

# Public Document Pack

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

### Bridgend County Borough Council



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

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Rhowch wybod i ni os mai Cymraeg yw eich  
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#### **Cyfarwyddiaeth y Prif Weithredwr / Chief Executive's Directorate**

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

Gofynnwch am / Ask for: Democratic Services

Ein cyf / Our ref:

Eich cyf / Your ref:

**Dyddiad/Date:** Wednesday, 11 November 2020

Dear Councillor,

#### **CABINET**

A meeting of the Cabinet will be held remotely via Skype for Business on **Tuesday, 17 November 2020 at 14:30**.

#### **AGENDA**

1. Apologies for Absence  
To receive apologies for absence from Members.
2. Declarations of Interest  
To receive declarations of personal and prejudicial interest (if any) from Members/Officers in accordance with the provisions of the Members' Code of Conduct adopted by Council from 1 September 2008.
3. Approval of Minutes 3 - 18  
To receive for approval the Minutes of 20/10/20
4. Arbed Programme in Caerau 19 - 76
5. Valleys Regional Park Future Funding 77 - 82
6. Development of a Tourist Focused Land Train or Similar Passenger Carrying Vehicle Operation in Porthcawl 83 - 88
7. Treasury Management - Half Year Report 2020-21 89 - 134
8. Digital Strategy 2020-2024 135 - 180
9. Learning Disabilities Supported Living Contracts Extension 181 - 184
10. Contract for the Supply of Fresh, Frozen and Cooked Meats - Suspension of the Contract Procedure Rules 185 - 188
11. Appointment of Local Authority Governors 189 - 192

**By receiving this Agenda Pack electronically you will save the Authority approx. £4.18 in printing costs**

12. Corporate Complaints Policy 193 - 202
13. Forward Work Programme 203 - 214
14. Urgent Items  
To consider any items of business that by reason of special circumstances the chairperson is of the opinion should be considered at the meeting as a matter of urgency in accordance with paragraph 2.4 (e) of the Cabinet Procedure Rules within the Constitution.

Note: Please note: Due to the current requirement for social distancing this meeting will not be held at its usual location. This will be a virtual meeting and Members and Officers will be attending remotely. The meeting will be recorded for subsequent transmission via the Council's internet site which will be available as soon as practicable after the meeting. If you have any queries regarding this, please contact [cabinet\\_committee@bridgend.gov.uk](mailto:cabinet_committee@bridgend.gov.uk) or tel. 01656 643147 / 643148.

Yours faithfully

**K Watson**

Chief Officer, Legal, HR & Regulatory Services

Councillors:

HJ David  
CE Smith

Councillors

HM Williams  
D Patel

Councillors

RE Young  
NA Burnett

CABINET - TUESDAY, 20 OCTOBER 2020

MINUTES OF A MEETING OF THE CABINET HELD IN REMOTELY VIA SKYPE FOR BUSINESS ON TUESDAY, 20 OCTOBER 2020 AT 14:30

Present

Councillor HJ David – Chairperson

CE Smith  
NA Burnett

HM Williams

D Patel

RE Young

Officers:

Janine Nightingale	Corporate Director - Communities
Gill Lewis	Interim Chief Officer – Finance, Performance and Change
Kelly Watson	Chief Officer Legal, HR and Regulatory Services
Mark Shephard	Chief Executive
Deborah Exton	Interim Deputy Head of Finance
Lindsay Harvey	Corporate Director Education and Family Support
Martin Morgans	Head of Performance and Partnership Services
Claire Marchant	Corporate Director Social Services and Wellbeing

546. DECLARATIONS OF INTEREST

Councillor N Burnett declared a personal interest in Agenda item 15, as a close family member was in receipt of Home to School Transport.

547. APPROVAL OF MINUTES

RESOLVED: That the Minutes of a meeting of Cabinet dated 15 September 2020, be approved as a true and accurate record.

548. ANNUAL REPORT 2019-20

The Chief Executive presented a report, the purpose of which, was for Cabinet to consider the Annual Report 2019-20 (attached at Appendix to the covering report) and recommend it to Council for approval.

The Interim Chief Officer – Finance, Performance and Change stated that, in accordance with the Shared Purpose Shared Future statutory guidance (SPSF: 2) for the Well-being of Future Generations (Wales) Act 2015, individual public bodies must annually review the progress of their well-being objectives and publish a report to assess the extent to which these objectives contribute to the 7 wellbeing goals in accordance with the sustainable development principal.

Under section 15 of the Local Government (Wales) Measure 2009 and in accordance with the related statutory guidance issued by the Welsh Government, the authority must also publish its assessment of performance for the previous financial year before 31 October.

She explained, that in March 2019, the Council published its Corporate Plan 2018-22, revised 2019-20. The Plan sets out its vision, which is, always to act as ‘One Council working together to improve lives’, and its three well-being objectives. The Plan also reiterates the well-being objectives for 2019-20.

The Interim Chief Officer – Finance, Performance and Change, stated that the Plan defined 41 commitments to deliver the three well-being objectives and set out 56 outcome focused indicators to measure the progress for the financial year.

Overall, the Council performed very well in 2019-20, she advised. Of the 41 commitments 34 (82.9%) were completed successfully with 3 (7.3%) achieving most of their milestones and 4 (9.8%) missing most of their milestones. There were justifiable reasons why some targets were missed.

Of the 56 indicators identified for the Corporate Plan, 52 can be compared against their target: 35 (67.3%) met their target, 9 (17.3%) were off target by less than 10% and 8 (15.4%) missed the target by more than 10%. Detailed information about the Council's performance was included in Appendix A to the report.

The Interim Chief Officer – Finance, Performance and Change, explained further, that due to Covid-19, Welsh Government confirmed that there would be no data collection of Public Accountability Measures (PAMs) for 2019-20 therefore no analysis has been undertaken in relation to these indicators.

A summary of funding and financial performance for the year, regulators' findings and themes that underpin the Council's work were also set out in the report, which due to the pandemic had looked forward as well as back, which had not been custom and practice for the Annual Report in the past.

The Leader stated that the report gave a true and honest reflection of BCBC's performance and how that has been assessed over the last 12 or so months, including the achievements of the Council and those performance targets that weren't achieved.

Some of the things that were not achieved included making available all Council services on-line and not realising the capital sale of the Ysgol Bryn Castell, which had now been achieved.

Some notable successes however, were:

- Exceeding the target of 180 individuals to find employment (actual 334)
- Employing 35 apprentices (target 25)
- Junior apprenticeship at the Bridgend College, supporting 72 x 15/16 year olds, enabling them to have employment aspirations
- An impressive NEET figure less than half of the Wales average
- Bringing Empty Homes into habitable use, 20 (target 5)
- Introduction of Porthcawl town beach coastal defences and the regeneration of the Salt Lake car park area.

The Cabinet Member – Future Generations and Wellbeing, thanked the staff involved in the production of the Annual Report and the positive results that were contained within this document. She felt that what stood out in the Report was the excellent partnership work that was taken place between the local authority and the likes of the third sector and Town/Community Councils, amongst others.

The Cabinet Member – Communities commended the success of the Metro Plus and the Bid for the Pyle Park and Ride, including the Porthcawl Bus Terminal.

The Deputy Leader also commended the document which had been successfully produced even though there were very difficult financial challenges being faced, in order to deliver over 800 services to the constituents of Bridgend and its visitors. 2019/20 had seen £7.6m in budget reductions and over the last 10 years such savings had amounted to over £60m since the inception of austerity.

The Cabinet Member – Education and Regeneration was pleased to confirm that the re-organisation of Education for the 16 plus had been realised in the summer, resulting in every school in the County Borough having in some capacity or another a sixth form. This had been achieved through maximum collaboration of all schools and importantly, would include blended learning. He also commended the introduction of the public square in Bridgend's open market.

The Cabinet Member – Social Services and Early Help concluded debate on this item, by saying that she was proud of some of the achievements in Social Services, such as prioritising vulnerable children and the development of MASH and Early Help Hubs. She felt BCBC were also in a good place to reduce its numbers of Looked After Children (LAC).

**RESOLVED:** That Cabinet considered the Annual Report 2019-20 at Appendix A to the report and recommended it to Council for approval.

549. **BUDGET MONITORING 2020-21 QUARTER 2 REVENUE FORECAST**

Interim Head of Finance, Performance and Change presented a report, that provided Cabinet with an update on the Council's revenue financial position as at 30th September 2020, and sought approval for budget virements between £100,000 and £500,000 as required by the Council's Financial Procedure Rules.

She commenced her submission, by advising that on 26th February 2020, Council approved a net revenue budget of £286.885 million for 2020-21. As part of the Performance Management Framework, budget projections are reviewed regularly and reported to Cabinet on a quarterly basis. The delivery of agreed budget reductions is also kept under review and reported to Cabinet as part of this process.

Table 1 in the report, gave the Council's net revenue budget and projected outturn for 2020-21 as at 30 September 2020. This showed a net under spend of £31,000, comprising £3.488m net over spend on directorates and a £3.519m net under spend on corporate budgets.

The next section of the report outlined the financial pressures the Council had faced since Covid-19 and the various negative ways this had impacted on the Authority's financial position. These pressures would also continue into the foreseeable future, added the Interim Chief Officer – Finance, Performance and Change.

Table 2 in the report gave a summary of the Covid-19 expenditure claims up to August 2020, while Table 3 gave a resume of the loss of income as a result of the pandemic for Quarter 1 2020-21, in respect of Schools and in the Social Services and Wellbeing, Education and Family Support, Chief Executives and Communities Directorates.

The report then shared information on the following areas:-

1. Budget virements/technical adjustments;
2. Pay/Price Inflation;
3. Budget Reduction Proposals

Table 4 in the report then gave some information regarding the Outstanding Prior Year Budget Reductions, which reflected that of the £2.501m outstanding

reductions, £1.792m was likely to be achieved in 2020-21, leaving a shortfall of £709k. Some of the proposals still likely not to be achieved were shown in paragraph 4.2.2 of the report.

Paragraph 4.2.4 outlined the Budget Reduction proposals totalling £2.413m, broken down in Appendix 2 and summarised in Table 5 within the report. The current position on which, was a projected shortfall on the savings target of £451k, or 18.6% of the overall budget reduction.

A summary of the financial position for each main service area was attached at Appendix 3, while comments on the most significant variances were provided in Table 6 in paragraph 4.3 of the report.

The final paragraphs of the report then concentrated on budgetary issues on a Directorate by Directorate basis (including schools), Council wide budgets and Earmarked Reserves, the latter of which had been further financially supplemented.

The Interim Deputy Head of Finance added that monthly claims were continuing to be submitted to Welsh Government (WG) and there were weekly responses being received from them regarding these.

She was pleased to confirm, that the Council would receive a £300k claim towards free school meal costs for this year.

The Deputy Leader stated that the Council could take some satisfaction from the overall position the Authority found itself in during difficult times, though there were big challenges ahead in respect of Directorate budgets with the pandemic continuing to have a detrimental impact on the Council's MTFS.

He was pleased with the financial support BCB were continuing to have from WG, with over £7m having been received to date, in order to mitigate the additional pressures and loss of income the Council had faced since the Spring lockdown. Without this he added, the Council would find itself in an impossible position.

He was pleased to announce that the Authority had invested £1m into an Economic Recovery Fund, established for local businesses and residents alike. This had been used for free town centre car parking, reduced Rent payments for BCBC owned properties and the wavering of Sports facility hire fees for this year.

He also welcomed the further financial assistance received for small/medium sized Enterprises, in order for them to weather the Covid-19 storm.

To conclude, he stated that this year had been an extremely difficult one, however, the Council had still in the face of such adversity, managed its budget as well as could have been expected and that it would continue to seek external funding wherever possible, so as to continue to bolster this.

RESOLVED:

That Cabinet:

- (1) Noted the projected revenue position for 2020-21
- (2) Recommended that Council approve the virements between £100,000 and £500,000 as outlined in paragraph 4.1.14 of the report.

550. CAPITAL PROGRAMME UPDATE - QUARTER 2 2020-21

The Chief Officer – Finance, Performance and Change submitted a report, in respect of a Capital Programme update for the above mentioned quarter period.

She reminded Members, that on 26 February 2020, Council approved a capital programme covering the period 2020-21 to 2029-30 as part of the Medium Term Financial Strategy (MTFS). The capital programme was last updated and approved by Council on 22 July 2020. This report provided an update on the following areas:

- Capital Programme 2020-21 Quarter 2 update;
- Capital Programme 2020-21 Onwards;
- Prudential and Other Indicators;
- Capital Strategy monitoring

Turning to the Capital Programme, the Chief Officer – Finance, Performance and Change, referred to paragraph 4.1 of the report. This section of the report provided Members with an update on the Council's capital programme for 2020-21 since the budget was last approved by Council and incorporates any new schemes and grant approvals. The revised programme for 2020-21 currently totals £53.541 million, of which £27.850 million is met from Bridgend County Borough Council (BCBC) resources, including capital receipts and revenue contributions from earmarked reserves, with the remaining £25.691 million coming from external resources, including General Capital Grant.

Table 1 in this section of the report, showed the capital programme for each Directorate from the July 2020 (Quarter 1) approved Council position to quarter 2.

Table 2, then summarised the current funding assumptions for the capital programme for 2020-21. The capital resources are managed to ensure that maximum financial benefit for the Council is achieved. This may include the re-alignment of funding to maximise government grants, she explained.

The Group Manager – Finance, Performance and Change then referred to Appendix A of the report, which provided details of the individual schemes within the capital programme, showing the budget available in 2020-21 compared to the projected spend.

A number of schemes had already been identified as requiring slippage of budget to future years (2021-22 and beyond). At quarter 2 the total requested slippage was £13.875 million. Details of these schemes were shown at paragraph 4.4 of the report.

She advised that since the last capital report in July 2020, there have been a number of new externally funded schemes approved and internally funded schemes, which have been incorporated into the capital programme. These were included on page 123/124 of the report, with a Revised Capital Programme included at Appendix B (to the report).

In February 2020, Council approved the Capital Strategy for 2020-21, which included the Prudential Indicators 2020-21 to 2022-23 together with some local indicators.

Appendix C to the report, detailed the actual indicators for 2019-20, the estimated indicators for 2020-21 set out in the Council's Capital Strategy and the projected

indicators for 2020-21 based on the revised Capital Programme. These showed that the Council is operating in line with the approved limits.

The Group Manager – Finance, Performance and Change concluded, by giving a short narrative on the Council's Capital Monitoring Strategy.

The Deputy Leader advised that this was a 10 year long term programme and he was pleased to announce that the £220m committed to capital works over this period, would play a significant part in our recovery from the present situation. This would include progression of the Council's 21st Century Schools Programme, which would continue and benefit the next generation.

The Leader added that he was pleased to see reference to £1.28m investment towards Energy Efficiency savings in Council buildings. This was a commitment to cut carbon dioxide emissions. He was also pleased to note that the Authority had secured £300k for 11A Nolton Street where works were continuing for a planned occupation following the current 'firebreak' period. Finally, he announced that he was also pleased to see the continuing investment in buildings within the Bridgend town centre, with the provision of a further 10 Affordable Homes and the provisions of Safe Routes in local communities, as well as other initiatives as referenced to in the report.

**RESOLVED:** That Cabinet:

- Noted the Council's capital programme for 2020-21 for the period to 30 September 2020 at Appendix A to the report;
- Agreed that the revised Capital Programme (Appendix B) be submitted to Council for approval;
- Noted the projected Prudential and other Indicators for 2020-21, at Appendix C to the report.

**551. AN IN-HOUSE SERVICE FOR VICTIMS OF DOMESTIC ABUSE**

The Interim Chief Officer – Finance, Performance and Change, submitted a report, the purpose of which was to seek approval to bring the drop-in provision and floating support / support in the community elements of Bridgend County Borough Council's (BCBC) funded domestic abuse provision in-house, to be delivered directly by BCBC and develop a new needs led first point of contact / support in the community service for victims of domestic abuse that will be delivered in house by staff employed by BCBC.

She explained that BCBC currently funds a range of domestic abuse services through an externally commissioned contract. This was the Integrated Domestic Abuse Services contract, as highlighted in paragraph 3.1 of the report.

Following previous approval from Cabinet on 17<sup>th</sup> September 2019 to continue service delivery, the current Integrated Domestic Abuse Services contract expires on 30 April 2021. There was no further scope to extend the existing contract. Arrangements are required to be put into place to improve accessibility and reduce duplication of services for those living and working in Bridgend. Longer term, there was a commitment to explore the modelling and commissioning of regional services across the Cwm Taf Morgannwg Region and Bridgend.

In addition to the above services, BCBC also directly employed three Independent Domestic Violence Advocates (IDVAs), who work alongside the external provider of the Integrated Domestic Abuse Services contract as part of the 'Assia Suite'.

The Interim Chief Officer – Finance, Performance and Change, advised that, provision for victims of domestic abuse is key in meeting BCBC’s duties under the Violence Against Women, Domestic Abuse and Sexual Violence (Wales) Act 2015 (“the VAWDASV Act”). As detailed in the report, the current externally commissioned contract will come to an end on 30 April 2021. Bridgend now came within the revised Cwm Taf Morgannwg regional footprint and as such scope for regional planning and commissioning is in its infancy. It is noted that there are areas of concern in relation to the current delivery model in Bridgend and that this needs to change to ensure victims are in receipt of the best services possible.

She continued by advising, that in line with the VAWDASV Act and subsequent commissioning guidance an independent assessment of need was commissioned in 2019 by Safer Merthyr Tydfil on behalf of the Bridgend VAWDASV partnership, the Bridgend VAWDASV Needs Assessment, to help inform need and future commissioning. In addition, a second piece of independent work was completed in early 2020, which reviewed the strengths and weaknesses of existing provision, the Review of the Violence against Women, Domestic Abuse and Sexual Violence services in Bridgend, commissioned by BCBC.

The Interim Head of Finance, Performance and Change, stated that both the needs assessment and the review of existing provision, were carried out by the same Independent Domestic Abuse Consultant. The next sections of the report, gave further information that was collated as a result of this, including in respect of the Assia Suite. As could be seen from the findings, this suggested that further improvements could be made in the provision delivered through the Assia Suite.

In order to help address these issues and to be able to deliver a needs led, consistent and high quality service, it was proposed that the IDVA and current externally commissioned drop-in provision and floating support in the community teams are brought together to form a holistic, trauma informed qualified and experienced team that is managed in-house by BCBC. The next part of the report, outlined some of the benefits such a proposal would bring about.

In order to facilitate this change, staff from the externally commissioned provider would be transferred to BCBC in line with TUPE arrangements to create a new team, alongside the existing IDVA staff.

It should be noted that this proposal only related to the Assia Suite elements of existing provision; a separate commissioning exercise will be undertaken for the other elements of the existing domestic abuse provision, including accommodation based services / refuge and provision to children and young people. This exercise will allow for continued service delivery of these elements from 1<sup>st</sup> May 2021.

The proposed in-house service will be established in line with the sector specialist quality standards to maximise safety and access to support for victims. In-house provision and subsequently commissioned services will be expected to demonstrate adherence to the relevant standards.

The proposed service will be delivered in house whilst the discussions outlined in sections 4.29 to 4.31 of the report, in relation to a regional approach to commissioning are undertaken.

The Cabinet Member – Future Generations and Wellbeing advised that it was a sad fact that domestic abuse was on the increase and that this report, brings forward some proposals that will assist in addressing the problem. She added the recommendations made also arose from independent reviews and the Council would be working with

partners in the coming weeks and months to address other recommendations in the review, such as the Council's offer of support to a wider group of individuals, such as BAME and the location of services. There would be an expansion of the current support services provided. The Cabinet Member – Future Generations and Wellbeing thanked the Police and Crime Commissioner for his input and feedback on this initiative also, which had helped shape the report and its recommendations.

This was echoed by the Cabinet Member – Communities, as Chairperson of the Community Safety Partnership. He stated that unfortunately, domestic abuse had increased since the pandemic had been in being. He added that the Police and Crime Commissioner had been complimentary of the Council's current direction of travel in putting more robust processes and procedures in place to help people who were subjected to all kinds of domestic abuse.

The Leader advised that it was important to note, that the report was the first in a series of actions that would be pursued, to improve the avenues of support that were presently available. Cabinet would await further reports, in respect of the continued re-modelling of services to best meet the needs of sufferers. The Council would continue to engage with its stakeholders to take the service further forward.

RESOLVED: That Cabinet:

1. Approved bringing the drop in provision and floating support/support in the community service, which is currently part of the Integrated Domestic Abuse Services contract in-house.
2. Approved the development of a new needs led first point of contact/support in the community (including the drop-in and floating support/support in the community service, out-reach surgeries) services for victims of domestic abuse that will be delivered in-house by staff employed by BCBC.

552. NOVATION OF CONTRACTS FOR SERVICES PROVIDED BY BRIDGEND COUNTY CROSSROADS, CARING FOR CARERS

The Corporate Director – Social Services and Wellbeing presented a report, to seek authority to waive the Council's Contract Procedure Rules in accordance with CPR 3.2.9.4 in respect of the following contracts:

- the Provision of a Regulated Short Breaks Service;
- the Provision of a Domiciliary Care Service

Both contracts were awarded to Bridgend County Crossroads following a procurement process for each contract and in accordance with the Council's Contract Procedure Rules. The details of the contracts were outlined in Section 3. of the report.

The Corporate Director – Social Services and Wellbeing added that Bridgend County Crossroads has been operating under a group structure managed by Carers Trust South East Wales (CTSEW) since 1<sup>st</sup> August 2019. CTSEW have submitted to BCBC a formal request to novate the two contracts detailed in paragraphs 3.1 and 3.2 (of the report) to CTSEW, to ensure all business and contractual matters come under the parent organisation.

Both contracts have provision allowing the provider to transfer the contract with the consent of the Council.

She explained further, that the two mentioned contracts with Bridgend County Crossroads contain express provision allowing for the novation of the contracts with the consent of the Council. In addition, the Social Services and Wellbeing Department have carried out due diligence on CTSEW and to ensure CTSEW met the requirements of the original criteria for qualitative selection initially established of the respective tenders for both contracts, CTSEW completed and returned the criteria for the initial qualitative selection and it was found that they fulfilled those requirements.

The overall nature of the contracts will not be altered by this novation and all contractual terms will remain unchanged.

The Corporate Director – Social Services and Wellbeing concluded her submission, by advising that there are currently no concerns in respect of the services being provided by Bridgend County Crossroads and therefore it is considered that there are no operational risks in novating the contracts.

The Cabinet Member – Social Services and Early Help supported the report and acknowledged that the thrust of the report was in respect of an administrative change, as opposed to a change in service provision. She further noted therefore, that the report's proposals would maintain the excellent quality of service that had previously been provided.

The Leader concluded debate by echoing these comments.

**RESOLVED:** That Cabinet:

- Authorised the waiver of the Council's Contract Procedure Rules to allow the modification of the existing contract with Bridgend County Crossroads Caring for Carers in relation to the provision of a Domiciliary Care Service by consenting to the novation of that contract to Carers Trust South East Wales in accordance with CPR 3.2.9.4;
- Authorised the waiver of the Council's Contract Procedure Rules to allow the Authorises the modification of the existing contract with Bridgend County Crossroads Caring for Carers in relation to the provision of the Regulated Short Breaks Service by consenting to the novation of that contract to Carers Trust South East Wales in accordance with CPR 3.2.9.4;
- Delegated authority to the Corporate Director-Social Services and Wellbeing to provide written consent to the novation and enter into a deed of novation for the respective contracts in consultation with the Interim Head of Finance and Section 151 Officer and Chief Officer - Legal, HR and Regulatory Services and to arrange execution of the deed of novation on behalf of the Council, subject to such delegated authority being exercised in consultation with the Chief Officer - Legal, HR and Regulatory Services.

**553. MULTI-AGENCY PERMANENCE SUPPORT SERVICE – CHILDREN'S SERVICES**

The Corporate Director – Social Services and Wellbeing presented a report, in order to:

- Request approval to be part of a tender process, within the Cwm Taf Morgannwg region, for a regional Multi Agency Permanence Support Service (MAPSS) for Children and Young People who are looked after, or with a plan for adoption, and enter into a regional collaboration agreement; and
- Seek authorisation to delegate authority for the Head of Children's Social Care to represent Bridgend County Borough Council and make decisions within the

Children's Regional Project Board, which will provide governance for the regional Multi Agency Permanence Support Service.

She explained that the Multi Agency Permanence Support Service (MAPSS) offers an assessment to identify a child's needs and provides a range of therapeutic interventions and strategies to children and their carers, supporting the child to process traumatic and difficult life experiences.

The Institute of Public Care (IPC) review was commissioned by the Cwm Taf Morgannwg Children's Project Board, to review the mental health and wellbeing needs of children who are looked after, and a business case was developed to identify service requirements and support an application for Integrated Care Fund (ICF) funding.

Turning to the present situation, the Corporate Director – Social Services and Wellbeing, confirmed that if a child who is looked after or adopted requires an assessment or any form of therapeutic services, Bridgend currently sources this provision through spot purchasing arrangements which are costly and time consuming, and quality and outcomes for the child can be variable.

She explained that, following the IPC review and the identified need for such a service across the region, it is being proposed to procure the MAPSS regionally with Rhondda Cynon Taff CBC, Merthyr Tydfil CBC and Bridgend.

The new service will appoint a specialist provider to help create a holistic, multi-disciplinary 'therapeutic intervention' service to support placement stability and achieve positive outcomes to children with the highest needs through joint working, robust assessments and a suite of therapeutic options.

BCBC officers have worked with regional partners to develop the service specification for the procurement of the service provider and will participate in the tender process and evaluation panel. Rhondda Cynon Taf CBC will act as Lead Authority for the regional procurement exercise.

Robust performance measures shall be included in the tender documents to assess the short, medium and long term outcomes in order to demonstrate achievement and value for money. It is proposed that the service contract shall be for 3 years.

The Corporate Director – Social Services and Wellbeing concluded her submission, by advising that a collaboration agreement between the region will be established to set out how RCTCBC, BCBC and Merthyr Tydfil CBC shall work together and offer support to the service provider to deliver the service fully. Approval has been sought from the Corporate Procurement Manager to this arrangement.

The Cabinet Member – Social Services and Early Help, advised that this was a very important initiative and was an Action Point in the Social Services 5 Year Delivery Plan. The funding would provide essential support to vulnerable children, including for therapeutic interventions that would also provide invaluable support to help mitigate those young people who had experienced perhaps, a prolonged adverse childhood.

The Leader echoed this and was very pleased with the £2m worth of funding provided by Welsh Government in support of the Project.

**RESOLVED:** That Cabinet:

1. Approved BCBC entering into a regional collaboration agreement with Rhondda Cynon Taf County Borough Council and Merthyr Tydfil County Borough Council for the provision of MAPSS;
2. Delegated authority to the Corporate Director Social Services and Wellbeing in consultation with the Interim Head of Finance and Section 151 Officer and Chief Officer - Legal, HR and Regulatory Services to agree the terms of the regional collaboration agreement and any ancillary agreements and to arrange execution of the regional collaboration agreement on behalf of the Council, subject to such delegated authority being exercised in consultation with the Chief Officer - Legal, HR and Regulatory Services.
3. Approved BCBC being part of the regional procurement exercise to commission a service provider to provide the MAPSS, with Rhondda Cynon Taf County Borough Council acting as lead authority for the procurement and to note that approval to award the regional MAPSS service contract will be sought via delegated powers (under BCBC's Scheme of Delegation) once the procurement and evaluation process has been undertaken; and
4. Delegated authority for the Head of Children's Social Care to represent and make decisions for BCBC as part of the Regional Project Board.

554. **REGULATION OF INVESTIGATORY POWERS ACT 2000**

The Monitoring Officer submitted a report, that sought Cabinet's approval of the revised policy under the Regulation of Investigatory Powers Act 2000 (RIPA).

The report gave some background information, following which the Monitoring Officer advised that RIPA was only used in cases where it is important to obtain information to support potential criminal proceedings, and only where that information cannot be obtained by any other means. There had been no authorisations for RIPA since April 2014, she added.

Other reasons likely to account for the reduction in the number of authorisations being sought were:

- a reduction in the number of incidents requiring investigation, and
- increased awareness of the scope of RIPA and the alternatives to covert surveillance as a result of training delivered to Authorising Officers.

Overall responsibility for the use of RIPA was with the Monitoring Officer who acts as the Senior Responsible Officer in this capacity. The policy attached at Appendix 1 to the report, has been reviewed and updated to ensure it remains fit for purpose and in accordance with the revised Codes of Practice issued by the Home Office.

The Monitoring Officer added that the amended Policy reflected that the Shared Regulatory Service (SRS) and the Housing Benefit Fraud Service was now delivered by partner agencies.

The Cabinet Member – Future Generations and Wellbeing, advised that there was also a couple of additions to the Policy, namely in respect of Internet and Social Networking sites and changes in Record Management. She was pleased to see these changes, given that social networking sites were increasing.

**RESOLVED:** That Cabinet approved the revised Policy as attached at Appendix 1 to the report.

**555. REPRESENTATION ON OUTSIDE BODIES AND JOINT COMMITTEES**

The Monitoring Officer submitted a report, the purpose of which, was to seek Cabinet's approval for the appointment of Members to joint committees and the nomination of Members to outside bodies. A list of the joint committees and outside bodies concerned was appended at Appendix 1 to the report.

It was proposed that Members be appointed for a term of one year to the various bodies as detailed in the report Appendix, except where earlier revocation of appointment was appropriate.

The Monitoring Officer added that it was further proposed, that where Cabinet nominates on the basis of a Member's role within the Authority the appointment be attached to the role and not to the individual Member, e.g. Scrutiny Chairperson, Cabinet Member, etc.

All appointments were made, with the assumption that appointees represent Bridgend County Borough Council. Should any appointee cease to be a Bridgend County Borough Councillor, they will cease to represent this Authority and are expected to relinquish their appointments as necessary.

**RESOLVED:** That Cabinet appointed the requisite number of Members to the joint committees and other outside bodies as listed in Appendix 1 to the report, subject to the Leader standing down from the University of Swansea Court of Governors and being replaced by the Cabinet Member – Social Services and Early Help.

**556. SHARED REGULATORY SERVICES - VARIATION TO JOINT WORKING AGREEMENT**

The Chief Officer, HR, Legal and Regulatory Services, submitted a report to seek Cabinet approval to proposed changes to the Joint Working Agreement as outlined in the report and enter into a Deed of Variation.

The report's background, highlighted that in April 2015, Bridgend County Borough Council, the City Council of Cardiff, and the Vale of Glamorgan County Borough Council signed a Joint Working Agreement for the provision of regulatory services across the three Council areas. The document created the Shared Regulatory Service (SRS) and the Shared Regulatory Services Joint Committee.

The Joint Working Agreement was subsequently varied by all parties by way of a Deed of Variation in 2017 to which Cabinet gave approval on 28<sup>th</sup> March 2017.

She continued by confirming, that The Renting Homes (Fees etc) (Wales) Act 2019 came into force on 5<sup>th</sup> May 2019. Since the 1 September 2019, letting agents and landlords who manage their own properties were prevented from charging any fees before, during or after a tenancy unless specifically exempt in the Act.

Enforcement of these and certain other requirements as detailed in the report, could be undertaken by the Council and Rent Smart Wales (as the Single Licencing Authority). This would contribute to a fairer and more transparent experience for tenants relying on the private rented sector.

She explained that offences are committed where landlords and/or agents fail to comply with the Act. The functions were delegated to the Shared Regulatory Service. Consequently, the three Councils wish to amend the Joint Working Agreement to add this function to the schedule of functions delegated to the Shared Regulatory Service.

On 19<sup>th</sup> November 2019 Cabinet approved the amendment of the Scheme of Delegation of Functions to include the following function at paragraph 3.56 to ensure that the relevant statutory enforcement powers under the Act are used appropriately: *“To do anything which the Council has the power to do (including the power to serve any notice) that is necessary for the enforcement of any provisions contained within the Renting Homes (Fees etc) (Wales) Act 2019”*.

Any changes to the Joint Working Agreement are subject to Clause 26 of the Agreement which states:

*“This Agreement cannot be varied without the approval and prior written consent of all Participants. Where the Participants agree to make changes to this Agreement, a Deed of Variation shall be entered into between the Participants and appended to this Agreement”*

Consequently, the Chief Officer – Legal, HR and Regulatory Services concluded, that the Council was required to enter into a Deed of Variation with the other Councils to amend the Joint Working Agreement. Such changes require ratification by each of the three Council’s in question.

The Cabinet Member – Future Generations and Wellbeing commended the report.

**RESOLVED:** That Cabinet:

- (i) Approved the proposed changes to the Joint Working Agreement between the three Councils for the provision of Regulatory Services;
- (ii) Delegated authority to the Chief Officer – Head of Legal, HR and Regulatory Services in consultation with the Interim Head of Finance and Section 151 Officer to agree the terms of the Deed of Variation to the Joint Working Agreement and to arrange execution of the Deed of Variation on behalf of the Council.

**557. INFORMATION REPORT FOR NOTING**

The Chief Officer Legal, HR and Regulatory Services presented a report, that informed Cabinet of an Information Report for noting (attached thereto) that had been published since its last scheduled meeting.

Details of the Information Report was shown in paragraph 4.1 of the covering report.

**RESOLVED:** That Cabinet acknowledged the publication of the document listed in the report

**558. APPOINTMENT OF LOCAL AUTHORITY GOVERNORS**

The Corporate Director – Education and Family Support presented a report, which sought approval from Cabinet for the appointment of local authority governors to the school governing bodies listed at paragraph 4.1 of the report.

He explained that for the 9 schools in the table within this section of the report, all 13 applicants listed there, met the approved criteria for appointment as local authority governors and there was no competition for any of the vacancies

He added that Appendix A of the report detailed the 49 other vacancies that needed to be filled in 35 schools.

The Cabinet Member – Education and Regeneration stressed the importance of the remaining vacancies as referred to above, being filled at schools as a matter of priority.

He also thanked the candidates who had successfully been appointed as Local Authority Governors as confirmed in the report and stressed the point, that anyone who was interested in this role and who were willing to undergo the relevant training, were able to be considered as a potential School Governor.

**RESOLVED:** That Cabinet approved the appointment of LA Governors listed in paragraph 4.1 of the report.

559. **INVITATION OF TENDERS FOR HOME-TO-SCHOOL TRANSPORT CONTRACTS**

The Corporate Director – Education and Family Support presented a report, the purpose of which, was to:

- request Cabinet approval to undertake a procurement exercise to invite tenders to bid for contracts for multiple home-to-school transport services, for a term of five years with the option to extend by two further periods of one year; and
- delegate authority to the Corporate Director, Education and Family Support, to authorise the acceptance of the most economically advantageous tenders received and enter into contracts with the successful bidders following the procurement process.

As part of the report's background information, he advised Cabinet that the local authority has a statutory duty under the Learner Travel (Wales) Measure 2008 to make suitable transport arrangements to facilitate the attendance of children each day at the relevant places where they receive their education or training. This was primarily achieved via the contracting of transport services from the private sector.

The Corporate Director – Education and Family Support further advised, that In July 2020, Cabinet deferred a report on the outcome of the public consultation to change the local authority's Home-to-School/College Transport Policy. This report also sought suspension of the local authority's contract procedure rules to allow the local authority to extend the current home-to-school transport contracts that expired in July 2020. As the report was deferred, it was necessary in early September 2020, to seek delegated authority from the Cabinet Member for Education and Regeneration to resume the provision of the services on the same terms as the expired contracts until the end of March 2021.

There were now a number of home-to-school transport contracts that require retendering to ensure that the local authority is meeting its responsibilities under the Public Contracts Regulations 2015, the Council's contract procedure rules and to seek value for money.

He added that, in consideration of the market factors of struggling capacity in this sector, the outlined proposal is to conduct a procurement exercise awarding contracts for a term of five years with the option to extend for a further two periods of one year. This will allow the local authority to offer longer contracts to encourage investment, strengthen the existing contractual arrangements and potentially open up the market to new suppliers.

The Corporate Director – Education and Family Support concluded his report, by stating that there were currently 272 routes that would be tendered. The estimated cost of these



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## BRIDGEND COUNTY BOROUGH COUNCIL

### REPORT TO CABINET

17 NOVEMBER 2020

### REPORT OF THE CHIEF EXECUTIVE

### ARBED PROGRAMME IN CAERAU

#### 1. Purpose of report

- 1.1 The purpose of this report is to update Cabinet on an independent survey, commissioned by the Council and undertaken by NuVision Energy (Wales) Ltd (NuVision), on Arbed 1 funded properties in Caerau, and for Cabinet to further consider the findings.

