

**MINUTES OF A MEETING OF THE COUNCIL HELD REMOTELY - VIA MICROSOFT TEAMS  
ON WEDNESDAY, 23 FEBRUARY 2022 AT 15:00**

Present

Councillor JC Spanswick – Chairperson

S Aspey	SE Baldwin	TH Beedle	JPD Blundell
NA Burnett	MC Clarke	N Clarke	RJ Collins
HJ David	C L C Davies	P Davies	PA Davies
DK Edwards	J Gebbie	RM Granville	CA Green
DG Howells	RM James	M Jones	MJ Kearns
DRW Lewis	JE Lewis	JR McCarthy	D Patel
RL Penhale-Thomas	AA Pucella	KL Rowlands	B Sedgebeer
RMI Shaw	CE Smith	SG Smith	G Thomas
T Thomas	JH Tildesley MBE	MC Voisey	LM Walters
KJ Watts	DBF White	A Williams	AJ Williams
HM Williams	JE Williams	RE Young	

Apologies for Absence

M Hughes, A Hussain, B Jones, JC Radcliffe, RME Stirman, E Venables and CA Webster

Officers:

Julie Ellams	Democratic Services Officer - Committees
Mark Galvin	Interim Democratic Services Manager
Martin Morgans	Head of Performance and Partnership Services
Janine Nightingale	Corporate Director - Communities
Michael Pitman	Democratic Services Officer - Committees
Mark Shephard	Chief Executive
Kelly Watson	Chief Officer Legal, HR and Regulatory Services

637. APPROVAL OF MINUTES

RESOLVED: That the Minutes of a meeting of Council dated 19 January 2022, be approved as a true and accurate record.

638. CORPORATE PLAN 2018-2023 REVIEWED FOR 2022-2023

The Chief Officer – Finance, Performance and Change presented a report seeking approval of the Council's Corporate Plan 2018 to 2023 reviewed for 2022-23. The revised plan was attached at Appendix A to the report.

The Chief Officer – Finance, Performance and Change explained that the Corporate Plan for the period 2018 to 2023 described the council's vision for Bridgend County Borough Council, the three well-being objectives and organisational values and principles that underpinned how they would work to deliver the priorities. The plan represented the contribution to achieving the seven national well-being goals as set out in the Well-being of Future Generations Wales Act and improvement objectives under the performance duties of the Local Government and Election Wales Act 2021. The latter piece of legislation placed new performance and governance duties on local authorities. Evaluation of performance was now a continuous organisation wide self-assessment of how effectively a council was operating, not only in terms of meeting well-

being objectives, but how it was delivering its functions, using its resources and governing itself.

The Chief Officer – Finance, Performance and Change added that the Local Government and Elections Wales Act sought to establish a more regularised performance and governance system that put the onus on the Council to take ownership of its own improvement. Accordingly, each council was now required to undertake an annual review of the extent it was exercising its functions effectively and whether it was using its resources efficiently. A report on the Council's performance had to be published and sent to Welsh Government, Audit Wales and other regulators. As part of these new requirements the Council would have to consult with residents, businesses and council staff about its performance. The Council was also required to make arrangements for an external panel appointed by the Council to assess its performance. The review should take place at least once every five years.

The Chief Officer – Finance, Performance and Change explained that between October and November 2021 the Corporate Plan had been refreshed for the coming financial year and had been discussed with Corporate Directors and Heads of Service throughout the authority. This had enabled officers to consider any emerging priorities as part of the Covid 19 recovery and renewal work, to take account of any external regulator feedback and to streamline the commitments and performance indicators to ensure a strategic focus on achieving the well-being objectives. In addition, the outcome of the 'Fit for the Future' consultation undertaken in December 2021, helped to shape where efforts should be concentrated going forward. Residents of the Borough had placed importance on recycling and waste, highways and infrastructure improvement and community facilities, including parks and being outdoors over the last 12 months. Priority areas identified included support for older people, tackling food poverty and homelessness. Further actions identified included continuing to streamline processes, rationalise the number of offices and encourage citizens to take more responsibility themselves.

The Chief Officer – Finance, Performance and Change explained that the well-being objectives, aims and strategic priorities within the plan remained unchanged. However, some commitments had been revised and performance indicators to measure outcomes had been agreed. Targets had been set for 2022-23 where possible although the ongoing pandemic continued to impact on the availability of data to set some meaningful targets.

The Chief Officer – Finance, Performance and Change explained that the draft plan was considered by the Corporate Overview and Scrutiny Committee in January and on the 22nd of February Cabinet considered the Corporate Plan 2018 to 2023 - revised for 2022 -23 and endorsed it. This document replaced the current Corporate Plan. Progress against the plan would be monitored through the corporate performance assessment process. Performance challenge would also take place at Directorate Management Team meetings and twice yearly at the Corporate Overview and Scrutiny Committee. She added that in accordance with the performance duty of the Local Government and Elections Act, the Governance and Audit Committee now had a role in the assessment of performance which would include, among other areas, the Corporate Plan.

The Leader thanked the Chief Officer – Finance, Performance and Change and her colleagues for their work on the plan which was a significant plan for the authority to be agreed by all members. He welcomed the comments from colleagues in overview and scrutiny and reported that some of the comments and suggestions made, had been taken on board. The plan fully reflected the priorities and well-being objectives and outlined the huge ambition for the county borough. The economic benefit and impact would be seen when the redevelopment and extension of Maesteg Town Hall as an arts and cultural hub was completed. There were exciting plans for the waterfront

regeneration in Porthcawl and for relocating the Bridgend College Campus from Cowbridge Road to the town centre. This dovetailed with the other key objective of improving educational outcomes. State of the art further and higher education facilities in the town centre would not only improve education outcomes but it would also deliver a boost to the town centre by bringing in students, staff and visitors. He added that they would continue to support businesses as they had in the past.

