

# 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

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

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



Annwyl Cyngorydd,

### **PWYLLGOR CRAFFU TESTUN 3**

Cynhelir Cyfarfod Pwyllgor Craffu Testun 3 o bell - trwy Microsoft Teams ar **Dydd Llun, 24 Ionawr 2022** at **09:30**.

### **AGENDA**

1. Ymddiheuriadau am absenoldeb  
Derbyn ymddiheuriadau am absenoldeb gan Aelodau.
2. Datganiadau o fuddiant  
Derbyn datganiadau o ddiddordeb personol a rhagfarnol (os o gwbl) gan Aelodau / Swyddogion yn unol â darpariaethau'r Cod Ymddygiad Aelodau a fabwysiadwyd gan y Cyngor o 1 Medi 2008.
3. Cymeradwyaeth Cofnodion 3 - 8  
I dderbyn am gymeradwyaeth y Cofnodion cyfarfod y 04 10 21
4. Strategaeth Ariannol Tymor Canolig 2022-23 i 2025-26 9 - 58

#### Gwahoddwyr:

Cynghorydd Huw David - Arweinydd  
Cynghorydd Hywel Williams - Dirprwy Arweinydd  
Cynghorydd Stuart Baldwin - Aelod Cabinet Cymunedau  
Cynghorydd Charles Smith - Aelod Cabinet - Addysg ac Adfywio  
Cynghorydd Dhanisha Patel - Aelod Cabinet - Lles a Chenedlaethau Dyfodol

Janine Nightingale - Cyfarwyddwr Corfforaethol, Cymunedau  
Carys Lord - Pennaeth Cyllid, Perfformiad a Newid  
Mark Shephard - Prif Weithredwr  
Kelly Watson - Prif Swyddog, Gwasanaethau Cyfreithiol a Rheoleiddio, AD a Pholisi Corfforaethol  
Zak Shell - Pennaeth Gwasanaethau Cymdogaeth  
Deborah Exton - Dirprwy Bennaeth Cyllid  
Victoria Adams - Rheolwr Cyllid – Rheoli Cyllidebau: Cymunedau, Addysg a Chymorth i Deuluoedd

5. Materion Brys

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

Nodyn: Sylwch: Yn sgil yr angen i gadw pellter cymdeithasol, ni fydd y cyfarfod hwn yn cael ei gynnal yn ei leoliad arferol. Yn hytrach, bydd hwn yn gyfarfod rhithwir a bydd Aelodau a Swyddogion yn mynychu o bell. Bydd y cyfarfod yn cael ei recordio i'w ddarlledu ar wefan y Cyngor cyn gynted ag sy'n ymarferol ar ôl y cyfarfod. Os oes gennych unrhyw gwestiwn am hyn, cysylltwch â [cabinet\\_committee@bridgend.gov.uk](mailto:cabinet_committee@bridgend.gov.uk) neu ffoniwch 01656 643147 / 643148

Yn ddiffuant

K Watson

Prif Swyddog, Gwasanaethau Cyfreithiol a Rheoleiddio, AD a Pholisi Corfforaethol

**Dosbarthiad:**

Cynghowrwyr

JPD Blundell  
N Clarke  
P Davies  
DK Edwards  
DG Howells  
DRW Lewis

Cynghowrwyr

JR McCarthy  
JC Radcliffe  
RMI Shaw  
JC Spanswick  
RME Stirman  
G Thomas

Cynghowrwyr

MC Voisey  
LM Walters  
A Williams  
JE Williams

## PWYLLGOR CRAFFU TESTUN 3 - DYDD LLUN, 4 HYDREF 2021

### COFNODION CYFARFOD Y PWYLLGOR CRAFFU TESTUN 3 A GYNHALIWYD O BELL TRWY TIMAU MICROSOFT DYDD LLUN, 4 HYDREF 2021, AM 09:30

#### Presennol

Y Cyngorydd JPD Blundell – Cadeirydd

P Davies  
JC Radcliffe  
JE Williams

DK Edwards  
JC Spanswick

DG Howells  
G Thomas

DRW Lewis  
MC Voisey

#### Ymddiheuriadau am Absenoldeb

N Clarke, JR McCarthy, RMI Shaw, RME Stirman, LM Walters a/ac A Williams

#### Swyddogion:

Meryl Lawrence  
Janine Nightingale

Uwch Swyddog Gwasanaethau Democraidd - Craffu  
Cyfarwyddwr Corfforaethol - Cymunedau

#### Gwahoddedigion:

Cyngorydd Charles Smith      Aelod Cabinet - Addysg ac Adfywio

#### 14. DATGANIADAU O FUDDIANNAU

Fe wnaeth y Cyngorydd JC Spanswick ddatgan buddiant personol yn eitem 4 am ei fod wedi elwa o Hyfforddiant Cyflogadwyedd.

#### 15. CYMERADWYO COFNODION

PENDERFYNWYD: Bod Cofnodion cyfarfod y Pwyllgor Trosolwg a Craffu Pwnc 3, dyddiedig 28 Mehefin 2021, yn cael eu cymeradwyo fel cofnod gwir a chywir.

#### 16. FFRAMWAITH DYFODOL ECONOMAIDD SIR PEN-Y-BONT AR OGWR

Cyflwynodd y Cyfarwyddwr Corfforaethol - Cymunedau adroddiad, ac yn dilyn hynny cyflwynodd Rheolwr Grŵp - Yr Economi, Adnoddau Naturiol a Chynladwyedd yr adroddiad a thynnodd sylw'r Aelodau at Adran 4 gan ehangu ar fframwaith y dyfodol economaidd, yn arbennig y 4 prif thema, cyn tynnu sylw at Adran 8 yr adroddiad. Wedyn derbyniodd y Pwyllgor gyflwyniad gan Gyfarwyddwr Perform Green Limited, peth cyd-destun strategol gan y Cyfarwyddwr - Cynghrair Cymunedau Diwydiannol Cymru a chyd-destun o ran arloesi ar draws y Brifddinas-Ranbarth gan Bennaeth Arloesi a Datblygu Clystyrau - Bargen Ddinesig Prifddinas-Ranbarth Caerdydd (CCRCD). Gofynnwyd i'r aelodau pa mor gyfarwydd yr oedd y themâu allweddol gan y rhanddeiliaid a'r data yn swnio iddynt hwy.

Diolchodd Aelod y Cabinet dros Addysg ac Adfywio i Gyfarwyddwr Perform Green Limited, y Cyfarwyddwr - Cynghrair Cymunedau Diwydiannol Cymru a Phennaeth Arloesi a Datblygu Clystyrau, CCRCD. Ychwanegodd mai'r hyn y byddai ef yn ei dynnu allan o'r cynlluniau fel blaenoriaeth fyddai sgiliau yn ogystal â chysylltedd gan gynnwys y metro. Tynnodd sylw hefyd at y diwydiannau creadigol gan gydnabod, unwaith y byddai criwiau ffilmio wedi gadael, bod yna'r posibilrwydd o dwristiaeth. Esboniodd fod angen y strategaeth lefel uchel er mwyn asesu blaenoriaethau a'r hyn y gellid yn realistig ei ddarparu.

Yn dilyn cyflwyno'r adroddiad, gofynnodd Aelodau o'r Pwyllgor y canlynol:

Diolchodd Aelod i'r Swyddogion an yr adroddiad a dywedodd ei fod yn sicr yn swnio'n gyfarwydd iddo ef. Nododd y problemau yng Nghymuned Caerau fel y crybwyllwyd yn yr adroddiad a gofynnodd pam yr oedd wedi mynd i fyny o'r 35<sup>ain</sup> yn 2005 i'r 5<sup>ed</sup> ar hyn o bryd, o ran amddifadedd, ar ôl derbyn miliynau o bunnau o arian Ewropeaidd a gofynnodd am ganlyniadau'r ariannu. Roedd yr adroddiad yn gynhwysfawr, yn fanwl ac yn tynnu sylw at y problemau yr oedd cynghorwyr lleol yn gwybod amdanynt. Fodd bynnag, teimlai mai canlyniadau, cyllido ac, yn fwy pwysig, rheolaeth ar y cyllid hwnnw fyddai'r allwedd i lwyddiant.

Dywedodd y Cyfarwyddwr Corfforaethol - Cymunedau mai'r wybodaeth oedd gerbron y Pwyllgor oedd dechrau'r strategaeth economaidd, oedd yn cynnwys yr holl amrywiadau a'r cryfderau yn ogystal â'r gwendidau, yr oedd yn bwysig eu cydnabod. Roedd hwn bron yn ddadansoddiad o'r bylchau, oedd yn dangos ble roedd y fwrdeistref sirol yn gwneud yn dda ac wedyn yn edrych ar y meysydd yr oedd angen iddi ganolbwyntio arnynt yn benodol. Nid oedd, ar yr adeg yma, yn dangos y cyfeiriad teithio na beth oedd y mecanweithiau cyllido er mwyn gwneud y gwaith oherwydd mai dyna'r dasg oedd yn dod nesaf. Roedd gwaith wrthi'n cael ei wneud gyda'r holl randdeiliaid allweddol a byddai'r sylwadau hynny a dealltwriaeth o'r sefyllfa gywir yn sail i gynllun gweithredu a map ffordd cyllido. Roedd dibyniaeth ar ffynonellau cyllid allanol, a nifer ohonynt oherwydd bod arian Ewrop wedi dod i ben; felly roedd angen edrych ar fecanweithiau eraill ar gyfer cyllido mentrau wrth symud ymlaen. Roedd hyn i gyd yn dibynnu ar bartneriaeth a dull Cymru gyfan ond yn canolbwyntio ar faterion rhanbarthol.

O ran rheoli cyllid, roedd rheolaeth gadarn iawn yn ei lle, ond yr hyn oedd yn eglur oedd na fyddai'r awdurdod lleol o'r blaen wedi cyrraedd at galon rhai o'r materion. Nid esgusodi'r sefyllfa oedd hyn, ond roedd yr awdurdod lleol wedi gweithio'n ddiflino dros y 10 i 15 mlynedd diwethaf i wneud gwahaniaethau mewn cymunedau ac yn dal i wneud hynny gyda nifer o fentrau yn cael eu pwysleisio, er bod y Cyfarwyddwr Corfforaethol - Cymunedau yn cydnabod nad hwn oedd y panacea, ond roedd strategaethau yn cael eu rhoi yn eu lle ac roedd yn bwysig bod ardaloedd yn cael eu targedu lle y gellid gwneud gwahaniaeth cynladwy gwirioneddol wrth symud ymlaen. Roedd y pandemig wedi ailosod y tirlun economaidd a'r hyn yr oeddent yn ceisio ei wneud drwy'r strategaeth oedd ailosod hynny a symud ymlaen mewn ffordd fwy cadarnhaol.

Roedd yr Aelod yn cydnabod y mentrau ac yn gofyn sut yr oedd y Gymuned yn elwa o ran gwaith. Er ei fod yn croesawu'r hyn oedd yn mynd ymlaen, roedd safle Heol Ewenni yn gyfle wedi ei golli gan na allai tai gymryd lle gwaith a hwnnw oedd y safle gwaith pennaf.

Esboniodd y Cyfarwyddwr Corfforaethol - Cymunedau yn nhermau safle Heol Ewenni bod iddo nifer o gydrannau allweddol, gan gynnwys tai yr oedd eu gwir angen, ar gyfer cymuned y Cymoedd ynghyd â chanolfan gyflogaeth. At hynny, rhywbeth oedd yn eithaf pwysig hefyd oedd cysylltedd ac fe fyddai yna ganolbwynt cludiant Metro fel rhan o'r datblygiad, i gysylltu bysiau a'r gwasanaeth trenau, oedd yn bwysig iawn i symud pobl at swyddi, gan na fyddai'r swyddi i gyd o fewn cymuned y Cymoedd. Fe fyddai yna hefyd rai manau gwefru trydan ULEV, yn ogystal â theithio llesol fel na fyddai'r datblygiad ei hun, gobeithio, yn dai yn unig a bod ganddo ran ehangach o lawer i'w chwarae mewn adfywio.

Eglurodd y Cyfarwyddwr - Cynghrair Cymunedau Diwydiannol Cymru, o ran y pwynt ynghylch effeithiolrwydd arian Ewrop, bod enghreifftiau wedi bod lle nad oedd wedi taro'r man cywir, ond nad oeddent bob amser yn cael eu cefnogi'n iawn gan fentrau polisi cenedlaethol ategol ac, wrth gwrs, roedd grymoedd economaidd enfawr yn

gweithio yn eu herbyn. Ychydig o gefnogaeth a roddwyd i'r sector gweithgynhyrchu dros y blynyddoedd, oedd yn golygu na allent fanteisio'n llawn ar y cyllid o Ewrop. Nid oedd hyn i ddweud na ellid ailosod y cloc gyda Chronfa Ffyniant Gyffredin y Deyrnas Unedig a Fframwaith Economaidd Pen-y-bont ar Ogwr, ac roedd cyfle gwirioneddol yn awr i gael strategaeth eang oedd yn cwmpasu tai, addysg, iechyd a lles, a'r holl ffactorau eraill hynny, oedd yn cyfrannu at ffyniant ardal.

Dywedodd yr Arweinydd ei bod yn amlwg yn siomedig a rhwystredig nad oedd cynnydd wedi ei wneud yn rhai o'r cymunedau mwyaf difreintiedig ond atgoffodd ei gydweithwyr, yn enwedig gyda golwg ar Caerau, am y buddsoddiad mewn addysg oedd wedi digwydd gan gynnwys adeiladu ysgol gynradd ac uwchradd newydd i'r gymuned. Roedd gan ddatblygiad Canolfan Sgiliau Adeiladu Caerau a Chynllun Cyflogadwyedd Pen-y-bont ar Ogwr record ymhlith y goreuon, o ran cael pobl i mewn i waith, gydag o leiaf 100 o bobl wedi cael eu cynorthwyo. Roedd hwn yn llwybr pwysig allan o dlodi, er nad oedd ar ei ben ei hun bob amser yn ddigon, ond roedd yn sicr yn gwneud gwahaniaeth mawr, er cydnabod y problemau gyda chyflogau isel, ac roeddent am geisio gweithredu ar hynny drwy'r ymrwymiad i'r cyflog byw gwirioneddol a datblygu sgiliau pobl fel y gallent ddod o hyd i gyfleoedd gwaith gwell. Roedd yna sectorau oedd yn tyfu, o ran gwyddorau bywyd, ond roedd hefyd angen cefnogi'r diwydiannau presennol. Safle cyflogaeth allweddol i Gwm Llynfi, ac yn wir y fwrdeistref gyfan, oedd melinau papur Pen-y-bont ar Ogwr, yn sicrhau cyflogaeth barhaol o safon uchel gyda sgiliau uwch. Roedd yna, fodd bynnag, angen gwneud mwy a thro'i'r golau ar y fan, lle nad oedd yn gweithio, er mwyn canfod beth i wneud mwy ohono yn y strategaeth. Rhan o ymarferiad heddiw oedd gwrando ar aelodau, ar y pwyntiau a wnaed, a gwrando'n ofalus iawn hefyd ar yr hyn yr oedd partneriaid yn y sector busnes a'r gymuned fusnes yn ei ddweud oedd ei angen, i sicrhau'r amgylchedd a'r amodau ar gyfer cefnogaeth mewn swyddi.

Esboniodd Aelod y Cabinet dros Addysg ac Adfywio fod arian Ewrop wedi bod yn sail i ddatblygu Neuadd Tref Maesteg a bod y Marina ym Mhorthcawl wedi ei hadeiladu ag arian Ewrop ond roedd yn cydnabod nad oedd arian Amcan 1 wedi cael ei fonitro'n dda bob amser, ac na fu asesiad clir o'r graddau y byddai yn cyfrannu at godi'r incwm canolrifol y pen, a ddylai fod wedi bod yn brif nod. Twf mewn nwyddau a gwasanaethau, dan arweiniad allforio, oedd yr allwedd i ddatblygiad economaidd a gobeithiai ef y byddai'r bartneriaeth a'r strategaeth oedd yn cael eu sefydlu yn canolbwyntio ar gynyddu masnach, boed hynny yn y diwydiannau traddodiadol, y diwydiannau creadigol neu eraill.