#### 2. Connection to corporate well-being objectives / other corporate priorities

- 2.1 This report assists in the achievement of the following corporate well-being objective/objectives under the **Well-being of Future Generations (Wales) Act 2015**:-

1. **Supporting a successful sustainable economy** – taking 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.
2. **Helping people and communities to be more healthy and resilient** - taking 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** – ensure that all 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.

#### 3. Background

- 3.1 In 2011 the Welsh Government (WG) introduced a domestic energy efficiency programme which ran until 2013. This was known as the Arbed 1 Programme and had two primary objectives: to reduce carbon emissions and lower fuel bills within properties to alleviate the effects of fuel poverty. More than 6,000 homes across Wales were included in the Arbed 1 Scheme.
- 3.2 The initial programme involved a £30m investment from WG which enabled a further £30m to be leveraged from Registered Social Landlords (RSLs) and energy supply companies. The funding can be broken down to the following sources:

- £30 million from the Strategic Capital Investment Fund (SCIF) from the Welsh Government (WG) and the UK Department of Energy and Climate Change (DECC) under the Strategic Energy Performance Investment Programme;
  - £10 million from energy suppliers through carbon saving obligations (Carbon Emission Reduction Target (CERT) and Community Energy Saving Programme (CESP));
  - £20 million from RSLs and local authorities' brought forward budgets for maintenance, housing renewal and neighbourhood support to take advantage of the cost savings and economies of scale.
- 3.3 In the early part of the scheme work was being undertaken in Caerau which was neither funded by, administered, or involved the Council. At this time RSL's sought funding from energy companies to undertake CESP work in social housing in Caerau. In addition Wales Co, a Community Interest Company, were working with private sector home owners to gauge interest in accessing energy efficiency schemes.
- 3.4 In August 2012 Welsh Government provided the Council with an opportunity to bid for additional funding to complement existing Community Energy Saving Programme (CESP) projects. Funding of £56,050 was approved for the installation of boilers and insulation of lofts. In January 2013, additional funds were made available by Welsh Government to progress CESP schemes. The Council made a joint bid with Green Renewable Wales (GRW) Ltd for external wall insulation at 25 owner occupied properties in Caerau. The Council were advised that the bid for £259,825 was successful in early February 2013 and completion had to be by 31<sup>st</sup> March 2013. Therefore, total funding of £315,875 was received by Bridgend Council from Welsh Government. The funding for both projects was paid to Green Renewable Wales Ltd by Bridgend Council.
- 3.5 GRW Ltd project managed both schemes and appointed sub contractors to carry out the work, including WalesCo. The same contractors and sub contractors were also appointed by GRW Ltd and WalesCo to utilise funding (CESP) they gained via energy companies to work on additional properties in Caerau. This resulted in properties having similar work being undertaken by the same contractors regardless of the funding stream. It is evident that the property owners were unaware which funding stream was used on their property.
- 3.6 It is estimated that 150 properties in the Caerau ward had boiler replacement, loft insulation, external wall insulation (EWI) and internal wall insulation (IWI) works undertaken during 2012 to 2013, utilising money from different funding streams. 70 of these properties had work undertaken via the funding administered by the Council, of which 25 properties had EWI and IWI work. Based on information gathered, a total of 104 of the 150 properties had EWI and IWI work undertaken in Caerau at this time, so 79 of these were not funded or administered by the Council.
- 3.7 The work was completed in 2013. Subsequently there have been numerous complaints over the standard of work carried out by the contractors. Trading Standards were involved in 2014 and some issues were satisfactorily resolved by the contractors. The majority of the complaints related to the external and internal wall insulation undertaken via all funding streams.

3.8 In view of ongoing concerns brought to the attention of the Council, in 2018, Bridgend's Internal Audit Service were requested to carry out a review by the then Chief Executive to ascertain the extent to which the Council's policies and procedures had or had not been applied in respect of the Arbed funding scheme for the period September 2012 to April 2013 in Caerau. Particular concerns were raised by the then Chief Executive relating to an apparent absence of an audit trail. The findings of Internal Audit highlighted a number of internal procedural issues relating to the governance, decision making, procurement, monitoring and control aspects of the funding that the Council administered for this scheme at this time. There is no evidence that these issues were widespread in the Council and to provide assurance Internal Audit have recently undertaken a review of the procurement and governance aspects of 10 externally funded schemes from 2018 onwards. No issues were identified. Audit Wales have been appraised of the findings throughout this work.

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

4.1 The Council and WG agreed to evaluate the work undertaken in Arbed 1 in the Caerau ward. It was anticipated that a jointly commissioned survey would be undertaken, The joint commission did not materialise and so the Council subsequently commissioned NuVision Energy (Wales) Ltd (NuVision) to undertake a study on a sample of homes within the whole programme in Caerau.

4.2 A non-invasive investigation and evaluation was carried out by NuVision with the objectives of ascertaining:

- Have the measures lowered energy bills for residents?
- Have the measures achieved carbon savings?
- Could the properties currently transition away from a gas boiler to a heat pump?
- What is the current condition of the measures installed?

4.3 For the UK to meet its ambitious decarbonisation targets domestic properties will need to transition away from gas boilers, with the likely transition technology being heat pumps. For the heat pumps to deliver effective levels of warmth it is generally considered necessary for the property to have thermal insulation applied to its fabric. For this reason the focus of the study was centred on the wall insulation measures to gather evidence around their effectiveness in saving carbon, reducing energy bills and current condition to understand the longevity of the insulation product. Excluded from the study were issues relating to the installation of other measures such as gas boilers.

4.4 The NuVision report (a copy of the report is attached at Appendix 1) surveyed a total of 32 properties (as a sample) but due to a lack of baseline information it was not ultimately possible to accurately quantify either the carbon or cost savings generated by the measures. However, when assessing the current condition of the measures that were installed, defects were identified in each. Seven of these properties surveyed by NuVision had work carried out through the funding stream administered by the Council. The remaining properties had worked carried out utilising funding from other non Council administered funding streams.

4.5 The NuVision report concludes that some of the work is defective, some of it significantly so. It further states that whilst there is a case for remedial action to be undertaken to every property surveyed, it is possible that not all homeowners will

want further work to be undertaken in view of the inevitable disruption. The NuVision report has provided an estimated cost per property of £16,000 which will involve removing the wall insulation, making good and redecorating where necessary. However, these costs are indicative only and will vary between properties. Whilst only a sample of homes were surveyed it is considered a reasonable sized sample and there is a degree of uniformity in the defects identified. It is therefore reasonable to assume that defects would be identified in most or all of the 25 properties where funding was administered via the Council where internal and external wall insulation was installed. It is however evident from the NuVision report that the same defects were present regardless of how the work was funded.

- 4.6 In summary, the funding mechanisms and implementation of the whole Arbed 1 programme in Caerau during 2012 and 2013 are reasonably complex. The passage of time with regard to this historical matter, and the fact that the Council officers involved in the delivery of the scheme no longer work for the Council, has made the investigation and compilation of this report more difficult. However, it is clear from the work undertaken and the independent survey carried out, that the Council was involved in administering funding for 70 properties in the Caerau ward. Of these 25 mainly focused on external wall and internal wall insulation. It is apparent from the non invasive survey of building condition that much of the wall insulation work, whether it was on properties where the Council administered the funding or when other parties were responsible, is not of a standard that homeowners would expect. It is important therefore that the Council now seeks to liaise as quickly as possible with other relevant stakeholders involved in the wider EWI / IWI programme in Caerau to explore available options and determine if a collective and consistent approach can be agreed to address the matters raised in this report.

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

- 5.1 There is no direct impact on the policy framework and procedure rules. The current Council's Contract Procurement Rules and procurement processes have been considered by Internal Audit and their findings will be reported to the Governance and Audit Committee.

## **6. Equality Impact Assessment**

- 6.1 An initial Equality Impact Assessment has been carried out. The purpose of the Equality Impact Assessment is to ensure that the Council has understood the potential impacts of the proposal in terms of equality so that it can ensure that it is making proportionate and rational decisions having due regard to its public sector equality duty.

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

- 7.1 The Well-being of Future Generations (Wales) Act 2015 provides the basis for driving a different kind of public service in Wales, with five ways of working to guide how the Council should work to deliver wellbeing outcomes for people. The Council "must act in a manner which seeks to ensure that the needs of the present are met without compromising the ability of future generations to meet their own needs". Accordingly, before making any decision, Cabinet must take account of the following five ways of working:

- Involvement
- Long Term
- Prevention
- Integration
- Collaboration

Should Cabinet approve the recommendations in this report the five ways of working will continue to be taken into consideration when the Chief Executive engages with relevant stakeholders and further explores available options. Cabinet will have further opportunity to consider their duties under the Act when they receive further reports.

## **8. Financial implications**

8.1 Following engagement with relevant stakeholders involved in the wider EWI /IWI scheme, and exploration of available options, the financial implications for each will be considered further.

## **9. Recommendations**

9.1 Cabinet is recommended:

- to note the content of the NuVision report and that the Council was responsible for administering the funding for 70 properties, of which 25 properties had external wall insulation/ internal wall insulation work.
- to delegate authority to the Chief Executive to engage with relevant stakeholders involved in the wider external wall insulation / internal wall insulation programme in Caerau, and to further explore available options with a view to bringing a further report to Cabinet for consideration.
- to note that the recently completed Internal audit report on the current Council Contract Procurement Rules and procurement processes for externally funded schemes will be presented to the Governance and Audit Committee.

**Mark Shephard**  
**Chief Executive**  
**November 2020**

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**Background documents:** None

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# Report on the Evaluation of the ARBED 1 Programme in Caerau

Prepared by

NuVision Energy Wales Ltd



## **Report on the Evaluation of the ARBED 1 Programme in Caerau**

**for  
Bridgend County Borough Council**

**Prepared  
by  
NuVision Energy (Wales) Ltd**

<b>Date</b>	<b>July 2020</b>
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Appendix A: Plan view of Caerau showing locations of homes surveyed.

Appendix B: Summary of individual home defects.

Appendix C: Individual home survey reports.

# 1 Objectives and Scope of the Evaluation

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## 1.1 Background

During 2013, domestic energy efficiency measures were installed within the village of Caerau under the Welsh Government Arbed 1 Programme. Some 100 properties, all in the private housing sector, were involved in the programme. Caerau is a high fuel poor area with the majority of the housing being constructed in the late 19th/early 20th Centuries, typically of the terrace archetype.

The aim of the Arbed 1 Programme was to install a number of energy efficiency measures into the properties with a view to reducing energy bills for the occupier and alleviate fuel poverty. These measures included loft insulation and external solid wall insulation. Some homes also received new gas boilers for space heating and hot water.

Shortly after completion of the works, some homes began to experience issues such as damp and black mould on internal walls. In 2019, Bridgend County Borough Council (BCBC) commissioned Nuvision Energy (Wales) Ltd to carry out a study on a representative sample of homes and to produce a report outlining the issues encountered. 32 homes in total were surveyed. A plan view of Caerau is given in Appendix A, showing the locations of the homes surveyed

## 1.2 Aim and objectives of the study

The aim of the study was to carry out a non-invasive investigation and to produce an evaluation report on the implementation of the works carried out within Caerau under the Welsh Government Arbed 1 Programme.

The objectives of the study were to;

- Establish the current condition of the measures.
- Make recommendations on any further actions that may need to be taken.
- Give indicative costs of any remedial work to be undertaken.

## 1.3 Excluded from the study

The study was focused specifically on evaluating the current state of the wall insulation measures. This included the External Wall Insulation (EWI) and Internal Wall Insulation (IWI). Issues relating to the performance of the workmen on site and the installation of other measures such as gas boilers are outside the scope of the study.

## 2 Evaluation Methodology

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### 2.1 Methodology Summary

Our methodology and approach is based upon use of good practice guidelines and varied tools and techniques to fully understand the installation programme and its consequences. These include:

- **Desk research** of available best practice documents and literature related to the installation of EWI and IWI to establish a full understanding of the installation programme as it was applied at Caerau.
- **Surveys** of a sample of 32 properties, representative of the 100 plus homes that received the measures to establish their current condition.
- **Semi structured interviews** with homeowners to gain additional context.
- **Examination** of the work undertaken and comparison with best practice.
- **Analysis** of the options for repair including indicative costs.

Homes were given an identification number 'ARB01 to ARB36 which was used during the surveys and throughout the report. Of the 36 homes originally contacted, 4 homes (namely ARB05, 13, 27 and 32) did not ultimately participate in the survey.

Each **home surveys** comprised a non-intrusive inspection of the measures, noting all defects encountered. The condition of the properties both internally and externally was recorded, and photographs taken. Floor plans were prepared to establish and record the location of the measures and to assist in estimating quantities of materials used and hence indicative costs of any remedial action required.

Defects were identified for each home and the major issues were categorised and presented in section 3 of this report. A summary of the main defects found in homes is given in Appendix B and a condensed version of each individual home survey report is given in Appendix C.

An examination of (a) the defects found measured against good practice and (b) the surveys of the consequences of the work undertaken were used to draw the final conclusions.

### 3 Findings/Results

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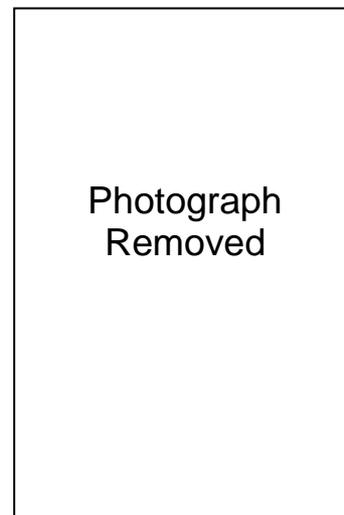
#### 3.1 External Observations

##### Staining from windows and gutters

28 of the 32 homes exhibited poor finishing of details around gutter stop ends and EWI trims as shown in the adjacent photograph. Where this has occurred, water was observed to by-pass the gutter system and run down the wall, causing staining and mould growth. In many cases, damp areas were in evidence within the adjacent internal walls.

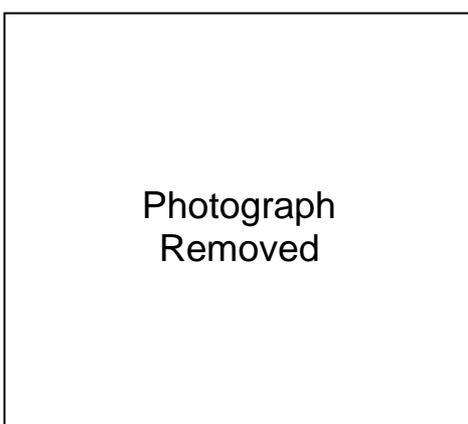
Due to the non-intrusive nature of the surveys, it was not possible to determine whether water had penetrated behind the EWI, and if needed, this could be the focus of future investigative work.

**Main issue:** The poor detailing and workmanship around gutters and EWI trims has resulted in unsightly staining and mould growth. Without remedial action, this will ultimately lead to a premature breakdown of the system and deterioration of the internal wall surface due to damp and mould build up. This will be further exacerbated where water has penetrated behind the EWI.



***Further investigative work could check for water penetration behind the EWI.***

##### Staining on walls general



In addition to specific areas such as poor detailing around gutters, 29 of the 32 homes exhibited staining generally. This was due to a variety of reasons such as water runoff from poorly constructed windowsills and surfaces more exposed to wind and rain.

Staining is not only associated with poor workmanship but also the type of render used. Cheaper Acrylic render does not have the same self-cleaning characteristics as Silicone render for instance. It was not possible to determine which manufacturer supplied the EWI system and hence the

type of render was not known. If required, further investigative work could be undertaken to determine the type of render used.

**Main issue:** Excessive water runoff causes discolouration of the render. This discolouration is exacerbated where cheaper Acrylic render solutions are employed which allow the build-up of surface water. Good practice would be to use more appropriate Silicone render systems which repel water and are more self-cleaning than Acrylic renders. They should also be treated with biocides.

***Further investigative work could check for the type of render used.***

### Green algae growth in evidence, no DPC

Green algae was present on the external walls of 22 of the 32 homes surveyed. There was no visible DPC on any of the walls. The EWI in most cases stopped short of the floor level with the render extended to the floor.

The lack of a DPC between the floor level and the start of the EWI has resulted in excessive damp forming at the lower levels of the walls which has encouraged the growth of green algae. The lack of insulation at the lower levels has also resulted in thermal bridges forming which in turn has caused damp and mould to form on the internal wall surfaces.

**Main issue:** Lack of a DPC has caused green algae growth to occur on the lower wall levels and lack of insulation at the lower levels has caused thermal bridging to occur within the lower walls.



### Gas Pipes

In 20 of the 32 homes, the EWI had been cut around existing gas pipes as shown in the adjacent photographs. In one case, no trims were used and hence gaps were evident where damp ingress could occur.

Good practice would have been to move the existing gas pipes but it's acknowledged that this is not always practicable given time constraints and budgets.

In all cases, there were no PPC aluminium vented cover plates fixed to the EWI to protect the location from water ingress and to make the installation more visually acceptable.

There is no evidence to suggest that the Gas supplier had been contacted to check that the detail was acceptable – this was the responsibility of the installer/main contractor.

**Main issue:** Thermal bridging occurs where the insulation has been cut around gas pipes which in turn caused damp and mould growth at that location within the property. In addition, where trims have not been installed, there is further risk of damp ingress.



### Services and protrusions

EWI on 18 of the 32 homes surveyed had pipe protrusions that had not been sealed as shown in the adjacent photographs.

It is essential that opening around pipe protrusions are weathertight to prevent cold and the ingress of water which will compromise the insulation and also increase the risk of interstitial condensation.

Unsealed protrusions will result in water penetration into the insulation and wall, causing the insulation to lose its effectiveness. Interstitial condensation is also more likely to occur as the temperature drops sufficiently for the dew point to be reached within the Wall. Interstitial condensation could cause problems such as mould growth within the wall which would not be visible.



**Main issue:** Deterioration in the EWI coupled with damp and mould growth on the internal surface of the wall and within the fabric of the wall itself.

### No sealant around window sills

EWI on 11 of the 32 homes surveyed had window sills that had been left unsealed. Whilst the sill overhand will prevent driving rain from entering the insulation, the lack of a sealant will nevertheless enable some water to ingress. In addition draughts can enter through the gap and a thermal bridge will occur, causing damp to form on the internal surfaces of the wall.



**Main issue:** Unsealed window sills will result in some water ingress and thermal bridging which in turn will lead to damp and mould growth on the surfaces of internal walls.

### Sills less than 40mm

In 14 of the 32 homes surveyed, it was observed that the overhang on the installed window sills was less than 40mm. In one case there was a window where a sill had not been installed at all. Examples of this defect are shown in the adjacent photographs.



**Main issue:** The lack of overhang in the sills has resulted in excessive damp areas on the render from water run-off. This has resulted in staining and mould growth on walls.

### Window sills Poorly installed

Window sills In 11 of the 32 homes had been poorly installed with various unintended outcomes, including sill surface at a very steep angle, bent and loose. An example of a poorly installed sill placed at a steep angle is shown in the adjacent photograph.



### Windows Jammed

In 12 of the 32 homes it was observed that some windows would not open due to jamming against the newly installed render. An example of a jammed window is shown in the attached photograph. This

**Main issue:** Poorly installed sills are visually unacceptable as well as causing issues in relation to the integrity of the system. Jammed windows prevent adequate ventilation as well as restricting the use of the window as a fire escape.

### EWI cut around stone walls

15 of the 32 homes surveyed had not addressed the issue of thermal bridging caused by natural obstructions, such as walls, fences and gates connected to the properties. In the 15 properties, EWI had been cut around the walls. This increases the risk of thermal bridging and hence cold damp areas leading to mould growth forming on the surfaces of internal walls.



Good practice to reduce the risk of thermal bridging, would be to cut back the walls so that the EWI could be installed seamlessly along the wall. The wall could then be rebuilt back up to the face of the insulation.

**Main issue:** EWI cut around obstructions increases the risk of thermal bridging resulting in cold damp areas and mould growth forming on the surfaces of internal walls.

### Poor verge trims & sealant detailing



20 of the 32 homes surveyed had poor details produced at roof line and gable end with mastic sealant being used to provide resistance to water penetration. In many cases the sealant had already failed, allowing water to ingress into the EWI and wall of the house. In other cases, there was no sealant visible between the verge trims and EWI resulting in water ingress and thermal bridging problems.

**Main issue:** Poorly installed verge trims with overreliance on mastic sealant has resulted in damp ingress and thermal bridging problems.

### Cables not clipped to walls

In 8 of the 32 homes surveyed, it was noted that cables were not clipped to the external walls. This can cause accidental damage to the cables by being snagged. It's good practice for contractors to fit cable clips at maximum spacing of 250mm intervals for horizontal runs and 300mm for vertical runs.

**Main issue:** Damage to cables through snagging.



### Pipes not fixed to walls



5 of the 32 homes surveyed had downpipes that had not been secured to the walls. This looks unsightly and has resulted in damage to some downpipes with water cascading out through breaks in the jointing.

**Main issue:** Damage to downpipes due to inadequate wall fixings.

## Poor detailing

In addition to the defects described in other sections, 25 of the 32 homes exhibited general poor detailing as show in the attached photographs.

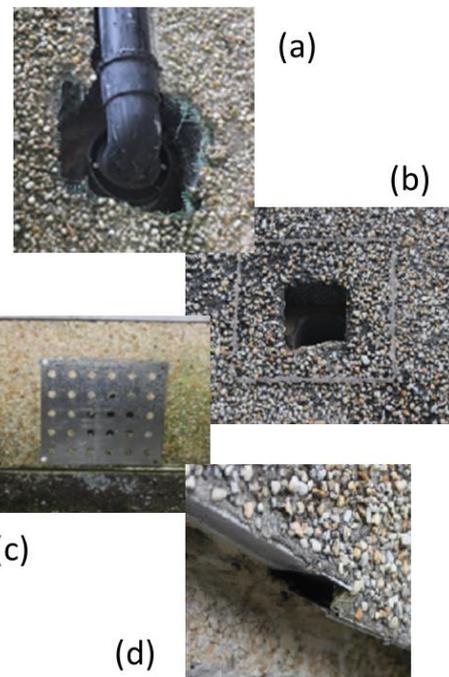
EWI was installed over flues and vents in many homes (a). Many vents were covered over during the surveys, however EWI had subsequently been removed from areas where boiler flued had been covered over.

Some extract fan grills had been fixed with mastic (b) which had quickly failed, leaving a large hole in the wall.

One home had been left with a large hole through the wall at ground level (c), resulting in the risk of rodents entering the home. The homeowners had installed their own grill post installation.

Some starter tracks had not been fixed properly (d) or left with fence posts protruding through.

**Main issue:** Miscellaneous poor detailing and insulation causing a variety of opportunities for water to ingress into the property and for thermal bridging to occur. Installing EWI over the boiler flues were particularly concerning.



### 3.2 Internal Observations

The internal observations from the survey are summarised here by describing one home, ARB007 which represented one of the more severe examples. This home had EWI installed to the front and rear of the property.



Damp in evidence in Lounge  
(front ground floor)



Damp and black mould in evidence  
in kitchen (rear ground floor)



Damp on walls, ceiling and windows  
in all three Bedrooms



Damp on walls, ceiling and windows  
in all three Bedrooms

## 4 Discussion of findings and options for repair

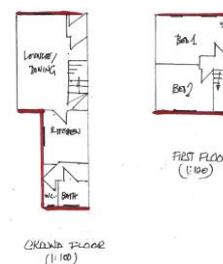
It can be seen from Appendix B 'Summary of main defects found in homes' that the EWI and IWI on every property exhibited issues associated with poor workmanship and/or materials. Internally, there was also evidence of damp and mould on walls and ceilings, plaster spalling and wallpaper peeling off walls in all but 5 homes.

There is a case for remedial action to be undertaken to every property surveyed although it's quite possible that a few homeowners may not wish any further work to be carried out. With this in mind, there are potentially two options to be considered, namely;

- Option 1 - do nothing (at the homeowner's request).
- Option 2 – remove and return to the original state.

On the assumption that the option for repair would be offered to all homeowners, preliminary costs for options 2 were estimated.

Floor plans for each home were prepared and the quantity of EWI and IWI calculated. From these quantities, the costs of removal and remedial work for each property was estimated. The figures presented in the options below are an average cost of repair for each property.



Costs vary from property to property and it should be emphasised that they are indicative only. Should an option for removal and repair be taken forward, then each property would require a more detailed survey to ascertain exact costs.

### Option 2 – Remove and return to the original state

Cost of removal (EWI / IWI)	£ 4,000.00
Cost of making good (Re-render)	£ 5,000.00
Contingency Drying out	£ 4,000.00
Internal decoration	£ 3,000.00
<b>TOTAL</b>	<b>£16,000.00</b>

## 5 Conclusions.

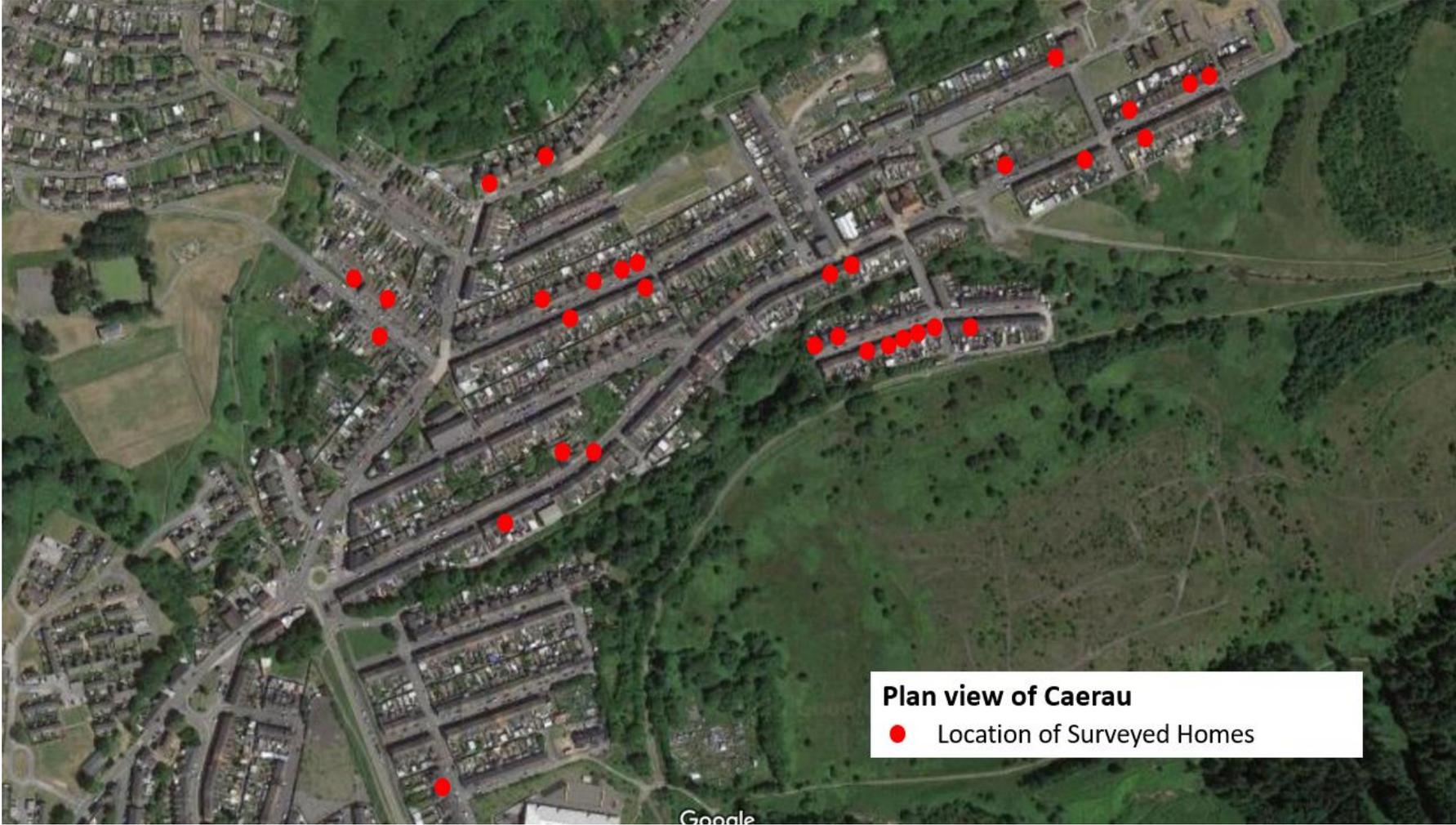
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### 5.1 Conclusions

The evaluation finds that;

1. The EWI and IWI on all 32 properties surveyed exhibited issues associated with poor workmanship and/or materials.
2. Internally, there was also evidence of damp and mould on walls and ceilings, plaster spalling and wallpaper peeling off walls in all but 5 homes.
3. There is a case for remedial action to be undertaken to every property surveyed although it's quite possible that a few homeowners may not wish any further work to be carried out.
4. There are potentially two options to be considered, namely;
  - Option 1 - do nothing (at the homeowner's request).
  - Option 2 – remove and return to the original state.
5. An average cost for each option has been estimated as follows;
  - Option 1 – no cost
  - Option 2 – £16,000.

APPENDIX A  
PLAN VIEW OF CAERAU SHOWING LOCATIONS OF HOMES SURVEYED



**APPENDIX B  
SUMMARY OF MAIN DEFECTS FOUND IN HOMES**

Home Identification Number ARB0		01	02	03	04	06	07	08	09	10	11	12	14	15	16	17	18	19	20	21	22	23	24	25	26	28	29	30	31	33	34	35	36		
<b>External Defects</b>																																			
EWI cut around gas pipes		•			•		•		•	•	•	•	•	•			•	•	•	•		•	•	•			•		•	•				•	
Staining from windows and gutters		•	•		•		•			•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•
Staining on walls general			•	•		•	•	•	•	•	•	•	•	•	•	•	•	•	•	•		•	•	•	•	•	•	•	•	•	•	•	•	•	•
No sealant around windowsills			•				•			•		•	•	•					•	•				•			•				•				
Windowsills poorly installed		•					•	•				•						•	•				•			•				•	•			•	
Windows jammed		•					•	•			•					•		•	•			•				•					•			•	
Sills less than 40mm		•		•	•			•			•					•	•			•		•				•	•	•			•	•			
No sealant around pipes		•	•	•	•			•	•	•	•	•	•	•	•	•				•	•	•				•	•	•	•						
Cables not clipped to walls		•						•		•	•	•			•	•			•	•						•	•			•					
Pipes not fixed to walls										•				•												•				•	•				
EWI cut around garden walls				•		•				•	•	•		•		•	•					•	•		•	•	•			•			•		
Poor detailing		•	•			•	•	•	•	•	•		•	•	•	•	•			•	•	•	•		•	•	•		•	•	•	•	•	•	
Poor verge trims & sealant detailing						•	•		•			•	•		•	•	•			•	•	•		•		•	•	•	•	•	•	•	•	•	
Algae in evidence		•	•		•			•		•	•	•	•	•	•		•		•	•	•			•		•	•	•	•	•	•	•	•	•	
<b>Internal Defects</b>																																			
<b>Ground floor</b>																																			
Damp in walls & ceilings		•	•	•	•	•	•	•	•	•	•	•	•		•	•		•	•				•		•	•	•	•			•	•	•	•	
Mould on walls & ceilings		•	•	•		•	•	•	•	•		•	•		•	•		•	•				•		•	•	•	•			•	•	•	•	
Plaster/Artex spalling		•			•					•		•				•			•															•	
Wallpaper peeling			•	•																														•	
<b>First floor</b>																																			
Damp in walls & ceilings		•	•	•		•	•	•	•	•					•		•	•			•			•	•		•	•	•	•	•	•	•	•	
Mold on Walls & ceilings					•	•	•	•	•						•		•	•			•			•	•		•	•	•	•	•	•	•	•	
Plaster spalling		•			•																														
Wallpaper peeling																							•			•									

## APPENDIX C INDIVIDUAL HOME SURVEY REPORTS.

### ARB001

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#### Description

Traditional Welsh semi-detached house of solid wall construction with a two-storey extension to the rear containing kitchen and bathroom on the ground floor and bedroom on the first floor. The property has a pitched roof covered with slates, plastic fascia boards, plastic guttering and UPVC windows and doors. The extension is of cavity wall construction.

#### Measures undertaken

Measures undertaken include:

- External Wall Insulation (EWI) installed to the side and rear of the property
- Internal Wall Insulation (IWI) applied to the front.
- EWI covered with a pebble dashed finish with window and door reveals rendered.

#### External observations

Summary of percentage of EWI and IWI applied to all elevations is presented below:

- Percentage of wall completed. 100%
- Percentage of boarding completed. 100%
- Percentage of mesh coat completed. Unable to verify due to non-invasive survey.
- Percentage of finish coat completed. 100%
- Is the home suitable for system? Yes, subject to the DPC being identified.

#### Main observations

- has been installed down to ground level with no visible DPC.
- Cable runs have been clipped at over the recommended intervals of 250mm.
- Algae growth in evidence along the lower section of the wall.
- Disused pipe has not been sealed.
- Corner detail around the gutter is poorly designed/fitted. This has resulted in water running off the roof and down the wall, causing significant staining and algae growth.
- Window reveals have been rendered but no EWI, resulting in the creation of thermal bridges in these areas.
- Several windows cannot open due to the additional thickness of render applied in the window reveals.
- There was no sill beneath the kitchen window resulting in water runoff and staining on wall below.
- Window reveals have been rendered but no EWI, resulting in the creation of thermal bridges in these areas.
- Window sill overhang is too small resulting in water flowing down and staining the wall below.
- Large gap between fascia board and EWI with birds nesting in eaves (see photograph 14)
- Cable protrusions not sealed.
- Window sill overhang less than 40mm
- EWI has not been continued along boundary wall for a short distance giving the potential for a thermal bridge to occur in this corner.
- Pipe penetrations not sealed.

**Internal observations**

- IWI installed on lounge front wall. New plasterboard installed to cover damp issues
- Corrosion in evidence on gas meter base plate due to damp ingress.
- Damp around ceiling support beam in lounge.
- EWI installed to floor with no visible DPC around kitchen door area. Note thinner layer of EWI to a height of 300mm above door causing a cold bridge in kitchen wall (see photograph 22).
- Plaster spalling around kitchen windows due to cold bridge caused by no insulation in window reveals.
- Damp on kitchen wall around door caused by cold bridge from poorly installed EWI.
- Plaster stained and flaking around back bedroom window due to cold bridging as no EWI installed in window reveals.
- Plaster stained and flaking around back bedroom side wall.

### Description

The property is a traditional Welsh terraced house of solid wall construction and with a three-storey extension to the rear. The property has a pitched roof covered with slates, plastic fascia boards, plastic guttering and UPVC windows and doors. The extension is of cavity wall construction.

### Measures undertaken

Measures undertaken include:

- External Wall Insulation (EWI) installed to the side and rear of the property
- Internal Wall Insulation (IWI) applied to the front.
- EWI covered with a pebble dashed finish with window and door reveals rendered.

### External observations

Summary of percentage of EWI and IWI applied to all elevations is presented below:

- Percentage of wall completed. 99%
  - Percentage of boarding completed. 99%
  - Percentage of mesh coat completed. Unable to verify due to non-invasive survey.
  - Percentage of finish coat completed. 99%
  - Is the home suitable for system? Yes, subject to the DPC being identified.
- 
- EWI not continued into window reveals. Discolouration in evidence
  - Poor corner detail with no DPC in evidence
  - Discolouration around window reveal
  - No sealant between EWI and windowsill
  - Discolouration and algae growth on EWI at floor level
  - Poor detailing resulting in discolouration on render
  - Poorly placed and sub-specification sealant
  - No sealant around pipework

### Internal observations

- Black mould around windows
- Damp on walls with wallpaper peeling away
- Black mould on window reveal

**Description**

The property is a traditional Welsh mid-terraced house of solid wall construction and with a two-storey extension to the rear containing kitchen and bathroom on the ground floor and bedroom on the first floor. The property has a pitched roof covered with slates, plastic fascia boards, plastic guttering and UPVC windows and doors. The extension is of cavity wall construction.

**Measures undertaken**

Measures undertaken include:

- External Wall Insulation (EWI) installed to the side and rear of the property
- Internal Wall Insulation (IWI) applied to the front.
- EWI covered with a pebble dashed finish with window and door reveals rendered.

**External observations**

Summary of percentage of EWI and IWI applied to all elevations is presented below:

- Percentage of wall completed. 100%
- Percentage of boarding completed. 100%
- Percentage of mesh coat completed. Unable to verify due to non-invasive survey.
- Percentage of finish coat completed. 100%
- Is the home suitable for system? Yes, subject to the DPC being identified.

