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

### Bridgend County Borough Council



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

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

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

Gofynnwch am / Ask for: Democratic Services

Ein cyf / Our ref:

Eich cyf / Your ref:

**Dyddiad/Date:** Wednesday, 11 October 2023

Dear Councillor,

#### **CABINET**

A meeting of the Cabinet will be held Hybrid in the Council Chamber - Civic Offices, Angel Street, Bridgend, CF31 4WB / Remotely via Microsoft Teams on **Tuesday, 17 October 2023 at 14:30.**

#### **AGENDA**

1. Apologies for Absence  
To receive apologies for absence from Members.
2. Declarations of Interest  
To receive declarations of personal and prejudicial interest (if any) from Members/Officers in accordance with the provisions of the Members' Code of Conduct adopted by Council from 1 September 2008.
3. Budget Monitoring 2023-24 - Quarter 2 Revenue Forecast 3 - 32
4. Capital Programme Update - Quarter 2 2023-24 33 - 52
5. Treasury Management Half Year Report 2023-24 53 - 76
6. Engagement And Participation Strategy 77 - 92
7. Corporate Plan Delivery Plan Targets 93 - 112
8. Appointment of Local Authority Governors 113 - 120
9. Positive Behaviour Support/Management and the use of Restrictive Practices Policy 121 - 138
10. Strategic Transport Projects 139 - 152
11. Porthcawl Grand Pavilion Levelling Up Fund Project Update 153 - 162
12. Urgent Items  
To consider any items of business that by reason of special circumstances the chairperson

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is of the opinion should be considered at the meeting as a matter of urgency in accordance with paragraph 2.4 (e) of the Cabinet Procedure Rules within the Constitution.

Note: This will be a Hybrid meeting and Members and Officers will be attending in the Council Chamber, Civic Offices, Angel Street Bridgend / Remotely via Microsoft Teams. The meeting will be recorded for subsequent transmission via the Council's internet site which will be available as soon as practicable after the meeting. If you have any queries regarding this, please contact [cabinet\\_committee@bridgend.gov.uk](mailto:cabinet_committee@bridgend.gov.uk) or tel. 01656 643148 / 643694 / 643513 / .643696

Yours faithfully

**K Watson**

Chief Officer, Legal and Regulatory Services, HR and Corporate Policy

Councillors:

JC Spanswick  
N Farr  
W R Goode

Councillors

J Gebbie  
HJ David  
HM Williams

Councillors

JPD Blundell

# Agenda Item 3

<b>Meeting of:</b>	<b>CABINET</b>
<b>Date of Meeting:</b>	<b>17 OCTOBER 2023</b>
<b>Report Title:</b>	<b>BUDGET MONITORING 2023-24 – QUARTER 2 REVENUE FORECAST</b>
<b>Report Owner/ Corporate Director:</b>	<b>CHIEF OFFICER – FINANCE, PERFORMANCE AND CHANGE</b>
<b>Responsible Officer:</b>	<b>JOANNE NORMAN GROUP MANAGER – BUDGET MANAGEMENT</b>
<b>Policy Framework and Procedure Rules:</b>	<b>As required by section 3 (budgetary control) of the Financial Procedure Rules; Chief Officers in consultation with the appropriate Cabinet Member are expected to manage their services within the approved cash limited budget and to provide the Chief Finance Officer with such information as is required to facilitate and monitor budgetary control.</b>
<b>Executive Summary:</b>	<ul style="list-style-type: none"><li>• <b>The net revenue budget for 2023-24 is £342.334 million. The overall projected position at 30th September 2023 is a net over spend of £10.932 million.</b></li><li>• <b>The projected over spend is primarily due to ongoing pressures within the Social Services and Wellbeing Directorate and on the Home to School Transport budget.</b></li><li>• <b>The budget approved for 2023-24 included budget reduction proposals totalling £2.608 million. The current position is a projected shortfall on the savings target of £200,000, or 7.67% of the overall reduction target.</b></li></ul>

## 1. Purpose of Report

- 1.1 The purpose of this report is to provide Cabinet with an update on the Council's revenue financial position as at 30th September 2023 and to seek approval for any virements over £100,000 which require approval by Cabinet as required by the Council's Financial Procedure Rules.

## 2. Background

- 2.1 On 1st March 2023, Council approved a net revenue budget of £342.047 million for 2023-24 based on the provisional local government settlement received from Welsh Government in December 2022. The Welsh Government announced its final settlement on the 28th February 2023 which included an increase in the Revenue Support Grant (RSG) for the Council of £287,106, increasing the net revenue budget for 2022-23 to £342.334 million. The reasons for this increase were outlined in a report to Council on 15th March, but were mainly in respect of the transfer into the final local government settlement of the Fire and Rescue Authority (FRA) Scape grant.
- 2.2 As part of the Performance Management Framework, budget projections are reviewed regularly and reported to Cabinet on a quarterly basis. The delivery of agreed budget reductions is also kept under review and reported to Cabinet as part of this process.

## 3. Current situation / proposal

### 3.1 Summary financial position at 30th September 2023

- 3.1.1 The Council's net revenue budget and projected outturn for 2023-24 is shown in Table 1 below.

**Table 1- Comparison of budget against projected outturn at 30th September 2023**

Directorate/Budget Area	Original Budget 2023-24 £'000	Revised Budget 2023-24 £'000	Projected Year end spend Q2 2023-24 £'000	Projected Over / (Under) Spend 2023-24 £'000	Projected Over / (Under) Spend Qtr 1 2023-24 £'000
<b>Directorate</b>					
Education and Family Support	137,488	139,032	140,778	1,746	1,699
Social Services and Wellbeing	92,791	96,630	109,320	12,690	11,065
Communities	30,545	32,832	33,432	600	122
Chief Executive's	24,003	24,200	24,448	248	(98)
<b>Total Directorate Budgets</b>	<b>284,827</b>	<b>292,694</b>	<b>307,978</b>	<b>15,284</b>	<b>12,788</b>
<b>Council Wide Budgets</b>					
Capital Financing	7,203	7,203	4,605	(2,598)	(2,125)
Levies	9,189	9,189	9,170	(19)	0
Apprenticeship Levy	650	750	769	19	0
Council Tax Reduction Scheme	16,054	16,054	15,841	(213)	(262)
Insurance Premiums	1,363	1,363	1,261	(102)	0
Repairs & Maintenance	670	670	630	(40)	0
Pension Related Costs	430	430	430	0	0
Other Council Wide Budgets	21,948	13,981	12,582	(1,399)	(674)
<b>Total Council Wide Budgets</b>	<b>57,507</b>	<b>49,640</b>	<b>45,288</b>	<b>(4,352)</b>	<b>(3,061)</b>
<b>Total</b>	<b>342,334</b>	<b>342,334</b>	<b>353,266</b>	<b>10,932</b>	<b>9,727</b>

- 3.1.2 The overall projected position at 30th September 2023 is a net over spend of £10.932 million comprising £15.284 million net over spend on directorates and a net under spend of £4.352 million on Council wide budgets. A detailed analysis of the more significant projected under and over spends is set out in section 3.3.
- 3.1.3 The main financial pressures are in the service areas of Social Services and Wellbeing (SSWB) and Home to School Transport (HtST). In 2022-23, the SSWB Directorate experienced pressures of work to meet statutory duties against a backdrop of an exponential increase in demand in children's social care, and an increase in the number of independent residential placements in Children's Services, along with pressures in learning disabilities and older persons' residential placements. Whilst budget growth of £8.174 million was approved by Council as part of the Medium Term Financial Strategy (MTFS) for 2023-24, the Directorate continues to see an increase in demand and the budget growth confirmed is currently insufficient to meet the increase in demand with current projections showing a £12.690 million over spend in 2023-24. The quarter 1 revenue monitoring report highlighted that further consideration needed to be given by Council to the sustainable resource required specifically in Children's Services to improve the quality of outcomes for children and families in Bridgend. A 3 year sustainability plan to improve outcomes for Children and Family Services in Bridgend was approved by Council on the 20th September 2023, with a budget virement of £1 million approved for Children's services (see 3.1.5) and the additional use of up to £2.5 million of earmarked reserves (see 3.4.2) whilst a more permanent funding solution is sought
- 3.1.4 There is a projected over spend on Home to School Transport of £1.158 million which has reduced from the projected over spend at quarter 1 of £1.316 million. Several retendering exercises on HtST took place in 2022-23 with market conditions not being favourable, due to high levels of inflation and shortage of drivers and escorts, with procurement exercises resulting in generally higher costs across many contracts.

#### **Budget virements/technical adjustments**

- 3.1.5 There have been a number of budget virements and technical adjustments between budgets since the Medium Term Financial Strategy (MTFS) was approved by Council in March 2023. The budget position is reported on the assumption that these virements will be approved.

As noted in 3.1.3 Council approved a budget virement of £1 million for Children's Services to support a 3 year sustainability plan.

- 3.1.6 The other main virements and technical adjustments in quarter 2 are outlined below:

## Budget Virements

<b>Service vired from / to</b>	<b>Amount</b>
Transfer of funding from Directorate print budgets to ICT to reflect reduced print activity due to staff working from home and ICT being unable to recover the fixed costs of printers and photocopiers through the re-charge to service departments.	£125,000
One-off contribution from Corporate Contingency to fund demolition works at Brackla car park.	£400,000

## Technical Adjustments

<b>Service vired from / to</b>	<b>Amount</b>
Transfer of inflationary uplifts not confirmed when the Medium Term Financial Strategy was agreed that are held centrally until evidence of the uplift is provided by the service areas (detailed in paragraph 3.1.7).	£2,092,352

## Pay/Price Inflation

- 3.1.7 When the budget for 2023-24 was set, very little funding was allocated to directorates for pay and price inflation, as most had not been determined for the forthcoming year. The majority of the provision was retained centrally within Council wide budgets, to be allocated as further information was known about specific contractual price increases. Amounts released during quarter 2 are shown in 3.1.6 and include £1.874 million energy uplift for corporate and leisure services buildings and £0.128 million management fee uplift on the leisure services contract in line with CPI.
- 3.1.8 Inflationary pressures include increases in staffing costs arising from the above inflation increases in the National Living Wage and the implementation of the Real Living Wage. In addition, there are ongoing discussions regarding pay claims for Teachers' pay from September 2023 onwards and National Joint Council (NJC) workers for 2023-24. Even a variance of 1% on the pay settlement of NJC staff alone can result in a swing in required funding of over £1 million per annum.
- 3.1.9 In addition, the Council has experienced additional costs as a result of increases in inflation not seen for over a decade, and the impact of the war in the Ukraine.
- 3.1.10 There is a risk that there may not be sufficient funding available within these budgets for any unexpected major pay/price inflation increases. Inflation rates have also continued to remain high since the budget was set with CPI at 6.7% in August 2023. With these uncertainties the budget will need to be monitored closely during the remainder of the year as there is a risk that the provision will be insufficient.

## **Budget Reduction Proposals**

- 3.1.11 The net budget for the financial year has been set assuming full implementation of the current year budget reduction requirements across the Council's budget, which amount to £2.608 million. Where proposals to meet this requirement have been delayed or are not achievable directorates have been tasked with identifying alternative proposals to meet their requirements such as vacancy management, or bringing forward alternative budget reduction proposals.
- 3.1.12 In March 2023 Council approved the Medium Term Financial Strategy for 2023-24 to 2026-27. This identified the need to develop recurrent budget reduction proposals, based on the most likely scenario, amounting to £17.165 million over the next four years. However, it has become evident in recent months that the position going forward is likely to be even more challenging than this, with recurrent in-year over spends needing to be mitigated, along with additional pay and price pressures. Against that background it is essential that expenditure is kept within the overall approved budget as far as possible, and that longer term proposals continue to be developed so that the Council has as much flexibility as possible to meet the challenges which lie ahead. Likewise, any opportunities to reduce spend in-year will be taken to try and improve the year end position.
- 3.1.13 At year end consideration will be given to any budget over spends to determine whether these should be carried forward as a first call on the directorate budget for the following year. Similarly, consideration will be given to requests from directors to carry forward any planned directorate under spends for specific purposes into the following year, in line with the Council's Reserves and Balances Protocol, only as long as these can be met from within the Council's cash limited budget for 2023-24. This is in line with the reports to Cabinet and Council on the MTFs, and the Council's Financial Procedure Rules.

## **3.2 Monitoring of Budget Reduction Proposals**

### **Prior Year Budget Reductions**

- 3.2.1 A report was presented to Cabinet on 20th June 2023 on the Revenue Budget Outturn 2022-23. In the report it was highlighted that, for 2017-18 to 2021-22, there were £179,000 of budget reduction proposals that were not met in full, with a total outstanding balance to be met of £60,000. In addition, of the 2022-23 budget reduction proposals of £631,000, it was reported that there was a total outstanding balance to be met of £176,000. Directors have been asked to identify if any of these proposals are still not likely to be achieved in full during the 2023-24 financial year, and to identify mitigating actions that will be undertaken to achieve them. All remaining outstanding prior year budget reductions are summarised in **Appendix 1** with a summary per directorate provided in Table 2.

**Table 2 – Outstanding Prior Year Budget Reductions**

	<b>Total Budget Reductions Required</b>	<b>Total Budget Reductions Likely to be Achieved</b>	<b>Shortfall</b>
<b>DIRECTORATE /BUDGET REDUCTION AREA</b>	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>
Social Services and Wellbeing	115	115	0
Communities	165	35	130
<b>TOTAL</b>	<b>280</b>	<b>150</b>	<b>130</b>

*Note: The total budget reductions required in Table 2 represents the full original budget reduction targets.*

3.2.2 Table 2 shows that of the £280,000 outstanding reductions, £150,000 is likely to be achieved in 2023-24 leaving a shortfall of £130,000. Proposals still not likely to be achieved, and therefore which will have to be met through alternative one-off efficiencies in 2023-24 in order to deliver a balanced budget position, include:

- COM 2 – Re-location of Community Recycling Centre from Tythegston to Pyle (£60,000 shortfall). The new site in Pyle is anticipated to open in the second half of 2023-24, with both sites being maintained until the new site is fully operational, therefore the saving will not be achieved in full until 2024-25.
- COM 3 – change the composition of household food waste bags (£35,000 shortfall). Budget reduction proposal has been delayed due to ongoing national research and debate surrounding composition of household food waste bags, to ensure any potential changes in legislation do not impact on the proposal.
- COM 4 – remove Business in Focus from running Enterprise Centres in Bridgend (£10,000 shortfall). The review of the Business in Focus operating model is ongoing to identify operating efficiencies.
- COM 5 – commercially let a wing of Ravens Court to a partner organisation of business (£25,000 shortfall). Delay in progressing budget reduction proposal whilst the Future Service Delivery model is being developed.

3.2.3 As outlined in the MTFs reports to Cabinet and Council, MTFs Principle 7 states that *“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”*. An MTFs Budget Reduction Contingency reserve was established in 2016-17. This reserve has been used to meet specific budget reduction proposals in previous years on a one-off basis pending alternative measures. During the financial year, the Section 151 Officer will consider applications from Directorates to the MTFs Budget Reduction Contingency reserve to mitigate some of the shortfalls.



## **Budget Reductions 2023-24**

3.2.4 The budget approved for 2023-24 included budget reduction proposals totalling £2.608 million, which is broken down in **Appendix 2** and summarised in Table 3 below. The current position is that £2.358 million has been achieved to date with an additional £50,000 likely to be achieved by year end, leading to an overall projected shortfall on the savings target by year end of £200,000, or 7.67% of the overall reduction target.

**Table 3 – Monitoring of Budget Reductions 2023-24**

	Total Budget Reductions Required	Total Budget Reductions Achieved to date	Total Budget Reductions Likely to be Achieved	Shortfall
DIRECTORATE /BUDGET REDUCTION AREA	£'000	£'000	£'000	£'000
Education and Family Support	40	0	0	40
Schools	2,118	2,118	2,118	0
Social Services and Wellbeing	0	0	0	0
Communities	375	165	215	160
Chief Executive's	75	75	75	0
<b>TOTAL</b>	<b>2,608</b>	<b>2,358</b>	<b>2,408</b>	<b>200</b>

3.2.5 The most significant budget reduction proposals unlikely to be achieved in full are:-

- EDFS1 – Delegation of school transport responsibilities to The Bridge Pupil Referral Unit (£40,000 shortfall). Officers are continuing to investigate the practicalities and implications of this bespoke transport arrangement.
- COM1 – closure of each of the Community Recycling Centre sites for one weekday per week (£50,000 shortfall). Public Consultation has been undertaken, the outcome of which will be reported back to Cabinet in due course.
- COM 2 – Charging Blue Badge Holders for parking (£40,000 shortfall). The traffic management team have been engaged in the introduction of the national speed limit in built up areas, and therefore the saving proposal is unlikely to be achieved in 2023-24 due to the resource required to introduce this change first.
- COM5 – commercially let a wing of Ravens Court to a partner organisation or business (£70,000 shortfall) – delay in progressing budget reduction proposal whilst the Future Service Delivery model is being developed.

3.2.6 **Appendix 2** identifies the projected amount of saving against these proposals in detail and action to be taken by the directorate to mitigate the shortfall. Directors continue to work with their staff to deliver their proposals or alternatives and this is reflected in the forecast outturn for the year. During the financial year the Section 151 Officer will also consider applications from directorates to the MTFs Budget Reduction Contingency reserve to mitigate some of the shortfalls.

3.2.7 In the longer term, these proposals must be realised or must be met through alternative budget reduction proposals in order to deliver a balanced budget position.

### 3.3 Commentary on the financial position at 30th September 2023

#### Financial position at 30th September 2023

A summary of the financial position for each main service area is attached in **Appendix 3** to this report and comments on the most significant variances are provided below.

#### 3.3.1 Education and Family Support Directorate

The net budget for the Education and Family Support Directorate, including school delegated budgets, for 2023-24 is £139.032 million. Current projections indicate an over spend of £1.746 million at year end. The main variances are:

<b>EDUCATION &amp; FAMILY SUPPORT DIRECTORATE</b>	<b>Net Budget</b>	<b>Projected Outturn</b>	<b>Projected Variance Over/(under) budget</b>	<b>% Variance</b>
	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>	
Learner Support	6,697	7,207	510	7.6%
Family Support	3,430	3,150	(280)	-8.2%
Home to School Transport	8,008	9,166	1,158	14.5%
Catering Services	1,542	1,932	390	25.3%
Corporate health and safety	397	361	(36)	-9.1%

#### Schools' delegated budgets

Total funding currently delegated to schools in 2023-24 is £111.063 million.

The schools' delegated budget is reported as balanced as any under spend or over spend is automatically carried forward into the new financial year before being considered by the Corporate Director - Education and Family Support in line with the 'Guidance and Procedures on Managing Surplus School Balances'.

Total school balances decreased by £7.330 million during 2022-23, to £6.898 million at year end. At the start of 2023-24, projections indicated an overall surplus balance for school delegated budgets of £221,890 at year end. Quarter 2 projections indicate an overall surplus balance of £72,960 at year end. There are 20 primary schools, 1 secondary school and 2 special schools (39% of all schools) projecting a deficit balance at year end.

## **Central Education and Family Support Directorate budgets**

### Learner Support

- There is a projected net over spend of £510,000 in Learner Support budgets. This primarily relates to a projected over spend on the inter-authority recoupment budget due to an increase in demand for Bridgend pupils in out of county placements from 16 in Summer 2022 up to 21 for Summer 2023 (£353,000) as there are insufficient spaces at Heronsbridge and Ysgol Bryn Castell. The balance relates to a projected increase in demand for additional learning needs support at schools, in particular complex medical needs, sensory support and communication and relationship support.

### Family Support

- The projected under spend of £280,000 primarily relates to staff vacancies and receipt of additional grant funding. The two additional grants are the Youth Endowment Fund (£262,000 – 18 months from September 2023 to March 2025) and the Turnaround grant (£59,000 – two years, ending March 2025).

### Home-to-school transport (HtST)

- The revenue outturn report for 2022-23 highlighted a £1.316 million over spend on the HtST budget. This was primarily as a result of retendering exercises that had taken place, which had been impacted by unfavourable market conditions. This had subsequently resulted in higher costs across many contracts in line with difficulties associated with the aftermath of the pandemic, namely the shortage of drivers and escorts and increased fuel costs internationally.
- The HtST budget is projecting a similar projected over spend for 2023-24 of £1.158 million.

### Catering Services

- There is a projected over spend of £390,000 in Catering Services. The fixed price of school meals to paying pupils and the recharge to schools for Free School Meal pupils has once again not been increased in 2023-24 and therefore the projected over spend is mainly due to the service being unable to achieve full cost recovery due to the impact of high inflation on food purchases. Price inflation on food has been particularly volatile, with a recent reduction in food inflationary levels seen, therefore the cost of food purchases will be closely monitored in 2023-24 to determine whether the inflationary pressures in this area continue to impact on cost recovery in this service area.

### Corporate Health and Safety Unit

- The projected under spend of £36,000 within the Corporate Health and Safety Unit primarily relates to staff vacancies. The projected under spend has reduced from the £131,000 reported at quarter 1 as the service have successfully appointed to two core funded posts and have appointed agency staff to cover other vacancies within the unit.

### 3.3.2 Social Services and Wellbeing Directorate

The Directorate's net budget for 2023-24 is £96.630 million. Current projections indicate an over spend of £12.690 million at year end compared with £11.065 million at quarter 1. The outturn for 2022-23 was an over spend of £10.868 million. Council approved budget pressures of £8.74 million in March 2023 as part of the Medium Term Financial Strategy (MTFS), including £2.5 million for Real Living Wage for care workers which was included in the settlement by Welsh Government specifically for this purpose. The funded pressures also included inflationary uplifts on commissioned contracts, demographic pressures, Children's Residential and Independent Residential Care, Learning Disabilities, some strengthening of leadership in response to challenging Care Inspectorate Wales inspections, workforce pressures to safeguard and project children in light of significantly increased demand and increased costs of commissioned services, particularly the workforce required in children's social care to safeguard children from harm and the impact of increases in placements to meet the accommodation, care and support needs of children and adults. This growth was not sufficient to address the underlying budget pressures, which had been exacerbated by loss of grant funding. The Directorate has continued in 2023-24 to experience service and financial pressures in meeting statutory duties with a backdrop of a continued exponential increase in demand in Children's social care which impacts on the workforce required and a further increase in the number of independent residential placements in Children's services along with pressures in learning disabilities and older people's services driven by the complexity of need.

As noted in the revenue outturn report for 2022-23, to keep children safe and for the Council to meet statutory duties in respect of safeguarding children, there has been significant engagement of agency workforce to fill vacant posts and to provide additional capacity to ensure caseloads are at an acceptable level – in particular this has placed pressure on the Multi Agency Safeguarding Hub and Information, Advice and Assistance Services, Safeguarding Localities and the Care Experienced Children's Team.

A 3 year sustainability plan to improve the way that children and families are supported in Bridgend was considered by Council on the 20th September. This plan was informed by a detailed and independent analysis of the evidence base and local data. A £1 million budget virement was approved by Council in September from the centrally held MTFS emerging pressures budget, along with £2.5 million of existing earmarked reserves which have been unwound and repurposed to support Children's Services whilst a more permanent funding solution is sought.

The main budget variances are:

<b>SOCIAL SERVICES AND WELLBEING DIRECTORATE</b>	<b>Net Budget</b>	<b>Projected Outturn</b>	<b>Projected Variance Over/(under) budget</b>	<b>% Variance</b>
	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>	
Adult Social Care	63,911	69,159	5,248	8.2%
Prevention and Wellbeing	7,414	7,242	(172)	-2.3%
Childrens Social Care	25,305	32,919	7,614	30.1%

## Adult Social Care

There is projected net over spend of £5.248 million on the Adult Social Care budget. The most significant variances contributing to this projected over spend are:

<b>ADULT SOCIAL CARE</b>	<b>Projected Variance Over/(under) budget £'000</b>
Learning Disabilities Home Care	1,960
Homes For Older People	1,097
Learning Disabilities Residential Care	673
Assessment and Care Management	671
Learning Disabilities Day Opportunities	515
Mental Health Homecare	315
Physical Disability/Sensory Impairment Direct Payments	206
Older People Direct Payments	179
Physical Disability/Sensory Impairment Home Care	152
Equipment & Adaptions	141
Mental Health Residential Care	-76
Learning Disabilities Direct Payments	-84
Mental Health Supported Accommodation	-198
Administration and Central Services	-276

- Learning Disabilities Home Care – the projected over spend of £1.960 million is due to a combination of factors, which are an ongoing pressure from 2022-23. Firstly, the number of hours of care covered by home care services has increased as people have either opted to not return to internal day opportunities or are having a reduced service following a review of their assessed need. Secondly, there has been an increase in the complexity of people’s needs – e.g., waking nights required rather than sleep-in nights which increases the cost of service delivery considerably. Whilst the outturn for 2022-23 was a £1.826 million over spend, maximisation of grant funding mitigated this on a one-off basis by £562,000. Secondly, whilst £1.254 million of budget growth was allocated to this service area in 2023-24 almost £500,000 of this has funded Real Living Wage uplifts. At quarter 1 there was a projected over spend position of £2.098 million, so the projection against this budget is slightly improving due to an individual moving to residential care.
- Homes For Older People – the projected over spend of £1.097 million is mainly due to increased Residential/Nursing placement costs (£946,000). During quarter 2 there were 87 new admissions for older people/older people mental health – of which 24 (27.6%) were from home, 57 (65.5%) were from hospital and 6 (6.9%) were from other residential/nursing homes. There were 72 discharges, of which 5 transferred to nursing care. The projected over spend has increased by £155,000 since quarter 1, mainly due to increased staffing based on current needs of residents within the homes – new social care workers (£136,000) and agency costs (£25,000). There remain significant pressures in the health and social care system

and people delayed in being accommodated in care homes in Bridgend. There are also a number of people who enter residential care where the individual's capital resources fall beneath the threshold for self-funding during any period, which can also impact on the projected outturn.

- Learning Disabilities Residential Care – there is a projected over spend of £673,000 which is primarily due to increased costs for existing placements within the residential and nursing service due to changing needs (£781,000) which is partially offset by under spends on the Breakaway Respite Service (£108,000) due to staff vacancies – these are in the process of being recruited to. The quarter 1 position was a projected over spend of £352,000 with the increase to quarter 2 being primarily due to 3 new placements – one has moved from supported living, one as a result of a court directive and the other individual was a transfer from Children's Services.
- Assessment and Care Management – there is a projected over spend of £671,000 due to the need to have agency cover as a result of the recruitment environment and demands in the system and the need for additional capacity, particularly linked to supporting the acute hospital and timely discharges and the requirement for Court of Protection and Deprivation of Liberty Safeguards (DOLS) in learning disabilities and the need to minimise assessment delays in the hospital social work team. The projections present the worst-case scenario in having to continue to rely on agency members of staff for the remainder of 2023-24, and the service are endeavouring to appoint to core staffing posts to reduce this projected over spend via a robust agency tracker system.
- Learning Disabilities Day Opportunities – the over spend of £515,000 mainly relates to placement numbers exceeding the available budget for External Day Services (£393,000). Firstly, whilst the learning disabilities home care budget also has an over spend as people have not returned to internal day services, new people are taking up the vacant day services placements. Secondly, as reported in the revenue outturn report for 2022-23 the service is experiencing higher transport costs than normal (£218,000) due to the service having to hire vehicles on a short-term basis as a result of delays in the delivery of new vehicles due to chassis parts being difficult to obtain. There is an issue with suppliers across the public sector.
- Mental Health Home Care – this includes supported living, short breaks, and domiciliary care. The projected over spend of £315,000 is mainly due to increased needs of people with supported living packages of care. Whilst placement numbers have remained similar to 2022-23 there has been an overall reduction in the projected over spend of £101,000, partly due to an increase in Health funding contributions.
- Physical Disability/Sensory Impairment Direct Payments - there is a projected over spend of £206,000. The number of people using the service remains stable at 54 in quarter 2 for 2023-24. However, the projected over spend relates to an increasing complexity of cases that impact on the average cost of direct payments support. There has been a £42,000 improvement since quarter 1 due to account reimbursements, where balances in accounts have exceed the permitted contingency.

- Older People Direct Payments – there is a projected over spend of £179,000 across the Direct Payments budgets in this area. The main reason for this is increasing complexity of cases that impact on the average cost of direct payments support. The projected over spend has reduced by £22,000 since quarter 1 due to account reimbursements where balances in accounts have exceeded the permitted contingency.
- Physical Disability/Sensory Impairment Home Care - there is a projected over spend of £152,000. This has increased from the quarter 1 projected over spend position of £28,000. The reason for this is due to 14 new placements and 6 ending since quarter 1, a net increase of 8 placements. These are individuals who are all new to the service.
- Equipment & Adaptions – the projected over spend of £141,000 has reduced from the quarter 1 projected over spend £162,000. However, this is a fluctuating demand led budget and varies month by month. The over spend position is because of continuing demand for equipment due to the need to support individuals in line with Welsh Government’s rehabilitation and recovery model. The outturn for 2022-23 saw an underlying pressure in this service area of £460,000. A budget pressure of £298,000 was approved by Council as part of the Medium Term Financial Strategy (MTFS) budget setting process in March 2023 which has helped alleviate a significant amount of pressure, however this budget will be monitored closely going forward.
- Mental Health Residential Care – the projected under spend of £76,000 has reduced from the quarter 1 projected under spend of £322,000. This is as a result of 3 new placements in quarter 2. Current placement numbers still remain lower than in previous years. Alternative service solutions continue to be provided which benefit individuals and prove beneficial to the financial position. The Directorate will review budgets during quarter 3 and will seek to vire budgets within Mental Health to areas that are experiencing pressures as a result of the medium to long term impact of the pandemic on individuals.
- Learning Disabilities Direct Payments – there is projected under spend of £84,000 which is a decrease on the projected over spend at quarter 1 of £239,000. The number of people in the service have actually increased to 120 in quarter 2 for 2023-24 compared with 110 in quarter 2 2022-23 – these are children which have transferred into Adult Services. There is also an increasing complexity of cases that impact on the average cost of direct payments support. However, the projected year end position has improved due to reimbursements reclaimed from people using the service where balances in accounts have exceeded the permitted contingency.
- Mental Health Supported Accommodation – the projected £198,000 under spend primarily relates to utilisation of Innovation Grant Funding to support staffing budgets in this service area (£262,000).
- Administration and Central Services – the projected under spend of £276,000 is mainly due staffing vacancies.

### Prevention and Wellbeing

- The projected under spend of £172,000 is primarily due to the utilisation of grant funding opportunities offsetting salary costs (£122,000 in Prevention and Wellbeing and £25,000 in Playworks). The projected under spend has reduced since quarter 1 by £26,000 due to additional spend relating to casual staff at sports halls and holiday clubs to support increased demand on the Active for Life Schemes through the summer holidays.

### Children's Social Care

There is projected net over spend of £7.614 million on the Childrens Social Care Budget. This is compared to a quarter 1 projected over spend of £6.920 million. The most significant variances contributing to this projected over spend are:-

<b>CHILDRENS SOCIAL CARE</b>	<b>Projected Variance Over/(under) Budget – qtr 2 £'000</b>	<b>Projected Variance Over/(under) Budget – qtr 1 £'000</b>
Care Experienced Children	5,142	3,746
Commissioning & Social Work	2,055	2,841
Management & Administration	352	213

- The projected over spend of £5.142 million for Care Experienced Children is due to a combination of factors:-
  - The Independent Residential Care budget has a projected over spend of £4.772 million. This is despite a budget growth being approved by Council for 2023-24 of £650,000 as part of the MTFS and has increased by £1.114 million from the quarter 1 projected over spend of £3.658 million. There are currently 27 care experienced children in out of authority placements, an increase of 2 since quarter 1. Whilst this is only an increase of 2 placements since the 31st May 2023 it is a significant increase compared to the 9 placements at quarter 4 in 2021-22 and the 16 placements at quarter 1 in 2022-23. This is due to a number of factors, including high numbers of care experienced children, insufficient quantum and quality placements to meet needs including foster carers (in-house and independent) and children requiring specialist provision sometimes with high staffing ratios to keep them safe and protected. It should be noted that this budget area can be volatile and small changes in demand can result in relatively high costs being incurred.
  - Children's Residential Services are projecting an under spend of £143,000, compared with the projected under spend position of £434,000 at quarter 1. This is due to increasing use of agency staff since quarter 1 due to unavoidable staff absences. The service area was allocated £684,000 of budget pressures in 2023-24 due to additional staff being required in BCBC residential settings. There is a projected under spend relating to this growth as the posts are being recruited to in 2023-24, along with a delay in the opening of the Golygfa'r Dolydd, a new build children's home. The opening of the new children's home should have a positive impact on the projected over spend noted above on the Independent Residential Care budget. The service area has also benefited from Eliminating Profit grant funding of £397,000.
  - There is an under spend on Independent Fostering Agency placements (£462,000). This has increased since the quarter 1 projected under spend position of £329,000.



This is due to other placement options being utilised, including Special Guardianship Orders which are projecting an over spend of £356,000. The placements reduced from 43 placements at quarter 1 to 36 at quarter 2. These budgets will be monitored closely in 2023-24 and budgets vired as appropriate.

- Commissioning & Social Work – the projected over spend of £2.056 million is mainly due to having to continue to rely on agency staffing across all the children's social work teams due to the ongoing recruitment challenges and the need to operate above establishment to maintain safe caseloads. The projection reflects the ongoing permanent staff recruitment issues and reliance on agency staff for the foreseeable future, although good progress is being made in international recruitment. Agency staff are being utilised where possible to ensure children are safeguarded and protected from harm and ensure that statutory duties are met. The projections present the worst-case scenario in having to continue to rely on agency members of staff for the remainder of 2023-24, and every opportunity is taken to convert agency arrangements into permanent employment where possible, which will have a positive impact on the projected spend. Council approved a £1 million budget virement in 2023-24 which has been allocated to support the costs of the Multi-Agency Safeguarding Hub (MASH), the Information, Advice and Assistance Service (IAA) and the safeguarding team restructure. Analysis reported to Council shows there is a remaining budget pressure of £2.5 million and the additional use of up to £2.5 million of earmarked reserves has been established to support the new proposed structure whilst a more permanent funding solution is sought. The service have been successful in recruiting to core funded posts, and therefore have reduced spend on agency staff, so there has been a net improvement of £100,000 to the staffing projections. The service area has also maximised the Social Care Workforce grant (£118,000).

Whilst the workforce projections have improved since the projected over spend of £2.841 million that was reported in quarter 1, non-workforce related costs (the majority of which relate to Care Experienced Children and care and support spend such as Court ordered drug testing, assessments, reports, travel and therapy costs), have increased by £440,000. Further detailed analysis of this area of spend is being undertaken.

- Management & Administration – the projected over spend of £352,000 (quarter 1 - £213,000 over spend) relates primarily to staffing costs. There has been a significant increase in children and young people referred for care and support and/or due to safeguarding concerns. In addition to the impact this has on the social work teams being required to discharge their statutory duties, there is also the impact on support officer roles due to the pivotal role they play in ensuring statutory timescales and statutory recording requirements are met.

### 3.3.3 Communities Directorate

The net budget for the Directorate for 2023-24 is £32.832 million. The current projection is a projected over spend of £600,000. The main variances are:

<b>COMMUNITIES DIRECTORATE</b>	<b>Net Budget</b>	<b>Projected Outturn</b>	<b>Projected Variance Over/(under) budget</b>	<b>% Variance</b>
	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>	
Development Control	(206)	(312)	(106)	51.5%
Waste Disposal & Collection	9,731	10,104	373	3.8%
Fleet Services	135	366	231	171.1%
Highways Services (DSO)	3,257	3,007	(250)	-7.7%
Engineering Services	101	18	(83)	-82.2%
Corporate Landlord	4,044	4,616	572	14.1%

#### Planning and Development

- The projected under spend in planning and development of £106,000 is primarily due to a projected upturn in planning application income. Fee income is subject to considerable fluctuations between years, depending on number of types of applications. For example, in 2021-22 the service generated a deficit of £249,000, compared with a surplus of £54,000 in 2022-23.

