to work with the tension between an LA commissioned SI service and a regional model supporting Welsh Government priorities – this is likely to continue to be challenging
- Finding the right leadership capacity to renew the Consortium and build the confidence of Heads and schools will be challenging

What would the potential cost/resourcing implications be?

- See Slides 40-43 for more detail on options here
- Difficult to see how further savings can be achieved to core budget without significant changes to Challenge Adviser model



What is our view on the feasibility and desirability of different options?

- The most important point we would want to make is that a decision needs to be taken quickly by Members, Chief Executives and Directors so that you end the uncertainty that exists. Everyone involved then needs to commit to the decision and support the implementation of it. What Headteachers and schools in particular need now is certainty and they need to know who they are going to be working with during this period of extensive national change.
- Having said this, we felt we should give you our views about the potential feasibility and desirability of the different options which we set out below:
 - **In relation to Option 2**, whilst we can see the **attractiveness to separating out local challenge and support from the wider support** being provided around national change, in practice **this feels as difficult to us to achieve under separate organisations as it does now within the Consortium**. **Challenge Advisers would still need to connect up to the national work** to ensure their knowledge and understanding of the national support on offer was well informed and used to signpost to schools. **This would arguably be more difficult to achieve if they worked for separate organisations**. It would also be more difficult for smaller Local Authorities to manage. It is also the option which feels the most difficult to achieve given it would require agreement with Welsh Government and it is unclear to us what benefits Welsh Government would see in separating out these roles.
 - **In contrast, Option 4 seems to us more directly achievable**. If Local Authorities came forward with serious proposals to merge their education services that demonstrated economies of scale were possible **there could be a lot of potential support for this option from both schools and Welsh Government**. This option **would require some hard choices about shared functions across LAs** including at senior leadership level. There would also need to be a lot of work **to give reassurances to Heads and schools in smaller LAs that this wasn't just a 'take-over' from larger LAs** and they wouldn't be forgotten about in any new organisational arrangements. The other key risk is losing the benefits schools have seen in working with schools from right across the region; however this could be mitigated particularly if the Central South Wales Challenge and key elements were maintained for a period of time across all LAs. **If these obstacles could be overcome we think this option has the potential to provide a simpler and more efficient system** although more detailed modelling would be needed at Local Authority level to determine the level and scale of any potential efficiencies. The other caution we would have about this option is how quickly it could be achieved in reality.
 - **In our view, Option 7 to remodel the consortium is the one that builds most logically on where you are now and is most attractive in providing certainty and stability to schools during a period of significant national change**. However we do not see this as an easy option. It will require a **significant commitment and investment of time and effort to rebuild the commitment from schools and Local Authorities** to the Consortium. We set out in the final section of this report the areas we would recommend you focus on next if the decision is taken to re-commit to the Consortium. **We would argue these steps are necessary in the short term anyway even if a different decision is taken about the way forward longer term**.



Step 2: Determine the funding needed for the next three years

Whatever organisational model is decided, the two areas of greatest cost within the core budget are likely to remain the Challenge Adviser budget and the Senior Management/Other Employee costs that we identified earlier in the funding section. We have therefore focused on these two areas to look at what potential opportunities there might be for efficiencies and savings.

In relation to [Challenge Advisers](#) we have identified a series of options for ways in which you might think about reducing the overall number of days required from Challenge Advisers and Senior Challenge Advisers. For the latter we have also looked at ways in which the role and function could be shifted to enable more of it to be funded by Grant funding.

There is also an important decision to be made about whether individual Local Authorities could make different decisions about the Challenge Adviser role e.g. could some opt for a more intensive challenge and support role, whilst others might opt for a lighter touch model. There is nothing in principle to stop this model from working but it might be more challenging for the Consortium to manage Challenge Advisers playing such different roles.

On [Senior Management and other staffing costs](#) we have only looked in detail at the potential future organisational structure for the current Consortium. If the decision is taken to pursue one of the other organisational options more detailed work would be needed to develop alternative organisational structures to compare and contrast.

You will need to make decisions now on the indicative three year budget projections (see Slide 43 for an example of what a 5% annual reduction would look like) and what savings you believe are achievable. You can then ask the Consortium to plan against this indicative budget and make more detailed proposals for how they would deliver these savings.



Step 3: Strengthen delivery in a number of critical areas

We have identified a number of areas where we believe you need to take action to address the current challenges we identified facing the Consortium:

A. Re-launch the regional strategy and ways of working

- Re-launch and re-invigorate the regional commitment to a self-improving system
- Clarify roles and responsibilities and be clear about who does what in the overall system
- Ensure communications channels are clear to all and seek regular feedback
- Strengthen relationships between Consortium and Local Authorities and Welsh Government

B. Implement the revised delivery model

- Ensure all are clear about the revised delivery model for CSWC including role of clusters
- Improve the quality and consistency of implementation of current strands like SIGs and Hubs
- Give careful time and attention to ensure the successful implementation of new role for clusters
- Re-design the Challenge Adviser model

C. Strengthen governance

- Consider the benefits of bringing different groups together into one overarching decision making board
- Develop the role and relationships within JCC to become more of a problem solving forum
- Strengthen the connection between clusters, local heads groups and the consortium to enable Headteachers to communicate with their peers about the work of the Consortium and refreshed regional vision
- Explain the role of Delegate Heads clearly and be transparent about who they are and how they are selected