- Window reveals mortared
- Staining on EWI. Also, EWI cut around garden wall causing potential cold bridging
- EWI stopped short around vent, causing potential cold bridging.
- EWI stopped short along extension roof causing potential cold bridging. Cabling not clipped to wall but fixed with cable tie to downpipe.
- No sealant around pipe, causing cold bridging and water ingress.
- Window sill less than 30mm protrusion from wall, with poor sealant.
- Render at ground level but no DPC visible.
- No sealant around pipes, causing cold bridging and water ingress
- Damp along floor and base of wall
- EWI stopped short around garden wall, causing cold bridging, also no sealant.
- EWI not fixed to wall, with large gap forming causing cold bridging and ingress of water
- Staining and bulging of render

**Internal observations**

- Poor detailing of IWI, causing visually unacceptable feature through lobby window
- EWI installed to floor with no visible DPC around kitchen door area. Thinner layer of EWI to a height of 300mm above door causing a cold bridge in kitchen wall
- Plaster spalling around kitchen windows due to cold bridge caused by no insulation in window reveals
- Damp on kitchen wall around door caused by cold bridge from poorly installed EWI
- Damp and black mould around kitchen door
- Damp and black mould on ceiling
- Wallpaper damp and peeling off
- Damp along floor and base of wall

**Description**

Traditional Welsh semi-detached house of solid wall construction with a two-storey extension to the rear containing kitchen and bathroom on the ground floor and bedroom on the first floor. The property has a pitched roof covered with slates, plastic fascia boards, plastic guttering and UPVC windows and doors. The extension is of cavity wall construction.

**Measures undertaken**

Measures undertaken include:

- External Wall Insulation (EWI) installed to the side and rear of the property
- Internal Wall Insulation (IWI) applied to the front.
- EWI covered with a pebble dashed finish with window and door reveals rendered.

**External observations**

Summary of percentage of EWI and IWI applied to all elevations is presented below:

- Percentage of wall completed. 100%
- Percentage of boarding completed. 100%
- Percentage of mesh coat completed. Unable to verify due to non-invasive survey.
- Percentage of finish coat completed. 100%
- Is the home suitable for system? Yes, subject to the DPC being identified.

- No visible DPC and Algae growth in evidence.
- No sealant in place beneath starter track. This has resulted in a void in the EWI thus exposing the wall to thermal bridge issues.
- Timber fence post left in place with EWI placed around it, allowing damp ingress and cold bridging.
- Discolouration on wall and window reveal caused by dripping water from poorly formed guttering and flashing.
- Sagging window sill and window cannot open due to the poor installation of render.
- Pipework cut but not properly sealed, causing water ingress and cold bridging.
- Contractor's waste left in garden.
- Algae and staining in evidence around window reveal due to poorly formed EWI around windows.
- No sealant under window sill causing cold bridging within kitchen
- Sill less than 30mm and end breaking away
- Plastic trim detail allowing water to spill and stain wall.
- Holes in EWI from scaffolding left open allowing water to penetrate and cold bridging to occur.
- Render built around door frame making it difficult to replace in future
- Extraction vent cover inadequately fixed with sealant resulting in a large hole being exposed in the EWI.
- No DPC visible.
- Render damaged and stained above window
- Flashing and guttering poorly fixed, resulting in water ingress through sealant
- No sealant around pipework causing damp ingress and cold bridging

- Starter track not placed properly resulting in void and cold bridging
- Render placed in window reveal preventing window from opening fully
- Staining of render and sill bowing
- EWI poorly formed around pipework
- EWI bowing out, possibly due to failure of insulation anchor fixings

**Internal observations**

No notable internal observations

**Description**

The property is a privately owned traditional Welsh semi-detached house of solid wall construction and with a two-storey extension to the rear containing kitchen and bathroom on the ground floor and bedroom on the first floor. The property has a pitched roof covered with slates, plastic fascia boards, plastic guttering and UPVC windows and doors. The extension is of cavity wall construction.

**Measures undertaken**

Measures undertaken include:

- External Wall Insulation (EWI) installed to the front, side and rear of the property
- Internal Wall Insulation (IWI) applied to the front.
- EWI covered with a pebble dashed finish with window and door reveals rendered.

**External observations**

Summary of percentage of EWI and IWI applied to all elevations is presented below:

- Percentage of wall completed. 100%
- Percentage of boarding completed. 100%
- Percentage of mesh coat completed. Unable to verify due to non-invasive survey.
- Percentage of finish coat completed. 100%
- Is the home suitable for system? Yes, subject to the DPC being identified.

- Roof line damaged
- EWI down to ground level, no DPC, algae forming
- No sealant between EWI and windowsill
- No EWI in window reveal
- Poor detailing of flashing
- Side elevation
- Staining on render
- EWI cut around wall, causing thermal bridging.
- Roof line not covering flashing, leaving seal and causing ingress of damp.
- Poor flashing detailing causing ingress of damp
- Rear elevation
- Guttering loose causing rainwater spillage
- Guttering uneven with downpipe positioned too high to allow water through
- Staining on wall
- Building waste left by installers
- No sealant around pipes

**Internal observations**

- Black mould on wall
- Damp and black mould on kitchen wall
- Damp and plaster breaking down around bedroom window
- Damp in bedroom ceiling

**Description**

The property is a privately owned traditional Welsh terrace house of solid wall construction and with a single-storey extension to the rear containing kitchen and bathroom on the ground floor and a workshop in the cellar. The property has a pitched roof covered with slates, plastic fascia boards, plastic guttering and UPVC windows and doors. The extension is of cavity wall construction.

**Measures undertaken**

Measures undertaken include:

- External Wall Insulation (EWI) installed to the front and rear of the property
- EWI covered with a pebble dashed finish with window and door reveals rendered.

**External observations**

Summary of percentage of EWI and IWI applied to all elevations is presented below:

- Percentage of wall completed. 100%
- Percentage of boarding completed. 100%
- Percentage of mesh coat completed. Unable to verify due to non-invasive survey.
- Percentage of finish coat completed. 100%
- Is the home suitable for system? Yes, subject to the DPC being identified.

**Main observations**

- EWI installed down to ground level with no DPC visible. Rain dripping from window sill causing discolouration of render
- Sealant breaking down between EWI and wall causing potential for water ingress into wall.
- EWI cut around gas pipe, causing potential for thermal bridging
- Side and rear elevation
- Staining on render caused by rainwater dripping from sill
- Slope in window sill
- No sealant between EWI and window sill
- Poor gutter and fascia board detailing causing staining on side of wall
- Staining around window sill
- EWI cut around garden wall causing thermal bridging
- Staining on render
- Damaged EWI with gaps in render causing cold bridging and ingress of water

**Internal observations**

- Damp in Lounge walls
- Black mould and damp on kitchen walls
- Damp and black mould on tiles in WC
- Damp on wall in front bedroom
- Extensive damp and black mould on walls around various rooms in house
- Plaster stained and flaking around back bedroom side wall.

**Description**

The property is a privately owned traditional Welsh semi-detached house of solid wall construction and with a two-storey extension to the rear containing kitchen and bathroom on the ground floor and bedroom on the first floor. The property has a pitched roof covered with slates, plastic fascia boards, plastic guttering and UPVC windows and doors. The extension is of cavity wall construction.

**Measures undertaken**

Measures undertaken include:

- External Wall Insulation (EWI) installed to the side and rear of the property
- Internal Wall Insulation (IWI) applied to the front.
- EWI covered with a pebble dashed finish with window and door reveals rendered.

**External observations**

Summary of percentage of EWI and IWI applied to all elevations is presented below:

- Percentage of wall completed. 100%
  - Percentage of boarding completed. 100%
  - Percentage of mesh coat completed. Unable to verify due to non-invasive survey.
  - Percentage of finish coat completed. 100%
  - Is the home suitable for system? Yes, subject to the DPC being identified.
- 
- The thinner layer of EWI has been installed down to ground level with no visible DPC
  - The cable runs have been clipped at over the recommended intervals of 250mm
  - There is algae growth in evidence along the lower section of the wall
  - Disused pipe has not been sealed
  - Corner detail around the gutter is poorly designed/fitted. This has resulted in water running off the roof and down the wall, causing significant staining and algae growth.
  - Window reveals have been rendered but no EWI, resulting in the creation of thermal bridges in these areas
  - Several windows cannot open due to the additional thickness of render applied in the window reveals
  - There was no sill beneath the kitchen window resulting in water runoff and staining on wall below
  - Window reveals have been rendered but no EWI, resulting in the creation of thermal bridges in these areas.
  - Window sill overhang is too small resulting in water flowing down and staining the wall below.
  - Algae in evidence around lower wall.
  - Large gap between fascia board and EWI with birds nesting in
  - Cable protrusions not sealed
  - Window sill overhang too small
  - EWI has not been continued along boundary wall for a short distance giving the potential for a thermal bridge to occur in this corner
  - Pipe penetrations have not been sealed

**Internal observations**

- IWI installed on lounge front wall. New plasterboard installed to cover damp issues
- Corrosion in evidence on gas meter base plate due to damp
- Damp around ceiling support beam in lounge
- EWI installed to floor with no visible DPC around kitchen door area. Note thinner layer of EWI to a height of 300mm above door causing a cold bridge in kitchen wall
- Plaster spalling around kitchen windows due to cold bridge caused by no insulation in window reveals
- Damp on kitchen wall around door caused by cold bridge from poorly installed EWI
- Plaster stained and flaking around back bedroom window due to cold bridging as no EWI installed in window reveals
- Plaster stained and flaking around back bedroom side wall

**Description**

The property is a privately owned traditional Welsh semi-detached house of solid wall construction and with a two-storey extension to the rear containing kitchen and bathroom on the ground floor and bedroom on the first floor. The property has a pitched roof covered with slates, plastic fascia boards, plastic guttering and UPVC windows and doors. The extension is of cavity wall construction.

**Measures undertaken**

Measures undertaken include:

- External Wall Insulation (EWI) installed to the side and rear of the property
- Internal Wall Insulation (IWI) applied to the front.
- EWI covered with a pebble dashed finish with window and door reveals rendered.

**External observations**

Summary of percentage of EWI and IWI applied to all elevations is presented below:

- Percentage of wall completed. 100%
- Percentage of boarding completed. 100%
- Percentage of mesh coat completed. Unable to verify due to non-invasive survey.
- Percentage of finish coat completed. 100%
- Is the home suitable for system? Yes, subject to the DPC being identified.

- Flashing has become detached from wall, causing ingress of water and cold bridging
- Discolouration on render and flashing becoming detached along height of wall.
- EWI continued to ground level with no visible DPC.
- Inadequate drip beading.
- Discolouration on render, no drip beading
- Poorly constructed detail around pipework causing thermal bridging
- Discolouration on render, no sealant on pipework, EWI not continued around windows
- Poor detailing around flashing, staining on render and ingress of water into property
- No sealant around pipe and poor detailing of flashing
- No EWI around window and poor flashing. Detailing as P19 and 11
- Gap in EWI causing ingress of water and cold bridging
- EWI cut short around pipe causing cold bridging
- Discolouration on render
- Staining at base of EWI around door reveals
- No sealant between flashing and EWI
- No sealant between EWI and wall
- No sealant around pipe
- No sealant around ventilation grill
- Staining and cracking of window reveal

**Internal observations**

- Black mould and damp throughout various locations in house on walls
- Black mould on various windows throughout house

### Description

The property is a privately owned traditional Welsh semi-detached house of solid wall construction and with a two-storey extension to the rear containing kitchen and bathroom on the ground floor and bedroom on the first floor. The property has a pitched roof covered with slates, plastic fascia boards, plastic guttering and UPVC windows and doors. The extension is of cavity wall construction.

### Measures undertaken

Measures undertaken include:

- External Wall Insulation (EWI) installed to the front, side and rear of the property
- EWI covered with a pebble dashed finish with window and door reveals rendered.

### External observations

Summary of percentage of EWI applied to all elevations is presented below:

- Percentage of wall completed. 99%
  - Percentage of boarding completed. 99%
  - Percentage of mesh coat completed. Unable to verify due to non-invasive survey.
  - Percentage of finish coat completed. 99%
  - Is the home suitable for system? Yes, subject to the DPC being identified.
- 
- Cracks in window reveal
  - The cable runs have been clipped at over the recommended intervals of 250mm
  - Insulation cut around gas pipe
  - Cable not clipped back to wall at regular intervals - 300mm for vertical runs recommended
  - Discolouration on render
  - Discolouration on window reveal. Note thin render layer only applied to window reveal
  - Cold bridge exacerbated by placement of insulation around an obstruction. Best practice is to cut back obstruction to allow EWI to be placed. Also, no sealant used to fill gap
  - Pipe fixings not completed
  - Render not completed
  - Render patched up
  - EWI curtailed around extract pipe
  - Staining on render
  - No EWI in window reveals, only thick render
  - Sealant failing around window sills
  - Pipe fixings not completed
  - Render not complete and flaking off
  - Cracking in render

### Internal observations

- No observations made as home had recently undergone refurbishment and no visible issues could be attributed to measures undertaken

**Description**

The property is a privately owned traditional Welsh terrace house of solid wall construction and with a one-storey extension to the rear containing kitchen and bathroom. The property has a pitched roof covered with slates, plastic fascia boards, plastic guttering and UPVC windows and doors. The extension is of cavity wall construction.

**Measures undertaken**

Measures undertaken include:

- External Wall Insulation (EWI) installed to the front and rear of the property
- EWI covered with a pebble dashed finish with window and door reveals rendered.

**External observations**

Summary of percentage of EWI applied to all elevations is presented below:

- Percentage of wall completed. 100%
- Percentage of boarding completed. 100%
- Percentage of mesh coat completed. Unable to verify due to non-invasive survey.
- Percentage of finish coat completed. 100%
- Is the home suitable for system? Yes, subject to the DPC being identified.

**Internal observations**

- EWI installed to ground level with no DPC in evidence, algae growth in evidence around base of EWI
- EWI cut around pipe, causing cold bridging
- Window reveals rendered and out of alignment
- Algae growth around base of EWI
- Drip beading uneven
- EWI cut around garden wall, causing cold bridging
- Discolouration from damp due to water flowing from window sill
- Window still protruding less than recommended 30mm causing water to drip onto render
- Window reveals rendered and out of alignment see
- EWI cut around gutter causing potential cold bridging
- EWI cut around gutter causing cold bridging and loose cables
- Poor joint detail resulting in potential water ingress
- Cables from satellite dish have not been clipped to wall
- Cables left loose and hanging free
- No sealant around pipe and flashing causing potential for water to ingress into property
- No sealant around pipe
- No sealant between flashing and EWI
- Poorly formed window reveal
- Poor Flashing detail with loose cables
- Hole cut through bedroom wall, not used and not made good

**Description**

The property is a privately owned traditional Welsh semi-detached house of solid wall construction and with a single-storey extension to the rear containing kitchen and bathroom on the ground floor. The property has a pitched roof covered with slates, plastic fascia boards, plastic guttering and UPVC windows and doors. The extension is of cavity wall construction.

**Measures undertaken**

Measures undertaken include:

- External Wall Insulation (EWI) installed to the front and rear of the property
- EWI covered with a pebble dashed finish with window and door reveals rendered.

**External observations**

Summary of percentage of EWI applied to all elevations is presented below:

- |  |  |
|--|--|
| ▪ Percentage of wall completed.        | 100%   |
| ▪ Percentage of boarding completed.    | 100%   |
| ▪ Percentage of mesh coat completed.   | Unable to verify due to non-invasive survey. |
| ▪ Percentage of finish coat completed. | 100%   |
| ▪ Is the home suitable for system?     | Yes, subject to the DPC being identified.    |
- 
- Discolouration in door reveal
  - EWI cut around pipe causing potential for cold bridging. No DPC visible
  - Discolouration in window reveal
  - Render slumped beneath window sill with no sealant between EWI and sill. Thus, gives potential for damp ingress and cold bridging
  - Staining on window reveal
  - Damage caused to footpath by scaffolding
  - A hole cut through EWI became a home for rodents, homeowner subsequently placed a metal grating to cover hole
  - EWI cut around garden wall resulting in cold bridging. Staining in evidence on wall and insulation within EWI loose on floor after being chewed by rodents
  - Loose cables not clipped to wall
  - EWI taken to ground level with no visible EWI
  - Sealant around Fascia boards breaking down causing damp ingress
  - Staining around walls and window sills
  - Window cannot open due to EWI and render being installed too close to the window
  - Flat roof replaced by installers (due to damage caused by installers) failing

**Internal observations**

- Damp on ceiling with Artex breaking down and flaking away
- Black mould around kitchen door reveal

**Description**

The property is a privately owned traditional Welsh semi-detached house of solid wall construction and with a two-storey extension to the rear containing kitchen and bathroom on the ground floor and bedroom on the first floor. The property has a pitched roof covered with slates, plastic fascia boards, plastic guttering and UPVC windows and doors. The extension is of cavity wall construction.

**Measures undertaken**

Measures undertaken include:

- External Wall Insulation (EWI) installed to the front and rear of the property
- EWI covered with a pebble dashed finish with window and door reveals rendered.

**External observations**

Summary of percentage of EWI applied to all elevations is presented below:

- Percentage of wall completed. 100%
  - Percentage of boarding completed. 100%
  - Percentage of mesh coat completed. Unable to verify due to non-invasive survey.
  - Percentage of finish coat completed. 100%
  - Is the home suitable for system? Yes, subject to the DPC being identified.
- 
- EWI has been installed down to ground level and there is no visible DPC. Green algae is in evidence
  - EWI cut around gas pipe creating the potential for thermal bridging. Also, dampness and green algae around bottom of EWI
  - Window reveal rendered but EWI has not been carried around to the window giving rise to the potential for cold bridging.
  - EWI cut around cable fixing causing potential for thermal bridge.
  - Poor detailing around corner
  - Green algae in evidence at base of wall with no visible DPC
  - No sealant between window sill and EWI
  - No sealant around pipe
  - Poor gutter detail causing water spillage and staining to render
  - Hollow sound is heard when the wall is tapped, suggesting that the EWI has become detached from wall

**Internal observations**

- The main issue observed was the damp and black mould in bathroom

**Description**

The property is a traditional Welsh semi-detached house of solid wall construction and with a two-storey extension to the rear containing kitchen and bathroom on the ground floor and bedroom on the first floor. The property has a pitched roof covered with slates, plastic fascia boards, plastic guttering and UPVC windows and doors. The extension is of cavity wall construction.

**Measures undertaken**

Measures undertaken include:

- External Wall Insulation (EWI) installed to the front and rear of the property
- EWI covered with a pebble dashed finish with window and door reveals rendered.

**External observations**

Summary of percentage of EWI applied to all elevations is presented below:

- Percentage of wall completed. 100%
  - Percentage of boarding completed. 100%
  - Percentage of mesh coat completed. Unable to verify due to non-invasive survey.
  - Percentage of finish coat completed. 100%
  - Is the home suitable for system? Yes, subject to the DPC being identified.
- 
- EWI installed down to floor level, no DPC visible. Some Algae growth in evidence
  - Cracks in window reveal
  - The cable runs have been clipped at over the recommended intervals of 250mm
  - Insulation cut around gas pipe
  - Cable not clipped back to wall at regular intervals - 300mm for vertical runs recommended
  - Discolouration on render
  - Discolouration on window reveal. Note thin render layer only applied to window reveal
  - Cold bridge exacerbated by placement of insulation around an obstruction. Best practice is to cut back obstruction to allow EWI to be placed. Also, no sealant used to fill gap
  - Pipe fixings not completed
  - Render not completed
  - Render patched up
  - EWI curtailed around extract pipe
  - Staining on render
  - No EWI in window reveals, only thick render
  - Sealant failing around window sills
  - Pipe fixings not completed
  - Render not complete and flaking off
  - Cracking in render

**Internal observations**

This home had recently been decorated throughout and there were no visible issues that could be attributed to the measures undertaken.

**Description**

The property is a privately owned traditional Welsh terraced house of solid wall construction and with a single-storey extension to the rear containing kitchen bathroom and WC. The property has a pitched roof covered with slates, plastic fascia boards, plastic guttering and UPVC windows and doors. The extension is of cavity wall construction.

**Measures undertaken**

Measures undertaken include:

- External Wall Insulation (EWI) installed to the rear of the property
- Internal Wall Insulation (IWI) was in the end not installed due to owner losing confidence in the installers
- EWI covered with a pebble dashed finish with window and door reveals rendered.

**External observations**

Summary of percentage of EWI applied to all elevations is presented below:

- Percentage of wall completed. 50%
- Percentage of boarding completed. 50%
- Percentage of mesh coat completed. Unable to verify due to non-invasive survey.
- Percentage of finish coat completed. 50%
- Is the home suitable for system? Yes, subject to the DPC being identified.

**Main observations**

- Discolouration and algae in evidence on EWI with no visible DPC
- Discolouration down wall and cable not clipped to wall
- Cables loose down length of wall having not been clipped to EWI
- No sealant provided around tap
- Discolouration on wall
- Weep hole in window damaged and not repaired
- Inadequate flashing detail resulting in water ingress
- No sealant between EWI and flashing allowing water ingress and potential for cold bridging
- No sealant between gutter and EWI allowing ingress of water and potential cold bridging
- Poor flashing detail causing water ingress

**Internal observations**

- Mould around window in Living Room
- Note some areas of mould had been covered up by plastic cladding
- Plaster stained and flaking around back bedroom side wall

**Description**

The property is a traditional Welsh terrace house of solid wall construction and with a two-storey extension to the rear containing kitchen and WC on the ground floor and bedroom on the first floor. The property has a pitched roof covered with slates, plastic fascia boards, plastic guttering and UPVC windows and doors. The extension is of cavity wall construction.

**Measures undertaken**

Measures undertaken include:

- External Wall Insulation (EWI) installed to the side and rear of the property
- EWI covered with a pebble dashed finish with window and door reveals rendered.

**External observations**

Summary of percentage of EWI and IWI applied to all elevations is presented below:

- Percentage of wall completed. 100%
  - Percentage of boarding completed. 100%
  - Percentage of mesh coat completed. Unable to verify due to non-invasive survey.
  - Percentage of finish coat completed. 100%
  - Is the home suitable for system? Yes, subject to the DPC being identified.
- 
- Badly formed corner
  - Flashing has not been extended over EWI, thus allowing water to ingress into the cladding and causing dampness within the building
  - Garden block wall was not cut back to allow EWI to be installed right through to the corner of the home. This has resulted in a cold bridge forming
  - Discolouration in window reveal.
  - Discolouration in render adjacent to window
  - Render damaged and window unable to open due to positioning of EWI
  - Window sill less than 30mm, causing water to drip onto wall
  - No sealant around pipe through EWI causing a pathway for water ingress and the formation of a cold bridge within the wall
  - Render at corner flaking away and no sealant between flashing and render
  - Window unable to open due to render in window reveal
  - No sealant around pipes

**Internal observations**

- Black mould in evidence and plaster cracking in WC
- Black mould in evidence around door where cold bridge occurred due to EWI not being carried through past the external wall
- Black mould in evidence on bathroom wall
- Black mould in evidence on bedroom wall

**Description**

The property is a traditional Welsh end-of-terrace house of solid wall construction and with a three-storey extension to the rear containing basement below, kitchen on the ground floor and bedroom on the first floor. The property has a pitched roof covered with slates, plastic fascia boards, plastic guttering and UPVC windows and doors. The extension is of cavity wall construction.

**Measures undertaken**

Measures undertaken include:

- External Wall Insulation (EWI) installed to the front, side and rear of the property
- EWI covered with a pebble dashed finish with window and door reveals rendered.

**External observations**

Summary of percentage of EWI and IWI applied to all elevations is presented below:

- Percentage of wall completed. 100%
  - Percentage of boarding completed. 100%
  - Percentage of mesh coat completed. Unable to verify due to non-invasive survey.
  - Percentage of finish coat completed. 100%
  - Is the home suitable for system? Yes, subject to the DPC being identified.
- 
- Poor detailing around drip bead with render taken down to ground level and no DPC in evidence
  - Sill less than 30mm with staining visible around wall
  - EWI not carried around window reveal giving potential for cold bridging. Staining in reveal. Also, cable not clipped at the recommended spacing of 250mm.
  - EWI cut short around gas pipe giving rise to potential cold bridging.
  - Render taken down to ground level and covers up pipe No DPC in evidence
  - EWI cut short around fence post, giving rise to potential cold bridging.
  - EWI cut short around flue support, causing thermal bridging
  - Poor detailing around fascia board and guttering, causing staining down wall
  - EWI cut short around door reveal, no DPC in evidence, green algae present.
  - Poor detailing around gutter and fascia board causing staining down wall and potential cold bridging.
  - EWI stopped short of wall, causing thermal bridging. Note! Wall should have been cut back and EWI extended through.
  - The homeowner's main issue was that many downpipes had not been replaced along the street. This resulted in rainwater runoff from the street flowing down to No11 and overflowing due to the gutter being unable to take the excess water.

**Internal observations**

No visible problems observed within the home

**Description**

The property is a traditional Welsh terraced house of solid wall construction and with a two-storey to the rear housing the kitchen on the ground floor and back bedroom above. A single storey extension also to the rear houses the bathroom. The property has a pitched roof covered with slates, plastic fascia boards, plastic guttering and UPVC windows and doors.

**Measures undertaken**

Measures undertaken include:

- External Wall Insulation (EWI) installed to the rear of the property
- EWI covered with a pebble dashed finish with window and door reveals rendered.

**External observations**

Summary of percentage of EWI applied to all elevations is presented below:

- Percentage of wall completed. 50%
  - Percentage of boarding completed. 50%
  - Percentage of mesh coat completed. Unable to verify due to non-invasive survey.
  - Percentage of finish coat completed. 50%
  - Is the home suitable for system? Yes, subject to the DPC being identified.
- 
- Elevations of the extensions showing discolouration from overflowing gutter
  - The works around the waste stack is inadequate
  - The underside of the EWI is incorrectly finished
  - EWI around pipe outlet defective

**Internal observations**

- Mould Throughout various parts of the house, such as on windows and in room corners

**Description**

The property is a privately owned traditional Welsh semi-detached house of solid wall construction and with a single-storey extension to the rear. The property has a pitched roof covered with slates, plastic fascia boards, plastic guttering and UPVC windows and doors. The extension is of cavity wall construction.

**Measures undertaken**

Measures undertaken include:

- External Wall Insulation (EWI) installed to the front and rear of the property
- EWI covered with a pebble dashed finish with window and door reveals rendered.

**External observations**

Summary of percentage of EWI applied to all elevations is presented below:

- Percentage of wall completed. 100%
  - Percentage of boarding completed. 100%
  - Percentage of mesh coat completed. Unable to verify due to non-invasive survey.
  - Percentage of finish coat completed. 100%
  - Is the home suitable for system? Yes, subject to the DPC being identified.
- 
- The drip bead situated at first floor level has been poorly placed with discolouration in evidence
  - EWI installed down to floor level, no DPC visible. Some Algae growth in evidence
  - Insulation cut around the gas pipe causing a cold bridge to occur within wall
  - Poor corner detail potentially causing ingress of water
  - Insulation cut around cable causing a cold bridge to occur within wall
  - Window unable to open and discolouration on reveal
  - Discolouration around door reveals
  - Poorly placed render slipped down wall during construction leaving a distinctive indent over much of the wall which has also discoloured
  - Window cills are loose with no sealant between cills and the EWI. There were also some cigarette marks on the cills reported by the homeowner as being caused by the installers
  - Cables have not been clipped back to the wall
  - Some areas, render was not completed or flaking away, with the mesh below exposed
  - Sealant around cills peeling away with the potential to allow the ingress of water
  - Cables not clipped back and discolouration on walls

**Internal observations**

- Plaster blistering and flaking away off front wall in lounge.
- Plaster blistering on front wall in lounge. Water ingress was very prominent here with a very high moisture content reading in the wall around the BT box. The BT box frequently failed with BT reporting the ingress of water a cause
- Damp was in evidence all along party wall, with plaster flaking away
- Black mould in evidence on ceiling of back bedroom
- Black mould in evidence throughout attic ceiling

### Description

The property is a privately owned traditional Welsh semi-detached house of solid wall construction and with a single-storey extension to the rear. The property has a pitched roof covered with slates, plastic fascia boards, plastic guttering and UPVC windows and doors. The extension is of cavity wall construction.

### Measures undertaken

Measures undertaken include:

- External Wall Insulation (EWI) installed to the rear of the property
- EWI covered with a pebble dashed finish with window and door reveals rendered.

### External observations

Summary of percentage of EWI applied to rear elevation is presented below:

- Percentage of wall completed. 100%
  - Percentage of boarding completed. 100%
  - Percentage of mesh coat completed. Unable to verify due to non-invasive survey.
  - Percentage of finish coat completed. 100%
  - Is the home suitable for system? Yes, subject to the DPC being identified.
- 
- Poor corner detail potentially causing ingress of water
  - Cabling left hanging and not fixed
  - Discolouration at rear of extension
  - Pipework not fixed to discoloured
  - New windows installed to mitigate damp ingress
  - Pipework not sealed correctly
  - Base of patio doors poorly finished

### Internal observations

No photographs were taken as all of the damp areas in the bathroom have been covered with plastic panels and there is no visible evidence of damp or mildew on the rear walls of the house

This house is in good conditions internally as the home owner has invested in a high level of decoration and any faults have been repaired and decorated over them.

**Description**

The property is a privately owned traditional Welsh semi-detached house of solid wall construction and with a two-storey extension to the rear containing kitchen and bathroom on the ground floor and bedroom on the first floor. The property has a pitched roof covered with slates, plastic fascia boards, plastic guttering and UPVC windows and doors. The extension is of cavity wall construction.

**Measures undertaken**

Measures undertaken include:

- External Wall Insulation (EWI) installed to the front and rear of the property
- EWI covered with a pebble dashed finish with window and door reveals rendered.

**External observations**

Summary of percentage of EWI and IWI applied to all elevations is presented below:

- Percentage of wall completed. 100%
  - Percentage of boarding completed. 100%
  - Percentage of mesh coat completed. Unable to verify due to non-invasive survey.
  - Percentage of finish coat completed. 100%
  - Is the home suitable for system? Yes, subject to the DPC being identified.
- 
- EWI installed down to floor level, no DPC visible. Some Algae growth in evidence.
  - Cracks in window reveal
  - The cable runs have been clipped at over the recommended intervals of 250mm.
  - Insulation cut around gas pip
  - Cable not clipped back to wall at regular intervals - 300mm for vertical runs recommended
  - Discolouration on render
  - Discolouration on window reveal. Note thin render layer only applied to window reveal
  - Cold bridge exacerbated by placement of insulation around an obstruction. Best practice is to cut back obstruction to allow EWI to be placed. Also, no sealant used to fill gap
  - Pipe fixings not completed
  - Render not completed
  - Render patched up
  - EWI curtailed around extract pipe
  - Staining on render
  - No EWI in window reveals, only thick render
  - Sealant failing around window sills
  - Pipe fixings not completed
  - Render not complete and flaking off.
  - Cracking in render

**Internal observations**

This home had recently been decorated throughout and there were no visible issues that could be attributed to the measures undertaken.

**Description**

The property is a privately owned traditional Welsh terraced house of solid wall construction and with a two-storey extension to the rear containing kitchen on the ground floor and bedroom on the first floor. The property has a pitched roof covered with slates, plastic fascia boards, plastic guttering and UPVC windows and doors. The extension is of cavity wall construction.

**Measures undertaken**

Measures undertaken include:

- External Wall Insulation (EWI) installed to the side and rear of the property
- EWI covered with a pebble dashed finish with window and door reveals rendered.

**External observations**

Summary of percentage of EWI applied to all elevations is presented below:

- Percentage of wall completed. 100%
- Percentage of boarding completed. 100%
- Percentage of mesh coat completed. Unable to verify due to non-invasive survey.
- Percentage of finish coat completed. 100%
- Is the home suitable for system? Yes, subject to the DPC being identified.

- EWI installed down to ground level, no DPC visible
- Cabling not fixed to wall correctly
- Algae and staining next to front door
- Sealing strip at EWL separating from insulation
- Rear elevation and staining
- Pipework fixing inadequate and no DPC visible
- Rainwater pipe incorrectly connected to foul drainage
- Fascia reinstatement poor, cabling not fixed to wall and gas pipe surround not in compliance
- Corner beading not finished correctly on return
- Window sill fixing defective

**Internal observations**

- Mildew in back bedroom of house (photograph 11)
- Wallpaper separating from wall in lounge due to damp (photograph p12)

**Description**

The property is a privately owned traditional Welsh end of terrace two storey house of solid wall construction with the kitchen and bedroom bathroom in an extension at the rear. The property has a pitched roof covered with slates, plastic fascia boards, plastic guttering and UPVC windows and doors. The extension has single skin walls.

**Measures undertaken**

Measures undertaken include:

- External Wall Insulation (EWI) installed to the side and rear of the property
- Internal Wall Insulation (IWI) applied to the front.
- EWI covered with a pebble dashed finish with window and door reveals rendered.

**External observations**

Summary of percentage of EWI and IWI applied to all elevations is presented below:

- Percentage of wall completed. 100%
  - Percentage of boarding completed. 100%
  - Percentage of mesh coat completed. Unable to verify due to non-invasive survey.
  - Percentage of finish coat completed. 100%
  - Is the home suitable for system? Yes, subject to the DPC being identified.
- 
- Gable wall showing termination close to ground with staining/damp ingress at rear corner
  - Rear wall showing staining from water overflowing guttering
  - Defective installation of fascia and guttering on house above extension which extends to 81 Victoria street which also has EWL
  - Inset allowed for garden gate so no insulation; gate does not open fully
  - Rear of extension showing staining and poor sealing of outlet pipe

**Internal observations**

- Mould in room corners and windows

**Description**

The property is a privately owned traditional Welsh terraced two storey house of solid wall construction with the lounges, kitchen and bathroom on the ground floor and three bedrooms on the first floor. The property has a pitched roof covered with slates, plastic fascia boards, plastic guttering and UPVC windows and doors. The extension has single skin walls.

**Measures undertaken**

Measures undertaken include:

- External Wall Insulation (EWI) installed to the side and rear of the property
- EWI covered with a pebble dashed finish with window and door reveals rendered.

**External observations**

Summary of percentage of EWI applied to all elevations is presented below:

- Percentage of wall completed. 50%
  - Percentage of boarding completed. 50%
  - Percentage of mesh coat completed. Unable to verify due to non-invasive survey.
  - Percentage of finish coat completed. 50%
  - Is the home suitable for system? Yes, subject to the DPC being identified.
- 
- Rear of house with extension showing staining
  - Extension roof showing staining from water pooling on roof after damage by EWI installers
  - Rainwater outlet not compliant with good practice
  - EWI at rear door poorly installed

**Internal observations**

These home owners are very factitious and maintain the house to a high standard internally such that there is no evidence of damp /mildew but instrument show thermal break through at some windows in the extension, so no photographs taken

**Description**

The property is a privately owned traditional Welsh semi-detached three storey house of solid wall construction with a very small extension to the basement which houses kitchen and bathroom. The ground floor houses the lounge with the first floor having two bedrooms. The property has a pitched roof covered with slates, plastic fascia boards, plastic guttering and UPVC windows and doors. The extension has single skin walls.

**Measures undertaken**

Measures undertaken include:

- External Wall Insulation (EWI) installed to the front, side and rear of the property
- EWI covered with a pebble dashed finish with window and door reveals rendered.

**External observations**

Summary of percentage of EWI and IWI applied to all elevations is presented below:

- Percentage of wall completed. 100%
- Percentage of boarding completed. 100%
- Percentage of mesh coat completed. Unable to verify due to non-invasive survey.
- Percentage of finish coat completed. 100%
- Is the home suitable for system? Yes, subject to the DPC being identified.

- EWI installed over three floors , no DPC visible. Extensive staining on front and gable
- Badly fitted window cill(s) with excessive use of mastic
- Poor sealing around dwarf wall on access bridge
- EWL on basement wall at front
- Staining and unfixed pipework on rear wall
- End joint on fascia of extensions poor and leaks water
- Damp/mildew on inside rear bedroom

**Internal observations**

- This house is very damp indeed especially the inside of the gable wall with wallpaper separated from the plaster in several location. The use of heavy emulsion wallpaper disguises the problem. Damp meter readings exceeded 40%
- The bathroom in the basement was very wet (as advised by homeowner) so the entire room has been lined with plastic decorative panelling to cover mildew and damp walls
- The house felt damp and humid and 'unhealthy'. Both homeowners were dependent upon medication to control lung ailments.