The Leader explained that with regard to the second well-being objective, keeping people healthy and resilient, the pandemic had tested services and communities. Included in this plan was the authority's vision of how it would continue to support people including the homeless and those threatened with homelessness. Bridgend County Borough was experiencing a record level of homelessness sadly, an experience that was repeated across the country with between 200 and 300 applications each month. Plans were progressing at pace to develop more accommodation for people who were sleeping rough and for more permanent housing solutions. The plan also included details of how the authority would invest and sustain social services and early help functions which were under huge pressure.

The Leader reported that when it came to the smarter use of resources, the climate change emergency discussed at length in Glasgow, had not gone away. This authority was working on a climate emergency response a long time before that and would continue working on it along time after. This included objectives around record investment in active travel, continuing to improve recycling rates and undertaking multi-million pound improvements to reduce the carbon footprint. He was very pleased to recommend the Corporate Plan which underpinned and dovetailed the Medium Term Financial strategy.

**RESOLVED:** Council approved and adopted the Corporate Plan 2018- 2023 reviewed for 2022-23.

639. **MEDIUM TERM FINANCIAL STRATEGY (MTFS) 2022-23 TO 2025-26**

The Chief Officer – Finance, Performance and Change presented the Medium Term Financial Strategy (MTFS) for the period 2022-23 to 2025-26 for Council approval. This included a financial forecast for 2022 to 2026, a detailed revenue budget for the coming financial year for 2022-23 and a Capital Programme for the period 2021-2022 to 2031–2032, and also the Corporate Risk Assessment. The MTFS was fully aligned with the Council's Corporate Plan and the well-being objectives contained within. She explained that the development of the MTFS had been guided by these priorities. Although reductions in the level of funding available in previous years had necessitated significant budget reductions across various service areas, the Council continued to manage annual gross expenditure of around £459m and was the largest employer in the County Borough. As a result, the Council played a significant role in the local economy of the area.

The Chief Officer – Finance, Performance and Change explained that the Council's Medium Term Financial Strategy articulated how the Council planned to use its resources to support the achievement of its well-being objectives and statutory duties, including the management of financial pressures and risks over the coming four years. The document outlined the principles and detailed assumptions which drove the Council's budget and spending decisions, it outlined the financial context within which the council was operating and tried to mitigate any financial risks and pressures going forward whilst at the same time taking advantage of any opportunities arising. The MTFS focussed on how the Council intended to respond to the increasing pressures on public sector services, which had undoubtedly been

exacerbated during the COVID-19 pandemic. She added that it was a legal requirement under the provisions of the Local Government Finance Act 1992 (LGFA 1992) that the Council approved a balanced budget for the coming financial year and to set the council tax rates for the county borough. The report set out proposals to achieve that objective and to contribute towards a sustainable financial position going into the medium term. The quarterly reports to Cabinet during this financial year on the projected revenue position for 2021/2022 had 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 COVID 19 pandemic. Welsh Government had played a significant role in mitigating a large proportion of these losses through their various funding streams, most notably the COVID-19 hardship fund. The Council now needed to consider the longer term impact of the pandemic and how it would shape the Council as part of its recovery programme, given that the hardship fund was due to come to an end in March 2022.

The Chief Officer – Finance, Performance and Change explained that the announcement of the final local government settlement for 2022-23 was again, approximately two months later than in previous years, due to the outcome of the Comprehensive Spending Review by the UK government not being delivered until the end of October 2021. The final settlement for Local Government in Wales was not due to be announced until 1 March 2022. As a result, the budget was being proposed on the basis of the provisional settlement received in December 2021. They did not anticipate any significant change in funding between the provisional and final settlement, however any changes would be reported back to Council at a later date. It was not envisaged that any changes would impact upon council tax.

The Chief Officer – Finance, Performance and Change explained that she was required to report annually on the robustness of the level of reserves. She believed the level of council reserves was sufficient to protect the Council in light of unknown demands or emergencies and current funding levels. It was essential that the Council Fund balance which was currently £9.8m, was managed in accordance with the MTFS principle 9, which stated that the Council Fund balance should be set at a prudent but not excessive level. This would normally be maintained at a level of 5% of the Council's net budget, excluding schools. It was essential that Revenue Service expenditure and capital expenditure were contained within the identified budgets. The Section 151 officer was also required to report to Council if they did not believe that they had sufficient resource to discharge their role as required by Section 114 of the Local Government Act 1988. She added that there was sufficient resource to discharge this role within the budget proposed. In finalising the MTFS and the budget for the coming year, estimates had been made which took into account circumstances and events which existed or were reasonably foreseeable at the time of preparing the budget. The budget had been prepared following consultation with elected members, the School Budget Forum and service managers. Subject to the risks identified, the MTFS provided a firm basis for managing the council's resources for the financial year 2022 / 2023 and beyond.

The Chief Officer – Finance, Performance and Change referred to some key information within the document. Section one of the MTFS included a financial overview at section 1.3. The Council had had to make budget reductions in previous years and Chart 1 indicated budget reductions of £62 million over the last ten years which represented almost 21% of the Councils net budget in the current year. The Council received the majority of its revenue funding from Welsh Government through the Revenue Support Grant and a share of the non-domestic rates. This was

supplemented through the council tax collection, other grants and fees and charges. Council tax would account for 27% of the income received by the council in the coming financial year. The amount that council taxpayers were required to pay was made up of three elements, a charge from Bridgend County Borough Council, a charge from Town and Community Councils and a charge from the Police and Crime Commissioner for South Wales. Budget planning for the financial year 2022 - 23 was more uncertain than usual due to the impact of the global COVID-19 pandemic, which was on top of the ongoing uncertainties and financial pressures arising from the UK's withdrawal from the European Union. Whilst the Welsh government had been supportive of the additional costs and burdens that had emerged from COVID, and covered most of the directly incurred costs, this funding was not going to be available going forward. It was anticipated that some of the impact on levels of income in leisure, car parking and rental income may be a medium term problem. It was likely also that there would be an additional call on the council tax reduction scheme in view of the economic impact of the pandemic and the level of council tax collection was estimated to be lower than pre pandemic levels. In addition, ongoing expenditure on matters relating to public health as well as other expectations with regard to addressing homelessness more robustly, and supporting social care which was experiencing increased costs, need and demand for services, were likely to be significant. Section two of the MTFS provided further context, detailing both financial and non financial information which had shaped the financial position for the Council. There were some significant underlying budget pressures in some service areas that were reported in 2020-21 which still persisted in the current financial year. The main financial pressures were in home to school transport, social services and well-being, homelessness and waste.