#### Waste Disposal and Collection

- There is a net projected over spend on the Waste Disposal and Collection budget of £373,000.
- £60,000 of this is due to the delay in the achievement of the 2022-23 MTFS saving, COM 2 - Re-location of Community Recycling Centre from Tythegston to Pyle resulting in cessation of lease payments at the existing site. The new site in Pyle is anticipated to open in the second half of 2023-24 with both sites being maintained until the new site is fully operational, therefore the saving will not be achieved in full until 2024-25.
- £35,000 is due to the delay in the achievement of the 2022-23 MTFS saving, COM 3 – change the composition of Household Food Waste Bags. The budget reduction proposal has been delayed until the outcome of national research has been completed to ensure any potential changes in legislation do not impact on this proposal.
- £50,000 is due to the delay in the achievement of the 2023-24 MTFS saving, COM 1 – closure of each of the Community Recycling Centre sites for one weekday per week. Public consultation on this proposal has now been completed which will be reported back to Cabinet in due course.
- The remainder of the projected over spend is due to an increase in subscribers for both the Absorbent Hygiene Products (AHP) (£115,000) and Garden Waste (£65,000) collection services. The AHP service has been promoted to further improve the recycling levels achieved in Bridgend which also mitigates the risk of fines imposed by WG if local authorities do not meet their recycling targets. It has seen an increase of 6.2% since the start of the 2022-23 financial year. Garden waste subscriptions have increased by 20% over the last two years with the number of subscribers increasing from 6,249 in 2021-22 to 7,536. An annual subscription

fee is charged for the service, and the garden waste collected also improves the recycling levels achieved in Bridgend, however it is not currently a fully cost-recovering service.

#### Fleet Services

- There is a projected over spend of £231,000 on Fleet services. The fleet services team operate on a break-even basis with re-charges for work undertaken on directorates', South Wales Police (SWP) and the general public's vehicles, generating income to support staffing and overhead costs. Productivity levels continue to be impacted by long term sickness as well as recruitment and retention difficulties. A report outlining options in respect of the operational model and charging mechanisms is in the final stages of development in mitigating the budget position of fleet services.

#### Highways Services

- The projected under spend of £250,000 within Highways Services is primarily due to core funded staff being utilised to support work on capital schemes. In these cases, the salary costs can be capitalised, thus generating one-off income for the service area.

#### Engineering Services

- There is a projected under spend on Engineering Services of £83,000. This is primarily due to an increase in the level of fee earning jobs (grant funded/non grant funded projects) and the differing chargeable rates allowed on the schemes.

#### Corporate Landlord

- There is a projected over spend of £616,000 against Corporate Landlord. As reported in the 2022-23 outturn report, there are shortfalls in income generated from properties run by the Council that relate to occupancy shortfalls which have continued into 2023-24. It was reported at quarter 1 that there was already an underlying shortfall in income at Bridgend Market of £100,000 which has increased to £198,000 at quarter 2 due to the identification of Reinforced Autoclaved Aerated Concrete (RAAC) and the closure of the market at the end of September 2023. There is also a shortfall in income of £130,000 for the Innovation Centre and £130,000 on Industrial Units and a strategy is being developed to reduce these income shortfalls in the longer term.
- Corporate Landlord continue to seek to commercially let out wings of Ravens Court to a partner organisation or business. However, at present demand for office space is limited and the re-letting market extremely challenging. As noted in section 3.2.2 and 3.2.5 the £50,000 target for 2022-23 and the £120,000 target for 2023-24 in relation to this MTFS proposal are unlikely to be achieved in full this financial year which represent a further £95,000 pressure on the Corporate Landlord estates budget.
- The projected over spends have been partially offset by staffing vacancies of £148,000.

### 3.3.4 Chief Executive's

The net budget for the Directorate for 2023-24 is £24.200 million. Current projections anticipate an over spend against this budget of £248,000. This is compared to a projected under spend position of £98,000 at quarter 1. The main variances are:

<b>CHIEF EXECUTIVE'S</b>	<b>Net Budget £'000</b>	<b>Projected outturn £'000</b>	<b>Actual Variance Over/(under) budget £'000</b>	<b>% Variance</b>
Housing & Homelessness	4,120	3,598	(522)	-12.7%
ICT	4,126	4,186	60	1.5%
Legal, Democratic & Regulatory	5,869	6,616	747	12.7%

#### Housing & Homelessness

- There is a projected under spend of £522,000 on Housing & Homelessness.
- Budget growth of £2.192 million was approved by Council as part of the MTFS Budget setting process in February 2021 to continue the commitment to focus support for homeless individuals providing them with accommodation. An additional budget pressure of £700,000 was approved by Council in March 2022 based on increased numbers of households and individuals supported with accommodation. The core accommodation budget for 2023-24 is £2.722 million.
- For 2023-24, Welsh Government (WG) have confirmed grant funding of £898,694 for accommodation under the "No One Left Out" funding stream, and £137,000 under a Discretionary Homelessness Prevention Grant. The total grant funding confirmed for 2023-24 of £1.036 million is significantly lower than the total grant funding of £3.607 million which was received in 2022-23.
- Projected spend on Homelessness accommodation in 2023-24 is £3.9 million. As well as the core budget (£2.722 million), and total WG accommodation grant funding (£1.036 million), the service has also seen an increase in rental income relating to Housing Benefits claimed by tenants who have been supported with homelessness accommodation (£392,000). The net impact is a projected under spend on accommodation of £250,000.
- The projected accommodation spend is based on increased numbers of households and individuals supported, from 220 households and 401 individuals in September 2022 to 276 households and 514 individuals in September 2023. The budget will require close monitoring throughout 2023-24 in line with any further changes in support required for homelessness accommodation.
- The remainder of the projected under spend primarily relates to staff vacancies (£89,000).
- The other significant area of under spend in Housing relates to Homelessness Spend 2 Save Support, which has a predicted under spend of £280,000 primarily due to additional grant funding (Discretionary Homelessness Prevention Grant of £137,000 from No One Left Out funding) and a £100,000 projected under spend relating to the Housing Deposits budget, a fund that is used to support initial set-up costs in temporary accommodation.

### ICT

- There is a projected net over spend of £60,000 across ICT budgets. This has improved from the projected net over spend of £185,000 reported in quarter 1. Due to reduced printing activity ICT have been unable to recover the fixed costs of printers and photocopiers through the re-charge to service departments consequently, reduced spend has been incurred on printing budgets across the service departments and the ICT service has received less income. An exercise was undertaken in quarter 2 to re-align print budgets and the position in ICT reflects a £125,000 realignment from service area budgets as referred in 3.1.6.

### Legal, Democratic & Regulatory

- There is a net over spend of £747,000 across Legal, Democratic and Regulatory services which is primarily due to legal fees continuing to be a budget pressure. The projected over spend on Legal fees has increased to £637,000 at quarter 2 compared with the quarter 1 projection of £330,000. The pressures experienced in 2022-23 on public and private law childcare cases, along with an increase in volume of complex cases that have required King's Counsel, are continuing into 2023-24. The budget will be closely monitored through the remainder of the financial year, with the projection based on the number and complexity of cases.
- In comparison, the over spend on legal fees for 2022-23 was £417,000, but this was offset by an Earmarked Reserve of £340,000 which was drawn down in full in that financial year.
- There is also a net £145,000 over spend in Regulatory Services (Licencing, Public Health, Pest Control etc) due to under recoupment of income, particularly in Taxi Licencing and Environmental Health.

### 3.3.5 Council Wide budgets

This section includes budgets, provisions and services which are council wide, and not managed by an individual directorate. The net budget for 2023-24 is £49.640 million. Current projections anticipate an under spend against this budget of £4.352 million. The main variances are:-

<b>COUNCIL WIDE BUDGETS</b>	<b>Net Budget</b>	<b>Projected Outturn</b>	<b>Projected Variance Over/(under) budget</b>	<b>% Variance</b>
	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>	
Capital Financing	7,203	4,605	(2,598)	-36.1%
Council Tax Reduction Scheme	16,054	15,841	(213)	-1.33%
Other Council Wide Budgets	14,981	13,582	(1,399)	-9.34%

### Capital Financing

- The projected under spend of £2.598 million mainly relates to additional interest from current investments due to the continuing increase in interest rates by the Bank of England. It was noted in the revenue outturn report that the increase to 4.5% in May 2023 was the highest it has been since 2008, but this has further increased to 5% in June 2023 and 5.25% in August 2023, although this was frozen at the latest review in September.
- The under spend is predicated on interest rates being sustained throughout the remainder of 2023-24. It should also be noted that this will not be a recurring under spend as the Council approved new Highways and Children's Playground

refurbishments in the Capital Programme in March 2023 to be funded from a combination of unallocated capital funding and prudential borrowing and this has not been drawn down in full to date.

#### Council Tax Reduction Scheme

- There is currently a projected under spend of £213,000 on the Council Tax Reduction Scheme. This is a demand led budget and take-up is difficult to predict. The projected take-up for 2023-24 is higher than in 2022-23 when the gross spend in this budget area was £14.885 million, although part of this would be as a result of the council tax increase in April 2023. The budget will be closely monitored in 2023-24 as there could be an additional call on the scheme in view of the impact of the cost of living crisis on personal financial circumstances with the potential for an increase in the number of benefit claimants.

#### Other Council Wide Budgets

- As referred to in paragraph 3.1.8 and 3.1.9, due to the ongoing discussions regarding pay claims and the risk of unexpected major price inflation increases, at this point in the financial year, it is prudent to assume that the majority of Council wide budgets will be fully spent by the year end. However it is anticipated that there will be a reduction in corporate support required to fund potential redundancy costs as, following the better than anticipated WG settlement for 2023-24, fewer budget reduction proposals had to be made.
- In addition, when the 2023-24 budget was approved, a number of recurrent pressures for 2023-24 totalling £9.77 million were agreed with a further £1.3 million being retained centrally to support emerging pressures. At the September meeting of Council, £1 million of this was approved to be allocated to Social Services as part of the 3 year sustainability plan for Children's Services in line with the Financial Procedure Rules. Cabinet have approved the use of the uncommitted funding of £300,000 for emerging budget pressures to be utilised against the increased cost of the annual waste collection service from 2024-25, therefore contributing to the overall projected under spend for other council wide budgets in 2023-24.

### **3.3.6 Council Tax Collection**

It is still early in the financial year to provide a realistic indication of projected council tax income for this financial year, and whether the Council is likely to see a reduction in council tax income over the 2023-24 financial year as more people have suffered financial hardship due to the current cost of living crisis, or whether additional income will be collected from the introduction of council tax premiums on empty properties. Current projections indicate that budgeted council tax income levels will be achieved with the possibility of up to 1% additional income, around £1 million. However, due to changing personal circumstances of individuals, and changes to those receiving council tax support, council tax collection rates will be monitored continuously throughout the year and reported accordingly.

### **3.4 Review of Earmarked Reserves**

- 3.4.1 A thorough review of earmarked reserves was undertaken by Corporate Management Board during quarter 1 of 2023-24, which included an assessment of the draw down profile and re-profiling of existing earmarked reserves.

3.4.2 The review in quarter 1 identified £3.067 million of reserves to be unwound in order to fund emerging risks for the Council as a whole during 2023-24 and a further £733,000 to be repurposed for similar schemes. On 20th September Council approved the use of £2.5 million of the unwound reserves to support the deliverability of the 3 year sustainability plan, to improve outcomes for Children and Family Services in Bridgend, whilst a more permanent funding solution is sought. The other significant earmarked reserve established was £355,000 towards the demolition costs of Brackla Car Park.

3.4.3 The cumulative draw down by directorates in 2023-24 is £4.251 million as shown in Table 4 below. The majority of draw down from earmarked reserves takes place in the later stages of the financial year, especially on capital and grant funded schemes. In addition, school balances are not adjusted until the year end – an overall reduction in year of £6.825 million on school balances is currently projected.

**Table 4 – Usable Earmarked Reserves (Excluding Council Fund) – Quarter 2**

Opening Balance 01 Apr 23	Reserve	Net Additions/ Reclassification	Draw-down	Unwound	Closing Balance 30 Sept 23
£		£	£	£	£
	<b>Corporate Reserves:</b>				
(25,801)	Education & Family Support	-	3	-	(25,798)
(1,870)	Social Services & Wellbeing	-	-	290	(1,580)
(15,624)	Communities	(330)	175	74	(15,705)
(10,650)	Chief Executives	(167)	154	393	(10,270)
(7,380)	Non-Directorate	142	2,263	474	(4,501)
<b>(61,325)</b>	<b>Total Corporate Reserves</b>	<b>(355)</b>	<b>2,595</b>	<b>1,231</b>	<b>(57,854)</b>
	<b>Directorate Earmarked Reserves:</b>				
(693)	Education & Family Support	(78)	34	76	(661)
(6,076)	Social Services & Wellbeing	(2,500)	958	-	(7,618)
(9,310)	Communities	(130)	76	69	(9,295)
(3,102)	Chief Executives	(154)	538	166	(2,552)
<b>(19,181)</b>	<b>Total Directorate Reserves</b>	<b>(2,862)</b>	<b>1,606</b>	<b>311</b>	<b>(20,126)</b>
	<b>Equalisation &amp; Grant Earmarked Reserves:</b>				
(2,074)	Education & Family Support	78	50	580	(1,366)
(436)	Social Services & Wellbeing	-	-	350	(86)
(2,847)	Communities	-	-	595	(2,252)
(346)	Chief Executives	154	-	-	(192)
	Non-Directorate	-	-	-	-
<b>(5,703)</b>	<b>Total Equalisation Reserves</b>	<b>232</b>	<b>50</b>	<b>1,525</b>	<b>(3,896)</b>
<b>(6,898)</b>	<b>School Balances</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(6,898)</b>
<b>(93,107)</b>	<b>Total Usable Reserves</b>	<b>(2,985)</b>	<b>4,251</b>	<b>3,067</b>	<b>(88,774)</b>

3.4.4 The capital programme contribution reserve supplements the funding we receive from WG and via capital receipts to fund our capital programme. Currently, we have a balance of £44.115 million of funding in this reserve which constitutes 49.7%

of our overall earmarked reserves balances. This will be used to fund a wide range of schemes in the capital programme.

3.4.5 The School balances reserve decreased from £14.228 million to £6.898 million at the end of 2022-23. As noted in paragraph 3.3.1, the quarter 2 projections indicate a projected overall surplus balance for school delegated budgets of £72,960 at year end. This will reduce this reserve accordingly by year end.

3.4.6 A further review of earmarked reserves will be undertaken at quarter 3 when there is a clearer picture on pressures and projected year end balances.

#### **4. Equality implications (including Socio-economic Duty and Welsh Language)**

4.1 The protected characteristics identified within the Equality Act 2010, Socio-economic Duty and the impact on the use of the Welsh language have been considered in the preparation of this report. As a public body in Wales, the Council must consider the impact of strategic decisions, such as the development or the review of policies, strategies, services and functions. It is considered that there will be no significant or unacceptable equality impacts as a result of this report.

#### **5. Well-being of Future Generations implications and connection to Corporate Well-being Objectives**

5.1 The Act provides the basis for driving a different kind of public service in Wales, with 5 ways of working to guide how public services should work to deliver for people. The well-being objectives are designed to complement each other and are part of an integrated way of working to improve well-being for the people of Bridgend. The allocation of budget determines the extent to which the Council's well-being objectives can be delivered. It is considered that there will be no significant or unacceptable impacts upon the achievement of the well-being goals or objectives as a result of this report.

#### **6. Climate Change Implications**

6.1 There are no direct implications arising from this report.

#### **7. Safeguarding and Corporate Parent Implications**

7.1 There are no direct implications arising from this report.

#### **8. Financial Implications**

8.1 These are reflected in the body of the report.

#### **9. Recommendations**

9.1 Cabinet is recommended to:

- note the projected revenue position for 2023-24;
- approve the virements over £100,000 as outlined in paragraph 3.1.6.

**Background documents:** Individual Directorate Monitoring Reports



## PRIOR YEAR BUDGET REDUCTIONS CARRIED FORWARD INTO 2023-24

Ref.	Budget Reduction Proposal		Original Reduction and RAG £000	Revised RAG £000	Total amount of saving likely to be achieved by 23-24 £000	Reason why not achievable	Proposed Action in 2023-24 to achieve
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## RAG STATUS KEY

<b>RED</b>	Not likely to be achieved at all in this financial year or less than 25%.
<b>AMBER</b>	Reduction not likely to be achieved in full in financial year but greater than 25%
<b>GREEN</b>	Reduction likely to be achieved in full

## SOCIAL SERVICES &amp; WELLBEING

SSW 2 (2022-23)	Remodelling day service provision for older people and learning disability services		115		115	As reported in the 2022-23 Revenue outturn report, some efficiencies were identified, however external factors prevented the achievement of the full savings target.	A review of the budgets within Adult Services was undertaken during quarter 2 to identify replacement savings against the £30,000 shortfall reported in quarter 1. Budget virements were actioned from Adult Services Non-residential income. No further action required.
<b>Total Social Services &amp; Wellbeing Directorate</b>			<b>115</b>		<b>115</b>		

## COMMUNITIES

COM 2 (2021-22)	Re-location of Community Recycling Centre from Tythegston to Pyle resulting in cessation of lease payments at existing site		60		0	The new site in Pyle is anticipated to open in the second half of 2023-24. Both sites will be maintained until the new site is fully operational, therefore the saving will not be achieved in full until 2024-25.	The service will endeavour saving to meet the saving through alternative one off efficiencies in 2023-24 to deliver a balanced budget position.
COM 3 (2022-23)	Change the composition of Household Food Waste Bags		35		0	Ongoing national research and debate surrounding composition of Household Food Waste Bags. Budget reduction proposal delayed until outcome of review known to ensure any potential changes in legislation do not impact on the proposal.	The service will endeavour saving to meet the saving through alternative one off efficiencies in 2023-24 to deliver a balanced budget position.
COM 4 (2022-23)	Remove Business in Focus from running Enterprise Centres in Bridgend		20		10	Rising costs of utilities, general contractor rates and occupational levels/demand impacting on profitability of Business in Focus units and therefore ability to reduce running costs and deliver saving proposal.	Review of Business in Focus operating model being explored to identify operating efficiencies with a view to restructuring the management agreement with Business in Focus to deliver savings.
COM 5 (2022-23)	Commercially let a wing of Ravens court to a partner organisation or business		50		25	Demand for office space at this time is limited and the re-letting market extremely challenging. Savings delivered mainly through non-occupational savings and a proportion of these will be achievable although impacted by rising utilities and servicing costs.	Marketing agents instructed and discussions ongoing with a Bridgend based employer who are interested in taking over all empty wings. Further operational cost savings to be delivered.
<b>Total Communities Directorate</b>			<b>165</b>		<b>35</b>		

<b>GRAND TOTAL OUTSTANDING REDUCTIONS</b>			<b>280</b>		<b>150</b>		
<b>REDUCTIONS SHORTFALL</b>					<b>130</b>		

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**MONITORING OF 2023-24 BUDGET REDUCTIONS**

Ref.	Budget Reduction Proposal	Impact, including on 5 Ways of Working as set out in the Wellbeing of Future Generations Act	Proposed 2023-24 £'000	Value achieved to date 2023-24 £'000	Value Likely to be Achieved 2023-24 £'000	Reason why not likely to be achievable
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**EDUCATION & FAMILY SUPPORT**

**CENTRAL EDUCATION & FAMILY SUPPORT**

EDFS1	Delegate some school transport responsibilities to The Bridge Pupil Referral Unit under a new delivery model to deliver efficiency savings	<ul style="list-style-type: none"> <li>Minimal impact anticipated</li> <li>Alternative service model to be implemented to deliver the identified efficiency</li> <li>Increased responsibility for school</li> </ul>	40	0	0	Officers continue to investigate the practicalities and implications of a bespoke transport arrangement for the Bridge Alternative Provision. Until the market has been tested and the school agrees to the arrangements, it will not be known if the saving can be made.
<b>Total Education and Family Support</b>			<b>40</b>	<b>0</b>	<b>0</b>	

**SCHOOLS**

SCH1	Efficiency savings against School Delegated Budgets - 2% for 2023-24	<ul style="list-style-type: none"> <li>The annual saving represents a 2% efficiency per annum against individual school budgets</li> <li>Risk of increased school deficit positions</li> <li>Implementation will be a matter for individual schools</li> <li>Potential to result in some teacher and other staff redundancies</li> <li>If efficiency is made solely from staffing budgets, this could range from a minimum of one teacher in our large primary schools and to five teachers in our larger secondary schools being made redundant over the MTFS period</li> </ul>	2,118	2,118	2,118	The savings have been implemented and schools budgets reduced accordingly. However, the overall consequential effect on schools is a significant contributory factor in that projected year end balances have fallen from £6.898 million brought forward from 2022-23 to £221,890 projected surplus for 2023-24. There are 23 schools projecting deficit budget situations, many of which will be unlikely to balance their budget by year end.
<b>Total Schools</b>			<b>2,118</b>	<b>2,118</b>	<b>2,118</b>	

<b>Total Education &amp; Family Support Directorate</b>			<b>2,158</b>	<b>2,118</b>	<b>2,118</b>	
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**MONITORING OF 2023-24 BUDGET REDUCTIONS**

Ref.	Budget Reduction Proposal	Impact, including on 5 Ways of Working as set out in the Wellbeing of Future Generations Act	Proposed 2023-24 £'000	Value achieved to date 2023-24 £'000	Value Likely to be Achieved 2023-24 £'000	Reason why not likely to be achievable
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**COMMUNITIES**

COM1	Closure of each of the Community Recycling Centre sites for one weekday per week	The waste contract related items would require both Contract variation negotiations with Kier to confirm the saving levels proposed along with public consultation regarding the reduced levels of service.	50	0	0	In April 2023, Cabinet approved to formally enter into public consultation for 12 weeks on the potential closure of three Community Recycling Centres (CRC) for one day per week. The outcome of the consultation will be reported back to Cabinet in due course and future monitoring reports will report the outcome of the consultation exercise
COM2	Charging Blue Badge Holders for parking	There are currently a number of measures which assist in providing equitable access, particularly for those who are participants in the Blue Badge Scheme. These include reserved spaces for Blue Badge Holders in Off-Street Car Parks in convenient locations, guidance on the proportion of disabled parking spaces within new parking facilities, some on-street parking provision in town centre locations, the ability to park on double yellow lines for up to 3 hours as long as no obstruction is caused and the Shopmobility scheme operated within Bridgend Town Centre. In providing parking either at ground level or in multi-storey car parks, the Council incurs both capital and ongoing revenue costs which the Council must source from its own funds. The current position is that a concession is applied in Off Street Car Parks for persons displaying a Blue Badge which provides for unlimited parking free of charge.	40	0	0	The traffic management team have been engaged in the introduction of the default national speed limit in built up areas. The saving proposal is unlikely to be achieved this year due to the processes required to introduce any change.
COM3	Commercially let two wings 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	120	0	50	Demand for office space at this time is limited and the re-letting market extremely challenging. Savings delivered mainly through non-occupational savings and a proportion of these will be achievable although impacted by rising utilities and servicing costs.
COM4	Use revenue savings accrued as a result of switching street lighting to LED's across the County	The savings are predicated from reduced energy bills in 22/23 as a result of the LED street lighting roll out. This may be diminished in future years by rising energy costs overall	100	100	100	Full saving should be achieved in 2023-24

**MONITORING OF 2023-24 BUDGET REDUCTIONS**

Ref.	Budget Reduction Proposal	Impact, including on 5 Ways of Working as set out in the Wellbeing of Future Generations Act	Proposed 2023-24 £'000	Value achieved to date 2023-24 £'000	Value Likely to be Achieved 2023-24 £'000	Reason why not likely to be achievable
COM5	Reduction to Highways - Road Marking Budget	This reduction could have an impact on the enforcement of restriction as the remaining funding will be focused on markings that have wider safety implications	10	10	10	Full saving should be achieved in 2023-24
COM6	Increase garden waste subscription cost to £46 per household and £42 for pensioners (Currently £41.01 per household or £36.73 for pensioners)	Potential increase in fly tipping. Loss of subscribers	30	30	30	Full saving should be achieved in 2023-24
COM7	Increase bulky waste charges from £21.42 for 3 items to £25.	Potential increase in fly tipping.	25	25	25	Full saving should be achieved in 2023-24
<b>Total Communities Directorate</b>			<b>375</b>	<b>165</b>	<b>215</b>	

**CHIEF EXECUTIVES**

CEX1	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.	40	40	40	Full saving should be achieved in 2023-24
CEX2	Efficiency saving target targeting supplies and services budgets across the Chief Executive's Directorate	Limited impact as review has identified small historic under spends against this budget category	35	35	35	Full saving should be achieved in 2023-24
<b>Total Chief Executive's Directorate</b>			<b>75</b>	<b>75</b>	<b>75</b>	

<b>GRAND TOTAL REDUCTIONS</b>		<b>2,608</b>	<b>2,358</b>	<b>2,408</b>
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<b>REDUCTION SHORTFALL</b>				<b>200</b>
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<b>230</b>	<b>2,358</b>	<b>2,358</b>
<b>260</b>	<b>0</b>	<b>120</b>
<b>2,118</b>	<b>250</b>	<b>130</b>
<b>2,608</b>	<b>2,608</b>	<b>2,608</b>

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BRIDGEND COUNTY BOROUGH COUNCIL	Budget 2023-24			Projected Outturn	Projected Variance Over/(under) budget	% Variance
	Expenditure Budget	Income Budget	Net Budget			
	£'000	£'000	£'000			
<b>EDUCATION AND FAMILY SUPPORT</b>						
School Delegated Budgets	132,365	(21,302)	111,063	111,063	-	0.0%
Learner Support	7,913	(1,216)	6,697	7,207	510	7.6%
Family Support	7,819	(4,389)	3,430	3,150	(280)	-8.2%
Business Support	15,181	(4,418)	10,763	12,201	1,438	13.4%
Schools Support	1,515	(837)	678	640	(38)	-5.6%
School Modernisation	3,879	-	3,879	3,944	65	1.7%
Vulnerable Groups Support	838	(96)	742	664	(78)	-10.5%
Other Education and Family Support	1,840	(60)	1,780	1,909	129	7.2%
<b>TOTAL EDUCATION AND FAMILY SUPPORT</b>	<b>171,350</b>	<b>(32,318)</b>	<b>139,032</b>	<b>140,778</b>	<b>1,746</b>	<b>1.3%</b>
<b>SOCIAL SERVICES AND WELLBEING</b>						
Adult Social Care	86,247	(22,336)	63,911	69,159	5,248	8.2%
Prevention and Wellbeing	8,394	(980)	7,414	7,242	(172)	-2.3%
Childrens Social Care	26,436	(1,131)	25,305	32,919	7,614	30.1%
<b>TOTAL SOCIAL SERVICES AND WELLBEING</b>	<b>121,077</b>	<b>(24,447)</b>	<b>96,630</b>	<b>109,320</b>	<b>12,690</b>	<b>13.1%</b>
<b>COMMUNITIES DIRECTORATE</b>						
Planning & Development Services	2,484	(1,819)	665	564	(101)	-15.2%
Strategic Regeneration	2,922	(1,220)	1,702	1,702	-	0.0%
Economy, Natural Resources and Sustainability	4,709	(3,019)	1,690	1,681	(9)	-0.5%
Cleaner Streets and Waste Management	13,841	(1,968)	11,873	12,299	426	3.6%
Highways and Green Spaces	24,854	(12,281)	12,573	12,285	(288)	-2.3%
Director and Head of Operations - Communities	285	-	285	285	-	0.0%
Corporate Landlord	15,337	(11,293)	4,044	4,616	572	14.1%
<b>TOTAL COMMUNITIES</b>	<b>64,432</b>	<b>(31,600)</b>	<b>32,832</b>	<b>33,432</b>	<b>600</b>	<b>1.8%</b>
<b>CHIEF EXECUTIVE'S</b>						
Chief Executive Unit	502	-	502	518	16	3.2%
Finance	46,913	(42,994)	3,919	3,901	(18)	-0.5%
HR/OD	2,495	(398)	2,097	2,019	(78)	-3.7%
Partnerships	3,470	(1,227)	2,243	2,260	17	0.8%
Legal, Democratic & Regulatory	6,838	(969)	5,869	6,616	747	12.7%
Elections	178	-	178	156	(22)	-12.4%
ICT	5,259	(1,133)	4,126	4,186	60	1.5%
Housing & Homelessness	11,979	(7,859)	4,120	3,598	(522)	-12.7%
Business Support	1,257	(111)	1,146	1,194	48	4.2%
<b>TOTAL CHIEF EXECUTIVE'S</b>	<b>78,891</b>	<b>(54,691)</b>	<b>24,200</b>	<b>24,448</b>	<b>248</b>	<b>1.0%</b>
<b>TOTAL DIRECTORATE BUDGETS</b>	<b>435,750</b>	<b>(143,056)</b>	<b>292,694</b>	<b>307,978</b>	<b>15,284</b>	<b>5.2%</b>
Council Wide Budgets	50,614	(974)	49,640	45,288	(4,352)	-8.8%
<b>NET BRIDGEND CBC</b>	<b>486,364</b>	<b>(144,030)</b>	<b>342,334</b>	<b>353,266</b>	<b>10,932</b>	<b>3.2%</b>

NB: Differences due to rounding of £000's

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<b>Meeting of:</b>	<b>CABINET</b>
<b>Date of Meeting:</b>	<b>17 OCTOBER 2023</b>
<b>Report Title:</b>	<b>CAPITAL PROGRAMME UPDATE QUARTER 2 2023-24</b>
<b>Report Owner / Corporate Director:</b>	<b>CHIEF OFFICER – FINANCE, PERFORMANCE AND CHANGE</b>
<b>Responsible Officer:</b>	<b>HUW POWELL CAPITAL ACCOUNTANT</b>
<b>Policy Framework and Procedure Rules:</b>	<b>Paragraph 3.5.3 of the Financial Procedure Rules requires that the Chief Finance Officer shall report quarterly to Cabinet and Council with an update on the Capital Strategy and the Prudential Indicators. This report fulfils that requirement. There is no impact on the policy framework or procedure rules.</b>
<b>Executive Summary:</b>	<ul style="list-style-type: none"> <li>• <b>The report provides an update on the capital budgets and expenditure as at 30 September 2023, the revised capital programme for 2023-24 to 2032-33 and the projected Prudential and Other Indicators for 2023-24.</b></li> <li>• <b>Appendix A shows the budgets and spend to 30 September 2023 for the individual schemes in 2023-24.</b></li> <li>• <b>Appendix B provides details of the revised capital programme for 2023-24 to 2032-33.</b></li> <li>• <b>Appendix C provides details of the projected Prudential and Other Indicators for 2023-24.</b></li> </ul>

## 1. Purpose of Report

### 1.1 The purpose of this report is to:

- Comply with the Chartered Institute of Public Finance and Accountancy's (CIPFA) 'The Prudential Code for Capital Finance in Local Authorities' (2021 edition) requirement to report performance against all forward looking indicators on a quarterly basis.
- provide an update on the capital programme position for 2023-24 as at 30 September 2023 (**Appendix A**).
- seek agreement from Cabinet to present a report to Council for approval of a revised capital programme for 2023-24 to 2032-33 (**Appendix B**).
- note the projected Prudential and Other Indicators for 2023-24 (**Appendix C**).

## **2. Background**

- 2.1 The Local Authorities (Capital Finance and Accounting) (Wales) Regulations 2003 as amended, contain detailed provisions for the capital finance and accounting controls, including the rules on the use of capital receipts and what is to be treated as capital expenditure. They modify accounting practice in various ways to prevent adverse impacts on authorities' revenue resources.
- 2.2 As well as the legislation, the Council manages its Treasury Management and Capital activities in accordance with the following associated guidance: -
- CIPFA's Treasury Management in the Public Services: Code of Practice
  - CIPFA's The Prudential Code for Capital Finance in Local Authorities
  - Welsh Government (WG) revised Guidance on Local Authority Investments
- 2.3 The Prudential Code for Capital Finance in Local Authorities requires Local Authorities to have in place a Capital Strategy which demonstrates that the Authority takes capital expenditure and investment decisions in line with service objectives and properly takes account of stewardship, value for money, prudence, sustainability, and affordability. To demonstrate that the Council has fulfilled these objectives, the Prudential Code sets out a number of Indicators that must be set and monitored each year. The Council's Capital Strategy 2023-24, incorporating the Prudential Indicators for 2023-24, was approved by Council on 1 March 2023.
- 2.4 On 1 March 2023 Council approved a capital budget of £69.045 million for 2023-24 as part of a capital programme covering the period 2023-24 to 2032-33. The programme was last updated and approved by Council on 19 July 2023.

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

### **3.1 Capital Programme Quarter 2 Update 2023-24**

- 3.1.1 This section of the report provides Members with an update on the Council's capital programme for 2023-24 since the budget was last approved by Council and incorporates any new schemes and grant approvals. The revised programme for 2023-24 currently totals £81.817 million, of which £44.574 million is met from Bridgend County Borough Council (BCBC) resources, including capital receipts, revenue contributions from earmarked reserves and borrowing, with the remaining £37.243 million coming from external resources, including Welsh Government General Capital Grant. Table 1 below shows the capital programme for each Directorate from the July 2023 approved Council position to Quarter 2:

**Table 1 – Capital Programme per Directorate 2023-24**

Directorate	Approved Council July 2023 £'000	New Approvals/ Reductions £'000	Virements £'000	Slippage to future years £'000	Revised Budget 2023-24 £'000
Education & Family Support	32,937	1,604	75	0	34,616
Social Services and Well-being	3,379	141	0	(1,000)	2,520
Communities	52,504	(1,008)	0	(14,809)	36,687
Chief Executive's	7,197	0	(75)	0	7,122
Council Wide	872	0	0	0	872
<b>Total</b>	<b>96,889</b>	<b>737</b>	<b>0</b>	<b>(15,809)</b>	<b>81,817</b>

3.1.2 Table 2 below summarises the current funding assumptions for the capital programme for 2023-24. The capital resources are managed to ensure that maximum financial benefit for the Council is achieved. This may include the realignment of funding to maximise government grants.

**Table 2 – Capital Programme 2023-24 Resources**

CAPITAL RESOURCES	£'000
<b><i>BCBC Resources:</i></b>	
Capital Receipts	8,976
Earmarked Reserves	24,884
Unsupported Borrowing	5,810
Supported Borrowing	3,951
Other Loans	87
Revenue Contribution	866
<b>Total BCBC Resources</b>	<b>44,574</b>
<b><i>External Resources:</i></b>	
S106	2,445
Grants	34,798
<b>Total External Resources</b>	<b>37,243</b>
<b>TOTAL RESOURCES</b>	<b>81,817</b>

- 3.1.3 **Appendix A** provides details of the individual schemes within the capital programme, showing the budget available in 2023-24 compared to the projected spend at 30 September 2023. There are currently no projected under or over spends on any of the schemes at year end.
- 3.1.4 However, a number of schemes have been identified as requiring slippage of budget to future years (2024-25 and beyond).

Porthcawl Grand Pavilion (£1.000 million)

Due to a delay in receiving the award of Levelling Up funding from UK Government, project development has been limited. The project is currently at RIBA Stage 4 design and the planning application process is ongoing. Therefore £1.000 million is being slipped for use in 2024-25.

Parks/Pavilions/Community Centres CAT (£0.400 million)

The Community Asset Transfer (CAT) fund provides capital funding to assist community groups to improve assets post-transfer as and when self-management agreements are finalised. The timings of asset transfers are difficult to predict due to issues such as land registration which can delay completions, therefore £0.400 million is being slipped for use in 2024-25.

Porthcawl Regeneration (£2.500 million)

Development work is ongoing across the regeneration site, including further consultation and work on the infrastructure plan for Salt Lake. Enabling works in relation to the scheme have commenced and will continue into 2024-25. Therefore £2.500 million is being slipped for future use.

Bridgend Heat (£3.265 million)

Due to changes in the economic climate, including higher prices and interest rates, the financial model for the phase 1 scheme was no longer deemed to be viable. An outline business case for a larger second phase of the heat network has been issued, which incorporates the phase 1 infrastructure. Cabinet has agreed that work on this larger scheme be progressed, and details brought back for consideration. Consequently, it is unlikely that any capital expenditure will be incurred in this financial year.

Capital Asset Management Fund (£0.500 million)

A £1.5 million capital fund was established in 2019-20 to meet the costs of capital works required to comply with any health and safety or other legislative requirements in respect of the Council's assets. Subsequently £0.500 million was transferred to revenue works, leaving £1.000 million for capital. There have been 2 approvals on this fund to date (£0.180 million Pencoed Complex Medical Needs provision in 2019-20 and £0.047 million Puffin Crossing Kenfig Hill 2022-23). £0.500 million is being slipped to 2024-25, leaving a budget of £0.273 million in 2023-24 to fund any other unexpected health and safety works. Should there be a need for more funding in this financial year, some or all of the £0.500 million will be brought back into 2023-24.

Waterton Upgrade (£8.144 million)

The scheme has not progressed on the Waterton site as anticipated. Following changes to the Welsh Flood Risk Assessment Maps by Natural Resources Wales which resulted in the proposed disposal of land at Waterton for residential development no longer being viable, the way forward with the much needed improved

highways depot is currently under review. There is no capital spend anticipated in the current financial year, therefore £8.144 million has been slipped to 2024-25.

