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Cyngor Bwrdeistref Sirol Pen-y-bont ar Ogwr

Bridgend County Borough Council



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

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

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



Annwyl Cyngorydd,

CABINET

Cynhelir Cyfarfod Cabinet Hybrid yn Siambr y Cyngor Swyddfeydd Dinesig, Stryd yr Angel, Pen-y-bont ar Ogwr, CF31 4WB / o bell trwy Dimau Microsoft ar **Dydd Mawrth, 6 Chwefror 2024** am **14:30**.

AGENDA

1. Ymddiheuriadau am absenoldeb
Derbyn ymddiheuriadau am absenoldeb gan Aelodau.
2. Datganiadau o fuddiant
Derbyn datganiadau o ddiddordeb personol a rhagfarnol (os o gwbl) gan Aelodau / Swyddogion yn unol â darpariaethau'r Cod Ymddygiad Aelodau a fabwysiadwyd gan y Cyngor o 1 Medi 2008.
3. Cymeradwyaeth Cofnodion 3 - 12
I dderbyn am gymeradwyaeth y Cofnodion cyfarfod y 16/01/24
4. Strategaeth Ariannol Tymor Canoliq 2024-25 i 2027-28 a Phroses Ymgynghori ar y Gyllideb Ddrafft 13 - 56
5. Diweddariad ar y Rhaglen Gyfalaf - Chwarter 3 2023-24 57 - 76
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8. Adroddiad Gwybodaeth i'w Nodi 107 - 116
9. Materion Brys

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I ystyried unrhyw eitemau o fusnes y, oherwydd amgylchiadau arbennig y cadeirydd o'r farn y dylid eu hystyried yn y cyfarfod fel mater o frys yn unol â pharagraff 2.4 (e) o'r Rheolau Trefn y Cabinet yn y Cyfansoddiad.

Nodyn: Bydd hwn yn gyfarfod Hybrid a bydd Aelodau a Swyddogion mynychu trwy Siambr y Cyngor, Swyddfeydd Dinesig, Stryd yr Angel, Pen-y-bont ar Ogwr / o bell Trwy Timau Microsoft. Bydd y cyfarfod cael ei recordio i'w drosglwyddo drwy wefan y Cyngor. Os oes gennych unrhyw gwestiwn am hyn, cysylltwch â cabinet_committee@bridgend.gov.uk neu ffoniwch 01656 643148 / 643694 / 643513 / 643696

Yn ddiffuant

K Watson

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

Dosbarthiad:

Cynghorwyr

JC Spanswick

N Farr

W R Goode

Cynghorwyr

J Gebbie

HJ David

HM Williams

Cynghorwyr

JPD Blundell

COFNODION CYFARFOD Y CABINET A GYNHALIWDYD YN HYBRID YN SIAMBR Y CYNGOR - SWYDDFEYDD DINESIG, STRYD YR ANGEL, PEN-Y-BONT AR OGWR, CF31 4WB AR DDYDD MAWRTH 16 IONAWR 2024 AM 14:30

Yn Bresennol

Y Cyngorydd HJ David – Cadeirydd

JC Spanswick
Dr Williams

N Farr
JPD Blundell

W R Goode

J Gebbie

Swyddogion:

Oscar Roberts
Stephen Griffiths
Carys Lord
Claire Marchant
Janine Nightingale
Kelly Watson
Mark Shephard
Deborah Exton
Lindsay Harvey
Michael Pitman

Prentis Gweinyddu Busnes - Gwasanaethau Democrataidd
Swyddog y Gwasanaethau Democrataidd - Pwyllgorau
Prif Swyddog - Cyllid, Perfformiad a Newid
Cyfarwyddwr Corfforaethol y Gwasanaethau Cymdeithasol a Lles
Cyfarwyddwr Corfforaethol - Cymunedau
Prif Swyddog y Gwasanaethau Rheoliadol, AD a Chyfreithiol
Prif Weithredwr
Dirprwy Bennaeth Cyllid
Cyfarwyddwr Corfforaethol Addysg a Chymorth i Deuluoedd
Swyddog Cymorth Technegol – Gwasanaethau Democrataidd

Datgan Buddiannau

Y Cyngorydd Jane Gebbie – Buddiant Personol yn Eitem 4

280. Cymeradwyo Cofnodion

Penderfyniad wedi'i Wneud	Cymeradwyodd y Cabinet Gofnodion 19/12/2023 fel cofnod cywir a chywir
Dyddiad Gwneud y	16 Ionawr 2024

Penderfyniad	
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281. Monitro Cyllideb 2023-24 – Rhagolwg Refeniw Chwarter 3

Penderfyniad wedi'i Wneud	<p>Cyflwynodd y Prif Swyddog Cyllid, Perfformiad a Newid adroddiad a roddodd y wybodaeth ddiweddaraf ar sefyllfa ariannol refeniw'r Cyngor ar 31 Rhagfyr 2023.</p> <p>Amlinellodd y sefyllfa ariannol gryno ar 31 Rhagfyr 2023 fel y nodwyd yn adran 3 yr adroddiad. Roedd y prif bwysau ariannol ym meysydd y Gwasanaethau Cymdeithasol a Lles (GCLI), Trafnidiaeth o'r Cartref i'r Ysgol (TCY) a Digartrefedd.</p> <p>Roedd yr Atodiadau canlynol yn cyd-fynd â'r adroddiad:</p> <p>Atodiad 1 – Gostyngiadau Cyllidebol y flwyddyn flaenorol a gariwyd ymlaen i 2023-24 Atodiad 2 – Monitro gostyngiadau cyllidebol 2023-24 a thraciwr risg Atodiad 3 – Monitro'r gyllideb refeniw hyd at 31 Rhagfyr 2023</p> <p>Dywedodd yr Aelod Cabinet dros Gyllid, Adnoddau a Chyfreithiol fod y Cyngor mewn sefyllfa anodd ac roedd hyn yn amlwg o'r adroddiad. Roedd yn bwysig ein bod yn monitro sefyllfa'r Cyngor ac yn tynnu sylw at y risgiau mwyaf a oedd yn cael eu hwynebu ym mhob chwarter er mwyn lliniaru cymaint â phosibl. Awgrymodd fod hyn yn cael ei ystyried y tu allan i'r cyfarfod i sicrhau ein bod yn adrodd ar yr alldro refeniw a'r gorwariant yn unol â hynny.</p> <p>Ychwanegodd yr Aelod Cabinet dros Newid Hinsawdd a'r Amgylchedd ei bod yn bwysig ein bod yn edrych ar y gorwariant ac yn gallu gweithio ar ffyrdd ymlaen i leihau hwn. Un enghraifft oedd gwasanaethau fflyd, lle mae'r gorwariant wedi cynyddu ers y flwyddyn ariannol ddiwethaf. Gofynnodd Aelodau'r Cabinet i unrhyw newidiadau mawr i orwariant gael eu hadrodd yn ôl cyn gynted â phosibl.</p> <p>Cytunodd y Prif Swyddog Cyllid, Perfformiad a Newid i edrych ar brosesau monitro cyllideb wrth symud ymlaen i sicrhau bod y rhain yn cael eu tynhau.</p> <p>Nododd y Cabinet y sefyllfa refeniw ragamcanol ar gyfer 2023-24.</p>
Dyddiad Gwneud y Penderfyniad	16 Ionawr 2024

22. Strategaeth Ariannol Tymor Canolig 2024-25 i 2027-28

<p>Penderfyniad wedi'i Wneud</p>	<p>Cyflwynodd y Prif Swyddog Cyllid, Perfformiad a Newid i'r Cabinet y Strategaeth Ariannol Tymor Canolig ddrafft ar gyfer 2024-25 i 2027-28, a oedd yn nodi blaenoriaethau gwariant y Cyngor, amcanion buddsoddi allweddol a meysydd cyllidebol wedi'u targedu ar gyfer arbedion angenrheidiol. Mae'r strategaeth yn cynnwys rhagolwg ariannol ar gyfer 2024-2028 a chyllideb referniw ddrafft fanwl ar gyfer 2024-25.</p> <p>Mae'r Strategaeth Ariannol Tymor Canolig (SATC) ddrafft yn nodi'r blaenoriaethau gwariant ar gyfer y Cyngor am y 4 blynedd nesaf ochr yn ochr â chyllideb fanwl ar gyfer 2024-25. Ynglwm fel atodiadau i'r adroddiad roedd y Pwysau Cyllidebol a'r Cynigion Gostwng y Gyllideb.</p> <p>Dywedodd y Prif Swyddog Cyllid, Perfformiad a Newid fod y cynigion yn Atodiad B yn tynnu sylw at feysydd arbedion posibl a'r risgiau cysylltiedig pe baent yn cael eu deddfu. Os bydd y SATC ddrafft yn cael ei chymeradwyo gan y Cabinet, bydd yn cael ei chyflwyno ar gyfer ymgynghori â Phwyllgorau Trosolwg a Chraffu'r Cyngor cyn cyflwyno fersiwn derfynol i'r Cyngor i'w chymeradwyo ar 28 Chwefror 2024.</p> <p>Diolchodd yr Aelod Cabinet dros Gyllid, Adnoddau a Chyfreithiol y Swyddogion a roddodd yr adroddiad hwn at ei gilydd gan ei fod yn heriol, o ystyried yr arbedion a wnaed eisoes flwyddyn ar ôl blwyddyn. Pwysleisiodd mai cynigion drafft oedd y rhain, ac nad oedd unrhyw beth wedi'i gytuno eto. Roedd y cynigion yn destun newid yn dilyn y broses graffu dros yr wythnosau nesaf, cyn cael eu cyflwyno i'r Cyngor o'r diwedd ddiwedd mis Chwefror. Mae llawer o'r cynigion yn cael eu hystyried yn risg uchel, ac felly bydd angen eu hystyried yn ofalus ar bob cam o'r broses.</p> <p>Pwysleisiodd yr Aelod Cabinet dros Gyllid, Adnoddau a Chyfreithiol fod cronfeydd wrth gefn y Cyngor yn cael eu hadolygu'n gyson, ac ar hyn o bryd, fod gan bob swm o arian wrth gefn gyfiawnhad clir ynghylch pam na ellir ei ddefnyddio.</p> <p>Ychwanegodd fod yr Ymgynghoriad ar y Gyllideb bellach yn fyw a gall y cyhoedd roi eu barn ar y gostyngiadau a chynnig unrhyw ddewisiadau amgen eraill sydd ganddynt.</p> <p>Cyflwynodd y Cabinet ar gyfer ymgynghori â'r Pwyllgorau Trosolwg a Chraffu gyllideb flynyddol 2024-25 a datblygiad SATC 2024-25 i 2027-28, fel y nodiwyd yn yr adroddiad hwn, cyn cyflwyno fersiwn derfynol i'w chymeradwyo gan y Cyngor ar 28 Chwefror 2024.</p>
<p>Dyddiad Gwneud y</p>	<p>16 Ionawr 2024</p>

Penderfyniad	
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283. Penodi Llywodraethwyr Awdurdod Lleol

Penderfyniad wedi'i Wneud	<p>Cyflwynodd Cyfarwyddwr Corfforaethol Addysg a Chymorth i Deuluoedd adroddiad a oedd yn ceisio cymeradwyaeth gan y Cabinet i benodi llywodraethwyr awdurdod lleol i gyrff llywodraethu ysgolion a restrwyd ym mharagraff 3.1.</p> <p>Ar gyfer yr 11 swydd wag bresennol ar gyfer llywodraethwyr awdurdod lleol yn y 10 ysgol yn y tabl yn 3.1, roedd yr ymgeiswyr yn bodloni'r meini prawf cymeradwy ar gyfer eu penodi fel llywodraethwr awdurdod lleol ac nid oedd cystadleuaeth am y swyddi gwag. Felly, mae'r penodiadau argymelledig wedi'u nodi i'w cymeradwyo.</p> <p>Cymeradwyodd y Cabinet y penodiadau ym mharagraff 3.1.</p>
Dyddiad Gwneud y Penderfyniad	16 Ionawr 2024