Tynnodd Aelod sylw at faterion cludiant a'r filltir olaf yn neilltuol, gan egluro'r toriadau a'r newidiadau yn y gwasanaethau bws a'r gostyngiad yn nifer y tacsis. Nododd hefyd fod yna ddau safle ysgolion gwag yn ardal Caerau a gofynnodd a oedd y rhain yn rhan o'r broblem cysylltedd neu'n rhan o'r amddifadedd ac felly bod yr ardal heb gael ei gweld fel lle i adeiladu, gan nodi fod awdurdod cyfagos i'w weld yn adeiladu ar safleoedd ysgolion gwag yn llawer cynt.

Esboniodd Aelod y Cabinet dros Gymunedau nad oedd grant tai cymdeithasol o angenrheidrwydd yn dilyn mor gyflym ag yr oedd safle yn dod ar gael ac felly bod yna fwlch amser bob tro. Roedd yna raglen gynlluniedig yr oedd angen ei datblygu ac angen ei hadeiladu i mewn i raglenni i ganiatáu i hynny ddigwydd, er ei fod ef yn cydnabod yr angen am dai i'r gogledd o'r M4.

Esboniodd y Cyfarwyddwr Corfforaethol - Cymunedau y cynhelid cyfarfodydd rheolaidd gyda bysiau First Cymru a'u bod wedi bod yn ymatebol yn y gorffennol, yn enwedig yn ystod y pandemig. Cafwyd trafodaeth ynghylch rhai o'r llwybrau oedd wedi dod i ben, a byddai'r sgysiau hynny'n parhau. Roedd pethau eraill yn cael eu gwneud gan gynnwys teithio llesol ac edrych ar gynyddu trenau i Faesteg, gyda golwg ar y cyswllt Metro plus,

er ei bod yn derbyn y sylw ynghylch cysylltedd gyda bysiau. Roedd angen lleihau'r ddibyniaeth ar geir a bod yn fwy cynaliadwy o ran dull.

Esboniodd yr Arweinydd fod yr awdurdod lleol, fel rhan o'i waith arferol, wedi edrych ar ailddatblygu hen ysgolion, e.e. safleoedd blaenorol yn Ysgol Bryn Castell ac Ysgol Gynradd Pencoed, oedd wedi darparu cartrefi newydd i bobl leol. Ar safle Ysgol Gynradd Brynmenyn gynt, roedd yr awdurdod lleol ar fin cychwyn adeiladu canolfan newydd ar gyfer gwasanaethau plant. Bu'r cyfalaf a dderbyniwyd yn bwysig o ran cyllid ar gyfer ysgolion Band A a Band B ac roedd hefyd wedi bod yn ddull o ddatblygu cartrefi newydd. O ran safleoedd Caerau, roedd hwn yn rhywbeth a godwyd o'r blaen a byddai'r Arweinydd yn cymryd hwn i fyny, ond un o'r anawsterau oedd nad oedd yr un lefel o ddiddordeb ymhlith datblygwyr ag oedd mewn safleoedd eraill, er ei fod ef yn sicr yn barod i sicrhau bod y datblygiad yn cael ei gefnogi drwy, er enghraifft, ystyried darparu'r safleoedd heb gost a hefyd cynorthwyo unrhyw ddatblygwyr i sicrhau cyllid drwy ffrydiau Llywodraeth Cymru, oedd weithiau ar gael i safleoedd yn y cymoedd. Tra roedd gan yr awdurdod lleol record o ddatblygu tai yn y Cymoedd, roedd y cynllun wedi ei ordanysgrifio'n drwm iawn ar gyfer tai cymdeithasol. O ran dyrannu'r grant tai cymdeithasol, roedd yn rhannol yn ofynnol gan Lywodraeth Cymru bod yr ardaloedd a'r safleoedd gyda'r lefel uchaf o angen tai yn cael eu targedu a lleoedd eraill oedd y rheiny ar hyn o bryd. Nid oedd hynny'n gyfystyr â dweud nad oedd angen tai yng Nghaerau, a llawer o angen tai, ond bod lefelau uwch eto o angen tai mewn mannau eraill yn y fwrdeistref sirol. Roedd yn bwynt da ac roedd safleoedd eraill ar draws y fwrdeistref y byddai angen i'r awdurdod lleol ailymweld â hwy fel rhan o strategaeth adfywio tai a'r strategaeth economaidd hefyd.

Eglurodd Aelod fod ei gwestiwn ef yn gysylltiedig â'r sylw blaenorol ar dai ac esboniodd ei fod yn ceisio deall, ar lefel ymarferol, sut y gallai'r awdurdod lleol fod o gymorth gyda thlodi tanwydd drwy'r economi werdd a'r ffordd yr oedd tai yn cael eu hadeiladu, e.e. yr 14 o gartrefi eco a adeiladwyd gan Gymdeithas Tai Cymru a'r Gorllewin ym Mraclla. Roedd y toeau eu hunain wedi eu gwneud o baneli ffotofoltäig, yr oedd ef yn credu eu bod wedi cael eu gwneud yn Nhrefforest. Felly, roedd diwydiannau ardderchog o fewn holl ranbarth de-ddwyrain Cymru, ond nid oedd yn ymddangos bod yna unrhyw anogaeth i bobl, pan oeddent yn adeiladu tai newydd, a hoffai ef gael clywed ychydig mwy am y ffordd y gallai'r Awdurdod Lleol weithio gyda datblygwyr i gynnig cymhelliant i adeiladu cartrefi eco. Os oedd tai cymdeithasol yn gallu cael eu hadeiladu gyda'r grant, yna dylai datblygwyr preifat allu eu hadeiladu. Felly, yr hyn oedd ei angen oedd deall yr holl sector hwnnw'n well, yr economi werdd a sut y gallai hyn gysylltu'n ôl gyda thlodi tanwydd a rhoi ychydig mwy o arian yn ôl i bobl yn eu pocedi i wario yn yr economi leol.

Cyfeiriodd y Cyfarwyddwr Corfforaethol - Cymunedau at y Strategaeth Ddatgarboneiddio 2030 ar gyfer Pen-y-bont ar Ogwr, a bod un pwynt allweddol yn hynny yn ymwneud â'r defnydd o ynni a cheisio cael i'r sefyllfa o Garbon Sero-Net, nid yn unig o ran tlodi tanwydd, ond drwy ddatgarboneiddio cartrefi pobl. Roedd cryn waith yn mynd ymlaen gyda golwg ar gostau tanwydd, gan gynnwys ôl-osod mewn 19 o ysgolion ar draws y fwrdeistref, p'un a allai'r dŵr pwll glo wresogi'r ysgol gynradd yng Nghaerau, y Tudor Estate yn gweithio gyda V2C (o'r Cymoedd i'r Arfordir) i ystyried dŵr daear a phympiau gwres o ffynhonnell aer, a defnyddio gwifren breifat o fferm wynt i gael trydan yn rhatach, oedd yn rhan o gynllun Caerau, ac edrych ar gartrefi yng Nghorneli, i greu rhwydwaith ynni bychan gwresogi ardal yno. At hynny, roedd tendrau wrthi'n cael eu derbyn ar gyfer cynllun Rhwydwaith Gwres Ardal Pen-y-bont ar Ogwr ar hyn o bryd, gyda chyfnod 1 i gael rhwydwaith cynaliadwy oedd yn gwresogi Canolfan Bywyd Pen-y-bont ar Ogwr, y Neuadd Fowlio a'r Swyddfeydd Dinesig.

Megis dechrau yr oedd y gwaith hwn ond roedd Pen-y-bont ar Ogwr yn arwain y ffordd, o gymharu ag awdurdodau lleol eraill yn Ne Cymru, gyda pheth o'r dechnoleg gwres carbon isel. Roedd yna ddymuniad i fynd ymhellach, o ran strategaeth y Cynllun

Datblygu Lleol, gydag adeiladau carbon isel a gwres carbon isel yn dod yn normal i Ben-y-bont ar Ogwr wrth symud ymlaen. Roedd yr awdurdod lleol dan orchymyn gan Lywodraeth Cymru, fel sector cyhoeddus, i gyrraedd Carbon Sero-Net erbyn 2030, ac felly roedd angen sicrhau bod unrhyw dai newydd a gâi eu hadeiladu ym Mhen-y-bont ar Ogwr, yn mabwysiadu'r cynlluniau gwresogi carbon isel hynny, ac yn anelu at fod yn garbon sero-net, yn eu gwaith adeiladu ac yn y defnyddiau. Roedd yna fwy y gellid ei wneud i ddefnyddio cynhyrchion cynaliadwy o ffynonellau lleol, yn ogystal â defnyddio technolegau gwres carbon isel a gosod manau gwefru trydan ULEV mewn tai. Mewn sgysiau gydag adeiladwyr tai, gyda golwg ar y Cynllun Datblygu Lleol, roedd nifer wedi holi beth y gallent ei wneud fel bod eu heiddo'n fwy atyniadol i brynwyr, gyda rhai yn symud i gyfeiriad y technolegau carbon isel hynny a hefyd o ran y defnyddiau yr oeddent yn eu defnyddio, ac felly roedd y sgysiau hynny'n mynd ymlaen gydag adeiladwyr tai ynghylch dod â'r technolegau hynny ymlaen, o ran tai newydd. Y rhan anoddaf oedd y stoc o hen dai, gyda nifer fawr o dai teras Fictoraidd ar draws y fwrdeistref.

Roedd yr Aelod yn cydnabod bod yna rai pethau gwych ar y gweill, ond bod yr angen yno'n awr. Nid oedd yn ymddangos bod unrhyw anogaeth i bobl i fuddsoddi mewn ôl-osod eu tai hwy eu hunain. O ran y grant tai cymdeithasol, roedd ef yn cymryd bod amodau yn cael eu hadeiladu i mewn.

Cadarnhaodd y Cyfarwyddwr Corfforaethol - Cymunedau fod yr awdurdod lleol yn gweithio gyda Landlordiaid Cymdeithasol Cofrestredig, yr oedd ganddynt i gyd strategaethau datgarboneiddio, i sicrhau bod pawb ar yr un dudalen ac yn defnyddio'r un technegau er mwyn cael grym prynu i mewn gan ddefnyddio dulliau cyson.

Cyfeiriodd Aelod at CCRCD oedd wedi cael ei grybwyll a gofynnodd sut y gellid rhoi diwedd ar y canfyddiad y byddai Pen-y-bont ar Ogwr yn colli allan am fod y dref ar ymylon y ddwy Fargen Ddinesig, er nad oedd yn aelod o fargen Twf Bae Abertawe.

Roedd Pennaeth Arloesi a Datblygu clystyrau, CCRCD, yn cydnabod mai aelod o CCRCD oedd Pen-y-bont ar Ogwr ac nid bargaen twf Bae Abertawe. Roedd CCRCD yn edrych i raddau helaeth ar y 10 awdurdod lleol gyda'i gilydd, yn nhermau arloesi a strategaethau clwstwr, roedd y cryfderau pendant hynny o fewn Pen-y-bont ar Ogwr, oedd yn graidd i rai o'r clystyrau. Gwaith cynnar oedd hwn, ar y strategaethau clwstwr, ond yr hyn oedd ei angen oedd tyfu o safleoedd o gryfder, ac felly roedd nodi'r safleoedd hynny ac adeiladu arnynt yn greiddiol i'r hyn yr oedd yn ceisio ei gyflawni. Wrth siarad drosto'i hun yn bersonol, roedd yn cytuno, bod cyfle yn bodoli, gan eu bod wedi eu lleoli rhwng Abertawe a Chaerdydd, yn enwedig o ran dyfeisiadau meddygol a diagnosteg. Roedd busnesau yn bodoli ym Mhen-y-bont ar Ogwr, gyda chysylltiadau cludiant da i mewn i Ben-y-bont ar Ogwr ac Abertawe a Chaerdydd i dynnu ar y doniau gorau un. Roedd yn syndod felly nad oedd y busnesau hynny'n tyfu a ffynnu, gan godi rhai o'r pwyntiau ynghylch peidio â chodi llais ynghylch cryfderau Pen-y-bont ar Ogwr, am ei bod yn hawdd teithio iddi o Gaerdydd ac Abertawe, lle roedd ysgolion gweithgynhyrchu, peirianeg ac ysgolion meddygol datblygedig cryf iawn. Roedd twf y rhan gwyddorau bywyd o gwmpas Pen-y-bont ar Ogwr yn ymddangos yn ffrwyth eithaf hawdd ei gael, megis, yn y strategaeth glwstwr, ac yn rhywbeth i weithio arno ar unwaith, ar sut i'w tyfu.

Gwnaeth yr Aelod Corfforaethol dros Addysg ac Adfywio y pwyntiau canlynol ynghylch prosiect metro Prifddinas-Ranbarth Caerdydd:

- Gallai rhoi cydnabyddiaeth iawn i Orsaf y Pîl ar fapiau metro adeiladu peth hyder bod y metro yn mynd i fod yn fanteisiol i Ben-y-bont ar Ogwr.
- Roedd angen i orsafoedd y Metro ac arosfannau bysiau gael yr un amllderau a'r un bargeinion tâl.
- Gallai prosiect metro Prifddinas-Ranbarth Caerdydd fod o gymorth i lobïo Llywodraeth y Deyrnas Unedig ynghylch trydaneiddio prif lein De Cymru ymhellach.

### PWYLLGOR CRAFFU TESTUN 3 - DYDD LLUN, 4 HYDREF 2021

- Gellid cyflawni'r uchelgais o ailgysylltu Porthcawl yn ôl â'r system drenau drwy integreiddio bysiau gyda threnau.
- Gallai cysylltiadau parcio a theithio Bracla a chludiant integredig hefyd wasanaethu rhai o faestrefi poblog iawn Pen-y-bont ar Ogwr.

Dyweddodd y Cyfarwyddwr Corfforaethol - Cymunedau y byddai hi yn ateb yr Aelod ynghylch y darn am yr ysgol ac addysg yn y Cymoedd a'r Aelod ynghylch safleoedd ysgolion gwag yng Nghaerau. Diolchodd i'r rhai a fynychodd o'r tu allan am eu cyfraniad.

PENDERFYNWYD: Bod y Pwyllgor yn nodi'r gwaith hyd yma i ddatblygu Fframwaith Dyfodol Economaidd ar gyfer Sir Pen-y-bont ar Ogwr, gan gynnwys y canfyddiadau interim seiliedig ar ymgysylltu â rhanddeiliaid a dadansoddi data hyd yn hyn, fyddai'n cael ei ddatblygu ymhellach i gefnogi llunio Strategaeth Economaidd newydd.

#### 17. DIWEDDARIAD AR Y RHAGLEN WAITH I'R DYFODOL

Ni chafwyd unrhyw geisiadau i gynnwys gwybodaeth benodol yn yr eitem ar gyfer y cyfarfod nesaf.

Nid oedd eitemau pellach wedi cael eu codi i'w hystyried ar gyfer y Flaenraglen Waith, gan gadw'r meini prawf dethol ym mharagraff 4.3 mewn cof, a gellid ailedrych ar hyn yn y cyfarfod nesaf.

PENDERFYNWYD: Bod y Pwyllgor yn cymeradwyo'r Flaenraglen Waith yn Atodiad A, yn nodi yr adroddid ar y Flaenraglen Waith ac unrhyw ddiweddariadau gan y Pwyllgor i gyfarfod nesaf y COSC ac yn nodi'r Daflen Gweithredu Monitro Argymhellion yn Atodiad B.

#### 18. EITEMAU BRYD

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## BRIDGEND COUNTY BOROUGH COUNCIL

### REPORT TO SUBJECT OVERVIEW AND SCRUTINY COMMITTEE 3

24 JANUARY 2022

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

##### MEDIUM TERM FINANCIAL STRATEGY 2022-23 TO 2025-26

### 1. Purpose of report

- 1.1 The purpose of this report is to present the Scrutiny Committee with the draft Medium Term Financial Strategy 2022-23 to 2025-26, which sets out the spending priorities of the Council, key investment objectives and budget areas targeted for necessary savings. The strategy includes a financial forecast for 2022-2026 and a detailed draft revenue budget for 2022-23.