- 3.1.5 There are a number of amendments to the capital programme for 2023-24, such as new and amended schemes, since the capital programme was last approved, including:

Additional Learning Needs (ALN) Grant (£0.928 million)

Welsh Government has awarded the Council £0.928 million to optimise pre-16 learning environments for those with additional learning needs and increase accessibility to promote inclusive practice, support learning and pupil wellbeing. The funding can be used for eligible expenditure to support learners with ALN in both mainstream and special schools.

Flying Start Extension – Nantymoel Primary (£0.580 million)

The Council have been awarded a grant of £0.580 million from Welsh Government's Childcare and Early Years Capital Programme to provide a new build Flying Start childcare facility at Nantymoel Primary School. This funding is linked to the expansion of early years provision across Wales and forms part of the phase 2A expansion in Bridgend. The ongoing running and maintenance costs will be funded from the ringfenced expansion Flying Start funding through the Children and Communities grant.

ICT School Equipment – Brynteg iPads (£0.096 million)

Brynteg School will purchase 345 iPads which will be used exclusively for the new intake of Year 7 pupils and which includes onsite support and training for both staff and pupils. This will be funded from prudential borrowing which the school will repay from their delegated budget over a three-year period.

Youth Service Vehicle (£0.075 million)

Bridgend Youth Service will purchase a mobile youth centre, which will be used in partnership with South Wales Police and other third sector colleagues. The mobile centre will be used to engage with young people across the county borough in identified "hot spot" areas along with areas with limited or no access to centre based youth provision. The purchase of the vehicle will be funded from displaced Safer Streets funding which was used to fund part of the CCTV replacement in 2022-23. Therefore a virement from the CCTV replacement scheme is required. This will have no impact on the CCTV replacement. The ongoing running and maintenance costs will be funded from the youth service revenue budget.

Ty Cwm Ogwr Residential Care Home (£0.041 million)

The Cwm Taf Morgannwg Housing with Care Fund (HCF) is available to support independent living in the community for people with care and support needs and to provide intermediate care settings in the community so that people who need care, support and rehabilitation can return to living independently or maintain their existing independence. The Council has been awarded £0.041million funding from the Cwm Taf Morgannwg Housing with Care Fund (HCF) to upgrade the Nurse Call system at Ty Cwm Ogwr.

Breakaway (£0.100 million)

The Council has been awarded a further £0.100 million from the Cwm Taf Morgannwg Housing With Care Fund detailed above, to build a small extension which will provide

a bedroom and wet room at the Breakaway short stay provision. It is anticipated that there will be a small increase in revenue running costs such as electricity and gas which have to be met from within existing budgets.

#### Coychurch Crematorium Flower Court (0.194 million)

The Flower Court works at Coychurch crematorium are progressing well, but due to unforeseen additional works required to the roof and drainage an additional budget of £0.194 million is required. This addition will be funded from the Crematorium's accumulated balance.

#### Ynysawdre to Bryncethin Active Travel Route (£0.784 million)

The Ynysawdre to Bryncethin Active Travel Route will connect two points on the existing local active travel network and, where numerous schools and sports facilities (Brynmenyn Primary School, Coleg Cymunedol Y Dderwen, Halo Ynysawdre Swimming Pool & Fitness Centre, Tondu United Football Club) are located nearby. Encouraging the use of active travel can provide health benefits associated with increased physical activity, environmental benefits associated with reductions in noise and air pollution, reduction in congestion and other associated economic benefits. It also can assist in promoting greater social inclusion and providing infrastructure that facilitates low-cost modes of transportation, ensuring equity of opportunity to the majority of the local population. The scheme will be fully funded from Welsh Government's Active Travel Fund.

#### Coal Tip Safety (£0.200 million)

The Council have been awarded £0.200 million from Welsh Government's Coal Tip Safety Grant Scheme to undertake remedial works on a coal tip at Ocean Colliery No.6, in Nantymoel. The work will involve renewing concrete drainage channels and grouting of voids to prevent water entering the ground and causing coal tip instability. The drainage will run to existing water courses as previously, and the works will prevent further issues that could affect the stability of the coal tip. As such the works are considered to improve the issues that may occur due to climate change.

#### Brilliant Basics (£0.110 million)

The purpose of Brilliant Basics is to deliver basic small scale tourism infrastructure improvements across all of Wales to ensure that all visitors to Wales have a positive and memorable experience throughout all aspects of their stay. Welsh Government have awarded the Council £0.088 million from their Brilliant Basics Fund which, along with £0.022 million of Bridgend CBC Special Regeneration Fund revenue match funding, will enable the completion of the Porthcawl Cycle Scheme which will link Rest Bay, Harbourside and the Town Centre to Trecco Bay.

#### Local Places for Nature (£0.115 million)

The Local Places for Nature (LNP) 2023-25 project will focus on creating and enhancing habitats in urban and peri-urban areas across Bridgend such as tree, hedge and wildflower planting, wetland creation and changing mowing practices to encourage wildflowers and diverse grasslands. These activities will be carried out on Council owned land and land owned by LNP partners, such as Valleys to Coast. The scheme will be fully funded by the Wales Council for Voluntary Action, with capital allocations of £0.115 million in 2023-24 and £0.110 million in 2024-25. Local Places for Nature is focused primarily on urban and peri-urban areas and thus these schemes will impact on the everyday lives of the residents of Bridgend, providing

positive impacts on the ecosystem services and climate change mitigation where people live, work and access public services.

In addition to the above schemes, two schemes have had their funding reduced and one scheme has been removed from the capital programme. These are shown as negative approvals:

Road Signs 20mph Default Speed (£0.217 million)

Welsh Government awarded the Council a grant of £0.924 million for the 20mph default speed scheme in April 2023, and the grant was added to the capital programme in the Quarter 1 update report. Welsh Government have since confirmed that the allocation included the £0.217 million underspend from 2022-23, which had been slipped forward to 2023-24 already. Therefore, £0.217 million of grant funding needs to be removed from the capital programme.

Public Rights of Way Access Improvement Grant (£0.017 million)

Condition 5c of the Access Improvement Grant states that authorities must have a Rights of Way Improvement Plan (ROWIP) in place to be eligible for the maximum amount of grant, and that funding will be reduced by 25% if an authority does not meet this condition. The Council advised Welsh Government in June 2023 that this condition had not been met, therefore the amount of grant available has reduced by 25% and £0.017 million needs to be removed from the capital programme.

Llynfi Valley Development Programme (£2.177 million)

The Council's request to repurpose the Welsh Government Llynfi Valley loan, and to convert the loan to non-repayable grant funding has been unsuccessful. The scheme cannot proceed without the Welsh Government funding, and as a result has been removed from the capital programme.

3.1.6 A revised Capital Programme is included as **Appendix B**.

### **3.2 Prudential and Other Indicators 2023-24 Monitoring**

3.2.1 The Capital Strategy is intended to give an overview of how capital expenditure, capital financing and treasury management activity contribute to the provision of services along with an overview of how associated risk is managed and the implications for future sustainability. To this end a number of prudential indicators were included in the Capital Strategy which was approved by Council. In line with the requirements of the Prudential Code, the Chief Finance Officer is required to establish procedures to monitor both performance against all forward-looking prudential indicators and the requirement specified.

3.2.2 In March 2023, Council approved the Capital Strategy for 2023-24, which included the Prudential Indicators for 2023-24.

3.2.3 **Appendix C** details the actual indicators for 2022-23, the estimated indicators for 2023-24 set out in the Council's Capital Strategy and the projected indicators for 2023-24 based on the revised Capital Programme. These show that the Council is operating in line with the approved indicators.

#### **4. Equality implications (including Socio-economic Duty and Welsh Language)**

4.1 The protected characteristics identified within the Equality Act, Socio-economic Duty, and the impact on the use of the Welsh Language have been considered in the preparation of this report. As a public body in Wales the Council must consider the impact of strategic decisions, such as the development or the review of policies, strategies, services, and functions. It is considered that there will be no significant or unacceptable equality impacts as a result of this report.

#### **5. Well-being of Future Generations implications and connection to Corporate Well-being Objectives**

5.1 The Act provides the basis for driving a different kind of public service in Wales, with five ways of working to guide how public services should work to deliver for people. The well-being objectives are designed to complement each other and are part of an integrated way of working to improve well-being for the people of Bridgend. It is considered that there will be no significant or unacceptable impacts upon the achievement of the well-being goals or objectives as a result of this report.

#### **6. Climate Change Implications**

6.1 These are reflected within the report.

#### **7. Safeguarding and Corporate Parent Implications**

7.1 There are no Safeguarding and Corporate Parent implications arising from this report.

#### **8. Financial Implications**

8.1 These are reflected within the report.

#### **9. Recommendations**

9.1 It is recommended that Cabinet:

- notes the Council's Capital Programme 2023-24 Quarter 2 update to 30 September 2023 (**Appendix A**).
- agrees that the revised Capital Programme (**Appendix B**) be submitted to Council for approval.
- notes the projected Prudential and Other Indicators for 2023-24 (**Appendix C**).

#### **Background documents**

None



## Bridgend County Borough Council

## CAPITAL MONITORING REPORT

QUARTER 2 TO 30 SEPTEMBER 2023

APPENDIX A

	Budget 23-24 (Council July 23)	New Approvals and Adjustments	Virement	Slippage to Future Years	Revised Budget 2023-24	Total Exp to date	Projected Spend	Over / (Under) spend	Impact on BCBC Resources
	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000

**Education & Family Support**

1	HIGHWAYS SCHEMES BAND B SCHOOL	3,400				3,400	6	3,400	
2	SUSTAINABLE COMMUNITIES FOR LEARNING	10,525		(10,525)		-	-	-	
3	HERONSBRIDGE REPLACEMENT	-		4,200		4,200	280	4,200	
4	MYNYDD CYNFFIG REPLACEMENT	-		4,198		4,198	192	4,198	
5	Y G BRO OGWR REPLACEMENT	-		2,127		2,127	21	2,127	
6	BRIDGEND WEST MIM	-				-	-	-	
7	YSGOL GYFYN GYMRAEG LLANGYNWYD	100				100	-	100	
8	LAND PURCHASE BAND B SCHOOLS	2,028				2,028	-	2,028	
9	GATEWAY TO THE VALLEYS SECONDARY SCHOOL	32				32	-	32	
10	GARW VALLEY SOUTH PRIMARY PROVISION	70				70	9	70	
11	PENCOED PRIMARY SCHOOL BAND A	53				53	-	53	
12	GARW VALLEY PRIMARY HIGHWAYS WORKS	30				30	-	30	
13	PENCOED PRIMARY SCHOOL HIGHWAYS WORKS	56				56	-	56	
14	ABERCERDIN PRIMARY HUB	277				277	-	277	
15	BRYNTEG COMPREHENSIVE ALL WEATHER PITCH	402				402	18	402	
16	CHILDRENS DIRECTORATE MINOR WORKS	255				255	6	255	
17	SCHOOLS TRAFFIC SAFETY	68				68	16	68	
18	SCHOOL MODERNISATION	386				386	18	386	
19	PENCOED PRIMARY CLASSROOM EXTENSION	502				502	17	502	
20	COETY PRIMARY SCHOOL EXTENSION	544				544	9	544	
21	BRYNTIRION COMPREHENSIVE SIX CLASSROOMS	1,632				1,632	10	1,632	
22	EUCATION S106 SCHEMES	169				169	-	169	
23	MYNYDD CYNFFIG PRIMARY SCHOOL MOBILES	79				79	-	79	
24	SCHOOLS CAPITAL MAINTENANCE GRANT	4,629				4,629	692	4,629	
25	WELSH MEDIUM GRANT - BRIDGEND	550				550	-	550	
26	WELSH MEDIUM GRANT - OGMORE	65				65	65	65	
27	WELSH MEDIUM GRANT - PORTHCAWL	550				550	-	550	
28	WELSH MEDIUM - HIGHWAYS	22				22	-	22	
29	FREE SCHOOL MEALS	3,570				3,570	643	3,570	
30	COMMUNITY FOCUSED SCHOOLS	2,139				2,139	260	2,139	
31	ALN CAPITAL GRANT	-	928			928	55	928	
32	YSGOL GYMRAEG BRO OGWR MOBILE CLASSROOMS	249				249	17	249	
33	PORTHCAWL WELSH MEDIUM SEEDLING SCHOOL	370				370	-	370	
34	FLYING START CHILDCARE	185				185	16	185	
35	FLYING START EXTENSION - NANTYMOEL PRIMARY	-	580			580	-	580	
36	ICT SCHOOL EQUIPMENT BRYNTEG I PADS	-	96			96	96	96	
37	YOUTH SERVICE VEHICLE	-		75		75	-	75	
	<b>TOTAL Education &amp; Family Support</b>	<b>32,937</b>	<b>1,604</b>	<b>75</b>	<b>-</b>	<b>34,616</b>	<b>2,446</b>	<b>34,616</b>	<b>-</b>

	Budget 23-24 (Council July 23)	New Approvals and Adjustments	Virement	Slippage to Future Years	Revised Budget 2023-24	Total Exp to date	Projected Spend	Over / (Under) spend	Impact on BCBC Resources
	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000

### **Social Services and Wellbeing**

38	BRYN Y CAE - UPGRADE HFE'S	40			40	-	40		
39	TY CWM OGWR	41			41	1	41		
40	WELLBEING MINOR WORKS	110			110	-	110		
41	BAKERS WAY MINOR WORKS	10			10	-	10		
42	CHILDRENS RESIDENTIAL HUB	444			444	316	444		
43	TELECARE TRANSFORMATION	893			893	-	893		
44	TY CWM OGWR RESIDENTIAL CARE HOME HCF	-	41		41	-	41		
45	BREAKAWAY	-	100		100	-	100		
46	COMMUNITY CENTRES	197			197	12	197		
47	BRYNGARW HOUSE	8			8	-	8		
48	PORTHCAWL GRAND PAVILION	1,537		(1,000)	537	12	537		
49	YSGOL BRYN CASTELL HARD COURT	99			99	-	99		
<b>TOTAL Social Services &amp; Wellbeing</b>		<b>3,379</b>	<b>141</b>	<b>-</b>	<b>(1,000)</b>	<b>2,520</b>	<b>341</b>	<b>2,520</b>	<b>-</b>

### **Communities**

#### **Street Scene**

50	COMMUNITY PLAY AREAS	1,906			1,906	32	1,906		
51	PARKS/PAVILIONS/OTHER COMMUNITY ASSET TRANSFERS	1,419		(400)	1,019	348	1,019		
52	ABERFIELDS PLAYFIELDS	11			11	-	11		
53	CITY DEAL	2,586			2,586	-	2,586		
54	COYCHURCH CREM WORKS	559	194		753	730	753		
55	REMEDIAL MEASURES - CAR PARKS	135			135	-	135		
56	CIVIL PARKING ENFORCEMENT CAR	38			38	-	38		
57	20 MPH DEFAULT SPEED	1,306	(217)		1,089	512	1,089		
58	ROAD SAFETY SCHEMES	38			38	3	38		
59	HIGHWAYS STRUCTURAL WORKS	566			566	37	566		
60	CARRIAGEWAY CAPITAL WORKS	250			250	(11)	250		
61	HEOL MOSTYN JUNCTION	168			168	-	168		
62	PROW CAPITAL IMPROVEMENT STRUCTURES	85	(17)		68	2	68		
63	HIGHWAYS MAINTENANCE GRANT	1,000			1,000	(119)	1,000		
64	REPLACEMENT OF STREET LIGHTING	400			400	124	400		
65	RIVER BRIDGE PROTECTION MEASURES	22			22	60	22		
66	COMMUNITIES MINOR WORKS	484			484	(1)	484		
67	ULEV TRANSFORMATION FUND 2	299			299	256	299		
68	FLEET TRANSITION-ULEV	220			220	30	220		
69	NET ZERO CARBON FLEET	264			264	104	264		
70	PORTHCAWL BUS STATION CCRMETRO	3,778			3,778	523	3,778		
71	PENPRYSG ROAD BRIDGE	13			13	-	13		
72	RESIDENTS PARKING BRIDGEND TOWN CENTRE	109			109	-	109		
73	FLEET VEHICLES	2,079			2,079	-	2,079		
74	AHP WASTE	6			6	2	6		
75	CORNELLY CEMETERY EXTENSION	217			217	13	217		
76	PORTHCAWL CEMETERY EXTENSION	177			177	8	177		
77	S106 HIGHWAYS SMALL SCHEMES	42			42	-	42		

	Budget 23-24 (Council July 23)	New Approvals and Adjustments	Virement	Slippage to Future Years	Revised Budget 2023-24	Total Exp to date	Projected Spend	Over / (Under) spend	Impact on BCBC Resources
	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
78 UNADOPTED ROADS	433				433	(1)	433		
79 TONDU WASTE DEPOT UPGRADE FIRE	17				17	-	17		
80 PUFFIN CROSSING KENFIG HILL	14				14	3	14		
81 YNYSAWDRE TO BRYNCETHIN ATR	-	784			784	43	784		
82 COAL TIP SAFETY	-	200			200	-	200		
<b>TOTAL Streetscene</b>	<b>18,641</b>	<b>944</b>	<b>-</b>	<b>(400)</b>	<b>19,185</b>	<b>2,698</b>	<b>19,185</b>	<b>-</b>	<b>-</b>

**Regeneration & Development**

83 EU CONVERGANCE SRF BUDGET	389		47		436	-	436		
84 COSY CORNER (PRIF)	1,310				1,310	1,226	1,310		
85 PORTHCAWL REGENERATION PROJECT	2,920			(2,500)	420	304	420		
86 ECONOMIC STIMULUS GRANT	484				484	37	484		
87 COASTAL RISK MANAGEMENT PROGRAM	764				764	522	764		
88 EWENNY ROAD INDUSTRIAL ESTATE	3,493				3,493	-	3,493		
89 ARBED PHASE 1 CESP	1,273				1,273	75	1,273		
90 LLYNFI VALLEY DEVELOPMENT PROGRAMME	2,177	(2,177)			-	-	-		
91 BRIDGEND HEAT SCHEME	3,312		(47)	(3,265)	-	-	-		
92 MAESTEG TOWN HALL CULTURAL HUB	2,452				2,452	734	2,452		
93 TOWN & COMMUNITY COUNCIL FUND	232				232	8	232		
94 PORTHCAWL TOWNSCAPE HERITAGE INITIATIVE	124				124	-	124		
95 COMM PROP ENHANCEMENT FUND	134				134	-	134		
96 CWM TAFF NATURE NETWORK	209				209	175	209		
97 URBAN CENTRE PROPERTY ENHANCE	562				562	-	562		
98 2030 DECARBONISATION	400				400	-	400		
99 SHARED PROSPERITY FRAMEWORK	1,889				1,889	-	1,889		
100 BRILLIANT BASICS	-	110			110	-	110		
101 LOCAL PLACES FOR NATURE	-	115			115	-	115		
<b>TOTAL Regeneration &amp; Development</b>	<b>22,124</b>	<b>1,952</b>	<b>-</b>	<b>-</b>	<b>5,765</b>	<b>3,081</b>	<b>14,407</b>	<b>-</b>	<b>-</b>

**Corporate Landlord**

102 CAPITAL ASSET MANAGEMENT FUND	773			(500)	273	-	273		
103 RAVENS COURT	446				446	-	446		
104 DDA WORKS	82				82	13	82		
105 MINOR WORKS	1,497				1,497	-	1,497		
106 FIRE PRECAUTIONS MINOR WORKS	110				110	35	110		
107 BRYNCETHIN DEPOT FACILITIES	551				551	5	551		
108 WATERTON UPGRADE	8,144			(8,144)	-	-	-		
109 EVERGREEN HALL	89				89	19	89		
110 INVESTING IN COMMUNITIES	47				47	-	47		
<b>TOTAL Corporate Landlord</b>	<b>11,739</b>	<b>-</b>	<b>-</b>	<b>(8,644)</b>	<b>3,095</b>	<b>72</b>	<b>3,095</b>	<b>-</b>	<b>-</b>

**TOTAL Communities**

<b>TOTAL Communities</b>	<b>52,504</b>	<b>(1,008)</b>	<b>-</b>	<b>(14,809)</b>	<b>36,687</b>	<b>5,851</b>	<b>36,687</b>	<b>-</b>	<b>-</b>
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	Budget 23-24 (Council July 23)	New Approvals and Adjustments	Virement	Slippage to Future Years	Revised Budget 2023-24	Total Exp to date	Projected Spend	Over / (Under) spend	Impact on BCBC Resources
	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
<b>Chief Executive</b>									
111	MANDATORY DFG RELATED EXPEND	2,110				2,110	994	2,110	
111	TARGET HARDENING GRANTS	-				-	67	-	
111	COMFORT SAFE & SECURITY GRANTS	-				-	7	-	
111	EMERGENCY REPAIR LIFETIME GRANT	-				-	21	-	
112	DISCRETIONARY HOUSING GRANTS	329				329	-	329	
113	HOUSING RENEWAL AREA	315				315	5	315	
113	EMPTY HOMES GRANTS-GRANTS ONLY	-				-	102	-	
114	ENABLE GRANT	270				270	86	270	
115	HOMELESSNESS AND HOUSING	530				530	-	530	
116	HEALTH & WELLBEING VILLAGE	480				480	-	480	
117	AFFORDABLE HOUSING	844				844	-	844	
	<b>TOTAL Housing/Homelessness</b>	<b>4,878</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>4,878</b>	<b>1,282</b>	<b>4,878</b>	<b>-</b>
118	ICT INFRA SUPPORT	766				766	195	766	
119	DIGITAL TRANSFORMATION	180				180	-	180	
120	CCTV SYSTEMS REPLACEMENT	113		(75)		38	23	38	
121	ICT DATA CENTRE REPLACEMENT	1,260				1,260	-	1,260	
	<b>TOTAL ICT</b>	<b>2,319</b>	<b>-</b>	<b>(75)</b>	<b>-</b>	<b>2,244</b>	<b>218</b>	<b>2,244</b>	<b>-</b>
	<b>TOTAL Chief Executive</b>	<b>7,197</b>	<b>-</b>	<b>(75)</b>	<b>-</b>	<b>7,122</b>	<b>1,500</b>	<b>7,122</b>	<b>-</b>
<b>Council Wide Capital Budgets</b>									
122	CORPORATE CAPITAL FUND	573				573	-	573	
123	UNALLOCATED	299				299	-	299	
		872	-	-	-	872	-	872	-
	<b>GRAND TOTAL</b>	<b>96,889</b>	<b>737</b>	<b>-</b>	<b>(15,809)</b>	<b>81,817</b>	<b>10,138</b>	<b>81,817</b>	<b>-</b>







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## PRUDENTIAL AND OTHER INDICATORS 2022-23 and 2023-24

The Prudential Indicators are required to be set and approved by Council in accordance with CIPFA's Prudential Code for Capital Finance in Local Authorities.

Table 1 shows the 2022-23 actual capital expenditure, the capital programme approved by Council on 1 March 2023 and the projected capital expenditure for the current financial year which has incorporated slippage of schemes from 2022-23 together with any new grants and contributions or changes in the profile of funding for 2023-24.

Table 1: Prudential Indicator: Estimates of Capital Expenditure

	<b>2022-23</b>	<b>2023-24</b>	<b>2023-24</b>
	<b>Actual</b>	<b>Estimate</b>	<b>Projection</b>
	<b>£m</b>	<b>(Council Mar 23)</b>	<b>£m</b>
	<b>£m</b>	<b>£m</b>	<b>£m</b>
Council Fund services	29.230	69.045	81.817
<b>TOTAL</b>	<b>29.230</b>	<b>69.045</b>	<b>81.817</b>

All capital expenditure must be financed, either from external sources (government grants and other contributions), the Council's own resources (revenue, reserves and capital receipts) or debt (the 'net financing requirement' - borrowing, leasing and Private Finance Initiative). The planned financing of the expenditure has been projected as follows:

Table 2: Capital financing

	<b>2022-23</b>	<b>2023-24</b>	<b>2023-24</b>
	<b>Actual</b>	<b>Estimate</b>	<b>Projection</b>
	<b>£m</b>	<b>(Council Mar 23)</b>	<b>£m</b>
	<b>£m</b>	<b>£m</b>	<b>£m</b>
External sources	22.192	22.891	37.243
Own resources	0.227	36.481	34.726
Net Financing Requirement	6.811	9.673	9.848
<b>TOTAL</b>	<b>29.230</b>	<b>69.045</b>	<b>81.817</b>

The net financing requirement is only a temporary source of finance, since loans and leases must be repaid, and this is therefore replaced over time by other financing, usually from revenue which is known as the Minimum Revenue Provision (MRP). As well as MRP, the Council makes additional voluntary revenue contributions to pay off Prudential or Unsupported Borrowing. The total of these are shown in Table 3 below:

Table 3: Replacement of debt finance

	2022-23 Actual £m	2023-24 Estimate (Council Mar 23) £m	2023-24 Projection £m
Minimum Revenue Provision (MRP)	2.917	2.989	2.989
Additional Voluntary Revenue Provision (VRP)	2.132	2.414	2.273
<b>Total MRP &amp; VRP</b>	<b>5.049</b>	<b>5.403</b>	<b>5.262</b>
<b>Other MRP on Long term Liabilities</b>	<b>0.863</b>	<b>0.929</b>	<b>0.929</b>
<b>Total Own Resources</b>	<b>5.912</b>	<b>6.332</b>	<b>6.191</b>

The Council's cumulative outstanding amount of debt finance is measured by the Capital Financing Requirement (CFR). This increases with new debt-financed capital expenditure and reduces by the MRP amount within the year. Based on the above figures for expenditure and financing, the Council's actual CFR is as follows based on the movement on capital expenditure during the year:

Table 4: Prudential Indicator: Estimates of Capital Financing Requirement

	2022-23 Actual £m	2023-24 Estimate £m	2023-24 Projection £m
<b>Capital Financing Requirement</b>			
Opening CFR excluding PFI & other liabilities	161.451	167.556	163.213
Opening PFI CFR	14.765	13.903	13.903
<b>Total opening CFR</b>	<b>176.216</b>	<b>181.495</b>	<b>177.116</b>
Movement in CFR excluding PFI & other liabilities	1.761	4.270	4.586
Movement in PFI CFR	(0.862)	(0.929)	(0.929)
<b>Total movement in CFR</b>	<b>0.899</b>	<b>3.341</b>	<b>3.657</b>
<b>Closing CFR</b>	<b>177.115</b>	<b>184.801</b>	<b>180.773</b>
<b>Movement in CFR represented by:</b>			
Net financing need for year (Table 2 above)	6.811	9.673	9.848
Minimum and voluntary revenue provisions	(5.049)	(5.403)	(5.262)
MRP on PFI and other long term leases (Table 3)	(0.863)	(0.929)	(0.929)
<b>Total movement</b>	<b>0.899</b>	<b>3.341</b>	<b>3.657</b>

The capital borrowing need (Capital Financing Requirement) has not been fully funded with loan debt as cash supporting the Council's reserves, balances and cash flow has been used as a temporary measure. This is known as Internal Borrowing. Projected levels of the Council's total outstanding debt, which comprises of borrowing, PFI and Other Long Term Liabilities, are shown below compared with the Capital Financing Requirement:

Table 5: Prudential Indicator: Gross Debt and the Capital Financing Requirement

	<b>2022-23</b>	<b>2023-24</b>	<b>2023-24</b>
	<b>Actual</b>	<b>Estimate</b>	<b>Projection</b>
	<b>£m</b>	<b>(Council Mar 23) £m</b>	<b>£m</b>
Debt (incl. PFI & leases)	119.820	<b>112.186</b>	<b>117.739</b>
Capital Financing Requirement	177.115	<b>184.801</b>	<b>180.773</b>

Statutory guidance is that debt should remain below the capital financing requirement, except in the short-term. As can be seen, the Council expects to comply with this in the medium term.

The Council is legally obliged to set an affordable borrowing limit (also termed the authorised limit for external debt) each year. In line with statutory guidance, a lower “operational boundary” is also set as a warning level should debt approach the limit.

Table 6: Prudential Indicators: Authorised limit and operational boundary for external debt in £m

	<b>2022-23</b>	<b>2023-24</b>	<b>2023-24</b>
	<b>Actual</b>	<b>Estimate</b>	<b>Projection</b>
	<b>£m</b>	<b>(Council Mar 23) £m</b>	<b>£m</b>
Authorised limit – borrowing	170.000	<b>170.000</b>	170.000
Authorised limit – other long term liabilities	30.000	<b>30.000</b>	30.000
<b>Authorised Limit Total</b>	<b>200.00</b>	<b>200.000</b>	<b>200.000</b>
Operational boundary – borrowing	130.000	<b>130.000</b>	130.000
Operational boundary – other long term liabilities	25.000	<b>25.000</b>	25.000
<b>Operational Boundary Limit Total</b>	<b>155.000</b>	<b>155.000</b>	<b>155.000</b>
<b>Total Borrowing and Long Term Liabilities</b>	<b>119.820</b>	<b>112.186</b>	<b>117.739</b>

Although capital expenditure is not charged directly to the revenue budget, interest payable on loans and MRP are charged to revenue, offset by any investment income receivable. The net annual charge is known as financing costs; this is compared to the net revenue stream i.e. the amount funded from Council Tax, business rates and general government grants

Table 7: Prudential Indicator: Proportion of financing costs to net revenue stream

	2022-23 Actual £m	2023-24 Estimate (Council Mar 23) £m	2023-24 Projection £m
Capital Financing Central	5.060	6.553	5.131
Other Financing costs	4.079	4.360	4.427
<b>TOTAL FINANCING COSTS</b>	<b>9.139</b>	<b>10.913</b>	<b>9.558</b>
Proportion of net revenue stream	2.85%	3.19%	2.79%

This shows that in 2023-24, it is forecast that 3.19% of the Council's net revenue income will be spent on paying back the costs of capital expenditure.

The net revenue stream is calculated as the income from Welsh Government Revenue Settlement Grant plus Council Tax and NNDR, less Police and Community Council precepts.

The table below shows the Prudential Indicator of estimates of net income from commercial and service investments to net revenue stream.

Table 8: Prudential Indicator: Net Income from Commercial and Service Investments to Net Revenue Stream

	2022-23 Actual £m	2023/24 Estimate £m	2023/24 Projection £m
Net Revenue Budget	320.289	342.047	342.334
Income from Commercial Investments	0.459	0.459	0.459
% Ratio	0.14%	0.13%	0.13%

The income receivable from the commercial property portfolio is not deemed to be a financial resilience risk in terms of being 'un-proportionate' to the Council's overall income.

# Agenda Item 5

<b>Meeting of:</b>	<b>CABINET</b>
<b>Date of Meeting:</b>	<b>17 OCTOBER 2023</b>
<b>Report Title:</b>	<b>TREASURY MANAGEMENT HALF YEAR REPORT 2023-24</b>
<b>Report Owner / Corporate Director:</b>	<b>CHIEF OFFICER – FINANCE, PERFORMANCE AND CHANGE</b>
<b>Responsible Officer:</b>	<b>NIGEL SMITH, GROUP MANAGER – CHIEF ACCOUNTANT</b>
<b>Policy Framework and Procedure Rules:</b>	<b>Paragraph 22.5 of the Financial Procedure Rules requires the Chief Finance Officer to report quarterly to Cabinet, summarising borrowing and investment activity and indicating compliance with any statutory or Council approved guidelines together with a half yearly and an annual report to Council.</b>
<b>Executive Summary:</b>	<p><b>The report provides an update of Treasury Management activity for the half year 1 April – 30 September 2023.</b></p> <p><b>As at 30 September 2023 the Council had £99.79 million of long term debt, £13.36 million of other long term liabilities and £85.50 million of short term investments, an overall net debt position of £27.65 million.</b></p> <p><b>The average interest rate for debt was 4.69% (excluding Salix borrowing which is interest free) and for investments it was 4.42%.</b></p> <p><b>The Council has a manageable maturity structure of borrowing, with its current debt repayable at various points over the next 30 years.</b></p> <p><b>The Council has complied with the Chartered Institute of Public Finance and Accountancy’s Treasury Management Code and Welsh Government Investment Guidance.</b></p>

## 1. Purpose of Report

### 1.1 The purpose of this report is to:

- Comply with the requirement of the Chartered Institute of Public Finance and Accountancy’s (CIPFA’s) ‘Treasury Management in the Public Services: Code of Practice’ (the CIPFA Code).
- Report on the Treasury Management Indicators for the half year April to September 2023.

## **2. Background**

- 2.1 Treasury Management is the management of the Council's cash flows, borrowing and investments, and the associated risks. The Council is exposed to financial risks including the loss of invested funds and the revenue effect of changing interest rates. The successful identification, monitoring and control of financial risk are therefore central to the Council's prudent financial management.
- 2.2 Treasury risk management at the Council is conducted within the framework of the Chartered Institute of Public Finance and Accountancy's Treasury Management in the Public Services: Code of Practice 2021 edition (the CIPFA Code), which requires the Council to approve a Treasury Management Strategy before the start of each financial year, and, as a minimum, a semi-annual and annual treasury outturn report. The CIPFA Code also requires the Council to set a number of Treasury Management Indicators, which are forward looking parameters, and enable the Council to measure and manage its exposure to treasury management risks, and these are included throughout this report. Welsh Government (WG) guidance issued in November 2019 on Local Authority Investment's requires the Council to approve an Investment Strategy before the start of each financial year. This report fulfils the Council's legal obligation under the Local Government Act 2003 to have regard to both the CIPFA Code and the Welsh Government Guidance.
- 2.3 In 2021 CIPFA published an updated version of the Prudential Code for Capital Finance in Local Authorities (the Prudential Code). The Prudential Code includes a requirement for Local Authorities to provide a Capital Strategy, which is a summary document approved by full Council covering capital expenditure and financing, treasury management and non-treasury investments. The definition of investments in the revised 2021 CIPFA Code covers all the financial assets of the Council as well as other non-financial assets which the authority holds primarily for financial return. The Council's Capital Strategy 2023-24 complied with CIPFA's requirement and included the Prudential Indicators along with the details regarding the Council's non-treasury investments. The Capital Strategy and Treasury Management Strategy should be read in conjunction with each other as they are interlinked, as borrowing and investments are directly impacted upon by capital plans, and both were approved together by Council on 1 March 2023.
- 2.4 The Council's treasury management advisors are Arlingclose. The current services provided to the Council include:
- advice and guidance on relevant policies, strategies and reports
  - advice on investment decisions
  - notification of credit ratings and changes
  - other information on credit quality
  - advice on debt management decisions
  - accounting advice
  - reports on treasury performance
  - forecasts of interest rates
  - training courses

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

#### **3.1 External Context – Economic Background**

- 3.1.1 The Consumer Price Index (CPI) inflation dropped to 6.7% in August from 6.8% in July, which was below the forecasted level. This drop was driven by factors beyond energy prices, with core CPI inflation (excluding energy, food, beverages, and tobacco) at 6.2%.
- 3.1.2 In quarter 2 2023, UK Gross Domestic Product (GDP), a measure of the size and health of the economy, increased by 0.2%, slightly better than expected in the August Monetary Policy Report. Household consumption and business investment exceeded expectations, growing by 0.6% and 3.4% respectively. However, housing investment continued to decline, falling by 2.3% in the quarter and 7.7% compared to the previous year. July saw a 0.5% decrease in monthly GDP, in contrast to a 0.5% rise in June.
- 3.1.3 The Bank of England's Monetary Policy Committee on the 20th September 2023 voted by a majority of 5-4 to maintain the official Bank Rate at 5.25%, and did not increase them again as anticipated.

#### **3.2 Public Works Loan Board (PWLB) Lending Facility Advice, Revised CIPFA Codes**

- 3.2.1 The Council continues to undertake its duties in line with the current guidance for the PWLB lending facility which was significantly revised by HM Treasury in August 2021. Authorities that are purchasing or intending to purchase investment assets primarily for yield, or financial return, will not be able to access funding from the PWLB except to refinance existing loans or externalise internal borrowing. Acceptable use of PWLB borrowing includes service delivery, housing, regeneration, preventative action, refinancing and treasury management.
- 3.2.2 The Council's treasury management activities are undertaken in line with CIPFA's Prudential Code for Capital Finance and CIPFA's Treasury Management Code. To comply with the Prudential Code authorities must not borrow to invest primarily for financial return. The Prudential Code also states it is not prudent for local authorities to make investment or spending decisions that will increase the Capital Financing Requirement (CFR) unless directly and primarily related to the functions of the authority. Existing commercial investments are not required to be sold, however, authorities with existing commercial investments who expect to need to borrow should review the options for exiting these investments. The Council has complied with the full requirements of both codes during the first half of 2023-24.

#### **3.3 Treasury Management half-year 2023-24**

- 3.3.1 The Council has complied with its legislative and regulatory requirements during the period 1 April to 30 September 2023.. The Treasury Management Strategy 2023-24 was approved by Council on 1 March 2023. The quarter 1 report was presented to Cabinet on 18 July 2023.