284. Cytundeb Diogelu Asedau Sylfaenol (CDAS) Network Rail ar gyfer Dymchwel Maes Parcio Aml-lawr Bracla 1

Penderfyniad wedi'i Wneud	<p>Cyflwynodd Cyfarwyddwr Corfforaethol Cymunedau adroddiad a oedd yn tynnu sylw at y cynnydd o ran y cynnig i ddymchwel Bracla 1 ac yn ceisio cymeradwyaeth i symud ymlaen ymhellach.</p> <p>Eglurodd fod nifer o faterion yn ymwneud â'r safle ffisegol a'i agosrwydd at y rheilffordd yn ogystal ag archfarchnadoedd Aldi ac Asda. Tynnwyd sylw at y rhain yn adran 3 yr adroddiad.</p> <p>Tynnodd sylw at y ffaith mai un o'r amodau a nodwyd gan Network Rail yn y CDAS yw bod angen rhagdalau eu cost amcangyfrifedig o gynnal y gwasanaethau sy'n gysylltiedig â'r prosiect. Nid yw Network Rail wedi darparu cyfanswm y costau amcangyfrifedig eto ac ni fyddant ar gael nes bod y contractwr dymchwel penodedig yn cyflwyno ei fethodoleg dymchwel ac yn dechrau trafod gyda Network Rail.</p> <p>Croesawodd yr Aelod Cabinet dros Newid Hinsawdd a'r Amgylchedd yr adroddiad ac roedd yn edrych</p>
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	<p>ymlaen i'r broses fynd rhagddi. Mae cyfleuster coleg newydd yn cael ei adeiladu ger hen adeilad yr orsaf heddlu ac felly po gynharaf y bydd y gwaith hwn yn symud ymlaen, y cynharaf y gallwn elwa o hyn.</p> <p>Ategodd yr Aelod Cabinet dros Addysg y sylwadau hyn a gofynnodd, o ran y dymchwel, a yw'r coleg wedi cael gwybod am y broses a'r amserlenni sy'n gysylltiedig â hyn.</p> <p>Cadarnhaodd Cyfarwyddwr Corfforaethol Cymunedau eu bod wedi bod mewn ymgynghoriad â'r coleg o ddechrau'r broses 3 blynedd yn ôl ac yn parhau i roi'r wybodaeth ddiweddaraf am y broses.</p> <p>Gwnaeth y Cabinet:-</p> <ol style="list-style-type: none"> i. Nodi'r cynnydd o ran y cynnig i ddymchwel Bracla 1 a'r trafodaethau gyda Network Rail gan arwain at lunio'r CDAS. ii. Cymeradwyo ymrwmo i CDAS gyda Network Rail yn unol â'r hepgoriad a ganiatawyd dan reol 3.2.11 Rheolau Gweithdrefn Gontractau'r Cyngor. iii. Dirprwyo awdurdod i Gyfarwyddwr Corfforaethol Cymunedau, mewn ymgynghoriad â'r Prif Swyddog Cyllid, Perfformiad a Newid a Phrif Swyddog y Gwasanaethau Rheoliadol a Chyfreithiol, AD a Pholisi Corfforaethol, drafod a chytuno ar delerau terfynol y CDAS ac ymrwmo i'r cytundeb a/neu unrhyw weithredoedd a dogfennau pellach sy'n atodol i'r CDAS. iv. Nodi y ceisir cymeradwyaeth ar gyfer y taliad ymlaen llaw yn ddiweddarach yn unol â pharagraff 9.4 y Rheolau Gweithdrefn Ariannol pan fydd lefel y ffioedd yn hysbys. v. Dirprwyo awdurdod i Gyfarwyddwr Corfforaethol Cymunedau, mewn ymgynghoriad â'r Prif Swyddog Cyllid, Perfformiad a Newid a Phrif Swyddog y Gwasanaethau Rheoliadol a Chyfreithiol, AD a Pholisi Corfforaethol, drafod a chytuno ar delerau terfynol y cytundebau perthnasol gydag Aldi ac ASDA ac ymrwmo i'r cytundebau hynny.
<p>Dyddiad Gwneud y Penderfyniad</p>	<p>16 Ionawr 2024</p>

<p>Penderfyniad wedi'i Wneud</p>	<p>Cyflwynodd Cyfarwyddwr Corfforaethol Cymunedau adroddiad a oedd yn ceisio cymeradwyaeth i ailgyflwyno gwaith torri glaswellt trefol a gwledig mewnol.</p> <p>Eglurodd fod cynnig wedi'i wneud i ddychwelyd gwaith torri glaswellt trefol a gwledig i ddarpariaeth fewnol ar ôl i'r contract presennol ddod i ben. Mynegwyd ffafiaeth ar gyfer gwasanaeth mewnol gan yr Aelod Cabinet dros Gymunedau er mwyn rheoli'n well y gwasanaeth cyffredinol a ddarperir wrth ei ystyried yng nghyd-destun gweithrediadau torri glaswellt eraill sydd eisoes yn digwydd yn fewnol. Rhagwelwyd y byddai'r gost i gynnal lefel bresennol y gwasanaeth gan ddarparu'r allanol yn cynyddu oherwydd pwysau chwyddiant yn yr economi ac y byddai'n fwy na'r gyllideb sydd ar gael ar hyn o bryd, felly byddai cael mwy o reolaeth dros ddarparu'r gwasanaeth hwn yn well ar gyfer rheoli'r gyllideb.</p> <p>Croesawodd yr Aelod Cabinet dros Newid Hinsawdd a'r Amgylchedd yr adroddiad a gobeithiodd, wrth symud ymlaen, y gallai'r gwasanaeth fod yn un gwasanaeth sy'n torri'r holl laswellt yn y fwrdeistref. Ar hyn o bryd mae'r gwasanaeth wedi'i rannu'n ddau, lle mae parciau a chaeau chwarae yn cael eu gwneud dan delerau ac amodau ar wahân. Wrth symud ymlaen mae angen i ni fod yn fwy effeithlon, a bydd yr adroddiad hwn yn caniatáu ar gyfer hyn.</p> <p>Gwnaeth y Cabinet ar ôl gwneud diwygiad i'r argymhellion:</p> <ul style="list-style-type: none"> • Gymeradwyo dychwelyd y gwasanaeth torri glaswellt trefol a gwledig i ddarpariaeth fewnol. • Dirprwyo awdurdod i Gyfarwyddwr Corfforaethol Cymunedau, mewn ymgynghoriad â'r Aelod Cabinet dros Newid Hinsawdd a'r Amgylchedd, gytuno ar newidiadau i lefel y gwasanaeth i fodloni'r gyllideb sydd ar gael.
<p>Dyddiad Gwneud y Penderfyniad</p>	<p>16 Ionawr 2024</p>

286. Adroddiad Diogelu Corfforaethol Blynyddol 2022-23

<p>Penderfyniad wedi'i Wneud</p>	<p>Cyflwynodd Cyfarwyddwr Corfforaethol Gwasanaethau Cymdeithasol a Lles adroddiad a oedd yn gofyn am gymeradwyaeth y Cabinet ar Adroddiad Diogelu Corfforaethol Blynyddol 2022-23.</p> <p>Eglurodd fod yr Adroddiad Diogelu Corfforaethol Blynyddol yn cynnwys manylion nifer o feysydd fel y</p>
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	<p>nodwyd yn adran 3 yr adroddiad. Roedd yn tynnu sylw at y cynnydd yn y galw ar Ofal Cymdeithasol Oedolion a Phlant, fodd bynnag, roedd y gofynion hyn yn cael eu rheoli'n llwyddiannus o fewn targedau cydymffurfio.</p> <p>Yn dilyn golwg yng nghyfarfod y Pwyllgor Trosolwg a Chraffu Pwnc 2 ar 6 Rhagfyr 2023, cafodd argymhellion eu gwneud a'u cyflwyno i'r Cabinet dderbyn yr adroddiad hwn i sicrhau bod gan yr Aelodau ymwybyddiaeth lawn o'u cyfrifoldebau o ran diogelu. Dywedodd y Pwyllgor Craffu hefyd y dylid cynnwys data cymharol o'r 5 mlynedd diwethaf i sicrhau darlun llawnach o sut mae'r Cyngor yn ymateb i'w gyfrifoldebau diogelu statudol.</p> <p>Talodd y Dirprwy Arweinydd deyrnged a chanmolodd y staff sy'n cyflawni eu dyletswyddau mor effeithiol, roedd yn bwysig tynnu sylw at hyn o ystyried y sefyllfa yr oeddem yn ei phrofi fel Cyngor ychydig flynyddoedd yn ôl. Mae'n dangos ymrwymiad gan staff ac roedd y gwelliant parhaus yn amlwg.</p> <p>Dywedodd y Dirprwy Arweinydd y gall pobl wrthod cydsyniad os oes galluedd ganddynt. Roedd yn bwysig gwneud y gwahaniaeth hwnnw i'r cyhoedd sy'n darllen yr ystadegau.</p> <p>Tynnodd yr Arweinydd sylw at bwysigrwydd rhoi gwybod am bryderon diogelu, a dywedodd, os yw unrhyw un yn dymuno gwneud hynny, y gall wneud hynny'n ddienw.</p> <p>Dywedodd yr Aelod Cabinet dros Ddiogelwch Cymunedol a Lles mewn perthynas â thudalen 151 - trais yn erbyn menywod, nad oes ystadegau yma ynglŷn â hil, rhyw nac anabledd. Gofynnodd a oedd y rhain wedi'u cynnwys yn rhywle arall. Cadarnhaodd Cyfarwyddwr Corfforaethol Gwasanaethau Cymdeithasol a Lles fod y rhain wedi'u cofnodi, fodd bynnag, byddai'n edrych ar gynnwys y rhain yn yr adroddiad blynyddol wrth symud ymlaen.</p> <p>Cymeradwyodd y Cabinet Adroddiad Diogelu Corfforaethol Blynyddol 2022-23.</p>
<p>Dyddiad Gwneud y Penderfyniad</p>	<p>16 Ionawr 2024</p>

287. Polisiâu'r Gyfarwyddiaeth Gwasanaethau Cymdeithasol a Lles - Polisi Cofnodi Gofalwyr Maeth Maethu Cymru Pen-y-bont ar Ogwr a Pholisi Cyllid Maethu Cymru Pen-y-bont ar Ogwr

<p>Penderfyniad wedi'i Wneud</p>	<p>Cyflwynodd Cyfarwyddwr Corfforaethol Gwasanaethau Cymdeithasol a Lles adroddiad a oedd yn ceisio cymeradwyaeth y Cabinet i bolisi Cyllid Maethu Cymru Pen-y-bont ar Ogwr (Atodiad 1) a Pholisi Cofnodi Gofalwyr Maeth Maethu Cymru Pen-y-bont ar Ogwr (Atodiad 2) er mwyn cefnogi gwasanaethau yng Ngwasanaeth Maethu Cyngor Bwrdeistref Sirol Pen-y-bont ar Ogwr (Maethu Cymru Pen-y-bont ar Ogwr).</p> <p>Eglurodd fod aelodau perthnasol o'r gyfarwyddiaeth Gwasanaethau Cymdeithasol a Lles yn ymgysylltu â'r ddau bolisi ac wedi rhoi cymorth wrth ddrafftio'r cynnwys polisi ar gyfer pob agwedd ar y gwasanaeth maethu. Mae polisi Cofnodi Gofalwyr Maeth newydd Maethu Cymru Pen-y-bont ar Ogwr wedi'i ddatblygu i roi dealltwriaeth i Ofalwyr Maeth yn ymwneud â phwysigrwydd cofnodi, ynghyd ag amlinellu'r cofnodi sydd ei angen ganddynt, a sut a ble i storio eu cofnodion. Mae'r polisi Cyllid wedi'i ddiwygio i ddileu'r ffigurau penodol sy'n ymwneud â symiau lwfans. Y rheswm am hyn yw bod Llywodraeth Cymru yn adolygu ac yn gosod lwfans cynyddol i Ofalwyr Maeth bob blwyddyn, ac felly mae'r newid hwn yn sicrhau nad yw'r polisi yn hen oherwydd y codiadau blynyddol hyn.</p> <p>Pwysleisiodd y Dirprwy Arweinydd bwysigrwydd bod gofalwyr maeth yn deall yr hyn a ddisgwylir ganddynt ac iddynt deimlo eu bod yn cael eu cefnogi yn eu rôl. Tynnodd sylw at y gwaith anhygoel y mae gofalwyr maeth yn y fwrdeistref yn ei wneud i'n plant a dywedodd fod y buddion i blentyn yn sylweddol.</p> <p>Dywedodd y Dirprwy Arweinydd fod gan Maethu Cymru ymgyrch barhaus i recriwtio gofalwyr maeth, ac anogodd bobl sydd wedi ystyried bod yn ofalwyr maeth i edrych ar eu gwefan.</p> <p>Gofynnodd yr Aelod Cabinet dros Gyllid, Adnoddau a Chyfreithiol a fyddai modd rhoi mwy o wybodaeth ar y cynllun 'Atgyfeirio Ffrind'</p> <p>Gwnaeth y Cabinet ystyried a chymeradwyo polisi Ariannol diwygiedig Maethu Cymru Pen-y-bont ar Ogwr yn Atodiad 1, a pholisi Cofnodi Gofalwyr Maeth newydd Maethu Cymru Pen-y-bont ar Ogwr yn Atodiad 2.</p>
<p>Dyddiad Gwneud y Penderfyniad</p>	<p>16 Ionawr 2024</p>

288. Eitemau Brys

<p>Penderfyniad wedi'i Wneud</p>	<p>Dim</p>
<p>Dyddiad Gwneud y</p>	<p>16 Ionawr 2024</p>

Penderfyniad	
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I wyllo trafodaeth bellach a gynhaliwyd ar yr eitemau uchod, cliciwch ar y [ddolen](#) hon

Daeth y cyfarfod i ben am 6.00pm

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Agenda Item 4

Meeting of:	CABINET
Date of Meeting:	6 FEBRUARY 2024
Report Title:	MEDIUM TERM FINANCIAL STRATEGY 2024-25 TO 2027-28 AND DRAFT BUDGET CONSULTATION PROCESS
Report Owner / Corporate Director:	REPORT OF CORPORATE OVERVIEW AND SCRUTINY COMMITTEE
Responsible Officer:	MERYL LAWRENCE SENIOR DEMOCRATIC SERVICES OFFICER – SCRUTINY
Policy Framework and Procedure Rules:	The report relates to the role of Overview and Scrutiny Committees as Consultees in respect of the budget setting process in line with the Budget Policy and Framework Procedure Rules.
Executive Summary:	<p>The report presents Cabinet with the findings and recommendations of the Corporate Overview and Scrutiny Committee (COSC) in relation to:</p> <ul style="list-style-type: none"> a) The report of the Budget Research and Evaluation Panel (BREP) in respect of the draft Medium Term Financial Strategy; b) The comments and recommendations from the four Overview and Scrutiny Committees in relation to the draft Medium Term Financial Strategy, including the proposed budget pressures and budget reduction proposals, as part of the budget consultation process. <p>The report includes background of the process and meetings held.</p> <p>Cabinet is requested to consider and respond to the Recommendations of the Corporate Overview and Scrutiny Committee, in response to the Medium Term Financial Strategy 2024-25 to 2027-28 and the Draft Budget Consultation Process.</p>

1. Purpose of Report

- 1.1 The purpose of this report is to present Cabinet with the findings and recommendations of the Corporate Overview and Scrutiny Committee (COSC) in relation to:
- a) the report of the Budget Research and Evaluation Panel (BREP) in respect of the draft Medium Term Financial Strategy (MTFS).
 - b) the comments and recommendations from the four Overview and Scrutiny Committees in relation to the draft MTFS including the proposed budget pressures and budget reduction proposals, as part of the budget consultation process.