### 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** – ensuring 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.

- 2.2 The Corporate Plan and Medium Term Financial Strategy (MTFS) identify the Council's service and resource priorities for the next four financial years, with particular focus on 2022-23.

### 3. Background

#### Corporate Plan - Policy Context

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

- 3.2 This draft MTFS has been significantly guided by these objectives. Although previous year-on-year changes in Aggregate External Finance (AEF) have necessitated significant budget reductions across different service areas, the Council still plays a very significant role in the local economy of Bridgend County Borough and is responsible for annual gross expenditure of around £480 million and is the largest employer in the county borough. The Corporate Plan will be presented to Council for approval alongside the MTFS 2022-26 in February 2022 and will be fully aligned with the MTFS including explicit links between resources and well-being objectives.

### **Impact of Covid-19**

- 3.3 The quarterly reports to Cabinet on the revenue position for 2021-22 have outlined in detail the impact on the budget of the additional cost pressures and loss of income faced by the Council throughout the year as a result of the ongoing pandemic. Welsh Government has played a significant role in mitigating the majority of these losses through their various funding streams, most notably the Covid-19 Hardship Fund.
- 3.4 However, Cabinet and Council now need to consider the longer-term impact of the pandemic and how it will shape the Council as part of its Recovery Programme, given that the Hardship Fund is due to come to an end in March 2022.
- 3.5 Budget planning for the financial year 2022-23 is still more uncertain than usual due to the impact of the ongoing global Covid-19 pandemic, which is on top of the ongoing uncertainties and financial pressures arising from the United Kingdom's (UK) withdrawal from the European Union (EU). While, on the whole, the UK and Welsh Governments have been supportive of the additional costs and burdens that have emerged from Covid, and covered most of the directly incurred costs, we are aware that this funding is not going to be available going forward. In particular it is anticipated that some of the impact on levels of income in leisure, car parking and rental income, for example, may be a medium-term problem. In addition it is likely that there will be an additional call on the council tax reduction scheme in view of the inevitable economic impact of the pandemic and the end of the furlough scheme, and the level of council tax collection is estimated to be lower than pre-pandemic levels. Furthermore, ongoing expenditure on matters relating to public health, such as the test, trace and protect scheme, use of personal protective equipment and arrangements for the public vaccination programme, as well as other expectations with regard to addressing homelessness more robustly, and supporting social care which is experiencing increased costs and need and demand for services, are likely to be significant.
- 3.6 In these circumstances setting a balanced budget for 2022-23 is even more challenging than usual, particularly on the back of 10 years of significant budget savings during the austerity years.

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

### **4.1 Budget Narrative**

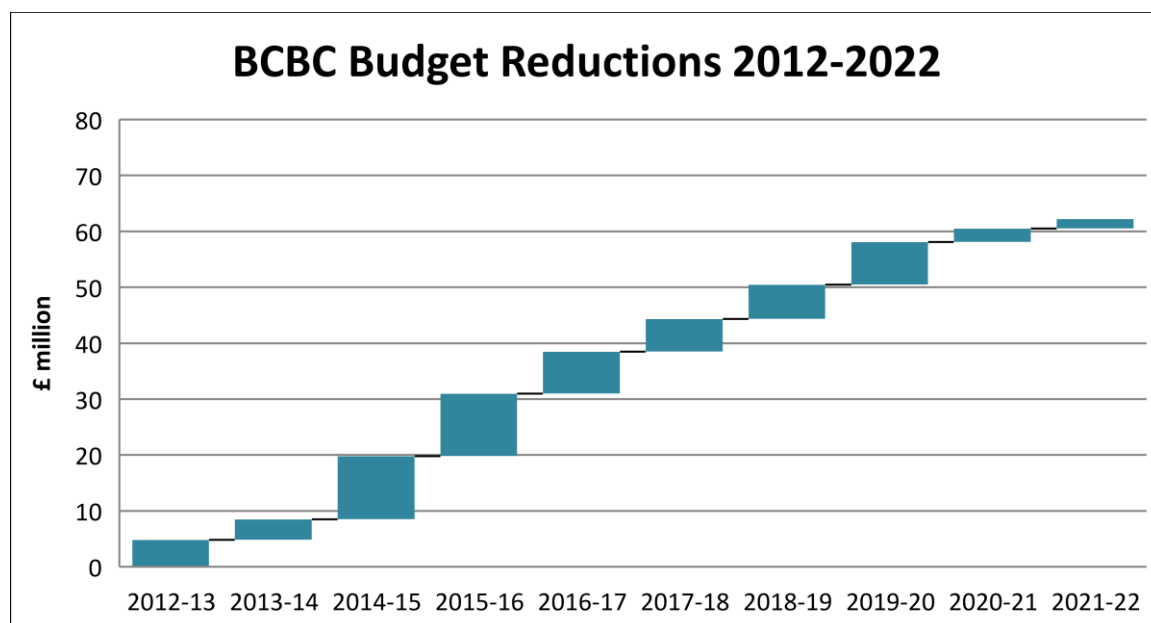
The Council aspires to improve understanding of its financial strategy, link more closely to the agreed corporate well-being objectives and explain the Council's goal of delivering sustainable services in line with the overarching ambition of the Well-being of Future Generations (Wales) Act 2015. The following budget narrative aims to articulate the continued and significant investment in public services that the Council will make. It sets

out how the Council aims to change particular areas of service delivery, particularly in light of the Covid-19 pandemic, and the financial consequences of this.

#### 4.1.1 Corporate Financial Overview

Over the last 10 years, the Council has made £62 million of budget reductions, as shown below. This represents almost 21% of the Council's current budget:

##### **Bridgend County Borough Council Budget Reductions 2012 to 2022**



While the Council's net revenue budget is planned at £319.510 million for 2022-23, its overall expenditure far exceeds this. Taking into account expenditure and services which are funded by specific grants or fees and charges, the Council's gross budget will be around £480 million in 2022-23. The local authority's annual revenue budget covers the day-to-day running costs of the local authority (including staff salaries, building maintenance, pensions, operational costs etc.). Around £190 million of the gross budget is spent on the Council's own staff including teachers and school support staff. Much of the cost of the services provided by external organisations is also wage related – these include for example waste collection operatives, social care workers, leisure staff and foster carers.

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

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

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

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

- Legislative changes e.g. the Environmental (Wales) Act 2016, the Welsh Government's commitment to eradicate homelessness, local authorities' responsibilities in respect of responding to climate change and meeting net zero carbon targets, the implications of the Local Government and Elections (Wales) Act 2021 and the Additional Learning Needs and Education Tribunal (Wales) Act 2018 and legislative changes in social care including new adult protection safeguarding requirements and changes to the Public Law Outline for children.
- Demographic changes – the population is increasing and also people are living longer which is obviously good news but that also can bring increased dependency through people living with more complex or multiple conditions which require social care and support. This has been exacerbated by the pandemic as there have been delays in access to NHS treatment and an impact on physical and mental health from extended lockdown periods. In addition the complexities and challenges for children and families are very evident.
- An increase in the number of pupils at our schools, which places increased pressure on school budgets, along with an increase in free school meals entitlement which brings additional funding pressures.
- More recently, a reduction in the amount of council tax being collected, due to the difficult economic circumstances that people find themselves in. This is coupled with an increase in council tax support as more people find themselves on low incomes or claiming benefits following the end of the furlough scheme.

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

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

control of the Council (for example the effects of changes to the welfare system) but where possible the Council has agreed that it wants to both alleviate problems in these areas and develop longer term sustainable solutions. The new socio-economic duty on public bodies, which came into force on 31 March 2021, reflects these aims.

- The Council has three well-being objectives that reflect these and other principles. One of these objectives is to make “Smarter Use of Resources”. This means we will ensure that all 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.

In seeking to continue to meet the Council’s identified priorities and protect its investment in Education and early intervention, Social Services and Wellbeing, and prioritise the most vulnerable in our society, we are proposing the following changes in the 2022-23 budget.

### **Additional Income**

Where possible, and still recognising the ongoing economic challenges that local people and businesses will face next year, the Council will seek to raise additional income. However, there will be limited opportunities to do so given the immense challenges that Covid-19 has brought to the population. We will continue to look for opportunities where that might be possible.

### **Alternative Delivery Models**

We will continue to seek alternative ways of delivering services if that can ensure greater sustainability and efficiency. Over recent months there has been a significant acceleration in the Community Asset Transfer (CAT) Programme and it is anticipated that a total saving of £300,000 will be made by transferring responsibility for the management of assets, predominantly outdoor sports related playing fields and pavilions, to town and community councils or community clubs and groups. In addition the Covid-19 pandemic has shown how some Council services can be delivered differently and it is important that, where appropriate, this is something that endures, and that investment is made to ensure that services can be maintained and delivered safely. Specifically it is anticipated that an acceleration of the Council’s digital programme may allow staff efficiency savings. Wherever possible, staff restructuring will be done sympathetically allowing those that wish to leave to do so, but also making appropriate investments in home and agile working and digital technology to ensure the Council is fit for the future.

### **Efficiency Savings**

The best kind of budget savings, of course, remain ones where there is little or no direct impact on staff or residents. After a decade of substantial budget savings, opportunities for large scale savings of this sort are now more scarce, but where they emerge, they remain an important component of the MTFS. For next year savings include reviewing and rationalising the Council’s supplies and services budgets. Further savings are proposed from a review and rationalisation of office accommodation following the pandemic. The ongoing investment in installing energy efficiency measures in the Council’s buildings, including schools, will continue to offer savings. The Council will continue to seek to apply and secure grants where they can lead to revenue savings and greater sustainability of important services. Other potential savings are being considered in relation to the

remodelling of social services provision, which may allow some ongoing revenue savings but also provide a better service for individuals following the pandemic.

## **Property Savings**

The Covid-19 pandemic reinforced the need for the Council to consider very closely the need for all of its portfolio of building assets. Over recent years savings have already been made by rationalising the number of operational depots and releasing two of the Council's major staff offices at Sunnyside and Sunnyside House. For 2022-23, as part of the Council's Future Service Delivery Review, further savings are proposed by commercially letting a wing of Ravens Court to a partner organisation or business. Furthermore, the Council's investment in a new, modern, Community Recycling Centre in Pyle, due to open early in 2022, will mean the lease for the site at Tythegston can be ended thus realising the 2021-22 saving of £60,000 per year.

## **Changes to Service Provision**

Unfortunately, despite the settlement we will receive for 2022-23 being an increase overall, due to the number of unavoidable pressures we are facing it is highly unlikely that we will be able to balance the budget without also making changes to the level of services that we can provide and prioritising those services that are deemed most important in terms of meeting the Council's agreed priorities. In particular it is important that where the Council runs a service that also benefits other organisations and partners that appropriate contributions are made, where possible, to complement the Council's investment.

### **4.1.2 Education**

The Council is proposing to spend £131 million on services delivered by the Education and Family Support Directorate in 2022-23. The majority of this money will be spent by Bridgend's 59 schools and one pupil referral unit.

In addition to the £105 million proposed budget to be delegated to schools in 2022-23, which mostly pays for the salaries of teaching and other school staff and the running costs of the facilities (ongoing revenue expenditure), the Council has already spent £21.6 million in building and refurbishing schools as part of our 21<sup>st</sup> Century School Modernisation Band A Programme and has provisionally committed to a further £19 million as part of the Band B Programme. This comprises one-off capital expenditure across several years, with significant match funding from Welsh Government. Welsh Government has provided approval in principle in respect of the Strategic Outline Programme submitted by the Council around our aspirations for Band B funding. However, approval will also be required for individual project business cases. The concepts proposed are based around forecast demand for primary school places, our support to promote the growth in Welsh-medium education and our desire to create additional capacity to meet the needs of children with additional learning needs in our main special school, mainly in the primary sector. It is likely that this will represent the most significant area of capital expenditure for the Council in future years.

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

For 2022-23 the level of budget reductions required is not as great as had been feared. As a result, it has been possible to protect schools from the proposed 1% annual efficiency target for one year. However, the forecast pressure on Council budgets for future years is such that it may be unavoidable for 2023-2024 onwards, and so it will be necessary for headteachers and governing bodies to plan ahead.

The Council has identified 'Helping people and communities to be more healthy and resilient' as a 'Well-being Objective' and early intervention is an important part of this – taking steps wherever possible to prevent people becoming reliant on Council services. As well as being of great social value to individuals and communities, this approach is more cost effective. Successful intervention at an early age and at an early stage can prevent needs from escalating and requiring more costly and complex help later on.

In seeking to protect our investment in education and early intervention, and to provide as much support as possible to pupils following the disruption caused by the pandemic, the Council is making minimal changes to the services delivered at this time. However, we will continue to seek efficiencies in the application of the Council's Home-to-School / College Transport Policy.

#### 4.1.3 **Social Care and Well-being**

After Education, the largest area of Council spend is on social care. This includes social work and social care for children and for adults with care and support needs. Within the Directorate there is a focus on well-being and independence, outcome focussed practice which supports people to live the lives that matter to them. This way of working can result in less dependency on commissioned social care services for many individuals and more effective and cost-effective use of statutory services. The Directorate continues to develop new approaches to service delivery and this includes better support and outcomes for prevention, early intervention and well-being. This approach supports the well-being objective of 'helping people and communities to be more healthy and resilient' and is also part of the Directorate's transformation plan with a clear link to the Medium Term Financial Strategy.

There are established working relationships between children's social care and early help and intervention services with mechanisms in place to ensure close working and appropriate and proportionate responses to families and children in need. It is evident that the complexity of issues facing children and families has increased and requires a high level of professional social work intervention, working closely with partners, as well as access to service provision.

Our strategy for the next few years is to more effectively embed strength-based practice and support individuals and families to live their best lives, remodelling the way we work in order to deliver outcome focussed services and approaches which enable people to maximise their independence and families to stay together with targeted support where needed.

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

achieved within available budgets. In total, the Council is proposing to spend £78 million on social care and well-being services in 2022-23.

The Council's strategy is to continue to transform how we work with people and ensure that service and financial strategies align. The cost, as well as the need for services, is changing and the Council recognises that all the roles in social care are professional and should be recognised through the terms and conditions which the Council and third party providers pay. Introducing new ways of working which will be sustainable in the long term, alongside a service which has to meet a range of statutory needs, requires strength-based culture and practice. The service has made good progress in achieving the required savings to date, however the increase in demand, complexity and fair price of care required continues to put pressure on our budgets. The impact of the Covid-19 pandemic on people with care and support needs and the social care sector is significant in the short and medium term and plans are being adjusted to reflect this changed context.

In order to be sustainable going forward, the Council is ensuring that any changes are introduced in a planned and timely way, and co-produced with the people that such changes impact on with us, as well as the general workforce. This work has already commenced and the budget saving proposals for 2022-23 build on the implementation plans that are already underway. The re-modelling programmes focus on changing the culture and reviewing what has become 'custom and practice'.

The Council has already made changes. In adult social and children's social work we are implementing strength-based practice in order to improve the outcomes for people who need care and support whilst also reducing the numbers of people who require long term support. The Council focuses on helping people to achieve the outcomes they want for themselves, targeting our interventions on what is missing, rather than going straight to what package of care we can give them. We are also actively reviewing the way we deliver care and support at home, day opportunities and accommodation, care and support for children. There has also been an increased focus on developing the Council's in-house foster care and remodelling residential services.

Importantly these transformations are designed to both better support people to live well and make best use of investments. The Council has identified a number of further transformations that continue this approach, some of which are reflected in changes to the budget. These include a full review of the learning disability day opportunities and accommodation strategy and further remodelling of Children's residential and fostering services.