A. Re-launch and re-invigorate the regional commitment to a self-improving system

- **Re-launch and refresh the regional way of working and strategy over the summer term.** Use the opportunity of this review and publication of the new business plan to set out a renewed commitment to regional working and the changes you plan to make as a result. Consider holding specific events/conferences or use existing mechanisms to set out the vision for the next three years including the areas where there remains uncertainty about what the future will look like. Use all stakeholders – Directors, Chief Executives, Members, Delegate Heads and CSC staff - to get out and communicate the message clearly about the need to get ‘back on track’ and be clear about the commitment to schools to do that. Develop and agree a core script for the key messages you want all heads and schools to hear during this period about the future direction.
- **Clarify roles and responsibilities and explain clearly who does what.** Many heads said to us they were unclear now about who does what in the system and who they should contact about specific areas. In part this is the result of recent changes in personnel but it is also probably due to confusion amongst Local Authorities and CSC staff themselves. We think there would be real benefit therefore in setting out again clearly the respective roles of the Consortium, Local Authorities and schools and showing how this works together as a single self-improving system. There are also some clear practical steps that would help here such as publishing an updated staff structure for the Consortium including contact details for key staff. It might even be possible to include key contact details for Local Authority staff as part of the same system so that schools have all of their key contacts in one place.
- **Ensure communication channels are clear to all and seek regular feedback.** This will need to link to the restatement of the roles and responsibilities described above as well as the development of the revised governance proposals set out on . But the priority should be ensuring all heads and schools are clear about the channels they can use to get information from the Consortium and also to feed it back. This includes their Challenge Adviser and Senior Challenge Advisers; their local cluster; and their network or group of local heads and their local Delegate Head or equivalent (depending on what is decided). There should be a big push on using these channels to get a consistent set of messages out to the system – these could be agreed at the weekly or monthly SLT meeting. And they should also then be used as a regular source of information and intelligence to feed back into the Consortium.
- **Strengthen relationships between Consortium and Local Authorities** and find ways to connect Local Authorities to conversations with Welsh Government. Develop ways for Consortium staff to engage on a more regular basis with Local Authority personnel and ensure communications are open and transparent – for example consider hosting Consortium senior management meetings in different Local Authorities on a rolling basis and add on time for meetings with other Local Authority staff, ensure Challenge Advisers contact details are easily available to Local Authorities to make regular connection easier. Find opportunities to increase the visibility/transparency of conversations between the Consortium and Welsh Government including communicating to LAs and schools grant conditions and timescales e.g. a termly meeting between the Consortium and WG in which either all Directors are present or Lead Director and Chief Exec represent LAs.

B. Implement the revised delivery model

- **You have set out the future delivery model for the Central South Wales Challenge and implementation of the new curriculum** and other national reforms. This envisages continuity in a number of cross-regional elements of the model such as SIGs and Hubs with clusters playing a more prominent role in the delivery of the new curriculum and other reforms like ALN. We think this is a sensible way forward but the key challenge will be about quality and consistency of implementation.
- **In relation to the existing strands of work within the Challenge the key next step is about improving the consistency and quality of delivery** across each of these. For example by looking at what the most successful SIG groups and Hubs have been doing and learning from this to push and develop others to match them. We understand there are already plans to develop stronger quality assurance mechanisms around Hubs and SIGs but the challenge will then be in following through on this and ensuring they are held to account for the quality of their implementation. You will also need to be clear about what levers you have if implementation is off track and how to intervene quickly to get it back on track.
- **Clusters will also need specific time and attention to get consistency of implementation right.** In many cases clusters are already established and are working well but there is likely to be significant variation across each local area in how well they are working now. The role of cluster convenor or cluster lead will be likely to become an increasingly important one in the system given the enhanced responsibilities they are being given. You will need to think about what support these convenors need in a similar way to the support that SIGs convenors have required and it may be that Challenge Advisers need to play a stronger role in overseeing and ensuring clusters are fulfilling their new role in the system. You will also need to be clear about the levers available to you if a cluster is not working and how to broker any additional support or interventions in these cases.
- **The other piece of the delivery model where further work is needed is the design of the future Challenge Adviser role.** You will need to decide what expectations you want to set around the Challenge Adviser role and time they should be spending with different types of schools as well as considering how the role might need to change to take account of new models of Peer Review and national accountability arrangements including Estyn. Our view is that there is scope to reduce the amount of time they are spending in at least green and yellow schools and there may be opportunities to do more on a cluster basis moving forward. We also think there would be benefit in reviewing the role description for Senior Challenge Advisers and ensuring there is a greater degree of consistency in their role in each Local Authority. This could help to free up time for Senior Challenge Advisers to be more connected to strategic work within the Consortium which we see as vital to strengthening their ability to help Local Authorities and schools to connect to the wider professional development and leadership support the Consortium delivers.