2. Background

- 2.1 In considering the challenges associated with continued budget reductions, Members recognised the need for a 'whole Council' response to be adopted in managing anticipated reductions to services against a backdrop of increasing demand and the challenging financial outlook.
- 2.2 It was therefore recommended, in 2017, that a Budget Research and Evaluation Panel (BREP) be established to engage Members on budget proposals as well as to enable members to feed in community intelligence gained from their representative role and to engage in shaping future service provision.
- 2.3 The Corporate Overview and Scrutiny Committee (COSC) has the overall responsibility of scrutinising budget monitoring reports throughout the year. As such, it was agreed at a meeting of Council in September 2017 that it would continue this role and appoint BREP members from within the COSC membership.
- 2.4 The purpose of the Budget Research and Evaluation Panel was subsequently agreed as the following:
- To achieve consensus on the direction of the budget over the life of the medium term financial strategy;
 - To achieve a detailed overview and assessment of the budget proposals where the expertise and knowledge of each Committee contributes to a corporate understanding and appreciation of the draft budget proposals;
 - To assist the Council to develop a budget for the forthcoming year that aims to meet the needs of the communities of Bridgend County Borough;
 - To facilitate firmer understanding of the budget setting process and the draft proposals in order to assist the Committees in making informed comments, constructive challenge or recommendations to Cabinet as part of the budget consultation process.
- 2.5 The Panel would be presented with the budget reduction proposals and have the opportunity to discuss these with the Chief Executive and Corporate Directors and

be asked to consider the information contained in these reports to determine whether they wish to make comments or recommendations for consolidation and inclusion in the report to Cabinet, as part of the budget consultation process.

Budget Research and Evaluation Panel

- 2.6 The Budget Research and Evaluation Panel (BREP) met on five occasions and was supported by the Democratic Services Manager and Scrutiny Team, Chief Officer – Finance, Performance and Change and Section 151 Officer, Deputy Head of Finance and the Cabinet Member for Finance, Resources and Legal.
- 2.7 At the BREP meetings the Panel considered information provided by the Chief Officer – Finance, Performance and Change and Section 151 Officer on the financial position for the MTFS 2024-25 to 2027-28, considered draft budget reduction proposals and had the opportunity to question Cabinet Members, the Chief Executive and Corporate Directors on the draft budget proposals.
- 2.8 The Panel’s Recommendations were included in the final BREP report which was presented to COSC on 30 January 2024.

Overview and Scrutiny Committees

- 2.9 Each of the four Overview and Scrutiny Committees met and considered the draft Medium Term Financial Strategy 2024-25 to 2027-28, including the proposed budget pressures and budget reduction proposals within the related Directorate and remit of the Scrutiny Committee, and made comments / recommendations for consolidation and inclusion in the report to Cabinet as part of the budget consultation process.

3. Current situation / proposal

- 3.1 The Corporate Overview and Scrutiny Committee considered the findings of the Budget Research and Evaluation Panel and all four Overview and Scrutiny Committees on 30 January 2024 and agreed to submit them to Cabinet, as part of the budget consultation process 2024-25, together with some amendments and additional final Recommendations from the COSC Committee at this meeting. These are listed in Appendices A and B.
- 3.2 For ease of reference the Recommendations are split into the following separate appendices:

Appendix A - All final comments, recommendations and requests from BREP and the Overview and Scrutiny Committees on the Medium-Term Financial Strategy 2024-25 to 2027-28.

Appendix B - A table of all recommendations for Cabinet’s response.

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

- 4.1 A high level Equality Impact Assessment (EIA) will be carried out and included within the Final MTFS in February 2024. The high level EIA considers the impact of

the strategy, policy or proposal on the nine protected characteristics, the Socio-economic Duty and the use of the Welsh Language.

- 4.2 The proposals contained within this report cover a wide range of services and it is inevitable that the necessary budget reductions will impact on the local population in different ways. In developing these proposals, consideration has been given to their potential impact on protected groups within the community and on how to avoid a disproportionate impact on people within these groups.

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 provides a framework for embedding sustainable development principles within the activities of Council and has major implications for the long-term planning of finances and service provision. The 7 well-being goals identified in the Act have driven the Council's seven well-being objectives.

- 5.2 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:

- Long-term - The consideration and approval of this report will assist in the budget setting process for both the short-term and in the long-term.
- Prevention - The consideration and approval of this report will assist in the budget setting process by approving and shaping preventative measures provided by Directorates to generate savings.
- Integration - The Medium Term Financial Strategy links to the Corporate Plan and well-being objectives.
- Collaboration - The consideration and approval of this report will assist in the budget setting process by approving and shaping collaboration and integrated working to generate savings.
- Involvement - Publication of the report ensures that the public and stakeholders can view the work that has been undertaken by Scrutiny members.

6. Climate Change Implications

- 6.1 The local authority's 'Bridgend 2030 – Net Zero Carbon Strategy' and Welsh Government's carbon reduction commitments will also be addressed through the Medium Term Financial Strategy, where funding allows, particularly through capital investment. Specifically, they will be addressed through a number of schemes, including the School Modernisation Programme, Ultra Low Emission Vehicles, and

a recurrent 2030 decarbonisation capital budget, amongst others. However, due to financial constraints, the ambition to achieve Net Zero 2030 may be compromised.

7. Safeguarding and Corporate Parent Implications

- 7.1 The Medium Term Financial Strategy is aligned with Bridgend County Borough Council's Corporate Parenting Strategy and provides substantial investment in children's services through revenue budget pressures.

8. Financial Implications

- 8.1 The report relates to BREP and Overview and Scrutiny responses to the draft MTFS, the budget setting process and the financial implications associated with that.

9. Recommendation

- 9.1 Cabinet is requested to consider and respond to the Recommendations of the Corporate Overview and Scrutiny Committee, in response to the Medium Term Financial Strategy 2024-25 to 2027-28 and the Draft Budget Consultation Process.

Background documents

None.

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Budget Research and Evaluation Panel (BREP) and Overview and Scrutiny Committees' Recommendations, Comments and Requests on the Medium Term Financial Strategy 2024-25 to 2027-28

Budget Research and Evaluation Panel (BREP)

Recommendations:

- 1. Members referred to a new framework that was being developed for working arrangements in Children's Social Services which was planned to be in place by 2026. In view of the predicted overspend and increasing budget pressures in Social Services, the Panel recommend that Officers and Cabinet explore the possibility of frontloading and accelerating the rollout of this Framework to try and stabilise the service and avoid further cost implications at an earlier stage.**
- 2. In view of the need for the Authority to look at any and all services for potential savings, the Panel recommend that clearer targets be set for each Directorate of what contribution they are required to make or that each Directorate be asked to identify service areas that could be reviewed to identify potential budget savings.**
- 3. Following a discussion around Council Tax, the Panel highlighted that communication with the public was key and recommended that clear information be provided by any avenue possible to inform the public of the reality of the difficult situation the Authority faced with regards to future budget setting. Members highlighted that as part of this, it was paramount that any communication included explanation of what the public receive for their Council Tax.**
- 4. The Committee recommended that, given the better than expected settlement equating to an additional £1M and any other potential additional funding received by the Final Settlement, that Cabinet be asked to reconsider the following Budget Reduction Proposals:**

Prioritising the following:

SCH1 - Efficiency savings against School Delegated Budgets:

That Cabinet look specifically at reducing the impact on individual school budgets.

Council Tax:

That Cabinet consider reducing the burden of Council Tax as best possible from the proposed increase of 9.5%

Risk:

That given the high proportion of the proposed budget reductions being categorised as red and the risk of their deliverability, that Cabinet

consider whether some of the additional money needs to be held as a contingency.

Then in no particular order:

Given the additional money available from the provisional settlement that Cabinet be asked to reconsider the following Budget Reduction Proposals:

COM 8 – Closure of Bridgend Bus Station & associated public toilets.

COM 20 – Removal of additional street cleansing resource and Tikspac Posts.

COM9 - Cessation of Shopmobility Scheme.

The number of staffing budget reduction proposals in the Chief Executive's Directorate - (including Legal, HR and Procurement), the loss and impact of a significant number of posts across the Directorate and the impact of these on Services across the Authority.

**Corporate Overview and Scrutiny Committee (COSC)
Chief Executive's Directorate and Corporate / Council Wide**

Recommendations:

1. The Committee recommended that communication with the public be improved using as many different means as possible and that a simple pie chart graphic be distributed to residents of the borough identifying where funding comes from and how it is spent.
2. The Committee recommended that there should be an in person option for the Budget consultation and other mechanisms and different communications tools used to reach people who are digitally excluded, having regard to concerns expressed by residents who felt disenfranchised as they were unable to access an online budget consultation.
3. The Committee requested a list of all services the Council provides to residents, businesses, whomever, including whether they have a level of statutory element or are completely non statutory, understanding that it is a significant piece of work but providing sufficient detail to feed into the Budget Research and Evaluation Panel (BREP) for next year's Budget considerations and the need to identify future savings for the next few years while understanding the impact of potential changes on residents. The Committee recommended that the future BREP process could then sit upon that registry of services to inform decisions going forward.

4. Following discussions regarding the remit of the BREP and the Capital Programme and that a revised Capital Programme would be considered by Council in February, the Committee proposed that next year the Capital Programme should form part of the BREP process in order to look at the detail and sufficiently scrutinise, and also asked whether the Terms of Reference of BREP could be amended by the Corporate Overview and Scrutiny Committee (COSC) to redefine the remit for the next year.

The Committee welcomed the response from the Chief Officer Legal and Regulatory Services, HR, and Corporate Policy that BREP was quite unique to Bridgend and it was not as straightforward as COSC deciding what BREP could do, there was a process and other options could be looked at to see if there was something more workable but would need to be taken away and some proposals developed to put to the relevant body to make a determination.

5. Following discussion regarding staffing reductions across multiple areas of main Council back office services, the Committee requested a qualitative impact assessment of all those changes taken together to understand the impact of this reduction in head count and the significant longer term impact, and welcomed the Chief Executive's response of the need to reflect on how achievable it would be and that he would discuss with colleagues about whether this could be done.
6. The Committee recommended that potential income generation opportunities from sharing services be actively explored, proactively offering the Authority's services where there is potential for income to be generated, to mitigate against some of the future budget reductions which would be required over the course of the Medium Term Financial Strategy.
7. The Committee discussed strategic responsibilities that the Authority will be unable to deliver, including:
 - Reduced capital receipts reducing the ability to borrow for capital projects, as borrowing is based upon ability to pay back.
 - Inability to deliver the Strategic Transport Plan, etc.
 - a. The Committee recommended that these and other similar risks should be contained in the Corporate Risk Register and be properly scrutinised and subject to an objective review of risk management to ensure that the risks are being properly analysed and mitigated.
 - b. The Committee also recommended that operational risk be monitored by the Corporate Overview and Scrutiny Committee as the overarching Corporate Scrutiny Committee, in addition to monitoring of governance and financial risk by the Governance and Audit Committee.
8. The Committee agreed to defer any additional final recommendations until the meeting of COSC on 30 Jan 2024, when all Subject Overview and Scrutiny Committees would be received.

Subject Overview and Scrutiny Committee 1 (SOSC 1) **Education and Family Support Directorate and Schools**

Recommendations:

1. SCH 1

In relation to the proposed reduction related to Schools Delegated Budgets of 5% in 2024-2025, Members expressed strong concerns over the size of the saving for the forthcoming year and the potential impact this would have on school budgets, with reports stating that this was unsustainable and would result in over 80% of schools within the County Borough going into deficit.

Evidence provided by representatives of the School Budget Forum highlighted the recent significant increase of vulnerable learners that has been seen by all schools since the pandemic, more than has ever been seen before. It was reported that the impact of the proposed 5% reduction to school budgets, together with the further proposed reductions in support services, could severely affect vulnerable learners.

- a** In order to lessen the impact as much as possible and enable schools more time to plan and prepare, the Committee recommend that the proposed saving of 5% be reduced and spread out across years 2, 3 and 4, starting with only a 2% reduction for 2024-25, followed by 2% for each year 2-4, thereby still making the overall 8% required.
- b** To fill this budget gap, the Committee recommend that Cabinet consider utilising any potential funding the Authority might receive from Central Government relating to teacher pensions as well as revisit the proposed budget pressures of £11,856m and consider which ones could be postponed for 2024-2025.

2. EFS 12, 13 and 14 Support Services and Pupils with Additional Learning Needs

The Committee highlighted the negative impact the proposed reductions of EFS, 12,13 and 14 would have on pupils with Additional Learning Needs (ALN) as identified by Headteacher representatives at the meeting. Members were particularly concerned with the fact that these reductions could result in the Authority not meeting its statutory duties to these children and young people in meeting the timescales for assessments. The Committee strongly supported the view of how important these assessment for pupils with ALN were, many of which have complex needs, thus requiring a swift assessment so that they are able to access the support services they require.