The Chief Officer - Finance, Performance and Change explained that as in previous years, further efforts had been made to secure greater involvement of stakeholders in the development of this strategy and the Corporate Plan. This included:

- An 8 week consultation with residents of Bridgend which was undertaken between the 20th of September and the 14th of November 2021. The outcome of this consultation process was reported to cabinet in December 2021.
- Cabinet and Corporate Management Board had been working with the Budget Research and Evaluation Panel over the last six months to facilitate the budget planning process.
- The draft budget report approved by Cabinet in January this year had subsequently been scrutinised by the Council's scrutiny committees resulting in a report to Cabinet on the 8th of February from the Corporate Overview and Scrutiny Committee outlining a number of recommendations. Cabinet considered those recommendations, which included recommendations from the Budget Research and Evaluation Panel, and a response to these was provided in appendix A to the MTFS.

The Chief Officer – Finance, Performance and Change explained that Cabinet had reflected on the responses received from the public consultation and from discussions with, and recommendations from, the Budget Research and Evaluation Panel and scrutiny committees, and compiled the budget based on the comments and responses received. This included;

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- protecting school budgets therefore the 1% saving included in previous versions of the MTFS had been deleted for 2022/23
- support for waste and recycling
- additional funding to support an ageing population
- continuing to provide support for homeless individuals
- continuing to invest in digitalisation capabilities
- continuing to invest in highways and infrastructure
- a freeze in council tax in the coming year to support residents to meet the significant rise in the cost of living

The Chief Officer – Finance, Performance and Change explained that in section three of the MTFS, the current financial situation was outlined for members. With regards to the provisional Local Government settlement the headline figure was an overall increase of 9.4% across Wales. For Bridgend there was an increase of 9.2% for the coming financial year. This was significantly in excess of the anticipated settlement. The increase for Bridgend was the 13th highest increase across all local authorities and this was illustrated at chart 3 in the MTFS. Within this settlement the authority was required to fund the costs arising from the 2021-22 teachers pay deal and their 2022-23 pay deal, the increase costs arising from the UK government's announcement to increase National Insurance contributions for employers to fund a health and social care levy and the additional costs of introducing the real living wage for care workers. Also the Local Government Hardship Grant, which supported local authorities with the additional financial pressures resulting from the COVID-19 pandemic, would no longer be available. Therefore, the authority was expected to meet any additional costs resulting from the pandemic in the new financial year from within its own budgets.

The Chief Officer – Finance, Performance and Change explained that the MTFS also modelled the financial position for the authority for the next four years, based on the latest information available from Welsh government. For the first time in a number of years, Welsh government had provided a provisional settlement for the coming financial year and then some indicative increases for the following two financial years. Using this information it was possible to look at different scenarios for the resources that may be available going forward. The MTFS was regularly reviewed as more information became available.

The financial forecast for 2022 to 2026 was predicated on assumptions regarding demographic projections, inflationary uplift, the impact of new legislation and policies and increased staffing costs. In developing these estimates, the MTFS contained assumptions with regards to possible council tax increases going forward. Due to the significantly better than anticipated settlement for the coming financial year, it was proposed to freeze the level of council tax for 2022-2023 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. For planning purposes it had been assumed that the council tax would increase by 4.5% in 2023 - 2024 and 2024 - 2025. These figures were for planning purposes only and would be reviewed each time the medium term financial strategy was updated.

Together with the indicative funding from Welsh Government, it was estimated that there would be a net budget requirement of £21 million to be met over the period. These scenarios were detailed for members at Table 7 within the MTFS.

The Council's corporate risk assessment identified the key corporate risks and mitigating actions and was included in the report. The risk assessment was reviewed regularly throughout the financial year and was scrutinised by Governance and Audit Committee. These risks had been taken into account in the preparation of the document and where there were identifiable financial implications, these had been provided for either within the budget or earmarked reserves.

Section 4 of the MTFS outlined in more detail the budget position for 2022/2023. The net budget requirement for next year was detailed at table 9 of this report which showed a net budget of £319m.

The Chief Officer – Finance, Performance and Change summarised the key points:

Financial pressures of £20.667m were funded for the coming year, which included :

- £6.006m to meet pay and price inflation
- £2.1m to fund the increases NI contributions to fund the Health and Social Care Levy
- £12.5m for inescapable service cost pressures which includes :
  - Cost 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 - the detail of this is provided within the report
  - 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 workforce issues in Children's Social Services
  - Increased costs of commissioned services in the social care sector following the increase in the National Living Wage announced by the UK government.
  - Increased cost of waste collection

There had been two additions to the proposed cost pressures since the draft MTFS was considered by Cabinet and Scrutiny Committees and these were detailed at 4.1.14 of the MTFS and included £188k for youth services. Inevitably additional pressures would arise during the year as a result of new legislative changes or unanticipated events. Officers had already identified areas where additional resource could be required and a provisional allocation of £500,000 had been set aside for these, whilst further work was undertaken. Funding would be allocated in-year subject to business case approval where necessary

Due to the better than anticipated settlement, it had been possible to reduce the proposed budget reductions, although proposals totalling £631,000 had been identified. These were detailed in Appendix D of the MTFS and had not been changed since the draft MTFS was reported to Cabinet in January 2022.

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South Wales Fire and Rescue authority was funded by raising a levy on its constituent councils, based on population. The Fire and Rescue authority met on the 14th of February 2022 to approve their final budget which remained the same as the figure estimated in the report.