Housing as a determinant of physical and mental health is widely recognised and this link is reinforced by the range of activities and services provided by the Housing Team. The Housing (Wales) Act 2014 introduced the need to move to a more preventative approach to homelessness and this is a core principle of the work undertaken. The service has responded to the challenges of Covid-19 and new guidance introduced by Welsh Government in relation to homelessness presentations, and has already recognised these as budget pressures for the Council, with the aim of providing temporary accommodation to people in need, in order to reduce the number of street homeless people. The Council does not have any housing stock of its own but retains a number of statutory functions relating to addressing housing need and combatting homelessness.

The service also administers the Housing Support Grant from Welsh Government (£7.8 million). The support activities are both broad and diverse. This is done both through a range of corporate joint working and contract arrangements with third sector organisations,



delivering specific projects for people who are vulnerable with complex needs. These projects include services for people suffering domestic abuse, mental health and substance misuse issues, learning disabilities, accommodation for young people, people with mental health support needs and other housing related support for people who need help to access or maintain accommodation successfully.

Housing will continue to adopt a strategic approach to homelessness prevention and provision by working with Welsh Government and partner organisations. Work with Registered Social Landlords is on-going to support new housing developments and housing will continue to use the Social Housing Grant effectively to increase the supply of social housing.

#### 4.1.4 **Public Realm**

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

In 2022-23 the Council is likely to receive around £4 million of direct Welsh Government grant for public realm services. This includes waste services, public transport, rights of way and road safety.

The overall net budget that the Council proposes to spend on public realm services is around £22 million. The fact that schools have had a high degree of financial protection in previous years has meant that the Council's other services have been under considerable pressure to make savings and, in many cases, we have had to reduce levels of service. However the services in the Communities Directorate have also been subject to service changes that have resulted in alternative delivery models that have increased productivity, as well as collaborative approaches that have increased both efficiency and service resilience. Investment in this area is proposed to continue into 2022-23.

The seven year contract with Kier is now moving into its fifth year and the costs associated with waste collection still remain competitive on an all-Wales basis. During the first few years of the contract there was a significant increase in the amount of waste recycled, (Bridgend is consistently in the top 5 of best performing waste authorities in Wales), and therefore a significant reduction in the volume of our residual waste, which is expected to benefit the Council financially over time, subject to contractual conditions with our disposal arrangements. However, the Council has seen higher overall domestic waste due to the impact of the pandemic and the higher number of people continuing to work from home. An indicative net saving of £1 million was identified in 2019-20 as a result of negotiating new operating arrangements at the Materials Recovery and Energy Centre (MREC). An agreement with Neath Port Talbot Council has been made for waste disposal going forward until 2030 or until a regional facility comes online. We expect to spend in the region of £9.4 million on the collection and disposal of waste in 2022-23. Work will also commence on looking at the provision of waste and recycling services post 2024, when the Kier contract ends, and this will be reported to Cabinet during 2022-23.

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

payments.

The Council's strategy is to retain and maintain the most important public services in this area whilst driving ever greater efficiency, making some service reductions where we think it will have the least impact across Council services, recognising that this still may be significant in some areas. We will also develop alternative ways of delivering and sustaining services including greater and more effective collaboration and encouraging others to work with us or assume direct responsibility for services in some cases. The most significant proposed change in this respect is a move to shift the responsibility for the management and maintenance of sports fields and pavilions from the Council to user clubs and groups or local town and community councils. The Council has adopted a flexible approach to community asset transfer (CAT), utilising a streamlined CAT process, and ensuring that appropriate advice and both capital investment (from the CAT fund in the capital programme) and revenue support (from the sports club support fund) are made available. The Council aims to achieve savings of £300,000 over 2021-22 and 2022-23 from transferring these assets.

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

#### **4.1.5 Supporting the Economy**

Whilst this is a Council priority, services such as regeneration and economic development as a discretionary service have nevertheless made significant reductions to their budgets over recent years. The Council has delivered this by employing fewer but more highly skilled staff, and focussing activity more narrowly on priority areas to maximise impact. Going forward, we will increasingly collaborate on a regional basis with the nine other Councils that make up the Cardiff Capital Region City Deal, particularly in areas such as transport, economic development and strategic planning. The City Deal is creating a £1.2 billion fund for investment in the region over the next 20 years. This long-term investment will be targeted to focus on raising economic prosperity, increasing job prospects and improving digital and transport connectivity. In order to play an effective part in the City Deal, the Council will maintain as far as possible existing investment in its transport planning, spatial planning and regeneration teams to reflect this direction of travel. The Council will be spending in the region of £2.2 million a year running these services, plus a further £700,000 as Bridgend's contribution to the Deal itself. These teams will ensure successful delivery of high profile regeneration projects, including the numerous regeneration projects in Porthcawl such as the regeneration of Cosy Corner, development of a retail store and the Placemaking Strategy. Other schemes include the redevelopment of the Ewenny Road in Maesteg for both housing and employment uses and the comprehensive re-development of Parc Afon Ewenni in Bridgend through City Deal and Welsh Government funding. In addition, through its Metro programme, and together with Welsh Government, the Cardiff Capital Region provides the principal funding mechanism for large strategic transport projects within the region. Current projects include the Porthcawl Metrolink bus facility as well as feasibility and design work on the replacement Penprysg Road/Active Travel Bridge and removal of the level crossing in Pencoed. The delivery of this regionally significant Penprysg Bridge project will be dependent on a successful bid to the UK Government Levelling Up Fund. We are also in the process of delivering a replacement Local Development Plan and an important part of our budget planning is making sure that it is resourced appropriately to ensure our plan is properly researched and evidenced and sets out the development planning proposals for the County Borough which will shape its future, including housing growth.

More specifically, the Council has made and continues to make good progress in pursuit of the development of our main towns. These include the regeneration of the waterfront at Porthcawl, including the Salt Lake site, the redevelopment of Maesteg Town Hall, and investment in initiatives to improve the town centre in Bridgend. This includes potentially relocating Bridgend College to a town centre location. Much of this investment is not the Council's own money, but skilled teams are required to bid successfully in a competitive environment to ensure money is levered in.

The Council will continue to operate a number of grant funded programmes of work to support our most vulnerable groups and those furthest away from employment, including training and skills and work support programmes under the Employability Bridgend programme.

#### 4.1.6 **Regulatory and Corporate Services**

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

##### Regulatory Services

This is a combined service with the Vale of Glamorgan and Cardiff City Councils, for which Bridgend will contribute around £1.7 million towards a group of services that includes Trading Standards, Environmental Health, Animal Health and Licensing (Alcohol, Gambling, Safety at Sports Grounds, Taxis etc.). These services all ensure, in different ways, that the public is protected.

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

##### Registrars

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

##### Council Tax and Benefits

The taxation service collects over £85 million in council tax from around 65,000 households across the county borough. Our collection rates in recent years were the highest ever in the Council's history, but this has been seriously impacted by the Covid-19 pandemic. We are determined to regain this high level, but we are seizing the opportunity to reduce the cost of operating the service, by offering online services. We now offer a range of secure council tax functions online, allowing residents to self-serve at a time and location convenient to them. This will allow us to reduce the cost of running the service.

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

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

#### 4.1.7 **Other Council Wide Services**

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

##### Property and building maintenance

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

The Council has brought together its asset management and building maintenance functions, and has centralised all premises repairs, maintenance and energy budgets into a single 'corporate landlord' service within the Communities Directorate. This will better enable us to manage compliance, embed 'whole life costing' approaches into decision-making, manage the quality of work undertaken by contractors, and thereby deliver efficiencies in the management of our estate. This focus on reducing our assets and energy efficiency will be essential if the Council is to meet Welsh Governments targets of all public sectors bodies being net carbon neutral by 2030. A draft decarbonisation strategy entitled "Bridgend 2030", is under development with the Carbon Trust and will be supported with a detailed action plan, setting out how the Council will reach a net zero carbon position in Bridgend by 2030. This will be presented for approval to Cabinet in early 2022.

The service will continue to review its processes in 2022-23 including seeking further operational efficiencies and streamlined business processes, from IT investment, improved procurement and contract management.

##### Legal services

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

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

## Finance

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

The Finance Section will be looking to further improve and enhance business processes to improve efficiency and also meet legislative changes. Significant progress has been made in automating payments and the Council will continue to develop and extend this to a wider range of suppliers.

## Human Resources (HR) and Organisational Development (OD)

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

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

## ICT

We are continuing to invest in the automation and digitisation of services in line with our recently approved Digital Strategy, where it is appropriate to do so, and work is ongoing to identify priority areas through the Digital Transformation Programme which will help achieve savings in future years of the MTFS.

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

## Procurement

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

## Democratic Services

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

## Internal Audit

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

## **4.2 The Financial Context**

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

4.2.2 The MTFS includes:

- The principles that will govern the strategy and a four year financial forecast, comprising detailed proposals for 2022-23 and outline proposals for 2023-24 to 2025-26.
- The capital programme for 2021-22 to 2031-32, linked to priority areas for capital investment and the Capital Strategy, which will be presented for approval by Council in February 2022, along with the Treasury Management Strategy 2022-23.
- The Corporate Risk Assessment, which will be updated and included in the final MTFS in February 2022.

4.2.3 In October 2020 the Treasury confirmed that the Comprehensive Spending Review would only set departmental budgets for the following year, due to the economic disruption caused by Covid-19, and the ongoing uncertainties around Brexit. This was the second single year spending review in succession, and on 25 November 2020 the Chancellor delivered the outcome of the review. On 7 September 2021 the Chancellor of the Exchequer wrote to the Secretaries of State to launch the Spending Review 2021 (SR21), which would conclude on 27 October 2021 alongside an Autumn Budget and set out the government's spending priorities for the Parliament. The three-year review (2022-23 to 2024-25) would set the devolved administrations' block grants for the same period. At its launch the Chancellor stated:

*“At the Spending Review later this year, I will set out how we will continue to invest in public services and drive growth while keeping the public finances on a sustainable path.”*

4.2.4 On 27 October 2021 the Chancellor announced his Autumn Budget, alongside the results of the spending review, which would set out how the government would fund public services for the next three years. The Office for Budget Responsibility (OBR) also published an update on the economic and fiscal outlook on that date. A number of measures were announced in advance of the Budget, including a rise in the National Living Wage from £8.91 per hour to £9.50 and an end to the public sector pay freeze, and in his speech the Chancellor promised that his budget would deliver a "stronger economy for the British people". In terms of the state of the economy, it was reported that the OBR had revised up its forecasts for UK economic growth and now expected gross domestic product (GDP) to expand by 6.5% this year compared to the 4% it forecast at the Budget in March 2021, which is faster than expected. However, the OBR also estimated that inflation is likely to rise to an average 4% over the next year.

4.2.5 The Chancellor pledged a major increase in public spending amid higher than expected economic growth with extra money for schools, tax cuts for businesses and changes to Universal Credit to allow working claimants to retain more of their benefits. In terms of the devolved administrations, the Chancellor said that through the Barnett formula Welsh government funding would go up by £2.5 billion. The Chancellor acknowledged concerns about rising inflation and the cost of living but said that the government would be responsible with the public finances, with borrowing as a percentage of GDP forecast to fall from 7.9% this year to 3.3% next year, and lower again in the following four years.

4.2.6 In response to the Spending Round the Welsh Government Finance Minister stated that:

*“This UK government Spending Review hasn’t delivered for Wales. Vital funding priorities, such as the long-term remediation of coal tips and greater funding in rail infrastructure, have been ignored. While the Spending Review does give us some medium term financial certainty and some additional investment, it is more than offset by the inflationary and system pressures that we are facing. The budget fails to meet the scale of the challenge that families, public services and the wider economy are still facing as a result of the pandemic”.*

She also expressed concern over future arrangements for replacing EU structural funds, but stated that she was determined to *“deliver a Budget that builds a stronger, greener, fairer Wales - helping public services and our economy recover from the pandemic, and moving us closer towards being a zero-carbon nation”.*

4.2.7 As a result of the late announcement of the Comprehensive Spending Review, Welsh Government decided to defer the announcement of their draft budget, along with the provisional local government settlement, until 20 and 21 December 2021, respectively. This also means a delay in the announcement of the Welsh Government’s final local government settlement until 1 March 2022, so the Medium Term Financial Strategy and the budget for 2022-23 is proposed on the basis of the provisional settlement.

4.2.8 On 20 December 2021 the Minister for Finance and Local Government (the Minister) announced the Welsh Government’s draft budget for 2022-23, and the first multi-year Welsh budget since 2017. The draft budget set out revenue and general capital spending plans for 2022-23, alongside planned allocations for 2023-24 and 2024-25. The Minister indicated that the budget was to be used to support the Welsh Government’s plans to

ensure a stronger, fairer and greener future for Wales. She stated that they would use the budget to deliver on their ambitious Programme for Government, and support their path to recovery by continuing to protect, rebuild and develop our public services. This included investing close to an additional £1.3 billion in the Welsh NHS to enable high quality and sustainable healthcare to help us to recover from the pandemic, and prioritising social care.

- 4.2.9 The budget included an additional £60 million direct additional grant funding up to 2024-25 to drive forward reforms to the social care sector, to improve delivery and increase the sustainability of services across the social care sector. To respond to ongoing recruitment and retention issues within the sector Welsh Government has also included funding through the Local Government settlement to enable authorities to meet the additional costs of starting to pay the Real Living Wage of £9.90 an hour to social care workers from April 2022. There is also an additional £100 million targeted at mental health, including more than £10 million for children and young people, recognising the risks of the lasting and long-term impacts of the pandemic. Again, in response to the pandemic, and the ongoing impacts of the UK leaving the European Union, £110 million has been provided for 2022-23 in additional non-domestic rates relief to businesses in the retail, leisure and hospitality sectors, to support 50% rates relief.
- 4.2.10 The Minister outlined that investing in early years and education remains one of their most powerful levers to tackle inequality, embed prevention and invest in our future generations, and that the budget contained an additional £320 million up to 2024-25 to continue their long-term programme of education reform, and ensure educational inequalities narrow and standards rise. This funding included an additional £30 million for childcare and early years provision; £40 million for Flying Start and Families First; £90 million for free school meals; £64.5 million for wider schools and curriculum reform; and £63.5 million investment in post 16 provision.
- 4.2.11 In terms of capital investment the Minister indicated that she had published a new three year Infrastructure Finance Plan underpinned by £8 billion of capital expenditure, including full use of their capital borrowing powers over this three year period. At the heart of this new plan is a £1.8 billion targeted investment in the Welsh Government's response to the climate and nature emergency including the national forest, biodiversity, active travel, decarbonising housing, the circular economy, renewable energy, and flood prevention. Alongside the investment in decarbonising housing they are also investing close to £1.6 billion capital in their housing priorities, including £1 billion in social housing and £375 million for building safety. This was supported by close to £30 million of revenue in support of their housing and homelessness priorities.

### **4.3 Welsh Government Provisional Local Government Settlement 2022-23**

- 4.3.1 Councils received their provisional settlements from Welsh Government on 21 December 2021. The headline figure is an overall increase, after adjusting for transfers, of 9.4% across Wales and, for Bridgend, a reported increase of 9.2% in Aggregate External Finance (AEF), or £19.6 million. The settlement includes additional funding for the costs arising from the 2021-22 teachers' pay deal and funding for the costs arising from the 2022-23 pay deal, as well as funding to cover the increased costs that local authorities will face arising from the UK government's announcement to increase National Insurance Contributions for employers, to fund a Health and Social Care levy. It also includes funding to enable local authorities to meet the additional costs of introducing the Real Living Wage for care workers. Further funding was included within the provisional settlement to support the core operations of corporate joint committees, which are to be established under the



Local Government and Elections (Wales) Act 2021. There are not intended to be any significant changes in the final settlement, which will be announced in March 2022.