3.3.2 A summary of the treasury management activities is shown in the Treasury Management Half Year Report to 30 September 2023 at **Appendix A**. The Council's external debt and investment position at 30 September 2023 is shown in Table 1 below, and more detail is provided within the appendix within Section 3: External Debt and Investment Position, Section 4: Borrowing and Section 5 Treasury Investments. As with the previous year, no long-term borrowing has been taken out in 2023-24 and no debt rescheduling has been undertaken as there has been no opportunity to make significant savings. However, should the opportunity arise to reschedule any loans at a preferential rate, this would be done.

Favourable cash flows continue to provide surplus funds for investment and the balance on investments held at 30 September 2023 was £85.5 million, with an average interest rate of 4.42. The total balance of investments has increased compared to those at 31 March 2023, when the balance held was £74.50 million, at an average interest rate of 2.55%.

**Table 1: Council's external debt and investment position as of 30 September 2023**

<b>Investments for Treasury Purposes</b>	<b>Principal as at 31/03/2023 £m</b>	<b>Principal as at 30/09/2023 £m</b>	<b>Average Rate 30/09/2023 %</b>
<b>External Long Term Borrowing</b>			
Public Works Loan Board	77.62	77.62	4.70
Lender's Option Borrower's Option	19.25	19.25	4.65
Salix Loans (interest Free)	3.06	2.92	NIL
<b>Total External Long Term Borrowing</b>	<b>99.93</b>	<b>99.79</b>	<b>4.69*</b>
<b>Other Long Term Liabilities</b>			
Private Finance Initiative**	13.90	13.23	
Other Long Term Liabilities	0.23	0.13	
<b>Total Other Long Term Liabilities</b>	<b>14.13</b>	<b>13.36</b>	
<b>Total Gross Debt</b>	<b>114.06</b>	<b>113.15</b>	
<b>Investments for treasury management purposes</b>			
Debt Management Office	7.50	12.00	5.22
Local Authorities	53.00	43.00	4.16
Money Market Funds (instant access)	NIL	18.50	5.32
Banks	14.00	12.00	3.19
<b>Total Treasury Investments</b>	<b>74.50</b>	<b>85.50</b>	<b>4.42</b>
<b>Net Debt</b>	<b>39.56</b>	<b>27.65</b>	

\* Excluding Salix loans which are interest free

\*\* (PFI) arrangement for the provision of a Secondary School in Maesteg 10.50 years remaining term

3.3.3 The £19.25 million in Table 1 above relates to Lender's Option Borrower's Option (LOBO) loans which have a maturity date of 2054 though these may be rescheduled in advance of this maturity date. The LOBO rate and term may vary in the future depending on the prevailing rates at one of the bi-annual trigger points (these being July and January) and, therefore, the Council being given the option to accept the increase or repay the loan without incurring a penalty. There have been significant interest rate rises recently, with an expectation that they may rise further, thus the lender could still exercise this option in the future.



- 3.3.4 The Total Other Long Term Liabilities figure of £13.36 million at 30 September 2023 includes £13.23 million for the Council's Private Finance initiative (PFI) arrangement for the provision of a Secondary School in Maesteg. The Other Long-Term Liabilities are for the Innovation Centre and Waste Contract.
- 3.3.5 Both the CIPFA Code and Welsh Government Guidance require the Council to invest its funds prudently and to have regard to the security and liquidity of its investments before seeking the highest rate of return, or yield. The Council's objective when investing money is to strike an appropriate balance between risk and return. Investment decisions are made by reference to the lowest published long-term credit rating from Fitch, Moody's or Standard and Poor's to ensure that this lies within the Councils' agreed minimum credit rating.
- 3.3.6 The Council defines high credit quality as organisations and securities having a credit rating of A- (A3 for Moody's) or higher and the Council does not invest in any organisation below this level. **Schedule A** in **Appendix A** shows the equivalence table for credit ratings for Fitch, Moody's, and Standard and Poor's and explains the different investment grades.
- 3.3.7 There is one long-term investment (original duration of 12 months or more) outstanding as at 30 September 2023 of £5 million with Medway Council, as reported in quarter 1. This is repayable within the next 12 months. All other investments at 30 September 2023 are short term deposits including instant access and notice accounts.
- 3.3.8 The Treasury Management Code requires the Council to set and report on a number of Treasury Management Indicators. The indicators either summarise the expected activity or introduce limits upon the activity. Details of the estimates for 2023-24 set out in the Council's Treasury Management Strategy compared to the actual at 30 September 2023 are shown in **Appendix A** and these show that the Council operated within the approved limits throughout the period.

#### **4. Equality implications (including Socio-economic Duty and Welsh Language)**

- 4.1 The protected characteristics identified within the Equality Act, Socio-economic Duty and the impact on the use of the Welsh Language have been considered in the preparation of this report. As a public body in Wales the Council must consider the impact of strategic decisions, such as the development or the review of policies, strategies, services and functions. This is an information report, therefore it is not necessary to carry out an Equality Impact assessment in the production of this report. It is considered that there will be no significant or unacceptable equality impacts as a result of this report.

#### **5. Well-being of Future Generations implications and connection to Corporate Well-being Objectives**

- 5.1 The well-being goals identified in the Act were considered in the preparation of this report. It is considered that there will be no significant or unacceptable impacts upon the achievement of well-being goals/objectives because of this report.

## **6. Climate Change Implications**

- 6.1 The Climate Change implications were considered in the preparation of this report. It is considered that there will be no significant or unacceptable impacts upon the environment because of this report.

## **7. Safeguarding and Corporate Parent Implications**

- 7.1 The Safeguarding and Corporate Parenting implications were considered in the preparation of this report. It is considered that there will be no significant or unacceptable impacts upon Safeguarding and Corporate parenting because of this report.

## **8. Financial Implications**

- 8.1 The financial implications are reflected within the report and attached **Appendix A**.

## **9. Recommendations**

- 9.1 It is recommended that Cabinet:
- Note the treasury management activities for 2023-24 for the half year period 1 April 2023 to 30 September 2023
  - Note the Treasury Management Indicators for the half year ending 30 September 2023 against those approved in the Treasury Management Strategy 2023-24.

## **Background documents**

None



# Treasury Management Half Year Report to 30 September 2023

## EXECUTIVE SUMMARY

- Treasury Management is the management of the Council's cash flows on a day-to-day basis, and is carried out in accordance with legislation and Codes of Practice.
- The Treasury Management Strategy was approved by Council 1 March 2023.
- Inflation has continued to fall from a peak of 11.1% in October 2022, to 6.7% in the 12 months to August 2023.
- The Bank of England base rate was increased by 0.25% in August to a rate of 5.25% as at 30 September 2023. Whilst there were some expectations of a further increase during September, the Monetary Policy Committee voted to maintain the base rate at 5.25% at its September meeting.
- No new long-term debt was taken out during the year, and no debt was rescheduled during the year. Interest rates on long-term debt remain unchanged at an average of 4.69%.
- Total external borrowing at 30 September 2023 - £99.79 million, reduction of £0.14 million from 1 April 2023 due to scheduled repayment of Salix loans.
- Total investments as at 30 September 2023 was £85.5 million, an increase from £74.5 million as at 1 April 2023.
- Average interest rates on investments received 4.42%, an increase from the average rate at 31 March 2023 of 2.55% as new investments are made at higher rates than those in the preceding 12-18 months.
- Investments are made on the basis of security, liquidity and, only then, return, commensurate with the security and liquidity of the investment.
- Due to the current level of reserves, the Council is able to use short-term resources to fund capital programme borrowing need in lieu of external borrowing. However, this is only a short-term position, and, whilst the liability benchmark (Chart 1) suggests that the Council may not need new long-term borrowing at present, it is dependent on the Capital Programme expenditure profile, any new debt-funded schemes being added to the Programme and the use of reserves currently held.
- The Council may use short-term borrowing (less than 12 months) to manage day-to-day operational cash flow.
- The Council has operated within the approved limits as set out in the Treasury Management Strategy.

## 1.0 INTRODUCTION

Treasury management activities are the *'management of the organisation's borrowing, investments and cash flows, including its banking, money market and capital market transactions, the effective control of the risks associated with those activities, and the pursuit of optimum performance consistent with those risks.'* (Chartered Institute of Public Finance and Accountancy (CIPFA) Treasury Management in the Public Services: Code of Practice (2021) (CIPFA Code).

The definition of 'Investments' includes:

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

The Council carries out its treasury management function in accordance with the CIPFA Code and the legal obligation under the Local Government Act 2003 to have regard to both the CIPFA Code and Welsh Government Guidance.

The Council has an integrated Treasury Management Strategy where borrowing and investments are managed in accordance with best professional practice, which is assessed either from internal expertise or consultation with our external advisers. The Council will look to borrow money if needed to either meet short term cash flow needs or to fund the capital programme. Therefore, any actual loans taken are not generally associated with particular items of expenditure or assets.

The Council delegates responsibility for the implementation and regular monitoring of its treasury management policies and practices to Cabinet, and for the execution and administration of treasury management decisions to the Section 151 Officer. The Governance and Audit Committee are responsible for ensuring effective scrutiny of the Treasury Management Strategy and policies and regular reports will be presented to the Committee for their consideration.

## 2.0 ECONOMIC CONTEXT

UK inflation remained stubbornly high over much of the period compared to the US and euro zone, keeping expectations elevated around how much further the Bank of England would increase bank rate. However, inflation data published in the latter part of the period undershot expectations, causing financial markets to reassess interest rate increases. This was followed by the Bank of England deciding to keep the Bank Rate at 5.25% in September, against an expectation of another 0.25% rise.

Economic growth in the UK remained relatively weak over the period. In calendar quarter 2 2023 (April – June), the economy expanded by 0.2%. . However, monthly

Gross Domestic Product data, a measure of the size and health of the economy, showed a 0.5% contraction in July, the largest fall to date in 2023 and worse than the 0.2% decline predicted, which could be an indication the monetary tightening cycle is starting to cause recessionary or at the very least stagnating economic conditions.

July data showed the unemployment rate increased to 4.3% (3mth/year) while the employment rate rose to 75.5%. Pay growth was 8.5% for total pay (including bonuses) and 7.8% for regular pay, which for the latter was the highest recorded annual growth rate. Adjusting for inflation, pay growth in real terms was positive at 1.2% and 0.6% for total pay and regular pay respectively.

The Consumer Prices Index (CPI) showed inflation at 6.7% in the 12 months to August 2023, down from 6.8% in July. On a monthly basis CPI rose 0.3% in August, compared with a rise of 0.5% in August 2022.

The Bank of England's Monetary Policy Committee continued tightening monetary policy over most of the period, taking the official Bank Rate to 5.25% in August. Against expectations of a further hike in September, the Committee voted 5-4 to maintain the Bank Rate at 5.25%. Those who voted against were in favour of another 0.25% increase.

Financial market Bank Rate expectations moderated over the period as falling inflation and weakening data gave some indication that higher interest rates were working. Expectations fell from predicting a peak of over 6% in June to 5.5% just ahead of the September Monetary Policy Committee meeting, and to then expecting 5.25% to be the peak by the end of the period.

Following the September Monetary Policy Committee meeting, Arlingclose, the authority's treasury adviser, modestly revised its interest forecast to reflect the central view that 5.25% will now be the peak in Bank Rate. In the short term the risks are to the upside if inflation increases again, but over the remaining part of the time horizon the risks are to the downside from economic activity weakening more than expected.

The lagged effect of monetary policy together with the staggered fixed term mortgage maturities over the next 12-24 months means the full impact from Bank Rate rises are still yet to be felt by households. Higher rates will also impact business and according to Standards & Poor (S&P) / Chartered Institute of Procurement and Supply (CIPS) survey data, the UK manufacturing and services sector contracted during the quarter with all measures scoring under 50, indicating contraction in the sectors.

### 3.0 EXTERNAL DEBT AND INVESTMENT POSITION

The Council's external debt and investments at 30 September 2023 is set out in Table 1 below. The Council held £99.79 million of Long Term Borrowing comprising:

- Public Works Loan Board (PWLB - central government) at fixed rates and duration
- Lender's Option Borrower's Option (LOBO) which may be rescheduled ahead of their maturity of 22 January 2054
- £2.92 million of Salix interest-free loans

In addition, the Council had £85.5 million of investments for treasury management purposes and £5.845 million of investments for commercial purposes (see Table 11):-

**Table 1: Council's external debt and investment position as of 30 September 2023**

Investments for Treasury Purposes	Principal as at 31/03/2023 £m	Principal as at 30/09/2023 £m	Average Rate 30/09/2023 %
<b>External Long Term Borrowing</b>			
Public Works Loan Board	77.62	77.62	4.70
Lender's Option Borrower's Option	19.25	19.25	4.65
Salix Loans (interest Free)	3.06	2.92	NIL
<b>Total External Long Term Borrowing</b>	<b>99.93</b>	<b>99.79</b>	<b>4.69*</b>
<b>Other Long Term Liabilities</b>			
Private Finance Initiative**	13.90	13.23	
Other Long Term Liabilities	0.23	0.13	
<b>Total Other Long Term Liabilities</b>	<b>14.13</b>	<b>13.36</b>	
<b>Total Gross Debt</b>	<b>114.06</b>	<b>113.15</b>	
<b>Investments for treasury management purposes</b>			
Debt Management Office	7.50	12.00	5.22
Local Authorities	53.00	43.00	4.16
Money Market Funds (instant access)	NIL	18.50	5.32
Banks	14.00	12.00	3.19
<b>Total Treasury Investments</b>	<b>74.50</b>	<b>85.50</b>	<b>4.42</b>
<b>Net Debt</b>	<b>39.56</b>	<b>27.65</b>	

\* Excluding Salix loans which are interest free

\*\* (PFI) arrangement for the provision of a Secondary School in Maesteg 10.75 years remaining term

Investments for Commercial Purposes	Fair Value as at 31/03/2023 £m	Anticipated annual return £m
Investments	5.845	0.46

The current profile of repayment of the Council's long-term debt is set out in the Liability Benchmark chart below. The table assumes that the Public Works Loan Board

and Lender's Option Borrower's Option loans will be repayable on their maturity date. However, although shown as maturing in 2054 the £19.25 million of Lender's Option Borrower's Option loans may be rescheduled ahead of their maturity date of 22 January 2054.

PWLB lending criteria requires that the Council does not invest purely for financial return if it wishes to access any new PWLB borrowing. The CIPFA Code sets out that it is not prudent for local authorities to invest for financial return.

All borrowing by the Council is as a single pool of debt rather than having loans specific to individual schemes. Where a Council finances capital expenditure by debt, it must put aside revenue to repay that debt in later years, known as Minimum Revenue Provision (MRP). The forecast MRP that will need to be set aside for 2023-24 is £6.191 million, which is provided for in the revenue budget and includes any additional MRP as a result of prudential borrowing and MRP on the PFI. MRP is budgeted within central budgets with additional MRP funded from Directorate budgets.

### Liability benchmark

The liability benchmark is a tool which helps to assess the lowest level of borrowing the Council needs, taking into account available cash resources to fund capital expenditure in the short term. A minimum level of liquidity is factored into the calculation, set at £10 million, to ensure the Council has available cash resources to meet day-to-day cash flow requirements. Forecast borrowing needs are based on capital expenditure estimates and available useable reserves. The underlying need to borrow to fund capital expenditure (known as the Capital Financing Requirement or CFR) is the amount of capital expenditure which is not funded via grants, capital receipts or contributions from revenue and earmarked reserves.

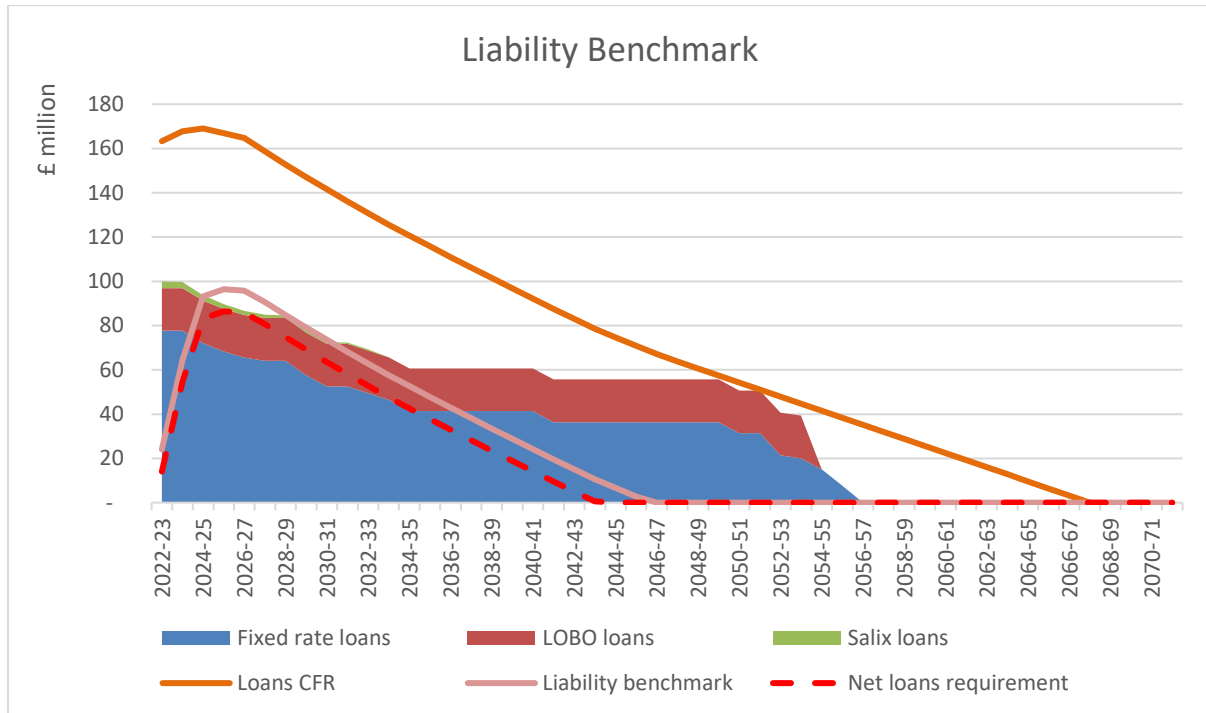
Table 2 below shows the Capital Financing Requirement and the calculation of the liability benchmark. It is important to note that the graph is based on the current approved capital programme and the borrowing associated therewith. Any new schemes which require debt financing will increase the CFR and loans requirement.

**Table 2: Liability benchmark**

	31 March 2023 actual	31 March 2024 estimate (TMS)	31 March 2024 forecast	31 March 2025 forecast	31 March 2026 forecast
	£m	£m	£m	£m	£m
Capital Financing Requirement	177.12	184.81	180.77	180.98	177.74
Less: Other debt liabilities	(13.90)	(12.97)	(12.97)	(11.97)	(10.90)
<b>Loans Capital Financing Requirement</b>	<b>163.22</b>	<b>171.83</b>	<b>167.80</b>	<b>169.01</b>	<b>166.85</b>
Less: Balance Sheet Resources	(149.16)	(84.14)	(113.27)	(93.71)	(80.43)
Plus: Liquidity allowance	10.00	10.00	10.00	10.00	10.00
<b>Liability Benchmark</b>	<b>24.06</b>	<b>97.69</b>	<b>64.53</b>	<b>85.30</b>	<b>96.42</b>



The liability benchmark is an important tool to help establish whether the Council is likely to be a long-term borrower or long-term investor in the future, and so shape its strategic focus and decision making. The liability benchmark itself represents an estimate of the cumulative amount of external borrowing the Council must hold to fund its **current** capital plans while keeping treasury investments at the minimum level to manage day-to-day cash flow.



Currently it is forecast that the Council has sufficient reserves to not need any new borrowing in the immediate future, however this is based on a number of assumptions including the forecast capital programme expenditure and the level and use of reserves. The current financial climate and the pressure on reserves, and any new schemes that may be brought forward in the Capital Programme which are debt-funded, will require the need to borrow, the timing of which is difficult to predict.

The Section 151 Officer will monitor and update the liability benchmark assumptions on an on-going basis and report any significant changes within the treasury management monitoring reports to Cabinet, Governance and Audit Committee and Council as appropriate. This could be as a result of changes in the level of usable reserves at year end, slippage within the Capital Programme or changes within the working capital assumptions which may affect the Council’s need for new long-term borrowing.

**4.0 BORROWING**

As at 30 September 2023 the Council held £99.79 million of Long-Term Borrowing, £96.87 million of which is fixed long term loans as part of its strategy for funding previous years' capital programmes. Based on the forecast capital programme and current assumptions regarding the use of reserves, it is anticipated that the Council will not need to raise new long term borrowing in the foreseeable future. This is subject to the use of reserves and progression of the capital programme and whether any new schemes are added that require borrowing.

The Council has previously raised the majority of its long-term borrowing from the Public Works Loan Board (PWLB). This was the source of funding the last time the Council took long-term borrowing of £5 million in March 2012. The Council will however consider long term loans from other sources including banks, pension funds and other local authorities if appropriate. The Council will also investigate the possibility of issuing bonds and similar instruments, in order to lower interest costs and reduce over-reliance on one source of funding in line with the CIPFA Code.

The Council has loans from PWLB maturing within the next 3 financial years that it will need to repay. Whilst at present it is anticipated that the Council will have resources to repay these loans, it will be dependent on the level of cash resources available. The value of the loans due to be repaid over the next 3 years is shown in Table 3.

**Table 3: Value of PWLB maturing debt**

	2023-24 £ million	2024-25 £ million	2025-26 £ million
Value of maturing debt	Nil	5.580	3.709

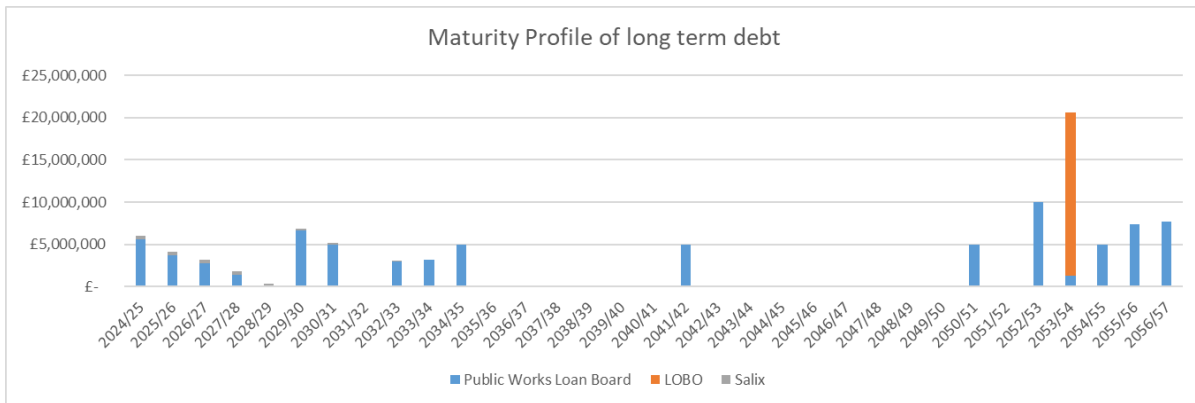
### **Maturity structure of borrowing**

The maturity structure of borrowing indicator is set to control the Council's exposure to refinancing risk with respect to the maturity of the Council's external borrowing. The limits are set to avoid having large amounts of debt maturing in a short space of time. and is the amount of projected borrowing maturing in each period as a percentage of total projected borrowing. Where the maturity date of borrowing is unknown, as in the case of LOBO loans, the maturity should normally be determined by reference to the earliest date at which the lender can require repayment. The £19.25 million of LOBO loans has therefore been included in the 'Under 12 months' category.

**Table 4: Maturity Structure of Borrowing 2023-24**

Maturity structure of borrowing	Upper limit	lower limit	£ million	As at 30 Sept 2023
Under 12 months	50%	0%	19.65	19.69%
12 months and within 24 months	25%	0%	8.75	8.77%
24 months and within 5 years	25%	0%	6.23	6.24%
5 years and within 10 years	40%	0%	15.63	15.66%
10 years and within 20 years	50%	0%	13.14	13.17%
20 years and above	60%	25%	36.39	36.47%

As can be seen from the table the maturity structure remains within the limits approved as part of the Treasury Management Strategy 2023-24. The following chart provides the maturity profile of the Council’s long term debt.



None of the LOBO loans have had to be repaid during the first half of the 2023-24 year. All the LOBO loans are subject to the lender having the right to change the rate of interest payable during the financial year at either of two trigger points in January and July, with the Council having the right to refuse the change, triggering early repayment and the need to re-finance. This is a manageable risk should repayment be needed during the **current** financial year as the Council has sufficient funds available in the short term. However, the Council would need to take out new borrowing in the short-medium term to replace any LOBO loans repaid.

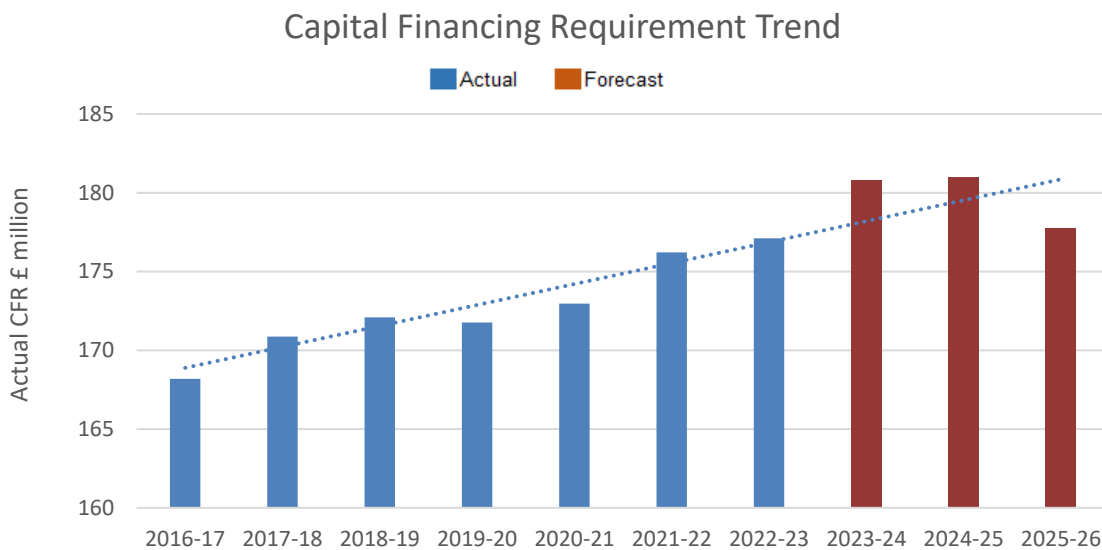
**Table 5: LOBO loans**

Commencement date	Loan value £m	Potential repayment date	Option frequency	Full term maturity
22 January 2004	4.00	22 Jan 2024	6 months	22 January 2054
22 January 2004	5.00	22 Jan 2024	6 months	22 January 2054
22 January 2004	10.25	22 Jan 2024	6 months	22 January 2054

In accordance with the Treasury Management Strategy, the Council is internally borrowing, which is when it uses temporary cash balances it holds in the short term instead of undertaking external borrowing. The current level of internal borrowing is £68.19 million as at 30 September 2023. This is shown by the Council’s Capital Financing Requirement (CFR) net of its external level of debt including other long term

debt liabilities. The Council’s 2023-24 CFR is forecast to be £180.77 million, external borrowing is forecast to be £99.61 and other long term debt liabilities forecast to be £12.97 million, which is the PFI Maesteg School scheme.

The chart below shows the trend in the CFR based on **current** capital commitments within the approved capital programme. The CFR is anticipated to increase in the current year assuming capital expenditure is incurred as currently anticipated. The CFR in future years shows a reduction, however, this is on the assumption of no new schemes which require debt financing. If new schemes requiring debt financing are added, the CFR will continue to increase.



### 5.0 TREASURY INVESTMENTS

The Council holds treasury investments as a result of temporary cash balances arising from its day-to-day activities. The management of the day-to-day cash requirements of the Council is undertaken in-house with advice from Arlingclose, the Council’s Treasury Management advisors. This may involve temporary borrowing to meet cash-flow needs or temporary lending of surplus funds. Investment balances can fluctuate daily and arise as a result of a range of circumstances, including timing differences of revenue and capital cash flows, reserves and other balances held for future use.

Investments are made in institutions approved by Council as part of its Treasury Management Strategy and in accordance with investment guidelines issued by the Welsh Government. As part of the Markets and Financial Instruments Directive II, the Council elected for ‘professional’ status, which covers national and regional governments and public bodies. The categories of investments the Council can invest in can be changed, any proposed changes being presented to Council for approval.

Treasury investments are made primarily on the basis of ensuring security of the funds invested, whilst managing liquidity, and only then considering a commensurate return

on the investment. As at 30 September 2023 the Council held £85.50 million of investments, with an average return of 4.42% (£74.50 million at 2.55% as at 31 March 2023). Table 6 below shows the investment profile as at 30 September 2023.

**Table 6: Investments by counterparty type**

Investment Category	Balance 1 April 2023 £m	Investments made in period £m	Investments repaid in period £m	Balance 30 Sept 2023 £m	Weighted interest rate 1 April 2023 to 30 Sept 2023 %
Government DMO	7.50	266.50	(262.00)	12.00	4.76
Local Authorities	53.00	14.00	(24.00)	43.00	3.53
Money Market Funds	-	36.60	(18.10)	18.50	4.75
Banks (fixed maturity dates)	3.00	18.00	(18.00)	3.00	3.58
Banks (instant access/notice accounts)	11.00	33.45	(35.45)	9.00	4.73
<b>TOTAL</b>	<b>74.50</b>	<b>368.55</b>	<b>(357.55)</b>	<b>85.50</b>	<b>4.08</b>

The following should be noted:

- During the period to 30 September 2023 all investments made were in line with the approved counterparties within the Treasury Management Strategy.
- Investments are diversified over a number of organisations across different sectors, demonstrating a diversified investment portfolio.
- All investments are in sterling and are rated A- and above as per the approved criteria or with a public body.
- The weighted average rates are for all investments made during 1 April 2023 to 30 September 2023

The overall interest receivable from treasury investments for the period 1 April 2023 to 30 September 2023 was £1.861 million. As interest rates rise so will the returns on new investments made, however there will be a time lag on the overall average rates for existing investments until historic investments mature and monies are reinvested at higher rates. The Council will continue to take a cautious approach to investing to ensure as its primary concern the security of any investments made. The risk of default for investments held is considered negligible.

All investments longer than 364 days will be made with a cautious approach to cash flow requirements and advice from the Council's Treasury Management advisors will be sought as necessary. The Treasury Management Strategy 2023-24 reduced the maximum duration for new investments to local authorities from 25 years (as grouped with other government agencies) to 2 years. The Treasury Management report for the first quarter to 30 June 2023 showed an investment which was agreed for a period of 2 years with Medway Council repayable in July 2024, at the time the repayment of

which was over 12 months. At the 30 September 2023 the investment is due to be repaid within 12 months. All other investments as at 30 September 2023 were short term of less than one year duration.

**Table 7: Sums invested for periods longer than a year**

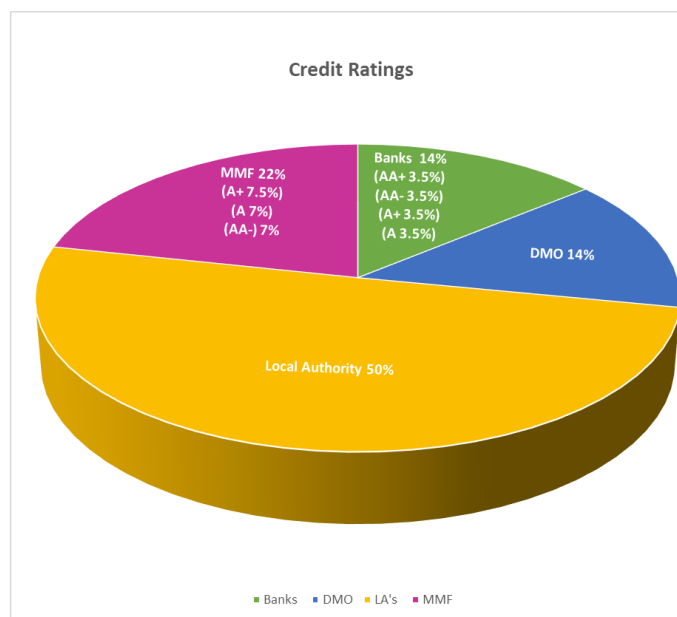
Price risk indicator	TMS 2023-24 £m	Actual £m	Full term maturity
Limit on principal invested beyond 12 months	15	5	

The below table details the Council’s investments by counterparty and maturity profile as at 30 September 2023.

**Table 8: Investments by maturity**

Counterparty Category	Instant Access £m	Deposits maturing within 1 month £m	Deposits maturing within 2-3 months £m	Deposits maturing within 4-12 months £m	TOTAL £m
Government DMO	-	12.00	-	-	12.00
Local Authorities	-	5.00	5.00	33.00	43.00
Money Market Funds	18.50	-	-	-	18.50
Banks	6.00	6.00	-	-	12.00
<b>Total</b>	<b>24.50</b>	<b>23.00</b>	<b>5.00</b>	<b>33.00</b>	<b>85.50</b>

The pie chart below summarises the distribution of the Council’s investments by credit ratings. Most local authorities do not have credit ratings but are considered secure investment counterparties. The DMO is the UK government and rated AA.



## 6.0 INTEREST RATE EXPOSURES

The Council is exposed to interest rate movements on its borrowings and investments. Movements in interest rates have a complex impact on the Council, depending on how variable and fixed interest rates move across differing financial instrument periods. Short term and variable rate loans expose the Council to the risk of short-term interest rate rises and are therefore subject to the Treasury Management indicator below.

The following Table is based on investments at 30 September 2023.

**Table 9: Interest Rate Exposure**

Interest rate risk indicator	£ million
One year revenue impact of a 1% rise in interest rates	(0.637)
One year revenue impact of a 1% fall in interest rates	0.830

It is important to note that this is an indicator not a limit. It is calculated at a point in time on the assumption that maturing loans and investments would be replaced at rates 1% higher or lower than they are currently, and that the treasury investment and borrowing portfolios remain unchanged over the next 12 months, which in practice is not the case. The figure for the 1% fall in interest rates indicator is not the same figure as the 1% increase (but reversed) as the borrowing relates to variable LOBO loans where it is assumed that the lender would only exercise their option if there was an increase in interest rates. All other borrowing does not have a rate reset in the next year and is with the PWLB at fixed rates.

A comparison of interest expenditure and income due for the period 1 April 2023 to 30 September 2023 is shown below.

**Table 10: Interest**

	01 April 2023 – 30 September 2023 £ million
Interest expenditure payable on long term borrowing	2.269
Interest income received in period	(1.861)
<b>Net interest cost</b>	<b>0.408</b>

## 7.0 NON-TREASURY INVESTMENTS

The Council recognises that investment in other financial assets and property primarily for financial return, taken for non-treasury management purposes, requires careful investment management. Such activities include investments in subsidiaries and investments in property. A schedule of the Council's existing non-treasury investments (currently limited to owned property) is set out in Table 11 below. Recent PWLB guidance requires that local authorities should review their investment portfolio if they

wish to secure PWLB borrowing but does not require the local authority to sell existing investment assets. This category covers non-financial assets held primarily or partially to generate a profit, primarily investment property. These assets are valued on an annual basis, which provides security of their value and continued benefit to the Council.

**Table 11: Non-treasury investments**

<b>Non-treasury investments</b>	<b>£ million</b>
Bridgend Science Park - Units 1 & 2	3.985
Waterton Cross Land	0.600
Brynmenyn Industrial Estate Plot 53	0.675
Village Farm Plots 32,119 & 120	0.385
Tyrewise Bridgend	0.200
<b>Total at Fair Value</b>	<b>5.845</b>
<b>Anticipated annual return 2023-24</b>	<b>0.460</b>

The Council considers that the scale of its investment properties is proportionate to the resources of the Council as the investment represents less than 1% of its total long-term assets. In addition, the value of these investments has increased from the previous year.