As a result of these concerns and the Authority's legal obligation to these pupils, the Committee recommend that EFS 13 and 14 be removed from the budget reduction proposals and that these associated budgets be ringfenced against future reduction. Members proposed that this saving of £67,000 could potentially be found from within the proposed £500,000 growth proposed under EFS4, and asked for clarification for the Corporate Overview and Scrutiny Committee, of

what this £500,000 incorporated, for consideration by Members at the final budget meeting on the 30th of January.

3. Statutory Services and Duties

Building upon the above recommendation, the committee expressed strong concern over all proposed reductions which highlight a potential impact in meeting the Authority's statutory duties. Members highlighted the significant ramifications this could have for the Local Authority and recommend that Cabinet guard against this as a priority, revisiting those proposals which put the delivery of statutory duties at risk.

4. Financial Scheme for Schools

Whilst appreciating that proposed changes to the school funding formula (other than that bound by legislation) can be raised and discussed by the School Budget Forum, Members highlighted the fact that as circumstances have changed so much since the Covid pandemic, and the funding pressures now being faced by schools, there was a need for the Local Authority to instigate a review of the financial scheme for schools. The Committee also expressed concern over reports that primary school governing bodies may have not been involved or consulted upon previous reviews and changes to the funding formula.

The Committee therefore recommend that a full review of the financial scheme and funding formula for schools be undertaken, with full involvement of both primary and secondary governing bodies supported by training provision on this subject so that governors, who are, after all, volunteers, are suitably informed to participate fully in the review.

Comments

- The Committee supported the view that there was drastic transformational change needed across the Local Authority in order to meet future service provision within difficult budgets. However, it was highlighted that care needed to be taken where budget reductions have additional ramifications on other services, such as schools, to not unduly burden those services, on top of their own reductions.

Additional Information

In order for Members to have a full picture of the staffing reductions for the Local Authority going forward and their ramifications, they requested that they receive sight of all basic staffing restructures, noting that care was needed so as to not identify individual staff members. The committee asked if this information could illustrate the situation before and after any proposed restructure so as to view the full implication.

SOSC 1 Forward Work Programme

Home to School Transport

The Committee commented positively on the proposal to commence a review of the Authority's Home to School Transport provision rather than wait until Welsh Government complete their own review, given the difficult budget situation the Authority now faces. The Committee asked that when reported to scrutiny at a future meeting, information is provided on:

How many children receive HTST due to the lack of safe routes to school;
The impact any reduction might have on Welsh Medium education provision, including how to prevent these pupils being adversely affected.

Letter to Welsh Government

Whilst acknowledging the proposed 3% budget increase from Welsh government as part of its draft settlement, the Committee expressed serious concerns regarding the mounting pressures on local services including schools and social services, and the fact that the settlement was simply not enough to cover such pressures. The Committee appreciate that this was the same for all Local Authorities, however, given reports received that the Minister wished to protect school budgets, Members stated that more needed to be done by Welsh Government to support and fund Local Authorities appropriately. The Committee therefore agreed to write to Welsh Government to highlight these issues and to support Cabinet in putting extra pressure on Ministers to address the funding situation for Local Authorities.

In addition to this, the Committee asked that this letter to Welsh Government also highlight the need for Local Authorities to receive earlier clarification on any external or central budget allocation. This is as a consequence of the ongoing uncertainty currently being experienced in relation to teacher pensions and whether these will be centrally funded. Without such information, it is extremely difficult for Local Authorities to effectively plan and produce, and more importantly consult on, a correct and informed balanced budget.

Subject Overview and Scrutiny Committee 2 (SOSC 2) **Social Services and Wellbeing Directorate**

Recommendations:

1. The Committee recommended that to protect our most vulnerable, given the better than expected settlement equating to an additional £1M and any other potential additional funding received by the Final Settlement, that Cabinet be asked to reassess the following Budget Reduction Proposals for the reasons stated for each:
 - a. **SSW16** - The Committee expressed concern regarding the removal of 50% of the budget to reduce or remove support for children and young people with additional needs and families to access community activities and opportunities, given the potential high impact upon the individual and their families and risks detailed in the report.

- b. **SSW20** - The Committee expressed concern regarding the removal of the caseworker resource and efficiency savings from the third Sector Contracts - hospital discharge and that the loss of this service could impact negatively on timely support for people to return home from hospital.
2. Given that a number of Social Services and Wellbeing Budget Reduction Proposals include reference to Reviews, the Committee seeks clarity as to what is still under consideration going forward, the risks to the deliverability of any proposals that include reviews, and whether they can be relied upon to set a balanced budget.
 3. The Committee expressed concern regarding the lack of recognition of the difficulty of setting budgets based on short term reliance on Grant funding, the instability and uncertainty when short term Grant funding is removed and the impact on the stability of providing services. The Committee recommended that a letter be sent to Welsh Government lobbying for the discontinuation of short term Grant funding in favour of sustained long term funding included in the settlement.
 4. The Committee reflected on the high cost of Independent Residential Placements for Care Experienced Children and the cost of those placements that were Out of County and while recognising the complexities and difficulties and whilst supporting the plan in place and the work ongoing, recommended that bringing those placements back into county provision where possible be emphasised as a priority, to meet needs and work towards reducing the cost over two to three years.

Additional Information Requests

Independent Residential Placements for Care Experienced Children - How many placements out of county and in county and the costs.

Budget Pressures:

SSW3 – Increased cost of Home Care for Adults with Learning Disabilities: Information regarding the amount of lost grant funding in the Learning Disabilities budget and reductions in other Grant funding referred to that impacted on the Learning Disabilities budget.

General - Communications with Welsh Government Finance Committee be circulated to the Committee Members.

Budget Reduction Proposals:

SSW11 - BCBC to waive protections on concessionary pricing and discounted rates for the more vulnerable in leisure settings:

clarification of what else is included in that budget line of £1.271M and an explanation of whether this saving / budget line is from within the HALO Management fee of £1.399M or not.

SSW22 - BCBC consider efficiency savings from Third Sector Contracts - Substance Misuse Services:

An explanation of the narrative why: “no new referrals from BCBC have been made this year”.

SSW26 - Increasing Charges for in-house care homes:

Details of the charge and increase for those residents paying the full cost of in-house residential care charges, arising from this proposal for full cost recovery.

Subject Overview and Scrutiny Committee 3 (SOSC 3) **Communities Directorate**

General Comments and Recommendations

Welsh Government Funding

The Committee expressed concern over the lack of funding provided by Welsh Government for new legislation introduced and the resulting impact this had on Local Authority budgets in meeting new requirements. The example used was Universal Free School Meals, and whilst not part of the Communities remit, Members highlighted that the requirement for funding for UPFSM puts pressure on the Local Authority budget and has resulting implications on all services when having to fund budget gaps in the overall Council budget. The Committee therefore supported any proposal for the Corporate Overview and Scrutiny Committee to write to WG to express these concerns and request that new legislation be accompanied by suitable, sufficient funding.

1. Budget Consultation Process

The Committee discussed the overall budget consultation process, highlighting that whilst having the opportunity to present an alternative budget and proposal, as many Members who do not sit on the Corporate Overview and Scrutiny and are therefore not involved in the Budget Research and Evaluation Panel, it was very difficult for other Members to know any detail for any alternative proposals. The example of Porthcawl Marina was used, in that if the Committee had known last year that the Authority subsidised this, they might have potentially proposed this as an alternative saving to be made last year in place of something else. The Committee therefore recommended that the whole budget process needed revising and improving with the aim to work together, as ‘One Council’. The Committee agreed to work with the Welsh Local Government Association on a review of Scrutiny, with particular focus on the budget consultation process.

2. Street Works

Whilst noting the comments provided in relation to the Authority’s Street Works team and that costs could only be sought on permits to cover the Council’s own

costs, the Committee recommended that the Directorate explore what other Local Authorities were doing in this area, including Carmarthen County Council, to determine if there was any possibility at all of income generation.

3. COM6

In relation to Bereavement Services and potential future efficiency savings, Members recommended that the Local Authority engage with Town and Community Councils to consider where they might be able to assist and take on some future responsibilities for the maintenance of cemeteries within the County Borough.

4. COM8

- a** Whilst acknowledging that the proposed closure of Bridgend Bus station relates to 2025-2026 budget savings, the Committee expressed strong concerns over the impact of this proposal including how it will affect the community, Bridgend town and its transport links. The Committee referred to other large bus stations in other Local Authorities where they have utilised wall space with advertising, thereby creating an income for the Authority. Given the amount of potential advertising space that is available at Bridgend Bus Station, the Committee recommended that the Authority remove COM8 as a potential efficiency saving and instead replace it with a proposal for potential commercial income generation in order to protect the bus station for the future.
- b** In addition to this, supporting what the Corporate Director, Communities stated about looking at the Council's assets and how they could be more energy efficient, the Committee recommend that the Directorate explore potential energy efficient initiatives that could be made on Bridgend bus station. Members suggested that solar panels, for example, could be installed on this facility which could assist in mitigating the station's associated costs.

5. COM9

In relation to the cessation of the Shopmobility scheme, the Committee recommended that the Authority consider approaching Bridgend Town Council to explore if they had any interest in taking on and maintaining the service.

6. COM10

The Committee supported the proposal to review berthing fees for Porthcawl Marina, with agreement that the Council should not be subsidising this. The Committee were of the view, and therefore recommended, that this could be considered further, if not this year, for future years, to explore if there was any potential to increase the berthing fees for the marina as a method of income generation for the Authority.

7. COM20

- a** The Committee had numerous concerns regarding COM 20 and the proposal to remove additional street cleansing resource given the potential visual and environmental impact this could have on communities across the Borough. Members recommended that if funding is provided via Central Government for teacher pensions, £125,000 of this be utilised to continue to fund street cleansing, thereby removing COM20 from the budget reductions.
- b** In addition to this, as part of the need for transformational change within the Authority, the Committee recommend that the Council consider the potential for multi-skilled teams of staff who could cover a wider remit, such as grass-cutting and street cleaning as one example. The Committee propose that the Directorate look at what neighbouring Local Authorities are doing in this area, with the aim to provide a more effective, joined up service within Bridgend.

8. COM25

- a** In relation to the proposal to close all Community Recycling Centres by an additional day per week on the weekend, the Committee felt this was not acceptable, particularly given the fact that it had not seen the impact of the first day of closure as this has yet to come into effect. In light of the impact this could have for the public and the Authority, including the visual impact and associated costs from a potential increase in fly-tipping, the Committee recommend that this proposal be removed. Members instead propose that some of this £60,000 be found by moving forward with the proposal to commercially let the Pandy Depot, identified at COM24, bringing this into 2024-25 savings.
- b** Members also recommend that if further savings are still required, the Authority look instead to potentially reduce the opening hours for the Centres, rather than closing for an additional full day. Finally, in a worst-case scenario, should the Centres have to close for a second additional day, the Committee recommend this be another weekday, not a weekend, when the majority of the public would be looking to utilise the Centres.
- c** Linked to COM25, the Committee further recommend that the Authority consider potential ways the Community Recycling Centres could work smarter, such as the introduction of appointments to reduce queues. Members commented that some Local Authorities had introduced appointments during the pandemic and had continued with this method as it had proved to be effective.

9. COM30

Members commented on the decision to revert back to diesel waste vehicles and agreed that this was a suitable saving given the view of Members that there was not enough evidence that Hydrotreated Vegetable Oil (HVO) fuel offered any greater fuel efficiency or air quality benefits as well as any benefits to local business. In light of the current and predicted future financial situation the Authority finds itself in, the Committee recommended that going forward no such 'green innovation' should be pursued unless it either contributes to revenue

savings, offers a direct and tangible benefit to residents or enables a consequential efficiency elsewhere in the Council budget.

Additional Information Requests

Linked to COM3 and COM4, the Committee requested that they be provided with the statistics for fly-tipping in the County Borough for the last 3 years.

Linked to COM13 and the considerable cut to the Climate Emergency Programme, the Committee requested detail on what external grants and funding the Authority currently received for this and where it could look for further in order to achieve its targets.

Corporate Overview and Scrutiny Committee (COSC) – 30 January 2024 **Final Consideration of all BREP and Subject Overview and Scrutiny Committee** **Budget Recommendations**

1. Review of Budget Process

Given various concerns expressed over the overall Budget process and particularly the future purpose of the Budget Research and Evaluation Panel, the Committee supported the recommendation of SOSC 3 that a full review be undertaken. As part of this the Committee requested that consideration be given to the BREP process starting much earlier in the year, with a framework for a continuous process throughout the year whereby timely responses to requests for information are provided to BREP as well as the budget book shared directly with Members. The Committee also requested that BREP have more emphasis and focus on the Local Authority's consultation with the public and receive more feedback from broader conversations with residents.

2. (Amended from part of COSC original recommendation 4)

In relation to any BREP review and potential amendment to the Terms of Reference of BREP, the Committee noted the response from the Chief Officer Legal and Regulatory Services, HR, and Corporate Policy that whilst BREP was quite unique to Bridgend, it was not as straightforward as COSC deciding what BREP could do, and there was a process and other options needed to be considered to see if there was something more workable but would need to be taken away and proposals developed to put to the relevant body to make a determination.