- 4.3.2 The Minister for Finance and Local Government stated: *“This is a good Settlement for local government, including Wales-level core funding allocations for 2023-24 and 2024-25. It provides local authorities with a stable platform on which to plan their budgets for the coming financial year and beyond. We have worked closely with local government and we appreciate the pressures local government is facing. We will continue to protect local government, particularly at this difficult and challenging time”*.
- 4.3.3 The Minister also stated that *“the progress of the pandemic and its ongoing impact on public services continues to be highly uncertain. The comprehensive spending review did not provide any additional financial support, which is a concern, especially following the emergence of the new Omicron variant. I have carefully considered how to manage pandemic support for local authorities and concluded the balance lies in providing funding in the first year through the Settlement. But in determining the overall Settlement, I have recognised the ongoing impact of the pandemic on services which authorities will need to manage”*. The settlement figures show the end to the Local Government Hardship Fund for 2022-23.
- 4.3.4 Looking forward, Welsh Government has provided indicative Wales-level core revenue funding allocations for 2023-24 and 2024-25, which equate to uplifts of 3.5% and 2.4% respectively.
- 4.3.5 In February 2021 Council approved a capital programme for 2020-21 to 2030-31, which included additional funding for 2021-22 from Welsh Government to enable local authorities to respond to the joint priority of decarbonisation, including for housing and economic recovery following Covid-19. Council has approved revised versions of the capital programme during the financial year to incorporate budgets carried forward from 2020-21, slippage into 2022-23, and any new schemes and grant approvals. The provisional local government capital settlement provides this Council with £6.678 million of capital funding for 2022-23, which is £1.238 million less than 2021-22 but £328,000 more than was originally anticipated. General capital funding across Wales is set at £150 million for 2022-23, but it increases for £200 million for the following two years, including £20 million in each year to enable authorities to respond to the joint priority of decarbonisation. The Minister has indicated that she would like to consider, through the Partnership Council and the Decarbonisation Strategy Panel, how this funding might best be used. No indications have been given for 2025-26 or beyond but it is assumed that the funding will return to the 2022-23 levels.

#### **4.4 Settlement Implications for 2023 to 2026**

- 4.4.1 As mentioned above, when the draft Welsh Government budget was announced on 20 December, the Minister for Finance and Local Government presented a multi-year budget. The provisional local government settlement sets out funding implications for 2023-24 at an individual local authority level and indicative all-Wales core revenue funding allocations for 2023-24 (3.5%) and 2024-25 (2.4%). However it was stated that these figures are indicative and are dependent on the Welsh Government’s current estimates of Non Domestic Rates income over the multi-year settlement period, and the funding provided by the UK Government through the 2021 comprehensive spending review.

## **4.5 Transfers into and out of the 2022-23 Revenue Settlement**

4.5.1 The provisional settlement includes information on a small number of transfers into the Revenue Support Grant (RSG), in respect of funding for the Eastern Promenade Coastal Risk Management scheme (£296,000 to fund borrowing costs) and Social Care Workforce and Sustainability Grant (£222,000).

## **4.6 Specific Grants**

4.6.1 The picture on changes to specific grants is available at an all-Wales level for most grants, but not yet at an individual authority level. Many of the grants remain unchanged from 2021-22 figures, and some are yet to be finalised. The biggest change is the end of the Local Government Hardship Grant, for which funding is now included within the settlement. A new grant of £40 million for 2022-23, with further allocations of £70 million in 2023-24 and £90 million in 2024-25 is included to support the increased entitlement to free school meals for all primary aged pupils as agreed as part of the Plaid Cooperation agreement.

4.6.2 While many of the grants remain unchanged from the 2021-22 figure, there are increases on an all-Wales level in the Pupil Development Grant (10.8%), the Childcare Offer grant (39.5%), Bus Services Support (3.5%) and the Children and Communities Grant of around 2.2%. There are indicative reductions in the Regional Consortia School Improvement Grant of 8.4% and the Recruit, Recover, Raise Standards grant of around 45% in 2022-23 as this tapers out over the next few years. No information is yet available for the Sustainable Waste Management Grant. Welsh Government has advised that the specific information will be updated for the final settlement.

## **4.7 Current Year (2021-22) Financial Performance**

4.7.1 The in-year financial position as at 31 December 2021 is shown below.

**Table 1- Comparison of budget against projected outturn at 31 December 2021**

Directorate/Budget Area	Original Budget 2021-22 £'000	Revised Budget 2021-22 £'000	Projected Outturn Q3 2021-22 £'000	Projected Over / (Under) Spend 2021-22 £'000	Projected Over / (Under) Spend Qtr 2 2021-22 £'000
<b>Directorate</b>					
Education and Family Support	127,055	127,580	128,599	1,019	1,089
Social Services and Wellbeing	74,043	74,536	73,443	(1,093)	471
Communities	28,137	28,317	28,407	90	(313)
Chief Executive's	21,304	21,520	19,432	(2,088)	(1,417)
<b>Total Directorate Budgets</b>	<b>250,539</b>	<b>251,953</b>	<b>249,881</b>	<b>(2,072)</b>	<b>(170)</b>
<b>Council Wide Budgets</b>					
Capital Financing	7,329	7,329	8,329	1,000	1,000
Levies	7,783	7,797	7,775	(22)	(22)
Apprenticeship Levy	650	650	673	23	17
Council Tax Reduction Scheme	15,654	15,654	15,504	(150)	0
Insurance Premiums	1,363	1,363	1,425	62	67
Repairs & Maintenance	670	670	520	(150)	(100)
Pension Related Costs	430	430	430	0	2
Other Corporate Budgets	14,538	13,110	4,890	(8,220)	(6,882)
<b>Total Council Wide Budgets</b>	<b>48,417</b>	<b>47,003</b>	<b>39,546</b>	<b>(7,457)</b>	<b>(5,918)</b>
<b>Appropriations to Earmarked Reserves</b>				<b>7,004</b>	<b>4,004</b>
<b>Total</b>	<b>298,956</b>	<b>298,956</b>	<b>289,427</b>	<b>(2,525)</b>	<b>(2,084)</b>

4.7.2 The overall projected position at 31 December 2021 is a net under spend of £2.525 million, which comprises a £2.072 million net under spend on directorates and a £7.457 million net under spend on council wide budgets, offset by a net appropriation to earmarked reserves of £7.004 million, the majority of which is to support capital expenditure. Due to the Covid-19 pandemic, the position during this financial year has again been very fluid and has relied heavily on securing additional funding from Welsh Government to support cost pressures and loss of income. At the start of the financial year we had no indication that this funding would be available for the full financial year, so this has led to an overall improved budgetary position for the year. The position on directorate budgets has improved since quarter 2, with the projected under spend increasing by £1.9 million. This is primarily due to additional income relating to Homelessness accommodation costs being received from the Covid-19 Hardship Fund, with £1.313 million being successfully claimed during quarter 3. The main reasons for the increase in under spend on 'Other Council Wide Budgets' are:

- lower than anticipated inflation rates at the start of the financial year, although they have seen significant increases more recently;
- funding from Welsh Government towards teachers' pay increases in September 2021;

- delays in spending on repairs and maintenance and feasibility due to the Covid-19 pandemic.

4.7.3 The projected under spend on the Council budget at quarter 3 significantly masks the underlying budget pressures in some service areas that were reported in 2020-21 and still persist in 2021-22. The main financial pressures are in Home to School Transport, Social Services and Wellbeing, Homelessness and Waste.

#### **4.8 Medium Term Financial Strategy (MTFS) 2022-23 to 2025-26**

4.8.1 This section of the report sets out the proposed MTFS for the Council for the next four financial years, based on the latest information available from Welsh Government. It does not include fixed funding, expenditure or activity projections, but sets best, worst and most likely scenarios for the resources that will be available. The MTFS is reviewed regularly and amended as additional information becomes available, with the detail for future years being developed over the period of the strategy.

4.8.2 The development of the MTFS 2022-23 to 2025-26 is led by Cabinet and Corporate Management Board (CMB) and takes into account auditors' views, the recommendations of the Budget Research and Evaluation Panel (BREP), views of scrutiny and issues arising during 2021-22, underpinned by the ongoing aim to embed a culture of medium term financial planning closely aligned with corporate planning.

4.8.3 Implementation of the MTFS will continue to be led by Cabinet and CMB, supported by financial and performance data. Cabinet and CMB will seek to ensure that it is widely understood by internal stakeholders (Members, employees and Unions) and external stakeholders (citizens, businesses and partners).

#### **4.9 MTFS Principles**

4.9.1 As well as consideration of future income and expenditure scenarios, the MTFS provides a set of clear principles which drive the budget and spending decisions over 2022-2026 and which Members and others can examine and judge the Council's financial performance against. The thirteen MTFS principles are:

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

6. Financial plans will provide an optimum balance between income and expenditure for both capital and revenue, with opportunities for generating additional income taken in line with the Council's Income Generation and Charging Policy.
7. Savings proposals are fully developed and include realistic delivery timescales prior to inclusion in the annual budget. An MTFs Budget Reduction Contingency Reserve will be maintained to mitigate against unforeseen delays.
8. Balances are not used to fund recurrent budget pressures or to keep down Council Tax rises unless an equivalent budget reduction or increase in Council Tax is made in the following year in recognition that balances are a one-off resource.
9. The Council Fund balance should be set at a prudent but not excessive level. This will normally be maintained at a level of 5% of the Council's net budget, excluding schools.
10. Capital investment decisions are in alignment with the Council's Capital Strategy, and mitigate any statutory risks taking account of return on investment and sound option appraisals.
11. Prudential borrowing is only used to support the capital programme where it is affordable and sustainable within the Council's overall borrowing limits and the revenue budget over the long term.
12. Decisions on the treatment of surplus assets are based on an assessment of the potential contribution to the revenue budget and the capital programme.
13. Resources are allocated to deliver transformational projects based on clear strategic plans that are kept under review by Corporate Directors to maintain alignment with the MTFs.

4.9.2 The MTFs Budget Reduction Contingency Reserve referenced in Principle 7 enables the Council to manage delays or unforeseen obstacles to the delivery of significant MTFs budget reduction proposals. No allocations have been made to date in 2021-22 from this reserve, but further reviews will be undertaken during the remainder of the financial year, and draw down made accordingly, and the level of this reserve will be kept under review by the Section 151 officer in light of forecast difficulties in delivering specific future budget reduction proposals.

#### **4.10 Council Tax**

4.10.1 The 2022-23 draft Revenue Budget, shown in Table 6 below, assumes no increase in council tax for 2022-23. This is due to the better than anticipated provisional settlement and as a consequence of the responses received through the budget consultation. It is proposed that it is frozen on a one-off basis for 2022-23 only, to support the citizens of Bridgend in dealing with the current rising cost of living. Going forward the scale of the financial challenge remains considerable once external pressures and risks have been taken into consideration so an assumed annual increase of 4.5% has been included for 2023-2026.

4.10.2 It must be noted that by not increasing the council tax in 2022-23 this will reduce the level of potential funding available to the council in 2022-23 and future years, as it will reduce the base on which future tax rises will be applied.

#### 4.11 MTFS Resource Envelope

4.11.1 The published provisional 2022-23 Aggregate External Finance (AEF) figure is an increase of 9.2% for Bridgend. In the MTFS 2021-22 to 2024-25, it was stated that the Council would continue to work towards a most likely scenario in its planning assumptions for 2022-23 of an annual 0% change in AEF and an assumed increase in council tax of 4.5% for 2022-23 to 2024-25, recognising the ongoing uncertainty around our funding in future years. However, as stated above, as a result of the significantly better than anticipated settlement for next year, it is proposed to freeze the level of council tax for 2022-23 only, to support the citizens of Bridgend to deal with the rising cost of living, such as increased energy and food bills, other inflationary increases, mortgage interest rises and national insurance increases.

4.11.2 The MTFS is regularly reviewed against service performance and external economic and fiscal information to ensure that early action can be taken as necessary to keep it and the Corporate Plan on track. This is particularly important given the uncertainties around Brexit and the fallout from the Covid-19 pandemic, in the coming months and years. In view of these uncertainties, the MTFS has been developed taking into account possible resource envelope scenarios based on percentage changes in AEF shown in Table 2.

4.11.3 Given the Welsh Government's lower indicative changes to AEF for 2023-24 and 2024-25 than that published for 2022-23, the fact that the settlement usually includes funding for new responsibilities, and the other pressures already outlined, not least rising inflation, these assumptions will be maintained, along with an estimated council tax increase of 4.5%. However, they will continue to be monitored and will be amended as further fiscal and economic information is made known.

**Table 2 – MTFS Scenarios: % Change in AEF**

	<b>2022-23</b> <b>%</b> <b>Change</b>	<b>2023-24</b> <b>%</b> <b>Change</b>	<b>2024-25</b> <b>%</b> <b>Change</b>	<b>2025-26</b> <b>%</b> <b>Change</b>
Best Scenario	+9.2%	+1.0%	+1.0%	+1.0%
<b>Most Likely Scenario</b>	<b>+9.2%</b>	<b>0%</b>	<b>0%</b>	<b>0%</b>
Worst Scenario	+9.2%	-1.0%	-1.0%	-1.0%

4.11.4 Table 3 shows the Council's potential net budget reduction requirement based on the forecast resource envelope, inescapable spending assumptions and assumed Council Tax increases.

**Table 3: MTFS Potential Net Budget Reductions Requirement**

	<b>2022-23</b>	<b>2023-24</b>	<b>2024-25</b>	<b>2025-26</b>	<b>Total</b>
	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>
<b>Best Scenario</b>	631	4,655	4,455	4,248	<b>13,989</b>
<b>Most Likely Scenario</b>	631	6,978	6,802	6,618	<b>21,029</b>
<b>Worst Scenario</b>	631	9,302	9,102	8,895	<b>27,930</b>

## 4.12 Managing within the MTFS Resource Envelope

4.12.1 Whilst we have been able to restrict the amount of budget reductions for 2022-23, over the period of the MTFS the financial forecast for 2022-2026 is predicated on £21.029 million budget reductions being met from Directorate and Corporate budgets and these are referred to later in the report. It is also predicated on a number of spending assumptions, including:

- Projections for demographic changes, including an ageing population and an increasing number of young people with complex disabilities living into adulthood and adding progressively to the demand for care.
- Inflationary uplifts to support specific contractual commitments including recent increases in energy costs. However, this is particularly uncertain at present, with inflation rates recently rising above 5% (5.1% in the 12 months to November 2021, up from 4.2% in October), the highest in a decade, which aligns with the Bank of England's chief economist warning that UK inflation is likely to hit or surpass 5% in the coming months. There is also a risk to the Council of rising prices following the UK's departure from the European Union and the impact of the Covid-19 pandemic. The Office of National Statistics has highlighted the impact of supply chain problems, which businesses have been struggling with for several months as they adjust to labour shortages and disruption at container ports. The impact is leading to higher prices faced by the Council for its goods and services.
- The future impact of national policies and new legislation which may not be accompanied by commensurate funding, such as the Welsh Government's commitment to eradicate homelessness, local authorities' responsibilities in respect of responding to climate change and meeting net zero carbon targets, and the implications of the Local Government and Elections (Wales) Act 2021.
- Fees and Charges will increase by the statutory minimum or CPI (as at December 2021) in line with the revised Fees and Charges Policy, approved by Cabinet in October 2021.
- Increases in staffing costs, including a confirmed 6.6% increase in the national living wage from April 2022 (from £8.91 to £9.50), along with the impact of staff pay increases in both 2021-22 and 2022-23. These include the full year effect of the teachers' pay increase of September 2021 (1.75% increase), the unknown teachers' pay increase in September 2022 and increases for non-teachers for 2021-22, which is still to be determined, and subsequently any increases in April 2022. This also includes the impact on the Council's employer National Insurance Contributions as a result of the introduction of the Health and Social Care Levy. This results in an increase of 1.25% (from 13.8% to 15.05%) in contributions on

earnings above the secondary threshold. The cost of this is estimated to be in the region of £1.2 million for BCBC employed staff alone. Therefore any increases higher than anticipated would significantly increase the overall pay bill, and the amount we pay in respect of external contracts.