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

## Schedule A – Credit Rating Equivalence Table



**Credit Rating Equivalence Table**

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

**Schedule B – Arlingclose Economic & Interest Rate Forecast – Sept 2023**

Underlying assumptions:

- UK inflation and wage growth remain elevated, but the August CPI data suggested that inflation was falling more rapidly. In a narrow 5-4 vote, the MPC took the opportunity to hold rates at 5.25%, a level we see as the peak. Near-term rate cuts are unlikely, although downside risks will increase as the UK economy inevitably slides into recession.
- While the MPC vote was close, and the minutes contained the warning about the need for further tightening if inflationary pressures persist, both the decline in closely watched inflation measures and confidence that wage growth had peaked, clearly allowed policymakers to focus on the weaker activity data.
- The UK economy has so far been resilient. However, recent data indicates a further deceleration in business and household activity growth as higher interest rates start to bite. Global demand will be soft, so offer little assistance in offsetting weakening domestic demand. A recession remains a likely outcome.
- Employment demand has weakened and unemployment has increased, although the tight labour market has resulted in higher nominal wage growth. Anecdotal evidence suggests slowing recruitment and wage growth, and we expect unemployment to rise.
- Consumer confidence has improved due to signs of real wage growth amid strength in the labour market, but household spending will remain weak as mortgaged households suffer higher interest payments and unemployment rises. Business investment/spending will fall back due to higher borrowing costs and weaker demand.
- Inflation will continue to fall over the next 12 months, albeit with upside risk. The MPC's attention will remain on underlying inflation measures and wage data. Policy rates will remain at the peak for another 10-12 months, until the MPC is comfortable the risk of further second round effects have diminished.
- Maintaining monetary policy in restrictive territory for so long, when the economy is already struggling (as the recent PMI data indicate), will require significant policy loosening in the future to boost demand and inflation.
- Global bond yields remain volatile. Like the UK, the Federal Reserve and other central banks see persistently higher policy rates through 2023/2024 as key to dampening domestic inflationary pressure. Data points will therefore prompt changes in bond yields as global interest rate expectations shift.

Forecast:

- The MPC held Bank Rate at 5.25% in September. We believe this is the peak for Bank Rate.
- The MPC will cut rates in the medium term to stimulate the UK economy but will be reluctant to do so until it is sure there will be no lingering second round effects. We see rate cuts from Q3 2024 to a low of around 3% by early2026.
- The immediate risks around Bank Rate lie to the upside, but these diminish over the next few quarters and shift to the downside before balancing out, due to the weakening UK economy and dampening effects on inflation.
- Arlingclose expects long-term gilt yields to eventually fall from current levels reflecting the lower medium-term path for Bank Rate. However, yields will remain relatively higher than in the past, partly due to quantitative tightening, with continued elevated volatility.

	Current	Dec-23	Mar-24	Jun-24	Sep-24	Dec-24	Mar-25	Jun-25	Sep-25	Dec-25	Mar-26	Jun-26	Sep-26
<b>Official Bank Rate</b>													
Upside risk	0.00	0.25	0.50	0.50	0.75	0.75	0.75	0.75	0.75	0.75	0.75	1.00	1.00
Central Case	5.25	5.25	5.25	5.25	5.00	4.75	4.25	4.00	3.75	3.50	3.25	3.00	3.00
Downside risk	0.00	0.00	-0.25	-0.50	-0.75	-1.00	-1.00	-1.00	-1.00	-1.00	-1.00	-1.00	-1.00
<b>3-month money market rate</b>													
Upside risk	0.00	0.25	0.50	0.50	0.75	0.75	0.75	0.75	0.75	0.75	0.75	1.00	1.00
Central Case	5.40	5.40	5.40	5.30	5.15	4.80	4.30	4.10	3.80	3.50	3.25	3.05	3.05
Downside risk	0.00	0.00	-0.25	-0.50	-0.75	-1.00	-1.00	-1.00	-1.00	-1.00	-1.00	-1.00	-1.00
<b>5yr gilt yield</b>													
Upside risk	0.00	0.50	0.70	0.70	0.85	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00
Central Case	4.38	4.50	4.50	4.40	4.25	4.00	3.75	3.50	3.40	3.30	3.30	3.30	3.35
Downside risk	0.00	-0.50	-0.70	-0.85	-1.00	-1.00	-1.00	-1.00	-1.00	-1.00	-1.00	-1.00	-1.00
<b>10yr gilt yield</b>													
Upside risk	0.00	0.50	0.70	0.70	0.80	0.90	1.00	1.10	1.20	1.20	1.20	1.20	1.20
Central Case	4.27	4.40	4.35	4.30	4.25	4.15	4.00	3.80	3.75	3.65	3.60	3.65	3.70
Downside risk	0.00	-0.50	-0.70	-0.85	-1.00	-1.00	-1.00	-1.00	-1.00	-1.00	-1.00	-1.00	-1.00
<b>20yr gilt yield</b>													
Upside risk	0.00	0.50	0.70	0.70	0.80	0.90	1.00	1.10	1.20	1.20	1.20	1.20	1.20
Central Case	4.67	4.65	4.60	4.55	4.45	4.35	4.25	4.20	4.20	4.20	4.20	4.20	4.20
Downside risk	0.00	-0.50	-0.70	-0.85	-1.00	-1.00	-1.00	-1.00	-1.00	-1.00	-1.00	-1.00	-1.00
<b>50yr gilt yield</b>													
Upside risk	0.00	0.50	0.70	0.70	0.80	0.90	1.00	1.10	1.20	1.20	1.20	1.20	1.20
Central Case	4.25	4.25	4.20	4.15	4.10	4.10	4.10	4.10	4.10	4.10	4.10	4.10	4.10
Downside risk	0.00	-0.50	-0.70	-0.85	-1.00	-1.00	-1.00	-1.00	-1.00	-1.00	-1.00	-1.00	-1.00

PWLB Standard Rate (Maturity Loans) = Gilt yield + 1.00%; PWLB Certainty Rate (Maturity Loans) = Gilt yield + 0.80%  
 PWLB HRA Rate (Maturity Loans) = Gilt yield + 0.40%; UKIB Rate (Maturity Loans) = Gilt yield + 0.60%

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<b>Meeting of:</b>	<b>CABINET</b>
<b>Date of Meeting:</b>	<b>17 OCTOBER 2023</b>
<b>Report Title:</b>	<b>ENGAGEMENT AND PARTICIPATION STRATEGY</b>
<b>Report Owner / Corporate Director:</b>	<b>CHIEF OFFICER, FINANCE, PERFORMANCE AND CHANGE</b>
<b>Responsible Officer:</b>	<b>ZOE EDWARDS, CONSULTATION, ENGAGEMENT AND EQUALITIES MANAGER</b>
<b>Policy Framework and Procedure Rules:</b>	<b>There is no effect upon the policy framework and procedure rules.</b>
<b>Executive Summary:</b>	<p><b>There is a commitment to engage effectively and this is underpinned by a range of legislation including the:</b></p> <ol style="list-style-type: none"> <li><b>1. Well-being of Future Generations (Wales) Act 2015</b></li> <li><b>2. Equality Act 2010</b></li> <li><b>3. Welsh Language Measure 2011</b></li> <li><b>4. Local Government and Elections (Wales) Act 2021</b></li> </ol> <p><b>The Engagement and Participation Strategy will set out the Council's corporate approach to engagement with the citizens of Bridgend.</b></p>

## 1. Purpose of Report

- 1.1 Bridgend County Borough Council has a duty to engage effectively with the citizens of Bridgend, and believes that good engagement is the responsibility of everyone who works for the Council. Communication is two-way and it is important that as well as giving out clear information, the public are heard. The draft Engagement and Participation Strategy sets out how this will be done. The purpose of this report is to seek Cabinet approval to commence a public consultation on the draft Strategy and note that following the consultation period the final Strategy will be reported back to Cabinet for approval.

## 2. Background

- 2.1 Part 3 of the Local Government and Elections (Wales) Act 2021 focuses on promoting access to local government. The Act establishes a duty to encourage local people to participate in decision-making and a requirement that local authorities publish, consult on, and regularly review a public participation strategy.

The Act stipulates that the strategy must address:

- Promoting awareness of council's functions

- Promoting awareness of how to become a councillor
- Facilitating access to decisions made or to be made
- Promoting and facilitating processes for local people to make representations to the Council about a decision

2.2 A draft Engagement and Participation Strategy attached as **Appendix 1**, has therefore been produced to identify how the Council will meet its legislative requirements under the Act and to set out how it will improve public participation for citizens within the county borough.

2.3 Additionally, there is a commitment to engage effectively and this is underpinned by a range of legislation including the:

1. Well-being of Future Generations (Wales) Act 2015
2. Equality Act 2010
3. Welsh Language Measure 2011

2.4 Best practice and national standards will also be followed, for example the Children and Young People's National Participation Standards and the National Principles for Public Engagement in Wales. This Strategy will set out the Council's corporate approach to engagement with the citizens of Bridgend.

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

3.1 The Strategy covers the need to engage with key stakeholders across a variety of areas:

- Geographical communities - all relevant communities of interest where people have a shared characteristic, experience, or interest for example carers, or those with specific expertise
- Protected characteristics by the Equality Act 2010 – capturing communities' lived experiences to better inform the impact of the Council's actions
- Equality Impact Assessments – to consider the impact any policy change will have on citizens
- Accessibility – ensuring all residents in Bridgend can access information and have an opportunity to share their views
- Stakeholder analysis – help identify key stakeholders and their levels of influence, ensuring that engagement is inclusive across the diverse make up of all communities
- Engagement with Elected Members – leaders within their communities and provides important links to engage with a wide range of people.
- Engagement with staff – wide base of experience and background diversity
- Evaluation, Feedback, Drawing Conclusions and Making Recommendations
- Equality and Inclusion Team – supporting and advising all council services on engagement and participation
- Digital Platforms – developing the integration of the two platforms, i.e. GovDelivery (communication) and EngagementHQ (engagement), to create a cohesive series of engagement using key tools i.e. surveys, ideas sharing, forums, quick polls etc.

- Measuring Success by developing key indicators i.e. site hits, number of responses, top projects etc.
- Timescales for feedback – publishing feedback in a suitable place within a suitable timescale, including publishing of reports, providing direct feedback.

3.2 A full public consultation will be undertaken for the duration of 12 weeks to seek the views of citizens and stakeholders on the proposed Strategy. An engagement plan has been developed to support this.

#### 4. **Equality implications (including Socio-economic Duty and Welsh Language)**

4.1 The report has no direct effect upon the policy framework or procedure rules but it enables the effective implementation of the Council's statutory duties in relation to promoting access to local government as set out in Part 3 of the Local Government and Elections (Wales) Act 2021.

4.2 An initial Equality Impact Assessment (EIA) screening has identified that there would be no negative impact on those with one or more of the protected characteristics, on socio-economic disadvantage or the use of the Welsh Language. It is therefore not necessary to carry out a full EIA on this policy or proposal.

#### 5. **Well-being of Future Generations implications and connection to Corporate Well-being Objectives**

5.1 The well-being goals identified in the Act were considered in the preparation of this report. The following is a summary to show how the five ways of working to achieve the well-being goals have been used to formulate the recommendations within this report:

**Long-term** – Ensuring that the Council is encouraging local people to participate in the making of decisions by the Council now and in the future.

**Prevention** – Public participation and engagement can be used to prevent discrimination, promote equity and address any social injustices.

**Integration** – Integrating people from diverse backgrounds is a key aspect of building inclusive communities and organizations. An Engagement and Participation Strategy can also be utilised to promote integration.

**Collaboration** - Partnership working assists the Council in collaborative decision-making: By Involving individuals from different backgrounds, with different needs in decision-making processes and encourages their input and perspectives.

**Involvement** - Publication of the Strategy ensures that the public and stakeholders can review the work that has been undertaken. Involving residents in decision-making, encourages their active participation and fosters a sense of ownership and pride in their cultural background.

#### 6. **Climate Change Implications**

6.1 Reviewing the way customers are invited to participate and engage with the Council. There is a commitment to engage effectively with local communities to help protect

and sustain the environment over the long term and in line with our climate change ambitions.

## **7. Safeguarding and Corporate Parent Implications**

- 7.1 Where there is a safeguarding concern, all engagement will be managed under Bridgend County Borough Council's Safeguarding Policy. This will safeguard and promote the wellbeing of children, young people and adults at risk of abuse or neglect and to ensure that effective practices are in place throughout the Council and its commissioned services.

## **8. Financial Implications**

- 8.1 There are no financial implications arising from this report. The development of a strategy will be met from within existing resources.

## **9. Recommendation**

- 9.1 It is recommended that Cabinet give approval for the commencement of a public consultation on the draft Engagement and Participation Strategy and note that the final Strategy will be reported back to Cabinet for approval.

## **Background documents**

None



# **Bridgend County Borough Council**

## **Engagement and Participation Strategy**

This document is also available in Welsh.

## **Foreword**

We recognise that local people should be involved in decisions about public services and policies that affect their lives.

Our Participation and Engagement Strategy 2023 has been developed to outline the steps we will take as a Council to keep people well-informed about our services.

With a wide selection of channels available to us, we want to ensure that we offer the best opportunity to listen and respond to people's views and engage with all members of our community around the services we deliver for the people of Bridgend County Borough.

We know that by working with citizens and involving them in the decision-making process, by addressing their concerns through consultation and involving them early in the process, we will be in a much better position to make key decisions about changes that can affect them.

We want to build trusting relationships within our local communities and improve our accessibility and accountability to local people.

As we have set out in our 'Delivering Together' Corporate Plan 2023–28, we have committed to consulting with the public on an annual basis and publishing our self-assessment of how we have done in the previous year.

We want to achieve more than this though, by ensuring that public engagement and participation is an integral part of our planning and decision making process. This strategy will ensure that by regular engagement with local people, we are in a stronger position to develop services that meet the needs and improve outcomes for our local communities.

This strategy will not only look to improve existing engagement methods but will also identify new and emerging ways to engage with as many people in our communities as possible.

**Mark Shephard, Chief Executive**

**Council Leader, Huw David**

## **Introduction**

Bridgend County Borough Council has a duty to engage effectively with the people of Bridgend. We believe that good engagement is the responsibility of everyone who works for the Council. Communication is two-way and it is important that we listen to and take on ideas from the public as well as giving out clear information. This strategy sets out how we will do this.

We are committed to engage effectively and this is underpinned by a range of legislation including:

- The Well-being of Future Generations (Wales) Act 2015
- The Equality Act 2010,
- The Welsh Language Measure 2011
- Local Government and Elections (Wales) Act 2021

We will also follow best practice and national standards, for example the Children and Young People's National Participation Standards and the National Principles for Public Engagement in Wales. This strategy sets out our corporate approach to engagement with the people of Bridgend County Borough.

The principle of this strategy is to promote choice, independence and collaborative working. Bridgend County Borough Council wants to listen, to understand people's needs and work with them to fulfil those needs.

The council engages with all key stakeholders of Bridgend County Borough.

## **The area we cover**

Bridgend county borough covers around 100 square miles with a population of 145,760 in the 2021 census. In our population –

- 50.6% are female and 49.4% are male.
- 1.48% of people identify as Asian, 0.29% identify as black, 1.16% identify as mixed race, 96.78% identify as white and 0.29% identify as other ethnic group.
- 17.9% of people are aged 0-15, 61.4% are 16-64 and 20.7% are 65+.
- 22.64% of our population have reported disabilities that limit their day-to-day activities a little or a lot.
- 91.03% of people are straight, 1.35% are gay or lesbian, 0.95% are bisexual and 0.20% are other. 6.47% did not answer that question
- 94.4% of people are the same gender as registered at birth, 5.33% didn't answer the question
- 0.12% have a different gender identity to that registered at birth: 0.06% are trans women, 0.05% are trans men, 0.02% are non-binary and 0.02% are other sexual orientations

## **Our Participation Duties**

As a Local Authority we have statutory duties to involve communities in shaping our services. However, our principal reason for involving communities in our processes is because we see the value communities add to discussions, and the great improvements in council services that come from having people involved in planning and decision-making processes.

Feedback suggests we could be more consistent in inviting and enabling participation and engagement, improve how we share learning and experiences to make the most of our collective community resource, as well as improve communication and feedback on engagement processes to demonstrate impact.

This feedback has informed the key strands of our strategy.

**The Local Government and Elections (Wales) Act 2021 places a number of duties on local authorities regarding participation. These are to:**

1. Promote awareness of the functions the Council carries out for local residents, businesses and visitors.
2. Share information about how to go about becoming an elected Member, or Councillor, and what the role of Councillor involves.
3. Provide greater access to information about decisions that have been made, or that will be made by the Council.
4. Provide and promote opportunities for residents to provide feedback to the Council, including comments, complaints, and other types of representations.

## **Engagement Principles**

We have signed up to **The National Principles for Public Engagement in Wales**

which gives guidance for best practice on citizens engagement. This ensures information provided is jargon free, appropriate, and understandable.

- Participation: People being actively involved with strategy makers and service planners from an early stage of policy and service planning and review
- Consultation: A formal process by which policy makers and service providers ask for the views of interested groups and individuals
- Engagement: An active and participative process by which people can influence and shape policy and services that includes a wide range of different methods and techniques
- Co-production: An asset-based approach to public services that enables people providing and people receiving services to share power and responsibility, and to work together in equal, reciprocal, and caring relationships.
- Involvement: requires organisations to be open to influence from citizens and stakeholders, moving to a culture of “working with” rather than “doing to” and being supported to remain involved through the process.

## Engagement and Participation methods

It is important that our communities have a clear understanding about the purpose of any activity that is designed to involve them, so that it is clear to them whether, and to what extent, they can influence decisions being made.

We currently use a range of different methods to encourage residents and businesses across the County Borough to get involved in key council decisions. Current methods are detailed below:

Methods	
Bridgend County Borough Council website	Contains the latest information about what's going on, the services we provide and how you can get involved.
Citizens Panel	Made up of a group of people who live in Bridgend County Borough and are regularly consulted on services run by the council by signing up here: <a href="https://www.bridgend.gov.uk/my-council/consultations/citizens-panel/">https://www.bridgend.gov.uk/my-council/consultations/citizens-panel/</a>
Digital communication platform	Residents can subscribe to choose the news or updates they want to receive.
Digital engagement platform	An opportunity for residents and others to contribute to decision making by taking part in consultations. These are available on the website during the consultation period and advertised via our social media platforms.
My Account	Reporting issues to the Council using our online forms Managing your council tax account online Managing your housing benefit account online Request pest control visit (domestic properties only) Apply for school admissions and free school meals
Social Media	A presence on social media sites Twitter, Facebook, Instagram, and YouTube
Chatbot	Conduct an online chat conversation via text or text-to-speech, finding answers to a wide variety of queries instantly.
In person	Residents and businesses can get involved with engagement and participation activities by attending our Civic offices, local libraries and community-based consultation events.
Petitions	An ePetition is a petition which collects signatures online.

Methods	
	<p>Anyone who lives, works or studies in the area can submit or sign an ePetition.</p> <p>ePetitions are part of the Council's ongoing commitment to listening to and acting on the views of the public.</p> <p>Details relating to ePetitions can be found under the Council's <a href="#">Petition Scheme</a></p>
Out-of-hours Customer Services	Emergency issues such as homelessness, highways and more
Concerns and formal complaints policy	<p>Opportunities to feedback any concerns or complaints you may have about our services.</p> <p><a href="#">Information can be found on Bridgend Council's website</a></p>
<a href="#">Bridgend Public Services Board</a>	Brings together public bodies who deliver services locally to improve the social, economic, environmental, and cultural wellbeing of Bridgend.
<a href="#">Webcasting</a>	Join Committee meetings live or playback, as well as accessing meeting agendas and reports and the ability to contribute to certain meeting such as Development Control Committee.
Contacting your Councillor	A full list of Councillors' contact details by ward are available on Bridgend County Borough's website, for residents to discuss issues or concerns within their ward.
Council public meetings	Members of the public are able to attend Civic Offices to view public meetings in person, live online, as well as ask questions in line with section 4.18 of <a href="#">Bridgend County Borough Council's Constitution</a> .
Watching / Getting involved in council meetings	The majority of council meetings are recorded and streamed live online for residents to watch, as well as being stored in the archive for residents to refer to at a later time.
Overview and Scrutiny Committees	<p><a href="#">The public and other stakeholders can get involved in scrutiny by providing evidence to a committee, suggesting an items for scrutiny by completing a request form, or by speaking at a committee as a representative.</a> Further information can be found on <a href="https://www.bridgend.gov.uk/my-council/democracy-and-elections/overview-and-scrutiny-committees/">https://www.bridgend.gov.uk/my-council/democracy-and-elections/overview-and-scrutiny-committees/</a>.</p>
Becoming a member of the council	Anyone who meets certain qualifying criteria, can stand at the next Local Elections in May 2027 to represent their community as a Councillor in the Council and have their say in how things

Methods	
	<p>are run in Bridgend. ‘Be a Councillor’ awareness sessions are run about 6 months prior to the elections.  <a href="https://www.bridgend.gov.uk/my-council/democracy-and-elections/have-you-thought-about-becoming-a-councillor/">https://www.bridgend.gov.uk/my-council/democracy-and-elections/have-you-thought-about-becoming-a-councillor/</a></p>
Engaging with Town and Community Councils	<p>Town and Community Councils contact information is available on the Council’s website.  <a href="https://democratic.bridgend.gov.uk/mgParishCouncilDetailsList.aspx">https://democratic.bridgend.gov.uk/mgParishCouncilDetailsList.aspx</a></p>

## **Your Council’s 7 Wellbeing Objectives**

Your Council has 7 wellbeing objectives in place and this Strategy has been developed in line with these to ensure all key stakeholders across Bridgend County Borough are involved in key strategic decision. The Council’s wellbeing objectives are:

- A County Borough where we protect our most vulnerable
- A County Borough with fair work, skilled, high-quality jobs and thriving towns
- A County Borough with thriving valleys communities
- A County Borough where we help people meet their potential
- A County Borough that is responding to the climate and nature emergency
- A County Borough where people feel valued, heard and part of a community.

A County Borough where we support people to live healthy and happy lives to achieve these objectives whilst ensuring effective engagement and participation, we aim to do the following:

	<u><b>Aim</b></u>	<u><b>Method</b></u>
<b>Inform</b>	<p>Providing appropriate (balanced and objective) information about services, policies, and decisions to highlight the issues or problems to be solved, and the solutions being considered</p> <p>Or</p> <p>Collecting or using existing information about the views and needs of local people to inform services, policies, and decisions</p>	<p>By using the appropriate communication and engagement methods to keep communities informed and by keeping information about the views and needs of local people accurate and updated to best inform the decision-making process across services</p>
<b>Consult</b>	<p>Offering an appropriate (one-off or time limited) opportunity to have a say about a service, policy, or decision</p>	<p>By keeping communities informed, offering timely opportunities to raise concerns and provide feedback, and by demonstrating the impact of engagement on decisions made</p>
<b>Involve</b>	<p>Providing opportunities to have a say and get involved in activities in a more influential and timely way (on an ongoing basis)</p>	<p>By collaborating with communities to ensure their concerns and their ambitions directly influence the options considered, and by demonstrating the impact of engagement on decisions made</p>
<b>Collaborate</b>	<p>Working in partnership in each aspect of the decision-making process, including developing and selecting the preferred solutions to issues or problems</p>	<p>By actively seeking advice and innovative ideas from communities to develop options for consideration and by incorporating that advice and those ideas into the final decisions taken</p>
<b>Empower</b>	<p>Where appropriate, empowering partners to lead decision making processes and/or placing the final decision in the hands of the community or relevant stakeholders</p>	<p>By listening to what those empowered have to say, accepting constructive feedback and comments and implementing what those empowered to drive decision making decide or recommend</p>



## **Geographical communities**

We will engage with citizens in specific locations as well as across the County Borough as a whole. This engagement will take place in our towns and the wider rural setting. We will also make sure that we engage with relevant communities of interest. This is where people have a shared characteristic, experience, or interest, for example carers, or those with specific expertise.

## **Equality Impact Assessments**

When we make plans to create a new policy or change the way we do things, we must consider the impact this will have on our citizens, including those who have protected characteristics.

An Equality Impact Assessment (EIA) brings together the relevant legislations and sets out how we will take due regard, (give appropriate weight), to making decisions. Appendix A explains more about 'due regard'. When we carry out an EIA:

- We are considering relevant evidence to understand the likely or actual effects of policies or practices on those who are vulnerable within our communities, including those who are experiencing socio-economic disadvantage.
- We are thinking about where we might be able to reduce negative impacts.
- We are identifying missed opportunities and capitalising on positive impacts.
- We are considering the rights of the child.

These are characteristics that are protected by the Equality Act 2010. It is essential that we reach out to these communities so that we can capture their lived experiences, which will better inform our understanding of the impact of our actions and decisions. This feeds into our requirement to carry out Equality Impact Assessments. These characteristics are :

- Age
- Disability
- Gender reassignment
- Pregnancy and maternity
- Race – including ethnic or national origin, colour, or nationality
- Religion or belief – including lack of belief
- Sex
- Sexual orientation
- Marriage and civil partnership' (in terms of discrimination in employment).

## **Stakeholders**

Carrying out a stakeholder analysis will help to identify key stakeholders and their levels of influence. We will also ensure that engagement is inclusive across the diverse make up of our communities. We will include people with protected characteristics and marginalised or seldom heard people and communities in our engagement.

### **Engagement with Elected Members**

Elected Members are leaders within their communities and can provide important links to engage with a wide range of people. In addition to matters of interest to their wards, Elected Members may sit on several different Committees and will attend full Council meetings.

We will ensure Elected Members have the right information at the right time to enable them to engage with their constituents.

### **Engagement with Staff**

We employ around 6,000 people. Our staff have a very wide base of experience and come from a diversity of backgrounds. We engage with our staff by several different means including staff news bulletins, e-mails, and surveys. We are in the process of developing a new staff portal for our staff to use, which will increase staff involvement, engagement, and communication. Human Resources directly engage with staff and unions on employment matters.

### **Engagement with Children and Young people**

All children and young people have numerous rights. The right to have their views taken seriously, to freedom of expression, to have access to appropriate information, to have dignity, independence, and active participation in their community. These rights are protected under the United Nations Convention on the Rights of the Child (UNCRC) and the United Nations Convention on the Rights of Persons with Disabilities (UNCRPD). Meaningful engagement with children and young people across Bridgend will lead to services and policies being more relevant and appropriate to their needs.

Bridgend Youth Council are a diverse group of young people aged between 11-25 years. They actively work in partnership with Bridgend Council and other organisations to make positive changes for young people. We hold monthly meetings to discuss current issues faced by young people in Bridgend and how we can work towards resolving them.

### **Digital Engagement Platform**

We will improve engagement through the development of a digital engagement platform specifically for consultation to give us the ability to create a cohesive series of engagement activities. The digital platform will enable us to organise engagement across the council services. Some examples of tools that can be utilised in a digital platform are:

- Surveys
- Quick polls

- Story walls
- Ideas sharing
- Timeline of engagement

It is hoped that through utilising these tools we can improve our engagement with citizens in Bridgend County Borough.

**Evaluation, Feedback, Drawing Conclusions and Making Recommendations**

We will feedback the results of our consultation and engagement activities in a variety of ways, such as publishing reports on our website and providing direct feedback to groups or organisations involved in our engagement. The feedback will summarise an evaluation of our engagement and also demonstrate how the engagement influenced and was considered with our decision making.

**Our aims and ambitions**

We want to ensure our residents and other key stakeholders are involved in key strategic decisions. The following aims have therefore been developed to ensure we achieve this.

Aim 1	Bring all the Council’s consultation, engagement, and participation activities together into a single, easily accessible online hub, with the long-term objective of developing a portal that joins together all pathways for participation in Bridgend County Borough
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Aim 2	Ensure effective engagement and participation across Bridgend County Borough
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Aim 3	Keep up to date with the latest and best methods of engaging with residents of Bridgend County Borough
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**How will this be achieved**

To achieve these aims, we will:

- Further develop our new digital consultation and engagement platform across a range of consultation/engagement activities
- Embrace the use of digital discussions, such as forums, social media live streams, webinar to further improve levels of engagement with Bridgend residents
- Maintain non-digital methods of community engagements to improve the overall levels of engagement across the county borough
- Make sure all council consultation and engagement activities are published in fully accessible formats,

- Improve levels of engagement with residents who have protected characteristics
- Ensure timely feedback is given on the outcomes from all consultation and engagement activities
- Continually review this Strategy to ensure it is kept up to date with the latest engagement developments
- Update the staff engagement toolkit to ensure consistency across all consultation and engagement activities
- Liaise with key partners across Wales to share methods of best practice
- Review feedback from residents and other key stakeholders to monitor and measure effectiveness
- Review and improve the way we inform people about the Council's responsibilities.
- Ensure that consultations with children and young people are more frequent, engaging and age appropriate.

### **Measuring Success**

To measure the outcome of the implementation of this strategy, we will monitor:

- Site hits and registrations on both our digital engagement and communication platforms
- The number of responses and levels of engagement we receive to public engagement exercises
- Engagement levels with both the Scrutiny process and petitions.
- National Survey for Wales questions regarding Local Democracy
- Review how the consultation has impacted on policy development and service delivery
- Liaise with children and young people to ensure feedback has been given to them and actioned where appropriate.

<b>Meeting of:</b>	<b>CABINET</b>
<b>Date of Meeting:</b>	<b>17 OCTOBER 2023</b>
<b>Report Title:</b>	<b>CORPORATE PLAN DELIVERY PLAN TARGETS</b>
<b>Report Owner / Corporate Director:</b>	<b>CHIEF OFFICER – LEGAL AND REGULATORY SERVICES, HR AND CORPORATE POLICY</b>
<b>Responsible Officer:</b>	<b>ALEX RAWLIN POLICY AND PERFORMANCE MANAGER</b>
<b>Policy Framework and Procedure Rules:</b>	<b>Council priorities, aims, commitments and performance indicators in the Corporate Plan / Delivery Plan inform Service Plans which form part of the Policy Framework.</b>
<b>Executive Summary:</b>	<ul style="list-style-type: none"> <li>• <b>Following the development of the Corporate Plan and Corporate Plan Delivery Plan, each Directorate has now produced a Business Plan, which includes targets against each Corporate Plan Performance Indicator.</b></li> <li>• <b>These show –</b> <ul style="list-style-type: none"> <li>• <b>There are 99 PIs for the seven wellbeing objectives.</b></li> <li>• <b>Nearly half of those indicators can be reported quarterly (47 indicators).</b></li> <li>• <b>Trend data is available on 60% of indicators.</b></li> <li>• <b>87% of indicators (86) now have proposed targets. Of these, 60% (52) have targets to improve performance or are set at a maximum level. 13% (11) have targets to maintain performance. The others are new indicators where we don't have historical performance data.</b></li> </ul> </li> <li>• <b>A rationale has been provided for each target to explain whether the council aims to increase, reduce or maintain performance, and explain why.</b></li> <li>• <b>Directorate business plan will now be stored, saved and available to view on the intranet</b></li> </ul>

## 1. Purpose of Report

- 1.1 The purpose of this report is to present for approval the proposed annual performance targets for 2023-24 for the performance indicators in the Corporate Plan Delivery Plan (CPDP) that supports the Council's new Corporate Plan.

## 2 Background

- 2.1 On 1 March 2023 Council agreed the Corporate Plan 2023-28 and the proposal to develop a one-year Corporate Plan Delivery Plan to help monitor progress against it. On 19 July 2023 Council agreed the Corporate Plan Delivery Plan 2023-24 which set out the Wellbeing Objectives and associated aims, commitments and performance indicators that will help measure the Council's progress on priorities.

2.2 Following the development of the Corporate Plan and CPDP, each Directorate has now produced a Business Plan, which includes targets against each Corporate Plan Performance Indicator and a clear rationale for the target. Directorates were asked to provide as many targets as possible, and comparable data for the previous year where possible, minimising the use of 'setting baselines' as an alternative to providing a target, and giving greater scope for trend analysis.

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

4.1 The Performance Indicators and targets are included in **Appendix 1**. It shows:-

- There are 99 PIs for the seven wellbeing objectives.
- Nearly half of those indicators can be reported quarterly (47 indicators).
- Trend data is available on 60% of indicators.
- 87% of indicators (86) now have proposed targets. Of these, 60% (52) have targets to improve performance or are set at a maximum level. 13% (11) have targets to maintain performance. The others are new indicators where we don't have historical performance data.

4.2 In response to a recommendation from internal audit about the storing and sharing of directorate business plans, the business plans will now be shared and available to view on the BCBC intranet.

4.3 The targets were reviewed by Corporate Overview and Scrutiny Committee on 4 September 2023. The committee's recommendations and requests have been reflected in this report, particularly their main request, that the rationales be reviewed, made more user friendly and consistent.

#### **4. Equality implications (including Socio-economic Duty and Welsh Language)**

4.1 The protected characteristics identified within the Equality Act, Socio-economic Duty and the impact on the use of the Welsh Language have been considered in the preparation of this report. As a public body in Wales the Council must consider the impact of strategic decisions, such as the development or the review of policies, strategies, services and functions. It is considered that there will be no significant or unacceptable equality impacts as a result of this report.

#### **5. Well-being of Future Generations implications and connection to Corporate Well-being Objectives**

5.1 This report proposes an approach to measure progress against the following corporate well-being objectives under the Well-being of Future Generations (Wales) Act 2015 that form part of the Council's Corporate Plan 2023-28:-

1. A County Borough where we protect our most vulnerable
2. A County Borough with fair work, skilled, high-quality jobs and thriving towns
3. A County Borough with thriving valleys communities
4. A County Borough where we help people meet their potential
5. A County Borough that is responding to the climate and nature emergency
6. A County Borough where people feel valued, heard and part of their community
7. A County Borough where we support people to live healthy and happy lives

5.2 The 5 ways of working set out in the Well-being of Future Generations (Wales) Act 2015 have also contributed to the Council developing its own five ways of working. The ways of driving and measuring those ways of working is also contained in the Corporate Plan Delivery Plan.

## **6. Climate Change Implications**

6.1 There are no specific implications of this report on climate change. However, the Delivery Plan proposes measures and targets to help us assess the Council's performance on areas including climate change.

## **7. Safeguarding and Corporate Parent Implications**

7.1 There are no specific implications of this report on safeguarding or corporate parenting. However, the Delivery Plan proposes measures and targets to help us assess the Council's performance on areas including safeguarding and corporate parenting.

## **8. Financial Implications**

8.1 There are no financial implications associated with these arrangements. Council agreed the budget for 2023-24 in March 2023 and that the targets will be achieved within that budget.

## **9. Recommendation**

9.1 Cabinet is recommended to: -

- Consider and approve the targets for the Corporate Plan Performance Indicators in **Appendix 1.**

## **Background documents**

None.

## Appendix 1

### Corporate Plan Delivery Plan 2023-24 – Performance Indicator Targets

#### WBO 1 - A County Borough where we protect our most vulnerable

**Aim 1.1 Providing high-quality children’s and adults social services and early help services to people who need them**

Performance Indicator Description	2022-23 Actual	2022-23 Target	2023-24 Target	Rationale for Target
Percentage of eligible carers who were offered a carer’s assessment (SSWB)  <i>(Annual Indicator, higher preferred)</i>	New for 2023-24	n/a	80%	New indicator. Developing internal processes and IT systems to strengthen recording mechanisms to improve the ability to measure the offer of carers assessments.
Timeliness of visits to a) children who are care experienced b) children on the child protection register (SSWB)  <i>(Quarterly Indicator, higher preferred)</i>	a) 81.13% b) 82.14%	a) 80% b) 80%	a) 85% b) 85%	To continue to improve performance but also reflect the challenges there have been linked to recruitment and retention
SSWB40 - Safe reduction in the number of care experienced children (SSWB)  <i>(Quarterly Indicator, lower preferred)</i>	398	<374	<374	Target set to see reduction in numbers reflective of pre-pandemic levels
CH/026 - Safe reduction in the number of children on the child protection register (SSWB)  <i>(Quarterly Indicator, lower preferred)</i>	270	No target set	<270	Target set to see reduction following significant increase in 2022-23
Percentage of enquiries to the Adult Social Care front door which result in information and advice only (SSWB)  <i>(Quarterly Indicator, higher preferred)</i>	New for 2023-24	n/a	70%	New indicator. Baseline target set based on analysis of data over last 2 years
Total number of packages of reablement completed during the year (SSWB)  <i>(Quarterly Indicator, higher preferred)</i>	377	New for 2023-24	370	New indicator. Baseline target set based on analysis of previous years data.
SSWB38c Percentage of reablement packages completed that mitigated need for support (SSWB)  <i>(Quarterly Indicator, higher preferred)</i>	66.84%	48%	68%	Target set to improve; however, an increased number of referrals is expected.



Number of people who access independent advocacy to support their rights within: a) children's social care; b) adult's social care. (SSWB)  <i>(Annual Indicator, higher preferred)</i>	New for 2023-24	n/a	a)185  b)180	New indicator. Baseline target set based on current service demand.
DEFS29 Percentage of completed Team Around the Family (TAF) plans closed with a successful outcome (EFS)  <i>(Quarterly Indicator, higher preferred)</i>	75%	70%	72%	Due to an increased complexity in caseloads, this target may be more challenging to achieve.