**Description**

The property is a privately owned traditional Welsh terraced house of solid wall construction and with a two-storey extension to the rear containing kitchen and bathroom on the ground floor and bedroom on the first floor. The property has a pitched roof covered with slates, plastic fascia boards, plastic guttering and UPVC windows and doors. The extension is of cavity wall construction. Measures undertaken include:

- External Wall Insulation (EWI) installed to the rear of the property
- EWI covered with a pebble dashed finish with window and door reveals rendered.

**External observations**

Summary of percentage of EWI and IWI applied to all elevations is presented below:

- Percentage of wall completed. 50%
  - Percentage of boarding completed. 50%
  - Percentage of mesh coat completed. Unable to verify due to non-invasive survey.
  - Percentage of finish coat completed. 50%
  - Is the home suitable for system? Yes, subject to the DPC being identified.
- 
- Elevations of the rear and extension showing discolouration
  - Elevation of rear of extension with badly installed waste stack
  - Edge beading at side of extension – works not completed
  - EWI stopped at too high a level
  - Pipe fitting badly made
  - Ground floor window sills of extension not changed

**Internal observations**

- Damp around back door

**Description**

The property is a privately owned traditional Welsh terraced house of solid wall construction and with a two-storey extension to the rear containing kitchen and bathroom on the ground floor and bedroom on the first floor. The property has a pitched roof covered with slates, plastic fascia boards, plastic guttering and UPVC windows and doors. The extension is of cavity wall construction.

**Measures undertaken**

Measures undertaken include:

- External Wall Insulation (EWI) installed to the rear of the property
- Internal Wall Insulation (IWI) applied to the front.
- EWI covered with a pebble dashed finish with window and door reveals rendered.

**External observations**

Summary of percentage of EWI and IWI applied to all elevations is presented below:

- Percentage of wall completed. 100%
  - Percentage of boarding completed. 100%
  - Percentage of mesh coat completed. Unable to verify due to non-invasive survey.
  - Percentage of finish coat completed. 100%
  - Is the home suitable for system? Yes, subject to the DPC being identified.
- 
- Elevations of the rear and extension showing discolouration
  - The guttering and downpipe connections are inadequate and allow water to overflow on adjoin property resulting in discolouring of wall beneath gutter
  - Pipe installed with mild steel fitting and Insulation cut around gas pipe
  - Damp and mould on wall beneath window of house

**Internal observations**

- Mould on inside of house beneath window
- Mould on inside of back bedroom of extension

**Description**

The property is a privately owned traditional Welsh semi-detached house of solid wall construction and with a single-storey extension to the rear containing kitchen and bathroom. The property has a pitched roof covered with slates, plastic fascia boards, plastic guttering and UPVC windows and doors. The extension is of cavity wall construction.

**Measures undertaken**

Measures undertaken include:

- External Wall Insulation (EWI) installed to the side and rear of the property
- Internal Wall Insulation (IWI) applied to the front.
- EWI covered with a pebble dashed finish with window and door reveals rendered.

**External observations**

Summary of percentage of EWI and IWI applied to all elevations is presented below:

- Percentage of wall completed. 100%
  - Percentage of boarding completed. 100%
  - Percentage of mesh coat completed. Unable to verify due to non-invasive survey.
  - Percentage of finish coat completed. 100%
  - Is the home suitable for system? Yes, subject to the DPC being identified.
- 
- Staining on render
  - Staining on render and poor gutter detailing causing water to overflow resulting in staining
  - Staining along wall
  - Poor detailing around flue causing ingress of water and cold bridging
  - EWI extended to floor level with no DPC in evidence. Staining at lower level
  - EWI extended around door reveal causing potential thermal bridging
  - No sealant between EWI and flashing
  - Poor flashing detailing around gutter/downpipe

**Internal observations**

- Homeowner painting over damp at window reveal
- Damp in evidence in bedroom ceiling
- Damp and black mould on bedroom wall
- Damp and black mould on window reveals in bedroom
- Damp and black mould in evidence around back door

**Description**

The property is a privately owned traditional Welsh semi-detached house of solid wall construction and with a single-storey extension to the rear containing kitchen and WC. The property has a pitched roof covered with slates, plastic fascia boards, plastic guttering and UPVC windows and doors. The extension is of cavity wall construction.

**Measures undertaken**

Measures undertaken include:

- External Wall Insulation (EWI) installed to the side and rear of the property
- Internal Wall Insulation (IWI) applied to the front.
- EWI covered with a pebble dashed finish with window and door reveals rendered.

**External observations**

Summary of percentage of EWI and IWI applied to all elevations is presented below:

- Percentage of wall completed. 100%
  - Percentage of boarding completed. 100%
  - Percentage of mesh coat completed. Unable to verify due to non-invasive survey.
  - Percentage of finish coat completed. 100%
  - Is the home suitable for system? Yes, subject to the DPC being identified.
- 
- Discolouration at base of EWI, no DPC visible
  - Drip bead uneven, hence render finish is uneven
  - EWI formed around window, restricting opening
  - No sealant around flashing
  - EWI stopped short around gas pipe, causing thermal bridge
  - EWI taken to ground level, and not extended past stone wall, causing thermal bridge
  - EWI not sealed at end elevation, causing potential ingress of water and thermal bridging
  - EWI not taken to apex on gable end.
  - Poor detail around flashing, causing potential ingress of water and thermal bridging

**Internal observations**

- Black mould and damp in evidence in front bedroom window
- Condensation forming on windows
- Condensation and black mould forming on bedroom window
- Black mould forming on bedroom window

**Description**

The property is an end of terrace traditional Welsh terraced house of solid wall construction and with a single storey kitchen extension to the rear. The property has a pitched roof covered with slates, plastic fascia boards, plastic guttering and UPVC windows and doors. The extension is of cavity wall construction.

**Measures undertaken**

Measures undertaken include:

- External Wall Insulation (EWI) installed to the front, side and rear of the property
- EWI covered with a pebble dashed finish with window and door reveals rendered.

**External observations**

Summary of percentage of EWI applied to all elevations is presented below:

- Percentage of wall completed. 100%
  - Percentage of boarding completed. 100%
  - Percentage of mesh coat completed. Unable to verify due to non-invasive survey.
  - Percentage of finish coat completed. 100%
  - Is the home suitable for system? Yes, subject to the DPC being identified.
- 
- Front elevation with all surfaces covered except for supports to dwarf roof (Photo 1)
  - Side and rear elevations showing staining
  - Patch repairs at front corner
  - Window sills bowing upwards at end
  - Cable box out and EWI over cabling
  - New rainwater pipe by home own to reduce staining by fascia run off

**Internal observations**

- Mould in back bedroom ceiling
- Bathroom ceiling bowing

**Description**

The property is a privately owned traditional Welsh terraced house of solid wall construction and with a two-storey extension to the rear housing kitchen on ground floor and bathroom on the first floor. The property has a pitched roof covered with slates, plastic fascia boards, plastic guttering and UPVC windows and doors. The extension is of cavity wall construction.

**Measures undertaken**

Measures undertaken include:

- External Wall Insulation (EWI) installed to the rear of the property
- EWI covered with a pebble dashed finish with window and door reveals rendered.

**External observations**

Summary of percentage of EWI and IWI applied to all elevations is presented below:

- Percentage of wall completed. 50%
  - Percentage of boarding completed. 50%
  - Percentage of mesh coat completed. Unable to verify due to non-invasive survey.
  - Percentage of finish coat completed. 50%
  - Is the home suitable for system? Yes, subject to the DPC being identified.
- 
- Elevations of the rear and extension showing discolouration
  - The guttering and downpipe connections are inadequate
  - Lounge window does not open
  - Waste outlet pipe not fixed to wall
  - Excessive use of mastic on ill-fitting windows

**Internal observations**

- Mould on inside of kitchen units

**Description**

The property is a privately owned traditional Welsh detached house of solid wall construction. The property has a pitched roof covered with slates, plastic fascia boards, plastic guttering and UPVC windows and doors. The extension is of cavity wall construction.

**Measures undertaken**

Measures undertaken include:

- External Wall Insulation (EWI) installed to the side and rear of the property
- Internal Wall Insulation (IWI) applied to the front first floor.
- EWI covered with a pebble dashed finish with window and door reveals rendered.

**External observations**

Summary of percentage of EWI and IWI applied to all elevations is presented below:

- Percentage of wall completed. 80%
  - Percentage of boarding completed. 80%
  - Percentage of mesh coat completed. Unable to verify due to non-invasive survey.
  - Percentage of finish coat completed. 80%
  - Is the home suitable for system? Yes, subject to the DPC being identified.
- 
- Sealant between flashing deteriorating, causing staining of render along length of wall
  - Poor detailing around flashing allowing water to potentially ingress into EWI
  - Poor detailing around flashing causing staining of render on face of wall
  - EWI taken down to ground level with no DPC in evidence. Green algae growth visible at base of wall
  - EWI cut short around external garden wall, causing cold bridging. Also, hole cut in EWI causing water ingress and cold bridging
  - No sealant between end of EWI and wall, with void visible between EWI and fascia board. These would be potential areas for cold bridging and water ingress

**Internal observations**

- Damp around window reveals in lounge, with wallpaper peeling off wall
- Wall paper peeling off damp wall in front bedroom
- Black mould in evidence on walls and ceiling of bedroom

**Description**

The property is a privately owned traditional Welsh terrace house of solid wall construction and with a single-storey extension to the rear containing kitchen and bathroom. The property has a pitched roof covered with slates, plastic fascia boards, plastic guttering and UPVC windows and doors. The extension is of cavity wall construction.

**Measures undertaken**

Measures undertaken include:

- External Wall Insulation (EWI) installed to the side and rear of the property
- EWI covered with a pebble dashed finish with window and door reveals rendered.

**External observations**

Summary of percentage of EWI and IWI applied to all elevations is presented below:

- Percentage of wall completed. 100%
- Percentage of boarding completed. 100%
- Percentage of mesh coat completed. Unable to verify due to non-invasive survey.
- Percentage of finish coat completed. 100%
- Is the home suitable for system? Yes, subject to the DPC being identified.

**Main observations**

- EWI cut around gas pipe causing potential cold bridging
- Window sill less than 30mm with staining on render due to water runoff
- No insulation in window reveal and cables not clipped to wall at recommended spacing
- EWI installed to ground level with no DPC visible
- Flashing bent in middle with potential for water to ingress
- Flat roof damaged by scaffolding
- Window sill bent with discolouration on render due to water runoff
- Gutter sloping wrong way, causing ponding, cables not clipped to wall
- Discolouration on render around window and in window reveal
- Damp in kitchen roof due to water ingress from damaged flat roof

**Internal observations**

- Plaster damp and blistering due to water ingress around rear window.
- No sealant around window sill giving potential for water ingress.

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## BRIDGEND COUNTY BOROUGH COUNCIL

### REPORT TO CABINET

17 NOVEMBER 2020

### REPORT OF THE CORPORATE DIRECTOR COMMUNITIES

#### VALLEYS REGIONAL PARK FUTURE FUNDING

#### 1. Purpose of report

- 1.1 The purpose of the report is to provide an update on the Valleys Regional Park (VRP) scheme and the request from the VRP board that BCBC continue in its role as host. The report also seeks approval to accept grant offers, subject to their full approval, from the Welsh European Funding Office (WEFO) and Welsh Government for future funding from the European Social Fund (ESF) and the Rural Development Programme (RDP) respectively to fund the continued development of the Valleys Regional Park to June 2023.

#### 2. Connection to corporate well-being objectives / other corporate priorities

- 2.1 This report assists in the achievement of the following corporate well-being objectives under the **Well-being of Future Generations (Wales) Act 2015**:-

1. **Supporting a successful sustainable economy** – taking 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.
2. **Helping people and communities to be more healthy and resilient** - taking 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** – ensure that all 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.

#### 3. Background

- 3.1 The Valleys Regional Park (VRP) has been developed through the Welsh Government Ministerial Taskforce for the Valleys in partnership with the Valleys local authorities (Merthyr Tydfil, Blaenau Gwent, Rhondda Cynon Taff, Caerphilly, Torfaen, Bridgend, Neath Port Talbot, Swansea and Carmarthenshire), Natural Resources Wales, Visit Wales and Welsh Government officials in Health and Environment Divisions. It reflects the views of stakeholders from Valleys communities, the Third Sector, Public Health Wales and feedback received through a series of engagement events. The VRP prospectus was published on 18th October 2018 and plans have

been further developed through the partnership led by the VRP team, hosted by Bridgend County Borough Council (BCBC).

3.2. The VRP aims to connect people and place, bringing together the health of the land, people and the economy. The ambition is that:

- The Valleys landscape is recognised for its quality through a regional commitment to coordinated promotion and management
- People are re-connected to the Valleys landscape for their wellbeing, so that it becomes a place for exercise, work, relaxation and nature, as well as for arts and heritage, and for education
- The Valleys landscape underpins a resilient local economy, supporting businesses, community enterprise and the development of skills and learning

3.3. The VRP has three interlinked delivery themes:

- Landscape, Culture and Identity
- Recreation and Wellbeing
- Communities and Enterprise

3.4. In April 2019 discussions took place between the partner local authorities and the Deputy Minister for Economy and Transport. The Deputy Minister expressed a desire for a local authority to act as host for the delivery team element of the next stage of the VRP – to March 2021. BCBC was invited to be the host authority.

3.5. In July 2019 BCBC accepted the invitation from Welsh Government to be the host organisation for the initial phase for a period from August 2019 to March 2021. A funding agreement was established between BCBC and Welsh Government and a legal agreement was developed, which is to be agreed and signed by all Local Authorities forming the VRP area.

3.6. In the autumn of 2019, Welsh Government and WEFO indicated that funding opportunities existed through RDP and ESF resources to potentially support the continuation of the VRP delivery from March 2021 to June 2023. At its meeting in March 2020 the VRP Board invited BCBC to apply for funding through ESF and RDP in its role as host. This invitation was subsequently supported by the VRP Forum.

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

4.1 In June 2020 BCBC officers under delegated authority submitted two full business cases to Welsh Government and WEFO.

4.2 The proposal to Welsh Government was submitted under the RDP Co-operation and Supply Chain Development Scheme to support the continued development of the VRP Guardians Scheme. The current work will provide an evaluation of the development phase which is funded by Welsh Government and is currently being delivered through a contract with Groundwork Wales working to the VRP team. This proposal would deliver the ongoing Guardian Scheme that will utilise the facilities being delivered through the Discovery Gateway capital investments that have been made directly by Welsh Government. The proposal would enable a procurement process to be undertaken that would seek to take forward the current approach and enable funding to be in place to June 2023 for the Guardians element of the VRP.

- 4.3 The second was a proposal submitted to WEFO for ESF Priority 5, Specific Objective 5: Public Services Reform. This proposal was based on an approach to regional working that would strengthen sustainable management of natural resources through strategic regional collaboration to establish and enable the long-term vision and aims of the VRP to provide significant social, economic and environmental benefits. This proposal would support the VRP team and the development of the partnership with funding in place to June 2023. The proposal supports the development of proposals for the long term governance, operating model and funding mechanism for the VRP. Welsh Government and WEFO have agreed to allow the current funding for VRP to be used as retrospective match for the ESF proposal and attract the grant offer.
- 4.4 Based on the request of the VRP forum to do so, these proposals outline that BCBC will continue to act as host for the programme team and to extend the appropriate financial and legal agreements with Welsh Government and the Local Authorities that form the VRP. The VRP Strategic and Operational lead would remain as a Welsh Government employee but be hosted by BCBC via an extension of the terms and conditions of the existing hosting agreement.
- 4.5 BCBC has been working with public, private and third sector organisations involved across the 10 Local Authority areas of the Cardiff Capital Region along with Swansea, Neath Port Talbot and Carmarthenshire to develop and deliver the Valleys Regional Park as set out in the Valleys Regional Park Prospectus. The ESF and RDP funding would enable that to continue to develop the regional partnership, piloting new ways of working and to develop options for the long term governance, operating model and funding mechanism for the VRP.

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

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

## **6. Equality Impact Assessment**

- 6.1 An initial assessment has identified that there are no equality issues related to this report.

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

- 7.1 The Well-being of Future Generations (Wales) Act 2015 Assessment Template has been completed and a summary of the implications from the assessment relating to the five ways of working is below:
- Long-term: The activities that form part of the scheme have been identified by the partners that will take part and are closely aligned with the long-term ambitions set out in the VRP prospectus. A regional collaborative approach, linked to regional working as part of the Cardiff Capital Region area works towards long-term delivery.
  - Prevention: On their own none of the partners or participating areas would be able to achieve the scale of impact that such a partnership approach offers. Therefore delivering in this way offers the opportunity to build on success to date and prevent a deterioration of the value that the development of the VRP brings to the region.

- Integration: The scheme will achieve this way of working by recognising the approaches that are proposed for support are those that have been identified by partner organisations due to their synergy with local, regional and national priorities.
- Collaboration: The proposals have been developed and will be delivered through a strong partnership between BCBC and those partners that will form part of the delivery.
- Involvement: The scheme will be delivered in close partnership with a range of local stakeholders in each area. Discussions and development with neighboring Counties has taken place through BCBC's Economy, Natural Resources and Sustainability team and relevant officers from neighbouring Councils as well as representatives from a range of private and third sector partners.

## **8. Financial implications**

- 8.1 Welsh Government made available funding of up to £342,000 for 2019/20 and £571,000 for 2020/21 to be allocated to the current phase of the VRP and the work involved to be paid via a grant to BCBC. Any costs incurred by BCBC through hosting the VRP will be covered by the grant funding available.
- 8.2. The RDP funding package through the Co-operation and Supply Chain Development Scheme is for a proposed value of £866,321. This will be 100% grant funded and does not require any match funding from BCBC or its partners. Delivery would be managed via a procurement exercise complying with BCBC Contract Procedure Rules. The project is proposed to complete in June 2023.
- 8.3. The ESF funding package is for a proposed value of £1,602,990. It is anticipated that this will be made up of £981,655 grant funding and £621,335 match funding. WEFO have agreed that the current Welsh Government funding provided to BCBC to act as host for the current phase can be used as retrospective match funding.
- 8.4. There may be minor amendments to these proposed scheme values to reflect existing project costs as actual expenditure replaces projections. Welsh Government and WEFO have confirmed their agreement for this to be the case and all final values will be subject to approval from the Section 151 Officer.
- 8.5 The funding agreement with WEFO currently requires Welsh Government to become a joint beneficiary and in doing so they will receive funding to continue to directly employ and then host with BCBC the role of VRP Strategic and Operational Lead.
- 8.6. The Section 151 Officer will ensure that the grant funding provided is used solely for the purposes outlined in the respective grant offer letters. Expenditure of the grant will comply with all statutory requirements for accounting and internal audit (including supporting records and all systems of internal checks and control), and will be included with any internal or external audit of the Council's funding.

## **9. Recommendations**

Cabinet is recommended to:

- 9.1 Note progress to date in developing the VRP.

- 9.2 Note the request from the VRP board that BCBC continue in its role as host of the VRP
- 9.3 Approve the proposal for BCBC to extend its role as host of the VRP delivery team to June 2023 and delegate authority to the Corporate Director Communities, in consultation with the Section 151 Officer and the Chief Officer of Legal, HR & Regulatory Services, to:
- (i) approve the final terms of the grant offers and accept the offers of funding from Welsh Government and WEFO for RDP and ESF resources upon their receipt; and
  - (ii) enter into any appropriate funding and legal agreements necessary to fulfil its role as host the VRP delivery team and its obligations in relation to RDP and ESF funding.

**Janine Nightingale**  
**Corporate Director Communities**  
**3<sup>rd</sup> November 2020**

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**Background documents:**  
None

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## BRIDGEND COUNTY BOROUGH COUNCIL

### REPORT TO CABINET

17 NOVEMBER 2020

#### REPORT OF THE CORPORATE DIRECTOR COMMUNITIES

#### DEVELOPMENT OF A TOURIST FOCUSED LAND TRAIN OR SIMILAR PASSENGER CARRYING VEHICLE OPERATION IN PORTHCAWL

##### 1. Purpose of report

- 1.1 The purpose of this report is to seek Cabinet approval to a proposal to support the establishment of a tourist focussed land train or similar passenger carrying vehicle operation in Porthcawl. The proposal will aim to add value to on-going work to develop a range of sustainable transport methods that better connect the attractions, facilities and services that exist across the seafront with the town centre.

##### 2. Connection to corporate well-being objectives / other corporate priorities

- 2.1 This report assists in the achievement of the following corporate well-being objectives under the **Well-being of Future Generations (Wales) Act 2015:-**

1. **Supporting a successful sustainable economy** – taking 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.
2. **Smarter use of resources** – ensure that all 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.

##### 3. Background

- 2.1 In 2014, Visit Wales (VW) stated that as part of their European Regional Development Fund (ERDF) Infrastructure Development Programme, they were looking to prioritise a small number of regional tourist 'Attractor Destinations' within Wales and anticipated that 2-3 priority schemes may be taken forward in the parts of South East Wales eligible for ERDF funding.
- 2.2 Following a regional prioritisation exercise involving all 10 Local Authorities in the South East Wales area, Porthcawl was scored as a priority for support. This highlights the importance of the resort in tourism terms, both locally, and for the wider Welsh economy.
- 2.3 In April 2015 Cabinet authorised the Corporate Director - Communities to develop the detail of the priority scheme for Porthcawl in partnership with local, regional and national stakeholders and, in consultation with the s151 Officer, to put in place the

necessary match-funding arrangements for the delivery of the Scheme in line with the VW funding timetable.

- 2.4 VW submitted an Operation Logic Table (OLT) for proposed EU operations to the Welsh European Funding Office (WEFO) and subsequently received approval on 16 July 2015. The business plan for the programme was submitted on 27 November 2015 with information from each of the schemes involved in the programme.

### 3. **Current situation/proposal**

- 3.1 To date Bridgend County Borough Council (BCBC) has delivered the following through the TAD programme:

- a. **Watersports Centre at Rest Bay.** The creation of a £1.5m watersports centre over two floors that appeals to a wide range of watersports enthusiasts whilst providing enhanced facilities for visitors to Rest Bay.
- b. **Porthcawl Harbour enhancement facility.** The refurbishment of the existing kiosk building at Porthcawl Harbour has created an adaptable space which currently supports the operation of the harbour by providing a small office space and accessible facilities for berth holders along with one commercial unit.
- c. **Your Porthcawl Marketing Campaign.** The Your Porthcawl marketing campaign is unique to Porthcawl that is building a recognisable brand identity that will evoke positive feelings about Porthcawl.
- d. **Visit Bridgend Website.** In 2020 BCBC launched the new VisitBridgend website that superseded BridgendBites showcasing all that Bridgend borough has to offer to both residents and visitors to the area. The Porthcawl Resort Investment Fund (PRIF) project funded the creation and content of the Porthcawl section on the Visit Bridgend Website.

- 3.2 As a result of re-profiling the funding package that has already been secured by BCBC through the TAD programme an opportunity now exists to allocate funds to support the establishment of a tourist focussed land train or similar passenger carrying vehicle operation in Porthcawl.

- 3.3 The intention would be to seek to link the town centre, beaches and other attractions along the seafront from Sandy Bay/Coney Beach to Rest Bay. An initial route has been agreed internally between BCBC officers. This group included Highways Network Manager, Town Centre Manager, Destination Management Officer and Traffic Management Officers. The proposed operational season would be expected to cover, as a minimum, the main holiday periods and therefore generally commence at the end of March or beginning of Easter through to the end of September. The operator would be responsible for providing the vehicle and meeting all maintenance, repair, insurance and all other operating costs and be responsible for obtaining all approvals necessary to operate the vehicle.

- 3.4 This proposal has been discussed in principle with VW and subject to BCBC following appropriate financial processes and procedures is considered to be in line with the overall aspiration of the TAD programme and to add value to work undertaken to date.

- 3.5 It is proposed that the opportunity to operate a tourist focussed land train or similar passenger carrying vehicle on the roads across Porthcawl Seafront be openly advertised and expressions of interest sought from potential operators. Interested operators would be invited to submit their proposals for the consideration of BCBC officers. Proposals will be evaluated against prescribed criteria including vehicle type, potential passenger numbers, proposed ticketing costs and the previous experience of the operator.
- 3.6 Once an operator has the appropriate consents required to operate the vehicle, route signage, line painting and amendments to the Bridgend County Borough Council (Prohibition and Restriction of Waiting and Loading and Parking Places)(Civil Enforcement) Order 2013 (TRO) will be required to assist in the safe delivery of the local transport link. It is proposed that eligible costs to facilitate these works be funded through the resources already secured by BCBC as part of the TAD programme.
- 4.7. It is proposed that an experimental traffic order (ETO) is made which would Amend the TRO to enable the vehicle to stop and pick up passengers. During the initial 6 month period that the ETO is in force, members of the public will be able object to the experimental amendment of the TRO. During the period the ETO is in force, the operation of the route will be monitored and evaluated. Within 18 months of the ETO being made, a decision will need to be made on whether to make the experimental changes to the TRO permanent.

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

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

## **6. Equality Impact Assessment**

- 6.1 An initial assessment has identified that there are no equality issues related to this report.
- 6.2 It is to be noted that within the expression of interest BCBC will make clear the need for consideration and compliance with relevant accessibility standards.

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

- 7.1 The Well-being of Future Generations (Wales) Act 2015 Assessment Template has been completed and a summary of the implications from the assessment relating to the five ways of working is below:
- Long-term: The activities that form part of the scheme have been identified internal and external stakeholders that will take part in and are closely aligned to Destination Management Plan of the area.
  - Prevention: Support to develop a range of sustainable transportation methods aim to reduce the reliance on cars and the number of vehicles on the road. The proposal will build on success to date in this area of work.
  - Integration: The scheme will achieve this way of working by recognising the approaches that are proposed for support are those that have been identified by

internal and external stakeholders and the proposal itself will integrate with other existing means of transportation.

- Collaboration: The proposals have been developed and will be delivered through a strong partnership between BCBC and those partners that will form part of the delivery through the Coastal Partnership.
- Involvement: The proposal will be delivered in close partnership with a range of local stakeholders. Discussions and development with key BCBC officers will be undertaken.

## **8. Financial implications**

- 8.1 The funding for the proposed development of a land train or similar passenger carrying vehicle operation is available as a result of a re-profile exercise undertaken by BCBC and utilises funds already secured as part of the TAD programme. A total of £11,453 is to be allocated through existing TAD resources. In addition, an amount of £844 will be provided by the Council's tourism budget to support the proposed development in the financial year 2020/2021. These resources will cover such costs as design and legal fees
- 8.2 All costs associated with the tourist focused transport link are revenue costs and funded via the amount detailed in 8.1. This includes route design, route signage, line painting, advertisement costs, translation fees and legal fees. There are no on-going maintenance costs associated with the actions proposed.
- 8.3 The funding BCBC has secured through the TAD programme currently has an agreed end date of the 31<sup>st</sup> May 2021 and therefore all costs must be incurred before that date. Should it be considered that a longer time period be required then an extension would need to be requested and approved by VW.

## **9. Recommendation(s)**

Cabinet is recommended to

- 9.1 Note progress of work to date in delivering the aspirations of the TAD programme in Porthcawl
- 9.2 Approve the proposal to support the establishment of a tourist focused land train or similar passenger carrying vehicle operator in for Porthcawl.
- 9.3 Authorise officers to undertake the processes and procedures outlined in section 4 of this report and in doing, and in agreement with the Section 151 Officer and Head of Legal and Regulatory Services, grant any necessary consents and enter into any required agreements with the preferred operator.

**Janine Nightingale**  
**Corporate Director, Communities**  
**3<sup>rd</sup> November 2020**

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**Background documents:**

Cabinet Report on Tourism Investment Opportunities and Prioritisation dated 28<sup>th</sup> April 2015

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## BRIDGEND COUNTY BOROUGH COUNCIL

### REPORT TO CABINET

17 NOVEMBER 2020

### REPORT OF THE INTERIM CHIEF OFFICER – FINANCE, PERFORMANCE AND CHANGE

#### TREASURY MANAGEMENT – HALF YEAR REPORT 2020-21

#### 1. Purpose of report

1.1 The purpose of this report is to:

- comply with the requirement of the Chartered Institute of Public Finance and Accountancy's 'Treasury Management in the Public Services: Code of Practice' to produce interim Treasury Management Reports.
- report on the projected Treasury Management Indicators for 2020-21.
- provide an update on the proposed changes to the Treasury Management Strategy 2020-21 and recommend that they be presented to Council for approval.

#### 2. Connection to corporate well-being objectives / other corporate priorities

2.1 This report assists in the achievement of the following corporate well-being objective under the **Well-being of Future Generations (Wales) Act 2015**:

- **Smarter use of resources** – ensure that all 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 deliver the Council's well-being objectives.

2.2 The Treasury Management Report is integral to the delivery of all of the Council's well-being objectives as the allocation of resources determines the extent to which the well-being objectives can be delivered.

#### 3. Background

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

- 3.2 Treasury risk management at the Council is conducted within the framework of the Chartered Institute of Public Finance and Accountancy's (CIPFA) Treasury Management in the Public Services: Code of Practice 2017 Edition (the CIPFA Code) which requires the Council to approve a Treasury Management Strategy (TMS) before the start of each financial year. The CIPFA Code also requires the Council to set a number of Treasury Management Indicators, which are forward looking parameters and enable the Council to measure and manage its exposure to treasury management risks, and these are included throughout this report. In addition, the Welsh Government (WG) issued revised Guidance on Local Authority Investments in November 2019 that requires the Council to approve an Investment Strategy before the start of each financial year. This report fulfils the Council's legal obligation under the Local Government Act 2003 to have regard to both the CIPFA Code and the Welsh Government Guidance.
- 3.3 In 2017 CIPFA also published a new version of the Prudential Code for Capital Finance in Local Authorities (the Prudential Code). The updated Prudential Code includes a requirement for Local Authorities to provide a Capital Strategy, which is a summary document approved by full Council covering capital expenditure and financing, treasury management and non-treasury investments. The definition of investments in the revised 2017 CIPFA Code now covers all the financial assets of the Council as well as other non-financial assets which the authority holds primarily for financial return. The Council's Capital Strategy 2020-21, complying with CIPFA's requirement includes the Prudential Indicators which in previous years were included in the TMS, along with details regarding the Council's non-treasury investments. The Capital Strategy and TMS should be read in conjunction with each other as they are interlinked as borrowing and investments are directly impacted upon by capital plans and were approved together by Council on 26 February 2020.
- 3.4 Following a recent re-tender exercise for the Council's treasury management advisors, Arlingclose were the successful tenderer and will continue to be the Council's advisors for the next 4 years. The services provided to the Council include:-
- advice and guidance on relevant policies, strategies and reports
  - advice on investment decisions
  - notification of credit ratings and changes
  - other information on credit quality
  - advice on debt management decisions
  - accounting advice
  - reports on treasury performance
  - forecasts of interest rates
  - training courses

#### **4. Current Situation/Proposal**

- 4.1 The Council has complied with its legislative and regulatory requirements during the first half of 2020-21. The TMS 2020-21 was reported to Council on 26 February 2020 with the Half Year Outturn scheduled to be reported on 18

November 2020. In addition, a quarterly monitoring report was provided to Cabinet in July 2020.

- 4.2 A summary of the treasury management activities for the first half of 2020-21 is shown in table 1 in **Appendix A**. The Council has not taken long term borrowing since March 2012 and it is not expected that there will be a requirement for any new long term borrowing in 2020-21. Favourable cash flows have provided surplus funds for investment and the balance on investments at 30 September 2020 was £64.29 million with an average rate of interest of 0.24%. This is a significant reduction from the same time last year when the average rate was 0.85%, and shows the impact of the reductions in interest rates during March 2020.
- 4.3 Restructuring of the debt portfolio, and in particular the Lender Option Borrower Option (LOBO) loans has been previously considered. The LOBOs have two trigger points during the year at which point the lender may consider offering the Council the option to repay the loan without penalty. At the current interest rates the lender is not likely to exercise that option. Any renegotiation of the LOBO would result in a premium payable by the Council. At current rates the premium would far outweigh the savings achievable. The Council will continue to review its long term lending and would take the option to repay these loans at no cost if it has the opportunity to do so.
- 4.4 Table 4 in section 4 of **Appendix A** details the movement of the investments by counterparty types and shows the average balances, interest received, original duration and interest rates for the first half of 2020-21.
- 4.5 The TM Code requires the Council to set and report on a number of Treasury Management Indicators. The indicators either summarise the expected activity or introduce limits upon the activity. Details of the estimates for 2020-21 set out in the Council's TMS, against current projections, are shown in **Appendix A** and these show that the Council is operating in line with the approved limits.
- 4.6 The Council defines high credit quality as organisations and securities having a credit rating of A- or higher and **Appendix B** shows the equivalence table for credit ratings for Fitch, Moody's and Standard & Poor's and explains the different investment grades.
- 4.7 CIPFA's Code of Practice for Treasury Management requires all local authorities to conduct a mid-year review of its treasury management policies, practices and activities. The outcome of this review is that there are changes required to investment limits as below:
- increase the investment limit to Registered Providers from £3 million to £5 million. As the Council has had positive cash balances this will provide the Council with wider scope in making investments at a practical level (Table 6 of the TMS – Appendix C).
  - increase the total amount that can be invested in Money Market Funds (MMFs) from £20 million to £30 million. This is to enable the Council to increase the number of MMF's available to it thus assisting Treasury

Management activities on a practical level, whilst also providing greater diversity of funds available to the Council (Table 9 of the TMS – Appendix C).

The proposed revised TMS is included at **Appendix C** and the proposed amendments highlighted in red. Both these amendments have been discussed with our Treasury Management Advisors.

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

- 5.1 As required by Financial Procedure Rule 20.3 within the Council's Constitution, all investments and borrowing transactions have been undertaken in accordance with the TMS 2020-21 as approved by Council with due regard to the requirements of the CIPFA's Code of Practice on Treasury Management in the Public Services.

## **6. Equality Impact Assessment**

- 6.1 There are no equality implications.

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

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

## **8. Financial implications**

- 8.1 The financial implications are reflected within the report.

## **9. Recommendations**

- 9.1 It is recommended that Cabinet:

- note the Council's treasury management activities for 2020-21 for the period 1 April 2020 to 30 September 2020 and the projected Treasury Management Indicators for 2020-21.
- recommend that the proposed changes to the Treasury Management Strategy 2020-21 be presented to Council for approval on 18 November 2020.

**Gill Lewis**

**Interim Chief Officer – Finance, Performance and Change**

**6 November 2020**

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**Background documents:**

Capital Strategy 2020-21

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## APPENDIX A

### SUMMARY OF TREASURY MANAGEMENT ACTIVITIES 2020-21 1 APRIL TO 30 SEPTEMBER 2020

#### 1. External Debt and Investment Position

On 30 September 2020, the Council held £96.87 million of external long term borrowing and £64.29 million of investments. The Council's external debt and investment position for 1 April to 30 September 2020 is shown below in Table 1; more detail is provided in section 3 - Borrowing Strategy and Outturn - and section 4 - Investment Strategy and Outturn:

**Table 1: External debt and investment position 1 April 2020 to 30 September 2020**

	Principal 01/04/2020 £m	Average Rate 01/04/2020 %	Principal 30/09/2020 £m	Average Rate 30/09/2020 %
<b>External Long Term Borrowing:</b>				
Public Works Loan Board	77.62	4.70	77.62	4.70
Lender's Option Borrower's Option	19.25	4.65	19.25	4.65
<b>Total External Borrowing</b>	<b>96.87</b>	<b>4.69</b>	<b>96.87</b>	<b>4.69</b>
<b>Other Long Term Liabilities (LTL):</b>				
Private Finance Initiative (PFI)*	<b>16.30</b>		<b>15.94</b>	
Other LTL	<b>1.10</b>		<b>1.02</b>	
<b>Total Other Long Term Liabilities</b>	<b>17.40</b>		<b>16.96</b>	
<b>Total Gross External Debt</b>	<b>114.27</b>		<b>113.83</b>	
<b>Treasury Investments:</b>				
Debt Management Office	37.00	0.06	15.20	0.01
Local Authorities	18.00	0.97	28.50	0.49
Banks	5.00	0.34	3.59	0.07
Building Societies	2.00	0.78	-	-
Money Market Fund***	-	-	17.00	0.07
<b>Total Treasury Investments</b>	<b>62</b>	<b>0.37</b>	<b>64.29</b>	<b>0.24</b>
<b>Net Debt</b>	<b>52.27</b>		<b>49.54</b>	

\* (PFI) arrangement for the provision of a Secondary School in Maesteg 13.75 years remaining term

\*\*\* these funds provide instant access

Where a Council finances capital expenditure by debt, it must put aside revenue resources to repay that debt in later years and this amount charged to revenue is called the Minimum Revenue Provision (MRP). The Local Authority (Capital

Finance and Accounting) (Amendment) (Wales) Regulations 2008 requires the Council to produce and approve an annual Minimum Revenue Provision (MRP) Statement before the start of the financial year that details the methodology for the MRP charge and this is detailed in the Council's Capital Strategy. The underlying need to borrow for capital purposes is measured by the Capital Financing Requirement (CFR), while usable reserves and working capital are the underlying resources available for investment. The Council's current strategy is to maintain borrowing and investments below their underlying levels, sometimes known as internal borrowing. This strategy is prudent as investment returns are low and counterparty risk is relatively high. Whilst the CFR is forecast to remain static over this financial year at £171.78 million, going forward it is expected to increase due to the amount of prudential borrowing in the capital program in future years.