C. Strengthen governance

- **Consider the benefits of bringing different groups together into one overarching decision making board.** There are currently a number of separate and distinct groups offering advice and making decisions across the Consortium. It may be necessary to maintain these different groups for a period of time whilst you re-establish momentum but we think there would be benefits in the longer term in bringing these groups together into one single overarching decision making body which would have representatives from each of the groups. In our experience the numbers would need to be kept small (8-12) to make this group effective so you would be unable to have all of the current parties represented in the same way. For example you could nominate 2 Directors, 2 CSC staff, 2 Delegate Heads, 2 Other Heads. You might also want to consider the benefits of having an independent chair for this group.
- **Review the role being played by Joint Consortium Committee and strengthen its function as a forum to share and problem solve together.** Whilst recognising the role that the JCC has to play in scrutinising and signing off on key Consortium decisions and documentation there is the potential for it to play a greater role in sharing approaches between Local Authorities and problem solving issues together. This would help to demonstrate clearly to elected Members the value of regional working. There may also be a need to do more informally with Members to build relationships and deepen their understanding of the way the Consortium currently works so they can provide more informed challenge and support through JCC.
- **Strengthen the connection between clusters, local heads groups and the Consortium.** The local groups of heads that meet together to pull together the views of different heads seem to be providing a relatively effective mechanism at connecting to clusters and bringing in Local Authorities and Senior Challenge Advisers. But it is unclear where that intelligence then goes or how messages from the Consortium are fed down. There does also not appear to be any forum in which these heads are brought together to discuss issues and solutions across Local Authorities. This feels like a missed opportunity as these individuals are influential system leaders and could be advocating on behalf of the region and helping to drive forward implementation if they were well connected in. There seem to us to be two options here i) they could be added to the Delegate Heads Group ii) there could be another representative group of heads that meet less frequently (termly perhaps) and asked to feedback their collective views from heads meetings.
- **Explain the role of Delegate Heads clearly and be transparent about who they are and how they are selected.** We can see the value of having a passionate and committed group of system leaders working to drive forward the self-improving system. At its best a number of heads talked about previous incarnations of this group – the Strategy Group – being a powerful and exciting forum to engage in. Part of the challenge we have heard in relation to Delegate Heads is confusion about who they are and how they were selected and a perception that they may be making decisions that benefit their schools. This needs to be taken on by being transparent about the role of the group and who is on it. The plan for Delegate Heads to attend local heads meeting and explain their role next term seems a sensible one to us. It will also be important for Delegate Heads to continue offering opportunities for other heads to connect with them and raise issues. There may also be benefit in more formally connecting the Delegate Heads with the heads leading the local groups of heads to ensure they are sharing information and intelligence regularly and see their respective roles working in tandem with each other.

Central South Consortium: Post Review Action Plan
December 2019

Plan Reference	Action	CSC Lead	LA Director Lead
1.0	Decide the right organisational structure to drive forward the development of the self-improving system		
1.1	Undertake Independent Review and agree Organisational Structure	Acting Managing Director	All
1.2	Review CSC staffing structure in light of recommendations from ISOS	Acting Assistant Managing Director / HR Director	Vale of Glamorgan
1.3	Review and agree proposals on changes to the Challenge Adviser structure / role	Temporary Assistant Director	Lead Director (Merthyr)
1.4	Review and agree proposals on the function and role of the Senior Challenge Adviser	Acting Assistant Managing Director	Lead Director (Merthyr) / RCT
2.0	Determine the future funding model for the next three years		
2.1	Agree with Members & Chief Executives a three-year funding model	Acting Managing Director / Lead Chief Executive	Bridgend
3.0	Strengthen the delivery arrangements in a number of areas.:		
3.1	Renew and refresh the vision and strategy for regional working and re-communicate this extensively to schools and other partners (Including Members)	ALL	Lead Director (Merthyr) / Cardiff
3.2	Implement the revised delivery model including the new role of clusters and strengthen further school-to-school working	Senior Lead for Curriculum Reform	RCT
3.3	Review and revise the governance arrangements	Acting Assistant Managing Director	Bridgend

1.0	Step 1: Decide the right organisational structure to drive forward the development of the self-improving system.				
1.1	Undertake Independent Review and agree Organisational Structure				
CSC Lead: Lead Chief Executive / Acting Managing Director		Director Lead: Lead Director (Merthyr)			
Action(s)	Success Criteria	Deadline Date / milestones	Aspect Lead (s)	Progress & Impact Evidence	Resourcing Commitment
Present recommendations from Chief Executives to Joint Committee on initial findings September Joint Committee Meeting agenda item to outline any queries from Cabinet meetings Present Implementation plan to Joint Committee Chief Executives present recommendations to Cabinet and scrutiny committees Sign off implementation plan	Removal of uncertainty Clarity of role of the consortium Improvement in retention / recruitment to the consortium	Joint Committee 21 st May 2019 & 25 th November 2019 Cabinet meetings in December / January 2019 / 20 December 2019	Acting Managing Director (CSC) Lead Chief Executive	Initial findings and recommendations presented to Joint Committee in May 2019. Initial action plan shared with Directors June 2019 Implementation of action plan developed in partnership with Directors from across the region.	Officer time
Develop business case for further shared services. (Chief Execs)	Identification of areas for consideration Business Case developed supported by ISOS	TBC	Lead Chief Executive	Discussion with Joint Committee May 2019 on future shared services.	ISOS capacity

1.0	Decide the right organisational structure to drive forward the development of the self-improving system				
1.2	Review CSC staffing structure in light of recommendations from ISOS				
CSC Lead: Acting Assistant Managing Director / HR Director		Director Lead: Vale of Glamorgan			
Action(s)	Success Criteria	Deadline Date / milestones	Aspect Lead (s)	Progress & Impact Evidence	Resourcing Commitment
Undertake review of staffing structures to include: Consideration of senior and middle leadership capacity Comparisons with other consortia Full review of job descriptions of Managing Director, Senior Leaders, Senior Challenge Advisers and Challenge Advisers Identify posts required for national reform linked to 2.1 and 2.2 Consider financial implications including value for money Agree structure of senior leadership team	Managing Director appointed Permanent leadership team in place Confidence in CSC improves resulting in reduction in staff turnover as well as attracting stronger candidates during recruitment processes Clarity and stability of roles within CSC ensuing clear direction / vision articulated to staff and schools Clarity regarding the role of senior challenge adviser's / challenge advisers Organisation has the capacity to drive forward school improvement work across the system in partnership with Local Authorities and schools	Review starts 1 st May Proposals presented to Directors (June 2019) Managing Director recruitment November 2019 Senior Leadership structure agreed Feb 2020	Acting Assistant Managing Director (CSC)	Managing Director recruitment underway Review of senior staffing structure underway Review of roles and functions of senior challenge advisers undertaken with Directors in each Local Authority	ISOS to undertake work re role of the senior challenge advisers
Consult with recognised trade unions Consultation period with staff Recruitment process	Management of change supported by trade unions Staff provided with the opportunity to engage with the consultation process	Engagement with trade unions December 2019 Staff consultation December 2019 Structure fully implemented September 2020	Director of Human Resources (RCT) / Acting Assistant Managing Director	Consultation with senior challenge advisers underway Draft Job description for senior challenge advisers shared with trade unions as part of consultation process	