### Aim 1.2 Supporting people in poverty to get the support they need / help they are entitled to

Performance Indicator Description	2022-23 Actual	2022-23 Target	2023-24 Target	Rationale for Target
Percentage of people supported through FASS (Financial Assistance and Support Service) where support has resulted in increased income through claims for additional/increased benefits and allowances (CEX)  <i>(Quarterly Indicator, higher preferred)</i>	New for 2023-24	n/a	60%	New indicator. Base target set to monitor success of the scheme in supporting people to access benefits and allowances they are entitled to receive.
Percentage of people supported through FASS who have received advice and support in managing or reducing household debt (CEX)  <i>(Quarterly Indicator, higher preferred)</i>	New for 2023-24	n/a	60%	New indicator. Base target set to monitor the success of the intervention by the Financial Assistance and Support Scheme

### Aim 1.3 Supporting people facing homelessness to find a place to live

Performance Indicator Description	2022-23 Actual	2022-23 Target	2023-24 Target	Rationale for Target
PAM/012- Percentage of households threatened with homelessness successfully prevented from becoming homeless (CEX)  <i>(Quarterly Indicator, higher preferred)</i>	19%	30%	20%	Target reduced to more realistic level considering the Welsh Government legislative changes in terms of priority need which has a significant impact on number of households included in this measure
DOPS39 - Percentage of people presenting as homeless or potentially homeless for whom the Local Authority has a final legal duty to secure suitable accommodation (CEX)  <i>(Quarterly Indicator, lower preferred)</i>	7.6%	30%	10%	Target set to see reduction in the number who fall into the final legal duty category. This is where initial measures to relieve their homelessness within 56 days have failed.

**Aim 1.4 Supporting children with additional learning needs to get the best from their education**

<b>Performance Indicator Description</b>	<b>2022-23 Actual</b>	<b>2022-23 Target</b>	<b>2023-24 Target</b>	<b>Rationale for Target</b>
DEFS164 - Percentage of schools that have an ALN policy in place (EFS) <i>(Quarterly Indicator, higher preferred)</i>	New for 2023-24	n/a	100%	In line with the Additional Learning Needs and Education Tribunal Act (Wales) 2018

**Aim 1.5 Safeguarding and protecting people who are at risk of harm**

<b>Performance Indicator Description</b>	<b>2022-23 Actual</b>	<b>2022-23 Target</b>	<b>2023-24 Target</b>	<b>Rationale for Target</b>
CORPB1 – Percentage of council staff completing safeguarding awareness training (CEX/All) <i>(Quarterly Indicator, higher preferred)</i>	77.33%	100%	100%	All staff to complete training
AD/024 - Percentage of Adult safeguarding inquiries which receive initial response within 7 working days (SSWB) <i>(Quarterly Indicator, higher preferred)</i>	84.19%	No target	85%	Target set to see improved performance
CH/003 - Percentage of Childrens referrals where decision is made within 24 hours (SSWB) <i>(Quarterly Indicator, higher preferred)</i>	99.53%	No target	100%	To continue to improve performance and ensure children are protected from harm
New - Percentage of child protection investigations completed within required timescales (SSWB) <i>(Annual Indicator, higher preferred)</i>	New for 2023-24	n/a	Baseline setting	New indicator for 2023/24 and system changes need to be made to enable accurate data capture.
Average waiting time on the Deprivation of Liberty Safeguards (DoLS) waiting list (SSWB) <i>(Quarterly Indicator, lower preferred)</i>	New for 2023-24	n/a	Baseline setting	New indicator. Baseline data to be recorded in order to calculate an average and set future target

**Aim 1.6 Help people to live safely at home through changes to their homes**

<b>Performance Indicator Description</b>	<b>2022-23 Actual</b>	<b>2022-23 Target</b>	<b>2023-24 Target</b>	<b>Rationale for Target</b>
Average number of days taken to deliver a Disabled Facilities Grant (DFG) for: <ul style="list-style-type: none"> <li>• Low level access showers</li> <li>• Stair lifts</li> <li>• Ramps</li> <li>• Extensions (CEX)</li> </ul>	New for 23-24	n/a	Baseline setting	New indicator. Baseline data to be recorded under the new category headings to calculate an average and set future targets. Data will continue to be

<i>(Quarterly Indicator, lower preferred)</i>				reported as combined average while baseline data is gathered.
DOPS41 - Percentage of people who feel they can live more independently as a result of receiving a DFG in their home (CEX) <i>(Quarterly Indicator, higher preferred)</i>	Data not available	98.1%	98%	To maintain current performance while new records management systems are embedded

### Aim 1.7 Support partners to keep communities safe

Performance Indicator Description	2022-23 Actual	2022-23 Target	2023-24 Target	Rationale for Target
Percentage of council staff completing Violence Against Women, Domestic Abuse and Sexual Violence (VAWDASV) training (Level 1) (CEX/ALL) <i>(Quarterly Indicator, higher preferred)</i>	94%	New for 2023-24	100%	All staff to complete training
Number of instances where CCTV supports South Wales Police in monitoring incidents (baseline)(CEX) <i>(Quarterly Indicator)</i>	New for 2023-24	n/a	Baseline setting	To collect, monitor and analyse the first year of data in order to set a meaningful target and rationale going forward
DEFS161 - Percentage of children being released from custody who attend a suitable education, training and employment arrangement (EFS) <i>(Quarterly Indicator, higher preferred)</i>	New for 2023-24	n/a	100%	As per conditions of release from custody, it is important that children engage in suitable education, training, or employment arrangements.

## WBO 2 - County Borough with fair work, skilled, high-quality jobs and thriving towns

### Aim 2.1 Helping our residents get the skills they need for work

Performance Indicator Description	2022-23 Actual	2022-23 Target	2023-24 Target	Rationale for Target
DEFS82 - Number of participants in the Employability Bridgend programme going into employment (COMM) <i>(Quarterly Indicator, higher preferred)</i>	392	347	350	Annual target set to maximise use of funding secured for that year. Funding arrangements can vary from year to year depending on funding source therefore targets are not comparable
DEFS84 – Number of under-employed participants leaving Employability Bridgend with an improved labour market position (COMM)	107	82	100	Annual target set to maximise use of funding secured for that year. Funding arrangements can vary from year to year

<i>(Quarterly Indicator, higher preferred)</i>				depending on funding source therefore targets are not comparable
Number of referrals to the employment service in ARC (SSWB) <i>(Quarterly Indicator, higher preferred)</i>	New for 2023-24	n/a	Baseline setting	First year of reporting. Baseline to be established.

### Aim 2.2 Making sure our young people find jobs, or are in education or training

Performance Indicator Description	2022-23 Actual	2022-23 Target	2023-24 Target	Rationale for Target
DEFS80 - The number of participants in the Employability Bridgend programme supported into education or training (COMM) <i>(Quarterly Indicator, higher preferred)</i>	387	213	727	Annual target set to maximise use of funding secured for that year. Funding arrangements can vary from year to year depending on funding source therefore targets are not comparable
PAM046 - Percentage of Year 11 leavers not in education, training, or employment (NEET) in the careers Wales annual destination statistics (EFS) <i>(Annual Indicator, lower preferred)</i>	1.6	2.0	1.5	This target reflects the current position where more young people are identifying with a range of complex issues, impacting their progression into education, employment, or training.

### Aim 2.4 Attracting investment and supporting new and existing local businesses

Performance Indicator Description	2022-23 Actual	2022-23 Target	2023-24 Target	Rationale for Target
Number of businesses receiving support through Shared Prosperity Funding (COMM) <i>(Quarterly Indicator, higher preferred)</i>	New for 2023-24	n/a	20	New indicator. Base target set to monitor the number of businesses supported and support economic growth
Number of business start-ups assisted (COMM) <i>(Annual Indicator, higher preferred)</i>	New for 2023-24	n/a	52	New indicator. Base target set to monitor the number of businesses supported and support economic growth
Number of local businesses attending procurement workshops (Annual) (CEX) <i>(Annual Indicator, higher preferred)</i>	New for 2023-24	n/a	Baseline Setting	Provide workshops in line with our procurement strategy and the introduction of supplier relation management
Local spend on low value BCBC procurement and contracts under £100,000 (CEX) <i>(Annual Indicator, higher preferred)</i>	2.93%	New for 2023-24	4%	Increase the amount of local spends on low value purchases and contracts under £100,000.

## Aim 2.5 Making the council an attractive place to work

Performance Indicator Description	2022-23 Actual	2022-23 Target	2023-24 Target	Rationale for Target
<p>CED29 - Percentage of staff reporting through survey that they agree or strongly agree with the statement:</p> <p>a) I feel every department is working towards the same common goal</p> <p>b) I am satisfied with BCBC as an employer</p> <p>c) Working here makes me want to perform to the best of my ability</p> <p>d) I feel that BCBC values its employees' ideas and opinions</p> <p>e) Do you think there are opportunities for two-way communication to discuss and raise ideas and issues? (CEX)</p> <p><i>(Annual Indicator, higher preferred)</i></p>	<p>a)41</p> <p>b)67</p> <p>c)77</p> <p>d)40</p> <p>e)84</p>	<p>a)39</p> <p>b)74</p> <p>c)79</p> <p>d)48</p> <p>e)83</p>	<p>a)42</p> <p>b)74</p> <p>c)79</p> <p>d)48</p> <p>e)85</p>	<p>Target set to show increase in positive feedback from staff in comparison to the previous survey conducted (2022-23 actuals)</p>
<p>Percentage of staff reporting through survey that they agree or strongly agree with the statement:</p> <p>a) I feel supported to manage my personal wellbeing whilst in work:</p> <p>b) The council is dedicated to taking positive action to support employees achieve a positive sense of wellbeing in their working lives (CEX)</p> <p><i>(Annual Indicator, higher preferred)</i></p>	<p>a) 70%</p> <p>b) 53%</p>	<p>New for 2023-24</p>	<p>a) 71%</p> <p>b) 54%</p>	<p>Target set to show increase in positive feedback from staff in comparison to the previous survey conducted (2022-23 actuals)</p>
<p>Number of sign up of new subscribers to the staff extranet (CEX)</p> <p><i>(Quarterly Indicator, higher preferred)</i></p>	<p>New for 2023-24</p>	<p>n/a</p>	<p>Baseline Setting</p>	<p>To collect baseline data to understand how many staff are accessing the extranet. This will help set a meaningful target and rationale for future</p>

## Aim 2.6 Ensuring employment is fair, equitable and pays at least the real living wage

Performance Indicator Description	2022-23 Actual	2022-23 Target	2023-24 Target	Rationale for Target
<p>Number of real living wage employers identified (by size of contract) (CEX)</p> <p><i>(Annual Indicator, higher preferred)</i></p>	<p>235</p>	<p>New for 2023-24</p>	<p>249</p>	<p>Increase the number of suppliers replying and becoming accredited</p>

## WBO 3 - A County Borough with thriving valleys communities

### Aim 3.1 Investing in town centres, including Maesteg town centre

Performance Indicator Description	2022-23 Actual	2022-23 Target	2023-24 Target	Rationale for Target
Number of commercial properties assisted through the enhancement grant scheme (COMM) <i>(Annual Indicator, higher preferred)</i>	New for 2023-24	n/a	2	To allocate the grant appropriately to successful applicants in line with funding terms

### Aim 3.3 Improving community facilities and making them more accessible

Performance Indicator Description	2022-23 Actual	2022-23 Target	2023-24 Target	Rationale for Target
Value of investment with Community Asset Transfers (CATs) in Valleys (COMM) <i>(Annual Indicator, higher preferred)</i>	New for 2023-24	n/a	£200k	Level of external investment exceeds Council's CAT Fund allocations for the year. External investment target of £200K for CAT projects in valley communities
Number of visits to venues for all purposes (SSWB) <i>(Quarterly Indicator, higher preferred)</i>	New for 2023-24	n/a	Baseline setting	New indicator. Baseline to be set with new approach to capturing participation across a range of facilities within the valleys.

### Aim 3.6 Encourage the development of new affordable homes in the valleys

Performance Indicator Description	2022-23 Actual	2022-23 Target	2023-24 Target	Rationale for Target
Number of additional affordable homes provided by Registered Social Landlords (RSLs) in the Valleys (CEX) <i>(Annual Indicator, higher preferred)</i>	New for 2023-24	n/a	20	This 1-year target forms part of wider programme to see an additional 100 units in the valleys provided by RSLs over the next 5 years through the Welsh Government capital build scheme.

## WBO 4 - A County Borough where we help people meet their potential

### Aim 4.1 Providing safe, supportive schools, with high quality teaching

Performance Indicator Description	2022-23 Actual	2022-23 Target	2023-24 Target	Rationale for Target
DEFS156 Number of schools judged by Estyn to be in 'significant improvement' or 'special measures' (EFS) <i>(Quarterly Indicator, lower preferred)</i>	0	New for 2023-24	0	School support is delivered by CSC, so there should be early support in place to avoid the outcome of any school requiring 'significant

				improvement' or in 'special measures'
PAM032 - Average 'Capped 9' score for pupils in Year 11 (EFS) <i>(Annual Indicator, higher preferred)</i>	No data available	No target set	Baseline Setting	Welsh Government has reinstated the data collection for the 2022-23 school year. Following reinstatement, the first-year results will be a baseline only.
EDU016a/PAM007- Percentage pupil attendance in primary schools (EFS) <i>(Annual Indicator, higher preferred)</i>	No data available	No target set	90%	Pupil attendance is a critical measure as young people are unlikely to attain their full potential and are more likely to be diverted into anti-social behaviour if they are not attending school regularly.
EDU016b/PAM008 - Percentage pupil attendance in secondary schools (EFS) <i>(Annual Indicator, higher preferred)</i>	No data available	No target set	90%	
EDU010a Percentage of school days lost due to fixed-term exclusions during the school year in primary schools (EFS) <i>(Annual Indicator, lower preferred)</i>	0.02%	No target set	0.02%	Primary exclusions have remained static since COVID-19 lockdown, so targets remain the same as pre-pandemic levels.
EDU010b Percentage of school days lost due to fixed-term exclusions during the school year in secondary schools (EFS) <i>(Annual Indicator, lower preferred)</i>	0.164%	No target set	0.12%	Secondary exclusions have shown an upward trend since the pandemic due to behavioural changes and increased complexity of need. The target reflects an expected improvement in this performance
DEFS155 Percentage of schools that have self-evaluated themselves as 'green' as part of their annual safeguarding audit (EFS) <i>(Annual Indicator, higher preferred)</i>	90%	100%	100%	Target set in line with Welsh Government guidance, to ensure schools are exercising their legal safeguarding obligations.

#### Aim 4.3 Expanding Welsh medium education opportunities

Performance Indicator Description	2022-23 Actual	2022-23 Target	2023-24 Target	Rationale for Target
DEFS138 Percentage of Year 1 pupils taught through the medium of Welsh (EFS) <i>(Annual Indicator, higher preferred)</i>	8.04%	8.7%	8.7%	Welsh Government targets in accordance with Welsh in Education Strategic Plans (Wales) Regulations 2019.
DEFS157 Percentage of learners studying for assessed qualifications through the medium of Welsh at the end of Key Stage 4 (EFS) <i>(Annual Indicator, higher preferred)</i>	6.62%	New for 2023-24	7.16%	To see an increase in learners studying through the medium of Welsh as per Welsh in Education Strategic Plans (Wales) Regulations 2019.

DEFS158 Number of learners studying for Welsh as a second language (EFS) <i>(Annual Indicator, higher preferred)</i>	1378	New for 2023-24	1437	To see an increase in learners studying Welsh as a second language as per Welsh in Education Strategic Plans (Wales) Regulations 2019.
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#### Aim 4.5 Attract and retain young people into BCBC employment

Performance Indicator Description	2022-23 Actual	2022-23 Target	2023-24 Target	Rationale for Target
DOPS36 - Number of apprentices employed across the organisation (CEX) <i>(Annual Indicator, higher preferred)</i>	36	36	39	Target set to increase number of apprentices
Percentage of those concluding apprenticeships and obtaining a non-apprentice role (CEX) <i>(Annual Indicator, higher preferred)</i>	70.8%	New for 2023-24	75%	Continue to improve the number of apprentices gaining employment

#### Aim 4.6 Offering youth services and school holiday programmes for our young people

Performance Indicator Description	2022-23 Actual	2022-23 Target	2023-24 Target	Rationale for Target
Participation in targeted activities for people with additional or diverse needs (SSWB) <i>(Quarterly Indicator, higher preferred)</i>	New for 2023-24	n/a	Baseline Setting	New indicator. Welsh Government post pandemic investments have been removed and now using core resources.
Participation in the national free swimming initiative for 16 and under (SSWB) <i>(Annual Indicator, higher preferred)</i>	16691	New for 2023-24	Baseline Setting	New indicator. Programme investment reduced and Welsh Government review taking place
Participation in active for life and holiday playworks programmes (SSWB) <i>(Annual Indicator, higher preferred)</i>	New for 2023-24	n/a	Baseline Setting	New indicator. Significant reduction in government funding, new approaches being developed.

#### Aim 4.8 Supporting and encouraging lifelong learning

Performance Indicator Description	2022-23 Actual	2022-23 Target	2023-24 Target	Rationale for Target
DEFS159 Percentage of learners enrolled in local authority community learning per 1,000 adult population (EFS) <i>(Annual Indicator, higher preferred)</i>	0.002%	New for 2023-24	1%	To ensure there are adequate learning opportunities for the adult population across the county borough.



#### Aim 4.9 Being the best parents we can to our care experienced children

Performance Indicator Description	2022-23 Actual	2022-23 Target	2023-24 Target	Rationale for Target
SSWB48 Percentage of care leavers who have completed at least 3 consecutive months of employment, education or training in the a)12 months since leaving care b)13- 24 months since leaving care (SSWB) <i>(Quarterly Indicator, higher preferred)</i>	a)54.17% b)62.07%	a)65% b)55%	a)60% b)65%	To continue to improve performance
CH/052 - Percentage care leavers who have experienced homelessness during the year (SSWB) <i>(Quarterly Indicator, lower preferred)</i>	10.27%	12%	10%	To continue to improve performance

### WBO 5 - A County Borough that is responding to the climate and nature emergency

#### Aim 5.1 Moving towards net zero carbon, and improving our energy efficiency

Performance Indicator Description	2022-23 Actual	2022-23 Target	2023-24 Target	Rationale for Target
Reduction in emissions (across our buildings, fleet & equipment, streetlighting, business travel, commuting, homeworking, waste, procured goods and services) (COMM) <i>(Annual Indicator, higher preferred)</i>	New for 2023-24	n/a	By 5%	To see a reduction in emissions and progress our corporate energy efficiency
DCO20.01 Annual Gas Consumption across the Authority (kWh) <i>(Annual Indicator, lower preferred)</i>	24,362,648 kWh	Establish new baseline	23,144,515 kWh	To see reduction in energy consumption levels and progress our corporate energy efficiency
DCO20.02 Annual Electricity Consumption across the Authority (kWh) <i>(Annual Indicator, lower preferred)</i>	15,927,161 kWh	Establish new baseline	15,130,803 kWh	To see reduction in energy consumption levels and progress our corporate energy efficiency
DCO20.03 Annual CO2 related to gas consumption across the Authority (tonnes) <i>(Annual Indicator, lower preferred)</i>	4,458 tonnes	Establish new baseline	4,235 tonnes	To see reduction in energy consumption and relation emissions and progress our corporate energy efficiency
DCO20.04 Annual CO2 related to electricity consumption across the Authority (tonnes) <i>(Annual Indicator, lower preferred)</i>	3,080 tonnes	Establish new baseline	2,925 tonnes	To see reduction in energy consumption and relation emissions and progress our corporate energy efficiency

Levels of nitrogen dioxide (NO <sub>2</sub> ) pollution in the air (micrograms per m <sup>3</sup> ) (CEX SRS)  <i>(Annual Indicator, lower preferred)</i>	47 (1)	New for 2023-24	40	Target set to see a reduction, in line with concentration modelled in the draft Air Quality Action Plan (AQAP) for the monitoring location of OBC -110. <i>Note (1) This represents the worst-case concentration recorded during 2022</i>
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### Aim 5.2 Protecting our landscapes and open spaces and planting more trees

Performance Indicator Description	2022-23 Actual	2022-23 Target	2023-24 Target	Rationale for Target
Number of green flag parks (target set to maintain) (COMM) <i>(Annual Indicator, higher preferred)</i>	New for 2023-24	n/a	2	Target set to maintain current high standards
Number of blue flag beaches (target set to maintain) (COMM) <i>(Annual Indicator, higher preferred)</i>	New for 2023-24	n/a	3	Target set to maintain current high standards

### Aim 5.3 Improve the quality of the public realm and built environment through good placemaking principles

Performance Indicator Description	2022-23 Actual	2022-23 Target	2023-24 Target	Rationale for Target
PAM/018 Percentage of all planning applications determined within 8 weeks <i>(Quarterly Indicator, higher preferred)</i>	64%	80.10%	80%	Target set in line with national target for good performance
PAM/019 Percentage of planning appeals dismissed <i>(Quarterly Indicator, higher preferred)</i>	64%	66%	66%	Target set in line with national target for good performance

### Aim 5.4 Reducing, reusing or recycling as much of our waste as possible

Performance Indicator Description	2022-23 Actual	2022-23 Target	2023-24 Target	Rationale for Target
DCO20.05 – Percentage of street cleansing waste prepared for recycling (COMM) <i>(Annual Indicator, higher preferred)</i>	40.47%	40%	40	To maintain the existing targets which remain challenging to achieve
PAM/030 – Percentage of waste reused, recycled or composted a) reused b) recycled. c) composted <i>(Quarterly Indicator, higher preferred)</i>	71.38% a)0.68% b)51.01% c)19.69%	70% a)1% b)47% c)20%	70% a)1% b)49% c)20%	To maintain the existing targets which remain challenging to achieve
PAM/043 - Kilograms of residual waste generated per person (COMM) <i>(Quarterly Indicator, lower preferred)</i>	120.2kg	131.65kg	131kg	To maintain the existing targets which remain challenging to achieve

PAM/010 – Percentage of highways land inspected by the Local Authority to be found to be of a high / acceptable standard of cleanliness (COMM) (Quarterly Indicator, higher preferred)	98.05%	97%	98%	To maintain the existing targets which remain challenging to achieve
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### Aim 5.5 Improving flood defences and schemes to reduce flooding of our homes and businesses

Performance Indicator Description	2022-23 Actual	2022-23 Target	2023-24 Target	Rationale for Target
Percentage of statutory sustainable drainage systems (SuDS) applications processed within 7 weeks from receipt of appropriate scheme drawings (COMM) (Quarterly Indicator, higher preferred)	New for 2023-24	n/a	95%	New indicator. Baseline target set to ensure effective progression of applications

## WBO 6 - A County Borough where people feel valued, heard, and part of their community

### Aim 6.1 Celebrating and supporting diversity and inclusion and tackling discrimination

Performance Indicator Description	2022-23 Actual	2022-23 Target	2023-24 Target	Rationale for Target
Percentage of council staff completing Introduction to Equality and Diversity E-Learning. (Quarterly Indicator, higher preferred)	12.07%	New for 2023-24	100%	All staff to complete training

### Aim 6.2 Improving the way we engage with local people, including young people, listening to their views and acting on them

Performance Indicator Description	2022-23 Actual	2022-23 Target	2023-24 Target	Rationale for Target
Percentage of consultation participants who answered positively: How effective do you think we have been in meeting our aim of being citizen-focused over the last 12 months? (Annual Indicator, higher preferred)	46%	New for 2023-24	50%	Target set to improve performance
Level of engagement (Welsh / English) a) across consultations b) with corporate communications to residents using the digital communications platform c) across all corporate social media accounts  (Annual Indicator, higher preferred)	a)8,267 b)795,335 c)1,230,698	New for 2023-24	a)>8,267 b)>795,335 c)<1,230,698	To improve the level of engagement across the county borough, based on the number of people who engage in certain corporate consultations, open the digital communications bulletins, and engage with posts

				across all the social media platforms
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### Aim 6.3 Offering more information and advice online, and at local level, and making sure you can talk to us and hear from us in Welsh

Performance Indicator Description	2022-23 Actual	2022-23 Target	2023-24 Target	Rationale for Target
CED5 - Percentage first call resolutions (via Customer Contact Centre) (Quarterly Indicator, higher preferred)	75.91%	75.67%	75.92%	Target set to improve performance.
Number of online transactions using the digital platform (Quarterly Indicator, higher preferred)	103,347	New for 2023-24	>103,347	To promote channel shift and to increase the number of online transactions by customers
Number of hits on the corporate website (Quarterly Indicator, higher preferred)	1,398,559	New for 2023-24	>1,398,559	To improve on the information and advice that is available online to support residents further
Percentage of staff with Welsh language speaking skills (including schools) (Annual Indicator, higher preferred)	51%	New for 2023-24	52%	To improve the number of staff, including schools, with Welsh language speaking skills.
Percentage of council staff completing Welsh Language Awareness E-Learning (Quarterly Indicator, higher preferred)	12.40%	New for 2023-24	100%	All staff to complete training

### Aim 6.4 Helping clubs and community groups take control of and improve their facilities and protect them for the future

Performance Indicator Description	2022-23 Actual	2022-23 Target	2023-24 Target	Rationale for Target
DCO16.8 - Number of council owned assets transferred to the community for running (CATs) (COMM) (Annual Indicator, higher preferred)	10	20	15	A combination of 10 transfers ongoing being delivered and five new ones, across the County Borough
Value of investment with CATs across Bridgend County Borough (COMM) (Annual Indicator, higher preferred)	New for 2023-24	n/a	£400k	Level of external investment exceeds Council's CAT Fund allocations for the year. External investment target of £400K for CAT projects across County Borough.
Number of people supported to have their needs met in their communities by local community co-ordinators and community navigators (SSWB) (Annual Indicator, higher preferred)	New for 2023-24	n/a	200	Baseline target set based on number of individuals being supported by BCBC local community co-ordinators who will be working in 6 locations within the county borough

## WBO 7 - A County Borough where we support people to live healthy and happy lives

### Aim 7.1 Improving active travel routes and facilities so people can walk and cycle

Performance Indicator Description	2022-23 Actual	2022-23 Target	2023-24 Target	Rationale for Target
New active travel routes (length in KM) (COMM) <i>(Annual Indicator, higher preferred)</i>	New for 2023-24	n/a	4km	Additional target routes for the year

### Aim 7.2 Offering attractive leisure and cultural activities

Performance Indicator Description	2022-23 Actual	2022-23 Target	2023-24 Target	Rationale for Target
Number of visits by older adults to physical activity opportunities supported (SSWB) <i>(Annual Indicator, higher preferred)</i>	New for 2023-24	n/a	Baseline Setting	New indicator. New approach with reductions in funding.
Number of individuals who commence programmes and complete 16 weeks of activity (SSWB) <i>(Annual Indicator, higher preferred)</i>	350	New for 2023-24	350	New indicator. Funding levels set by Public Health Wales.
Percentage of pupils who participate in three or more occasions of activity per week (FG Indicator 38 Sport Wales School Sport Survey data) (SSWB) <i>(Bi-annual Indicator, higher preferred)</i>	44.6%	New for 2023-24	46%	New indicator. Base target set to see improvement on previous data captured by Sport Wales
Participation in the summer reading challenge in libraries (SSWB) <i>(Annual Indicator, higher preferred)</i>	New for 2023-24	n/a	2378	New indicator. Target set in line with agreement with Awen
Participation in Childrens events in libraries (SSWB) <i>(Annual Indicator, higher preferred)</i>	61,855	New for 2023-24	48,176	New indicator. Welsh Government have removed funding used to support previous higher attendances therefore base target set for new funding levels

### Aim 7.3 Improving children's play facilities and opportunities

Performance Indicator Description	2022-23 Actual	2022-23 Target	2023-24 Target	Rationale for Target
Value of investment in play areas (COMM) <i>(Annual Indicator, higher preferred)</i>	New for 2023-24	n/a	£1m	Target set in line with programme of works for the year
Number of play areas that have been refurbished (COMM) <i>(Annual Indicator, higher preferred)</i>	New for 2023-24	n/a	20	Target set in line with programme of works for the year

#### Aim 7.4 Providing free school meals and expanding free childcare provision

Performance Indicator Description	2022-23 Actual	2022-23 Target	2023-24 Target	Rationale for Target
New DEFS163 - Percentage of nursery, reception, year 1 and year 2 learners offered a free school meal (EFS) <i>(Quarterly Indicator, higher preferred)</i>	n/a	New for 2023-24	100%	Target set in line with Welsh Government expectations
New DEFS162 - Percentage of non-maintained settings that are judged by Care Inspectorate Wales as at least 'good' (EFS) <i>(Quarterly Indicator, higher preferred)</i>	n/a	New for 2023-24	100%	Target set in line with Welsh Government expectations
DEFS160 Number of two-year-olds accessing childcare through the Flying Start programme (EFS) <i>(Quarterly Indicator, higher preferred)</i>	321	New for 2023-24	500	The target reflects the positive investment made in the Phase 2A and 2B expansions of the programme

#### Aim 7.5 Integrating our social care services with health services so people are supported seamlessly

Performance Indicator Description	2022-23 Actual	2022-23 Target	2023-24 Target	Rationale for Target
Number of people recorded as delayed on the national pathway of care (SSWB) <i>(Quarterly Indicator, lower preferred)</i>	New for 2023-24	n/a	71	New national indicator which includes all reasons for delayed pathway of care. Baseline target set based on data captured for the first quarter of the year.

#### Aim 7.6 Improving the supply of affordable housing

Performance Indicator Description	2022-23 Actual	2022-23 Target	2023-24 Target	Rationale for Target
Number of additional affordable homes provided by Registered Social Landlords (RSLs) across the County Borough (CEX) <i>(Annual Indicator, higher preferred)</i>	110	New for 2023-24	110	This 1-year target forms part of wider programme to see an additional 500 units across the County Borough to be provided by RSLs over the next 5 years through the Welsh Government capital build scheme.
Total number of empty properties returned to use with local authority intervention (CEX) <i>(Annual Indicator, higher preferred)</i>	5	New for 2023-24	5	This is a challenging environment and maintaining current performance is proposed

## Ways of Working Indicators (not already included under Wellbeing Objectives)

Performance Indicator Description	2022-23 Actual	2022-23 Target	2023-24 Target	Rationale for Target
PAM/001 Number of working days per full time equivalent lost due to sickness absence (CEX/ALL) <i>(Quarterly Indicator, lower preferred)</i>	13.20 days	No target	No target	To reduce sickness levels across the organisation
Percentage of staff that have completed a Personal Review/Appraisal (excluding school staff) (CEX/ALL) <i>(Annual Indicator, higher preferred)</i>	58.05%	New for 2023-24	80%	Target set to ensure all eligible staff have an annual review.
Percentage budget reductions achieved (Overall BCBC budget) (CEX/ALL) <i>(Quarterly Indicator, higher preferred)</i>	72.1%	100%	100%	Target retained at maximum
DOPS34a) - Availability of voice and data network (CEX) <i>(Quarterly Indicator, higher preferred)</i>	100%	99.99%	99.99%	Target set to maintain good performance
DOPS34b) - Availability of storage area network (core computing) (CEX) <i>(Quarterly Indicator, higher preferred)</i>	100%	99.99%	99.99%	Target set to maintain good performance
DOPS34c) - Availability of core applications (as defined in the ICT Strategy), central printers and multi-functional devices, and network connected devices (CEX) <i>(Quarterly Indicator, higher preferred)</i>	99.99%	99.90%	99.90%	Target set to maintain good performance
DCO16.9 - Realisation of capital receipts targets (COMM) <i>(Quarterly Indicator, higher preferred)</i>	£3.71m	£3.775 m	Nil	Target set in line with disposal programme
DCO19.02 - Percentage of full statutory compliance across BCBC operational buildings (COMM) <i>(Quarterly Indicator, higher preferred)</i>	78.6%	100%	100%	Target set to achieve full compliance
New- Percentage of statutory compliance across BCBC operational buildings (big 5) (COMM) <i>(Quarterly Indicator, higher preferred)</i>	New for 2023-24	n/a	100%	Target set to achieve full compliance

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# Agenda Item 8

<b>Meeting of:</b>	<b>CABINET</b>
<b>Date of Meeting:</b>	<b>17 OCTOBER 2023</b>
<b>Report Title:</b>	<b>APPOINTMENT OF LOCAL AUTHORITY GOVERNORS</b>
<b>Report Owner / Corporate Director:</b>	<b>CORPORATE DIRECTOR – EDUCATION AND FAMILY SUPPORT</b>
<b>Responsible Officer:</b>	<b>DAWN DAVIES PRINCIPAL OFFICER – BUSINESS STRATEGY AND PERFORMANCE</b>
<b>Policy Framework and Procedure Rules:</b>	<b>THERE IS NO EFFECT UPON THE POLICY FRAMEWORK OR PROCEDURE RULES.</b>
<b>Executive Summary:</b>	<b>ALL GOVERNING BODIES OF MAINTAINED SCHOOLS, INCLUDING MAINTAINED NURSERY SCHOOLS, IN WALES MUST BE CONSTITUTED IN ACCORDANCE WITH THE GOVERNMENT OF MAINTAINED SCHOOLS (WALES) REGULATIONS 2005.</b> <b>ALL SCHOOL GOVERNING BODIES HAVE FOUR COMPULSORY GROUPS OF GOVERNORS. ONE OF THESE GROUPS IS LOCAL AUTHORITY GOVERNORS. LOCAL AUTHORITY GOVERNORS ARE APPOINTED BY THE LOCAL AUTHORITY.</b> <b>THIS REPORT DETAILS RECOMMENDATIONS FOR APPOINTMENTS TO CURRENT LOCAL AUTHORITY GOVERNOR VACANCIES.</b>

## **1. Purpose of report**

- 1.1 The purpose of this report is to seek approval from Cabinet for the appointment of local authority governors to the school governing bodies listed at paragraph 3.1.

## **2. Background**

- 2.1 In accordance with the Council's 'Guidance on the appointment of local education authority governors', approved by Cabinet on 14 October 2008, officers have

considered applications received for current vacancies for local authority governor positions on school governing bodies (see paragraph 3.1 and **Appendix A**).

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

- 3.1 For the nine current local authority governor vacancies at the eight schools in the table below, the applicants met the approved criteria for appointment as a local authority governor and there was no competition for the vacancies. Therefore, the recommended appointments are as follows:

<b>Name of applicant</b>	<b>School</b>
Mrs Jennifer Spratling	Brackla Primary School
Mr Christopher Williams	Cefn Glas Infant School
Cllr Martin Williams	Litchard Primary School
Ms Emma Thomas	Penybont Primary School
Mrs Katherine Jones	St Robert's Roman Catholic Primary School
Mrs Sue Davies	Trelales Primary School
Mr Iwan Dowie	Bryntirion Comprehensive School
Mr Huw Marshall	Ysgol Gyfun Gymraeg Llangynwyd
Mr Robert Evans	Ysgol Gyfun Gymraeg Llangynwyd

### **4. Equality implications (including Socio-economic Duty and Welsh Language)**

- 4.1. An initial Equality Impact Assessment (EIA) screening has identified that there would be no negative impact on those with one or more of the protected characteristics, on socio-economic disadvantage or the use of the Welsh Language. It is therefore not necessary to carry out a full EIA on this policy or proposal.

### **5. Well-being of Future Generations implications and connection to Corporate Well-being Objectives**

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

#### **Long-term**

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

#### **Prevention**

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

## **Integration**

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

## **Collaboration**

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

## **Involvement**

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

- 5.2 A summary of the implications from the assessment relating to the council's new seven well-being objectives, is as follows:

### **1 A County Borough where we protect our most vulnerable**

School governing bodies and, therefore, those appointed to serve as governors on governing bodies, have important responsibilities towards vulnerable children. The local authority, in conjunction with the Central South Consortium, provides training to governors to enable them to develop and maintain their relevant knowledge, skills and effectiveness in this respect.

### **2 A County Borough with fair work, skilled, high-quality jobs and thriving towns**

Access to good education and ensuring children have equal opportunities to realise their potential are critical to helping young people acquire the knowledge and skills they need for work. School governing bodies and, therefore, those appointed to serve as governors on governing bodies, have a strategic role in the running of a school, deciding what the school should achieve, and setting the strategic framework for getting there.

### **3 A County Borough with thriving valleys communities**

Access to good education, raising standards of achievement and ensuring children have equal opportunities to realise their potential, wherever they may reside, are critical to helping young people acquire the knowledge and skills they need for work. School governing bodies and, therefore, those appointed to serve as governors on

governing bodies, have a strategic role in the running of a school, deciding what the school should achieve, and setting the strategic framework for getting there.

#### **4 A County Borough where we help people meet their potential**

As school governing bodies have a strategic role in the running of a school, this includes ensuring that children and young people have access to good education and equal opportunities to realise their potential, and that our schools are safe, supportive environments providing high quality teaching.

#### **5 A County Borough that is responding to the climate and nature emergency**

School governing bodies and, therefore, those appointed to serve as governors, have a shared responsibility for ensuring that teaching and learning encompasses sustainability and global citizenship.