The liability benchmark measures the Council's projected net debt requirement plus a short term liquidity allowance in the form of minimum cash and investment balances. The purpose of the benchmark is to set the level of risk which the Council regards as its balanced or normal position. The forecast liability benchmark, or level of debt as at 31 March 2021 is £103.3 million, which is below the estimate within the TMS. The current level of long-term borrowing is £96.87 million, which is an under-borrowed position as the Council has available reserves it can use to fund capital expenditure in the short term. This is a prudent approach to managing its cash resources. Table 2 below has been produced using estimates of capital spend and forecasts on usable reserves for the current financial year. The Loans CFR ignores cash balances and may be too high if the authority benefits from long term positive cash flows which this Council does benefit from. The benchmark assumes that cash and investment balances are kept to a minimum level of £10 million at each year-end to maintain sufficient liquidity but minimise credit risk.

**Table 2: Liability benchmark**

	<b>2019-20 Actual</b>	<b>2020-21 Estimate TMS</b>	<b>2020-21 Projection</b>
	<b>£m</b>	<b>£m</b>	<b>£m</b>
Loans Capital Financing Requirement	157.0	157.4	157.0
Less: Usable reserves	(76.0)	(48.1)	(63.7)
Working capital	(7.0)	-	-
Plus: Minimum investments	10.0	10.0	10.0
<b>Liability Benchmark</b>	<b>84.0</b>	<b>119.3</b>	<b>103.3</b>

## 2. External Context

The interest rate views incorporated in the Council's TMS 2020-21 were based upon officers' views supported by a forecast from Arlingclose. When the TMS 2020-21 was prepared at the beginning of 2020, it was written on the basis of an orderly transition to a deep free trade agreement between the United Kingdom (UK) and the European Union. Consequently Arlingclose forecasted

that the Bank Rate would remain at 0.75% until the end of 2022, unless Brexit uncertainty dragged on or global growth failed to recover. To date no trade deal has been agreed and the transition period will end on 31 December 2020.

In addition to the Brexit uncertainty, at the start of the year nobody could have predicted the widespread Covid-19 pandemic, the prolonged period of lockdown across the UK or the devastating impact on the economy in general, UK finances and the Council's own budgets. The Bank Rate was reduced from 0.75% to 0.25% on 11 March 2020 and then lowered again to 0.1% on 19 March 2020. In May 2020 the Bank of England governor suggested that there is a risk that Britain's economy will take longer to recover from the impact of the coronavirus than originally anticipated. He said that the risks were undoubtedly to the downside for the economic recovery to be "longer and harder". He added "It is also possible that the pace at which activity recovers will be limited by continued caution among households and businesses even as official social distancing measures are relaxed". The Bank of England has stated that it is ready to provide further support for the economy and this includes cutting interest rates below zero, but this would need careful consideration. Arlingclose has indicated that any further reduction in the bank rate to zero, or a negative rate, will have an impact on money market and deposit account rates, money market fund returns and borrowing costs. The impact of the pandemic on the Council's financial position will be kept under continuous review during the financial year and any necessary changes reported at the earliest opportunity.

Since the outbreak of the Covid-19 pandemic, the UK and Welsh Governments have announced a wide range of financial support schemes to try and mitigate the impact on the economy, businesses and individuals. These include:

- Job Retention Scheme (furlough) (UK)
- Self Employed Income Support Scheme (UK)
- Business Rates Grants (WG)
- Small Charities Business Rates Grants (WG)
- Local Government Hardship Fund, including £67m for Adult Social Care, £51 million for free school meals and £10 million for homelessness, in addition to £198 million for lost income.
- Lockdown Grants (WG)
- Economic Resilience Fund (WG)

The local authority has administered a number of the Welsh Government Schemes which involved the payment of over 2,400 business and charity grants worth almost £30 million, as well as bearing the upfront costs of additional support required throughout the pandemic in advance of receiving WG funding. This has clearly had an impact on the Council's cash flow during the first quarter of the financial year and measures were put in place to manage the significant sums of money flowing into and out of the Council's bank account, including receiving earlier payments of Revenue Support Grant and interim business grant payments from Welsh Government, making short term deposits until funding is required and increasing our daily BACS limits to enable more payments to be processed quickly. As the year progresses more Welsh

Government grants are being announced and paid, so close management of the Council's cash flow is a priority.

### **3. Borrowing Strategy and Outturn for 1 April to 30 September 2020**

At 30 September 2020, the Council held £96.87 million of long-term loans as part of its strategy for funding previous years' capital programmes. The TMS 2020-21 forecast that the Council would need to borrow £16 million in 2020-21. Currently it is forecast that the Council may need to borrow £2.45 million as a result of anticipated slippage of capital schemes following the Covid-19 pandemic. It is likely that this will reduce to zero should there be any further slippage of the Capital Programme in the remainder of the year. More detail on forecast capital spend is provided in the Capital Strategy 2020-21 which was approved by Council on 26 February 2020 and the Capital Monitoring report approved by Council on 21 October 2020.

The Council's chief objective when borrowing money is to strike an appropriately low risk balance between securing low interest costs and achieving certainty of those costs over the period for which funds are required. The flexibility to renegotiate loans, should the Council's long-term plans change, is a secondary objective. Therefore the major objectives to be followed in 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 impact of the Covid-19 pandemic on the economy and public finances in general, as well as on local government funding in particular, and the uncertainty going forward, the Council's borrowing strategy continues to address the key issue of affordability without compromising the longer-term stability of the debt portfolio. The ever increasing uncertainty over future interest rates increases the risks associated with treasury activity. As a result the Council will take a cautious approach to its treasury strategy. With short-term interest rates currently much lower than long term rates, it is likely to be more cost effective in the short term to either use internal resources or take out short term loans instead.

The Council's primary objective for the management of its debt is to ensure its long term affordability. The majority of its loans have therefore been borrowed from the Public Works Loan Board (PWLB) at long term fixed rates of interest but we will also investigate other sources of finance, such as Welsh Government and local authority loans and bank loans that may be available at more favourable rates. Following the increase in the numbers of local authorities taking out PWLB loans to buy commercial properties for yield, the UK government undertook a consultation on the PWLB future lending terms. The outcome of this consultation may impact on future borrowing opportunities for the Council.

The last time the Council took out long term borrowing was £5 million from the PWLB in March 2012 and, as detailed above, the current forecast is that there will be no requirement for new long-term borrowing in 2020-21. The Council may take out short term loans (normally for up to one month) to cover unexpected cash flow shortages. Market conditions have meant that there has been no rescheduling of the Council's long term borrowing so far this year however, in conjunction with Arlingclose, the loan portfolio will continue to be reviewed for any potential savings as a result of any loan rescheduling.

The £19.25 million in table 1 above relates to Lender's Option Borrower's Option (LOBO) loans which have a maturity date of 2054, however these may be re-scheduled in advance of this maturity date. The LOBO rate and term may vary in the future depending upon the prevailing market rates, the lender exercising their option to increase rates at one of the bi-annual trigger points (the trigger dates being July and January) and therefore, the Council being given the option to accept the increase or to repay the loan without incurring a penalty. The lender did not exercise their option on 22 July 2020 and the next trigger point is 22 January 2021. The lender is unlikely to exercise their option in the current low interest rate environment, however, an element of refinancing risk remains. The Council would take the option to repay these loans at no cost if it has the opportunity to do so in the future. The current average interest rate for these LOBO's is 4.65% compared to the PWLB Loans average interest rate of 4.70%. The premiums payable to renegotiate the Council's Lender's Option Borrower's Option (LOBO) continues to be cost prohibitive.

The Treasury Management indicator shown in Table 3 below is for the Maturity Structure of Borrowing and is set for the forthcoming financial year to control the Council's exposure to refinancing risk with respect to the maturity of the Council's external borrowing, and has been set to allow for the possible restructuring of long term debt where this is expected to lead to an overall saving or reduction in risk. It is the amount of projected borrowing maturing in each period as a percentage of total projected borrowing. The upper and lower limits on the maturity structure of borrowing set out in the TMS 2020-21 and the projection for 2020-21 are:

**Table 3: Treasury Management Indicator Maturity Structure of Borrowing 2020-21**

Refinancing rate risk indicator Maturity structure of borrowing 2020-21	TMS 2020-21 Upper limit %	TMS 2020-21 Lower limit %	Projection 31-3-21 %
Under 12 months	50	-	19.87
12 months and within 24 months	25	-	-
24 months and within 5 years	25	-	9.59
5 years and within 10 years	40	-	16.33
10 years and within 20 years	50	-	11.48
20 years and above	60	25	42.73

The 19.87% shown in Table 3 above relates to the £19.25 million LOBO loans which may be re-scheduled in advance of their maturity date of 2054, as detailed in the paragraph above. The CIPFA Code requires the maturity of LOBO loans to be shown as the earliest date on which the lender can require payment, i.e. the option/call dates in 2020-21, so the maturity date is actually uncertain but is shown in the “Under 12 months” category as per the Code.

#### **4. Investment Strategy and Outturn 1 April to 30 September 2020**

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

The major objectives during 2020-21 were:-

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

The Annual Investment Strategy incorporated in the Council’s TMS 2020-21 includes the credit ratings defined for each category of investments and the liquidity of investments. The Council’s investments have historically been placed in mainly short term bank and building society unsecured deposits and local and central government. However, investments may be made with any public or private sector organisations that meet the minimum credit criteria and investment limits specified in the Investment Strategy. The majority of the Council’s surplus cash is currently invested in Money Market Funds and with other local authorities but the Council will continue to look at investment options in line with the limits detailed in the Investment Strategy. In the last 6 months Arlingclose has been constantly stress testing the financial institutions on its recommended counterparty list during the pandemic and, as a result, has

removed a number from its recommended list for unsecured deposits and revised the credit rating, outlook and recommended deposit period for a number of others. This reflects the revised likely credit worthiness of the institutions from the economic and financial market implications of coronavirus. The Council takes into account updated advice from its advisors before making any investment decisions.

The Council holds surplus funds representing income received in advance of expenditure plus balances and reserves and as shown in Table 1 above, the balance on investments at 30 September 2020 was £64.29 million. Table 4 below details these investments by counterparty type. The average investment rate in the period 1 April to 30 September 2020 was 0.33% (Table 4) and was 0.24% at 30 September 2020 (Table 1 – Total treasury investments). On 25th September the rates on Government Debt Management Office (DMO) deposits up to 2 weeks dropped below zero percent to -0.03%, 0% for 3-week deposits and 0.01% for maturities over 3 months. As a result of the pandemic there is potential for future average returns to reduce further.

**Table 4: Investments Profile 1 April to 30 September 2020**

Investment Counterparty Category	Balance 01 April 2020 (A) £m	Investments raised (B) £m	Investments Repaid (C) £m	Balance 30 September 2020 (A+B-C) £m	Investment income received** Apr-Sep 2020 £'000	Average original duration of the Investment Days	Weighted average investment balance Apr-Sept 2020 £m	Weighted average interest rate Apr-Sept 20 %
Government DMO	37.00	573.53	595.33	15.20	13.86	15	28.30	0.04
Local Authorities	18.00	33.50	23.00	28.50	113.48	291	28.07	0.73
Banks (Fixed Maturity)	2.00	2.00	2.00	2.00	13.08	123	2.00	0.49
Banks Instant Access/Notice Period Account*	3.00	8.63	10.04	1.59	-	-	3.55	0.05
Building Societies	2.00		2.00	-	-	182	0.33	0.78
Money Market Fund (Instant Access)*	-	17.00		17.00	11.20	-	13.26	0.20
<b>Total/Average</b>	<b>62.00</b>	<b>634.66</b>	<b>632.37</b>	<b>64.29</b>	<b>151.62</b>	<b>153</b>	<b>75.51</b>	<b>0.33</b>

The Treasury Management indicator shown below in Table 5 is for Principal Sums Invested for periods longer than a year. Where the Council invests, or plans to invest, for periods longer than a year, an upper limit is set for each forward financial year period for the maturing of such investments. The purpose of this indicator is to control the Council's exposure to the risk of incurring losses by seeking early repayment of long term investments. The limit on the long term principal sum invested to final maturities beyond the period end are set out in the TMS 2020-21.

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

Price risk indicator	TMS 2020-21 £m	Projection 31-3-21 £m
Limit on principal invested beyond financial year end	15	Nil

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

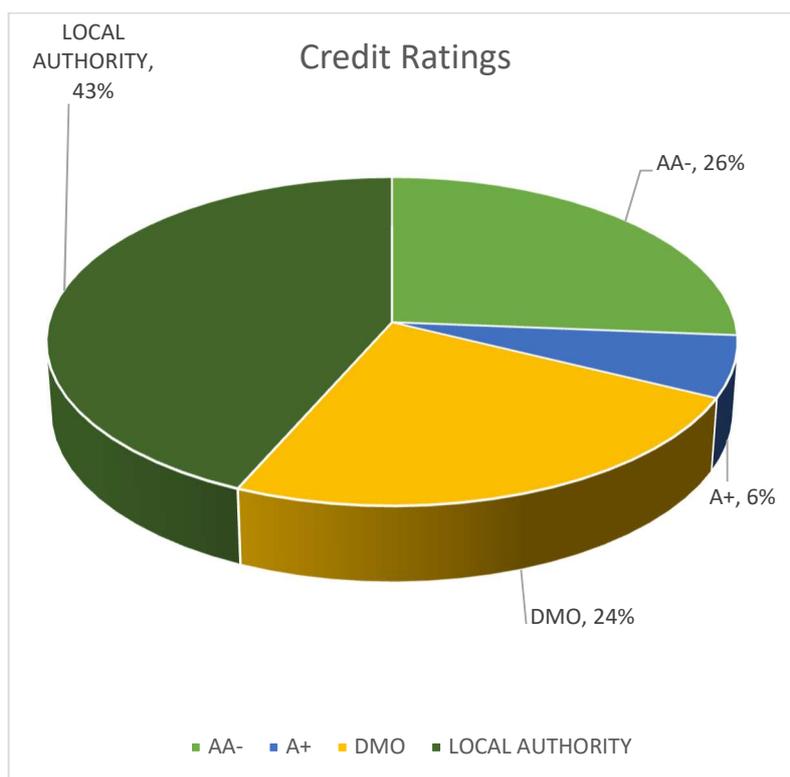
Two investments with Local Authorities whose original duration was 4 years are due to mature within the next 3 months and are therefore no longer classified as long-term. Therefore all investments at 30 September 2020 were short term deposits including Government Debt Management Office, Money Market Funds, Local Authorities, instant access and notice accounts. Table 6 below details these investments by counterparty type based on the remaining maturity period as at 30 September 2020:

**Table 6: Investments Outstanding Maturity Profile 30 September 2020**

Counterparty Category	Instant Access £m	Deposits Maturing Within 1 Month £m	Deposits Maturing Within 2-3 Months £m	Deposits Maturing Within 4-12 Months £m	Total £m
Government DMO		15.20			15.20
Local Authorities		5.00	18.50	5.00	28.50
Banks	1.59	2.00			3.59
Building Societies					0.00
Money Market Fund	17.00				17.00
<b>Total</b>	<b>18.59</b>	<b>22.20</b>	<b>18.50</b>	<b>5.00</b>	<b>64.29</b>

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

The pie chart below summarises Table 6 by credit ratings and shows the £64.29 million investments at 30 September 2020 by percentage. Most Local Authorities do not have credit ratings and the £17 million invested with an AA-rated MMF was an approved counterparty by Arlingclose, whilst the remainder of the investments all had a credit rating of A or above.



## 5. 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. Short term and variable rate loans expose the Council to the risk of short term interest rate rises and are therefore subject to the Treasury Management indicator in Table 7 below to manage Interest Rate Exposures.

**Table 7: Treasury Management Indicator Interest Rate Exposures**

Interest rate risk indicator	Indicator £'000	As at 30-09-20 £'000
One year revenue impact of a 1% rise in interest rates	(264)	(427)
One year revenue impact of a 1% fall in interest rates	181	619

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

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

## **6. Review of the Treasury Management Strategy 2020-21**

CIPFA's Code of Practice for Treasury Management requires all local authorities to conduct a review of its treasury management policies, practices and activities. As a result of the current economic climate and so as to provide greater flexibility with investments it is proposed to increase the Investment Limit for MMF's from £20 million to £30 million in total. In addition it is proposed to increase the approved investment counterparty limit for Registered Providers from £3 million to £5 million.

These changes can be seen in Appendix C and have been highlighted accordingly.

## APPENDIX B

**Credit Rating Equivalence Table**

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

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

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

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# Draft Amended Treasury Management Strategy 2020-21

Bridgend County Borough Council

Cyngor Bwrdeistref Sirol



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## 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

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

\* (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
<b>Capital Financing Requirement</b>	170.88	172.08	172.20	178.25	178.50
Less: Other Debt Liabilities	(16.31)	(15.57)	(14.77)	(13.90)	(12.97)
<b>Loans Capital Financing Requirement</b>	<b>154.57</b>	<b>156.52</b>	<b>157.44</b>	<b>164.35</b>	<b>165.53</b>
Less: External Borrowing	(96.87)	(96.87)	(103.09)	(105.39)	(105.39)
<b>Internal Borrowing</b>	<b>57.70</b>	<b>59.65</b>	<b>54.35</b>	<b>58.96</b>	<b>60.14</b>
Less: Usable Reserves	(76.70)	(70.54)	(48.13)	(38.37)	(36.69)
Less: Working Capital	(2.00)	-	-	-	-
<b>Investments</b>	<b>21.00</b>	<b>10.00</b>	<b>10.00</b>	<b>10.00</b>	<b>10.00</b>
<b>New Borrowing - cumulative</b>	<b>0.00</b>	<b>0.00</b>	<b>16.22</b>	<b>30.59</b>	<b>33.45</b>

\*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
<b>Loans Capital Financing Requirement</b>	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
<b>Liability Benchmark</b>	<b>96.87</b>	<b>95.98</b>	<b>119.31</b>	<b>135.97</b>	<b>138.84</b>

#### **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%

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## 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

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**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	n/a	n/a
			50 Years		
UK Local Authorities	n/a	n/a	£12,000,000	n/a	n/a
			10 Years		
AAA	£3,000,000	£6,000,000	£6,000,000	£3,000,000	£5,000,000
	5 Years	20 Years	50 Years	20 Years	20 Years
AA+	£3,000,000	£6,000,000	£6,000,000	£3,000,000	£5,000,000
	5 Years	10 Years	25 Years	10 Years	10 Years
AA	£3,000,000	£6,000,000	£6,000,000	£3,000,000	£5,000,000
	4 Years	5 Years	15 Years	5 Years	10 Years
AA-	£3,000,000	£6,000,000	£6,000,000	£3,000,000	£5,000,000
	3 Years	4 Years	10 Years	4 Years	10 Years
A+	£3,000,000	£6,000,000	£3,000,000	£3,000,000	£5,000,000
	2 Years	3 Years	5 Years	3 Years	5 Years
A	£3,000,000	£6,000,000	£3,000,000	£3,000,000	£5,000,000
	13 Months	2 Years	5 Years	2 Years	5 Years
A-	£3,000,000	£6,000,000	£3,000,000	£3,000,000	£5,000,000
	6 Months	13 Months	5 Years	13 Months	5 Years
None	£1,000,000	n/a	see above central government and local authority limit	n/a	£5,000,000
	6 Months				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.

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**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.

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**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**

	<b>Category Cash limit</b>
Total long-term investments	£15m
Total investments without credit ratings or rated below the Council’s definition of “high credit quality” (A-) (except the UK Government and UK local authorities)	£10m
Total investments (except pooled funds)with institutions domiciled in foreign countries with a sovereign rating below AA+	£3m
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)	£30m 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**

<b>Interest rate risk indicator</b>	<b>£'000</b>
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.

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## 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**

<b>Loan limit</b>	<b>£'000</b>
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**

<b>Non-treasury investments</b>	<b>Fair Value £'000</b>
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
<b>Total</b>	<b>4,635</b>

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.

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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

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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
<b>INVESTMENT GRADE</b>	Extremely strong	AAA		Aaa		AAA	
	Very strong	AA+	F1+	Aa1	P-1	AA+	A-1+
		AA		Aa2		AA	
		AA-		Aa3		AA-	
	Strong	A+	F1	A1	P-2	A+	A-1
		A		A2		A	
	Adequate	A-	F2	A3	P-3	A-	A-2
		BBB+		Baa1		BBB+	
		BBB		Baa2		BBB	
<b>SPECULATIVE GRADE</b>	Speculative	BBB-	F3	Baa3	Not Prime (NP)	BBB-	A-3
		BB+		Ba1		BB+	
		BB		Ba2		BB	
	Very speculative	BB-	B	Ba3		BB-	B
		B+		B1		B+	
	Vulnerable	B	C	B2		B	
		B-		B3		B-	
		CCC+		Caa1		CCC+	
		CCC		Caa2		CCC	
		CCC-		Caa3		CCC-	
Defaulting	CC	D	Ca	C			
	C		C				
		D		D		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	<i>A 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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## BRIDGEND COUNTY BOROUGH COUNCIL

### REPORT TO CABINET

17 NOVEMBER 2020

### REPORT OF THE INTERIM CHIEF OFFICER - FINANCE, PERFORMANCE AND CHANGE

#### DIGITAL STRATEGY 2020 - 2024

#### 1. Purpose of report

- 1.1 To seek Cabinet approval to adopt and implement the Digital Strategy 2020-2024, which has taken into consideration public consultation responses.

#### 2. Connection to corporate well-being objectives / other corporate priorities

- 2.1 This report assists in the achievement of the following corporate well-being objectives under the **Well-being of Future Generations (Wales) Act 2015:-**

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

**Helping people and communities to be more healthy and resilient** – taking 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 enabling them to develop solutions to have active, healthy and independent lives.

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

#### 3. Background

- 3.1 In 2017, the Welsh Government commissioned the Society of Information Technology Managers (SocITM) Advisory Ltd to establish the digital maturity of all local authorities. It identified that while digital maturity was low, appetite to improve was high and a vital prerequisite to meet the Wales National Digital Agenda.
- 3.2 The fast pace of change, through the availability of emerging technology, requires robust planning, understanding and leadership. Local Authorities have a duty to provide services in a way that is compatible with the changing demographics and increasing demands faced by its citizens.
- 3.3 The key aim for the Council is to modernise the services that it provides to its citizens. In September 2016 a Digital Transformation Programme of works commenced to primarily introduce a single 'digital platform' (My Account) and an accessible website.

The Strategy builds on these improvements by further developing how citizens, businesses and visitors engage and transact with the Council.

- 3.4 The Strategy supports the Well-being of Future Generations (Wales) Act 2015. This Act is about improving the economic, social, environmental and cultural well-being of Wales. The five ways of working towards the sustainable development principles have been referenced throughout the Strategy reflecting the ambition to meet obligations to improve the long-term social, cultural, environmental and economic wellbeing both now and for future generations.
- 3.5 As part of the 2019 Budget Consultation, feedback showed that 87% of Bridgend citizens want more council services online using better and more modern online functionality to support channel shift as well as self-serve facilities. Also according to the Office for National Statistics (ONS), 85% of Bridgend citizens have access to the internet and prefer the convenience of online transactions.
- 3.6 As part of the Budget Consultation 2019 and in a separate Digital Survey undertaken between June and August 2019, the public were asked for feedback on current digital capabilities provided to them by the Council as well as suggestions to further enhance our services. The results have been incorporated into the assessment and delivery model. The results are attached as **Appendix A**.

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

- 4.1 An ambitious four year Digital Strategy has been drafted which encapsulates Bridgend's well-being objectives, the national digital landscape and includes a matrix of measurements utilised by SocITM to assess Bridgend's digital maturity and growth. The Strategy has been divided into 3 key areas: Digital Citizen, Digital Council and Digital Place.
- 4.2 Each section has an allocated action plan, with dedicated owners to ensure the ambitions are achieved by 2024. The Strategy is underpinned by an intricate programme of works supporting each ambition.
- 4.3 Key officers across the organisation were involved in the development of the Digital Strategy. One of the aims within the Digital Strategy is to streamline routine and repetitive processes, delivering end-to-end connections to back office systems with the ambition of delivering efficiencies through digital automation. Robust business process reviews will be undertaken and solutions introduced to enhance service delivery.
- 4.4 The Council's Digital Principles have been developed to underpin the foundations of the Five Ways of Working within the Well-being of Future Generations (Wales) Act, aligning a "Digital First" approach and encapsulating the good practice principles identified by SocITM.

Digital services will therefore:

- Be designed around the people who are going to use them, across the whole sphere of service delivery

- Be integrated where possible to deliver seamless connectivity and be simple and intuitive so that the user experience is positive, right first time and able to move easily between functions
- Be designed to safely and usefully share information, to better support the most vulnerable in communities, and to target the Council's limited resources more effectively based on demand
- Demonstrate digital leadership, creating the conditions for genuine channel shift
- Rise above traditional ways of working and challenge the status quo to ensure the Council is working smarter

## **5.0 Effect upon policy framework and procedure rules**

5.1 None.

## **6.0 Equality Impact Assessment**

6.1 Equality Impact Assessments (EIA) will be carried out when each digital workstream is initiated.

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

7.1 The Well-being of Future Generations (Wales) Act 2015 provides the basis for driving a different kind of public service in Wales, with five ways of working to guide how the Council should work to deliver wellbeing outcomes for people. The following is a summary to show how the five ways of working to achieve the well-being goals have been considered in this report:

Involvement	Consultation results have underpinned the residents' need to provide more online services
Long Term	To provide an improved, consistent and sustainable customer experience
Prevention	Developing online solutions and encouraging and promoting self-service will prevent problems from occurring and build a sustainable service. Also by developing digital solutions with front line service needs, prevents future problems and utilises smarter resourcing
Integration	A single entry point into the Council with end-to-end integration to back office systems
Collaboration	Collaborating with Business Managers and key services to enrich the customers experience

## **8.0 Financial Implications**

8.1 There are established Earmarked Reserves to support both the revenue and capital aspects of Digital Transformation. The current budget available is £407,000 (revenue) and £520,000 (capital).

8.2 During the delivery of the digital programme, business cases will be developed to be approved by Corporate Management Board ahead of any future development works.

## **9.0 Recommendation**

- 9.1 It is recommended that Cabinet approve the Digital Strategy 2020 – 2024 attached as **Appendix B**.

Gill Lewis

INTERIM CHIEF OFFICER - FINANCE, PERFORMANCE AND CHANGE

November 2020

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**Email:** martin.morgans@bridgend.gov.uk  
**Postal address:** Civic Offices, Angel Street, Bridgend, CF31 4WB

**Background documents:** None



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## Summer survey 2019

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### Digital Developments

**Date of issue:** December 2019

**Tel:** (01656) 643 664

**Email:** [consultation@bridgend.gov.uk](mailto:consultation@bridgend.gov.uk)

**Web:** [www.bridgend.gov.uk/CitizensPanel](http://www.bridgend.gov.uk/CitizensPanel)

**Produced by Bridgend County Borough Council**  
**[www.bridgend.gov.uk](http://www.bridgend.gov.uk)**

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## Introduction

### Background

Bridgend County Borough Council has independently undertaken a survey designed for its 1268 Citizens' Panel members. The following report provides a summary of the findings derived from a survey undertaken among panel members between 24 June 2019 and 18 August 2019. The purpose of this survey was to seek views on digital developments, waste services, employability Bridgend, adult Community Learning, mental health provision, 'Your Medicines Your Health' Cwm Taf health board project, feedback on engaging through the Citizens' Panel and contact with the councils Customer Services team.

### Methodology

All panel members were sent an invitation to complete the survey. 965 members received an email containing the online survey link and 303 members received a paper copy in the post. Surveys were provided in either Welsh or English depending on individual preferences. Accessible versions of Welsh and English surveys were made available to those who had requested these. Each panel member also received a letter from the Leader of the council and a newsletter called 'You said, we did' outlining the findings and the actions that had resulted from the last two Citizens' Panel surveys.

A reminder email was sent during the second and fourth week of consultation by the panel members whose preferred method was e-mail. By the survey end date of 18 August 2019, 473 surveys had been completed. This represents an overall response rate of 37 per cent.

The table below highlights the response rate based on format and language preference.

	Online English	Paper English	Online Welsh	Paper Welsh	Total
Invitations sent	953	294	12	9	1268
Survey completions	314	154	1	4	473
% response rate (based on format)	33%	52%	8%	44.5%	-

## 1 Survey overview

This survey contained 82 questions (with an additional 14 supplementary questions which were asked based on responses from previous questions), split into eight sections. The sections included the following questions;

- The digital developments section included questions regarding navigating our website and online services;
- The waste services section looks at community recycling centres and collections;
- The employability Bridgend section included questions to gain feedback on the service;
- The Adult Community Learning section asked what course should be available and where courses should be running;
- The mental health provision section included questions about the new Mental Health Prevention services;
- 'Your Medicine Your Health', a campaign developed by the Health Board, looked at understanding members' use and disposal of medicines;
- Engagement with Citizens' Panel sections looked at the different ways members would like to engage with us during key council consultations;
- Contact with Customer Services team asked for feedback from a previous visit.

The survey also contained the standard equalities questions which were optional to respondents.

### Confidence testing

A sample of 473 is robust and is subject to a maximum standard error of  $\pm 3.57$  per cent at the 95 per cent confidence level on an observed statistic of 50 per cent. Thus, we can be 95 per cent confident that responses are representative of those that would be given by the total adult population, if a census had been conducted, to within  $\pm 3.57$  per cent of the percentages reported. This means that if the total adult population of Bridgend had taken part in the survey and a statistic of 50 per cent was observed, we can be 95 per cent confident that the actual figure lies between 46.43 per cent and 53.57 per cent.

### Rounding

Figures and tables are used throughout the report to assist explanation and analysis. Although occasional anomalies appear due to 'rounding' differences, these are never more than  $\pm 1$

per cent. These occur where rating scales have been added to calculate proportions of panel members who are satisfied at all (i.e. either very or fairly satisfied). For example, if 25.4 per cent of residents state they are very satisfied and 30.3 per cent of residents are fairly satisfied, these figures are rounded down to 25 per cent and 30 per cent respectively. However, the sum of these two responses is 55.7 per cent which is rounded up to 56 per cent, whereas the individual responses suggest this total should be 55 per cent.

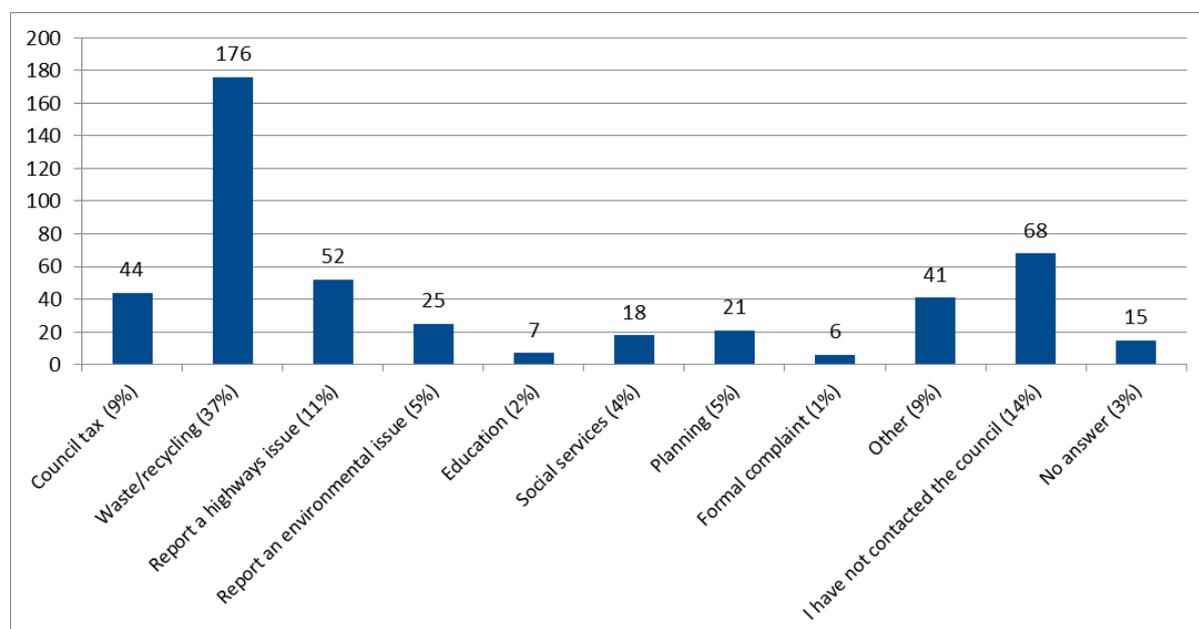
## Digital developments

### Introduction

The first section of the survey asked 15 questions about contacting the council, Bridgend County Borough Council website, use of technology and accessing council services.

### Contacting the council

Please tell us why you last contacted the council?



37% (176) of respondents stated that they last contacted the council regarding a waste/recycling issue, 11% (52) to report a highways issue and 9% (44) regarding council tax.

#### ***If 'other', please specify:***

41 respondents identified another reason they contacted the council.