Clarify and communicate roles	Capacity established within CSC to provide effective and efficient service to stakeholders	Ongoing	Acting Managing Director (CSC)		
Produce communication plan	Clarity regarding roles and responsibilities within consortia, LAs and schools. Stronger connections between the Consortium and the work of Local Authorities.	Spring Term 2020			
Produce structure diagrams and share on CSC website	Clarity of information provided regarding the roles within the middle tier and within CSC	Spring Term 2020	Acting Managing Director (CSC)		
Produce pen portraits of key personnel with contact information on the website	Improved channels of internal and external communication established		Communications Manager (CSC)		
Link to LA websites from CSC					
Include key LA staff and their contact details					
Develop strategies to engage all parties more effectively to understand the developing role of the consortium within the national reform agenda.	Acknowledgement of potential tensions between WG / Consortia /Other Middle Tier Organisations/ LAs and schools	Ongoing	Acting Managing Director (CSC)	Acting Managing Director attended meetings with headteachers in every local authority to deliver consistent key messages	
Termly meeting between WG, CSC, Lead Director & Lead Chief Executive	Greater clarity and understanding of schools regarding how their priorities fit alongside and/or are different from national priorities			Termly meetings with WG arranged	
Establish formal process of recording these meetings and feeding back to Directors / Heads	Improved clarity about the respective roles of the Consortium, Other Middle Tier Organisations, Schools, Local Authorities and Welsh Government and how they all work together as part of one overall system contributing to improved outcomes				
Publish dates of these meetings and ask for agenda items from Directors / delegate heads etc	Transparency of the use of funding to support national, regional and local priorities.				

1.0	Decide the right organisational structure to drive forward the development of the self-improving system				
1.3	Review and agree proposals on changes to the Challenge Adviser structure / role				
CSC Lead: Acting Assistant Director		Director Lead: Lead Director (Merthyr)			
Action(s)	Success Criteria	Deadline Date / milestones	Aspect Lead (s)	Progress & Impact Evidence	Resourcing Commitment
Update challenge and review framework detailing what CAs are expected to focus on ensuring greater emphasis on the 'support' side of the role to strengthen brokering and signposting schools to appropriate professional development support and connecting them to other schools that they could learn from.	Framework reflects the interim arrangements for School Support and Authentication. Consistent clarity on support and expectations understood by LAs, Schools, CSC	June 2019	Acting Assistant Director (CSC)	Framework re written and renamed as Framework for School Improvement Clarity over termly focus included. Protocol for resource board amended to ensure diligence is given to professional learning offer Central South Wales challenge relaunched with 4 training sessions for all CSC staff	
As full time challenge advisers leave the organisation replace with seconded senior staff from schools.	Workforce is skilled in current practice, with current and relevant experience.	July 2019	Acting Assistant Director (CSC)	Aug 2019 CA Vacancies were filled with 1 FT secondment and 4 PT secondments.	
Allocate Challenge Advisers to clusters of schools and facilitate working between secondary and primary CAs	CAs working to support peer engagement models with groups and clusters of schools. Evidence of shared development work between schools facilitated by one CA.	July 2019	Acting Assistant Director (CSC)	CA deployment focussed on clusters where possible to enable efficiencies through group working	
Review QA processes, line management and Performance management process and ensure consistency across the organisation	Rationalise processes and paperwork in place to track effectiveness and areas for individual development	August 2019	Acting Assistant Director (CSC)	Performance management targets agreed with staff to focus on 2 corporate areas and third focussed on an area of the business to ensure improvement in service delivery and outcomes for young people. Line management linked to PM and SCAs in specific LAs, equitable spread of line management responsibilities to SCAs	
Improve the quality and consistency of Challenge Adviser advice, support and challenge to schools through effective line management and appropriate effective professional learning Ensure robust process are in place to ensure all CAs are accountable for the support they provide to schools	A plan is in place, CAs prioritise attending meetings and training ensuring all schools are benefitting from positive external professional scrutiny and challenge of their performance	September 2019	Acting Assistant Director (CSC)	Programme of professional learning in place to ensure content and knowledge is continually updated as well as skills to be able to facilitate, enable and coach schools.	