#### **6 A County Borough where people feel valued, heard and part of their community**

School governing bodies and, therefore, those appointed to serve as governors, have a role in ensuring that there is engagement with pupils and the community served by the school, listening to views and taking appropriate actions. School governing bodies have a responsibility to support supporting diversity and inclusion, and addressing discrimination.

#### **7 A County Borough where we support people to live healthy and happy lives**

School governing bodies and, therefore, those appointed to serve as governors on governing bodies, have a shared responsibility for ensuring that teaching and learning encompasses healthy eating and physical activity, personal and social development, self-worth and well-being.

### **6. Climate change implications**

- 6.1 School governing bodies and, therefore, those appointed to serve as governors on governing bodies, have a shared responsibility for ensuring that teaching and learning encompasses sustainable development and global citizenship. Governing bodies also have a strategic role in considering the impact of net zero carbon and how to deliver this important national initiative.

## **7. Safeguarding and corporate parent implications**

- 7.1 School governing bodies and, therefore, those appointed to serve as governors on governing bodies, have important responsibilities towards vulnerable children. The local authority, in conjunction with the Central South Consortium, provides training to governors to enable them to develop and maintain their relevant knowledge, skills and effectiveness in safeguarding and promoting the welfare of vulnerable children and young people.

## **8. Financial implications**

- 8.1 There are no financial implications regarding this report.

## **9. Recommendation**

- 9.1 Cabinet is recommended to approve the appointments detailed at paragraph 3.1.

## **Background documents**

None

## Appendix A

The following table represents current and future local authority governor vacancies (up to the end of December 2023) subject to the approval of the recommended appointments in paragraph 3.1.

Name of school	Number of current and future vacancies	Latest date for submission of an application
Betws/Blaengarw Primary Federation	3 (current)	21 October 2023
Brynmenyn Primary School	2 (vacant from 20 November 2023)	21 October 2023
Bryntirion Infant School	1 (current)	21 October 2023
Caerau Primary School	1 (current)	21 October 2023
Corneli Primary School	1 (current) 1 (vacant from 20 November 2023)	21 October 2023
Coychurch (Llangrallo) Primary School	1 (current)	21 October 2023
Croesty Primary School	1 (current)	21 October 2023
Ffaldau Primary School	2 (current)	21 October 2023
Litchard Primary School	1 (current)	21 October 2023
Llangewydd Junior School	2 (current)	21 October 2023
Maes yr Haul Primary School	2 (current)	21 October 2023
Mynydd Cynffig Primary School	1 (current)	21 October 2023
Nantyffyllon Primary School	1 (current)	21 October 2023
Nottage Primary School	3 (current)	21 October 2023
Pencoed Primary School	1 (current)	21 October 2023
Pîl Primary School	1 (current)	21 October 2023
Plasnewydd Primary School	1 (vacant from 20 November 2023)	21 October 2023
Porthcawl Primary School	1 (current)	21 October 2023

Tremains Primary School	1 (current)	21 October 2023
Tynyrheol Primary School	2 (current)	21 October 2023
Ysgol Bryn Castell	1 (current)	21 October 2023
Ysgol Gynradd Gymraeg Calon y Cymoedd	1 (current)	21 October 2023
Brynteg School	1 (current)	21 October 2023
Coleg Cymunedol Y Dderwen	2 (current)	21 October 2023
Cynffig Comprehensive School	1 (current)	21 October 2023
Maesteg School	2 (current)	21 October 2023

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<b>Meeting of:</b>	<b>CABINET</b>
<b>Date of Meeting:</b>	<b>17 OCTOBER 2023</b>
<b>Report Title:</b>	<b>POSITIVE BEHAVIOUR/ SUPPORT MANAGEMENT AND THE USE OF RESTRICTIVE PRACTICES POLICY</b>
<b>Report Owner / Corporate Director:</b>	<b>CORPORATE DIRECTOR FOR SOCIAL SERVICES AND WELLBEING</b>
<b>Responsible Officer:</b>	<b>JOE BOYLE POLICY OFFICER</b>
<b>Policy Framework and Procedure Rules:</b>	<b>There is no effect on policy framework or procedure rules.</b>
<b>Executive Summary:</b>	<b>This report summarises the process and reasons for this policy to be devised and implemented. This policy is the overarching policy position regarding positive behaviour management for all regulated care services provided by Bridgend County Borough Council’s Social Services and Wellbeing Directorate. A Positive Behaviour Management policy was created following the issuing of Priority Action Notices from recent Care Inspectorate Wales inspections of regulated services. This policy has been written in line with the Reducing Restrictive Practices framework, published by the Welsh Government in October 2022.</b>

## 1. Purpose of Report

- 1.1 The purpose of this report is to provide Cabinet with an overview of the development of the proposed Positive Behaviour Support/Management and the use of Restrictive Practices Policy (**Appendix 1**) and seek Cabinet approval to implement the Policy across regulated care services provided by the Social Services and Wellbeing Directorate.

## 2. Background

- 2.1 Under the Regulation and Inspection of Social Care (Wales) Act 2016, regulated care services are required to have a policy in place relating to the appropriate use of control and restraint or restrictive practices that reflects current national guidance.
- 2.2 Following recent inspections carried out by the Care Inspectorate Wales (CIW), Priority Action Notices were issued in respect of the development and review of several policies, one of which being in relation to the development of a policy toward behaviour management and the use of control and restraint.

- 2.3 All services currently have a service-specific behaviour management procedure in place.
- 2.4 In October 2022, the Welsh Government published the Reducing Restrictive Practices Framework, which service providers and regulated care services are required to be in line with due to the requirement to stay in line with national and local legislation, policies, frameworks and procedures.

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

- 3.1 This proposed policy has been created to cover and support all regulated care services provided by Bridgend County Borough Council's (BCBC) Social Services and Wellbeing Directorate (SSWB), in both Adults and Children's Services.
- 3.2 As a part of this process, service managers were liaised with by the policy officer to gain input into the current use of restrictive practices within their services. All service-specific procedures were consulted.
- 3.3 The Reducing Restrictive Practices Framework was reviewed and then the content of the policy was drafted.
- 3.4 Additional feedback received from the service managers relating to the drafting of the policy was incorporated into the proposed policy.
- 3.5 The proposed policy has been submitted to the SSWB Senior Management Team for review and approval, along with submission to the Trade Unions.
- 3.6 The policy and its associated national framework provides services and staff with a safe and effective framework from which individuals that demonstrate challenging behaviour can be supported in the least restrictive way, where possible, but ensures that all staff are able to follow the appropriate training that they have or will receive in the use of and techniques for restrictive practices where they are required.
- 3.7 No staff member is ever permitted to utilise any restrictive practice that they have not received training in.
- 3.8 Training is ongoing for all staff with initial training being provided to new staff and annual refresher training being provided to established staff.

### **4. Equality implications (including Socio-economic Duty and Welsh Language)**

- 4.1 An initial Equality Impact Assessment (EIA) screening has identified that there would be no negative impact on those with one or more of the protected characteristics, on socio-economic disadvantage or the use of the Welsh Language. It is therefore not necessary to carry out a full EIA on this policy or proposal.

### **5. Well-being of Future Generations implications and connection to Corporate Well-being Objectives**

- 5.1 The Act provides the basis for driving a different kind of public service in Wales, with 5 ways of working to guide how public services should work to deliver for people. The following is a summary to show how the 5 ways of working to achieve the well-being goals have been used to formulate the recommendations within this report:-

Involvement	Representatives from varying levels of the directorate, along with colleagues from Commissioning, Social Care Workforce Development Partnership (SCWDP) and Finance have fed into this report.
Long term	There will be a positive long-term impact of this policy due to meeting regulatory requirements as well as providing a safe and effective framework for the use of and movement towards reducing restrictive practices.
Prevention	To prevent poor practice in relation to the use of restrictive practices
Integration	This policy will be implemented and used directorate wide. Training for those who may be required to use physical interventions and restrictive practices continues to be available and in services where restrictive practices are not to be used, an online awareness of behaviour management course is utilised to ensure training is in line with regulatory requirements.
Collaboration	Work has taken place with Commissioning, SCWDP, Service managers Team managers.

## 6. Climate Change Implications

- 6.1 There is no impact on Climate Change linked to the implementation of this policy.

## 7. Safeguarding and Corporate Parent Implications

- 7.1 This policy sets out to provide additional support to all individuals in receipt of direct care and support services provided by BCBC SSWB Directorate by providing staff with clear boundaries and expectations in relation to the use of and movement towards reducing the use of restrictive practices. This supports the safeguarding of all individuals in receipt of direct care and support services from BCBC's SSWB directorate.

## 8. Financial Implications

- 8.1 There are no additional financial resource implications required from the implementation of this policy. Training in Adults and Children's services in relation to the model of physical interventions utilised by each area remains ongoing.

## 9. Recommendation

- 9.1 It is recommended that Cabinet consider and approve the implementation of the Positive Behaviour Support/Management and the use of Restrictive Practices Policy attached as **Appendix 1**.

## Background documents

None

**Bridgend County Borough Council**  
**Cyngor Bwrdeistref Sirol Pen-y-bont ar Ogwr**

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

**Social Services & Wellbeing Directorate**

# **Positive Behaviour Support/Management and the use of Restrictive Practices**

**September 2023**

<b>Updates, Revisions and Amendments</b>		
<b>Version</b>	<b>Details of Change</b>	<b>Date</b>
<b>1</b>	<b>Creation of Policy</b>	<b>August 2023</b>

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## 1. Introduction

- 1.1 This policy aims to provide a clear and comprehensive account of Bridgend County Borough Council's Social Services and Wellbeing Directorate's approach to Positive Behaviour Support/Management and the use of Restrictive Practices.
- 1.2 This policy is the overarching policy document that applies to all Adult's and Children's regulated Care Services. Service specific guidance and procedures remain in place which provide the specific arrangements that are in place and relevant to that individual service regarding positive behaviour support/management and the use of restrictive practices. These service specific procedures are not policy and are to be read in conjunction with this policy.
- 1.3 Positive Behaviour Support/Management is about working in partnership with people, treating them with dignity and respect and enabling them to have a better life. All behaviours have a meaning, Positive Behaviour Support/Management aims to understand what behaviours of concern tell us so that the person's needs can be met in better ways. The way the person is supported often must change to achieve this and this needs to be regularly reviewed by all the people involved.
- 1.4 Positive Behaviour Support/Management is an approach that puts the person at the centre to make systems work for the person. It focuses on providing the right support at the right time so people can reach their potential.
- 1.5 The Welsh Government Reducing Restrictive Practices Framework defines Restrictive practices as:
- “Restrictive practices are a wide range of activities that stop individuals from doing things that they want to do or encourages them to do things that they don't want to do. They can be obvious or very subtle.” (Care Council for Wales, 2016)”
- 1.6 This term covers a wide range of activities that restrict people. It includes:
- Physical restraint - a means of purposely limiting or obstructing the freedom of a person's bodily movement.
  - Chemical restraint – the use of medication to restrict the freedom of movement of a patient or in some cases to sedate the person.
  - Environmental restraint - a practice or intervention that restricts, or involves restricting, a person's free access to all parts of their environment (including items and activities).
  - Mechanical restraint - the use of a device (e.g., belt or cuff) to prevent, restrict or subdue movement of a person's body, or part of the body. Licences are required for mechanical restraints. Bridgend CBC do not

hold these licences and as such is never to be used in any of its regulated care settings. Any incident whereby a mechanical restraint is used must be reported to management and safeguarding immediately.

- Long Term Segregation - a situation where, in order to reduce a sustained risk of harm posed by the person to others, which is a constant feature of their presentation, a multi-disciplinary review and a representative from the responsible commissioning authority determines that a person should not be allowed to mix freely with other people supported by that regulated care service on a long-term basis. This is a restraint due to its removal, deprivation of and impact upon a person's liberty.

- 1.7 Bridgend CBC are committed to ensuring that all staff are working in a manner whereby they utilise the lowest level of intervention that they can always and only as a last resort should they use a restrictive practice to prevent harm to the individual or others. This policy and the associated framework ensure that this is informed by person centred planning, within the context of the service setting and in a way which safeguards the individual, those whom they interact with, and those who provide services to them.
- 1.8 This policy acknowledges that whilst the Restrictive Practices Framework is not statutory guidance, it sets out Welsh Government's expectation for policy and procedures in reducing restrictive practices across social care settings as part of a person-centred approach. It also acknowledges that it is the approaches within this Framework that compliance will be based against during Inspections by the Care Inspectorate Wales (CIW).

## **2. Legal and Regulatory Framework**

- 2.1 The following set of legislation and policies have contributed to and been considered in developing the Reducing Restrictive Practices Framework, and as such, have been considered in the production of this policy.
- Special Educational Needs Code of Practice for Wales (Welsh Government, 2004)
  - Mental Capacity Act, 2005
  - Equality Act, 2010
  - The Public Sector Equality Duty, Equality Act 2010 (EA 2010) s149
  - Together for Mental Health (Welsh Government, 2012)
  - Safe and Effective Intervention - Use of Reasonable Force and Searching for Weapons (Welsh Government Guidance, 2013)
  - The Social Services and Well-being (Wales) Act 2014
  - Part 4 Code of Practice (Meeting Needs), Social Services and Well-being (Wales) Act 2014 (Welsh Government, 2015)
  - Working Together to Safeguard People Volume 1: Introduction and Overview (Welsh Government, 2016)
  - Mental Health Act 1983: Code of Practice for Wales (Welsh Government, 2016)



- Mental Health Units (Use of Force) Act, 2018
- The Learning Disability – Improving Lives Programme (Welsh Government, 2018a)
- Working Together to Safeguard People Volume 5: Handling Individual Cases to Protect Children at Risk (Welsh Government, 2018)
- Working Together to Safeguard People Volume 6: Handling Individual Cases to Protect Adults at Risk (Welsh Government, 2018)
- Dementia Action Plan for Wales (Welsh Government, 2018)
- Additional Learning Needs and Education Tribunal (Wales) Act 2018 (as requirements come into force)
- Additional Learning Needs Code (as requirements come into force)
- Regulation and Inspection of Social Care (Wales) Act 2016
- Statutory Guidance for service providers and responsible individuals on meeting service standard regulations for: Care home services; Domiciliary support services; Secure accommodation services; and Residential family centre services. This statutory guidance relates to Parts 3 to 20 of The Regulated Services (Service Providers and Responsible Individuals) (Wales) Regulations 2017, as amended, (Welsh Government, 2019)
- The Local Authority Fostering Services (Wales) Regulations 2018 and associated Code of Practice
- [United Nations Convention on the Rights of the Child](#)
- [United Nations Principles for Older Persons](#)
- United Nations Convention on the Rights of Persons with Disabilities
- Reporting of Injuries, Diseases and Dangerous Occurrences Regulations 2013

This is not an exhaustive list, and the Directorate will ensure that it complies with all statutory requirements placed on it through legislation and guidance.

### 3. Definitions

**Person centred** - The practice of ensuring the individual is kept at the centre and involved, where appropriate, in the planning of care and support for them. This includes inclusion of relatives or advocates where appropriate and applicable. This applies to all persons or people as per the below definition.

**Person or people** - This includes all children (up to the age of 18 years) and adults (age of 18 years or over).

**Behaviours of concern** - The term 'behaviours of concern' is the preferred term used by BCBC when supporting people with complex needs, but this can often be interchanged with the terms, 'challenging behaviour', 'behaviours that challenge', and 'distressed or risky behaviour'. Behaviours of concern are escalated behaviours that can impact the wellbeing or physical safety of the individual or people around them. The behaviour could be a result of medical, environmental, or psychiatric factors which are negatively impacting upon them. Behaviours of concern include indicator and pre-cursor behaviours that are known and identified for that individual. Through staff being able to observe, identify and positively react to these antecedents, they will be able to

reduce the severity of the exhibited behaviour and ensure the intervention is at the lowest possible level.

**Challenging behaviour/behaviour which challenges** – “*Behaviour that can be described as challenging when it is of such an intensity, frequency or duration as to threaten the quality of life and/or the physical safety of the individual or others and is likely to lead to responses that are restrictive, aversive or result in exclusion*”. (Royal College of Psychiatrists, British Psychological Society and Royal College of Speech and Language Therapists, 2007)

**Personal Plan** – The term ‘personal plan’ includes:

- a care and support plan
- care and treatment plan
- plan for a child in a childcare setting and/or
- individual education plan

**Social Care Practitioners** - By practitioners, we mean all people who are paid to work with people in:

- childcare
- social care settings
- domiciliary care settings

This includes agency or sessional workers.

For the purposes of this policy the term practitioners also include:

- foster carers.
- adult placement carers.

It does not include unpaid carers.

**Restraint** – Restraint is any act or omission which restricts a person’s freedom of movement whether they resist or not. The Mental Capacity Act (2005) defines Restraint as “The use or threat of force to help do an act which the person resists, or the restriction of the person’s liberty of movement, whether or not they resist. Restraint may only be used where it is necessary to protect the person from harm and is proportionate to the risk of harm.” There are several different kinds of restraint including:

- Physical restraint such as holding someone, preventing, or limiting movement, stopping someone from leaving an area, placing someone in a position which limits their ability to move such as a low chair from which a person cannot rise without difficulty, or removing walking aids.
- Mechanical restraint such as lap straps, bed rails or chair trays
- Forced care such as washing or dressing someone against their will.

- Chemical restraint such as using medication without consent.
- Environmental restraint such as locking doors or using coded keypads or complicated door handles.
- Long term segregation such as an individual being kept away from others for extended periods of time.

**Control** – Where an individual is not free to do as they choose.

#### **4. Policy Statement**

- 4.1 Bridgend County Borough Council is committed and complies with the Welsh Government Reducing Restrictive Practices Framework.
- 4.2 Staff are to always utilise the least restrictive possible method of behaviour support and only as a last resort should they use a trained restrictive practice. Staff are expected to always be vigilant, observing for all known antecedents, and utilise identified preventative strategies to their fullest extent.
- 4.3 The purpose of restrictive physical intervention is firstly to take immediate control of a serious, significant, or dangerous situation and secondly to contain or limit the person's freedom for no longer than is necessary to end or significantly reduce the threat to themselves or those around.
- 4.4 Restrictive physical interventions must be regarded in the same way as any skilled clinical intervention with an individual. At all times the human and legal rights of the individual must be respected. The objective must be to meet identified need within the context of the aims and objectives of the service setting, whilst at the same time safeguarding the individual, those they interact with and those who provide services to them.
- 4.5 The person in control of the incident will have to carefully assess the situation and use their own judgement as to what may be deemed 'serious' or 'significant' before using such interventions.
- 4.6 As per the Restrictive Practices Framework, any act of restrictive practice has a potential to interfere with a person's fundamental human rights and everyone has an obligation to respect human rights. All acts of restrictive practice must be:
- lawful
  - proportionate and
  - the least restrictive option available
- 4.7 Restrictive practices should only be used within the appropriate legal frameworks, and each service area should ensure that they are aware of and operating within the parameters of the legislation and guidance relevant to them, to the people they support and those for whom they provide services.

- 4.8 Furthermore, any physical intervention must be justifiable, appropriate, reasonable, and proportionate to a specific situation and be applied for the minimum possible duration.
- 4.9 Where a situation has demanded the use of a taught restrictive practice, staff must ensure that they follow all behaviour plans, risk assessments, training and ensure that this is the only last option available to them to utilise.
- 4.10 Staff are never to utilise a restrictive practice that involves taking an individual to the floor.

#### 4.11 **Roles & Responsibilities**

##### **Corporate Director of Social Services and Wellbeing**

Is responsible for:

- Ensuring that arrangements are in place for identifying, reducing, and managing risk associated with violence and aggression at work.

##### **Heads of Services**

Are responsible for:

- Providing resources in support of the policy and making sure that there are arrangements for monitoring incidents of violence and aggression.

##### **Responsible Individuals (RI)**

Are responsible for:

- Specifying the appropriate type of Restrictive Physical Intervention (RPI) training for each service.
- Developing localised protocols for the use of Positive Behaviour Support/Management and the use of Restrictive Physical Intervention, where appropriate.
- Ensuring that this is communicated to Senior and Line Managers.
- Ensuring that robust mechanisms are in place to deliver the appropriate training (e.g., corporate training, cascade training, external contract).

##### **Registered Managers**

Are responsible for:

- Ensuring that all staff are aware of this policy and associated service specific procedures.
- Ensuring that risk assessments are carried out and reviewed regularly, including implementing control measures to ensure that staff unable to participate in RPI do not do so (e.g., pregnant staff, those with health conditions which prevent safe participation).

- Putting procedures and safe systems of work into practice which are designed to eliminate or reduce the likelihood of violence and aggression.
- Ensuring that, where identified through risk assessment, the techniques of physical interventions are taught to all staff and used safely, minimally, and appropriately.
- Ensuring that training and competency levels of staff are appropriate, in line with divisionally agreed requirements.
- Ensure that all staff groups at risk are provided with appropriate information, instruction, and training, including updates and refresher training where necessary. This includes providing at risk staff with adequate time to carry out appropriate training.
- Ensuring that, where bank or agency staff are used, these staff are recognised as competent with the appropriate training for their service if they may be required to participate in any restrictive physical intervention.
- Facilitating formal debriefing sessions when restrictive physical intervention has been used.
- Providing support to staff exposed to violence and aggression.
- Liaise with health and safety representatives when required, for example with work related incidents reportable under the Reporting of Injuries, Diseases and Dangerous Occurrences Regulations 2013 (RIDDOR).

### **Social Care Practitioners**

Are responsible for:

- Taking reasonable care of themselves and other people who may be affected by their actions.
- Co-operating with procedures designed for safe working.
- Reporting all incidents involving verbal abuse, threats, and physical assault.
- Ensuring their fitness to work.
- Ensuring they are competent and up to date with their Positive Behaviour Support/Management training.
- Ensuring they use proactive strategies to prevent or avoid escalations in behaviours which could lead to the need for physical intervention.
- Ensuring that physical interventions are only used as a last resort and the interest of the individual we support remains paramount.
- Ensuring that, when they use physical intervention, this is comprehensively documented in accordance with policy requirements.
- Reporting any dangers they identify, or any concerns they may have about potentially violent situations or the environment in which they work via their line manager and Bridgend County Borough Council (BCBC) incident reporting system.

- Using Positive Behaviour Support/Management techniques to proactively support people and as a means of preventing physical damage, attack, injury, or self-injury.
- Only using physical interventions as a planned clinical intervention to support an agreed care and support plan.
- Reporting any skill deficit to their manager.

## **Trainers**

Responsible for:

- Providing training on Positive Behaviour Support/Management
- Providing advice on the use of RPI, both general and to support incident investigations, where appropriate.
- Undertaking risk assessments to support safe practice.
- Working to standards set by training leads.
- Restricting training provision to BCBC employed staff only and Break Away techniques for students and volunteers in the service.

## **5. Key Principles**

- 5.1 This policy sets out the approach that Bridgend County Borough Council's Social Services and Wellbeing Directorate takes towards restrictive practices and the steps that it is taking towards reducing restrictive practices.
- 5.2 The reduction of restrictive practices will be kept at the centre of person-centred planning.
- 5.3 The use of restrictive practices will only ever be as a last resort. Each regulated care service provided by BCBC is committed to identifying and utilizing proactive and preventative behaviour management strategies for all individuals. As part of the training provided to staff, the main focus is placed upon being proactive and utilizing preventative strategies at all times and only using an approved restrictive technique in the last resort where there is the likelihood of danger or injury to arise to the individual, their supporting staff, or the public around them.
- 5.4 Each service area has a service-specific guidance relating to the use of restrictive practices.
- 5.5 The use of coercion and other forms of social, mechanical, and psychological restraint are not used within Bridgend County Borough Council's Social Services and Wellbeing Directorate as these are never an acceptable option.
- 5.6 Risk assessments relating to restrictive practices will be completed before any practice is implemented and used. These will include assessments of the risks to individuals and of their environments and where any practice increases the

risk to an individual's safety, the practice will not be used. Person centred assessments will be completed for all individuals who are at risk of restrictive practices. These person-centred assessments will also be detailed within the individual's care plan.

- 5.7 Where appropriate and required, individuals supported by regulated care services will have written positive behaviour support plans which detail the de-escalation strategies to be implemented by staff to minimise the risk of escalating behaviours.
- 5.8 At the outset of service provision, consent will be sought from the individual or their family member or delegated individual, that holds power of attorney, where the individual lacks capacity, or from those that hold deputyships, for the utilisation of restrictive practice as a last resort to prevent harm to the individual or others where the need for this has been assessed. These discussions are to take place as part of a multi-disciplinary team considering the person-centred approach ensuring their voice is heard.
- 5.9 Bridgend CBC Social Services and Wellbeing Directorate employ Behaviour Specialists who provide practical and on the job advice and support to staff across both adults and children's services.
- 5.10 Following every incident involving behaviours of concern or behaviours that challenge, managers are to ensure they organise a full debrief for the staff members involved. Managers are to ensure they maintain a complete oversight of all positive behaviour support/management techniques being utilised, including de-escalation strategies and, when required, restrictive practices. This will enable to manager to ensure that lessons are learnt from each incident and meetings and discussions will be held with the relevant staff group as to how they can avoid repeated incidents.
- 5.11 Use of a restrictive practice could be classified as a deprivation of an individual's liberty. Therefore, consideration must be given as to whether there is a requirement to apply for a DoLS at the outset of provision or onset of behaviours that may require the use of a restrictive practices. For further information on the process for DoLS please refer to the CTM Safeguarding Board policy which can be found at <https://www.cwmtafmorgannwgsafeguardingboard.co.uk/En/Professionals/AdultPoliciesandProcedures/AdultPoliciesandProcedures.aspx>.
- 5.12 Where a person is detained under the Mental Health Act (1983), the Code of Practice (2016) and associated legislation will apply and are to be followed.

## **6. Approved Approaches utilised by Bridgend County Borough Council Regulated Care Services**

- 6.1 Each service is responsible for choosing its method of Positive Behaviour Support/Management for behaviours of concern ensuring they are appropriate and in line with current legislation and guidance around the use of restrictive practices. Staff are trained in these specialised techniques and only staff that have been assessed as competent in those approved techniques are allowed to utilise them as and when necessary, in line with the behaviour plan for the individual.

## **7. Training**

- 7.1 All practitioners and carers will receive value-based training and ongoing support in developing skills to work within this preventative framework. Practitioners will not receive blanket training in the use of restrictive practices, training will be based on a training needs analysis and individual person-centred support needs.
- 7.2 There is a rolling programme of training in place relevant to each service area. Training is normally provided by Directorate staff who have been trained and accredited to deliver the models. External trainers are provided when and where there is a need or requirement. Specialist training will be commissioned where there is an identified need.
- 7.3 Bridgend County Borough Council has a partnership agreement with Cwm Taf Morgannwg University Health Board (UHB) to provide dementia training and development to social care staff. Person centred care and positive approaches in communicating with a person who has dementia underpin this training. Along with the use of a 'Positive Physical Approach' and 'Hand and Under Hand' techniques.
- 7.4 TRIBE training is available to Childrens Social Care staff. TRIBE uses an eight step Trauma Recovery Framework providing staff with knowledge and skills to support children who display complex emotional and behavioural challenges.

## **8. Reporting and Governance Arrangements for the Use of Restrictive Practices**

### **8.1 Recording Use of Restrictive Practices**

All instances of use of restrictive practices are to be recorded in accordance with the service-specific process. This will require the completion of all relevant paperwork, including incident and accident forms. These forms are to be fully completed with all details regarding the incident, as these can be used as evidence in courts of law if required. Following the use of restrictive practices, the relevant people/bodies should be informed, in line with the personal plan. Family members/unpaid carers should be informed unless the personal plan indicates otherwise.



## **8.2 Actions Following Use of Restrictive Practices**

The following list sets out the requirements of actions to be completed following the use of a restrictive practice:

- Medical checks to be offered and/or completed on the individual on whom the practice was used.
- Constant monitoring will be in place for the first 30 minutes following the required use of a restrictive practice.
- Monitoring of the individual will then remain in place at regular intervals to ensure the safety and wellbeing of the individual. This will be in line with guidance specific to that practice and the service.
- Recording of the use of the restrictive practice in the relevant documentation as set out by the service.
- The relevant people/bodies are to be informed in line with the personal plan including family/carers unless the personal plan states otherwise.
- Organisation of post-incident review and support

## **9. Commissioning and Procurement arrangements**

- 9.1 All contracts that are put in place with commissioned services and providers, set out BCBC's expectation to provide a service in line with all relevant and current national legislation, guidance, and frameworks.
- 9.2 All providers have been and are regularly made aware of the Reducing Restrictive Practices framework and the expectation by Bridgend County Borough Council to follow and be compliant with the framework.

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<b>Meeting of:</b>	<b>CABINET</b>
<b>Date of Meeting:</b>	<b>17 OCTOBER 2023</b>
<b>Report Title:</b>	<b>STRATEGIC TRANSPORT PROJECTS</b>
<b>Report Owner / Corporate Director:</b>	<b>CORPORATE DIRECTOR COMMUNITIES</b>
<b>Responsible Officer:</b>	<b>JONATHAN PARSONS – GROUP MANAGER PLANNING &amp; DEVELOPMENT SERVICES</b>
<b>Policy Framework and Procedure Rules:</b>	<b>The report content has no direct effect upon the policy framework and procedure rules.</b>
<b>Executive Summary:</b>	<p style="text-align: center;"><b>This report will provide Cabinet with an overview of the Council’s current and potential future strategic transport projects and seek approval for schemes to go forward for any future phases of the South East Wales Metro programme or any other funding or delivery mechanism.</b></p> <p style="text-align: center;"><b>The projects identified will also form the basis of Bridgend strategic transport priorities in discussions with Welsh Government (WG), Transport for Wales (TFW) and Network Rail (NR).</b></p>

## 1. Purpose of Report

- 1.1 The purpose of the report is to provide Cabinet with an update of the Council's current and potential future strategic transport projects and seek authorisation for schemes to go forward for any future phases of Metro or other national, regional and local funding applications.

## 2. Background

- 2.1 The Cardiff Capital Region (CCR) through its Metro programme, together with Welsh Government (WG), provide the principal funding mechanism for large strategic transport projects within the region. Current funded projects include the Porthcawl Metrolink bus facility, which is under construction and the Council’s active travel programme which together represent a substantial investment in strategic transportation in Bridgend. Active travel schemes rely primarily on WG funding (managed by Transport for Wales) and the programme is prioritised separately as part of the regular active travel network map approval process.
- 2.2 Other transport infrastructure projects (including active travel and highway improvements) may be funded by developer contributions (through Section 106 planning agreements), by other grant funding initiatives and on occasions support

from within the Authority. Future funding opportunities may also come forward through the UK Government's Levelling Up Fund (LUF) and Shared Prosperity Fund (SPF).

- 2.3 Cabinet approved the current list of strategic transport schemes in December 2021 and by way of this report Cabinet is advised of an updated list of proposed projects and schemes. It is essential that a list of schemes is agreed in order that they may be submitted as part of any current or future transport funding bids and also in the event that surplus funding is available from Welsh Government towards the end of the financial year. A recognised and approved list of schemes is also necessary when identifying projects that could be promoted when seeking developer contributions through Section 106 planning (S106) agreements relating to infrastructure improvements.
- 2.4 The identified projects would also be promoted with the related public transport bodies i.e., Welsh Government (WG), Transport for Wales (TFW), Network Rail (NR), and the UK Government when discussing rail and public transport priorities.
- 2.5 It should be noted that these schemes represent the main strategic transport projects currently underway or being proposed for future advancement and do not necessarily include other projects or schemes/enhancements that may come forward or are negotiated through the normal development or planning processes.
- 2.6 Cabinet are also advised that the schemes outlined below, with the exception of the Porthcawl Metrolink and the Active Travel programme, do not currently have any approved capital or revenue funding. The ability to progress these projects will therefore be dependent on the necessary resources, funding and budget being secured. It should also be noted that with any scheme that comes forward there will likely be a future maintenance liability as well as potential impacts on existing infrastructure. As such schemes will be developed in consultation with the relevant internal teams and officers.

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

- 3.1 The current and proposed schemes are listed below in no particular order and have been included in terms of their compliance with national, regional, and local policies as outlined below.
- 3.1.2 National policy includes Future Wales 2040 - The National Plan (FW2040)

<https://www.gov.wales/sites/default/files/publications/2021-02/future-wales-the-national-plan-2040.pdf>

Llybyr Newydd - The Wales Transport Strategy 2021 (WTS),

[https://www.gov.wales/sites/default/files/publications/2021-03/llwybr-newydd-wales-transport-strategy-2021-full-strategy\\_0.pdf](https://www.gov.wales/sites/default/files/publications/2021-03/llwybr-newydd-wales-transport-strategy-2021-full-strategy_0.pdf)

Planning Policy Wales 11(PPW11).

[https://www.gov.wales/sites/default/files/publications/2021-02/planning-policy-wales-edition-11\\_0.pdf](https://www.gov.wales/sites/default/files/publications/2021-02/planning-policy-wales-edition-11_0.pdf)

Regional and local policy comprises:

The Bridgend Local Development Plan 2013 (LDP),

<https://www.bridgend.gov.uk/residents/planning-and-building-control/development-planning/existing-bridgend-local-plan-2013/introduction-to-ldp/>

Replacement Bridgend Local Development Plan (RLDP),

<https://www.bridgend.gov.uk/residents/planning-and-building-control/development-planning/replacement-bridgend-local-development-plan-2018-to-2033/>

Bridgend Local Transport Plan (LTP),

<https://www.bridgend.gov.uk/media/4087/bridgend-ltp-wg-approved-version-may-2015-2030.pdf>

Cardiff Capital Region (CCR), Regional Transport Authority (RTA), South-East Wales Corporate Joint Committee (SEWCJC) priorities.

<https://www.cardiffcapitalregion.wales/the-city-deal/>

- 3.1.3 The report of the independent panel appointed by Welsh Government entitled 'The Future of Road Investment in Wales i.e. 'The Roads Review' is of relevance.

<https://www.gov.wales/sites/default/files/publications/2023-02/the-future-road-investment-wales.pdf>

This report together with the Welsh Government response sets out the current national policy towards new road building and improvement in Wales.

<https://www.gov.wales/sites/default/files/pdf-versions/2023/2/2/1676385038/welsh-government-response-roads-review.pdf>

- 3.1.4 The inclusion of each scheme should be based on criteria outlined in the strategies highlighted above. Consideration must therefore be given to the impacts that the following schemes will have on delivering local and regional economic, environmental and safety objectives as well as allocation in the LTP, LDP and compliance with regional and national policy aims and objectives. It should also be noted that a Regional Transport Plan will be prepared in 2024.

- 3.2 **Strategic Transport Schemes currently in progress**

3.2.1 The following schemes are those that already have capital funding and/or current funding from Welsh Government / CCR.

### 3.3 Active Travel Programme

3.3.1 The Active Travel Programme is an ongoing multi-million project that is funded through Welsh Government and subject to an annual bidding process. Bids for schemes are submitted annually and are approved on the basis that they are delivered during the current financial years and it is not always possible that projects can undergo feasibility, detailed design and implementation within the timescales allowed. As such projects may have to be phased over several years i.e. year 1 - feasibility work, year 2 - design and finally year 3 implementation. The Active Travel programme is the largest ongoing strategic transport commitment and is considered as being essential to encouraging a 'modal shift' from reliance on private motor vehicles.

3.3.2 The funding is separated into those that cover specific projects and other projects that may fall into 'core' schemes. The programme is subject to strict scrutiny by WG and quarterly spending returns are required. Some approved funding may be rolled over to subsequent years by agreement and surplus funds are occasionally offered out to local authorities to develop schemes.

3.3.3 Active Travel funding also requires that the route be included in the Active Travel Network Map (ATNM), which was approved on 3rd August 2022 by Welsh Government. The map may be viewed online:-

<https://datamap.gov.wales/maps/active-travel-network-maps/>

3.3.4 The ATNM combines the Existing Routes Map (ERM) and Integrated Network Map (INM) required by the Active Travel (Wales) Act. Existing Routes are those that meet the requirements of the Active Travel design guidance and are audited by Sustrans and other authorised third parties collaboratively. Some routes might not fully comply with the guidance but may still get funds from other funding sources for construction. Future Routes are routes that are planned for future developments and continuous improvement of the network. The location and details are indicative and subject to changes as schemes develop. The delivery of these routes depends on the level of available funding and the complexity of planning and design required for larger and more complex routes.

3.3.5 The current Active Travel work programme comprises the following schemes:-

- Ynysawdre Active Travel scheme (only capital project for 2023/24 - works to be completed by the end of the financial year 2023/24). The scheme seeks to provide an active travel design compliant traffic-free shared use active travel route from Ynysawdre (Lon Derw) to the National Cycle Network. The route will be approximately 430m long running generally east-west and is intended to enhance active travel connections for between Brynmenyn Primary School, Coleg Cymunedol Y Dderwen and the wider network. The entire route is identified in the Council's approved Integrated Network Map (INM), which includes consultation with local residents and stakeholders. The scheme offers not only an enhanced access to the local schools, but improved connections to nature and the nearby Bryngarw

Country Park, whereby there are ongoing studies to provide a missing active travel connection to the Garw Valley.