3. Capital Programme

(Amended from part of COSC original recommendation 4)

Following discussions regarding the Capital Programme with a review of the Capital Programme to be considered by Council in early 2024, the Committee highlighted the point that should many of the budget proposals highlighted as red not come to fruition, and given the revenue implications from the Capital Programme, Capital expenditure may have to be delayed and revisited. The Committee therefore requested that the Capital Programme be considered as part of the BREP process for 2024/25 in order to consider and scrutinise the detail sufficiently.

4. Funding from Welsh Government

Members referred to various discussions held recently by all Scrutiny Committees and evidence provided by Cabinet Members and Officers in which serious concerns were raised over the Council's capacity to deliver on new Welsh Government legislation without the assurance of sufficient funding. The Committee therefore recommend that not only do the Scrutiny Committee write the Minister for Finance over this but also recommend that Cabinet do the same to lobby Welsh Government and UK Government through the WLGA, to stress that it is simply unsustainable for Local Authorities to exercise their statutory duties as well as implement new legislative changes without the consequential financial resources and, in addition, the human resources to deliver their policy objectives.

The Committee also emphasised the point made by SOSC 2 in relation to their concerns around the instability that reliance on short term grant funding causes as well as SOSC 1's comments on the need for earlier clarification on any external or central budget allocation. To add to this, the Committee requested that there was also a need to lobby Welsh Government for a multi-year funding settlement so that more informed, longer term budget planning could be undertaken.

5. Amended COSC's original Recommendation 5

1. Following discussion regarding staffing reductions across multiple areas of main Council back-office services, the Committee recommended that a qualitative impact assessment be undertaken of the cumulative and longer-term impact of these reductions on the Local Authority. Appreciating that a full assessment would take time and would take place after the 2024/2025 budget settlement is agreed, the Committee recommended that Cabinet evidence how they have considered the interconnectivity between budget reductions and the potential impact this will have on achieving the budget

savings. As well as the example given above regarding the impact of staffing reductions to main Council back-office services, there are also further examples such as the impact that cuts to schools and educational support services will have on vulnerable children and young people, potentially resulting in increasing pressure on social services.

2. Linked to this the Committee expressed concern at the overall robustness of the budget, given the comments above on the interconnectivity of budget cuts and the negative impact they could have on other services as well as the number of reduction proposals identified as red in terms of risk of achievability. Added to this is the prediction that 80% of schools will result in deficit budgets should the 5% delegated school budget saving go forward for 2024/25. Whilst acknowledging that schools would put in place deficit recovery plans, Members stated that there was the risk that if these plans weren't successful after 3 or even 5 years (if extended) the responsibility including potential intervention/management of such schools would fall back on the Local Authority. This is aside from any additional support and potential intervention required from the Authority during the time the recovery plan. The Committee requested reassurance over how these aspects had been assessed to ensure the robustness of the budget put forward, both for 2024/25 and also in the longer term, to ensure that these savings would not result in increased demands and costs down the line.

6. Transformational Change

As well as the need to look at other Local Authorities for new ways of working and best practice, given the innovative work that has been taking place within the Social Services Directorate, such as looking at different ways of working, reviewing and redesigning services and creative solutions to staffing issues, the Committee recommend that these be shared across Directorates as part of the Authority's focus on transformational change.

7. COSC Priorities

Given the evidence provided by Headteachers at the SOSC 1 meeting over the impact a proposed 5% cut to schools delegated budget, with it being quoted as 'horrific', it was the view of COSC that should any additional funding be provided by UK Central Government for teacher pensions, priority should be given to reducing the proposed cut to school delegated budgets, taking into account SOSC 1's recommendation on this, as well as reducing the proposed council tax increase.

It was recommended by the Committee that should the additional funding from Central Government not be sufficient to revise these budget reductions, and potentially others proposed by Scrutiny Members, a cost benefit analysis should be undertaken to consider what services the Authority are statutorily obliged to provide and what is being provided above and beyond through discretionary

services, recognising that some services do play a preventative role in reducing the need for statutory intervention.

8. Income generation

The Committee recommended the need to consider every possible opportunity to maximise income generation across the Authority, from sharing services with others, looking to partners, the third sector and other Local Authorities to proactively offer the Authority's services where there is a potential for income to be generated, in order to mitigate future budget reductions.

The Committee recommend that where possible, full cost recovery is prioritised, with examples such as bulky waste collections, Porthcawl Harbour and the street works permits. Furthermore, the Committee recommend that where possible, through reducing subsidies to services where appropriate and consideration of additional commercial income generation, these funds be used to offset some of the Communities Directorate costs or savings, that are public facing and viewed by the public as most commonly associated with their Council tax.

9. Social Services General

The Committee expressed concern over the rising cost of social care for both children and adults as well as the rising costs associated with out of Authority care experienced children. Whilst the Directorate was changing how it provided services, supporting the comments of the Chief Officer - Finance Performance and Change, the Committee recommended that very close and careful monitoring was required to ensure that there was not a repeat of this year's budget situation with significant overspends causing increased pressure and implications across Council wide budgets.

10. EDF5

The Committee recommend that proposals such as merging of schools at EDF5 be re-considered to determine whether these savings can be front loaded and made sooner rather than later.

Additional Requests

Following discussion around the impact of budget reductions and reduced resources, including that available to Members, the Committee requested that the Democratic Services Committee consider the changes being proposed for support services to

Members and Committees, such as more remote meetings, the number of meetings as well as general resources provided to Members, to potentially assist in making these efficiencies for the future and reducing pressure on staff, particularly in relation to the running of meetings.

Additional Information

The Committee requested that clarification be sought as to what the £500k identified under budget pressure EFS4 will cover as there were varying figures provided in relation to this.

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SCRUTINY RECOMMENDATIONS ON THE MEDIUM TERM FINANCIAL STRATEGY 2024-25 TO 2027-28

	Scrutiny Recommendation:	Cabinet Response
COSC Priorities		
1	<p>Given the evidence provided by Headteachers at the SOSC 1 meeting over the impact a proposed 5% cut to schools delegated budget, with it being quoted as 'horrific', it was the view of COSC that should any additional funding be provided by UK Central Government for teacher pensions, priority should be given to reducing the proposed cut to school delegated budgets, taking into account SOSC 1's recommendation on this, as well as reducing the proposed council tax increase.</p> <p>It was recommended by the Committee that should the additional funding from Central Government not be sufficient to revise these budget reductions, and potentially others proposed by Scrutiny Members, a cost benefit analysis should be undertaken to consider what services the Authority are statutorily obliged to provide and what is being provided above and beyond through discretionary services, recognising that some services do play a preventative role in reducing the need for statutory intervention.</p> <p>(COSC 30/01/24)</p>	
BREP Overview and Priorities		
2	<p>The Panel recommended that, given the better than expected settlement equating to an additional £1M and any other potential additional funding received by the Final Settlement, that Cabinet be asked to reconsider the following Budget Reduction Proposals:</p> <p>Prioritising the following:</p> <p>SCH1 - Efficiency savings against School Delegated Budgets:</p>	

SCRUTINY RECOMMENDATIONS ON THE MEDIUM TERM FINANCIAL STRATEGY 2024-25 TO 2027-28

	Scrutiny Recommendation:	Cabinet Response
	<p>That Cabinet look specifically at reducing the impact on individual school budgets.</p> <p>Council Tax: That Cabinet consider reducing the burden of Council Tax as best possible from the proposed increase of 9.5%</p> <p>Risk: That given the high proportion of the proposed budget reductions being categorised as red and the risk of their deliverability, that Cabinet consider whether some of the additional money needs to be held as a contingency. (BREP)</p>	
3	<p>Then in no particular order:</p> <p>Given the additional money available from the provisional settlement that Cabinet be asked to reconsider the following Budget Reduction Proposals:</p> <p>COM 8 – Closure of Bridgend Bus Station & associated public toilets.</p> <p>COM 20 – Removal of additional street cleansing resource and Tikspac Posts.</p> <p>COM9 - Cessation of Shopmobility Scheme.</p> <p>The number of staffing budget reduction proposals in the Chief Executive’s Directorate - (including Legal, HR and Procurement), the loss and impact of a significant number of posts across the Directorate and the impact of these on Services across the Authority. (BREP)</p>	

SCRUTINY RECOMMENDATIONS ON THE MEDIUM TERM FINANCIAL STRATEGY 2024-25 TO 2027-28

	Scrutiny Recommendation:	Cabinet Response
Capital Programme		
4	<p>Following discussions regarding the Capital Programme with a review of the Capital Programme to be considered by Council in early 2024, the Committee highlighted the point that should many of the budget proposals highlighted as red not come to fruition, and given the revenue implications from the Capital Programme, Capital expenditure may have to be delayed and revisited. The Committee therefore requested that the Capital Programme be considered as part of the BREP process for 2024/25 in order to consider and scrutinise the detail sufficiently. (COSC 30/01/24)</p>	
Budget Monitoring		
5	<p>The Committee expressed concern over the rising cost of social care for both children and adults as well as the rising costs associated with out of Authority care experienced children. Whilst the Directorate was changing how it provided services, supporting the comments of the Chief Officer - Finance Performance and Change, the Committee recommended that very close and careful monitoring was required to ensure that there was not a repeat of this year's budget situation with significant overspends causing increased pressure and implications across Council wide budgets. (COSC 30/01/24)</p>	

SCRUTINY RECOMMENDATIONS ON THE MEDIUM TERM FINANCIAL STRATEGY 2024-25 TO 2027-28

	Scrutiny Recommendation:	Cabinet Response
<u>Risk</u>		
6	<p>The Committee discussed strategic responsibilities that the Authority will be unable to deliver, including:</p> <ul style="list-style-type: none"> - Reduced capital receipts reducing the ability to borrow for capital projects, as borrowing is based upon ability to pay back. - Inability to deliver the Strategic Transport Plan, etc. <p>a. The Committee recommended that these and other similar risks should be contained in the Corporate Risk Register and be properly scrutinised and subject to an objective review of risk management to ensure that the risks are being properly analysed and mitigated.</p> <p>The Committee also recommended that operational risk be monitored by the Corporate Overview and Scrutiny Committee as the overarching Corporate Scrutiny Committee, in addition to monitoring of governance and financial risk by the Governance and Audit Committee. (COSC)</p>	
<u>Consultation and Communication with the Public</u>		
7	<p>The Committee recommended that communication with the public be improved using as many different means as possible and that a simple pie chart graphic be distributed to residents of the borough identifying where funding comes from and how it is spent. (COSC)</p>	

SCRUTINY RECOMMENDATIONS ON THE MEDIUM TERM FINANCIAL STRATEGY 2024-25 TO 2027-28

	Scrutiny Recommendation:	Cabinet Response
8	The Committee recommended that there should be an in person option for the Budget consultation and other mechanisms and different communications tools used to reach people who are digitally excluded, having regard to concerns expressed by residents who felt disenfranchised as they were unable to access an online budget consultation. (COSC)	
9	Following a discussion around Council Tax, the Panel highlighted that communication with the public was key and recommended that clear information be provided by any avenue possible to inform the public of the reality of the difficult situation the Authority faced with regards to future budget setting. Members highlighted that as part of this, it was paramount that any communication included explanation of what the public receive for their Council Tax. (BREP)	
<u>Budget Consultation Process</u>		
10	(Interim Recommendation from BREP) In view of the need for the Authority to look at any and all services for potential savings, the Panel recommend that clearer targets be set for each Directorate of what contribution they are required to make or that each Directorate be asked to identify service areas that could be reviewed to identify potential budget savings. (BREP)	
11	The Committee discussed the overall budget consultation process, highlighting that whilst having the opportunity to present an alternative budget and proposal, as many Members who do not sit on the Corporate Overview and Scrutiny and are therefore	

SCRUTINY RECOMMENDATIONS ON THE MEDIUM TERM FINANCIAL STRATEGY 2024-25 TO 2027-28

	Scrutiny Recommendation:	Cabinet Response
	not involved in the Budget Research and Evaluation Panel, it was very difficult for other Members to know any detail for any alternative proposals. The example of Porthcawl Marina was used, in that if the Committee had known last year that the Authority subsidised this, they might have potentially proposed this as an alternative saving to be made last year in place of something else. The Committee therefore recommended that the whole budget process needed revising and improving with the aim to work together, as 'One Council'. The Committee agreed to work with the Welsh Local Government Association on a review of Scrutiny, with particular focus on the budget consultation process. (SOSC3)	
12	The Committee requested a list of all services the Council provides to residents, businesses, whomever, including whether they have a level of statutory element or are completely non statutory, understanding that it is a significant piece of work but providing sufficient detail to feed into the Budget Research and Evaluation Panel (BREP) for next year's Budget considerations and the need to identify future savings for the next few years while understanding the impact of potential changes on residents. The Committee recommended that the future BREP process could then sit upon that registry of services to inform decisions going forward. (COSC)	
13	In relation to any BREP review and potential amendment to the Terms of Reference of BREP, the Committee noted the response from the Chief Officer Legal and Regulatory Services, HR, and Corporate Policy that whilst BREP was quite unique to Bridgend,	