Review the allocation of days to CA tasks taking into account, admin time, senior appointments, Estyn preparation/inspections, LA Meetings and direct work with schools. Clarify how long a day or a session is. Consider if a limit on number of schools a CA can work with is appropriate	CAs deployed effectively with improved efficiency. Potential reduction in overall number of CAs. The time allocation model enables line managers to hold CAs to account for their time.	January 2020	Acting Assistant Director (CSC)		
Review termly the working of the peer engagement groups.	Information gathered shows the work of CAs and peers identifying any duplication.	January May July 2020	Acting Assistant Director (CSC)		
Consult within CSC and with LA colleagues on the name for Challenge Advisers and Strategic Advisers. Consider changing the name to an overarching school improvement title.	The name of the school improvement professional in CSC reflects the work carried out and acknowledge the impact strategic advisers have on school improvement work	January 2020	Acting Assistant Director (CSC)		
Review CA Job Description to reflect the needs of the changing role and the commitment to supporting CSC	Expectations of the role are clear and the JD is used to inform PM. Full time core CAs have a strategic role within the organisation.	February 2020	Acting Assistant Director (CSC)	Challenge Adviser job description shared with Directors and Trade Unions	

1.0	Decide the right organisational structure to drive forward the development of the self-improving system				
1.4	Review and agree proposals on the function and role of the Senior Challenge Adviser				
CSC Lead: Acting Assistant Director		Director Lead: RCT & Lead Director (Merthyr)			
Action(s)	Success Criteria	Deadline Date / milestones	Aspect Lead (s)	Progress & Impact Evidence	Resourcing Commitment
Interview all Directors to explore requirements and expectations of each LA of the functions of Senior Challenge Advisers	A set of agreed functions and roles across all LAs which documents clearly the expectation of Directors	September 2019	Acting Assistant Managing Director (CSC)	Options on future roles and functions of senior challenge advisers presented to Directors October 2019	ISOS capacity
Review and revise job descriptions linked to 1.2 in collaboration with Directors	Job descriptions agreed with staff and Trade Unions	December 2019	Acting Assistant Managing Director (CSC)		
Consult with Senior Challenge Team on proposed amendments to job descriptions	Job descriptions agreed with staff and Trade Unions	January 2020	Acting Assistant Managing Director (CSC)	Senior Challenge Advisers consulted on revised job descriptions	
Using the work profile for each SCA identify additional strategic roles within the Consortium.	SCAs better connected to the wider reform agenda to deliver support. Improved SCA ability to empower Challenge Advisers to connect, broker and signpost schools to the wider support available through the Central South Wales programs	September 2019	Acting Assistant Managing Director (CSC)	Senior Challenge Advisers allocated strategic responsibilities according to service need and skillset	

2.0	Determine the future funding model for the next three years				
2.1	Agree with Members & Chief Executives / Members a three-year funding model				
CSC Lead: Lead Chief Executive / Acting Managing Director		Director Lead: Bridgend			
Action(s)	Success Criteria	Deadline Date / milestones	Aspect Lead (s)	Progress & Impact Evidence	Resourcing Commitment
Prepare medium term financial plan for consideration of chief executives & Members	Forward budget projections set in advance	January 2020	Service Director – Finance and Improvement Services (RCT)	Medium Term financial plans presented to Joint Committee	
Review and amend how funding models are presented to show a combined budget (rather than core / grant)	Transparency of spending and delegation rates to schools to ensure effective reporting to LAs Schools effectively report against spending by development of online tracking system which all school improvement officers have access to from CSC and LA	Financial year 2020/21 Pilot the use of the tracking system from March 2020	Assistant Business Manager (CSC) Service Director – Finance and Improvement Services (RCT)	Reducing bureaucracy and workload task and finish group established to review streamlining of reporting. Online tool trialled with members of the budget forum – further development required, and feedback incorporated from the reducing workload group.	
Attendance at budget forums at least once per year. Attended by the MD and SMT	Clarity of understanding of the budgets available to CSC and the delegation rates across the region	Dates throughout academic year	Acting Managing Director (CSC)	SMT member attending budget forum meetings	
Establish more systematic reporting on value for money Possible consideration to shorter theme specific reports spread throughout the year including case study evidence Analysis of VfM in respect of performance / inspection outcomes to be considered in Autumn Term	Detailed information regarding the impact of different initiatives is shared in a timely manner to inform future planning Stakeholders able to make judgements on the effectiveness of support	March 2020	Acting Managing Director (CSC)		
Chief Executives engage in discussions with WG regarding the flexibility of grants to cover fixed costs of CSC	Improved flexibility of grant funding Greater flexibility over funding envelope	July 2019	Lead Chief Executive	Lead Chief Executives have met with Welsh Government to discuss (July 2019). Ongoing discussions with Acting managing Director and Director of Education (Steve Davies) November 2019. Discussions with Minister in Challenge and Review session 07 th November 2019	

3.0	Step 3: Strengthen the delivery arrangements in a number of areas.				
3.1	Renew and refresh the vision and strategy for regional working and re-communicate this extensively to schools and other partners				
CSC Lead: Senior Management Team		Director Lead: Lead Director (Merthyr) & Cardiff			
Action(s)	Success Criteria	Deadline Date / milestones	Aspect Lead (s)	Progress & Impact Evidence	Resourcing Commitment
Attendance by SMT at engagement events to include: - Headteacher meetings - LA Budget forum - Welsh Government briefings (to promote CSC message) - Member events Develop and agree a core script for the key messages about the future direction.	- Re-launched vision and purpose - Clarify of the purpose of different groups - Consistent delivery of key messages - Renewed commitment to regional working Shared vision delivered by all (including Directors / chief execs / Members)	Summer Term 2019 Autumn Term 2019 - ongoing	Acting Managing Director	SMT attendance at Head Teacher Briefings in the summer term supported by Directors and Lead Chief Executive Agreement on shared key messages with Directors Continued senior management team attendance at all local authority headteacher meetings	
Clarify roles and responsibilities and be clear about who does what in the overall system (see 1.2 above)					
Ensure communications channels are clear to all and seek regular feedback Comprehensive communication strategy in place	All heads and schools are clear about the channels they can use to get information from the Consortium and also to feed it back. This includes their Challenge Adviser and Senior Challenge Advisers; their local cluster; and their network or group of local heads and their local Delegate Head or equivalent Consistent set of messages out to the system –agreed at monthly SLT meeting & used as a regular source of information and intelligence to feed back into the Consortium.	Spring Term 2020 Spring Term 2020 publication	Communications Manager		
Development of publication materials to support attendance at events: - Presentation - Newsletters - Social media presence - Video / case study materials - Blog	All heads and schools are clear about the channels they can use to get information from the Consortium and also to feed it back. Consistent set of messages developed	Ongoing	Communications Manager	Refresh of vision and branding at all events	