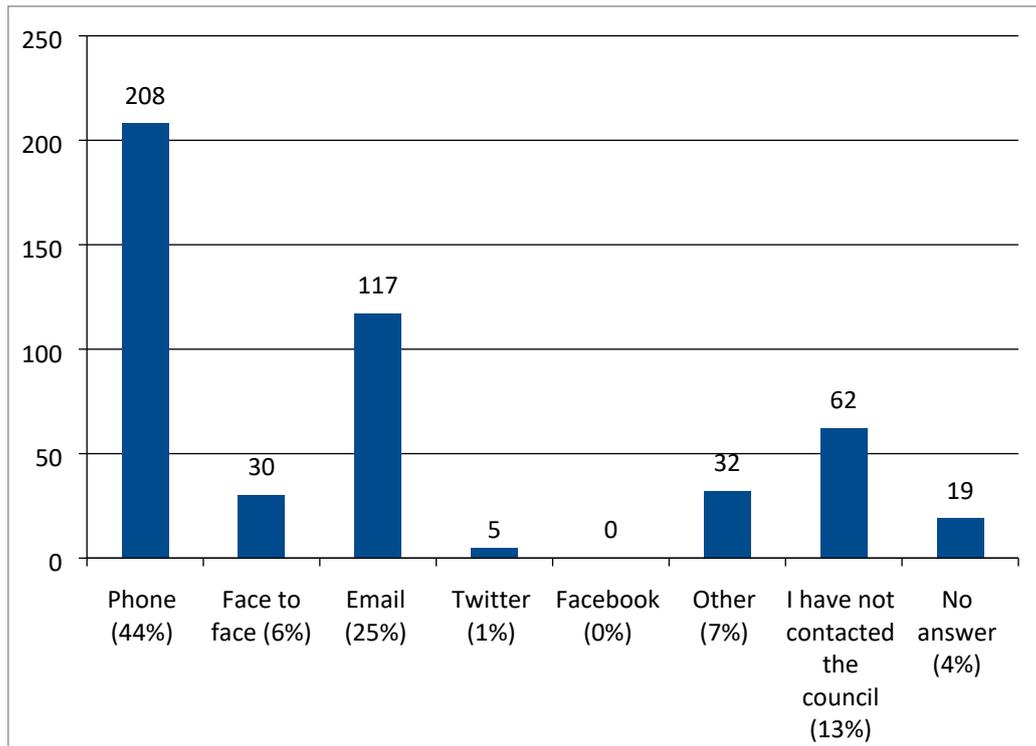
Blue Badge Scheme	5
Electoral roll	5
Bus passes	4
Damage to public property	3
Parks	3
Housing	3

Pay a bill	2
Street lighting not working	2
Dog warden	2
Dumped vehicle	1
Citizen Panel	1
Applied for a job	1
Illegal camping in Newbridge fields	1
Wasps nest	1
Highways	1
Overgrown tree	1
The over-50s help scheme	1
Rights of way	1
I am a Councillor	1
Drain blockage	1
To speak to a specific member of staff	1

The table shows that the top three 'other' reasons respondents contacted the council were:

- Blue Badge Scheme
- Electoral roll
- Bus passes

**What method did you use to contact the council?**

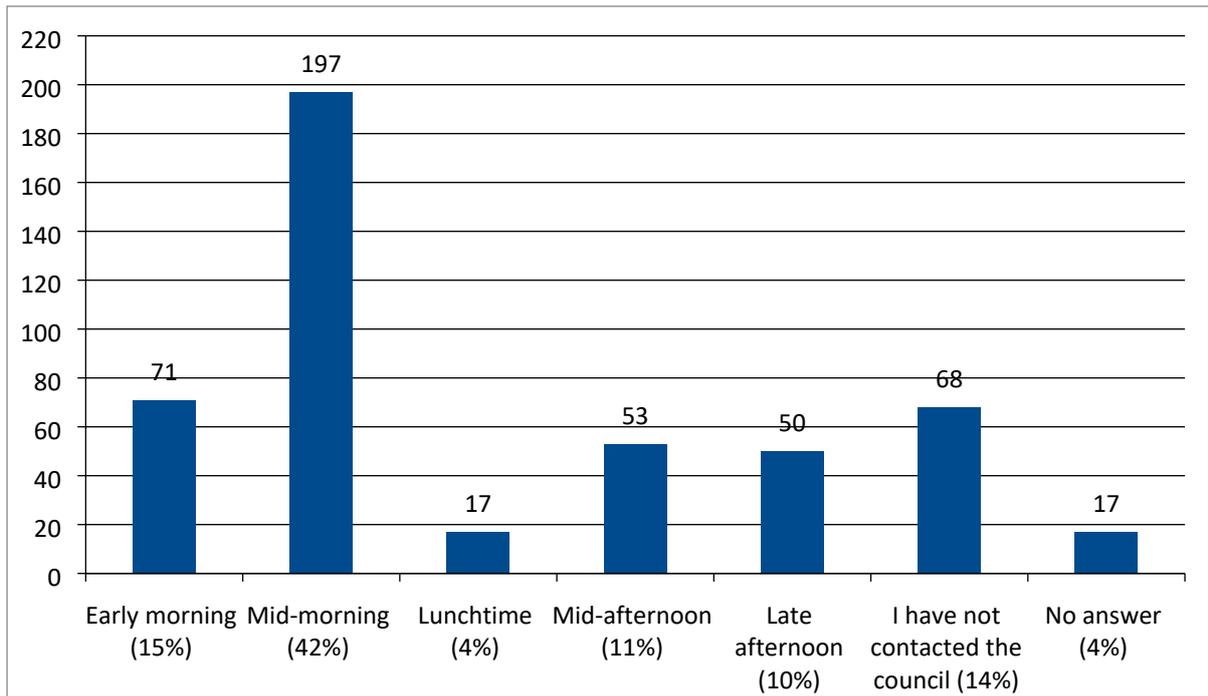


44% (208) respondents contacted the council by phone, 25% (117) respondents emailed and 7% (32) identified another method they used.

***If 'other', please specify:***

BCBC website	14
Fix my street website	7
Letter	4
My Account	3
Talktous	2
My councillor	2

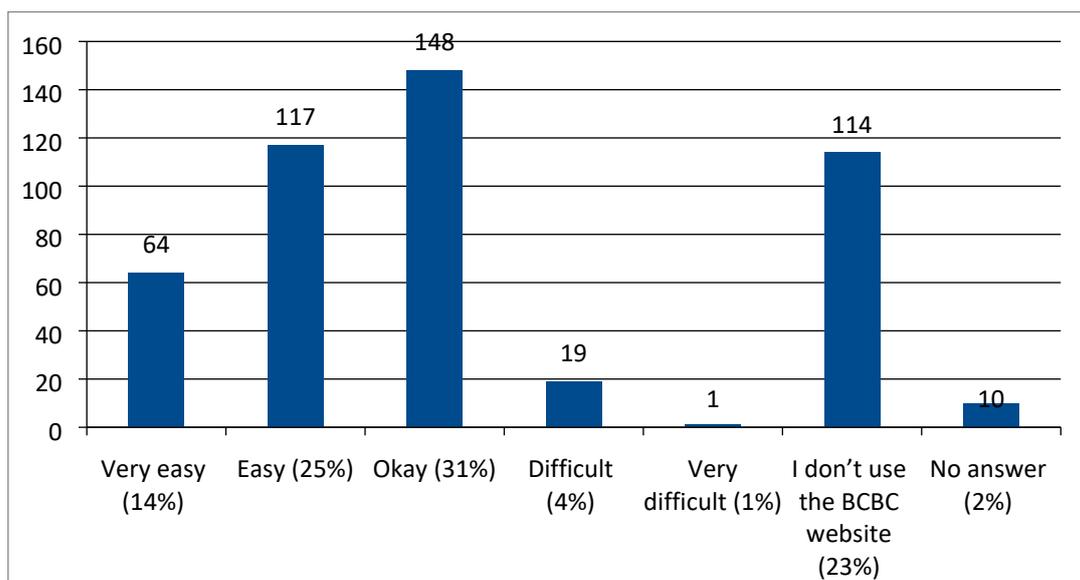
## What time of day do you typically contact the council?



42% (197) respondents said they contacted the council mid-morning, followed by 15% (71) respondents said early morning and then 11% (53) respondents said mid-afternoon. The least popular response was lunchtime with 4% (17) respondents giving this answer.

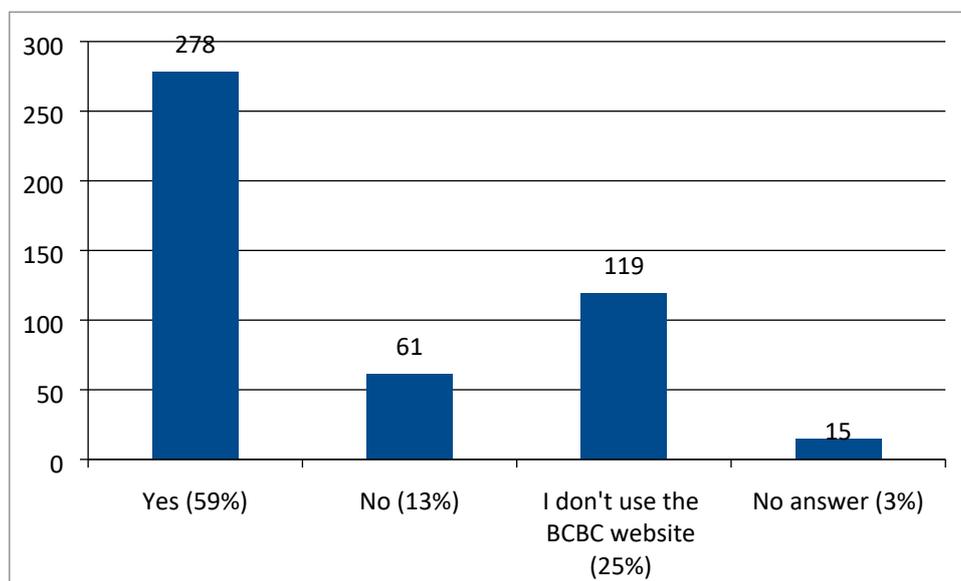
## Bridgend County Borough Council website

### How easy is it to use the website?



39% (181) respondents said the website is either very easy or easy to navigate, 31% (148) respondents said it was okay and 5% (20) respondents said it is either difficult or very difficult to navigate.

**Does the website provide you with all the information you require about services?**



59% (278) respondents said the website provided them with all the information they required about services, 13% (61) respondents said it does not.

*If 'no' please tell us what is missing*

Recycling information	13
Difficult to navigate	10
Unable to find information easily	8
Did not answer my question	7
Planning information	3
Old fashioned design/ not fit for purpose	2
Unable to download forms	2
Blue badge information	1
Complaints process	1
Housing register	1
More links to community resources	1
Rights of way information	1
School meals information	1

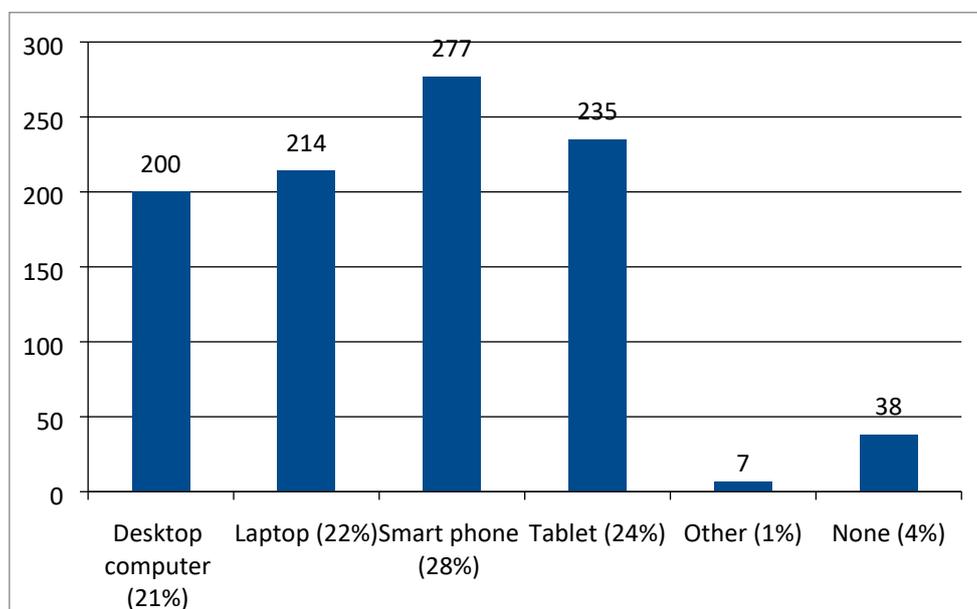
Social services information	1
Unable to report incidents in real time	1

53 comments were made in response to the question to tell us what is missing from the website. The top three responses were:

- Recycling information
- Difficult to navigate
- Unable to find information easily

## Your use of technology

Which of the following do you use on a regular basis?



This was a multiple choice question that enabled respondents to choose more than one option. 28% (277) respondents said they use a smart phone, 24% (235) said they use a tablet and 22% (214) respondents said they use a laptop.

***If 'other', please specify:***

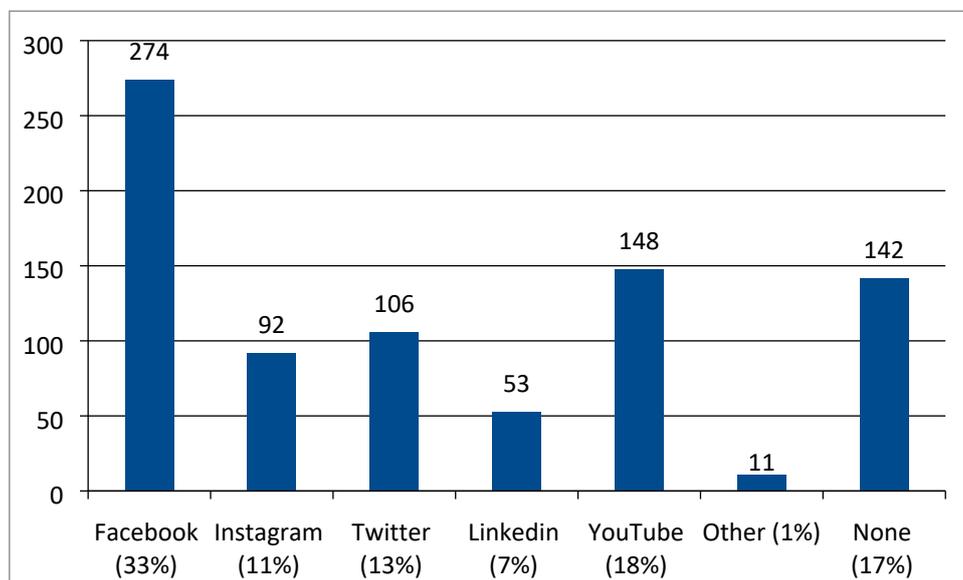
Acer Chromebook	1
land-line	1
library computer	1
kindle	1

IPad	1
------	---

Five comments were made by respondents to identify other technology they used on a regular basis. The five comments were

- Acer Chromebook
- Land-line
- Library computer
- Kindle
- IPad

### Which social media do you use?



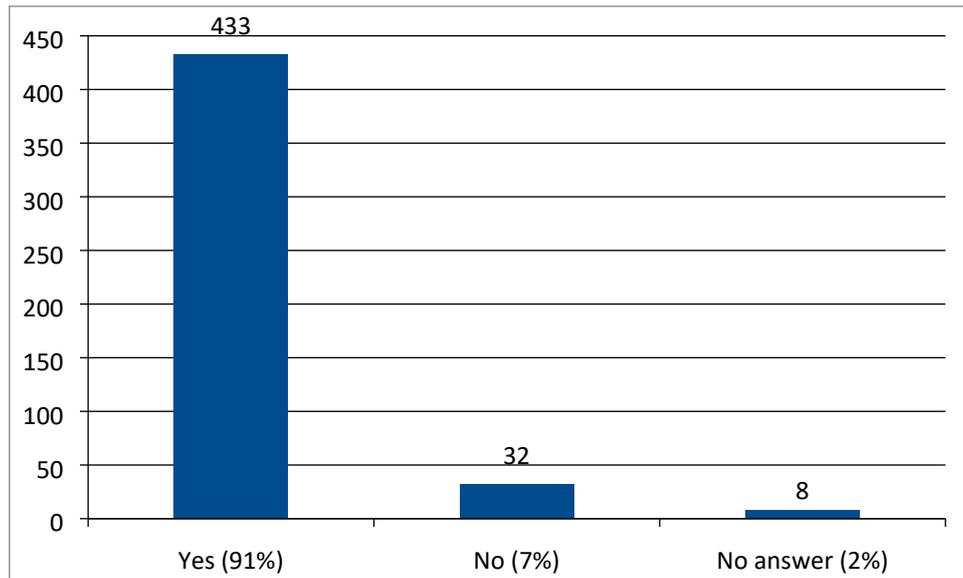
This was a multiple choice question that enabled respondents to choose more than one option. 33% (274) respondents said they use Facebook, 18% (148) said they use YouTube and 13% (106) said they use Twitter.

### *If 'other', please specify:*

WhatsApp	7
e-mail	1
Telegram	1
Internet	1

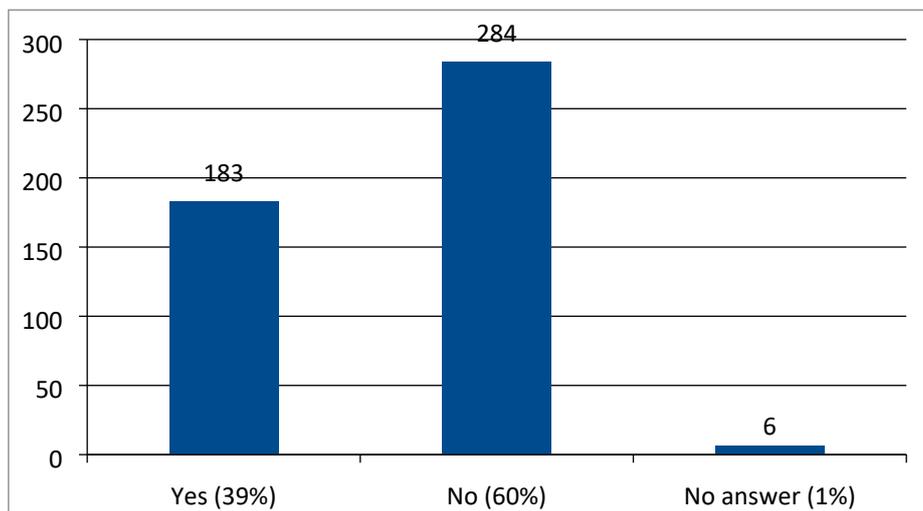
11 comments were made by respondents to identify other social media platforms they use. The most popular response was WhatsApp, followed by email, telegram and internet.

### Does your household have access to the internet?



91% (433) respondents said their household has access to the internet. 7% (32) respondents said they did not have access and 2% (8) respondents did not answer this question.

### Have you signed up to My Account (our online portal allowing you to interact with services such as council tax on a 24 hours a day)?



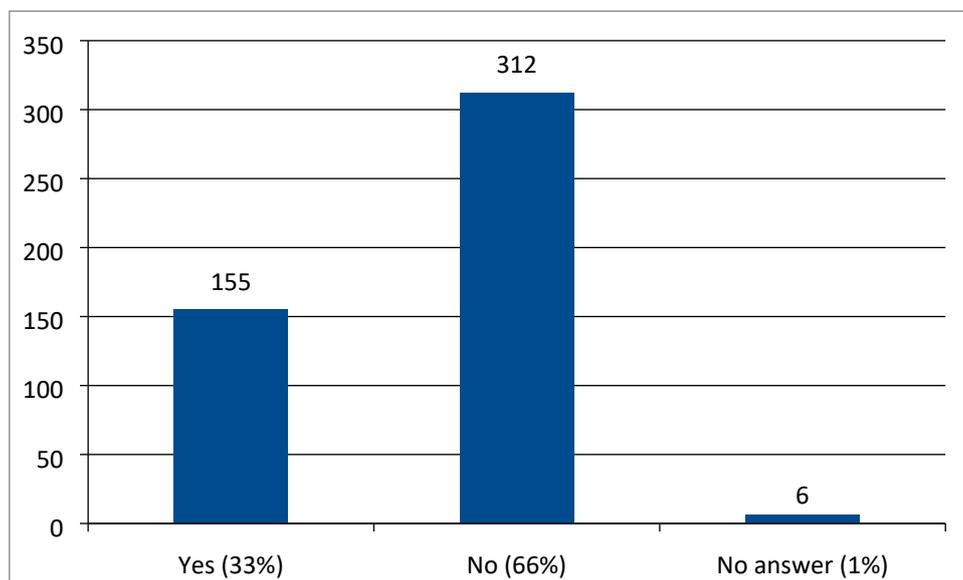
39% (183) respondents said they had signed up to My Account, 60% (284) said they have not.

*If 'no', please can you tell us why:*

Did not know about it	61
Do not need to	60
No access/ unable to use a computer	32
Haven't got round to it	21
Prefer to speak to someone	8
Prefer face to face	6
Prefer paper bills	6
Do not want to	4
I am not responsible for households council tax	2
Pay Council tax by direct debit	2
Prefer to pay at post office	2
Like to pay by card	1
Need more information about it	1

206 respondents commented as to why they have not signed up to My Account. The top three responses were: They did not know about it, they did not need to and they have no access to, or are unable to work, a computer.

### Have you subscribed to council tax e-billing?



33% (155) respondents said they have subscribed to council tax e-billing and 66% (312) said they have not.

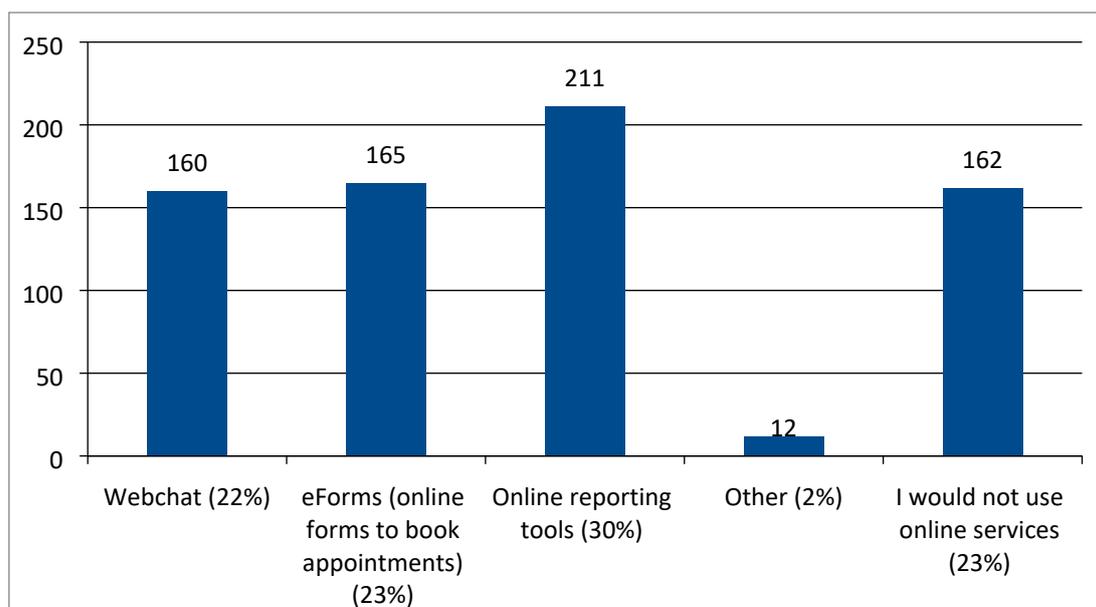
***If 'no', please can you tell us why:***

Did not know about it	57
Prefer paper copy	53
No access/ unable to use a computer	29
Pay by direct debit	28
Do not need to	14
I am not responsible for households council tax	10
Haven't got round to it	10
Do not want to	7
Don't know	3
Have been unable to sign up	2
Prefer to pay in post office	1
Prefer face to face	1
Have you got the money for this?	1
Hardly seems worthwhile for one communication per annum	1
Give me an incentive and I will	1

218 respondents made comments as to why they have not signed up to council tax e-billing. The top three responses were: they did not know about it, they prefer a paper copy and they have no access, or are unable to use, a computer.

### Accessing council services

Customers can currently contact us through phone, email, face to face, Twitter and Facebook. We are considering developing alternative online methods, would you use any of the following methods to contact us if they were available?



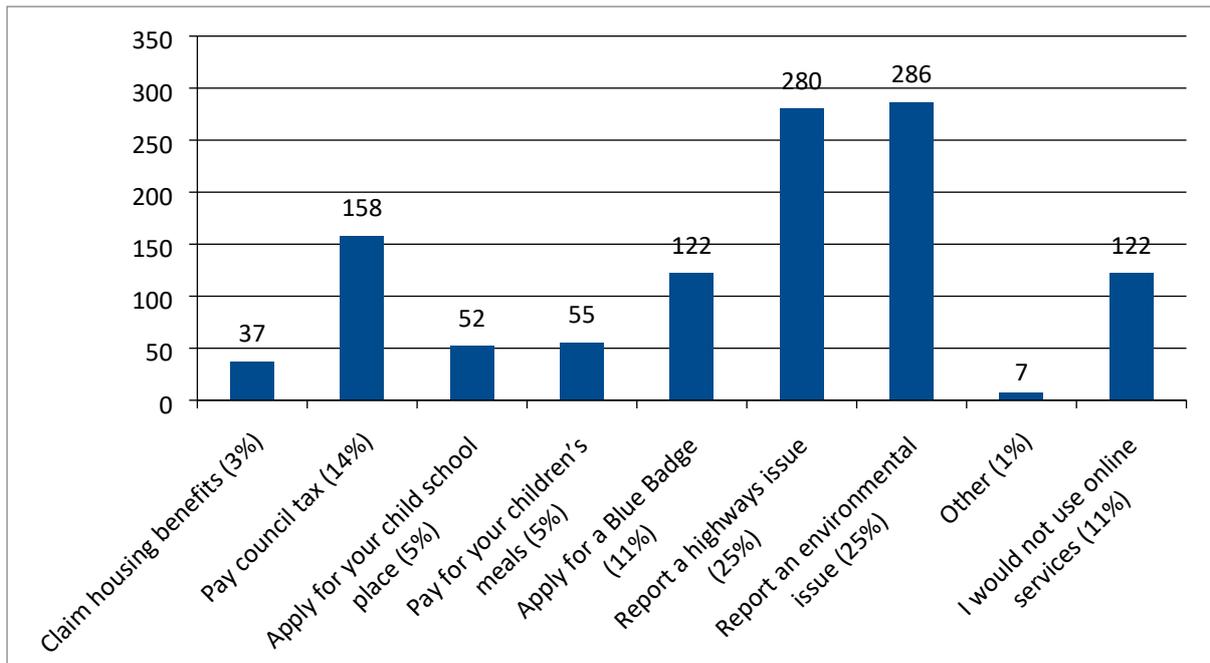
30% (211) respondents said they would contact the council using online reporting tools, 23% (165) would use eForms, 22% (160) would use webchat and 2% (12) chose another response.

***If 'other', please specify:***

Talking to a person can be useful	3
Messenger or WhatsApp	2
Option to obtain and print forms	1
Apply for bus pass	1
Ability to report issues with roads	1
Online tools to order more waste disposal bags	1
I am unable to use a computer	1

10 comments were made by respondents regarding other ways they would contact the council. The two most popular responses were: talking to a person can be useful followed by messenger of WhatsApp.

**We are looking to develop more online opportunities for customers to access services. Would you consider accessing any of the following services online?**



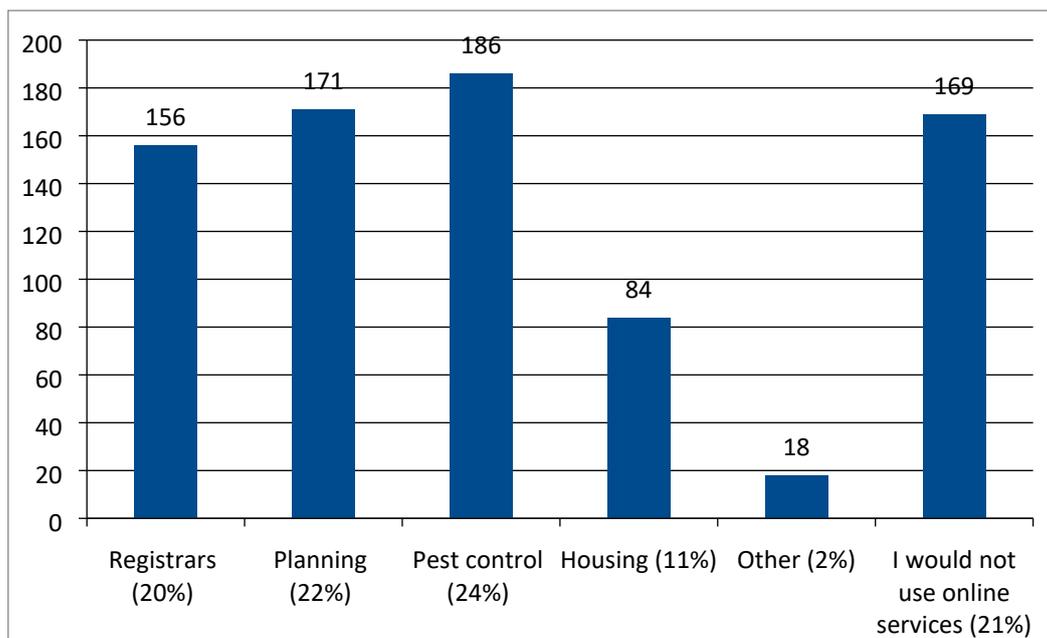
25% (286) respondents said they would access a service to report an environmental issue online, 25% (280) said they would report a highways issue and 14% (158) would pay their council tax.

***If 'other', please specify:***

Refuse collection	3
Apply for a course	1
Bus pass application	1
Anti-Social Behaviour	1

Six comments were made by respondents regarding what services they would access online. The most popular response was to organise refuse collections.

**We are looking to develop more online opportunities to book appointments with us, would you consider booking any of the following online?**



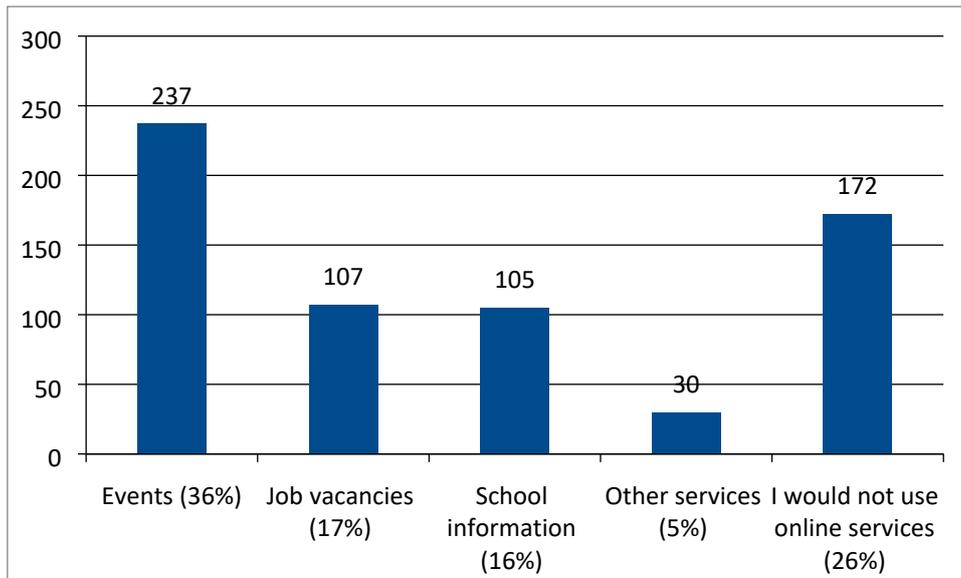
24% (186) respondents said they would book pest control appointments online, 22% (171) said they would book planning appointments and 20% (156) said they would book appointments with registrars.

***If 'other', please specify:***

Any service suitable for this	3
I have no need to contact these services	2
I would not use online service to deal with these services	2
Blue badge application	2
Waste Management	2
Highway issues	1
Employability Bridgend	1
Customer Services	1
Complaints	1
Benefits work capability assessment	1
Rights of way	1

17 comments were made by respondents regarding online services. The most popular response was that any service would be suitable to book appointments for online.

**Would you sign up for email notifications on any of the following services?**



36% (237) respondents said they would sign up for email notifications regarding events, 17% (107) chose job vacancies and 16% (105) chose school information.

***If 'other', please specify:***

Highways or environmental issues	5
Waste/recycling	5
Information on road works and local developments	4
Council tax and any benefits	2
Any service is suitable for this	2
Decisions made by the council	2
Email social workers	1
Planning applications in my area	1
Employability Bridgend	1
Complaints	1
Housing	1
Music services	1
Children's activities	1

28 comments were made by respondents regarding what email notifications they would like to receive. The top three responses were: highways or environmental issues, waste/recycling and information on road works and local developments.

**Please tell us if there is anything else we could do to improve our digital services:**

Improve the website (easier to find information)	14
Not everybody wants to go online	11
Faster follow up after using email	9
Improve face to face and phone service	7
Report environmental issues	3
Provide contacts for departments	3
Reassure personal information is safe	3
Support people to use the website	3
More forms online to download	2
Easier complaints/scrutiny procedure	2
Improve blue badge applications	2
Search facility on website returns invalid results	2
Advertise online facilities	1
Email reminders re. recycling and waste	1
Have web chat	1
Kiers details on BCBC website	1
Make an app	1
Save payment information on school meals	1
Self-serve technology in reception	1
Add a 'What's on' section	1

69 comments were made by respondents on how digital services could be improved. The top three responses were: Improve the website so it is easier to navigate, not everyone wants to go online and faster follow ups if emailing the council.



# **BRIDGEND COUNTY BOROUGH COUNCIL**

# **DIGITAL STRATEGY 2020 - 2024**

## Foreword

Our Corporate Plan for Bridgend County Borough 2018-2022, recently reviewed for 2020-2021, outlines an ambitious list of well-being objectives to deliver more efficient, effective and accessible services to citizens in Bridgend County Borough.

In that plan, we define how we will adopt new approaches, with residents and local services at the heart of how we deliver. Embracing technology is a key factor in that plan.

As the internet continues to change the world around us at an ever-accelerating pace, our population is growing rapidly, at a time when central government funding for local authorities is decreasing. We face increasing challenges and urgency around environmental sustainability, and we cannot afford to stand still as we work towards our vision of becoming a digitally connected county borough, fit for the 21st century.

It is clear that such a radical new approach, and the future economic growth of our county borough rely on us making better use of both the existing and emerging opportunities that digital, data and technology can provide. This is why this Digital Strategy is a crucial enabler in supporting us to deliver our Corporate Plan. Local authorities have a duty to provide effective and efficient services in a way compatible to the changing demographics and increasing demands faced by our citizens and partners.

The key aim for the council is to continue to improve and modernise the services it provides, responding positively to opportunities, expectations and challenges posed by the ever-changing digital marketplace.

We have listened to our residents who expect efficient, high quality, online ways of communicating and transacting with us on a 24/7 basis that fits into their lifestyle, not our working patterns.

This ambitious four year Digital Strategy sets out how we will make the most of the opportunities digital presents us. It has been divided into three main principles:

- Digital Citizen
- Digital Council
- Digital Place.

Underpinning each principle is a programme of works to deliver our goals by 2024. Setting out a clear vision of how we aim to streamline routine and repetitive processes, delivering end-to-end connections to back office systems, with the ambition of delivering efficiencies through automated digital services.

The council's Digital Principles have been developed to underpin the foundations of the Five Ways of Working within the Well-being of Future Generations (Wales) Act, aligning a 'Digital First' approach to the national digital landscape.

We are defining what citizens, schools, businesses and visitors can expect and achieve from our digital services and how we will support our staff to work in a more agile way, assisted by the best technology.

In recent years, we have made good progress through the introduction of a citizen platform supporting online transactional services, improving the accessibility of our website and new methods of communicating e.g. Chatbot. We have streamlined HR processes and invested in technology to enable staff to work in a more mobile and flexible way.

I am pleased to endorse this new strategy. It sets a clear path for the next four years, to maximise the opportunities of digital technologies to improve the services you use, the places where you live and work, and how efficiently the council functions so that it can provide the best services and best value to citizens.

**Mark Shephard**  
**Chief Executive**

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# THE NATIONAL AGENDA

Both the Welsh Government (WG) and Central Government have published their digital strategies that set out expectation and guidance for local government delivery of digital services.

The Government's Digital Service has shown how the application of digital culture, practice and technologies to central government can make government work better for users. These principles have been recognised and included throughout this Strategy.

The Welsh Government's long-term strategy, 'Digital Wales' is aimed at making Wales a truly digital nation. It sets out five key objectives:

1. To tackle the digital divide;
2. To improve digital skills;
3. To grow our digital economy;
4. To deliver faster broadband across Wales and
5. To provide better online public services.

'Digital First', a Strategy issued by the Welsh Government to enhance objective 5, seeks to develop the infrastructure required to support digital service delivery throughout Wales.

As part of this ambition, WG have invested in the Superfast Cymru Public Sector Broadband Aggregation (PSBA) infrastructure, which allows public services to deliver digital services to our communities via a secure and quick network that also supports public service partnerships across Wales. It is also the goal of Digital First that the .cymru and .wales domains will be used by all public sectors to create a national identity and be the default route for accessing public services.

The Department for Digital, Culture, Media and Sport have also outlined their ambition to provide a nationwide fibre network by 2033 of which Bridgend is supporting the 'street works' campaign. Their Digital Strategy in conjunction with the Future Telecoms Infrastructure Review plans for local authorities to realise their 5G ambitions, by having a sufficient fibre network to underpin emerging wireless technology.

To harness developments in the digital landscape, we have collaborated with the Cardiff Capital Region City Deal to maximise the opportunities and benefits of having a full connection of digital innovative networks, to assess good practice and learn lessons from other members. We are already linking with the Welsh Government's programme of Taking Wales Forward, a strategy to improve mobile networks, ensuring our citizens, staff, business and visitors benefit from wider coverage.

The Welsh public sector spends approximately £400million per annum on technology. The National Procurement Service for Wales has recently announced the Agile Digital and ICT Resource Agreement (ADIRA), an all-Wales framework providing a fast, compliant and cost-effective method for local authorities to find the right supplier, while contributing to a Prosperous Wales.

# WELLBEING OF FUTURE GENERATIONS (WALES) ACT 2015

The Wellbeing of Future Generations (Wales) Act 2015 was introduced in 2016, which created seven goals for public bodies to work towards to improve the wellbeing of their area and sets out the sustainable development principle. The five ways of working towards the sustainable development principles have been referenced throughout the Strategy reflecting our ambition to meet the obligations upon us to improve our long-term social, cultural, environmental and economic wellbeing both now and for future generations.