The Council raised income via fees and charges and these were reviewed on an annual basis. A schedule of fees and charges for the coming financial year would be published on the council's website in accordance with Fees and Charges Policy that was approved by Cabinet in October 2021. New charges or charges that had been included in the 2022-23 budget and were above the general increase were shown in Appendix E.

As well as the revenue budget, the MTFS also dealt with the proposed capital programme for the period 2021-22 to 2031 - 2032. This 10 year programme had been revised during this financial year to bring it up to date and to take into account new capital schemes as they had been developed

The Chief Officer – Finance, Performance and Change explained that within the Welsh government provisional settlement for the coming financial year, £6.678 million was being made available to support capital expenditure. As with the revenue settlement, indicative figures had been received for the following two years but these had only been provided on an all Wales basis to date.

Due to the limited capital finances available, services had not been asked to submit bids for funding at this stage although it was recognised that there were a number of capital pressures that would need financing going forward, including economic recovery, decarbonisation and homelessness. In addition, financial pressures arising as a result of the impact of the pandemic and Brexit, which were reported to Council in February, would be monitored to ensure that the schemes already agreed could be fully funded to ensure their completion.

On the 7th of February the council was informed by Welsh Government of an additional general capital grant of £3.115m for the current financial year. This funding could be used to support the effective management of the capital programme. In line with the grant letter it was proposed that this funding was slipped into 2022- 2023 and allocated accordingly in that financial year. This enabled a proper review of all possible new schemes to be undertaken to ensure members could be assured of the purpose of the scheme, the full cost of the scheme, any risks associated with the proposal and the likely timeline for completion of the scheme before its inclusion in the Capital programme.

At the end of March 2021 the Council Fund stood at £9.772m, which was 5.01% of the 2021-2022 net budget, excluding school delegated budgets. In the face of continued uncertainty regarding the economy and public finances she recommended that the council maintained its council fund balance at a minimum level of 5% of the council's net budget excluding schools. This would be monitored and would depend upon financial performance during future periods on the need to cover against specific risks as they arose through the earmarked reserves process.

An overview of the councils reserves was undertaken at the end of September and the end of December 2021 in accordance with the council's reserves and balances protocol. A further review would be undertaken at the end of the current financial year



and transfers would be made at this point taking account of the overall financial position of the council, including the final out turn position and any new pressures or risks that may need to be provided for. In addition Directors would be invited to submit requests for earmarked reserves to meet any specific unfunded pressures they expected to arise in the coming financial year and these would be considered in the context of directorate outturn position as well as that of the Council as a whole.

The Chief Officer – Finance, Performance and Change explained that with regards to the council tax, the proposed budget of £319.51m shown in table 10 of the MTFs, could be balanced with no increase in the council tax for 2022 -2023. This took into account the better than anticipated settlement and aligned with the response from the budget consultation whereby 54% of respondents stated they wished to keep the council tax at the same level. It was proposed that this was done on a one off basis for the coming financial year to support the citizens of Bridgend in dealing with the current rising cost of living.

The Deputy Leader thanked the Chief Officer – Finance, Performance and Change and her team for preparing the documents for consideration. She was a very valued and welcome member to the team and he recognised the tremendous amount of work they had all put in. He acknowledged that there were many contributors that helped shape the budget proposals and that BREP analysis had started back in July. The public had an opportunity to contribute back in October and November along with the School Budget Forum. Scrutiny Committees had the opportunity to ask further questions and to ask Cabinet Members about the proposals. There had been opportunity to scrutinise the draft budget proposals and there was very clear constitutional guidance on the process to be followed.

The Deputy Leader explained that before them was a balanced budget. This would allow the Council to provide hundreds of vital services to the residents, visitors and people in the county borough thanks to the better than expected Welsh Labour government settlement. He added that the Covid pandemic had had an enormous impact on the way services were being delivered, some positive and some more challenging. He commended the way that staff had embraced this new way of working and was pleased to confirm that Bridgend County Borough Council would soon be announced as a real living wage employer. He also thanked the Welsh Labour Government for their support through the COVID hardship fund worth £23 million to Bridgend County Borough Council and added that they would not have been able to provide services without this support. The finance team had delivered more than £52 million of COVID related grants to eligible individuals and businesses across the county borough.

The Deputy Leader explained that there was a minor change, an increased universal youth support and improved digital offer for young people of £188,000. They recognised that the young people had had a particularly difficult time during the pandemic and this would allow them to come to terms with this and to almost catch up. It was very much needed and therefore they were happy to support this. He explained that a £500,000 fund had been set aside to deal with legislative changes or unanticipated events. Funding would be allocated in-year subject to business case approval where necessary and both funds were recurring in the revenue budget.

The Deputy Leader reported that since becoming Cabinet Member for Resources, he had tried to develop a budget narrative that provided clear information on how the Council operated from a financial perspective. The report set out the aims and purposes of the MTFs and provided clear principles which drove budget and spending decisions.

The Deputy Leader explained that in the last 10 years they had delivered £62 million worth of reductions forced upon the authority and kept services running. The report also demonstrated how the authority met well-being objectives and how it had performed financially against the budget agreed 12 months ago. The report showed that they were aware of the demographic pressures and that the population was set to exceed 150,000 by 2028. The challenge of economic inactivity across the county borough was recognised and to meet these future challenges they would be spending £131 million on schools and education. Investing £71 million in a flagship school modernisation programme would provide the very best facilities to provide a quality education for the young people in the county borough. After education, social care and well being would receive £78 million to provide services to more than 7,000 individuals that had been assessed as needing support. He explained that 58 pence in the pound was spent on education and social care. This left significant challenges to meet public expectation to deliver services such as highways, parks and waste collection. They would be investing £4.4 million in roads, parks, play areas and street lighting and would continue to support the City Deal, creating a £1.2 billion fund for investment in the region.