Attendance at wider LA meetings					
Attendance at wider LA meetings	Holistic school Improvement and partnership working	Ongoing	Acting Assistant Director		Officer Time

3.0	Decide the right organisational structure to drive forward the development of the self-improving system				
3.2	Implement the revised delivery model including the new role of clusters and strengthen further school-to-school working				
CSC Lead: Senior Lead for Curriculum Reform		Director Lead: RCT			
Action(s)	Success Criteria	Deadline Date / milestones	Aspect Lead (s)	Progress & Impact Evidence	Resourcing Commitment
Implement the revised delivery model - Ensure all are clear about the revised delivery model for CSWC including role of clusters - Improve the quality and consistency of implementation of current strands like SIGs and Hubs - Give careful time and attention to ensure the successful implementation of new role for clusters - consideration of the role of LAs in support of this - Re-design the Challenge Adviser model	Consistency and quality of delivery across each of the aspects of the Central South Wales Challenge Robust quality assurance processes in place (for all aspects of the challenge) Systematic reporting of impact which can be used to effectively inform future planning Effective management of risk	Summer Term 2019	Senior Lead Curriculum Reform (CSC)	Model revised and implemented summer 2019. Robust process of application and selection for hubs and lead practitioners. Senior Lead presented revised model in CSC staff professional learning sessions and at all Local Authority headteacher meetings, except for Penarth Cluster and RCT Primary HTs. Evaluation strategy developed and implemented for SIGs, Cluster, Hubs using Kirkpatrick model – beyond participation into impact, i.e. learning, behaviours and results. Evaluation strategy for peer engagement developed using appropriate model during autumn 2019. Challenge Adviser involved in Professional Learning signposting and brokerage of Central South Wales Challenge for schools. Collaborative working between Challenge Advisers and Professional Learning teams further strengthening with improved processes and Central South Consortium professional learning opportunities.	
Strategy developed to ensure all stakeholders understand the revisions to the CSWC Clusters are provided with effective communication regarding the role of the cluster & cluster convenor Identification of training needs of the cluster convenors	Shared understanding of the revised Central South Wales Challenge Model Communication materials available to all schools Training needs analysis undertaken Agreed role of the CA in the process	Autumn Term 2019	Senior Lead Curriculum Reform (CSC)	Senior Lead presented revised model in CSC staff professional learning sessions and at all LA headteacher meetings, with the exception of Penarth Cluster and RC Primary HTs. Also presented at a number of other stakeholders' meetings, e.g. Cardiff scrutiny, Trade Unions, Vale of Glamorgan Governors, etc.	

Identification of the role of the challenge adviser in SIG / Cluster working				Cluster convenor training Sept 19 attended by 46 clusters and all communications and resources shared with all clusters. 46/56 cluster plans submitted to date. Further cluster convenor training session planned for Spring 20.	
Further refine the strategy for supporting schools to implement the new curriculum. Development and implementation of cross-regional PL programme for Curriculum for Wales	Effective school to school support structures are in place engaging pioneers, hubs and clusters All delivery partners have sufficient expertise and capacity Effective engagement with the consultation process by the majority of schools Effective engagement with PL for curriculum reforms by majority of schools	March 2020	Senior Lead Curriculum Reform (CSC)	School to school support embedded within hubs, SIGs and clusters. Regional AOLEs leads appointed from pioneer schools and to also participate in National Networks. Development of regional strategy to fully utilise the expertise and capacity of the pioneers beyond January 2020 is ongoing during autumn 19 for full implementation 2020. Professional Learning pioneers identified to support a minority of SIGs and/or clusters. 78% of school participated in engagements events June 19. 72% school to date are engaging with the hub programmes (2019/20). Cross-regional programme is being developed for Professional Learning for curriculum reforms. Programmes will be written autumn 19-spring 20 and delivered from spring 20 onwards. Require further capacity within the CSC team to deliver and quality assure the CSW Challenge and further develop the cross regional programme of professional learning for the curriculum reforms.	

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3.0	Decide the right organisational structure to drive forward the development of the self-improving system						
3.3	Review and revise the governance arrangements						
CSC Lead: Acting Assistant Managing Director		Director Lead: Bridgend					
Action(s)		Success Criteria	Deadline Date / milestones	Aspect Lead (s)	Progress & Impact Evidence		Resourcing Commitment
Strengthen Governance Audit the role and remit of all the groups comprising the governance structure of the Consortium		Strengths and areas for improvement identified of current governance arrangements identified	October 2019		Review of governance undertaken with options for roles and remit of the different groups at each level currently under consideration		ISOS Capacity
Present options paper to Directors with recommendations for strengthening governance at all levels Undertake workshop with Members facilitated by ISOS on possible governance options Present recommendations to Joint Committee for approval		More effective decision-making process established	November 2019 January 2020 March 2020		Paper presented to Directors November 2019		
Seek legal advice before any changes are implemented		Governance structure in line with Welsh Government requirements	January 2020				
Strengthen the engagement and understanding of all headteachers on the work of the Consortium		Increased engagement of headteachers in the revised governance structure	Ongoing				
Improve the business planning process to ensure shared ownership of the plan. Joint scrutiny of progress and identification/celebration of good practice		Improved engagement with local authorities in the development of the business plan LA priorities explicit within the BP Business Plan consultation is wide ranging and includes all stakeholders. Views and suggestions are incorporated as the BP consultation process develops	Ongoing	Acting Managing Director			