Some examples of how the Strategy is taking forward the Wellbeing of Future Generations Act:

Long term	Recognising that our population is aging and becoming more diverse, digital services mean more focus can be given to supporting those more in need of support Recognising the threat of climate change, more flexible working practices mean less journeys impacting on Co2 emissions and air quality
Preventative	Easy access to information and ability to easily manage day-to-day tasks digitally can help people to be self-reliant and prevent loss of independence.
Involvement	Consultation results have underpinned the Strategy and ongoing programmes of learning from feedback from citizens and users will inform future development
Integration	Benefits across the wellbeing goals from improved digital services e.g. an equal Wales. Working with our partners to deliver digital services that enable Health and Social Care Integration e.g. All Wales Community Care Information System (WCCIS).
Collaboration	21 <sup>st</sup> century schools to ensure children are equipped to the latest industry standards Working with other partners through Cardiff Regional City Deal Collaborate with the Energy Technologies Institute and Energy Systems Catapult on the Smart Systems and Caerau Heat programme

A prosperous Wales	Improving local infrastructure to support developing businesses. Helping local people gaining relevant skills
A resilient Wales	Changing working practices and developing skills for more resilient services and communities as the population and climate changes in the long term
A healthier Wales	Timely access to information to ensure support can be provided promptly preventing further deterioration, supported by real time information
A more equal Wales	Flexible services, responsive to the needs of the most vulnerable
A Wales of Cohesive communities	Supporting superfast internet connectivity so that information is easily and reliably available to enable all communities to be well connected, informed and involved in decisions about their local area
A Wales of vibrant culture and thriving Welsh language	Ensuring all services and information are provided bilingually.
A globally responsive Wales	More digital services reduces the need for journeys and resources such as fuel and paper, reducing Co2 emissions and use of resources.

# INTRODUCTION

Bridgend County Borough Council's Digital Strategy outlines how we aim to achieve a Digital Council by 2024 that recognises and aligns with the ambition of the Welsh Government 'Digital First' strategy and the UK Government Transformation Strategy; getting smarter by understanding challenges; using resources more effectively, develop integrated solutions and plan future developments based on better evidence. Welsh Government state that 'good digital' is about providing what users expect – modern, efficient, easy to use, satisfying services, online services.

Bridgend's Corporate Well-being Objectives are embedded within the aims and objectives of the Digital Strategy. End-to-end integrated digital services will be built around the people who use them, meeting our priority of **helping people and communities to be more healthy and resilient**. It is not wholly about designing processes for our convenience or around our internal structures but focusses on being truly citizen-centric, efficient and fit-for-purpose, making **smarter use of resources** through transformation aided by technology. The availability and progression to excellent digital connectivity is also a major draw in attracting businesses to the Borough to provide sustainable, high wage jobs and therefore **supporting a successful sustainable economy**.

In line with 'Digital First', Bridgend Council 'first and foremost, wants to meet the needs of our customers'. Citizen demand for digital is growing and as they become more digitally sophisticated, expectations are rising for government services to meet this demand. Completing transactions online has become second nature, with more and more of us going online for shopping, banking, information and entertainment. Why? Because online services tend to be quicker, convenient, available 24/7 and cheaper to use.

We have involved and acted upon the feedback from Bridgend's Budget Consultation, that 87% of Bridgend citizens want more council services online. According to the Office of National Statistics (ONS), 85% of Bridgend citizens have access to the internet and preference the convenience of online transactions. Therefore better, modern online functionality, that supports channel shift to self-serve facilities will meet this demand. In 2018 Bridgend went live with a single digital platform (My Account) for citizens to interact with us online for key services. As well as developing the new digital platform, a new, responsive website was released, which allowed citizens to seamlessly interact with the My Account functionality while browsing the various other services the Council offers.

We know that digital technology, when harnessed and introduced in a diligent, timely and strategic way, can help us add value to service effectiveness and efficiency; achieve richer citizen and staff engagement; make better informed choices; demand analysis and risk mitigation; whilst providing the platform for further future proofing and modernisation. We want to make it as easy as possible to transact, communicate, report, self-assess and self-refer with the Council through online channels.

We will not abandon conventional ways of contact e.g. telephone for those who still require them as we recognise long-term trends of an aging population, our diverse communities and single occupant households. We will promote our digital services through marketing campaigns and training our communities to use them therefore increasing digital skills in line with Bridgend's Public Service Board Wellbeing Plan.

We aim to **use good information by involving our communities to inform our decisions** on how to meet future demand and improve our services either independently or in conjunction with our partners. With secure data transmission capabilities, excellence in Cyber Security, Government Roam roll out, Analytics, and the Public Sector Broadband Aggregation (PSBA) already available, there is no major technological barrier in using our data for closer collaboration with our partners to best deliver services and efficiencies. The all Wales Community Care Information System (WCCIS) for example is an integrated platform, which enables both health and social services to co-ordinate, share and deliver joined up services to our citizens.

We will ensure that the journey to being a Digital Council will be inclusive and driven by the need to improve services, build a richer understanding of citizen's needs, preferences and capabilities, address problems and create opportunities for our communities and our staff. We will work as 'One Council' and **discourage different parts of the organisation from developing multiple processes or unnecessarily different approaches**. The successful implementation will lead to improved services, embedded community benefits, integration with wellbeing goals, citizen satisfaction and reduced service costs in times of unprecedented financial challenges.

# VISION

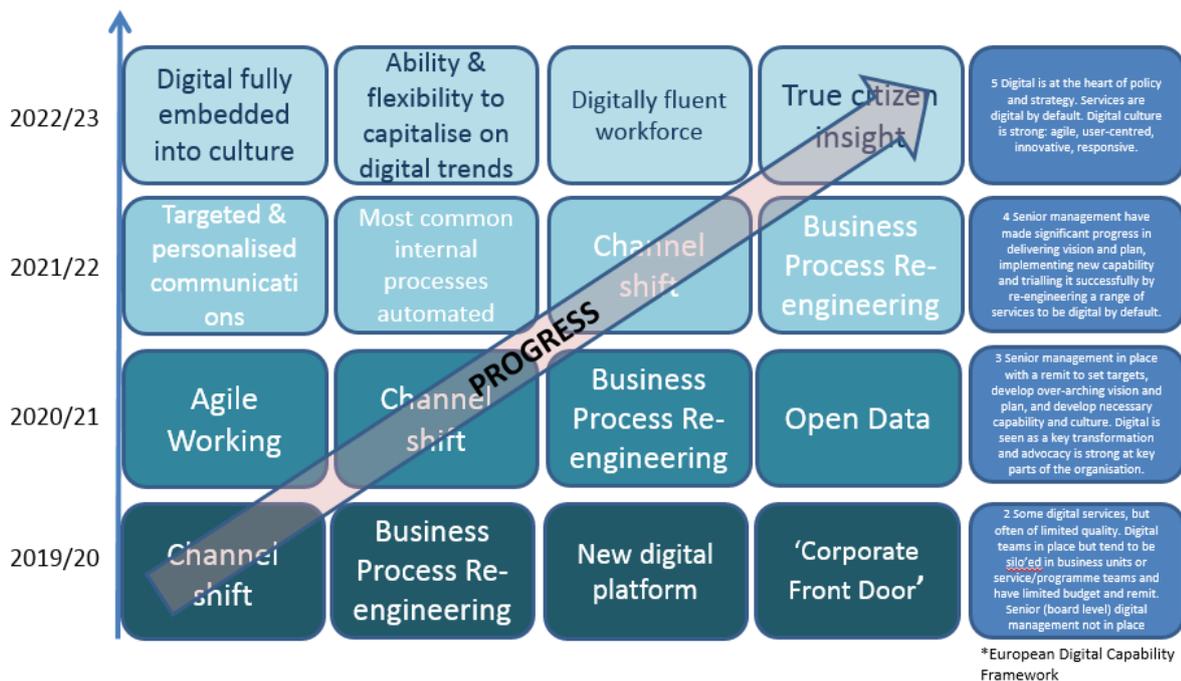
The Digital Strategy supports Bridgend’s Corporate Vision which is ‘One Council working together to improve lives’ **supporting communities to create their own solutions and reduce dependency on the Council** in a time of continued budget cuts, growing citizen expectations and recognising a longer term shift in the political and demographic landscape.

These factors are driving the transformation of our services. The Council has to do better with less and focus resources on communities and individuals with the greatest need. It requires a complete rethink of the way we do business, with technology playing an integral role in improving service delivery.

It is our vision to become a more resilient, innovative and transformational Council by listening and responding to our communities, businesses and staff and identifying new opportunities in the digital marketplace that enhances our service provision.

With the emergence of new technologies such as cloud services, chatbots (AI), robotic process automation (RPA), and Internet of Things (IoT) e.g. Alexa, we will assess how these technologies can assist us in helping our communities be more self-sufficient, live independently for longer whilst also enabling us to become a more digitally mature organisation, forward thinking and transformative.

To succeed in moving to a digitally mature Council then we need to be ambitious, willing and innovative in our approach to developing solutions. We will **transform our services and in doing so, deliver opportunities for financial reductions as well as improving our services** in line with our corporate principles.



# AIMS

The Council's ambition is to harness digital technologies to help us deliver services that are streamlined and integrated, keeping the citizen at the heart of what we do.

Bridgend's corporate values are referenced throughout every part of the digital journey:

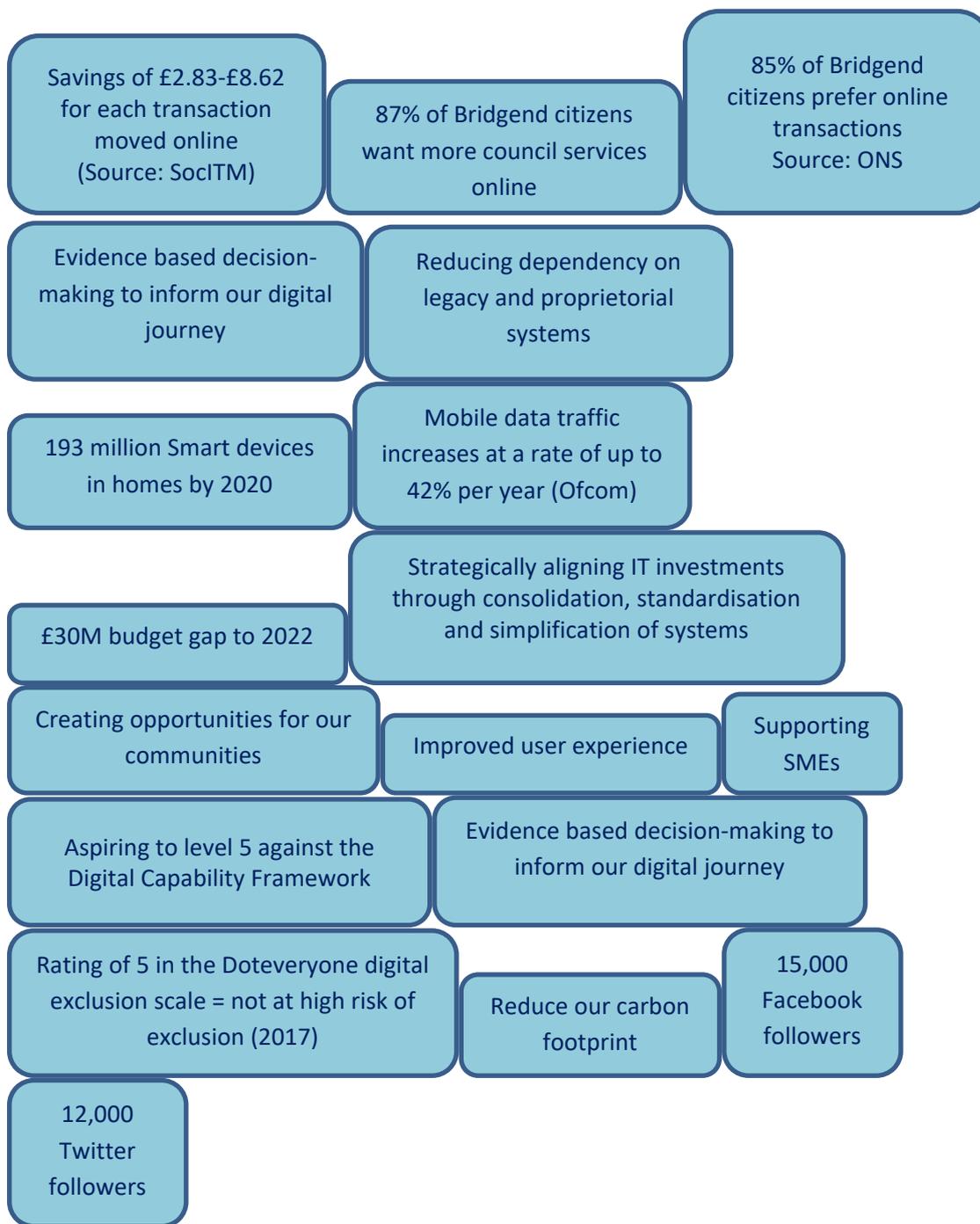
- Fair - taking into account everyone's needs and situation
- Ambitious - always trying to improve what we do and aiming for excellence
- Citizen-focused - remembering that we are here to serve our local communities
- Efficient - delivering services that are value for money

Our digital aims and ambition will be a 'golden thread' throughout Bridgend's corporate and strategic plans, connecting our services and driving the necessary culture changes at all levels.

The aims of Bridgend, as a digitally mature Council will be to:

- Integrate systems, reducing duplication and minimising manual input aspiring to ensure Citizens tell us their story only 'once'
- Provide clear and intuitive self-serve digital functionality via My Account that's available 24/7 with staff involvement only when it is needed by the user or where it adds true value
- Ensure citizens are better equipped to manage situations themselves, releasing our staff to concentrate on those in greatest need
- Provide our staff with the right tools to enable real time updating of information and connectivity required for true agile working
- Identify long-term, future trends and challenges and be digitally ready and enabled to meet these challenges
- Embrace cloud services which will provide a more resilient infrastructure future proofing our operations
- Achieve end-to-end service re-design with emphasis on citizen needs, embedding community benefits and communicating these as we progress
- Integrate systems ensuring that they 'talk' to each other, reducing duplication and minimising manual input through automation where possible
- Work as 'One Council' and discourage different parts of the organisation from developing multiple processes or unnecessary silos
- Test the digital market to procure the emerging technology and services that are needed to become a digitally mature Council
- Deliver value for money by making smarter use of resources
- Set clear, ambitious targets for the delivery of digital work streams

# WHY DIGITAL



# PRINCIPLES

Our Digital Principles have been developed to underpin the foundations of the Five Ways of Working within the Wellbeing of Future Generations (Wales) Act, aligning a 'Digital First' approach and encapsulating the good practice principles identified by SocITM. Our digital services will therefore:

- Be designed around the people who are going to use them, across the whole sphere of service delivery. This covers a range of people across Bridgend from citizens to businesses, visitors to employees
- Be integrated where possible to deliver seamless connectivity and be simple and intuitive so that the user experience is positive, right first time and able to move easily between functions
- Be quick, reliable and efficient using the provision of superfast broadband and internet connectivity
- Be designed so we can safely and usefully share information with our partners, to better support the most vulnerable in our communities, and to target our limited resources more effectively based on demand
- Demonstrate digital leadership, creating the conditions for genuine channel shift
- Rise above traditional ways of working and challenge the status quo to ensure we are working smarter
- Ensure that our workforce is empowered to share knowledge and ideas throughout the digital journey and upskilled to utilise the right tools to aid their roles and responsibilities
- Ensure critical systems that support our vulnerable citizens are sufficiently utilised, resourced and supported – All Wales Community Care Information System (WCCIS)
- Contribute to the reduction of Bridgend's carbon footprint through energy efficient technology including smart meters for our properties and smarter agile working leading to decreased time spent travelling and subsequent overheads

# THEMES

DIGITAL CITIZEN	DIGITAL COUNCIL	DIGITAL PLACE
Self-serve when required Choice of communication channels Digital skills and inclusivity	Transformation of services Innovative digital solutions Joined-up data Citizen centric	Widely connected Community focussed Forward thinking Economically attractive

## DIGITAL CITIZEN

Our communities, schools and businesses are becoming increasingly digitally astute. Expectations on access to digital services 24/7 is increasing. The focus of the Digital Citizen theme is to implement an easy to use, reliable, digital solution that works across multiple device types allowing 24/7 access to Council services therefore maximising self-service, preventing loss of independence and empowering our citizens to make an informed choice about how they communicate and interact with us.

We will ensure that investment in digital is driven by listening to the needs of the citizen rather than procuring what we ‘think’ they need. Investment will be based on evidence-based analysis of what our citizens tell us they need to secure their well-being aspirations in the short and long term.

To ensure the growth of our communities and economy, we must ensure that our citizens, workforce and learners are suitably skilled to keep up with the pace of digital trends and contributing to a more prosperous Wales. We are building platforms to guarantee our learners are sufficiently skilled as they progress through the curriculum, paving the path for future digital leaders.

No-one will be left behind, we will ensure digital inclusion by working with communities to upskill citizens in the use of technology ensuring they achieve the most out of our digital services.

What we are doing:

- Developing a single digital platform (My Account) of targeted service information, reporting tools and routine transactions that are accessible with a single log on; delivering a seamless, automated, end-to-end customer journey that encourages and supports independence and convenience.
- Providing a user friendly bi-lingual DAC (Digital Accessibility Centre) accredited website that is easy to navigate that markets our vibrant culture and provides links to relevant sites maintained by our partners.
- Ensuring our digital solutions are not reactive and stand-alone but holistic, sustainable and forward thinking, using evidence-based analysis of our citizen’s needs and supporting the business processes behind our decision making and delivery mechanism.
- Delivering the mechanisms for channel shift by offering a choice of modern, on-line communication tools. We will ensure that we can provide the most convenient and cost effective service provision to meet the needs of all our citizens.
- Communicating through social media channels to engage, share targeted messages and promote digital services and using feedback to inform us where we need to focus our resources.
- Utilising technology to remove routine tasks from customer advisors to support a more efficient and effective ‘corporate front door’ into council services, creating the capacity to focus time and resources on the most vulnerable citizens with multiple, complex needs recognising a changing population and long term population trends.
- Providing Borough wide Adult Community Learning sessions to train and upskill our communities on using our digital services, enhancing digital competency and ensuring good digital inclusion rates are maintained to support a prosperous Wales, economic growth, productivity and social mobility.

- Providing more online services to help mitigate citizens and Council employees having to make the journey into our offices contributing to reducing Co2 emissions and therefore a globally responsible Wales.

What we will do:

- Provide online access to information that supports citizen's decisions to improve health, wellbeing, prosperity and promoting equality in line with our ambition to help people become more self-reliant.
- Create a Citizen Hub and provide self-serve facilities to ensure none of our citizens are disadvantaged when seeking the opportunities they need to find work, pay bills, report a problem. Ensuring everyone has the equal opportunity to receive welfare, housing, educational or social services assistance contributing to a healthier Wales.
- Offer more online appointment booking functionality for Council services such as registrars mitigating queues, wasted time and inconvenience.
- Provide informed and timely feedback to citizens who report, transact and communicate with us, enhancing the end to end customer journey resulting in a right first time approach and improved satisfaction.
- Ensure no one is excluded through continuing to provide conventional customer service channels such as telephony realising the long term trend of an aging population.
- Consult with our citizens to establish how we can adapt current processes, aided where appropriate by technology, in order to meet their needs, goals and service requirements and aligning our digital journey with these.
- Publish an online suite of council information including mapping functionalities, making Open Data readily available in compliance with the Data Protection Act 2018 and Freedom of Information Act 2000
- Deliver services that are 'secured by design' from the outset maintaining the relevant standards with regards Cyber Security principles, to reassure our citizens that their data is safe.
- Deliver digital solutions that are fully cognisant of the Well-being of Future Generations Act; that can be accessed and used by all communities and enhances their immediate and future well-being goals and requirements.
- Ensure all our services are bi-lingual in accordance with the Welsh Language Standards Regulations 2015 further promoting our vibrant culture.
- Provide training and employment opportunities throughout the County Borough through partnership approaches contributing to a more prosperous Wales with equal opportunities for our citizens.

Our contribution to the following well-being goals:



## DIGITAL COUNCIL

The Digital Council theme focusses on evaluating our current business processes and establishing how we can fundamentally change our ways of working, redesigning our services to better serve a 24/7 digital citizen.

Aided by innovative use and integration of digital solutions, we will identify where business processes can be smarter and better integrated, unconstrained by 'conventional' approaches.

We will transform delivery of services by ensuring our workforce have access to the right technology that supports their role subsequently improving productivity and supporting wellbeing. Transformation will be underpinned through strong leadership, agile working and a digitally compatible estate.

What we are doing:

- Ensuring visible, ambitious leadership throughout the Council that champions digital skills from the Chief Executive down.
- Providing training for our staff where required, to ensure they are able to use the new technologies introduced to deliver and enhance services.
- Identifying areas of our services where the introduction of technology could free up our staff to deliver high value direct intervention in priority areas for our most vulnerable citizens
- Ensuring we procure our technology that is 'right first time' and fit-for-purpose, seeking economies of scale where possible using National Procurement Services such as G-Cloud and supporting local SMEs in maximising their abilities to thrive commercially.
- Supporting agile working through access to Cloud services, Public Sector Broadband Aggregation (PSBA) and Government Roaming capability (Gov Roam), using fit-for-purpose mobile devices allowing our staff to provide resilient and flexible services for our citizens also demonstrating our ambition to be globally responsible by reducing our Co2 emissions.
- Introducing digital interactive meeting spaces mitigating the need for people to travel to meetings reducing our Co2 emissions.
- Continuing to move to paperless working, reducing print and postage outputs, in turn reducing transport and resources contributing to our global responsibilities.
- Developing a core set of managerial activities with the intention of streamlining and automating where possible.

What we will do:

- Explore the 'Internet of Things' e.g. Alexa for technology which improves citizen's wellbeing and safety in their homes e.g. personal alarms, voice recognition technology contributing to a more equal Wales, preventing loss of independence and enabling communities to become more resilient.
- Streamline our routine and repetitive processes, delivering end-to-end connections to back office systems with the ambition of delivering efficiencies through digital automation.
- Test the digital market place to ensure there is no procurement of inflexible and expensive technology that does not join up effectively.
- Develop an ICT action plan based on the principles and aims of the Digital Strategy, continually reviewing the ICT infrastructure to ensure there is the capacity and capability for introducing and developing new platforms and facilitating new ways of working.
- Enable managers to use a range of online resources to fulfil their managerial responsibilities
- Provide appropriate hand-held technology to frontline staff allowing real time updating of information leading to improved end-to-end services for our citizens.

- Continue to roll out self-serve functions, including performance and appraisal modules, within the HR and payroll system
- Explore the wider opportunities of working collaboratively with partners, including formal integration of back office functions to improve services and cohesion.
- Review opportunities to digitise the Council chamber allowing citizens better, real time interaction with members during public meetings and involving them in the democratic processes and ensuring a more cohesive community.

Our contribution to the following well-being goals:



## DIGITAL PLACE

The pace of digital advance and emerging technology means it is critical that we provide excellent connectivity by deploying cutting-edge digital infrastructure that ensures Bridgend is at the forefront of digital development and is economically attractive to businesses, investors and visitors.

We will create the right environment that supports our businesses and communities to thrive by engaging with partners and high tech multi-national organisations helping to create new jobs, supporting a successful sustainable economy.

What we are doing:

- Collaborating with partners in the Cardiff Capital Region City Deal and delivering digital opportunities arising from the national digital agenda.
- Liaising with the Welsh Government's Business Wales service and other business support organisations including the Superfast Business Wales and Bridgend Business forums to share business ideas and innovation supporting a successful sustainable economy and a prosperous Wales.
- Supporting our businesses by signposting queries to appropriate trusted partners, assist in grant applications, apprentice schemes and communicating through the website.
- Delivering the 21st century schools strategic capital investment programme with the aim of creating a generation of modern schools in Wales. Digital technology will have a key part to play in the programme, ensuring our pupils are able to harness the skills to help them succeed.
- Working with schools to ensure technology is a tool for education and not a barrier.
- Promoting Bridgend and attracting visitors through a dedicated website and social media channel outlining why Bridgend is a good place to visit and live.

What we will do:

- 
- Support the Superfast Cymru programme ensuring mobile connectivity is excellent throughout the area.
- Collaborate with the Energy Technologies Institute and Energy Systems Catapult on the Smart Systems and Caerau Heat programme, a collaborative, pioneering project exploring heating technology innovations in the north of Bridgend.
- Liaise with technology providers and government bodies to ensure Bridgend is at the forefront of technology advances and ensuring our communities have equal digital possibilities as any other area.
- Implement the Education Digital Standards that will assist schools to effectively manage and implement their digital environment, either by themselves or through their technology providers.
- Ensure that our schools have excellent digital infrastructure ensuring high digital competency in line with the curriculum giving our children the best start in life and developing their long term opportunities.
- Encourage close relationships between businesses and schools to ensure our learners leave education with the skills required for employment and a positive future.

Our contribution to the following well-being goals:



## GOVERNANCE

Good governance arrangements are essential to ensure that the vision and aims of the Strategy are upheld throughout the journey. The Digital Strategy will be governed as follows:

- Chief Executive Officer and the Corporate Management Board will be responsible for the Digital Transformation Strategy, supported by the Digital Transformation Project Board
- The Digital Transformation Project Board will oversee and monitor the delivery of the implementation plan and report directly to the Corporate Management Board
- The Digital Transformation Project Board will comprise of Chief Officers, senior users and project management will provide governance for those organisational risks as well as govern from Business Case sign off through to delivery of the project and its business benefits
- The Strategy will be revised annually, in line with the Corporate Plan and MTFS, by the Digital Transformation Project Board to reflect any change in circumstances and altered ambition
- Bids for digital developments will be based upon business cases that align with corporate objectives outlining a clear return on investment. Each will be evaluated and by the Digital Transformation Project Board and endorsed by the Chief Executive and the Corporate Management Board.
- External consultation will take place to give our citizens the opportunity to tell us what they would like from our services and suggest improvements
- Risks associated with the Strategy are managed and embedded in project risk management arrangements with responsibility and accountability allocated to the Senior Responsible Officer
- Standards and policies are agreed, documented and owned by senior managers and not by the ICT service
- Progress will be reported through the Annual Plan

Innovate  
Workplace  
Bridgend Resilient Strategy  
One Council Ambition  
Infrastructure  
Data Transformational  
Citizen Communications Service  
Innovative Aim  
Streamline  
Digital

## ACTION TABLE

Theme	Action
<b>DIGITAL CITIZEN</b>	Introduce a new digital access platform incorporating customer management and enhancing self service
	Further develop the council tax and housing benefit functionality to make it easier to update personal circumstances and transact online to include online landlord functionality, debt recovery process, and further automation of routine tasks
	Obtain Digitally Accessibility Centre (DAC) Accreditation for Bridgend's website, in line with EU Directives
	Develop the corporate website to include all standalone web pages ensuring all our service information can be found in one place and easily accessible
	Ensure future web content is easily accessible regardless of the device type
	Introduce an updated telecare system for our most vulnerable citizens to contact us to allow us to respond quickly to an emergency
	Enhance the chatbot functionality for those wishing to use this way of communicating with us to help decrease the number of phone calls to our customer services
	Develop a Communications Plan to work in conjunction with the Digital Strategy that will market and communicate our developments to our communities, visitors and businesses
	Ensure all webpages are bi-lingual in accordance with the Welsh Language Standards Regulations 2015
	Develop the national online blue badge online application system to provide an enhanced customer experience
	Consult with our citizens to ask them what digital services they would like from us that meets their needs and requirements.
Introduce online self-referral assessment capabilities for those citizens who wish to refer themselves to our social services, housing services or to Early Help educational support	
Provide Borough wide community learning sessions to train our citizens on how to use our digital services	
Analyse demand to establish clues about the users that access our services enabling us to analyse trends to allow us to shape our services and align our resources more efficiently	

Theme	Action
	<p>Develop a suite of online forms with a consistent look and feel, that offer an online channel, where users of our services can make applications, enquiries or provide feedback on Council services that link straight into a central system.</p> <p>Review the feasibility to deliver a quick and efficient online functionality that allows parents to pay their children's school fees and supporting our school's administration processes</p>
<b>DIGITAL COUNCIL</b>	<p>Utilise the annual staff survey to establish staff feedback on how they use the current technology and request ideas for future improvements over all service areas.</p> <p>Explore Government Digital Services (GDS) 'Government as Platform' components, service designs, data and hosting to enhance our communications both internally and externally.</p> <p>Re-engineer the current process of Councillors referrals (on behalf of the public) to develop a stringent and efficient end to end resolution and feedback loop including further promotion and signposting of online reporting tools.</p> <p>Publish council statistics and information as Open Data in compliance with the Data Protection Act 2018 and Freedom of Information Act 2000</p> <p>Move towards Cyber Essentials certification ensuring our data is safe and secure</p> <p>Develop skills around Process Re-engineering to assist services in streamlining and modernising services</p> <p>Managers to ensure, via the annual appraisals, that staff have the confidence and ability to use introduced technologies, identifying gaps that require training or assistance.</p> <p>Continuously re-assess business processes and support system upgrades to ensure the technology supporting our services are as efficient as possible</p> <p>Evaluate and implement cloud solutions to deliver efficient computing services</p> <p>Introduce an automated electronic scheduling 'Homecare' system for enhancing services to our most vulnerable citizens, enabling our staff to update information in real time and contributing to our staff's safety and wellbeing.</p> <p>Establish training resources to upskill staff, where appropriate, in using new technologies and to promote compliance with information management legislation.</p> <p>Provide the workforce with cloud based experiences, facilitating 'Access Anywhere', 'Any Time' and 'On Any Device' both online and offline. Offering a true collaboration platform.</p>

Theme	Action
	<p>Fully implement HR system modules to their full functionality, aligning the 'digital workforce objectives' to the appraisal module to ensure a joined up approach to developing our people.</p> <p>Roll out Government Roam (Gov roam) to appropriate Council buildings – the Wi-Fi solution that supports collaborative, flexible working arrangements</p> <p>Evaluate opportunities to upgrade the Council chamber technology to allow citizens better, real time interaction with members during public meetings.</p> <p>Centralise energy payments utilising one portal for efficient management of energy payments and realising efficiency savings</p> <p>Work with our partners to deliver digital services that enable Health and Social Care Integration e.g. All Wales Community Care Information System (WCCIS).</p> <p>Provide our frontline staff with the right tools they need to allow them to carry out their duties more efficiently ensuring their wellbeing and safety, that seamlessly updates the back office systems in real time e.g. highways, social workers.</p> <p>Explore opportunities, throughout the organisation, to automate high volume, routine processes and explore the digital market to introduce the best systems to enable this transformation.</p> <p>Reduce duplication of data, to enable more efficient management of core Council information and retention policies</p> <p>Re-engineer the Minor Works and Disabled Facilities Grant processes creating a robust and streamlined service providing ease of accessibility for our most vulnerable communities</p> <p>Ensure the Council is fit for purpose and digitally enabled to support flexible working</p> <p>Incorporate the ICT action plan based on the principles and aims of the Digital Strategy</p> <p>Continuously assess business processes to drive out efficiencies savings.</p>
<b>DIGITAL PLACE</b>	<p>Liaise with Cardiff Capital Region City Deal to develop learning on digital projects, knowledge/skills sharing, channel shift and customer service programmes to learn lessons, maximise efficiencies and deliver more for our communities.</p> <p>Support local business in conjunction with Superfast Business Wales through engagement within the online Business Zone, leading events and workshops, supporting grant applications and disseminating finance schemes e.g. gigabit voucher applications</p> <p>Explore UK wide grant funding opportunities to support Bridgend's digital investment</p>

Theme	Action
	<p>Work with further education organisations and industry leaders to prepare our learners for their future careers by supporting digital literacy</p> <p>Implement the Education Digital Standards which will assist schools to effectively manage and implement their digital environment</p> <p>Ensure that our schools have excellent digital infrastructure ensuring high digital competency in line with the curriculum giving our children the best start in life and developing their long term opportunities.</p> <p>Work with the 3rd sector and other partners to identify opportunities to improve digital literacy within communities and businesses</p> <p>Implement in conjunction with the Energy Technologies Institute and Hitachi, the Caerau Heat programme, to deliver the Caerau Mine Water District Heating Scheme. Establish further opportunities linked to an Internet of Things (IoT) network</p>

## BRIDGEND COUNTY BOROUGH COUNCIL

### REPORT TO CABINET

17 NOVEMBER 2020

#### REPORT OF THE CORPORATE DIRECTOR SOCIAL SERVICES & WELLBEING

##### LEARNING DISABILITIES SUPPORTED LIVING CONTRACTS EXTENSION

#### 1. Purpose of report

- 1.1 The purpose of this report is to seek authority to vary the current contracts in place with the three supported living services commissioned for people with a learning disability, by extending the existing terms for a further 12 months, in accordance with Contract Procedure Rule (CPR) 3.2.9.3

#### 2. Connection to corporate well-being objectives / other corporate priorities

- 2.1 This report assists in the achievement of the following corporate well-being objectives under the **Well-being of Future Generations (Wales) Act 2015**:-
1. **Helping people and communities to be more healthy and resilient** - taking 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.
  2. **Smarter use of resources** – ensure that all 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.

#### 3. Background

- 3.1 The current contracts in place for the provision of Supported Living Services to people with a Learning Disability were commissioned as three separate Lots in 2016. Contracts were awarded to Cartrefi (Lot 1), Mirus (Lot 2) and DRIVE Ltd (Lot 3) following a tender exercise being undertaken, and all three existing contracts in place expire on 31<sup>st</sup> March 2021, with no further extension provision.
- 3.2 In November 2019, Cabinet approved a two-stage procurement process for the re-commissioning of service providers to deliver supported living services for individuals with a learning disability living in Bridgend. The re-commissioning plan moves away from the current 'county-wide' contracts with 3 service providers, to a 'locality' based model whereby service providers can deliver person-centred, localised support for people that enables them to engage more fully in their local community and helps to better promote their journey towards independence.
- 3.3 In March 2020 Cabinet approved the award of a framework agreement to successful bidders, and for the Council to begin to implement the Stage 2 procurement of local area service call-off tenders.

- 3.4 It was noted in the report to Cabinet in March 2020 that each local area service will only be tendered following consultation and engagement with individuals within each supported living scheme, to be undertaken independently by People First Bridgend (PFB). The feedback from individuals is to be used as the basis of co-producing the service specification for each local area service contract.
- 3.5 It was anticipated that all the local area service tenders would take place over a 12-month period, between April 2020 (when framework agreements commenced) and March 2021, when the current contracts expire.
- 3.6 The PFB consultation and engagement work commenced via face-to-face meetings with individuals in the service in March 2020, but due to the significant and unforeseen impact of the Covid-19 pandemic and resulting lockdown restrictions, these had to cease shortly afterwards, in April.
- 3.7 With national and local lockdown restrictions limiting face-to-face consultation, there has been a reliance on virtual consultation methods instead of face-to-face engagement, which is severely impacting on the effectiveness of the engagement, and also the timescales needed to fully engage with each supported living scheme prior to tendering the local area service contracts – which was originally scheduled to be completed by March 2021.

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

- 4.1 It is proposed that the existing contracts in place with the three service providers be extended for a further 12 months, to 31 March 2022, which is the length of time deemed necessary in order to carry out full and meaningful consultation in accordance with the commissioning approach approved by Cabinet in March 2020.
- 4.2 There is provision under CPR 3.2.9.3 to seek to modify an existing contract where:
- (i) the need for modification has been brought about by circumstances which the Council having been duly diligent could not have foreseen;
  - (ii) the modification does not alter the overall nature of the Contract;
  - (iii) any increase in price does not exceed 50% of the value of the original Contract or Framework Agreement.
- 4.3 The need for modification has been brought about by the impact of the Covid-19 pandemic, circumstances which the Council could not have foreseen when entering into the original contracts. The overall nature of the contract will not be altered, and all other contractual terms remain unchanged, as the proposed variation is for a 12 month extension only. The proposed modification does not exceed 50% of the original contract value. Please see the financial implications below for further details on the value of the proposed modification.

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

- 5.1 This report seeks to modify an existing contract in accordance with CPR rule 3.2.9.3. There is no direct impact on the Council's policy framework and procedure rules.

## 6. Equality Impact Assessment

- 6.1 An Equality Impact Assessment (EIA) screening was undertaken in September 2019 and reviewed in November 2020, which found that a full EIA was not required due to the fact that individuals within the service will continue to receive the same level of service to meet their assessed needs within the Supported Living scheme.

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

- 7.1 Variation of the existing contracts for supported living services allows for meaningful consultation to be undertaken to inform the new model of service delivery, which supports the five ways of working under the Wellbeing of Future Generations (Wales) Act 2015, as follows:

**Long Term** – Moving towards a ‘locality-based’ service model enables service providers to establish closer and longer-term working relationships with other local community groups, agencies, and local residents. This is a more sustainable approach to ensuring people are better supported in maintaining their independence and wellbeing and follows a ‘community development’ approach that enables the service provider to become more established in the longer-term.