#### 4.13 Net Budget Reduction Requirement

4.13.1 Table 4 shows the current position in respect of addressing the most likely forecast budget reduction requirement of £21.029 million. It shows that £4.07 million of budget reduction proposals have already been identified over the period of the MTFs, including the full £631,000 required for 2022-23. However, the majority of future savings relate to school delegated budgets, which may or may not be feasible going forward, and the table shows that the Council still needs to develop proposals to the value of £16.96 million, for which a range of options are under consideration including:

- Digital transformation of wider Council services
- Income generation opportunities
- Further reductions in employee numbers
- Working with partners to asset transfer and protect community facilities

**Table 4 - Risk Status of Budget Reduction Proposals 2022-23 to 2025-26**

Year	GREEN: Proposal developed and deliverable	AMBER: Proposal in development but includes delivery risk	RED: Proposals not fully developed and include high delivery risk	Budget reductions Identified so far	Budget reductions not yet developed	Total Required
	£'000	£'000	£'000	£'000	£'000	£'000
2022-23	73	158	400	<b>631</b>	0	<b>631</b>
2023-24	0	1,080	279	<b>1,359</b>	5,619	<b>6,978</b>
2024-25	0	1,040	0	<b>1,040</b>	5,762	<b>6,802</b>
2025-26	0	1,040	0	<b>1,040</b>	5,578	<b>6,618</b>
<b>Total</b>	<b>73</b>	<b>3,318</b>	<b>679</b>	<b>4,070</b>	<b>16,959</b>	<b>21,029</b>
Percentage of total required	0%	16%	3%	<b>19%</b>	81%	100%

4.13.2 Table 4 illustrates the difficult position that the Council finds itself in financially over the life of the MTFs. For 2023-24 only £1.359 million (19%) of savings have been identified, the majority of which relates to school delegated budgets, which leaves the Council at risk of not balancing the budget. This will depend on the level of settlement that the Council receives and the total budget reductions required to balance the budget. Indications from Welsh Government are that the Council will receive a much reduced settlement in 2023-24, and will face higher pay and price pressures. Consequently we will continue to identify options to close the gap during the remainder of the financial year and into 2022-23, at the same time seeking additional funding from Welsh Government, particularly for new responsibilities.



4.13.3 The budget reduction proposals identified can be categorised as:

- i. Smarter Use of Resources;
- ii. Managed Service Reductions;
- iii. Collaboration and Service Transformation; and
- iv. Policy Changes.

4.13.4 The value of budget reduction proposals identified to date is shown in Table 5 by category. The categories are also shown by individual proposal in Appendix B.

**Table 5 – Budget Reduction Proposals Identified 2022-23 to 2025-26**

	2022-23 £'000	2023-24 £'000	2024-25 £'000	2025-26 £'000	Total £'000	%
<b>Smarter Use of Resources</b>	166	1,080	1,040	1,040	3,326	82%
<b>Managed Service Reductions</b>	410	279	0	0	689	17%
<b>Collaboration &amp; Service Transformation</b>	0	0	0	0	0	0%
<b>Policy Changes</b>	55	0	0	0	55	1%
<b>Total Identified</b>	<b>631</b>	<b>1,359</b>	<b>1,040</b>	<b>1,040</b>	<b>4,070</b>	<b>100%</b>

4.13.5 The table shows that over three quarters of the proposed budget reductions identified so far will come from Smarter Use of Resources, for example through:

- Smarter use of our assets and energy efficiencies;
- Efficiency savings arising from agile working;
- Rationalisation of services.

4.13.6 Managed service reductions amount to 17% of the total savings, and generally relate to remodelling of services within social care.

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

#### **4.14 Scrutiny and Challenge**

4.14.1 A full consultation "Shaping Bridgend's Future" was launched on 20 September 2021 and ran until 14 November 2021. The aim of the consultation was to try to engage with residents on a longer-term vision for Bridgend County Borough. The impact of Covid-19 meant that in 2020 and 2021 we have had to deliver things very differently, and so were asking residents to support us in Shaping Bridgend's Future. We needed to know what has worked well, and where we need to continue to make changes or improvements as we recover from the Covid-19 pandemic to ensure that the Council is able to deliver sustainable and effective services for the next five to ten years. The consultation included an online survey, attendance at engagement events, a social media / web campaign and via the Authority's Citizens' Panel, and targeted a range of stakeholders.

4.14.2 Respondents were asked to share their views on a range of areas including:

- ❖ Performance over the past 12 months
- ❖ Support for Business, Tourism and the economy
- ❖ Well-being
- ❖ Customer face-to-face access
- ❖ Digitalisation
- ❖ Investment in services
- ❖ Fees and charges
- ❖ Council Tax levels
- ❖ The Future

4.14.3 The results were collated and presented to Cabinet on 14 December 2021 in order to further inform decisions on the MTFS. The main headlines from the consultation report were:

- The consultation received 1,115 interactions from a combination of survey completions, attendance at engagement events, social media engagement and via the authority's Citizens' Panel, which was a decrease of 39% on last year's interactions.
- Of the total interactions, a total of 737 survey responses were received, which demonstrates a decrease of 48% on last year's survey completions.
- The three services that had been the most important to residents over the past 12 months were recycling and waste followed by highways and infrastructure improvements and then sport and recreational services (including parks, leisure centres and open spaces).
- In response to questions about the future, the three most popular long-term priorities were: make more efficiencies in-house i.e. review processes and rationalise the number of offices, followed by encourage citizens to take more responsibility i.e. litter, graffiti etc. and then focus on economic growth i.e. supporting businesses.

#### **4.15 2022-23 Draft Revenue Budget**

4.15.1 The following table shows the draft revenue budget for 2022-23.

**Table 6 – Draft Revenue Budget 2022-23**

	Revised Budget 2021-22	Specific Transfers to/ (from) WG	NI Increase (Health and Social Care Levy)	Pay / Prices	Budget Pressures	Budget Reduction Proposals	Revenue Budget 2022-23
	£000	£000	£000	£000	£000	£000	£000
<b>Service Directorate Budgets:</b>							
Central Education & Family Support	22,388		85	18	3,233	-68	25,656
Schools	104,012		657	825	92	0	105,586
<b>Education and Family Support</b>	<b>126,400</b>	<b>0</b>	<b>742</b>	<b>843</b>	<b>3,325</b>	<b>-68</b>	<b>131,242</b>
<b>Social Services &amp; Wellbeing</b>	<b>74,564</b>	222	180		3,833	-365	<b>78,434</b>
<b>Communities</b>	<b>28,364</b>	296	98		387	-150	<b>28,995</b>
<b>Chief Executives</b>	<b>21,415</b>		93		435	-48	<b>21,895</b>
<b>Total Directorate Budgets</b>	<b>250,743</b>	<b>518</b>	<b>1,113</b>	<b>843</b>	<b>7,980</b>	<b>-631</b>	<b>260,566</b>
<b>Council Wide Budgets:</b>							
Capital Financing	7,329						7,329
Levies	7,797				380		8,177
Repairs and Maintenance	670						670
Council Tax Reduction Scheme	15,654			400			16,054
Apprenticeship Levy	650						650
Pension Related Costs	430						430
Insurance Premiums	1,363						1,363
Other Council Wide Budgets	14,320	0	1,000	5,451	3,500		24,271
<b>Total Council Wide Budgets</b>	<b>48,213</b>	<b>0</b>	<b>1,000</b>	<b>5,851</b>	<b>3,880</b>	<b>0</b>	<b>58,944</b>
<b>Net Budget Requirement</b>	<b>298,956</b>	<b>518</b>	<b>2,113</b>	<b>6,694</b>	<b>11,860</b>	<b>-631</b>	<b>319,510</b>

4.15.2 The proposed net budget for 2022-23 will be funded by:

**Table 7 – Net Budget Funding**

	£	%
Revenue Support Grant	179,590,994	56.21
Non Domestic Rates	52,772,627	16.52
Council Tax Income	87,146,456	27.28
<b>Total</b>	<b>319,510,077</b>	<b>100%</b>

#### 4.16 Council Tax Implications

4.16.1 Based on the proposed budget of £319.510 million, there will be no increase in council tax for 2022-23. This aligns with the response from the budget consultation whereby 54% of respondents stated to keep council tax at the same level. It also takes into account the better than anticipated settlement, but going forward we need to be mindful of the ongoing pressures still facing the Council.

#### 4.17 Pay, Prices and Demographics

4.17.1 As outlined above, discussions around the pay award for National Joint Council (NJC) staff in 2021-22 is still ongoing, the latest position being a full and final offer from the employers of 1.75% on all pay points, with an increase of 2.75% on the lowest pay point. The final offer would also provide for completion of work on term time only arrangements,

discussions on homeworking and mental health joint guidance and a commitment to incorporate statutory provisions on neo-natal leave and pay. Unions are currently balloting members on strike action and the deadlines for return of ballots are January / February 2022. It is impossible to determine what the pay pressure will be in 2022-23 when the 2021-22 position is still so uncertain.

- 4.17.2 In addition, whilst the teachers' pay award has been agreed for the 2021-22 academic year, up until the end of August 2022, there will be additional pressure from any subsequent pay award to be implemented from September 2022.
- 4.17.3 Within the provisional local government settlement the Welsh Government included funding to enable local authorities to implement the Real Living Wage for social care staff from April 2022. This will apply to in-house and externally commissioned staff. Welsh Government will work with local authorities, health boards and providers to develop guidance for all stakeholders on the detailed approach to implementation. Funding will be held corporately and allocated out during the year in line with the agreed process. As indicated in the report to Cabinet on 16 November 2021 the Council is currently applying to become a Real Living Wage accredited employer. While not currently an accredited organisation, the local authority has committed to paying the Real Living Wage to its own employees for the last two years, but the funding through the settlement will enable this to be extended to all externally commissioned social care staff.
- 4.17.4 Funding for price inflation has mostly been retained centrally to meet provision for increases in energy costs, rents, allowances and contractual commitments, which are still largely unknown, especially given rising inflation rates. A further review of allocations will be undertaken before the final budget is agreed and any necessary amendments made. Welsh Government has already announced that there will be no increase in the business rates multiplier for next year.
- 4.17.5 Following approval of the final budget, the remaining inflationary provision will be retained centrally and allocated during the year as any unknown or unforeseen contract price inflation is agreed, in particular where the index is set after the Council's budget is approved.
- 4.17.6 In addition to increases in pupil numbers in schools in recent years, which puts pressure on school delegated budgets, there is also evidence of an increase in the older persons' population. Over the last 5 years the average population increase has been around 1.6%, resulting in increased pressure on a number of service areas, including residential care, home care and the assessment and care management teams.

#### **4.18 School Delegated Budgets**

- 4.18.1 In 2021-22 school budgets were again protected from the proposed 1% annual efficiency target. However, the forecast pressure and uncertainty around Council budgets for future years was deemed to be such that it was felt to be almost impossible not to include the 1% efficiency target in proposals for 2022-23 onwards, given that school budgets account for around a third of net revenue expenditure. However, following receipt of the better than anticipated 2022-23 provisional settlement from Welsh Government, the additional costs they have incurred during the pandemic, and the pressures to address lost learning, school budgets have again been protected from the 1% efficiency target in 2022-23.
- 4.18.2 There are a significant number of pressures on school delegated budgets for 2022-23 and beyond, not least the full year cost of the teachers' pay award, the increases in National

Insurance contributions, and costs of implementing the Additional Learning Needs Educational Tribunal (ALNET) Act (2018). This includes the establishment of new provisions and support for pupils with moderate learning difficulties through the medium of Welsh. The total impact of these pressures is around £1.57 million, and these are included in the proposed budget.

4.18.3 It should be noted that the efficiency target is maintained for schools for 2023-24 and beyond, in recognition of the pressures stated above, potentially lower future budget settlements and mounting external pressures across Council services.

#### **4.19 Budget Pressures**

4.19.1 During 2021-22 a number of unavoidable service budget pressures have arisen for 2022-23 and future years, and they are detailed in **Appendix A**. The total of the budget pressures identified for 2022-23 is £11.860 million, but there are already additional pressures identified for future years, of at least a further £3.6 million. A number of these have arisen as a result of contract renewals and are linked to price increases resulting from the Covid-19 pandemic and the departure of the UK from the European Union. Others are demographic or statutory in nature, and therefore unavoidable. There may be additional pressures arising over the coming months and consequently the total pressures requirement may change between draft and final budget.

4.19.2 Some of the more significant pressures facing the Authority include:

- Costs of the implementation of the Additional Learning Needs Educational Tribunal (Wales) Act 2018 (ALNET) and to meet additional demand on the Council's special schools from Bridgend pupils.
- Recurrent increased costs of home to school transport - a combination of historic budget pressures, new costs of transporting nursery pupils more safely, and also cost pressures arising from recent tender exercises.
- Increases in the older persons' population, which place additional pressures on adult social services.
- Increased costs in the Supported Living Service as a result of a recent tender exercise.
- Increased costs of commissioned services in the social care sector following the 6.6% increase in the National Living Wage announced by the UK government.

4.19.3 These are in addition to new pressures and responsibilities on the Council as a result of Welsh Government initiatives or legislation, for which funding has been included within the settlement, including the establishment of corporate joint committees, funding for ongoing costs arising from the Covid-19 pandemic, and the payment of the Real Living Wage for care workers. Other one-off pressures have been, and will be, funded from earmarked reserves, as appropriate.

4.19.4 The budget pressure of £2.192 million to prevent homelessness and eradicate rough sleeping, which was included in the MTFs for 2021-22, but which has been funded from the Welsh Government Hardship Fund during 2021-22, remains in the base budget for 2022-23 onwards. This is particularly crucial now that the Hardship Fund has come to an end to continue to meet this unavoidable pressure.

## **4.20 Budget Reduction Proposals**

4.20.1 Budget reduction proposals of £631,000 for 2022-23 have been identified from service and corporate budgets to achieve a balanced budget, detailed in **Appendix B**.

## **4.21 Council Wide Budgets**

4.21.1 Council Wide budgets include funding for the Council Tax Reduction Scheme, costs of financing capital expenditure, levies, including that for the South Wales Fire and Rescue Authority, centrally held pay and prices provisions, insurance budgets, discretionary rate relief and provision for redundancy related costs. A number of these budgets are fixed and unavoidable, and therefore cannot be reduced without putting the Council at risk. The higher than anticipated pay awards in recent years and unprecedented amount of budget pressures has put also additional pressure on these budgets.

4.21.2 The South Wales Fire and Rescue Authority covers 10 South Wales Council areas including Bridgend County. It is funded by raising a levy on its constituent Councils, based on population. For 2022-23 the levy on Bridgend, and consequently its council tax payers, is proposed to be £7,544,032, an increase of 2.45% from 2021-22. This is as a result of demographic increases and unavoidable pay and price increases. The final budget is subject to approval by the Fire and Rescue Authority at its budget meeting in February 2022 so the final increase may change.

## **4.22 Fees and Charges**

4.22.1 In general, fees and charges will be increased by CPI (as at December 2021), subject to rounding, or in line with statutory or service requirements, except where a clear decision is taken not to do so. Schedules of fees and charges will be reported separately, as usual, under Delegated Powers and Directorates will apply the new requirements outlined in the Council's updated Fees and Charges Policy, approved by Council in October 2021. A full list of all fees and charges for 2022-23 will be published on the Council's webpages once the budget has been approved for 2022-23.

## **4.23 Council Reserves**

4.23.1 In line with the MTFS principle 8, the Council Fund will normally be maintained at a level of 5% of the Council's net budget, excluding schools. Details of the Council's earmarked reserves position at 31 December 2021 are shown in Table 8. These are kept under review, and will be drawn down where required, and the position will be updated in the Final MTFS report to Council in February 2022.