	SLT forward planner identifies opportunity for each operational plan to be systematically scrutinised by peers Progress of the specific LA priorities within the business plan is reviewed at termly local authority performance meetings				
Develop relationships with members	Members have a deeper understanding of the way the Consortium currently works so they can provide more informed challenge and support through JCC	Summer Term	Acting Managing Director with Directors of Education		

BRIDGEND COUNTY BOROUGH COUNCIL

REPORT TO CABINET

25 FEBRUARY 2020

REPORT OF THE HEAD OF OPERATIONS -- COMMUNITY SERVICES

COASTAL PROTECTION ENGINEERING WORKS TO WESTERN BREAKWATER AND EASTERN PROMENADE, INCLUDING RHYCH POINT, PORTHCAWL

1. Purpose of Report.

In accordance with procurement rules to seek the approval of Cabinet to invite tenders for coastal defence work to the Western Breakwater and Eastern Promenade, Porthcawl that are estimated to be in excess of £5 million.

2. Connection to Corporate Improvement Objectives / Other Corporate Priorities

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

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

3. Background.

3.1 Western Breakwater, Eastern Promenade and Rhych Point are covered by the South Wales (Lavernock Point to St. Ann's Head) Shoreline Management Plan 2 (SMP2), inside Policy Scenario Unit 7. The SMP2 states that "the main policy driver for this frontage is to reduce the risk of coastal erosion and flooding to the developed area of Porthcawl, through a policy of hold the line by maintaining and upgrading defences at Trecco Bay, Sandy Bay, Town Beach and Marine Drive, subject to the future availability of public funding for coastal erosion and flood risk management".

3.2 The Western Breakwater was constructed in the 1820s, with a further extension in the 1860s. The sea wall at Eastern Promenade was constructed in the 1860s, to form part of the inner harbour. The Western Breakwater and Eastern Promenade sea walls have been successful in protecting the seafront properties against flooding and erosion. The Outline Business Case has identified that the sea wall structures are reaching the end of their life and becoming more susceptible to overtopping and ongoing maintenance requirements and costs will increase exponentially over the next decade. It is considered that the works future proof the structure for the long term which along with appropriate maintenance would meet the timeline of 50-100 years, in relation to requirements of epoch 3 in SMP2.

3.3 The sea wall and breakwater structures generally have re-pointing works undertaken funded from its annual budget allocation. This only provides a basic level of maintenance to the outer shell of the structures and does not address any internal structural and hydrology issues. The Western Breakwater has been subject

to historic failures, most notably in 1974 when the inner old wall collapsed following storm damage, which caused deck surcharge loads and storm washout, and ultimately led to a collapse/failure of the Eastern end of the structure.

- 3.4 The need to provide continuing flood and coastal erosion defence to the sea-front is recognised in the SMP2 and the Council carries out regular inspections of the structures carrying out holding repairs as required to reduce the likelihood of catastrophic failure. See appendix 1: site location boundary for all areas of inclusion within the scheme.
- 3.5 The asset inspection of the Western Breakwater undertaken in March 2017 identified that this Breakwater was in a deteriorating condition warranting intervention.
- 3.6 The structures protect several million pounds worth of assets and infrastructure along the Western Breakwater and Eastern Promenade including; the walkways, highway, commercial businesses and the properties within the Jennings building and properties that would otherwise be impacted by flooding events from the Porthcawl seafront.
- 3.7 The defences also protect other commercial properties and utilities (gas, water, sewerage, etc.) along the seafront which provide important benefits to both employment and the economy of Porthcawl. Continuing to protect this area will give assurance to stakeholders to continue to live, work, visit and invest in the area. The project will work alongside other strategic projects within the regeneration masterplan for Porthcawl, enhancing the development viability within the 100acre brownfield site, near the coastal structures.
- 3.8 If the structures were to fail, a retreat of the shoreline position throughout Sandy Bay would be expected. Failure of the structures would also result in up to 531 residential and 175 non-residential properties being at flood risk.

4. Current situation / proposal.

- 4.1 The Communities Directorate has identified, as a priority, the improvement of these structures. By remediation and futureproofing the current structures the Council is investing in sustainable outcomes for the community to put in measures to mitigate against potential flooding and property loss.
- 4.2 Welsh Government (WG), following initial appraisals, has invited a Full Business Case from the Council for the remediation works and the Council is currently awaiting confirmation of scheme approval. Subject to approval by WG, the scheme may be eligible for 75% funding from WG. The remaining 25% that would be required has been identified in the Council's Capital Programme.
- 4.3 A contract will be tendered through the online tendering process in accordance with Council's approved procurement strategy, with an oversight from the Procurement section.
- 4.4 The successful tenderer will be identified through a quality/price tender process and the awarding of any contract will follow appropriate procurement and award procedures.

4.5 Following a successful procurement, tender and award process, it is considered that the contract will be 12-18 month contract starting in spring/summer 2020.

5. Effect upon Policy Framework& Procedure Rules.

5.1 The report does not have any impact upon policy framework and procedure rules.

6. Equality Impact Assessment

6.1 An initial assessment identifies that there are no equalities issues related to this report.

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

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

- **Long-Term**

The scheme seeks to maintain sea defenses and to protect properties within Porthcawl to meet long term needs of its residents, with allowance for sea level rise to year 2118, in accordance with current guidance.