**Prevention** – The Supported Living service aims to support the progression of individuals towards independence with some potential to reduce the level of support needs they have and to prevent the escalation of needs by offering a stable living environment and maintaining their tenancy support through appropriate housing related support.

**Integration** – The service providers will need to work with a wide range of stakeholder groups to help individuals to better integrate into their local community.

**Collaboration** – The ‘locality’ service model is predicated on close collaboration between the service provider and social services teams and other support agencies. The service model requires service providers to demonstrate collaboration between staff within the local schemes they manage and between service providers in other localities to identify and support the needs and aspirations of the individuals they support.

**Involvement** – Key stakeholders have been involved in early-stage engagement activities to help shape and inform the service proposal. An in-depth local engagement is proposed within each locality to ensure a co-productive approach to detailing the service specifications for each Local Area Service. This makes sure that the individuals who receive the service have been fully involved in identifying the key priorities for the support they will get from their service providers.

## 8. Financial implications

- 8.1 There are no budgetary implications for Bridgend County Borough Council in extending the contracts to the 31 March 2022.
- 8.2 The cost of the proposed contract extensions for a period of 12 months is estimated to be circa £6.5M, which is made up of adult social care budget (£5M) and Welsh Government Housing Support Grant (£1.5M) funding based on the rates currently being paid to Cartrefi, Mirus and DRIVE Ltd in 2020-21.

8.3 The sum estimated above does not exceed £12.5M, which is 50% of the original (5 year) contract value, and the maximum amount allowable under CPR's.

## **9. Recommendation**

9.1 It is recommended that Cabinet authorise the modification of the existing contracts with Cartrefi (Lot 1), Mirus (Lot 2) and DRIVE Ltd (Lot 3) by extending the existing terms for a further 12 months to 31<sup>st</sup> March 2022, in accordance with CPR 3.2.9.3.

**Claire Marchant**  
**Corporate Director, Social Services and Wellbeing**  
**November 2020**

### **Contact Officer:**

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### **Background documents**

None

## BRIDGEND COUNTY BOROUGH COUNCIL

### REPORT TO CABINET

17 NOVEMBER 2020

#### REPORT OF THE CORPORATE DIRECTOR - EDUCATION AND FAMILY SUPPORT

##### CONTRACT FOR THE SUPPLY OF FRESH, FROZEN AND COOKED MEATS – SUSPENSION OF THE CONTRACT PROCEDURE RULES

#### 1. Purpose of report

1.1 The purpose of this report is:

- to suspend those parts of the Council's contract procedure rules in respect of the procurement requirements relating to the tendering of the contract for the supply of fresh, frozen and cooked meats; and
- to authorise the Corporate Director Education and Family Support to enter into a contract with the current contractors, Mid Glamorgan Provisions Ltd on the same terms as the current contract to 18 December 2021.

#### 2. Connection to corporate well-being objectives/other corporate priorities

2.1 This report assists in the achievement of the following corporate well-being objective under the Well-being of Future Generations (Wales) Act 2015:

- **Smarter use of resources** – ensure that all 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.

#### 3. Background

3.1 Following a procurement process in November 2019, the Council awarded a contract for the supply of fresh, frozen and cooked meats to Mid Glamorgan Provisions Ltd. That contract is due to expire on 18 December 2020.

3.2 The Council is part of a regional delivery group and as part of that group has committed to the establishment of a regional framework for the supply of foods such as fresh, frozen and cooked meats. The commissioning of the regional framework is to be led by Caerphilly County Borough Council.

3.3 The contract with Mid Glamorgan Provisions Ltd was awarded for a limited period to 18 December 2020, as it was anticipated that the new regional framework would have been in place by this time and that the Council would utilise that new regional framework.

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

- 4.1 The Council has committed to establishing and utilising the regional framework to be set up for the provision of food contracts such as the one subject to this report. Using the regional framework will likely bring financial advantages to the Council. However, due to the impact of the Covid-19 pandemic, there have been delays to the commissioning of the regional framework and it has not yet been established by Caerphilly County Borough Council.
- 4.2 As meat is classified as a high-risk food product, and therefore, in order to be accepted by the Council, Mid Glamorgan Provisions has to comply with our requirement for STS Accreditation (Food Safety Standard for Food Suppliers and Distributors) UKAS accredited technical standards, Red Tractor Standards, and have a food hygiene rating of 5. As part of our due diligence, the Council performs regular checks to make sure that these, and all of the originally required insurances, remain in place.
- 4.3 Due to the unprecedented COVID-19 pandemic, and the approach of Brexit, it is essential to maintain supply of these high-risk foods with a supplier who we have tested quality and commitment to our service, until the regional framework can be utilised.
- 4.4 It is therefore proposed that the Council should suspend the contract procedure rules and enter into a contract for fresh frozen and cooked meat with Mid Glamorgan Provisions Ltd on the same terms as the current contract from 19 December 2020 until 18 December 2021. This will allow for the regional framework to be established and for the Council to ensure continuity of provision of this high risk food until such a times as the Council is able to utilise the regional framework to appoint a supplier for the provision of fresh frozen and cooked meats from the regional framework.
- 4.5 Under the Council's contract procedure rules, the Council is required to tender and advertise contracts such as this one on Sell2Wales as a minimum. The Council, in entering into a contract in this manner, will be unable to comply with those requirements.
- 4.6 Cabinet should be aware, that by not complying with its contract procedure rules the Council is exposed to the risk of potential challenge from other suppliers of such products, as we are entering into a contract without any competition which breaches the requirements of procurement legislation.

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

- 5.1 This report has no effect on the policy framework and procedural rules. .

#### **6. Equality impact assessments**

- 6.1 An equality impact assessment initial screening has been completed and it is considered that there will be no negative impacts from this report.

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

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

### **Long-term**

This identifies that the Council is supporting the sustainability of school meals in schools by continuing to offer this important service to pupils.

### **Prevention**

The Council assesses the suitability of food providers supplying high risk products. The Council, in conjunction with procurement experts supports the delivery of a national strategy to support the provision of high risk food in the future.

### **Integration**

School meals are important in ensuring that learners can learn and achieve so that they can access opportunities for further learning and employment, and can play active roles in their communities, contributing positively to society as a whole.

### **Collaboration**

The Council work with schools and local and regional suppliers in delivering school meals. This strategic role is supporting pupils' wellbeing in school. The Council ensures that school meals are delivered to meet the needs of all learners.

### **Involvement**

The engagement with pupils on the range and choice of school meals is an important factor in the delivery and development of this important service. The service provides sufficient time and resources to fully identify, understand and respond to the issues identified by pupils.

## **8. Financial implications**

8.1 The estimated value of the contract from 19 December 2020 to 18 December 2021 is £145k for the supply of fresh, frozen and cooked meat with Mid Glamorgan Provisions Ltd. The cost will be met from within current budgets.

## **9. Recommendations**

9.1 It is recommended that Cabinet:

- suspends the relevant parts of the Council's contract procedure rules in respect of the requirements relating to the procurement of the contract for the supply of fresh frozen and cooked meat; and
- delegates authority to the Corporate Director Education and Family Support in consultation with the Interim Head of Finance and Section 151 Officer and Chief

Officer - Legal, HR and Regulatory Services, to enter into a contract for the supply of fresh, frozen and cooked meat with Mid Glamorgan Provisions Ltd from 19 December 2020 until 18 December 2021.

**Lindsay Harvey**  
**Corporate Director – Education and Family Support**

**Contact officer:** Robin Davies  
(Group Manager Business Strategy and Performance)

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Bridgend County Borough Council  
Civic Offices  
Angel Street  
Bridgend  
CF31 4WB

**Background papers:**

None

## BRIDGEND COUNTY BOROUGH COUNCIL

### REPORT TO CABINET

17 NOVEMBER 2020

#### REPORT OF THE CORPORATE DIRECTOR - EDUCATION AND FAMILY SUPPORT

##### APPOINTMENT OF LOCAL AUTHORITY GOVERNORS

#### 1. Purpose of report

- 1.1 The purpose of this report is to seek approval from Cabinet for the appointment of local authority governors to the school governing bodies listed at paragraph 4.1 and 4.2.

#### 2. Connection to corporate well-being objectives/other corporate priorities

- 2.1 This report assists in the achievement of the following corporate well-being objective under the Well-being of Future Generations (Wales) Act 2015:

**Supporting a successful sustainable economy** – taking 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 focused on raising the skills, qualifications and ambitions for all people in the county borough.

#### 3. Background

- 3.1 In accordance with the Council's '*Guidance on the appointment of local education authority governors*' approved by Cabinet on 14 October 2008, officers have considered applications received for current and forthcoming vacancies for local authority governor positions on school governing bodies (see paragraphs 4.1 and 4.2).

#### 4. Current situation/proposal

- 4.1 For the 26 schools in the table below, all 31 applicants met the approved criteria for appointment as local authority governors and there was no competition for any of the vacancies. Therefore, the recommended appointments are:

Name	School
Mr Nicholas John Miles	Bryncethin Primary School
Cllr Gary Thomas	Bryncethin Primary School
Mr Phil John	Caerau Primary School
Cllr Jeff Tildesley	Corneli Primary School
Cllr John McCarthy	Croesty Primary School
Mrs Lynne Beedle	Cwmfelin Primary School
Mrs Heather Griffiths	Ffaldau Primary School
Cllr Keith Edwards	Garth Primary School

Cllr David White	Héronsbridge School
Mrs Edith Hughes	Héronsbridge School
Ms Cherie Jones	Litchard Primary School
Mrs Kate Clarke	Llangynwyd Primary School
Mr John Orchard	Maes yr Haul Primary School
Mrs Sarah Davies	Oldcastle Primary School
Mrs Lillian Davies	Pencoed Primary School
Mr Mike Gregory	Pencoed Primary School
Mr Christopher Harri Bentley	Pil Primary School
Cllr Brian Jones	Porthcawl Primary School
Miss Catherine Elizabeth Jenkins	St Mary's & St Patrick's Catholic Primary School
Cllr Ross Penhale-Thomas	St Mary's & St Patrick's Catholic Primary School
Mr Mal John	Tondu Primary School
Dr Louisa Evans	Trelales Primary School
Mr Ron Griffiths	West Park Primary School
Ms Susan Elizabeth Reynolds	Archbishop McGrath Catholic High School
Cllr Amanda Williams	Brynteg School
Cllr Phil White	Maesteg School
Mrs Maureen Carson	Porthcawl Comprehensive School
Ms Anna Morgan	Porthcawl Comprehensive School
Mrs Edith Hughes	Ysgol Gymraeg Bro Ogwr
Mr Royston Thomas	Ysgol Gynradd Gymraeg Cynwyd Sant
Mr Malcolm James	Ysgol Gyfun Gymraeg Llangynwyd

- 4.2 There was competition for one vacancy at one school and the applicants are detailed in the table below.

Name of applicants	School
Mrs Ella Dodd	Coety Primary School
Mrs Toni Lewis	

- 4.3 The officer panel scrutinised the applications and noted that Mrs Toni Lewis has no previous experience as a governor. Therefore, in line with the Council's selection criteria, the recommended appointment is Mrs Ella Dodd due to her tenure as a governor and her experience as a local authority governor.

## 5. Effect upon policy framework and procedure rules

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

## 6. Equality Impact Assessment

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

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

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

### **Long-term**

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

### **Prevention**

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

### **Integration**

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

### **Collaboration**

School governing bodies have a strategic role in ensuring that schools safeguard the health and well-being of pupils and staff. The local authority, in conjunction with the Central South Consortium, provides training to governors to enable them to develop and maintain their relevant knowledge, skills and effectiveness in this respect.

### **Involvement**

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

## **8. Financial implications**

8.1 There are no financial implications regarding this report.

## **9. Recommendation**

9.1 Cabinet is recommended to approve the appointments listed at paragraph 4.1 and 4.2.

**Lindsay Harvey**  
**Corporate Director - Education and Family Support**

**9 November 2020**

**Contact officer:** Mandy Jones  
Learner Support Officer

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Angel Street  
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CF31 4WB

**Background documents:** None

## BRIDGEND COUNTY BOROUGH COUNCIL

### REPORT TO CABINET

17 NOVEMBER 2020

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

##### CORPORATE COMPLAINTS POLICY

#### 1. Purpose of report

- 1.1 The purpose of this report is to present the revised BCBC Corporate Complaints Policy and seek approval for the same.

#### 2. Connection to corporate well-being objectives / other corporate priorities

- 2.1 This report assists in the achievement of the following corporate well-being objectives under the **Well-being of Future Generations (Wales) Act 2015:-**
1. **Supporting a successful sustainable economy** – taking 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.
  2. **Helping people and communities to be more healthy and resilient** - taking 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** – ensure that all 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.

#### 3. Background

- 3.1 The Public Services Ombudsman (Wales) Act 2019 achieved Royal Assent in July 2019.
- 3.2 The Public Services Ombudsman for Wales (PSOW) wrote to the Leaders and Chief Executives of all 22 local authorities in September 2020 explaining how his Complaints Standards Authority has engaged with representatives from all local authorities to put in place a raft of measures designed to support and enhance complaint handling. These measures include bespoke training, and a process for all local authorities to report complaints statistics to the Ombudsman's office on a quarterly basis.
- 3.3 In his letter the Ombudsman also encourages all local authorities to reflect on how their current practices and procedures comply with the Statement of Principles,

Model Complaint Handling Process and Guidance published on the Ombudsman's website.

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

- 4.1 The Corporate Complaints Policy has been reviewed and revised in line with the Ombudsman's Model Complaints Handling Policy and is attached as Appendix 1 for approval. The revised Policy will be published on the Council's website and internally on the intranet.

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

- 5.1 None.

#### **6. Equality Impact Assessment**

- 6.1 An initial EIA screening has been undertaken and a full EIA is not required. In the preparation of the Policy, the impact the Policy may have on people because of the presence or absence of one or more of the nine protected characteristics has been assessed. The Policy is not likely to impact differently on any particular group.

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

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

#### **8. Financial implications**

- 8.1 The PSOW has the legal power to require authorities to make payments to complainants where they have suffered financial loss or in compensation for distress and inconvenience.

#### **9. Recommendation**

- 9.1 Cabinet is requested to approve the Corporate Complaints Policy attached as Appendix 1.

**Kelly Watson**

**Chief Officer – HR, Legal and Regulatory Services and Monitoring Officer**

**4 November 2020**

**Contact officer:** Charlotte Branford  
Information and Data Protection Officer

**Telephone:** (01656) 643565

**Email:** Charlotte.Branford@bridgend.gov.uk

**Postal address:** Civic Offices, Angel Street, Bridgend, CF31 4WB

**Background documents:** None



## **Bridgend County Borough Council Concerns and Complaints Policy**

Bridgend County Borough Council is committed to dealing effectively with any concerns or complaints you may have about our services. We aim to clarify any issues you may be unsure about. If possible, we'll put right any mistakes we may have made. We will provide any service you're entitled to which we have failed to deliver. If we did something wrong, we'll apologise and, where possible, try to put things right for you. We aim to learn from our mistakes and use the information we gain from complaints to improve our services.

### **When to use this policy**

When you express your concerns or complain to us, we will usually respond in the way we explain below. However, sometimes you may have a statutory right of appeal e.g. against a refusal to grant you planning permission or the decision not to give your child a place in a particular school so, rather than investigate your concern, we will explain to you how you can appeal. Sometimes, you might be concerned about matters that are not covered by this policy e.g. when a legal framework applies and we will then advise you about how to make your concerns known.

This policy does not apply to 'Freedom of Information' or data access issues. Please contact the Data Protection Officer, Legal and Regulatory Services, Bridgend County Borough Council, Civic Offices, Angel Street, Bridgend CF31 4WB, tel: 01656 643565 or [foi@bridgend.gov.uk](mailto:foi@bridgend.gov.uk)

Complaints Officers can advise on the type and scope of complaints they can consider.

We have a separate policy for [Social Services complaints](#).

### **Welsh Language Standards**

Bridgend County Borough Council embraces the Service Delivery, Policy Making and Operational Welsh Language Standards with which it is expected to comply positively and will strive to ensure that the use of the Welsh language in Bridgend is developed and promoted.



## **How we will deal with complaints relating to our compliance with the Welsh Language Standards**

The public is able to raise complaints with the Council's compliance with the Welsh Language Standards under this Complaints Procedure using the process described. All complaints related to the standards (or any other service provided in Welsh) will be taken seriously and will be fully investigated to establish the validity of the complaint. If the Council has failed in its compliance with the Welsh Language Standards, it will apologise to the complainant and will consider any shortfall in compliance when reviewing any relevant internal processes or practices.

### **Staff training and awareness raising**

We will raise awareness amongst all relevant Council employees of the requirement to deal with any complaints regarding the Council's compliance with the Welsh Language Standards to ensure that such complaints are investigated fully and impartially. Employees will also be made aware of the need for records of all written complaints, investigations and outcomes, against the council's compliance with the Welsh Language Standards to be retained and to be included and published in the Council's Annual Welsh Language Reporting process. This will be provided for each financial year.

This policy is also available in Welsh at our public buildings and on our website.

### **Asking us to provide a service?**

If you are approaching us to request a service, e.g. reporting a faulty street light, or requesting an appointment this policy doesn't apply. If you make a request for a service and then are not happy with our response, you will be able to make your concern known as we describe below.

### **Informal resolution**

If possible, we believe it's best to deal with things straight away. If you have a concern, please raise it with the person you're dealing with. They will try to resolve it for you there and then. If there are any lessons to learn from addressing your concern, the member of staff will draw them to our attention.



If the member of staff can't help, they will explain why and you can then ask for a formal investigation.

## **How to express concern or complain formally**

**You can express your concern in any of the following ways:**

- Ask for a copy of our form from the person with whom you are already in contact. Tell them that you want us to deal with your concern formally.
- Get in touch with our central complaint contact point on 01656 643565 if you want to make your complaint over the phone.
- Use the form on our website at <https://www.bridgend.gov.uk/my-council/customer-services/formal-complaints/>
- Email us at [complaints@bridgend.gov.uk](mailto:complaints@bridgend.gov.uk)
- Write to us at: Complaints, Bridgend County Borough Council, Civic Offices, Angel Street, Bridgend, CF31 4WB

## **Dealing with your concern**

- We will formally acknowledge your concern within 5 working days and let you know how we intend to deal with it.
- We will ask you to tell us how you would like us to communicate with you and establish whether you have any particular requirements – for example, if you need documents in large type.
- We will deal with your concern in an open and honest way.
- We will make sure that your dealings with us in the future do not suffer just because you have expressed a concern or made a complaint.

Normally, we will only be able to look at your concerns if you tell us about them within six months. This is because it's better to look into your concerns while the issues are still fresh in everyone's mind. We may exceptionally be able to look at concerns which are brought to our attention later than this. However, you will have to explain why you have not been able to bring it to our attention earlier and we will need to have sufficient information about the



issue to allow us to consider it properly. In any event, we will not consider any concerns about matters that took place more than three years ago.

If you're expressing a concern on behalf of somebody else, we'll need their agreement to you acting on their behalf.

### **What if there is more than one body involved?**

If your complaint covers more than one body e.g. Housing Association or NHS we will usually work with them to decide who should take the lead in dealing with your concerns. You will then be given the name of the person responsible for communicating with you while we consider your complaint.

If the complaint is about a body working on our behalf e.g. specialist health providers you may wish to raise the matter informally with them first. However, if you want to express your concern or complaint formally, we will look into this ourselves and respond to you.

### **Investigation**

We will tell you who we have asked to look into your concern or complaint. If your concern is straightforward, we'll usually ask somebody from the relevant service area to look into it and respond to you. If it is more serious, we may use someone from elsewhere in the Council or, in certain cases including those concerning social services where a statutory procedure applies, we may appoint an independent investigator.

We will set out our understanding of your concerns and ask you to confirm that we are right. We'll also ask you to tell us what outcome you're hoping for.

The person looking at your complaint will usually need to see the files we hold relevant to your complaint. If you don't want this to happen, it's important that you tell us.

If there is a simple solution to your problem, we may ask you if you're happy to accept this. For example, where you asked for a service and we see straight away that you should have had it, we will offer to provide the service rather than investigate and produce a report.

We will aim to resolve concerns as quickly as possible and expect to deal with the vast majority within 20 working days. If your complaint is more complex, we will:

- Let you know within this time why we think it may take longer to investigate.



- Tell you how long we expect it to take.
- Let you know where we have reached with the investigation, and
- Give you regular updates, including telling you whether any developments might change our original estimate.

The person who is investigating your concerns will firstly aim to establish the facts. The extent of the investigation will depend upon how complex and how serious the issues you have raised are. In complex cases, we will draw up an investigation plan.

In some instances, we may ask to meet with you to discuss your concerns. Occasionally, we might suggest mediation or another method to try to resolve disputes.

We'll look at relevant evidence. This could include information you have provided, our case files, notes of conversations, letters, emails or whatever may be relevant to your particular concern. If necessary, we'll talk to the staff or others involved and look at our policies, any legal entitlement and guidance.

## **Outcome**

If we formally investigate your complaint, we will let you know what we find. If necessary, we will produce a report. We'll explain how and why we came to our conclusions.

If we find that we made a mistake, we'll tell you what happened and why.

If we find there is a fault in our systems or the way we do things, we'll tell you what it is and how we plan to change things to stop it happening again.

If we make a mistake, we will always apologise for it.

## **Putting Things Right**

If we didn't provide you with a service you should have had, we'll aim to provide it now, if that's possible. If we didn't do something well, we'll aim to put it right. If you have lost out as a result of a mistake on our part, we'll try to put you back in the position you would have been in if we'd done things properly.

If you had to pay for a service yourself, when we should have provided it for you, or if you were entitled to funding you did not receive we will try to refund the cost.



## The Ombudsman

If we do not succeed in resolving your complaint, you may complain to the Public Services Ombudsman for Wales. The Ombudsman is independent of all government bodies and can look into your complaint if you believe that you personally, or the person on whose behalf you are complaining:

- Have been treated unfairly or received a bad service through some failure on the part of the service provider.
- Have been disadvantaged personally by a service failure or have been treated unfairly.

The Ombudsman normally expects you to bring your concerns to our attention first and to give us a chance to put things right. You can contact the Ombudsman by:

- Phone: 0300 790 0203
- Email: [ask@ombudsman.wales](mailto:ask@ombudsman.wales)
- The website: [www.ombudsman.wales](http://www.ombudsman.wales)
- Writing to: Public Services Ombudsman for Wales

1 Ffordd yr Hen Gae, Pencoed CF35 5LJ

There are also other organisations that consider complaints. For example, the Welsh Language Commissioner's Office deals with complaints about services in Welsh. We can advise you about such organisations.

## Learning lessons

We take your concerns and complaints seriously and try to learn from any mistakes we've made. Our Senior Management Team considers a summary of all complaints quarterly and is made aware of all serious complaints. Our Cabinet also considers our response to complaints at least twice a year. We share summary (anonymised) information on complaints received and complaints outcomes with the Ombudsman as part of our commitment to accountability and learning from complaints.

Where there is a need for significant change, we will develop an action plan setting out what we will do, who will do it and when we plan to do it. We will let you know when changes we've promised have been made.



## What if you need help?

Our staff will aim to help you make your concerns known to us. If you need extra assistance, we will try to put you in touch with someone who can help. You may wish to contact e.g. advocacy services, Age Cymru, Shelter etc. who may be able to assist you.

You can also use this concerns and complaints policy if you are under the age of 18. If you need help, you can speak to someone on the Meic Helpline:

- Phone 0808 802 3456
- Website [www.meiccymru.org](http://www.meiccymru.org)

or contact the Children's Commissioner for Wales. Contact details are:

- Phone 0808 801 1000
- Email [post@childcomwales.org.uk](mailto:post@childcomwales.org.uk)
- Website [www.childcom.org.uk](http://www.childcom.org.uk)

## What we expect from you

In times of trouble or distress, some people may act out of character. There may have been upsetting or distressing circumstances leading up to a concern or a complaint. We do not view behaviour as unacceptable just because someone is forceful or determined.

We believe that all complainants have the right to be heard, understood and respected. However, we also consider that our staff have the same rights. We therefore expect you to be polite and courteous in your dealings with us. We will not tolerate aggressive or abusive behaviour, unreasonable demands or unreasonable persistence. We have a separate policy to manage situations when we find that someone's actions are unacceptable.

<b>Date:</b>	November 2020
<b>Author/s:</b>	Information and Data Protection Officer

Appendix 1

<b>Consultee/s:</b>	
<b>Approved by:</b>	Cabinet
<b>Review frequency:</b>	Every 2 years
<b>Next review date:</b>	November 2022

## BRIDGEND COUNTY BOROUGH COUNCIL

### REPORT TO CABINET

17 NOVEMBER 2020

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

#### FORWARD WORK PROGRAMME

##### 1. Purpose of Report

- 1.1 The purpose of this report is to seek Cabinet approval for items to be included on the Forward Work Programme for the period 1 November 2020 to 28 February 2021.

##### 2. Connection to corporate well-being objectives / other corporate priorities.

- 2.1 This report assists in the achievement of the following corporate well-being objectives under the Well-being of Future Generations (Wales) Act 2015:-
1. **Supporting a successful sustainable economy** – taking 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.
  2. **Helping people and communities to be more health and resilient** - taking 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** – ensure that all 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.

##### 3. Background

- 3.1 In accordance with the Council's Constitution, the Forward Work Programme will be prepared by the Monitoring Officer to cover a period of four months except when ordinary elections of councillors occur, in which case the Forward Work Programme will cover the period up to the date of the elections.
- 3.2 The Forward Work Programme will contain matters which the Cabinet, Overview and Scrutiny Committees and full Council are likely to consider. It will contain information on:
- (a) the timetable for considering the Budget and any plans, policies or strategies forming part of the Policy Framework and requiring Council approval, and which body is to consider them;

- (b) the timetable for considering any plans, policies or strategies which are the responsibility of the Cabinet;
- (c) any individual matters on which the Cabinet intends to consult in advance of taking a decision, and the timetable for consultation and decision;
- (d) the work programme of the Overview and Scrutiny Committees, to the extent that it is known.

3.3 The Forward Work Programme will be published at least 14 days before the start of the period covered. The Authority is required to publish once a year a notice in at least one newspaper circulating in the area, stating that a Forward Work Programme will be published and giving the publication dates for that year.

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

4.1 The proposed Forward Work Programmes are described below:

- Cabinet 1 November 2020 to 28 February 2021 - **Appendix 1**
- Council 1 November 2020 to 28 February 2021 - **Appendix 2**
- Overview and Scrutiny 1 November 2020 to 28 February 2021 - **Appendix 3**

4.2 Following consideration by Cabinet, the Forward Work Programme will be published on the Council's website.

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

5.1 There are no implications relating to the Policy Framework and Procedure Rules

#### **6. Equality Impact Assessment**

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

#### **7. Wellbeing of Future Generations (Wales) Act 2015**

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

#### **8. Financial Implications**

8.1 There will be a translation cost of approximately £60 for each quarterly update of the Forward Work programme when it is published on the Bridgend County Borough Council Website. These will be met from within existing budgets.

#### **9. Recommendation**

9.1 Cabinet is recommended to:

- Approve the Cabinet Forward Work Programme for the period 1 November 2020 to 28 February 2021 at Appendix 1;

- Note the Council and Overview and Scrutiny Forward Work Programmes for the same period as above, shown at Appendix 2 and 3 of the report, respectively.

**Kelly Watson**  
**Chief Officer Legal, HR and Regulatory Services**  
**9 November 2020**

Contact Officer: Mark Galvin  
Senior Democratic Services Officer – Committees

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Civic Offices  
Angel Street  
Bridgend  
CF31 4WB

**Background documents:** None

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## APPENDIX 1

**CABINET FORWARD WORK PROGRAMME - 1 DECEMBER 2020 TO 28 FEBRUARY 2021**

Item	Title and Description of Report	Cabinet	Contact Officer
(a)	(b)	(c)	(d)
1.	<b>Social Services Complaints and Representations Annual Report 2019-20</b>	15 Dec 2020	<b>Claire Marchant, Corporate Director Social Services and Wellbeing</b>  Claire.Marchant@bridgend.gov.uk
2.	<b>Review of Children's Social Care SGO Policy</b>	15 Dec 2020	<b>Claire Marchant, Corporate Director Social Services and Wellbeing</b>  Claire.Marchant@bridgend.gov.uk
3.	<b>Revised Contract Procedure Rules</b>	15 Dec 2020	<b>Kelly Watson, Chief Officer Legal, HR and Regulatory Services</b>  kelly.watson@bridgend.gov.uk
4.	<b>Introduction of Development Viability Model</b>	15 Dec 2020	<b>Janine Nightingale, Corporate Director - Communities</b>  janine.nightingale@bridgend.gov.uk
5.	<b>Disabled Facilities Grants</b>	15 Dec 2020	<b>Gill Lewis, Interim Chief Officer – Finance, Performance and Change</b>  gill.lewis@bridgend.gov.uk
6.	<b>Porthcawl Harbour Byelaws</b>	15 Dec 2020	<b>Janine Nightingale, Corporate Director - Communities</b>  janine.nightingale@bridgend.gov.uk

Item	Title and Description of Report	Cabinet	Contact Officer
(a)	(b)	(c)	(d)
7.	<b>Bridgend Heat Network Scheme</b>	15 Dec 2020	<b>Janine Nightingale, Corporate Director - Communities</b> janine.nightingale@bridgend.gov.uk
8.	<b>Caerau Heat Scheme</b>	15 Dec 2020	<b>Janine Nightingale, Corporate Director - Communities</b> janine.nightingale@bridgend.gov.uk
9.	<b>UK Government Kickstart Scheme</b>	15 Dec 2020	<b>Janine Nightingale, Corporate Director - Communities</b> janine.nightingale@bridgend.gov.uk
10.	<b>Reduced Timetable Protocol</b>	15 Dec 2020	<b>Lindsay Harvey, Corporate Director Education and Family Support</b> Tel: 01656 642612 lindsay.harvey@bridgend.gov.uk
11.	<b>Budget Monitoring 2020-21 - Quarter 3 Revenue Forecast</b>	19 Jan 2021	<b>Gill Lewis, Interim Chief Officer – Finance, Performance and Change</b> gill.lewis@bridgend.gov.uk
12.	<b>Outcome of Consultation - Shaping Bridgend's Future</b>	19 Jan 2021	<b>Gill Lewis, Interim Chief Officer – Finance, Performance and Change</b> gill.lewis@bridgend.gov.uk
13.	<b>Capital Programme Update - Quarter 3 2020-21</b>	19 Jan 2021	<b>Gill Lewis, Interim Chief Officer – Finance, Performance and Change</b>

Item	Title and Description of Report	Cabinet	Contact Officer
(a)	(b)	(c)	(d)
			<a href="mailto:gill.lewis@bridgend.gov.uk">gill.lewis@bridgend.gov.uk</a>
14.	<b>Treasury Management - Quarter 3 2020-21</b>	19 Jan 2021	<b>Gill Lewis, Interim Chief Officer – Finance, Performance and Change</b> <a href="mailto:gill.lewis@bridgend.gov.uk">gill.lewis@bridgend.gov.uk</a>
15.	<b>High Street and Retail Rates Relief Scheme 2021-22</b>	19 Jan 2021	
16.	<b>Medium Term Financial Strategy 2021-22 to 2023-24 and Draft Budget Consultation Process</b>	9 Feb 2021	<b>Gill Lewis, Interim Chief Officer – Finance, Performance and Change</b> <a href="mailto:gill.lewis@bridgend.gov.uk">gill.lewis@bridgend.gov.uk</a>
17.	<b>Medium Term Financial Strategy 2021-22 to 2024-25</b>	23 Feb 2021	<b>Gill Lewis, Interim Chief Officer – Finance, Performance and Change</b> <a href="mailto:gill.lewis@bridgend.gov.uk">gill.lewis@bridgend.gov.uk</a>
18.	<b>Corporate Plan 2018-2022 reviewed for 2021-22</b>	23 Feb 2021	<b>Gill Lewis, Interim Chief Officer – Finance, Performance and Change</b> <a href="mailto:gill.lewis@bridgend.gov.uk">gill.lewis@bridgend.gov.uk</a>
19.	<b>Capital Strategy and Treasury Management Strategy 2020-21 Onwards</b>	23 Feb 2021	<b>Gill Lewis, Interim Chief Officer – Finance, Performance and Change</b> <a href="mailto:gill.lewis@bridgend.gov.uk">gill.lewis@bridgend.gov.uk</a>

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## APPENDIX 2

**COUNCIL FORWARD WORK PROGRAMME - 1 DECEMBER 2020 TO 28 FEBRUARY 2021**

Item	Title and Description of Report	Council	Contact Officer
(a)	(b)	(c)	(d)
1.	<b>Outcome of the Consultation 'Shaping Bridgend's Future'</b>	16 Dec 2020	<b>Gill Lewis, Interim Chief Officer – Finance, Performance and Change</b> gill.lewis@bridgend.gov.uk
2.	<b>Overview and Scrutiny Annual Report</b>	16 Dec 2020	<b>Kelly Watson, Chief Officer Legal, HR and Regulatory Services</b> kelly.watson@bridgend.gov.uk
3.	<b>Presentation by Cwm Taf Morgannwg University Health Board</b>	16 Dec 2020	<b>Mark Shephard, Chief Executive</b> Tel: 01656 643380 mark.shephard@bridgend.gov.uk
4.	<b>Community Review</b>	16 Dec 2020	<b>Kelly Watson, Chief Officer Legal, HR and Regulatory Services</b> kelly.watson@bridgend.gov.uk
5.	<b>Capital Programme Update - Quarter 3 2020-21</b>	20 Jan 2021	<b>Gill Lewis, Interim Chief Officer – Finance, Performance and Change</b> gill.lewis@bridgend.gov.uk
6.	<b>Council Tax Reduction Scheme 2021-22</b>	20 Jan 2021	<b>Gill Lewis, Interim Chief Officer – Finance, Performance and Change</b> gill.lewis@bridgend.gov.uk

Item	Title and Description of Report	Cabinet	Contact Officer
(a)	(b)	(c)	(d)
7.	<b>Medium Term Financial Strategy 2021-22 to 2024-25</b>	24 Feb 2021	<b>Gill Lewis, Interim Chief Officer – Finance, Performance and Change</b>  gill.lewis@bridgend.gov.uk
8.	<b>Corporate Plan 2018-2022 reviewed for 2021-22</b>	24 Feb 2021	<b>Gill Lewis, Interim Chief Officer – Finance, Performance and Change</b>  gill.lewis@bridgend.gov.uk
9.	<b>Capital Strategy and Treasury Management Strategy 2020-21 Onwards</b>	24 Feb 2021	<b>Gill Lewis, Interim Chief Officer – Finance, Performance and Change</b>  gill.lewis@bridgend.gov.uk
10.	<b>Council Tax 2021-22</b>	24 Feb 2021	<b>Gill Lewis, Interim Chief Officer – Finance, Performance and Change</b>  gill.lewis@bridgend.gov.uk

## APPENDIX 3

**OVERVIEW & SCRUTINY FORWARD WORK PROGRAMME - 1 DECEMBER 2020 TO 28 FEBRUARY 2021**

Date	Title and Description of Report	Scrutiny Committee	Contact Officer
2 Dec	<b>Overview and Scrutiny Annual Report</b>	Corporate Overview and Scrutiny Committee	Kelly Watson, Chief Officer Legal, HR and Regulatory Services kelly.watson@bridgend.gov.uk
2 Dec	<b>Budget Monitoring 2020-21 - Quarter 2 Revenue Forecast</b>	Corporate Overview and Scrutiny Committee	Gill Lewis, Interim Chief Officer – Finance, Performance and Change gill.lewis@bridgend.gov.uk
14 Jan	<b>Corporate Plan 2018-2022 reviewed for 2021-22</b>	Corporate Overview and Scrutiny Committee	Gill Lewis, Interim Chief Officer – Finance, Performance and Change gill.lewis@bridgend.gov.uk
14 Feb	<b>Quarter 2 Performance Report</b>	Corporate Overview and Scrutiny Committee	Gill Lewis, Interim Chief Officer – Finance, Performance and Change gill.lewis@bridgend.gov.uk
14 Jan	<b>Capital Strategy 2021-22 onwards</b>	Corporate Overview and Scrutiny Committee	Gill Lewis, Interim Chief Officer – Finance, Performance and Change gill.lewis@bridgend.gov.uk

<b>Date</b>	<b>Title and Description of Report</b>	<b>Scrutiny Committee</b>	<b>Contact Officer</b>