SCRUTINY RECOMMENDATIONS ON THE MEDIUM TERM FINANCIAL STRATEGY 2024-25 TO 2027-28

	Scrutiny Recommendation:	Cabinet Response
	it was not as straightforward as COSC deciding what BREP could do, and there was a process and other options needed to be considered to see if there was something more workable but would need to be taken away and proposals developed to put to the relevant body to make a determination. (COSC 30/01/24)	
14	Given various concerns expressed over the overall Budget process and particularly the future purpose of the Budget Research and Evaluation Panel, the Committee supported the recommendation of SOSC 3 that a full review be undertaken. As part of this the Committee requested that consideration be given to the BREP process starting much earlier in the year, with a framework for a continuous process throughout the year whereby timely responses to requests for information are provided to BREP as well as the budget book shared directly with Members. The Committee also requested that BREP have more emphasis and focus on the Local Authority's consultation with the public and receive more feedback from broader conversations with residents. (COSC 30/01/24)	
<u>Budget Settlement and Funding</u>		
15	The Committee expressed concern regarding the lack of recognition of the difficulty of setting budgets based on short term reliance on Grant funding, the instability and uncertainty when short term Grant funding is removed and the impact on the stability of providing services. The Committee recommended that a letter be sent to Welsh Government lobbying for the discontinuation of short term Grant funding in favour	

SCRUTINY RECOMMENDATIONS ON THE MEDIUM TERM FINANCIAL STRATEGY 2024-25 TO 2027-28

	Scrutiny Recommendation:	Cabinet Response
	of sustained long term funding included in the settlement. (SOSC2)	
16	The Committee expressed concern over the lack of funding provided by Welsh Government for new legislation introduced and the resulting impact this had on Local Authority budgets in meeting new requirements. The example used was Universal Free School Meals, and whilst not part of the Communities remit, Members highlighted that the requirement for funding for UPFSM puts pressure on the Local Authority budget and has resulting implications on all services when having to fund budget gaps in the overall Council budget. The Committee therefore supported any proposal for the Corporate Overview and Scrutiny Committee to write to WG to express these concerns and request that new legislation be accompanied by suitable, sufficient funding. (SOSC3)	
17	Whilst acknowledging the proposed 3% budget increase from Welsh government as part of its draft settlement, the Committee expressed serious concerns regarding the mounting pressures on local services including schools and social services, and the fact that the settlement was simply not enough to cover such pressures. The Committee appreciate that this was the same for all Local Authorities, however, given reports received that the Minister wished to protect school budgets, Members stated that more needed to be done by Welsh Government to support and fund Local Authorities appropriately. The Committee therefore agreed to write to Welsh Government to highlight these issues and to support	

SCRUTINY RECOMMENDATIONS ON THE MEDIUM TERM FINANCIAL STRATEGY 2024-25 TO 2027-28

	Scrutiny Recommendation:	Cabinet Response
	<p>Cabinet in putting extra pressure on Ministers to address the funding situation for Local Authorities. In addition to this, the Committee asked that this letter to Welsh Government also highlight the need for Local Authorities to receive earlier clarification on any external or central budget allocation. This is as a consequence of the ongoing uncertainty currently being experienced in relation to teacher pensions and whether these will be centrally funded. Without such information, it is extremely difficult for Local Authorities to effectively plan and produce, and more importantly consult on, a correct and informed balanced budget. (SOSC 1)</p>	
18	<p>Members referred to various discussions held recently by all Scrutiny Committees and evidence provided by Cabinet Members and Officers in which serious concerns were raised over the Council's capacity to deliver on new Welsh Government legislation without the assurance of sufficient funding. The Committee therefore recommend that not only do the Scrutiny Committee write the Minister for Finance over this but also recommend that Cabinet do the same to lobby Welsh Government and UK Government through the WLGA, to stress that it is simply unsustainable for Local Authorities to exercise their statutory duties as well as implement new legislative changes without the consequential financial resources and, in addition, the human resources to deliver their policy objectives. The Committee also emphasised the point made by SOSC 2 in relation to their concerns around the instability that reliance on short term grant funding causes as well as SOSC 1's comments on the need</p>	

SCRUTINY RECOMMENDATIONS ON THE MEDIUM TERM FINANCIAL STRATEGY 2024-25 TO 2027-28

	Scrutiny Recommendation:	Cabinet Response
	for earlier clarification on any external or central budget allocation. To add to this, the Committee requested that there was also a need to lobby Welsh Government for a multi-year funding settlement so that more informed, longer term budget planning could be undertaken. (COSC 30/1/24)	
<u>Transformational Change</u>		
19	The Committee supported the view that there was drastic transformational change needed across the Local Authority in order to meet future service provision within difficult budgets. However, it was highlighted that care needed to be taken where budget reductions have additional ramifications on other services, such as schools, to not unduly burden those services, on top of their own reductions. (SOSC 1)	
20	As well as the need to look at other Local Authorities for new ways of working and best practice, given the innovative work that has been taking place within the Social Services Directorate, such as looking at different ways of working, reviewing and redesigning services and creative solutions to staffing issues, the Committee recommend that these be shared across Directorates as part of the Authority's focus on transformational change. (COSC 30/1/24)	
<u>Interconnectivity/Implications of Budget Reductions</u>		
21	Following discussion regarding staffing reductions across multiple areas of main Council back-office services, the Committee recommended that a qualitative impact assessment be undertaken of the cumulative and longer-term impact of these	

SCRUTINY RECOMMENDATIONS ON THE MEDIUM TERM FINANCIAL STRATEGY 2024-25 TO 2027-28

	Scrutiny Recommendation:	Cabinet Response
	<p>reductions on the Local Authority. Appreciating that a full assessment would take time and would take place after the 2024/2025 budget settlement is agreed, the Committee recommended that Cabinet evidence how they have considered the interconnectivity between budget reductions and the potential impact this will have on achieving the budget savings. As well as the example given above regarding the impact of staffing reductions to main Council back-office services, there are also further examples such as the impact that cuts to schools and educational support services will have on vulnerable children and young people, potentially resulting in increasing pressure on social services. (COSC 30/01/24)</p>	
22	<p>Linked to this the Committee expressed concern at the overall robustness of the budget, given the comments above on the interconnectivity of budget cuts and the negative impact they could have on other services as well as the number of reduction proposals identified as red in terms of risk of achievability. Added to this is the prediction that 80% of schools will result in deficit budgets should the 5% delegated school budget saving go forward for 2024/25. Whilst acknowledging that schools would put in place deficit recovery plans, Members stated that there was the risk that if these plans weren't successful after 3 or even 5 years (if extended) the responsibility including potential intervention/management of such schools would fall back on the Local Authority. This is aside from any additional support and potential intervention required from the Authority during the time the recovery plan. The Committee requested reassurance over how</p>	

SCRUTINY RECOMMENDATIONS ON THE MEDIUM TERM FINANCIAL STRATEGY 2024-25 TO 2027-28

	Scrutiny Recommendation:	Cabinet Response
	these aspects had been assessed to ensure the robustness of the budget put forward, both for 2024/25 and also in the longer term, to ensure that these savings would not result in increased demands and costs down the line. (COSC 30/01/24)	
23	Given that a number of Social Services and Wellbeing Budget Reduction Proposals include reference to Reviews, the Committee seeks clarity as to what is still under consideration going forward, the risks to the deliverability of any proposals that include reviews, and whether they can be relied upon to set a balanced budget. (SOSC2)	
<u>Income Generation and Full Cost Recovery</u>		
24	The Committee recommended that potential income generation opportunities from sharing services be actively explored, proactively offering the Authority's services where there is potential for income to be generated, to mitigate against some of the future budget reductions which would be required over the course of the Medium Term Financial Strategy. (COSC)	
25	Whilst noting the comments provided in relation to the Authority's Street Works team and that costs could only be sought on permits to cover the Council's own costs, the Committee recommended that the Directorate explore what other Local Authorities were doing in this area, including Carmarthen County Council, to determine if there was any possibility at all of income generation. (SOSC3)	

SCRUTINY RECOMMENDATIONS ON THE MEDIUM TERM FINANCIAL STRATEGY 2024-25 TO 2027-28

	Scrutiny Recommendation:	Cabinet Response
26	The Committee recommended the need to consider every possible opportunity to maximise income generation across the Authority, from sharing services with others, looking to partners, the third sector and other Local Authorities to proactively offer the Authority's services where there is a potential for income to be generated, in order to mitigate future budget reductions. (COSC 30/01/24)	
27	The Committee recommend that where possible, full cost recovery is prioritised, with examples such as bulky waste collections, Porthcawl Harbour and the street works permits. Furthermore, the Committee recommend that where possible, through reducing subsidies to services where appropriate and consideration of additional commercial income generation, these funds be used to offset some of the Communities Directorate costs or savings, that are public facing and viewed by the public as most commonly associated with their Council tax. (COSC /01/24)	
School Delegated Budgets		
28	SCH 1 In relation to the proposed reduction related to Schools Delegated Budgets of 5% in 2024-2025, Members expressed strong concerns over the size of the saving for the forthcoming year and the potential impact this would have on school budgets, with reports stating that this was unsustainable and would result in over 80% of schools within the County Borough going into deficit.	

SCRUTINY RECOMMENDATIONS ON THE MEDIUM TERM FINANCIAL STRATEGY 2024-25 TO 2027-28

	Scrutiny Recommendation:	Cabinet Response
	<p>Evidence provided by representatives of the School Budget Forum highlighted the recent significant increase of vulnerable learners that has been seen by all schools since the pandemic, more than has ever been seen before. It was reported that the impact of the proposed 5% reduction to school budgets, together with the further proposed reductions in support services, could severely affect vulnerable learners.</p> <p>a In order to lessen the impact as much as possible and enable schools more time to plan and prepare, the Committee recommend that the proposed saving of 5% be reduced and spread out across years 2, 3 and 4, starting with only a 2% reduction for 2024-25, followed by 2% for each year 2-4, thereby still making the overall 8% required.</p> <p>b To fill this budget gap, the Committee recommend that Cabinet consider utilising any potential funding the Authority might receive from Central Government relating to teacher pensions as well as revisit the proposed budget pressures of £11,856m and consider which ones could be postponed for 2024-2025. (SOSC1)</p>	
<u>Front-loading School Mergers</u>		
29	<p>EDFS5 The Committee recommend that proposals such as merging of schools at EDF5 be re-considered to determine whether these savings can be front loaded and made sooner rather than later. (COSC 30/01/24)</p>	

SCRUTINY RECOMMENDATIONS ON THE MEDIUM TERM FINANCIAL STRATEGY 2024-25 TO 2027-28

	Scrutiny Recommendation:	Cabinet Response
Children's Services Framework		
30	<p>Members referred to a new framework that was being developed for working arrangements in Children's Social Services which was planned to be in place by 2026. In view of the predicted overspend and increasing budget pressures in Social Services, the Panel recommend that Officers and Cabinet explore the possibility of frontloading and accelerating the rollout of this Framework to try and stabilise the service and avoid further cost implications at an earlier stage. (BREP)</p>	
Support Services and ALN		
31	<p>EFS 12, 13 and 14 Support Services and Pupils with Additional Learning Needs</p> <p>The Committee highlighted the negative impact the proposed reductions of EFS, 12,13 and 14 would have on pupils with Additional Learning Needs (ALN) as identified by Headteacher representatives at the meeting. Members were particularly concerned with the fact that these reductions could result in the Authority not meeting its statutory duties to these children and young people in meeting the timescales for assessments. The Committee strongly supported the view of how important these assessment for pupils with ALN were, many of which have complex needs, thus requiring a swift assessment so that they are able to access the support services they require. As a result of these concerns and the Authority's legal obligation to these pupils, the Committee recommend that EFS 13 and 14 be removed from the budget reduction proposals and that these associated budgets be ringfenced against future reduction.</p>	

SCRUTINY RECOMMENDATIONS ON THE MEDIUM TERM FINANCIAL STRATEGY 2024-25 TO 2027-28

	Scrutiny Recommendation:	Cabinet Response
	Members proposed that this saving of £67,000 could potentially be found from within the proposed £500,000 growth proposed under EFS4, and asked for clarification for the Corporate Overview and Scrutiny Committee, of what this £500,000 incorporated, for consideration by Members at the final budget meeting on the 30 th of January. (SOSC1)	
32	Building upon the above recommendation, the committee expressed strong concern over all proposed reductions which highlight a potential impact in meeting the Authority's statutory duties. Members highlighted the significant ramifications this could have for the Local Authority and recommend that Cabinet guard against this as a priority, revisiting those proposals which put the delivery of statutory duties at risk. (SOSC1)	
<u>Financial Scheme for Schools</u>		
33	Whilst appreciating that proposed changes to the school funding formula (other than that bound by legislation) can be raised and discussed by the School Budget Forum, Members highlighted the fact that as circumstances have changed so much since the Covid pandemic, and the funding pressures now being faced by schools, there was a need for the Local Authority to instigate a review of the financial scheme for schools. The Committee also expressed concern over reports that primary school governing bodies may have not been involved or consulted upon previous reviews and changes to the funding formula. The Committee therefore recommend that a full review of the financial scheme and funding formula	

SCRUTINY RECOMMENDATIONS ON THE MEDIUM TERM FINANCIAL STRATEGY 2024-25 TO 2027-28

	Scrutiny Recommendation:	Cabinet Response
	for schools be undertaken, with full involvement of both primary and secondary governing bodies supported by training provision on this subject so that governors, who are, after all, volunteers, are suitably informed to participate fully in the review. (SOSC1)	
Vulnerable People		
34	<p>The Committee recommended that to protect our most vulnerable, given the better than expected settlement equating to an additional £1M and any other potential additional funding received by the Final Settlement, that Cabinet be asked to reassess the following Budget Reduction Proposals for the reasons stated for each:</p> <ul style="list-style-type: none"> a. SSW16 - The Committee expressed concern regarding the removal of 50% of the budget to reduce or remove support for children and young people with additional needs and families to access community activities and opportunities, given the potential high impact upon the individual and their families and risks detailed in the report. b. SSW20 - The Committee expressed concern regarding the removal of the caseworker resource and efficiency savings from the third Sector Contracts - hospital discharge and that the loss of this service could impact negatively on timely support for people to return home from hospital. (SOSC2) 	