- **Prevention**

The scheme seeks to provide adequate sea defences to mitigate against overtopping and flood risk to prevent problems occurring or worsening, with allowance for sea level rise to year 2118, in accordance with current guidance.

- **Integration**

The provision will provide protection to businesses and residents which may provide an economic and social benefit.

- **Collaboration**

The scheme has been supported by WG in meeting the SMP2 for this section of the Welsh coastline which will assist residents and businesses

- **Involvement**

The proposal has been subject to public consultation on the ways in which the issue of sea defences can be managed and how they benefit to community of Porthcawl.

8. Financial Implications.

- 8.1 WG has been approached for funding for the scheme and they are in the process of assessing the Council's Business Case. If successful the scheme may be eligible for 75% funding support from WG, with a 25% contribution from the Council. Upon receipt of the formal notification from WG and completion of the tender and procurement process the Council will formally apply for the next stage of funding from WG.
- 8.2 The remaining 25% contribution has been previously approved and the funding is currently identified in the Council's Capital Programme.
- 9. Recommendation.**
- 9.1 It is recommended that Cabinet approve authorisation to tender for the coastal defence work to the Western Breakwater and Eastern Promenade structures.

Zak Shell
Head of Operations - Community Services
25th February 2020

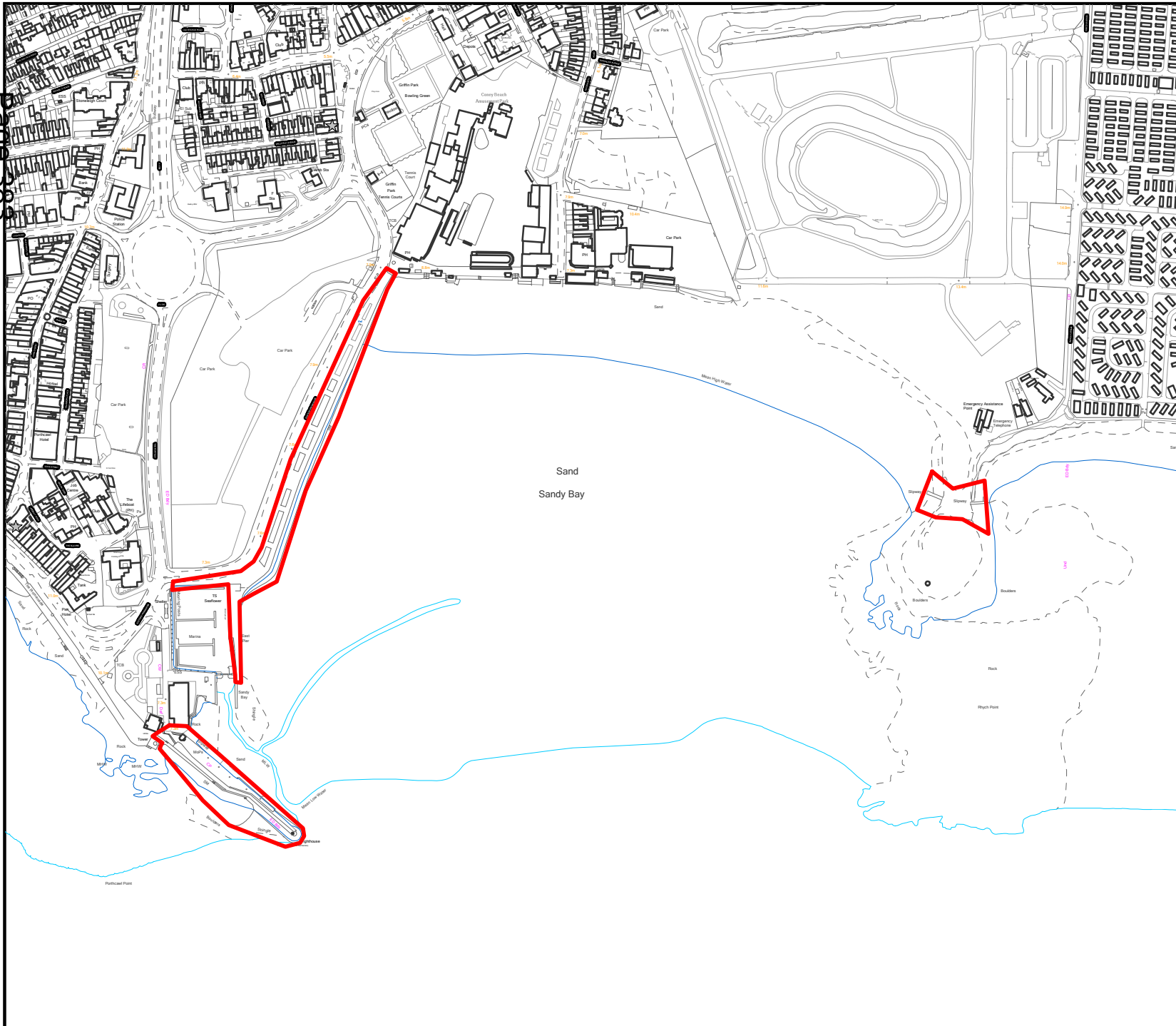
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Background Documents: None



**Proposed area of CRMP
scheme
Western Breakwater -
Eastern Prom - Rhych Point**

Scale: 1: 6000

Date: 12/02/2020



**Director Name
Corporate Director Directorate**

**Bridgend County Borough Council,
Civic Offices,
Angel Street,
Bridgend,
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