**Table 8 – Earmarked Reserves**

Opening Balance 1 Apr 2021 £000	Reserve	Movement as at Quarter 3			Closing Balance 31 Dec 2021 £000
		Net Additions/ Reclassification £000	Draw-down £000	Unwound £000	
	<b>Corporate Reserves:</b>				
34,118	Capital Programme Contribution	7,295	-	(18)	41,396
6,103	Asset Management Reserves	157	(550)	(118)	5,591
7,556	Major Claims & Insurance Reserves	4	-	-	7,559
4,993	Service Reconfiguration	-	-	-	4,993
3,050	Change Management/Digital Transformation	-	(249)	(163)	2,638
2,000	Economic and Future Resilience Fund	-	-	-	2,000
<b>57,819</b>	<b>Total Corporate Reserves</b>	<b>7,456</b>	<b>(799)</b>	<b>(299)</b>	<b>64,176</b>
	<b>Directorate Reserves:</b>				
502	Education & Family Support	-	(18)	(12)	472
3,349	Social Services & Wellbeing	-	(92)	(42)	3,215
3,657	Communities	-	(89)	(141)	3,427
2,716	Chief Executives	42	(176)	-	2,582
<b>10,224</b>	<b>Total Directorate Reserves</b>	<b>42</b>	<b>(375)</b>	<b>(195)</b>	<b>9,696</b>
	<b>Equalisation &amp; Grant Reserves:</b>				
1,961	Education & Family Support	(68)	(775)	-	1,118
594	Social Services & Wellbeing	(243)	-	-	350
2,532	Communities	-	(185)	-	2,347
1,228	Chief Executives	(544)	(170)	-	513
-	Cross Directorate	856	(567)	-	289
<b>6,315</b>	<b>Equalisation &amp; Grant Reserves:</b>	<b>-</b>	<b>(1,698)</b>	<b>-</b>	<b>4,617</b>
8,490	School Balances	-	-	-	8,490
<b>82,848</b>	<b>TOTAL RESERVES</b>	<b>7,498</b>	<b>(2,872)</b>	<b>(494)</b>	<b>86,979</b>

#### 4.24 Capital Programme and Capital Financing Strategy

4.24.1 This section of the report deals with the proposed Capital Programme for 2021-22 to 2031-32, which forms part of, but extends beyond the MTFS. It has been developed in line with the MTFS principles and reflects the Welsh Government draft capital settlement for 2022-23, which provides General Capital Funding (GCF) for 2022-23 of £150 million across Wales and of £6.678 million for the Council for 2022-23, of which £3.953 million is un-hypothecated supported borrowing and the remainder £2.725 million is provided through general capital grant. Indicative figures for 2023-24 and 2024-25 have been provided on an all-Wales basis of £180 million for each year, in addition to £20 million each year for Local Government Decarbonisation.

4.24.2 The original budget approved by Council on 24 February 2021 has been further revised and approved by Council during the year to incorporate budgets brought forward from 2020-21, slippage into 2022-23 and any new schemes and grant approvals. A review has also been undertaken of the capital resources available to the Council, along with the capital pressures that it faces. Due to the limited capital resource available, following a number of years of significant investment in the Council's infrastructure, service managers have not been asked to submit capital bids for funding at this stage, although it is accepted that there are a number of capital pressures that will need financing going forward, including economic recovery, decarbonisation, homelessness, digitalisation and coastal defences.

- 4.24.3 Following the approval by Council of the Capital Strategy in February each year, and the subsequent quarterly monitoring reports to Cabinet and Council, any amendments to the capital programme are usually dealt with during the year rather than just as part of the MTFS. The latest capital programme was approved by Council in October 2021 and any further changes will be included in the updated capital programme presented to Council for approval in January 2022 or the capital programme to be included in the final MTFS to be approved by Council in February 2022.
- 4.24.4 The capital programme contains a number of annual allocations that are met from the total general capital funding for the Council. It is not currently proposed to amend these for 2022-23 and the proposed allocations are shown in Table 9 below.

**Table 9 – 2022-23 Proposed Annual Allocations of Capital Funding**

	<b>Proposed 2022-23 £'000</b>
Highways Structural Works	340
Carriageway Capital Works	250
Disabled Facilities Grant	1,950
Housing Renewal / Empty Property Schemes	100
Minor Works	1,130
Community Projects	50
Corporate Capital Fund (Renewals / Match Funding)	200
Street lighting / Bridge infrastructure replacement	400
ICT equipment replacement	400
<b>Total</b>	<b>4,820</b>

## **4.25 Capital Receipts**

- 4.25.1 The Council's enhanced disposals programme, which commenced in 2014, was completed in December 2020 having brought in total receipts of £21.36 million against an original estimate of £21 million. In addition to this, there is an additional £176,000 held in escrow, part of which may also be released to the Council.
- 4.25.2 The disposals strategy for the years to 2030 is currently being drafted and it is anticipated that the majority of the receipts will emanate from the Parc Afon Ewenni (Waterton), Ewenny Road (Maesteg) and Porthcawl Waterfront Regeneration sites, which will be the focus of the disposal programme in the future. Good progress is being made on all three of these projects, most notably with an agreed sale of 2 acres at Porthcawl Salt Lake to Aldi Stores, subject to planning being granted for a retail food store. Capital receipts are subject to the exchange of contracts, so it is prudent not to commit them until we have a contractual agreement.



## **4.26 Prudential (Unsupported) Borrowing**

- 4.26.1 Total Prudential Borrowing taken out as at 1 April 2021 was £46.248 million, of which £26.597 million was outstanding. It is estimated that the total borrowed will increase to £49.413 million by the end of this financial year.
- 4.26.2 Future prudential borrowing could include an estimated £1.8 million towards the costs of the Smart System and Heat Programme and £2.3 million towards the costs of highways schemes for 21<sup>st</sup> Century Band B schools.

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

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

## **6. Equality Act 2010 implications**

- 6.1 A high level Equality Impact Assessment (EIA) will be carried out and included within the Final MTFs in February 2022. The high level EIA considers the impact of the strategy, policy or proposal on the nine protected characteristics, the Socio-economic Duty and the use of the Welsh Language.
- 6.2 The proposals contained within this report cover a wide range of services and it is inevitable that the necessary budget reductions will impact on the local population in different ways. In developing these proposals, consideration has been given to their potential impact on protected groups within the community and on how to avoid a disproportionate impact on people within these groups.

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

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

1. Supporting a successful sustainable economy
2. Helping people and communities to be more healthy and resilient
3. Smarter use of resources

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

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

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

5 Ways of Working	Examples
Long Term	<ul style="list-style-type: none"> <li>• Outlining the impact of a number of different funding scenarios (Best, Most Likely and Worst) to provide an element of flexibility to the Council.</li> <li>• Majority of savings generated from making smarter use of resources with service reductions kept to a minimum and only as a last resort.</li> <li>• The development of a Capital Strategy and 10 year capital programme which reflects the Council's affordability in terms of capital receipts and borrowing.</li> <li>• Investment in capital schemes that support the Council's corporate priorities and benefits the County Borough over a longer period.</li> </ul>
Prevention	<ul style="list-style-type: none"> <li>• Investment in preventative measures to reduce the burden on more costly statutory services.</li> </ul>
Collaboration	<ul style="list-style-type: none"> <li>• Savings generated from collaboration and integrated working.</li> </ul>
Integration	<ul style="list-style-type: none"> <li>• Explicit links between the Corporate Plan, the Capital Strategy, the Treasury Management Strategy and the Medium Term Financial Strategy</li> </ul>
Involvement	<ul style="list-style-type: none"> <li>• A robust budget consultation exercise, including surveys, community engagement stands and social media debates, to inform proposals.</li> </ul>

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

## 8. Financial implications

8.1 This report outlines the financial issues that Council is requested to consider as part of the 2022-23 to 2025-26 MTFS. The Council's Section 151 Officer is required to report annually on the robustness of the level of reserves. The current and future anticipated level of Council reserves is sufficient to protect the Council in light of unknown demands or emergencies and current funding levels. It must be emphasised that the biggest financial risks the Council is exposed to at the present time relates to the uncertainty of Welsh Government funding, both generally for local government into the medium term with recent one-year settlements, and specifically any ongoing funding to support the additional cost pressures and loss of income into the next and future years as a result of Covid-19, the

increasing difficulty in the delivery of planned budget reductions as well as the identification of further proposals. Therefore, it is imperative that the Council Fund balance is managed in accordance with the MTFs Principle 9, as set out in the MTFs, and it is essential that revenue service expenditure and capital expenditure is contained within the identified budgets.

- 8.2 The Section 151 Officer is also required to report to Council if they do not believe that they have sufficient resource to discharge their role as required by s114 of the Local Government Act 1988. Members should note that there is currently sufficient resource to discharge this role.
- 8.3 The proposed budget includes estimates which take into account circumstances and events which exist or are reasonably foreseeable at the time of preparation. Subject to the risks identified the proposed MTFs provides a firm basis for managing the Council's resources for the year 2022-23 and beyond.

## **9. Recommendations**

- 9.1 To consider the information contained in the report and attached appendices;
- 9.2 To determine whether to make any comments or recommendations for consolidation and inclusion in the report to Cabinet on the draft MTFs, including the proposed budget pressures and budget reduction proposals within the remit of this Scrutiny Committee, as part of the budget consultation process.

**Carys Lord**  
**Chief Officer – Finance, Performance and Change (Section 151 Officer)**  
**18 January 2022**

**Contact Officer:** **Deborah Exton**  
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**Background documents:** Individual Directorate Monitoring Reports  
Provisional Local Government Revenue and Capital Settlements  
2022-23

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## BUDGET PRESSURES 2022-23 TO 2025-26

Ref	Directorate	Well-being Objective	Pressure	Proposed	Indicative	Indicative	Indicative
				2022-23	2023-24	2024-25	2025-26
				£000	£000	£000	£000
EFS1	Education and Family Support	Supporting a Successful Sustainable Economy	Revenue implications for supporting the School Modernisation Programme (Mutual Investment Model).		500		
EFS2	Education and Family Support	Supporting a Successful Sustainable Economy	Welsh-medium Moderate Learning Difficulties (MLD) Learning Resource Centre (LRC) at Secondary school level	92			
EFS3	Education and Family Support	Supporting a Successful Sustainable Economy	Increase in demand on the Educated Other Than at School (EOTAS) budget - projections indicate that within the next two years around 25 additional places will be required as part of the EOTAS provision. By employing staff directly this will avoid the need to employ tutors (2 teachers and 2 LSO's).	162			
EFS4	Education and Family Support	Supporting a Successful Sustainable Economy	Resources required to support the implementation of the Additional Learning Needs Educational Tribunal (ALNET) Act (2018) particularly to support the increase in age range (0-25). Two Individual Development Plan co-ordinators, one Additional Learning Provision co-ordinator and a Higher Level Teaching Assistant.	173			
EFS5	Education and Family Support	Supporting a Successful Sustainable Economy	Other Local Authority recoupmnt income shortfall due to increased demand from Bridgend pupils to attend Heronsbridge and Ysgol Bryn Castell. Whilst there were 20 OOC placements at the end of 2020-21 this has reduced to 16 with an expectation this will reduce further to 12 from the Autumn Term due to increased demand from BCBC pupils.	200			
EFS6	Education and Family Support	Supporting a Successful Sustainable Economy	Recurrent increased costs of home to school transport - a combination of historical budget pressures, but also the additional requirement for the transportation of nursery pupils, alongside cost pressures arising from the recent tender exercise for buses and minibuses, and the estimated increase in prices following the current tender exercise for special taxis, taxis and special minibuses. The outcome of the WG review of learner transport is still awaited.	2,472			
EFS7	Education and Family Support	Supporting a Successful Sustainable Economy	Investment in the Early Help service, to ensure the full assessment process is completed, reduce waiting times for referrals and improve quality. The capacity within locality hubs will be increased to enable them to provide interventions, along with additional counselling capacity.	226			
SSW1	Social Services & Wellbeing	Helping People and Communities to be more Healthy and Resilient	Increase to 'Connected Persons' Fostering Fees stemming from a National Eligibility Criteria in Wales	191			
SSW2	Social Services & Wellbeing	Helping People and Communities to be more Healthy and Resilient	Increased pressure on Mental Health Services due to the Covid-19 pandemic and resulting lockdowns	147			
SSW3	Social Services & Wellbeing	Helping People and Communities to be more Healthy and Resilient	Implications of National Living Wage uplifts on commissioned contracts within Social Services and Wellbeing based on announced increase to NLW from £8.91 in 2021 to £9.50 in 2022 (6.6% increase) increasing up to the Government target of £10.50 by 2024.	1,458	808	799	790
SSW4	Social Services & Wellbeing	Helping People and Communities to be more Healthy and Resilient	Increase in the Older Persons population and corresponding increase in pressure on services. It is estimated that the older person population will increase by 1.31% in 2021, and for future years the average of the population increases over the last 6 years, being 1.77%, has been used.	274	361	367	

				Proposed 2022-23	Indicative 2023-24	Indicative 2024-25	Indicative 2025-26
Ref	Directorate	Well-being Objective	Pressure	£000	£000	£000	£000
SSW5	Social Services & Wellbeing	Helping People and Communities to be more Healthy and Resilient	Children's Services workforce pressures, including market supplement to address 30% vacancy rate in Children's Safeguarding and Care Experienced Team, apprentices, information, advice and assistance social work capacity and Independent Reviewing Officers (IRO).	1,026			
SSW6	Social Services & Wellbeing	Helping People and Communities to be more Healthy and Resilient	Increase in take up of Direct Payments within Children's Services (up 22.5% on 20-21 actuals)	87			
SSW7	Social Services & Wellbeing	Helping People and Communities to be more Healthy and Resilient	Increase in costs of Supported Living Service following re-tender. The budget pressure is based on current levels of need that were identified at the point of going to tender, and therefore could fluctuate either up or down, based on assessed needs and requirements post-Covid.	650			
COM1	Communities	Smarter Use of Resources	Increase in disposal costs due to increased Kitchen Waste tonnages being collected at the Kerbside. This is due to both an increasing number of households in the borough and lifestyle changes due to the pandemic - more people working from home, producing more domestic waste as a result.	37			
COM2	Communities	Smarter Use of Resources	Increase in disposal costs due to increased blue bag waste being collected at the Kerbside. This is due to both an increasing number of households in the borough and lifestyle changes due to the pandemic - more people working from home, producing more domestic waste as a result.	200			
COM3	Communities	Smarter Use of Resources	Increase in disposal costs due to increased Street Litter being collected by the Street Scene Team. This is due to both an increasing number of households in the borough and lifestyle changes due to the pandemic - more people working from home, increased stay-cations, producing more street litter waste as a result.	150			
CEX1	Chief Executives	Smarter Use of Resources	ICT e-Post Room Postages - budget pressure due to increased costs incurred in sending printed information to BCBC staff working at home	30			
CEX2	Chief Executives	Smarter Use of Resources	Funding to implement Phase 2 of the Business Support review, increasing capacity for the provision of cross-Council business support, where additional pressures have been identified, particularly in respect of children's social care and early help, generally and as a result of the pandemic. This extra capacity will enable services to direct professional staff to front line service delivery.	405			
CW1	Council Wide	Core Services and Statutory Functions	Increase in Fire Service Precept to cover pay, price and demographic increases. The final budget is subject to approval by the Fire and Rescue Authority at its budget meeting in February 2022 so the final increase may change .	180			
CW2	Council Wide	Core Services and Statutory Functions	The Local Government and Elections (Wales) Act 2021 provides for the creation and ongoing development of corporate joint committees to allow authorities to work together on specific functions such as transport, economic development and planning. Additional funding has been provided through the settlement to support the core operation of these committees.	200			
CW3	Council Wide	Core Services and Statutory Functions	Following the end of the Welsh Government Hardship Fund in 2021-22 funding has been set aside to meet ongoing budget pressures as a result of the Covid-19 pandemic, both in respect of additional cost pressures and ongoing loss of income. This pressure will be allocated out during the year in line with need and will be reviewed annually to determine whether or not it is still required.	1,000			

				Proposed 2022-23	Indicative 2023-24	Indicative 2024-25	Indicative 2025-26
Ref	Directorate	Well-being Objective	Pressure	£000	£000	£000	£000
CW4	Council Wide	Core Services and Statutory Functions	Funding has been provided through the settlement to enable local authorities to meet the additional costs of introducing the Real Living Wage for care workers. Once a detailed implementation process has been agreed by Welsh Government this funding will be allocated out accordingly.	2,500			
<b>Total Budget Pressures</b>				<b>11,860</b>	<b>1,669</b>	<b>1,166</b>	<b>790</b>

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**Budget Reduction Proposals 2022-23 to 2025-26**