SCRUTINY RECOMMENDATIONS ON THE MEDIUM TERM FINANCIAL STRATEGY 2024-25 TO 2027-28

	Scrutiny Recommendation:	Cabinet Response
<u>OOO Placements</u>		
35	The Committee reflected on the high cost of Independent Residential Placements for Care Experienced Children and the cost of those placements that were Out of County and while recognising the complexities and difficulties and whilst supporting the plan in place and the work ongoing, recommended that bringing those placements back into county provision where possible be emphasised as a priority, to meet needs and work towards reducing the cost over two to three years. (SOSC2)	
<u>Engagement with Town and Community Councils</u>		
36	COM6 In relation to Bereavement Services and potential future efficiency savings, Members recommended that the Local Authority engage with Town and Community Councils to consider where they might be able to assist and take on some future responsibilities for the maintenance of cemeteries within the County Borough. (SOSC3)	
37	COM9 In relation to the cessation of the Shopmobility scheme, the Committee recommended that the Authority consider approaching Bridgend Town Council to explore if they had any interest in taking on and maintaining the service. (SOSC3)	
<u>Bridgend Bus Station</u>		
38	COM8 a Whilst acknowledging that the proposed closure of Bridgend Bus station relates to 2025-2026 budget savings, the Committee expressed strong concerns over the impact of this proposal including how it will affect the community,	

SCRUTINY RECOMMENDATIONS ON THE MEDIUM TERM FINANCIAL STRATEGY 2024-25 TO 2027-28

	Scrutiny Recommendation:	Cabinet Response
	<p>Bridgend town and its transport links. The Committee referred to other large bus stations in other Local Authorities where they have utilised wall space with advertising, thereby creating an income for the Authority. Given the amount of potential advertising space that is available at Bridgend Bus Station, the Committee recommended that the Authority remove COM8 as a potential efficiency saving and instead replace it with a proposal for potential commercial income generation in order to protect the bus station for the future.</p> <p>b In addition to this, supporting what the Corporate Director, Communities stated about looking at the Council's assets and how they could be more energy efficient, the Committee recommend that the Directorate explore potential energy efficient initiatives that could be made on Bridgend bus station. Members suggested that solar panels, for example, could be installed on this facility which could assist in mitigating the station's associated costs. (SOSC3)</p>	
	Porthcawl Harbour	
39	<p>COM10 The Committee supported the proposal to review berthing fees for Porthcawl Marina, with agreement that the Council should not be subsidising this. The Committee were of the view, and therefore recommended, that this could be considered further, if not this year, for future years, to explore if there was any potential to increase the berthing fees for the</p>	

SCRUTINY RECOMMENDATIONS ON THE MEDIUM TERM FINANCIAL STRATEGY 2024-25 TO 2027-28

	Scrutiny Recommendation:	Cabinet Response
	marina as a method of income generation for the Authority. (SOSC3)	
<u>Street Cleansing</u>		
40	<p>COM20</p> <p>a The Committee had numerous concerns regarding COM 20 and the proposal to remove additional street cleansing resource given the potential visual and environmental impact this could have on communities across the Borough. Members recommended that if funding is provided via Central Government for teacher pensions, £125,000 of this be utilised to continue to fund street cleansing, thereby removing COM20 from the budget reductions. (SOSC 3)</p>	
41	<p>b In addition to this, as part of the need for transformational change within the Authority, the Committee recommend that the Council consider the potential for multi-skilled teams of staff who could cover a wider remit, such as grass-cutting and street cleaning as one example. The Committee propose that the Directorate look at what neighbouring Local Authorities are doing in this area, with the aim to provide a more effective, joined up service within Bridgend. (SOSC3)</p>	
<u>Community Recycling Centres</u>		
42	<p>COM25</p> <p>a In relation to the proposal to close all Community Recycling Centres by an additional day per week on the weekend, the Committee felt this was not acceptable, particularly given the fact that it had not seen the impact of the first day of closure as this has yet to come into effect. In light of the</p>	

SCRUTINY RECOMMENDATIONS ON THE MEDIUM TERM FINANCIAL STRATEGY 2024-25 TO 2027-28

	Scrutiny Recommendation:	Cabinet Response
	<p>impact this could have for the public and the Authority, including the visual impact and associated costs from a potential increase in fly-tipping, the Committee recommend that this proposal be removed. Members instead propose that some of this £60,000 be found by moving forward with the proposal to commercially let the Pandy Depot, identified at COM24, bringing this into 2024-25 savings.</p> <p>b Members also recommend that if further savings are still required, the Authority look instead to potentially reduce the opening hours for the Centres, rather than closing for an additional full day. Finally, in a worst-case scenario, should the Centres have to close for a second additional day, the Committee recommend this be another weekday, not a weekend, when the majority of the public would be looking to utilise the Centres.</p> <p>c Linked to COM25, the Committee further recommend that the Authority consider potential ways the Community Recycling Centres could work smarter, such as the introduction of appointments to reduce queues. Members commented that some Local Authorities had introduced appointments during the pandemic and had continued with this method as it had proved to be effective. (SOSC3)</p>	
<u>Green Innovation Cost Benefits</u>		
43	<p>COM30 Members commented on the decision to revert back to diesel waste vehicles and agreed that this was a</p>	

SCRUTINY RECOMMENDATIONS ON THE MEDIUM TERM FINANCIAL STRATEGY 2024-25 TO 2027-28

	Scrutiny Recommendation:	Cabinet Response
	<p>suitable saving given the view of Members that there was not enough evidence that Hydrotreated Vegetable Oil (HVO) fuel offered any greater fuel efficiency or air quality benefits as well as any benefits to local business. In light of the current and predicted future financial situation the Authority finds itself in, the Committee recommended that going forward no such 'green innovation' should be pursued unless it either contributes to revenue savings, offers a direct and tangible benefit to residents or enables a consequential efficiency elsewhere in the Council budget. (SOSC3)</p>	

Agenda Item 5

Meeting of:	CABINET
Date of Meeting:	6 FEBRUARY 2024
Report Title:	CAPITAL PROGRAMME UPDATE QUARTER 3 2023-24
Report Owner / Corporate Director:	CHIEF OFFICER – FINANCE, PERFORMANCE AND CHANGE
Responsible Officer:	HUW POWELL CAPITAL ACCOUNTANT
Policy Framework and Procedure Rules:	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.
Executive Summary:	<ul style="list-style-type: none">• The report provides an update on the capital budgets and expenditure as at 31 December 2023, the revised capital programme for 2023-24 to 2032-33 and the projected Prudential and Other Indicators for 2023-24.• Appendix A shows the budgets and spend to 31 December 2023 for the individual schemes in 2023-24.• Appendix B provides details of the revised capital programme for 2023-24 to 2032-33.• Appendix C provides details of the projected Prudential and Other Indicators for 2023-24.

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 to Cabinet on the capital programme position for 2023-24 as at 31 December 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**).

- ask Cabinet to 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 18 October 2023.

3. Current situation / proposal

3.1 Capital Programme Quarter 3 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 £49.114 million, of which £27.279 million is met from Bridgend County Borough Council (BCBC) resources, including capital receipts, revenue contributions from earmarked reserves and borrowing, with the remaining £21.835 million coming from external resources, including Welsh Government General Capital Grant. Table 1 below shows the capital programme for each Directorate from the October 2023 approved Council position to Quarter 3:

Table 1 – Capital Programme per Directorate 2023-24

Directorate	Approved Council October 2023 £'000	New Approvals/ Reductions £'000	Virements £'000	Slippage to future years £'000	Revised Budget 2023-24 £'000
Education & Family Support	34,616	-	-	(20,860)	13,756
Social Services and Wellbeing	1,983	-	-	-	1,983
Communities	37,224	169	299	(12,540)	25,152
Chief Executive's	7,122	528	-	-	7,650
Council Wide	872	-	(299)	-	573
Total	81,817	697	-	(33,400)	49,114

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
<i>BCBC Resources:</i>	
Capital Receipts	7,974
Earmarked Reserves	12,773
Unsupported Borrowing	1,516
Supported Borrowing	3,951
Other Loans	121
Revenue Contribution	944
Total BCBC Resources	27,279
<i>External Resources:</i>	
S106	1,207
Grants	20,628
Total External Resources	21,835
TOTAL RESOURCES	49,114

- 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 31 December 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).

Highways/Other Offsite Works Band B Schools (£3.300 million)

The highways budget in relation to Band B schemes will be expended once works have been designed and commissioned. It is anticipated that costs will be incurred in future years and will align to the revised Band B programme. Therefore £3.300 million has been slipped to 2024-25.

Héronsbridge Replacement (£3.700 million)

The Royal Institute of British Architecture (RIBA) Stage 2 has concluded. However, the programme is awaiting a Cabinet decision to progress to the next stage of the project. Therefore, £3.700 million has been slipped to 2024-25.

Mynydd Cynffig Replacement (£3.800 million)

The scheme is being progressed through RIBA Stage 3. Confirmation of the total funding of the scheme will be required in order to progress and £3.800 million is being slipped to 2024-25.

Y G Bro Ogwr Replacement (£2.000 million)

The scheme is being progressed to RIBA Stage 2. Confirmation of the total funding of the scheme will be required in order to progress and £2.000 million has been slipped to 2024-25.

Land Purchase Band B (£2.028 million)

The programmes for Heronsbridge School and Bridgend West Mutual Investment Model (MIM) have slipped, and land will be acquired to deliver the projects in line with revised programmes once they are confirmed. Therefore £2.028 million has been slipped to 2024-25.

Bryntirion Comprehensive School New Teaching Block (£1.532 million)

Although the scheme was tendered, the successful bid was more than the available budget. The scheme is in the process of being value engineered and will be retendered with a reduced specification. The £1.532 million funding has been slipped to 2024-25.

Welsh Medium Childcare Provision Bridgend (£0.550 million)

Cabinet and Corporate Management Board (CCMB) have determined that the preferred way forward for the Welsh Medium Childcare Provision in Bridgend is to align the scheme with the Ysgol Gymraeg Bro Ogwr replacement school. Welsh Government officials have confirmed that the funding can be slipped to 2024-25.

Welsh Medium Childcare Provision Porthcawl (£0.550 million)

Cabinet and Corporate Management Board (CCMB) have determined that the preferred way forward for the Welsh Medium Childcare Provision in Porthcawl is to align the scheme with the Porthcawl Welsh-medium seedling school. Welsh Government officials have confirmed that the funding can be slipped to 2024-25.

Universal Primary Free School Meals (£1.035 million)

Welsh Government have provided funding to improve and update the school kitchen infrastructure to help support the roll out of Universal Primary Free School Meals and works are progressing on the updating of kitchen facilities, provision of kitchen pods and an extension at Trelales Primary. The extension at Trelales and works on a small number of kitchen pods will not be completed by the end of the financial year, therefore £1.035 million is being slipped to 2024-25.

Community Focused Schools (£1.215 million)

Schemes are at various stages of development and delivery. However, due to internal resourcing capacity, not all schemes identified for completion in 2023-24 can be delivered by the end of this financial year. Welsh Government officials have confirmed that schemes can be delivered in 2024-25.

Community Play Areas (1.800 million)

A refurbishment programme is underway of dated Children's Play Area Facilities throughout the county borough, based on need identified via an annual externally commissioned inspection. The contract for the second phase of refurbishments has now been awarded, and due to the lead time on the delivery of the new equipment the majority of this work will now take place in 2024-25. £1.800 million has been slipped to 2024-25 to fund these refurbishments.

Cardiff Capital Region City Deal (£2.586 million)

As a result of a Cardiff Capital Region (CCR) reprofile of the capital contributions required for the City Deal, the Council's remaining commitment has been reprofiled over the period to 2030-31. The Council is not required to make a contribution in the current year.

Fleet Vehicles (£1.800 million)

There is a desire to replace existing fleet vehicles with electric vehicles to support the route to decarbonisation. However, the availability of sufficient charging facilities contributing to "mileage anxiety", as well as the increased cost per vehicle in comparison to an equivalent petrol or diesel vehicle, is resulting in departments delaying the renewal of their fleet. Two orders have been placed for the Highways department, but due to the specialist nature of these vehicles they will not be delivered until 2024-25. Therefore, £1.800 million has been slipped for use in 2024-25.

Ewenny Road Industrial Estate (£3.493 million)

It was originally envisaged that the Ewenny Road scheme would be delivered within the 2022-23 financial year as this was achievable at the time the CCR grant funding was secured. Since the grant was confirmed there has been substantial delays associated with reaching an agreed funding contract with CCR that did not create any undue risk for BCBC and additional planning requirements, which have now been resolved. Whilst a funding contract with CCR has now been agreed it is anticipated that works will not commence on-site until the end of March or early April. Therefore, £3.493 million has been slipped to 2024-25.

CESP/Arbed (£1.000 million)

The procurement process is expected to be completed in the coming weeks, with the remedial works to commence in late February 2024. The estimated value of the works

to be completed by the end of the financial year is £0.270 million, therefore £1.000 million has been slipped to fund the remedial works to be undertaken in 2024-25.

Shared Prosperity Fund (£0.900 million)

The Shared Prosperity fund is working with local businesses, providing funding to assist with capital works and refurbishments. Due to delays with the legal and procurement processes, works being funded from the Shared Prosperity Fund were delayed until these processes were finalised. Grant payments will be made to the recipients once the work has been completed, which means the majority of grant payments will now be made in 2024-25.