The Deputy Leader reminded members about the less visible services including HR which provided support for over 6000 employees in recruitment and training and had developed a very well respected apprenticeship programme that supported more than 95 apprentices across the authority. Providing support for the homeless was also very important and £2.1 million had been set aside to support homelessness services. The 9.2% increase in Aggregate External Finance gave Bridgend County Council an uplift of £19.6 million and that was very much to be welcomed, however, this must cover the taper in the hardship fund. Significant challenges lay ahead with the cost of living crisis which would affect every resident in the county borough and therefore, no increase in the Council tax would be proposed for 22/23. This would help struggling households meet that cost of living crisis with increased energy bills, increased fuel bills and a rise in National Insurance. He believed this was a fair budget that protected vital services and minimised the pressure on council tax payers.

A member thanked the Chief Officer – Finance, Performance and Change and her team for the comprehensive report in light of the late financial settlement. He believed he spoke for the majority of colleagues in saying that this was very welcome news given the fact that they were expecting a more modest budget settlement. He acknowledged that setting a balanced budget was non-negotiable but the fact that opposition members were never in possession of the full facts was almost like saying to members that they must accept the budget as a fait accompli. BREP recommendations were largely redundant because they were based on a lower settlement. He would like to see more consideration to provide clarity in future via a multi-year settlement to allow them to plan moving forward. Any legislative changes to be delivered must come with consequential funding. He was aware of the financial pressures and suggested any future administration should look at a rolling 5 year programme in preparation for the next MTFS. Value Engineering was an economic principle which focussed on cost optimisation and the justification of expenditure by Directorates. He believed this would protect frontline services from further cuts, which had been considerable given the years of austerity which had been administered by the Westminster Government. It would also make the organisation more efficient and also keep council tax as low as possible for residents. With regard to council tax, the burden had increased by 59% and it was the highest burden after mortgage/rental payments. The current administration was finally agreeing that the burden was inappropriate but he did not feel it went far enough to alleviate the burden. He would like to see a cut not a freeze and for the authority to share the proceeds of an excellent settlement with their residents and asked for a recorded vote.

The Chief Officer – Finance, Performance and Change replied that from her experience the BREP process provided members with a lot more information early on in the budget planning process than in her previous posts. She acknowledged that the financial settlement was far better than had been anticipated and therefore the scenario within which BREP was working during the six months of last year had changed dramatically right at the end. She believed that members did actually get a lot of information in Bridgend, more than they would get in many other authorities. With regard to lobbying for some clarity for multi-year settlements, they had been given indicative increases for the following two years so that was progress. Across the finance world, it had been fed back that this really was welcomed because it helped with financial planning going forward.

The Chief Officer – Finance, Performance and Change agreed that it was fair to say that a number of new legislative requirements had come down to local authorities in recent years that had not been funded and were picked up by the local authorities. The settlement next year allowed the authority to fund some of those. Funding for additional legislative requirements was something that local government has pressed Welsh Government for a long time.

The Chief Officer – Finance, Performance and Change strongly advised against using balances to support a possible reduction in council tax. If they were to do that, they would have to identify further reductions to services in order to fund it. Also if they lost money from the council tax base, it would be very, very difficult to make that up in the future. The future increase in funding from Welsh Government would not be anywhere near as good as it was for the coming financial year, and there were a lot of cost pressures that would have to be met in that period and to take money out of the base budget at this stage would mean that council tax for residents in Bridgend would have to increase significantly.

The Monitoring Officer explained that given some of the comments made, it was appropriate to update members at this stage. All members would be aware that amendments were made to the Constitution and approved by full Council in June 2108, which meant that any alternative proposals or amendments needed to be submitted to the Section 151 officer three days before the meeting. This was to allow the finance team opportunity to consider the proposals and issue a balanced budget for the year. No proposals or amendments had been received. Some queries had been received from Members about the process and these had been clarified. Members could vote on the only proposal available. There was a statutory requirement to set a balanced budget and a duty imposed on individual members to ensure a balanced budget was set. Whilst it was a matter for individual members how they voted, she pointed out, as the Monitoring Officer, the relevant provisions of the Code of Conduct. In particular, she referred members to paragraph eight of the Code of Conduct. This stated that when participating in meetings or reaching decisions regarding the business of the authority, they did so on the basis of the merits of the circumstances and in the public interest, having regard to any relevant advice provided by the authority's officers including the Chief Executive, the authority's Chief Finance Officer and the authority's Monitoring Officer. They also had to give reasons for their decisions.

The Monitoring Officer also advised that voting against these proposals, knowing that this meant a lawful budget was not set, was likely to bring the Council into disrepute. There would be legal and financial risks and implications for the authority. Again, this could be considered a breach of the Code of Conduct. She added that the budget setting process had been ongoing for a number of months and had involved scrutiny, BREP and public consultation. Members had heard advice as to why, in the absence of any alternatives, the budget needed to be approved. She therefore requested that if anyone voted against the budget, they should be prepared to give reasons for that

decision and why they were acting contrary to statutory officer advice. She concluded that the proposal was out of order because it was not in line with the Constitution.

The member replied that he had outlined the reasons why he would like to vote against the proposals as it was a fait accompli and he had to agree the budget. He had a duty to his residents and should be entitled to vote against the budget.

Another Member agreed with these comments and raised a concern regarding the recommendations. She believed her concerns were particularly poignant, given the Leader's comments on the Corporate Plan, in relation to keeping individuals resilient and the importance of this given the pandemic. She referred to the recommendation regarding the increased cost for individuals using council land for community events, eg. Race for Life events, etc, where the cost would be increased to reflect full recovery. She asked how the figures were calculated and what did they include. Local groups would have to pay more for community events that were vital for mental health and well-being, and which raised funds for charities, which were crucial at this moment in time. She reminded members that at a recent meeting of Cabinet, a contribution of £50,000 had been agreed towards the Seniors Open Golf Championship at Porthcawl.