Page 49	Ref.	Links to 7 Wellbeing Goals	Well-being Objective	Categories	Budget Reduction Proposal	Impact, including on 5 Ways of Working as set out in the Wellbeing of Future Generations Act	Budget 2021-22 £'000	Total Budget Reduction 2022-2026 as % of 2021-22 Budget	2021-22 Budget Reductions £'000	Proposed 2022-23 £'000	Indicative 2023-24 £'000	Indicative 2024-25 £'000	Indicative 2025-26 £'000
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**WELL-BEING OBJECTIVE**

- IP1 - Supporting a successful sustainable economy
- IP2 - Helping people and communities to be more healthy and resilient
- IP3 - Smarter use of resources
- NONPTY - Core services & statutory functions

**CATEGORIES**

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

**RAG STATUS KEY**

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

**EDUCATION & FAMILY SUPPORT**

**CENTRAL EDUCATION & FAMILY SUPPORT**

EFS1	A more equal Wales	IP2	SUR	Rationalisation of Adult Community Learning Service	Remove the council subsidised support to adult learners although there are other providers - e.g. College. Less opportunity for adults to gain new skills.	129	53%		68				
				<b>Total Education and Family Support</b>					<b>68</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>

**SCHOOLS**

SCH1	A more prosperous Wales	IP3	SUR	Efficiency savings against School Delegated Budgets	The annual saving represents a 1% efficiency per annum against individual schools budgets. Risk of increased school deficit positions. Implementation will be a matter for individual schools - potential to result in some teacher and other staff redundancies. If efficiency is made solely from staffing budgets, this could range from a minimum of 1 teacher in our larger Primary Schools to 5 teachers in our larger Comprehensive schools over the MTFS period.	£1.040m - ISB Budget	3%			1,040	1,040	1,040	1,040
				<b>Total Schools</b>					<b>0</b>	<b>1,040</b>	<b>1,040</b>	<b>1,040</b>	<b>1,040</b>

				<b>Total Education &amp; Family Support Directorate</b>					<b>68</b>	<b>1,040</b>	<b>1,040</b>	<b>1,040</b>	<b>1,040</b>
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**SOCIAL SERVICES & WELLBEING**

SSW1	A healthier wales	IP2	MSR	Across Adults and Children's services embed and consolidate outcome focussed practice and commissioning for all services areas.	This will support people to live their lives and will require our systems to be adapted to support the changes in practice. There will be a shift to embed outcome focussed practice which will have a focus on targeted prevention initiatives and by developing collaborative, long term relationships with providers as well as maximising the opportunities of the use of technology. This will be underpinned by planning accommodation, care and support together and listening to people who are experts in their own lives and acting upon what will make a difference.	Not specific	N/A	225	200				
SSW2	A healthier Wales	IP2	MSR	Remodelling day service provision for older people and learning disability services	The recent experience of the pandemic has enabled the service to find new ways of working and the service are proposing to review and refine the operating model for day time opportunities.	3,187	4%	90	115				
SSW3	A healthier wales	IP2	MSR	Remodelling Supported Living Services	A review of the service provision and alternative delivery models based on the current and predicted needs of individuals	2,160	2%		50				
				<b>Total Social Services &amp; Wellbeing Directorate</b>					<b>365</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>

**Budget Reduction Proposals 2022-23 to 2025-26**

Page Ref.	Links to 7 Wellbeing Goals	Well-being Objective	Categories	Budget Reduction Proposal	Impact, including on 5 Ways of Working as set out in the Wellbeing of Future Generations Act	Budget 2021-22 £'000	Total Budget Reduction 2022-2026 as % of 2021-22 Budget	2021-22 Budget Reductions £'000	Proposed 2022-23 £'000	Indicative 2023-24 £'000	Indicative 2024-25 £'000	Indicative 2025-26 £'000
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**COMMUNITIES**

COM1	A Wales of cohesive communities	IP2	MSR	Strategic Regeneration Fund - reduction to annual allocation	The reduction to the Strategic Regeneration Fund will directly impact on the Council's ability to provide match-funding, through which to lever other external funding. There will be no funding for feasibility or development work, on which to prepare bids for funding. Also potential for a loss of private sector investment as a result of inability to engage productively with developers and present Bridgend County in a positive light.	299	100%		20	279		
COM2	A prosperous Wales	IP2	MSR	Cessation of Tourism contract with AMA Associates an external Public Relations Company who promote Bridgend with a range of publishers.	News coverage about Bridgend County will reduce and this potentially would have implications for visitor numbers and the local economy.	25	100%		25			
COM3	A prosperous Wales	IP3	PC	Change the composition of Household Food Waste bags	The current bags cause issues with bio-degrading due to the speed of the food waste digestion process. Change the supply of bags to remove this issue.	51	69%		35			
COM4	A prosperous Wales	IP1	PC	Remove Business in Focus from running Enterprise Centres in Bridgend	This would be dependent on Corporate Landlord picking up the responsibilities and ensuring a higher rate of occupancy of the units to remove voids.	20	100%		20			
COM5	A prosperous Wales	IP1	SUR	Commercially let a wing of Ravens Court to a partner organisation or business.	Savings would be predicated on reduction in utilities from not occupying the space and rental income	133	38%		50			
				<b>Total Communities Directorate</b>					<b>150</b>	<b>279</b>	<b>0</b>	<b>0</b>

**CHIEF EXECUTIVES**

CEX1	None	IP3	SUR	Reduction of ICT Printing Costs	Due to the increase in working from home across the authority, savings can be found in the ICT Print Strategy area. These savings are in line with the cultural shift towards the paperless office agenda.	76	53%			40		
CEX2	None	IP3	SUR	Efficiency saving targeting supplies and services budgets across the Chief Executive's Directorate	Limited impact as review has identified small historic underspends against this budget category	1,347	4%		48			
				<b>Total Chief Executive's Directorate</b>					<b>48</b>	<b>40</b>	<b>0</b>	<b>0</b>

<b>GRAND TOTAL REDUCTIONS</b>									<b>631</b>	<b>1,359</b>	<b>1,040</b>	<b>1,040</b>
<b>ESTIMATED BUDGET REDUCTION REQUIREMENT (MOST LIKELY)</b>									631	6,978	6,802	6,618
<b>REDUCTION SHORTFALL</b>									<b>0</b>	<b>5,619</b>	<b>5,762</b>	<b>5,578</b>

73	0	0	0
158	1,080	1,040	1,040
400	279	0	0
<b>631</b>	<b>1,359</b>	<b>1,040</b>	<b>1,040</b>

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

## Project Description (key aims):

Medium Term Financial Strategy (MTFS) 2022-23 to 2025-26

**Section 1 Complete the table below to assess how well you have applied the 5 ways of working.****Long-term****1. How does your project / activity balance short-term need with the long-term and planning for the future?**

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

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

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

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

<b>Integration</b>	<p data-bbox="398 172 2018 209"><b>3. How does your project / activity deliver economic, social, environmental &amp; cultural outcomes together?</b></p> <p data-bbox="398 229 2018 368">The Medium Term Financial Strategy is closely aligned to the Council’s Corporate Plan, with explicit links between resources and well-being objectives. The MTFS has been guided by the 3 Well-being Objectives outlined in the Corporate Plan. The development of the Corporate Plan and MTFS are both the responsibility of Cabinet and the Corporate Management Board.</p>
<b>Collaboration</b>	<p data-bbox="398 464 2018 539"><b>4. How does your project / activity involve working together with partners (internal and external) to deliver well-being objectives?</b></p> <p data-bbox="398 560 2018 730">A number of budget reduction proposals are achievable through inter-agency working, with the Third Sector, Social Enterprises, other local authorities and partners. These include joint services across local authorities, and with the Health Service, and new models of working internally to provide more resilient services. A number of services already collaborate with other partners and these continue to improve performance whilst operating with reducing resources.</p>
<b>Involvement</b>	<p data-bbox="398 746 2018 810"><b>5. How does your project / activity involve stakeholders with an interest in achieving the well-being goals? How do those stakeholders reflect the diversity of the area?</b></p> <p data-bbox="398 815 2018 1369">A full consultation “Shaping Bridgend’s Future” was launched on 20 September 2021 and ran until 14 November 2021. The consultation asked citizens to share their views on a range of areas, including performance over the last 12 months, support for business, tourism and the economy, well-being, face to face access to Council services, digitalisation, investment in services, fees and charges, council tax levels and the future of the Council. The intention was to understand what the public felt had worked well, and where we need to continue to make changes or improvements as we recover from the Covid-19 pandemic, to ensure that we deliver effective and efficient services that are right for our communities over the next 5 to 10 years. A wide variety of methods of communication were used including surveys, social media, a number of online engagement sessions, online FAQ sessions as well as videos, radio adverts and media releases. Due to the impact of Covid-19 and the restrictions on engaging with residents face to face in the community, the council wanted to make sure that as many people as possible could get involved in the consultation and ensured that accessible versions of the survey were available – large print, easy read and youth, as well as standard versions. Bridgend People First and Bridgend Youth Council supported the consultation team to produce the easy read and youth surveys. An advert was also placed in the Glamorgan Gazette notifying non-domestic rates payers of the consultation, and inviting them to participate, as required by Section 65 of the Local Government Finance Act 1992.</p> <p data-bbox="398 1406 2018 1469">The results were collated and presented to Cabinet on 14 December 2021 in order to further inform decisions on the MTFS.</p>

Section 2 Assess how well your project / activity will result in multiple benefits for our communities and contribute to the national well-being goals		
Description of the Well-being goals	How will your project / activity deliver benefits to our communities under the national well-being goals?	Is there any way to maximise the benefits or minimise any negative impacts to our communities (and the contribution to the national well-being goals)?
<p><b>A prosperous Wales</b> An innovative, productive and low carbon society which recognises the limits of the global environment and therefore uses resources efficiently and proportionately (including acting on climate change); and which develops a skilled and well-educated population in an economy which generates wealth and provides employment opportunities, allowing people to take advantage of the wealth generated through securing decent work.</p>	<ul style="list-style-type: none"> <li>• Improved educational outcomes for children and young people leading to a well-educated and skilled population to meet future skills needs.</li> <li>• Improve future outcomes for young people including educational attainment, cohesive safe communities are more attractive and easier places to do business.</li> <li>• Increase productivity, employment and skills. Encourage a lower carbon economy.</li> </ul>	<p>The majority of savings will be generated from making smarter use of resources with front line service reductions kept to a minimum and only as a last resort.</p> <p>The MTFs is aligned with the Corporate Plan to achieve the Council's current Well-being Objectives:</p> <p><u>Supporting a successful sustainable economy</u> - 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.</p> <p><u>Helping people and communities to be more healthy and resilient</u> - 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.</p>

		<p><u>Smarter use of resources</u> – ensuring that all its resources (financial, physical, ecological, human and technological) are used as effectively and efficiently as possible and support the development of resources throughout the community that can help to deliver the Council’s well-being objectives.</p> <p>Funding is targeted in line with these priorities and in line with the 13 MTFS Principles.</p>
<p><b>A resilient Wales</b> A nation which maintains and enhances a biodiverse natural environment with healthy functioning ecosystems that support social, economic and ecological resilience and the capacity to adapt to change (for example climate change).</p>	<ul style="list-style-type: none"> <li>• Break long term cycles to secure better outcomes for people and communities.</li> <li>• Stronger individuals and communities are more resilient to change.</li> <li>• Communities place a greater value on their environment and more people get involved in local issues and recognise the importance of green space in wellbeing and as a prevention factor.</li> <li>• Healthy active people in resilient communities, volunteering, keeping young people in the local area, reducing travel to work, increased use and awareness of green spaces.</li> </ul>	<p>The impact on local communities will be monitored through the wide range of services that will continue to be provided by the Council or its partners.</p>

<p><b>A healthier Wales</b> A society in which people's physical and mental well-being is maximised and in which choices and behaviours that benefit future health are understood.</p>	<ul style="list-style-type: none"> <li>• Improved future physical and mental well-being, by reducing health harming behaviours.</li> <li>• Promote more involvement in communities to benefit mental health, social and physical activity.</li> <li>• Focus on healthy lifestyles and workplaces, increased income linked to health.</li> </ul>	<p>The impact on local communities will be monitored through the wide range of services that will continue to be provided by the Council or its partners.</p>
<p><b>A more equal Wales</b> A society that enables people to fulfil their potential no matter what their background or circumstances (including their socio economic background and circumstances).</p>	<ul style="list-style-type: none"> <li>• Helping all children and young people to reach their full potential, by improving their early years experiences and ensure access to information to help make informed decisions. Improving outcomes for teenage parents and their children.</li> <li>• Recognising that communities are becoming more diverse. Addressing barriers that some groups have in feeling part of communities.</li> <li>• Address income inequality and health inequality, focus on disability, older people and other equality groups. Focus on increasing income and reducing the skills gap.</li> </ul>	<p>The impact on local communities will be monitored through the wide range of services that will continue to be provided by the Council or its partners.</p>

<p><b>A Wales of cohesive communities</b>          Attractive, viable, safe and well-connected communities.</p>	<ul style="list-style-type: none"> <li>• Increased number of confident secure young people playing an active positive role in their communities.</li> <li>• Healthy active people in resilient communities, keeping young people and skills in the local area, tackling poverty as a barrier to engagement in community life a supportive network, developed through initiatives at work, can help to support staff through challenging times in their lives.</li> </ul>	<p>The impact on local communities will be monitored through the wide range of services that will continue to be provided by the Council or its partners.</p>
<p><b>A Wales of vibrant culture and thriving Welsh language</b>          A society that promotes and protects culture, heritage and the Welsh language, and which encourages people to participate in the arts, and sports and recreation.</p>	<ul style="list-style-type: none"> <li>• Cultural settings provide support sensitive to our increasingly diverse communities and help us identify opportunities to increase the number of Welsh speakers.</li> <li>• Importance of culture and language as a focus for communities coming together.</li> <li>• Bringing more people from different cultures together. More people identifying with their community.</li> <li>• Encourage take up of sports, arts and recreation initiatives through the workplace.</li> <li>• Ensure Welsh culture and language are a part of this. Welsh language skills are beneficial to businesses and in increasing demand.</li> </ul>	<p>Compliance with the Welsh Language act and specific Welsh Language Standards will be monitored as part of the annual report.</p>



<p><b>A globally responsible Wales</b> A nation which, when doing anything to improve the economic, social, environmental and cultural well-being of Wales, takes account of whether doing such a thing may make a positive contribution to global well-being.</p>	<ul style="list-style-type: none"> <li>• Diverse, confident communities are resilient to change. Promotes a better knowledge of different cultures and a better knowledge of the local environment.</li> <li>• Healthy lifestyles include cultural activities that promote understanding of diversity of communities, different cultures, races. Promote apprenticeships to people from different backgrounds.</li> </ul>	<p>The impact on local communities will be monitored through the wide range of services that will continue to be provided by the Council or its partners.</p>
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<b>Section 3 Will your project / activity affect people or groups of people with protected characteristics? Explain what will be done to maximise any positive impacts or minimise any negative impacts</b>			
Protected characteristics	Will your project / activity have any positive impacts on those with a protected characteristic?	Will your project / activity have any negative impacts on those with a protected characteristic?	Is there any way to maximise any positive impacts or minimise any negative impacts?
Age:	Unknown - The impact, positive or negative, will depend on the nature of the service delivered, the specific budget reduction proposed or budget pressure funded and the service user.		This will vary according to the service provided and will be considered through individual Equality Impact Assessments (EIAs).
Gender reassignment:	See above		This will vary according to the service provided and will be considered through individual EIAs.
Marriage or civil partnership:	See above		This will vary according to the service provided and will be considered through individual EIAs.
Pregnancy or maternity:	See above		This will vary according to the service provided and will be considered through individual EIAs.
Race:	See above		This will vary according to the service provided and will be considered through individual EIAs.

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

<b>Section 4 Identify decision meeting for Project/activity e.g. Cabinet, Council or delegated decision taken by Executive members and/or Chief Officers</b>	
Cabinet	
<b>Compiling Officers Name:</b>	Deborah Exton
<b>Compiling Officers Job Title:</b>	Deputy Head of Finance
<b>Date Completed:</b>	21/12/21