- South Cornelly ATR (Pyle Phase 2) – Funding has been granted to complete design and prepare Tender documentation. The scheme aims to provide an active travel route (ATR) starting at the Heol-Y-Splot/A4229 roundabout, along Porthcawl Road and the B4283 to North Cornelly. The route forms part of a wider strategy to develop and implement an ATR between Pyle to Porthcawl.
- A48 ATR scheme: Feasibility studies of the active travel route identified along the A48 between Picton Court roundabout and Laleston roundabout. Further funding will be required for detailed design and implementation.
- School Active Travel Enhancements: Feasibility and design work for active travel routes along Merlin Crescent. to enhance active travel provision for journeys to Bryntirion Comprehensive School and for other local journeys. Implementation will be subject to a future successful bid application.
- Brackla to Bridgend (Merthyr Mawr Bridge): this relates to the design of an active travel route utilising the under pass to Merthyr Mawr Road and redesign of the footbridge over the River Ogmore leading from Church Road to Angel Street. Further funding will be required for route implementation.
- Active Travel Route Monitoring (Data Collection): To install cycle counters at 6 locations to collect user data.
- Active Travel Pedestrian & Cyclist Improvements: To carry out an audit of pedestrian crossing points at areas of concern and with reference to the County Borough-wide active travel consultation in 2021. The audit will identify the most critical pedestrian crossing deficiencies and provide, re-locate or improve them on a priority order basis. The implementation of the scheme will be subject to future funding bids.
- Bridgend Town Centre Access Enhancements: Develop feasibility and design for an active travel link from Bridgend Railway station to Cheapside, to further enhance connectivity and improve links the relocated Bridgend College campus when complete. This is also identified as part of the wider Bridgend Railway Station enhancement as described below.
- Dock Street, Porthcawl: Commence a feasibility study into enhanced active travel links between the Metro-Link and Porthcawl town centre along Dock Street, to promote Active Travel and improve connectivity and permeability for pedestrians and cyclists. This scheme will be crucial to the future use of the Porthcawl Metrolink.

- Pencoed to Rhondda Cynon Taff boundary (RCT) - Cross-border link: This relates to the provision of a seamless continuation of safe active travel routes from Pencoed to RCT. Further funding will be required for full design and implementation.
- Maesteg to Bridgend (Llynfi Valley): Llynfi Valley – Maesteg, Garth, Llangynywd and Cwmfelin. Feasibility for providing a north-south active travel route will enhance connectivity for the residents of the Llynfi valley. The proposed route will link into the National Cycle Network (NCN) and complement proposals to build a passing loop on the railway line at Tondy to increase frequency on the existing railway line.
- Pyle to Porthcawl (Phase 2): The scheme will comprise a Toucan Crossing (Pyle to Porthcawl Phase 2) on A4229 at the northern end of South Cornelly and another Toucan Crossing on the A4229 at the southern end of South Cornelly.
- Bridgend to Porthcawl: Providing active travel route along A4106 Bridgend Road between Porthcawl and Bridgend. The proposal is for scheme development funding to progress the outcome of WelTAG 2 study completed in 2023. If the scheme is proven feasible then future funding applications could be made for a full design and implementation.
- Garw Valley Community Route: This relates to an upgrade program for the NCN route between Bryngarw House and Pontycymer.
- Active Travel Safety Enhancements: The access barrier auditing work has already been undertaken. This work included Technology Drive and all the existing routes in Bridgend, Pyle and Porthcawl. A total of 56 barriers have so far been identified. By the end of current financial year routes in Pencoed and Maesteg will also be audited.
- Penyfai to Bridgend: Scheme development to undertake a feasibility study into active travel route options from Pen-Y-Fai to Bridgend via the NCN (alongside Tondy Road).
- Bridgend (Coity Gyratory) to Designer Village: Options analysis and feasibility design for an Active Travel Link between the Princess of Wales Hospital to Bridgend Town Centre.

### 3.4 Porthcawl Metrolink

- 3.4.1 This is a current CCR Metro project and comprises a new purpose-built, enclosed bus facility located at the Salt Lake site on Porthcawl sea front linking to the South Wales Metro. Planning permission for the scheme was secured in May 2022 (Ref: P/21/1110/BCB) and the project is well advanced. Work commenced in July 2023 and the facility is planned for completion in mid 2024. Active travel grant funding has also been awarded to commence a feasibility study into enhanced



active travel links between the Metrolink and Porthcawl town centre along Dock Street (see Active Travel programmer above).

### **3.5 Proposed Strategic Transport Projects**

3.5.1 The following projects are put forward for approval as part of any future applications to the Cardiff Capital Region Metro Programme, Levelling Up Fund, or other funding opportunities as well as the basis for discussion with other outside transport bodies on national and regional strategic transport priorities. There is currently no specific funding or budget in place for these schemes.

### **3.6 Brackla Halt Railway Station**

3.6.1 This is a longstanding proposal for a new station facility on the South Wales mainline between Bridgend and Pencoed and serving the large residential area of Brackla and Coychurch as well as Bridgend Industrial Estate. It will also serve future land use developments proposed to the south of the A473 as detailed in the Replacement LDP.

3.6.2 As well as the station, a car park has been constructed (although not in use) and a new active travel bridge is being considered that would form an essential link between Brackla and Bridgend Industrial Estate. This bridge may also be pursued through the current active travel programme independently of the new station proposals. It is envisaged that a new station would form part of the South-East Wales Metro along with the existing local Pyle, Bridgend and Pencoed stations.

3.6.3 There are no current TFW proposals to take this project further and it is not identified as a priority within the CCR transport programme, however, the station has not been removed from the South Wales Metro map and there is some S106 funding available to look at the feasibility of the active travel bridge and connections within the area as part of wider active travel enhancements.

### **3.7 Bridgend Railway Station enhancement**

3.7.1 This is a Regeneration led project, which aims to improve access and enhance park and ride options, active travel, a bus interchange facility, and an active travel link to Cheapside. This is significant part of the Bridgend Town Centre Masterplan but could also be considered as a strategic transport project in itself alongside the Town Centre Access Enhancements project described above. The project would also look at the feasibility of enhanced bus connections and infrastructure within the town centre.

### **3.8 Ewenny Road (Maesteg) Interchange**

3.8.1 The Ewenny Road Interchange was identified as part of the WeITAG Stage 2 study into the Maesteg line enhancement project currently undertaken by Transport for Wales (TFW). An internal feasibility bid has previously provided funding to carry out preliminary feasibility studies to complement the WeITAG (Welsh Government Transport Appraisal Guidance) process. The scheme is expected to include a park & ride facility, electric vehicle charging facility, bus stops, covered cycle parking and taxi rank adjacent to the existing Ewenny Road rail station.

- 3.8.2 The interchange is also directly adjacent to the Ewenny Road regeneration site, a major mixed use residential and commercial scheme with a planning application currently being considered. The interchange would provide an excellent opportunity to further develop transit orientated development (TOD). The principle of TOD is to provide residential and other development around public transport hubs as a way of reducing reliance on the private car and encouraging 'modal shift'.
- 3.8.3 The project would initially take the proposal to design stage but with suitable funding could be fully implemented. Furthermore, the facility, which would have transport benefits to the whole Llynfi Valley, has sufficient critical mass to be pursued independently of any future regeneration plans for the adjoining, former industrial site. The WeITAG study is still being considered but enhancements to the Llynfi Valley line remain a priority for TFW.

### 3.9 **Ford Branch Line**

- 3.9.1 The branch line opened to serve the Ford Engine factory at Waterton but is no longer in use following the plant's closure in 2020. The rail head is located within the plant itself but the associated level crossing across the A48 has been closed. The track bed remains on the line, which crosses into the Vale of Glamorgan County Borough (VOG). Whilst it will require significant upgrading, the reopening of the line as a heavy rail or light rail tram train alternative with connection to Bridgend and VOG lines could still be developed.
- 3.9.2 The former Ford engine plant is currently on the market and prospective purchasers are seeking alternative uses. It is not clear whether the use of the rail link will be utilised in future proposals but the opportunity to consider use of the line as a relatively unique transport feature will be promoted through any future discussions with potential developers.

### 3.10 **Heol Simonston / Coychurch Road Junction Improvements**

- 3.10.1 The improvement of the Heol Simonston / Coychurch Road junction has long been identified as a key project. Although not identified as a specific priority in the LDP or LTP, there is a significant local congestion problem at this location. The key issue in this project is to overcome highway safety issues generated by traffic congestion at this pinch point as well as the provision of active travel links between the residential areas to the north of the railway line and key employment sites to the south.
- 3.10.2 One of the main constraints in the area is the railway bridge over the B4181 Coychurch Rod/Heol Simonston, which carries the mainline railway line which narrows considerably at this point. The bridge is also a Grade II Listed Building due to its architectural and historic interest as part of the original Victorian railway. Notwithstanding the important heritage issues which would need to be overcome, work to replace the bridge and realign the road would be a considerable undertaking with a very high financial and operational cost and as such other options are being considered.
- 3.10.3 A feasibility study of the junction was originally undertaken in 2007 to assess the suitability of the Heol Simonston / Coychurch Road Junction for the incorporation of a roundabout. The purpose of the scheme was to accommodate increased traffic

flows generated from the Coed Castell Development off Coychurch Road and improve the operation of the existing junction. Several options were considered at the time.

3.10.4 It should also be noted that since the 2007 study there has been significant changes to legislation and national policy i.e. The Active Travel (Wales) Act 2013, which places a duty on local authorities to prioritise walking and cycle routes over car-based transport along with the recent Welsh Government Roads review, which impacts on the amount of national funding is available for new road schemes. These changes in legislation and policy direction will significantly influence any future scheme(s) coming forward. Although some S106 funding is available to undertake feasibility for active travel solutions within the locality (see active travel schemes above), no funding to design, complete or undertake any works has been identified as of yet. Internal resourcing issues will also impact on the progress of the project, however, options and alternatives will be reconsidered and Members will be updated in due course.

### 3.11 Junction 36 (M4)

3.11.1 A number of assessments and reports (e.g. the Welsh Government 'pinch point' study) have been undertaken over recent years and have evidenced that Junction 36 has reached its operational capacity limit and there are significant queue lengths on all of the six junction approaches during peak periods. A WelTAG Stage 2 report commissioned by WG was undertaken to consider the efficiency, capacity and congestion issues that impact on this key node's ability to perform its strategic function. This situation will restrict future growth in the north of the County Borough and disadvantage those who are most affected by this major constraint to movement.

3.11.2 The provision of a safe, attractive, and extensive active travel network will improve local accessibility, giving residents the opportunity to walk and cycle to nearby services and facilities, whilst improved access to public transport services will enable residents to travel to employment opportunities further afield. Whilst these measures will increase sustainable transport use which will help release some capacity at J36 they are unlikely to fully resolve the problems due to the current physical constraints and as such major infrastructure intervention will be required.

3.11.3 However, the recent WG Roads Review report has halted any further progress on motorway junction improvement to improve traffic congestion. Without any significant changes to the current junction infrastructure this national approach has a corresponding impact on any proposal for bus and active travel enhancement. Without significant infrastructure investment any future active travel improvements at the junction could further exacerbate congestion and as such would be limited to improving connectivity within the surrounding area.

3.11.4 It is noted that the current activities at J36 including the Designer Outlet, hotels, superstore, restaurant, and cinema, is a significant employer within the County Borough and as such any improvements in active travel to and from the facilities could encourage modal shift and use of active travel with a corresponding benefit in reducing car-based congestion.

### **3.12 Metro Enhancement Framework (MEF)**

3.12.1 A Metro Enhancement Framework (MEF) has been prepared to enable Welsh Government, Transport for Wales, and the Cardiff Capital Region Transport Authority to start developing the pipeline of future transport projects that can be delivered to further complement the existing commitments being delivered as part of the Metro and Metro Plus programme. As part of the MEF, Transport for Wales have appointed Arcadis to prepare a WelTAG Stage one study. Its purpose is to help identify areas and 'transport corridors' where transport solutions could address the Well-being of Future Generations Act (WFGA) goals. Thirteen transport corridors were initially identified across the South Wales Metro area and scored against a set of 14 criteria.

3.12.2 The highest scoring corridors to be progressed within this study were Maesteg / Porthcawl / Bridgend to Cardiff and the Vale of Glamorgan. These corridors demonstrate the existing and future social, environmental, cultural, and economic challenges and the areas include the Ewenny Road Interchange and the Porthcawl Metrolink described above.

### **3.13 Penprysg Road Bridge**

3.13.1 This project is a longstanding strategic land use and transport commitment for the Council as evidenced in proposed, current and previous development plans and the LTP. At present there is a moratorium in place on the development of Pencoed north of the crossing due to traffic congestion caused by an inadequate, narrow road bridge combined with the regular closing of the level crossing restricting north-south access. A working group has been set up comprising local representatives, politicians, Council officers, UK government, TFW and Network Rail. The project involves the replacement of the sub-standard Penprysg Road bridge, closure of Pencoed Level Crossing and its replacement with a fully accessible active travel bridge. It is also considered that the project will bring economic, environmental and public realm enhancements to the centre of Pencoed once the level crossing has been removed. It should be noted that any further frequency of services along the mainline could lead to further congestion issues if the frequency of level crossing closure is increased.

3.13.2 Using funds from the CCR Metro Plus project, a WelTAG Stage 2 study was carried out in August 2020, working with Network Rail and other partners, to try and find a long-term solution to this problem. The WelTag Stage Two study concluded that a combination of two options should be progressed to WelTAG Stage 3. This would see the provision of a new active travel bridge over the railway, adjacent to the station, and the permanent closure of the level crossing. The bridge would be fully accessible and compliant with the Equality Act. To facilitate the level crossing closure, Penprysg Road Bridge would also be rebuilt a two-lane carriageway to increase its capacity in both directions. The new bridge would also be compatible with any future line electrification proposals. A public consultation exercise took place in late 2021 and there is widespread local support for the project. Network Rail (NR) which controls the line and track infrastructure are also supportive of the closure of the level crossing on rail safety grounds.

- 3.13.3 Recently as part of a TFW project, Pencoed was appraised and developed to WeITAG Stage 2 at programme-level via a Bridgend-Pontyclun study. TFW will be developing a project-level WeITAG Stage 2 Outline Business Case focusing on Pencoed and Llanharan Interchanges alone. This will include further optioneering (the potential for do minimum – intermediate – high ambition options) as well as commensurate concept design development for the preferred option.
- 3.13.4 However, this TFW exercise does not include any design development for the Penprysg Level Crossing scheme and replacement road bridge. Whilst the current design is predicated on the Level Crossing Closure coming to fruition, it is likely that the do-minimum and intermediate ambition options will also explore scenarios where the level crossing closure does not come to fruition soon, but which do not impinge on its subsequent development in the future, should funding prospects improve. Alongside the business case, optioneering and design development on the Interchanges at Pencoed and Llanharan, TFW will also be looking to develop Station Network Plans for both Pencoed and Llanharan, assessing first-and-last mile routes between the interchanges and key trip attractors/conurbations in the areas.
- 3.13.5 The project was identified by Cabinet as the transport project bid under the UK Government's Levelling Up Fund (LUF) programme and a bid for £25 million was submitted in August 2022. However, as it could not be adequately demonstrated that the project could not be delivered within the funding timeframe, unfortunately, the bid was unsuccessful. Whilst a large amount of essential feasibility work has been undertaken since 2020, there is still considerable work to be undertaken including developing a sound economic case as well as undertaking a full technical design. The project is not currently supported by any regional funding programme, however, future funding options are still being considered.
- 3.14 Pyle Railway Station Relocation and Park and Ride.**
- 3.14.1 The existing station at Pyle was developed as part of the revitalisation of local railway infrastructure in the early 1990s. However, it has significant land and infrastructure constraints that impact on current and future park and ride enhancements and therefore a relocation further east will be required if the facility is to be expanded into a strategic regional facility. An initial feasibility study has already been carried out in 2020, which indicated that the relocated station would cost around £20 million (at that time).
- 3.14.2 This scheme is intended to enhance the public transport accessibility profile of the strategic development land at Pyle included as part of the RLDP. This site comprises of approximately 2000 houses and associated commercial and educational development. Existing communities along the Pyle-Porthcawl corridor will benefit and there is further opportunity for a park and ride facility to service Porthcawl. Currently, there are active travel links being developed in the area and relocating the Pyle railway station would facilitate the integration of land use and multi-modal transport as well as promoting transit orientated development. (TOD)
- 3.14.3 The moving of Pyle Railway Station is a large-scale engineering undertaking for which there is no current funding to progress design or land acquisition. As such the project could also include exploring interim measures to improve the facilities at the current station in conjunction with TFW.

### **3.15 Rapid Bus Infrastructure**

- 3.15.1 Rapid bus systems refer to bus-based public transport, which is designed to have better capacity and be more efficient than conventional bus routes that use the normal highway infrastructure. They typically include roadways that are dedicated to buses, giving priority to buses at intersections/junctions and where buses may interact with other traffic. These systems could be utilised more flexibly in areas that are not well served by rail and provide faster bus journeys from residential to commercial centres and employment bases.
- 3.15.2 The project would look at feasibility of introducing these systems in the Garw and Ogmore Valleys as part of the South-East Wales Metro as well as a review of the current rail stations in the Valley Gateway area that could be utilised for enhanced park & ride and interchange facilities. In the Pyle to Porthcawl travel corridor this project could include dedicated bus lanes and/or bus gates at congested junctions and be developed to complement and enhance the Metrolink bus facility in Porthcawl.
- 3.15.3 The emphasis for future bus related schemes would be on the use of ultra-low emission vehicles to meet carbon reduction targets. However, the development of this project will be dependent on the available bus resource and operator constraints going forward.

### **4. Equality implications (including Socio-economic Duty and Welsh Language)**

- 4.1 An initial Equality Impact Assessment (EIA) screening has identified that there would be no negative impact on those with one or more of the protected characteristics, on socio-economic disadvantage or the use of the Welsh Language. It is therefore not necessary to carry out a full EIA on this policy or proposal.

### **5. Well-being of Future Generations implications and connection to Corporate Well-being Objectives**

- 5.1 The well-being goals identified in the Act were considered in the preparation of this report. It is considered that there will be no significant or unacceptable impacts upon the achievement of well-being goals/objectives as a result of this report.

### **6. Climate Change Implications**

- 6.1 There are no Climate Change Implications arising from this report, however, the development of active travel routes and public transport options also aims to reduce dependency on carbon intensive transport options.

### **7. Safeguarding and Corporate Parent Implications**

- 7.1 There are no Safeguarding and Corporate Parent Implications arising from this report.

### **8. Financial Implications**

- 8.1 The work on the Porthcawl Metrolink project has been funded by the Welsh Government Local Transport Fund which is administered under the Cardiff City Region's Metro Programme. The Active Travel programme is similarly funded through Welsh Government grants. As such these projects already form part of the capital programme.
- 8.2 Any future approved schemes will be subject to separate funding bids. Potential sources of funding for future technical work and construction include Section 106 planning contributions, Welsh Government grants, UK Government grants, Cardiff Capital Region Metro and City Deal initiatives.
- 8.3 The Council will need to fully explore future funding options and at this stage any match funding requirements or financial commitments from the Council on individual projects is unknown. Future reports will be brought to Cabinet with updates on funding bids. Any future capital schemes will need to be presented and approved by Council for inclusion in the Capital Programme.

## **9. Recommendations**

- 9.1 It is recommended that Cabinet:
1. Considers the information contained within this report and notes the progress on the Active Travel Programme and Porthcawl Metrolink.
  2. Approves the proposed strategic transport projects as identified above to be included as part of any future applications to the Cardiff Capital Region Metro Programme, Levelling Up Fund, or other funding opportunities as well as the basis for discussion with other outside transport bodies on national and regional strategic transport priorities.

## **Background documents**

None

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<b>Meeting of:</b>	<b>CABINET</b>
<b>Date of Meeting:</b>	<b>17 OCTOBER 2023</b>
<b>Report Title:</b>	<b>PORTHCAWL GRAND PAVILLION LEVELLING UP FUND PROJECT UPDATE</b>
<b>Report Owner / Corporate Director:</b>	<b>CORPORATE DIRECTOR COMMUNITIES</b>
<b>Responsible Officer:</b>	<b>DELYTH WEBB GROUP MANAGER STRATEGIC REGENERATION</b>
<b>Policy Framework and Procedure Rules:</b>	<b>This report includes a proposal to suspend the requirements of the Council's Contract Procedure Rules.</b>
<b>Executive Summary:</b>	<b>The purpose of the report is to provide an update to Cabinet on progress made in relation to the Porthcawl Grand Pavilion project and relevant information relating to the Levelling Up Fund funding programme and to seek authority to suspend the requirements of the Council's Contract Procedure Rules and to authorise our cultural services partners AWEN to procure the services of Purcell's Architect's via the PAGABO framework to continue the RIBA Stage 4 design stage for the project.</b>

## 1. Purpose of Report

- 1.1 The purpose of the report is to provide an update to Cabinet on progress made and decisions taken in relation to the design, procurement and programme of the Porthcawl Grand Pavilion project and to seek authority to suspend the requirements of the Council's Contract Procedure Rules and authorise our cultural services partners AWEN to procure the services of Purcell's Architect's via the PAGABO framework to continue the RIBA Stage 4 design services for the project. The report also provides relevant information relating to governance of the project and of the Levelling Up Fund (LUF) funding programme.

## 2. Background

- 2.1 On the 14th of June 2022, Cabinet endorsed the submission of two funding bids for projects within the County to the UK Governments Levelling Up Fund. The purpose of the Levelling Up Fund (LUF) is to provide investment into local infrastructure, urban and economic regeneration and local transport projects. The LUF programme was competitive, and each Local Authority was allowed to submit one bid for each parliamentary constituency within their area to not exceed £20m and a further bid of up to £50m for a strategic transport project.
- 2.2 A bid was submitted on the 2nd of August 2022 for the Bridgend Constituency for the redevelopment of the Grade II Listed Grand Pavilion in Porthcawl. The principal objectives of the renewal of the Grand Pavilion were to address the issues of risk to the building fabric that existed in the condition of the concrete structure whilst also meeting the needs and aspirations of local people for extended and improved arts, heritage and library services.
- 2.3 The new facilities proposed within the funding bid include:
- New function spaces at first floor (Esplanade) level;
  - New rooftop function & cafe spaces offering elevated sea-views;
  - New Studio theatre and ancillary facilities;
  - Improved first floor auditorium;
  - Improved lower ground floor multi-use area;
  - Increased and improved welfare facilities including new changing places facility;
  - Business incubation or workshop spaces to street level;
  - New office facilities.
- 2.4 The Council, working with its cultural services and delivery partner AWEN who operate the Grand Pavilion, committed a sum of £200,000 to the development of this project and funding bid from Bridgend County Borough Council's (BCBC) Feasibility Fund budget. The RIBA Stage 3 design work was undertaken by Purcell Architects Ltd who supported the Council with a well presented and detailed application.
- 2.5 On the 20th of January 2023, the Council were informed that the bid was successful and that the Council would be awarded £18m towards the Grand Pavilion Project.
- 2.6 In May 2023 the Council received the official Memorandum of Understanding (MoU) and the terms and conditions of the grant award from UKG were known.
- 2.7 It is worth noting that there have been multiple delays to process from UKG including the opening of the application portal, a four month delay in the decision making process from October 2022 until January 2023, and in the exchange of monitoring guidance. It is also the case that the required documentation for submission changed between rounds one and two, in addition to a change in the statutory regime on subsidy control. All of which have meant that it has been very difficult to progress project work as it would have been at risk for the Council.

2.8 Current terms of the grant award set out that the project will be completed by Spring of 2025. It is now imperative that the project progresses at pace, that the detailed design stage is completed, planning permission approved, and that the procurement of a professional services team and main contractor is in place to enable works on the building itself to commence in the Spring of 2024.

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

3.1 In order to ensure that the project incurs no further delays and is delivered in line with the current programme and in line with the terms and conditions of the grant, the sections below set out the governance, consultation and procurement process which has been undertaken or requires to be progressed.

3.2 The current project programme sets out that the Pavilion will close early in 2024, following this year's Christmas programme which Awen are already committed to delivering. In line with recommendations from Subject Overview & Scrutiny Committee 3, the team are considering all options as to how Awen's arts and cultural programme could continue to be delivered within Porthcawl whilst work is completed on the Pavilion.

3.3 The Pre Application Consultation (PAC) for the full planning application as been submitted and will follow due process to secure planning permission in conjunction with the completion of the detailed design process.

3.4 As stated above, the current terms of the LUF programme requires the project to be complete by Spring 2025, which is an incredibly tight timescale for any project of this scale and nature. The Project Team has made the LUF Management Team aware of the tight programme and will continue to keep an open dialogue with them on any movement to the project end date.

#### Procurement

3.5 As a result of the tight time scales, and in order to progress the project at pace, in August 2023 a Delegated Decision (CMM-PRU-23-30) was proposed by the Director of Communities and approved under paragraph 1.1 of Scheme A of the Council's Scheme of Delegation to suspend the Council's Contract Procedure Rules (CPR's) and to authorise our cultural services partners AWEN to appoint architects Purcell Ltd, that undertook the original designs and RIBA Stage 3 work, to complete the RIBA 4 detailed design work up to a value of £100,000, due to their significant experience to date on the building and its structure and their ability to complete this work expediently. This decision was made in consultation with Legal Services, Finance and Procurement. In accordance with the Part 4 Rules of Procedure of the Constitution consultation was sought with the Chair of Corporate Overview and Scrutiny Committee (COSC) and Scrutiny Chairs to agree that the decision proposed was reasonable and to it being treated as a matter of urgency.

- 3.6 By suspending the CPR's and allowing AWEN to commission Purcell Ltd via the PAGABO framework, it expedited the work and meant that a maximum value of £100,000 of design work could be completed during the summer recess and then reported to an appropriate Cabinet Meeting.
- 3.7 This report now recommends that Cabinet approve that, as our partner in this project, Awen progress the remainder of the detailed design stage procurement via the PAGABO framework for continuity purposes. The value associated with the remaining commission is circa £650,000. This recommendation would require the continued suspension of the requirements of the Council's CPRs and approval to appoint Awen to procure services on behalf of the Council. The design services procured by AWEN will be relied upon by the Council and will inform its procurement of the main construction works contractor for the project. The appointment will therefore need to be transferred from AWEN to the Council prior to the award of the construction contract.
- 3.8 There are risks in agreeing to suspend the Council's CPRs and appointing AWEN to procure services on behalf of the Council. The Council's CPRs ensure that procurement exercises are lawful and carried out in compliance with the requirements of the Public Contracts Regulations 2015 and satisfy principles of transparency, non-discrimination and equal treatment. At the current proposed contract value threshold, the Council's CPRs would require that the requirement be openly advertised on Find a Tender and procured in accordance with the requirements of the Public Contracts Regulations 2015. In agreeing to suspend the CPRs the Council is exposed to the risk of potential challenge from other providers of such services on the basis that the award breaches regulatory requirements. Suspending the requirements of the Council's CPRs in this instance also presents a potential risk of funding clawback as the LUF funding conditions contain a requirement that the Council ensure that all legal and other statutory obligations and consents be adhered to including procurement duties.
- 3.9 The above risks are mitigated to a degree by AWEN procuring the services through the PAGABO Professional Services in Construction and Premises Framework Agreement, as entry onto that framework agreement would have been subject to an open procurement process. However, the use of the framework has not been endorsed for use by the Council. The option taken by AWEN to directly award the contract to Purcell does not meet the requirements of the Public Contracts Regulations 2015 and for BCBC purposes would not be a compliant award. The best means to mitigate the procurement and funding risk would be for the Council to run a compliant procurement process and to award the contract to the bidder deemed to represent the most economically advantageous tender in accordance with the requirements of the Public Contracts Regulations 2015 but doing so would delay the completion of the design works and may result in the appointment of an alternative service provider.
- 3.10 The above decision and risk should be considered against significant other risks posed by the tight LUF grant funding timescales. These timescales were condensed

following significant delays during the application and approval processes. It is strongly felt that any further delays pose the greater risk to the project. If the next stage in procurement is delayed there is a significant risk that the project will not be designed fully, planning permission gained and be ready for a start on site in Spring 2024. Furthermore, if these timescales are not met the construction and build will also be at significant risk. Therefore, the project would be at serious risk of not completing by the deadline imposed by the LUF grant terms and conditions.

- 3.11 There is also risk attached to not appointing Purcell to continue to lead the design team. This team of architects has successfully led the design of the project to date through the application process, planning process and was appointed to commence RIBA Stage 4 detailed design as a result of the suspension of the CPR's to progress the design in August.
- 3.12 As part of the detailed design process the Council now intends to appoint a cost consultant to work alongside the design team. The appointment will be made in line with the Council's CPRs. This appointment will provide cost assurance prior to the tender for the construction contractor.

**Project Governance**

- 3.13 Governance procedures are being put in place by officers in conjunction with our partners Awen and UK Government in order to oversee the compliant delivery of the project in line with BCBC internal procedures and terms and conditions set out in the LUFs grant offer.

Formal governance processes are set out below.

- 3.14 An internal Project Board is being established, which includes;

<b>Project Board</b>
<b>Senior Responsible Officer (SRO) - Director of Communities</b>
Project Manager
Legal
Finance
Procurement
Leisure and Cultural Services
Awen Cultural Development Trust
Project Assurance

- 3.15 The Project Board will in turn provide quarterly updates and reports by exception to the Capital Programme Board and where necessary Corporate Management Board (CMB).
- 3.16 Regular communication occurs between the Council and the LUF performance delivery team. Following the signing of the MoU, the project team attended the project inception meeting with the LUF performance delivery team. The Project Manager, Finance and Project Assurance Officers also meets with the LUF Team once a quarter to discuss the project and progress. This is done in line with the submission

of a quarterly Monitoring Review Form along with quarterly claim forms. Two have been submitted to date and both have been accepted and verified.

- 3.17 An external project manager has been appointed to oversee the RIBA stage 4 design, with design team meetings taking place every week. The project manager will provide regular design reports to the project board.

### **Consultation**

- 3.18 BCBC and Awen have previously reported to both Cabinet and Corporate Management Board on the public and stakeholder consultation which took place during the RIBA 2 design stage and which was fundamental in demonstrating support for the project as part of the application process.
- 3.19 More recently, in order to support the RIBA stage 4 design process and in advance of the submission of the planning application, public consultation exercises were held between 3rd and 16th July this year, in addition to sessions for key local stakeholders and local members.
- 3.20 The public are also currently invited to participate in a consultation process as part of the Pre-Application Consultation process (PAC), along with statutory consultees in order to support the planning process.
- 3.21 The consultation also enabled the public to view the proposals and share feedback on-line during the process.
- 3.22 Consultation will be critical going forward and key stakeholders including local representatives and end users and will be brought together to support the process at key milestones.

## **4. Equality implications (including Socio-economic Duty and Welsh Language)**

- 4.1 An initial Equality Impact Assessment (EIA) screening has identified that there would be no negative impact on those with one or more of the protected characteristics, on socio-economic disadvantage or the use of the Welsh Language. This project will only enhance opportunities to support inclusion and protection and therefore it is not necessary to carry out a full EIA on this policy or proposal.

## **5. Well-being of Future Generations implications and connection to Corporate Well-being Objectives**

- 5.1 The Well-being of Future Generations (Wales) Act 2015 Assessment based on the 5 ways of working has been considered:

- Long Term - Investment in and redevelopment of major infrastructure is critical to developing confidence in and growing the economy, ensuring local investment while providing the ability to operate across the region and beyond. Investment in some of our major assets is also essential to secure their long term sustainability and contribution to the reduction in carbon emissions of our infrastructure and assets.
- Prevention - Investment in assets now will prevent further decline in the integrity of our structures. It will also prevent a decline in local environment and the quality of cultural and business facilities within our communities.
- Integration - This project will ensure that local cultural facilities will be provided and integrated into the local community. The public will be able to make better use of existing facilities and will be provided with greater social opportunity, employment and pride in their community.
- Collaboration - The success of the project will be founded on cross sector working and collaborative effort with our delivery partners, stakeholders and professional advisors to use creative and cultural activity to improve population well-being.
- Involvement - The success of this project will rest of the effective engagement with key public and operational stakeholders. This will be through formal channels such as the planning process and on-going public and stakeholder conversations during design and delivery.

5.2 There are no significant or unacceptable impacts upon the achievement of the Council's well-being goals/objectives.

## **6. Climate Change Implications**

6.1 Taking action to support decarbonisation is critically important in order to protect and sustain the environment over the long term. The proposed development at the Grand Pavilion Porthcawl will consider all available options within its design and delivery to meet a reduction in carbon emissions aligned with the Council's wider decarbonisation commitment. This is a Grade II listed building, with significant value in its original design and construction. However significant emphasis will be placed on mitigating and reducing the carbon emissions of our heritage infrastructure and assets.

## **7. Safeguarding and Corporate Parent Implications**

7.1 Due regard has been paid to the BCBC Safeguarding Policy which seeks to safeguard and promote the wellbeing of children, young people and adults at risk of abuse or neglect and to ensure that effective practices are in place throughout the Council and its commissioned services. Given the subject matter of this report no negative safeguarding implications have been identified.

## **8. Financial Implications**

- 8.1 The financial position relating to the project has not changed since the submission of the project.
- 8.2 As stated earlier in the report the detailed design is underway and will influence and determine the final cost of the project and financial ask of the authority. Until the detailed design and costing work is complete an explicit total project cost is not available.
- 8.3 The LUF application encouraged a minimum 10% match funding requirement for each project. This was set out and agreed as recommendations to Cabinet on 14 June 2022 and Council on 15 June 2022.
- 8.4 The match funding requirement for the project is £1,999,800 for which funding has been set aside and approved in the capital programme.
- 8.5 The anticipated overall project costs are as follows:

<i>Porthcawl Grand Pavilion redevelopment</i>	
Total Project Cost	£19,998,116
Levelling up Fund	£17,998,316
Match funding requirement	£1,999,800

- 8.6 The project team will make every attempt to ensure that the design and construction of the project is completed within the identified envelope. Officers will also make every effort to identify and secure other sources of funding to mitigate any changes to the overall project costs.
- 8.7 Following the completion of the detailed design stage a more detailed report setting out the financial profile for the construction programme and any changes to the overall project costs will be prepared for consideration by Cabinet. Any changes to the project cost would require approval from Council. Without that approval the scheme will not be able to continue.
- 8.8 Suspending the requirements of the Council's CPRs to allow AWEN to procure the remainder of the design work for the Grand Pavilion with Purcell's Architects via the PAGABO Framework presents a potential risk of funding clawback as the LUF funding conditions contain a requirement that the Council ensure that all legal and other statutory obligations and consents be adhered to, including procurement duties.
- 8.9 The risk of funding clawback should be considered against significant other risks posed by the tight LUF grant funding timescales. If the next stage in procurement is delayed there is a significant risk that the project will not be designed fully, planning permission gained and be ready for a start on site in Spring 2024. Furthermore if these timescales are not met the construction and build will also be at significant risk. Therefore, the project would be at serious risk of not completing by the deadline imposed by the LUF grant terms and conditions.

## **9. Recommendations**

- 9.1 It is recommended that Cabinet: -
- Note the progress that has been made in connection with the design of the project.



- Note that appropriate and robust governance will be put in place to support this project.
- Note the delegated decision (CMM-PRU-23-30) to suspend the Council's CPRs in relation to allowing our cultural services partners AWEN to procure the services of Purcell's Architect's via the PAGABO framework to commence the RIBA Stage 4 design stage for the Grand Pavilion Project in Porthcawl.
- Agree to further suspend the Council's CPR's to allow our cultural partner AWEN to procure the remainder of the design work for the Grand Pavilion Porthcawl with Purcell's Architects via the PAGABO Framework, to ensure that the design process is completed within the timescales as set out by the LUF funding agreement.
- Delegate authority to the Director of Communities, in consultation with the Chief Officer - Finance, Performance & Change and the Chief Officer - Legal & Regulatory Services, HR & Corporate Policy, to enter into any required agreements to novate the design appointments to inform the procurement of the main works contractor.
- Note that the Director for Communities is progressing with the appointment of a project Cost Consultant in accordance with the Council's CPR's.
- Note that a future report to both Cabinet and Council will come forward in due course to set out the financial implications of the project, prior to procuring a works contractor for the construction contract for the Grand Pavilion project.

**Background documents:**

Cabinet Report 16<sup>th</sup> November 2021, Levelling Up Fund Priority Projects

Cabinet Report 14<sup>th</sup> June 2022, Levelling Up Fund Priority Projects

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