The Corporate Director for Communities replied that in previous years, the Council had made charges for use of the playing fields for special events etc. For many, many years the Council had subsidised that service. They now had Community Asset Transfers. With regard to the charging for facilities going forward, it would be for the owners of the fields and buildings to determine in the future whether or not to charge. The fee reflected the recovery of the costs associated with events such as restoring the fields back to their original appearance in an appropriate condition and indemnity insurance. It did not cover the full costs of the events going forward and had increased this year in line with inflationary increases. She reminded members that there had been no charge for any pitches or buildings over the last 18 months during the COVID pandemic and they still hadn't reintroduced fees for sports pitches as yet to reflect the cost of living increases. She assured members that it was not an excessive amount that they were charging because it did not cover that the full cost recovery going forward.

The Cabinet Member for Education and Regeneration thanked the officers for their expert input and the public who took part in the very important budget consultations. He also thanked colleagues across the Chamber who had used the many opportunities available to them to influence the budget in scrutiny committees, BREP, budget briefings and other discussions.

He added that in anticipation of a favourable decision, he thanked colleagues for the increase of £1.5 million in annual funding for all the schools, continued support for nursery and preschool provision beyond the statutory minimum, continued capital investment in school buildings, including no less than four all new 21st century primary schools and major regeneration projects in the centres of each of the four zones regeneration projects, which would be history making and game changing.

The Leader added his thanks to the Chair of BREP for his stewardship and the Chairs of the scrutiny committees. There had been countless opportunities to propose alternative savings and proposals. He asked the Monitoring Officer if an alternative balance budget had been submitted by the opposition or any opposition member? He added that there was a legal and moral duty to set a balanced budget at that meeting and this was not a new requirement. He referred to the very strong and very important advice from the Monitoring Officer and the Chief Officer – Finance, Performance and Change. He added that the reason why they were able to freeze the council tax for this year was because they had the best Welsh Government settlement in 10 years. That was the reason why they were doing it this year and because there was a cost of living crisis. He was very happy to support the proposals.

The Monitoring Officer confirmed that she had not been provided with any alternative budget by any member. She had received some queries from members regarding the process. She reminded members that this amendment to the Constitution happened in June 2018 and the majority of members would have been members at that time and therefore would have been aware of that change. It was something they had operated since June 2018.

A member asked what the future council tax levels would look like over the medium term. He also asked about the Capital Budget and in particular the Phase 1 Arbed Project. He also asked about the Heat Source Network systems and if they had any timescales for completion. He asked if there were any indications of how much money this would save and how much CO2 admissions this would save?

The Mayor replied that there had been opportunity to raise these questions at other meetings and they would not be discussing individual schemes at this point.

With regard to future council tax levels, the Deputy Leader replied that there was an equation that was constantly updated and he referred to table 7 of the report which showed a best scenario, a most likely scenario and the worst scenario. The Deputy Leader explained the implications of any changes, the pressures that could be accommodated and the amount of reductions that were required to find the balance the budget.

The Deputy Leader referred to comments made earlier in the meeting regarding failure to provide access to necessary information, particularly with that member sitting on BREP. He explained that he would be happy to share any information now or in the future if still in that position, to allow that member to make decisions regarding the process.

A member thanked the Finance Team for their valuable input. He referred to reserves being for emergencies or rainy days and the cost of living crisis that was likely to impact every resident of Bridgend in the next 12 to 18 months. Within the boundaries of Bridgend County Borough were some of the most socially economically, disadvantaged communities in Wales. With these families in mind he believed further consideration should have been given to a minus level of Council Tax.

A member explained that he felt it appropriate that councillors had their say at the meeting and should be allowed to put alternatives forward. He agreed that there was an issue of making sure that the budget balanced but asked where else this could be done in the public domain. He said that the Constitution was changed to stifle debate and to stop members having their say.

The Monitoring Officer pointed out that if the amendments or alternative budget had been put forward in accordance with the Constitution, they would have been tabled today so they could have been debated in the public forum. They needed to be submitted in advance so that the finance team could come into the meeting and say whether they were satisfied that, there would be a balanced budget.

The member referred to the generous settlement in an election year and agreed with fellow councillors that there was an opportunity for a small and modest cut to help with the cost of living issues. He referred to the half a million pounds to mitigate emergency pressures. There were also reserves for Directors to request if they had any issues. There was no allocated budget against the half million which could result in a 1% cut for Council Tax payers.

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The Chief Officer – Finance, Performance and Change added that using reserves would only give a one off benefit and there were still pressures being faced. The half a million would give a small amount of flexibility during the current year.

The Chief Executive referred to frustration from some members and the terms “rubber stamping” and “fait accompli”. He reiterated what had been said by the Monitoring Officer, the Chief Finance Officer and the Deputy Leader that the Constitution did allow alternatives to be brought forward with in particular timescales and those timescales were set out in the Constitution. Suggestions had been made regarding a minus council tax and if that was a legitimate proposal, there would also have to be an explanation on where the £870,000 was going to come from. There was a democratic process in place however they did not receive any alternatives and consequently what was before them was the only budget for consideration.

The Monitoring Officer explained that her professional view as the Monitoring Officer was that failure to help facilitate that process was a Code of Conduct issue and it was also a Code of Conduct issue to not take on board advice from statutory officers. She expected detailed reasons why any member was voting against the budget, contrary to statutory advice.

A member asked for clarification regarding the consequences of voting against budget. The settlement was received late and did not allow enough time for members to consider alternative proposals. The papers were issued the previous week and gave 23 hours to respond, given the 3 working day deadline.

The Monitoring Officer replied that there was a personal duty on individual members. It was part of the role as an elected member to facilitate the setting of a balanced budget and acting contrary to statutory advice was a Code of Conduct issue. There could be legal and financial implications for the authority which would bring the Council into disrepute.

Members agreed to have a recorded vote. The result of this was as follows:

For: Councillors B Sedgebeer, C Smith, C Green, D Lewis, D White, D Patel, G Howells, G Thomas, H David, H Williams, J Gebbie, J Lewis, J Tildesley, J McCarthy, J Spanswick, JP Blundell, K Edwards. M James, M Jones, M Kearns, N Burnett, P Davies, PA Davies, C Davies, R Collins, R Granville, R Young, R Shaw, R Penhale-Thomas, S Aspey, S Smith, S Baldwin, T Beedle = 33 votes

Against: Councillors A Williams, AJ Williams, J Williams, K Watts = 4 votes

Abstentions: Councillors A Pucella, K Rowlands, L Walters, M Voisey, M Clarke, N Clarke, T Thomas = 7 votes.

The recommendations of the report were carried.

**RESOLVED:** Council approved the MTFS 2022-23 to 2025-26, including the 2022-23 revenue budget and the Capital Programme 2021-22 to 2031-32 and in particular the following specific elements:

- The MTFS 2022-23 to 2025-26 (Annex 3).
- The Net Budget Requirement of £319,510,077 in 2022-23.
- A Band D Council Tax for Bridgend County Borough Council of £1,597.01 for 2022-23 (Table 17 of the MTFS).
- The 2022-23 budgets as allocated in accordance with Table 10 in paragraph 4.1.3 of the MTFS.

- The Capital Programme 2021-22 to 2031-32, attached at Appendix H of the MTFS.

640. **COUNCIL TAX 2022-23**

The Chief Officer - Finance, Performance and Change presented a report providing Council with details of the council tax requirement for the County Borough Council together with the requirements of the Police and Crime Commissioner for South Wales and Town and Community Councils and seeking council approval of the band D council tax for Bridgend County Borough Council and the community areas for 2022 – 23.

The Chief Officer - Finance, Performance and Change explained that in accordance with the Local Government Finance Act 1992, the Council had to calculate its budget requirement and then set the level of council tax for the coming financial year. In addition, as a billing authority, Bridgend County Borough Council was also required to calculate the basic amount of council tax for dwellings within the area which related to one or more special items. The Council collected the council tax on behalf of Town and Community Councils and the Police and Crime Commissioner for South Wales. The money was collected on behalf of these organisations and was then paid over to the relevant bodies in line with the amount they had included in their budget to be charged to households in the county borough of Bridgend. Council had just agreed a net budget requirement for the council for the coming financial year of £319m. This equated to a council tax of £1,597.01 on a band D property. This was a zero increase for the coming financial year

The Chief Officer - Finance, Performance and Change explained that the Police and Crime Commissioner for South Wales had notified the Council that their precept for the coming financial year was agreed by the South Wales Police and Crime Panel on the 3rd February 2022. As a result, their precept on a Band D property would increase to £302.11, a 5% increase. This increase by council tax banding was shown in table 3 within the report. The Council had also been informed of budget requirements by Town and Community Councils and this was an average 0.78% reduction for the coming financial year.

The Chief Officer - Finance, Performance and Change explained that table 6 within the report detailed the total average Band D council tax requirement for 2022-23 for all areas of Bridgend. A further breakdown of the Council Tax for each area, detailing the amount payable to this Council, the Police and Crime Commissioner for South Wales and the relevant Community Council was shown at Table 7. She added that whilst Bridgend County Council had agreed a 0% increase for the coming financial year, council taxpayers would see an increase in their overall council tax bill for the reasons outlined in the report.

A member stated that he objected for the aforementioned reasons and asked for a roll call.

A member asked with regard to the assistance for those properties within bands A to D of £150, would that be detailed in the bills being sent to households for this council tax year? As a point of order he added that Bridgend was one of the most expensive authorities for council tax in Wales and that the damage had been done between 1999 and 2004. He noted that in 2012 there was a council tax freeze as there was this year which seemed to coincide with an election.

The Deputy Head of Finance replied that in terms of the £150 assistance to those Bands A to D, there was still a lot of work to be done and detail to be worked through in terms of how the payments would be made. She understood that there would not be a reduction on the council tax bill, but a separate payment into a council taxpayers

account however this had not yet been confirmed. This was not going to be a simple process with around 50,000 individual payments to be made as a Council into individual bank accounts. Payments would not start until April and it could take quite a few months to get them all made. A lot of payments to individuals and individual businesses had been made over the last couple of years, but absolutely nothing of this magnitude. They would be working with Welsh Government and the other local authorities as to how to administer this and get the payments out as soon as possible.

A member asked for advice in relation to the increase in the South Wales Police precept. There was representation on the South Wales Police and Crime Panel and they asked if the authority supported the increase or if they voted against it and where would the authority stand with regard to its presence and influence on the panel.

Cllr R Young, representative on the Police and Crime Panel, explained that they had had a very interesting meeting of the panel earlier in the month. The Commissioner attended and outlined his requirements, along with the Chief Constable in order to finance the policing of South Wales. There was very short notice for him to create his budget on the basis that the settlement from central government was late coming through. There was much debate in the chamber regarding his request for a 5% increase and the ability of residents to pay. Consideration was given to the cost of living crisis, the fact that inflation was rising and wages were not keeping up with inflation. It was a lively debate and the vote was very close. There were 11 members on the panel and 8 votes would be required to veto the increase.

If this was vetoed, the Commissioner would have 2 weeks to come back with a new figure showing a slight reduction and that could not be vetoed.

There were 5 votes against and on that basis the increase was accepted by six votes to five. He confirmed that he had voted against the increase.

A member asked what would happen with the assistance for houses in council tax band A to D, and those properties in other bands based on the value of the house where there were help to buy schemes and the owners did not own 100% of their property.

The Deputy Head of Finance replied that as far as she was aware, it would be based on those in bands A to D plus people who receive council tax reduction. The final guidance had not been received but there had been a lot of discussions with Welsh Government. When the information was received they would publicise so that residents knew whether or not they would be eligible.

With regard to the request for a vote, the Chief Officer - Finance, Performance and Change asked for the reason for the vote as they had just agreed the council tax for Bridgend. The other two elements of the final bill, South Wales Police and the Town and Community Councils, had already set their budgets and told the authority the precept.

The member thanked the Chief Officer - Finance, Performance and Change for the helpful explanation and withdrew his request.

**RESOLVED:** Council approved:

- a Band D Council Tax for Bridgend County Borough Council of £1,597.01 for 2022-23, and
- the Council Tax charges for Band D properties for 2022-23 for each of the community areas as outlined in Table 7.

**641. TREASURY MANAGEMENT AND CAPITAL STRATEGIES 2022-23 ONWARDS**

The Chief Officer - Finance, Performance and Change presented to Council for approval, the Treasury Management Strategy 2022-23 (Appendix A), which included the



Treasury Management Indicators, and the Capital Strategy 2022-23 to 2031-32 (Appendix B), which included the Prudential Indicators, and the Annual Minimum Revenue Provision Statement 2022-23 (Section 7 of Appendix B). She explained that both treasury management and the control of capital expenditure were regulated by legislation. The legislation provided local authorities with the powers to borrow and invest as well as providing controls and limits on this activity. The Prudential Code for Capital Finance in Local Authorities included a requirement for the Council to approve a Treasury Management Strategy before the start of each financial year which set out the Council's and Chief Financial Officer's responsibilities, delegation and reporting arrangements. In addition, local authorities were required to determine a Capital Strategy which demonstrated that the authority took capital expenditure and investment decisions in line with service objectives and properly took account of stewardship, value for money, prudence, sustainability and affordability when making these decisions.

The Chief Officer - Finance, Performance and Change summarised the two documents. With regard to the Treasury Management Strategy 2022-2023, the ongoing impact on the UK of the pandemic, together with higher inflation, higher interest rates following the Bank of England's increase in interest rates in December 2021 and then again more recently in February 2022, and the impact of the UK leaving Europe would be major influences on the Council's Treasury Management Strategy for the coming financial year. As at the 31st of December 2021, the council held £96.87 million of borrowing and made £77.5 million of investments. The external debt and investment position was shown in Table 1 within the Treasury Management Strategy. She explained that the Treasury Management Strategy highlighted that the Council would have a new borrowing need over the coming three years to fund the proposed capital programme. With short term interest rates currently much lower than long term rates, it was likely to be more cost effective in the short term to use internal resources to fund expenditure. The strategy was clear that they would take the most appropriate form of borrowing depending on the prevailing interest rates at the time. The borrowing need would be monitored on an ongoing basis and any new borrowing would be considered alongside any changes in the capital programme that might affect the level of borrowing required. Any significant changes within these proposals would be reported to Cabinet, Governance and Audit Committee and Council as appropriate.

The Chief Officer - Finance, Performance and Change explained that her Majesty's Treasury issued revised lending terms for public works loan board borrowing by local authorities in November 2020. The Public Works Loan Board would be the major source of any borrowing that the Council undertook. Under these new requirements, as Section 151 Officer, she would be required to confirm the capital expenditure plans did not include an intention by the authority to borrow to invest primarily for financial return and she confirmed that the Council would not intend to invest in this way.

The Chief Officer - Finance, Performance and Change explained that at the end of December 2021 the council had £77.5 million of investments. The Council's main objective when investing money was to strike an appropriate balance between risk and return, to minimise the risk of incurring losses from defaults and the risk of receiving unsuitably low investment income. The Council could invest surplus funds with approved counterparties and as detailed in table six of the Strategy. During 2022-23, Council would receive reports as required in line with the requirements of the Code of Practice. These included an Annual Treasury Management Strategy, a midyear monitoring report and an Annual Treasury Out turn report.

The Chief Officer - Finance, Performance and Change summarised the Capital Strategy for the period 2022-23 to 2031-32. This strategy gave a high level overview of how capital expenditure, capital financing and treasury management activity contributed to the provision of services. This document was presented to Council as an integral part of

the council's budget and policy framework. It linked with the Corporate Plan, the Treasury Management Strategy, the MTFs and the Council's Asset Management Plan. She added that the plan detailed how any proposed investments in land and buildings would require the completion of a full feasibility study to evaluate the practicality of the capital project, and to assess its deliverability before the council invested time and money into that project. There were a number of significant areas that would need financing going forward, including economic recovery, decarbonisation and homelessness. As already reported to Council previously, there were also other financial pressures arising as a result of the pandemic and Brexit, which were being seen in existing tender prices, and it was anticipated this would continue for some time going forward. The pressures also included supply chain difficulties leading to higher prices and delays in schemes being completed.

The Chief Officer - Finance, Performance and Change explained that the strategy also referred to the changes with regards to the ability to borrow from the Public Works Loan Board, and authorities would be asked to confirm that there was no intention to buy investment assets primarily for yield in the current or the next two financial years. Whilst this did not preclude the Council investing in commercial activities, investing in assets solely for yield would prevent the Council from accessing PWLB borrowing. As the Council would need to borrow to support the 21st century schools band B programme and the wider capital programme this would prevent the Council investing in land or property purely to achieve a financial return. Section three of the strategy contained details which outlined the robust process in place to approve, manage and monitor capital projects. Quarterly capital monitoring reports were prepared for Cabinet and Council which included details of any variances between projects as well as projections of likely year end spend. The proposed capital investment programme for the period 2022- 23 to 2031 - 32 was detailed in the strategy. This detailed how the programme would be funded which included the use of general capital funding provided by Welsh Government, the use of capital receipts and borrowing.

The Chief Officer - Finance, Performance and Change concluded that each year the Council had to set aside a provision for repaying external debt. This was known as the Minimum Revenue Provision. The MRP needed to be approved by Council before the start of each financial year.

The Mayor thanked the Chief Officer - Finance, Performance and Change and her colleagues for all the reports and the hard work leading up to today.

**RESOLVED:**

Council approved:

- the Treasury Management Strategy 2022-23 including the Treasury Management Indicators 2022-23 to 2024-25 (Appendix A);
- the Capital Strategy 2022-23 to 2031-32 including the Prudential Indicators 2022-23 to 2024-25 (Appendix B); the Annual Minimum Revenue Provision (MRP) Statement 2022-23 (Appendix B – Section 7).

642. **URGENT ITEMS**

None

643. **DECLARATIONS OF INTEREST**

None

The meeting closed at 17:35