The balance of £2.111 million is made up of various other schemes with individual slippages under £0.500 million.

- 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:

Coychurch Crematorium Works (£0.049 million)

The contract for the construction of the Flower Court to the rear of the main chapel has required some unforeseen additional works which have increased the anticipated capital spend. These works have included groundworks and drainage alterations, additional sustainable drainage systems (SuDS), replacement and realignment of main utilities, CCTV and intruder alarm cabling, works to the existing immediate area for safety purposes (existing brick flooring, steps and tarmac area, surface of main car park), alterations to roofing materials and the addition of specialist glass artwork within the canopy. The addition of £0.049 million will be funded from the Crematorium's accumulated balance.

Traffic Signal Replacement (£0.299 million)

A budget has been established to replace the traffic light infrastructure on the Coity Castle Gyratory. It has been fixed numerous times but is now at the end of its life and it is at the point of failure, which would cause severe traffic congestion in and around the town centre. An urgent delegated power was processed to enable this scheme to progress quickly, and £0.299 million has been vired from the unallocated capital budget to fund this essential work.

Cosy Corner (£0.120 million)

The costs for Cosy Corner have now been agreed with the contractor, resulting in an overspend of £0.120 million against the existing budget. The additional budget will be funded by a revenue contribution from the Special Regeneration Fund.

Disability Facilities Grants (£0.122 million)

The Council have been awarded £0.122 million from Cwm Taf Morgannwg's Housing with Care Fund to fund works in 2023-24. The Purpose of the Housing with Care Fund (HCF) is 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 funding will be used to support small scale Disabled Facilities Grant projects that are regarded as a priority.

Leasing Scheme Wales (£0.026 million)

The Council have been awarded £1.402 million capital funding from Welsh Government's Leasing Scheme Wales fund to support a leasing scheme, of which £0.026 million is available in 2023-24. The funding relates to the period 1 January 2024 to 31 March 2032 and will support those who are at risk of or experiencing homelessness according to the definition in the Housing (Wales) Act 2014. The Scheme will provide tenants with longer term security of accommodation (of between 5 - 20 years) at a rent restricted to local housing allowance (LHA) levels. The funding will enable the Council to lease suitable quality properties for a period of between 5 - 20 years on terms which are reasonable and appropriate to the market. At the end of the lease, the properties will be returned to the property owner.

Hwb Schools IT (£0.380 million)

£0.380 million has been added to Hwb Schools IT in relation to a range of planned ICT purchases in 2023-24. These will be funded from an existing earmarked reserve established for the purchase of ICT equipment by schools from their annual ICT SLA contributions.

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 where relevant to specific schemes.

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 3 update to 31 December 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 3 TO 31 DECEMBER 2023

APPENDIX A

	Budget 23-24 (Council Oct 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			(3,300)	100	7	100		
2	HERONSBRIDGE REPLACEMENT	4,200			(3,700)	500	340	500		
3	MYNYDD CYNFFIG REPLACEMENT	4,198			(3,800)	398	287	398		
4	Y G BRO OGWR REPLACEMENT	2,127			(2,000)	127	67	127		
5	BRIDGEND WEST MIM	-				-	-	-		
6	YSGOL GYFYN GYMRAEG LLANGYNWYD	100				100	3	100		
7	LAND PURCHASE BAND B SCHOOLS	2,028			(2,028)	-	-	-		
8	GATEWAY TO THE VALLEYS SECONDARY SCHOOL	32				32	-	32		
9	GARW VALLEY SOUTH PRIMARY PROVISION	70				70	9	70		
10	PENCOED PRIMARY SCHOOL BAND A	53				53	-	53		
11	GARW VALLEY PRIMARY HIGHWAYS WORKS	30				30	-	30		
12	PENCOED PRIMARY SCHOOL HIGHWAYS WORKS	56				56	-	56		
13	ABERCERDIN PRIMARY HUB	277				277	-	277		
14	BRYNTEG COMPREHENSIVE ALL WEATHER PITCH	402				402	304	402		
15	CHILDRENS DIRECTORATE MINOR WORKS	255				255	20	255		
16	SCHOOLS TRAFFIC SAFETY	68				68	12	68		
17	SCHOOL MODERNISATION	386				386	11	386		
18	PENCOED PRIMARY CLASSROOM EXTENSION	502			(400)	102	22	102		
19	COETY PRIMARY SCHOOL EXTENSION	544			(400)	144	-	144		
20	BRYNTIRION COMPREHENSIVE SIX CLASSROOMS	1,632			(1,532)	100	11	100		
21	EUCATION S106 SCHEMES	169				169	-	169		
22	MYNYDD CYNFFIG PRIMARY SCHOOL MOBILES	79				79	-	79		
23	SCHOOLS CAPITAL MAINTENANCE GRANT	4,629				4,629	1,836	4,629		
24	WELSH MEDIUM GRANT - BRIDGEND	550			(550)	-	-	-		
25	WELSH MEDIUM GRANT - OGMORE	65				65	65	65		
26	WELSH MEDIUM GRANT - PORTHCAWL	550			(550)	-	-	-		
27	WELSH MEDIUM - HIGHWAYS	22				22	-	22		
28	FREE SCHOOL MEALS	3,570			(1,035)	2,535	1,253	2,535		
29	COMMUNITY FOCUSED SCHOOLS	2,139			(1,215)	924	341	924		
30	ALN CAPITAL GRANT	928				928	74	928		
31	YSGOL GYMRAEG BRO OGWR MOBILE CLASSROOMS	249				249	35	249		
32	PORTHCAWL WELSH MEDIUM SEEDLING SCHOOL	370			(350)	20	-	20		
33	FLYING START CHILDCARE	185				185	77	185		
34	FLYING START EXTENSION - NANTYMOEL PRIMARY	580				580	27	580		
35	ICT SCHOOL EQUIPMENT BRYNTEG I PADS	96				96	96	96		
36	YOUTH SERVICE VEHICLE	75				75	75	75		
	TOTAL Education & Family Support	34,616	-	-	(20,860)	13,756	4,972	13,756	-	-

	Budget 23-24 (Council Oct 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

37	BRYN Y CAE - UPGRADE HFE'S	40			40	-	40		
38	TY CWM OGWR	41			41	18	41		
39	WELLBEING MINOR WORKS	110			110	4	110		
40	BAKERS WAY MINOR WORKS	10			10	-	10		
41	CHILDRENS RESIDENTIAL HUB	444			444	358	444		
42	TELECARE TRANSFORMATION	893			893	-	893		
43	TY CWM OGWR RESIDENTIAL CARE HOME HCF	41			41	38	41		
44	BREAKAWAY	100			100	1	100		
45	COMMUNITY CENTRES	197			197	17	197		
46	BRYNGARW HOUSE	8			8	-	8		
47	YSGOL BRYN CASTELL HARD COURT	99			99	-	99		
48	OGMORE VALLEY LIFE CENTRE	-			-	-	-		
TOTAL Social Services & Wellbeing		1,983	-	-	-	436	1,983	-	-

Communities

Street Scene

49	COMMUNITY PLAY AREAS	1,906		(1,800)	106	54	106		
50	PARKS/PAVILIONS/OTHER COMMUNITY ASSET TRANSFERS	1,019			1,019	488	1,019		
51	ABERFIELDS PLAYFIELDS	11			11	-	11		
52	CITY DEAL	2,586		(2,586)	-	-	-		
53	COYCHURCH CREM WORKS	753	49		802	802	802		
54	REMEDIAL MEASURES - CAR PARKS	135			135	-	135		
55	CIVIL PARKING ENFORCEMENT CAR	38			38	-	38		
56	20 MPH DEFAULT SPEED	1,089			1,089	663	1,089		
57	ROAD SAFETY SCHEMES	38			38	20	38		
58	HIGHWAYS STRUCTURAL WORKS	566		(181)	385	231	385		
59	CARRIAGEWAY CAPITAL WORKS	250			250	213	250		
60	HEOL MOSTYN JUNCTION	168			168	-	168		
61	PROW CAPITAL IMPROVEMENT STRUCTURES	68			68	15	68		
62	HIGHWAYS MAINTENANCE GRANT	1,000			1,000	121	1,000		
63	REPLACEMENT OF STREET LIGHTING	400			400	344	400		
64	RIVER BRIDGE PROTECTION MEASURES	22			22	-	22		
65	COMMUNITIES MINOR WORKS	484			484	30	484		
66	ULEV TRANSFORMATION FUND 2	299			299	275	299		
67	FLEET TRANSITION-ULEV	220			220	27	220		
68	NET ZERO CARBON FLEET	264			264	104	264		
69	PORHCRAWL BUS STATION CCRMETRO	3,778			3,778	1,457	3,778		
70	PENPRYSG ROAD BRIDGE	13			13	-	13		
71	RESIDENTS PARKING BRIDGEND TOWN CENTRE	109			109	-	109		
72	FLEET VEHICLES	2,079		(1,800)	279	-	279		
73	AHP WASTE	6			6	2	6		
74	CORNELLY CEMETERY EXTENSION	217			217	27	217		

	Budget 23-24 (Council Oct 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	
75	PORTHCAWL CEMETERY EXTENSION	177			177	13	177			
76	S106 HIGHWAYS SMALL SCHEMES	42			42	3	42			
77	UNADOPTED ROADS	433		(380)	53	17	53			
78	TONDU WASTE DEPOT UPGRADE FIRE	17			17	-	17			
79	PUFFIN CROSSING KENFIG HILL	14			14	6	14			
80	YNYSAWDRE TO BRYNCETHIN ATR	784			784	181	784			
81	COAL TIP SAFETY	200			200	-	200			
82	TRAFFIC SIGNAL REPLACEMENT	-		299	299	-	299			
	TOTAL Streetscene	19,185	49	299	(6,747)	12,786	5,094	12,786	0	0

Regeneration & Development

83	EU CONVERGANCE SRF BUDGET	436			436	-	436			
84	COSY CORNER (PRIF)	1,310	120		1,430	1,341	1,430			
85	PORTHCAWL REGENERATION PROJECT	420			420	304	420			
86	ECONOMIC STIMULUS GRANT	484			484	55	484			
87	COASTAL RISK MANAGEMENT PROGRAM	764			764	549	764			
88	EWENNY ROAD INDUSTRIAL ESTATE	3,493		(3,493)	-	-	-			
89	ARBED PHASE 1 CESP	1,273		(1,000)	273	109	273			
90	BRIDGEND HEAT SCHEME	-			-	-	-			
91	MAESTEG TOWN HALL CULTURAL HUB	2,452			2,452	1,456	2,452			
92	TOWN & COMMUNITY COUNCIL FUND	232			232	25	232			
93	PORTHCAWL TOWNSCAPE HERITAGE INITIATIVE	124			124	-	124			
94	COMM PROP ENHANCEMENT FUND	134			134	-	134			
95	CWM TAFF NATURE NETWORK	209			209	175	209			
96	URBAN CENTRE PROPERTY ENHANCE	562			562	-	562			
97	2030 DECARBONISATION	400			400	-	400			
98	SHARED PROSPERITY FRAMEWORK	1,889		(900)	989	30	989			
99	BRILLIANT BASICS	110			110	-	110			
100	LOCAL PLACES FOR NATURE	115			115	-	115			
101	PORTHCAWL GRAND PAVILION	537			537	258	537			
	TOTAL Regeneration & Development	14,944	120	-	5,393	9,671	4,302	9,671	-	-

Corporate Landlord

102	CAPITAL ASSET MANAGEMENT FUND	273			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	104	110			
107	BRYNCETHIN DEPOT FACILITIES	551		(400)	151	5	151			
108	WATERTON UPGRADE	-			-	-	-			
109	EVERGREEN HALL	89			89	22	89			
110	INVESTING IN COMMUNITIES	47			47	-	47			
	TOTAL Corporate Landlord	3,095	-	-	(400)	2,695	144	2,695	-	-

TOTAL Communities

	TOTAL Communities	37,224	169	299	(12,540)	25,152	9,540	25,152	-	-
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	Budget 23-24 (Council Oct 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

Chief Executive

11	MANDATORY DFG RELATED EXPEND	2,110	122	329		2,561	1,809	2,561	
112	DISCRETIONARY HOUSING GRANTS	329		(329)		-	-	-	
113	HOUSING RENEWAL AREA	315				315	208	315	
114	ENABLE GRANT	270				270	89	270	
115	HOMELESSNESS AND HOUSING	530				530	-	530	
116	HEALTH & WELLBEING VILLAGE	480				480	-	480	
117	AFFORDABLE HOUSING	844				844	-	844	
118	LEASING SCHEME WALES	-	26			26	-	26	
TOTAL Housing/Homelessness		4,878	148	-	-	5,026	2,106	5,026	-

119	ICT INFRA SUPPORT	766				766	204	766	
120	DIGITAL TRANSFORMATION	180				180	5	180	
121	CCTV SYSTEMS REPLACEMENT	38				38	-	38	
122	ICT DATA CENTRE REPLACEMENT	1,260				1,260	977	1,260	
123	HWB SCHOOLS IT	-	380			380	75	380	
TOTAL ICT		2,244	380	-	-	2,624	1,261	2,624	-

TOTAL Chief Executive		7,122	528	-	-	7,650	3,367	7,650	-
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Council Wide Capital Budgets

124	CORPORATE CAPITAL FUND	573				573	-	573	
125	UNALLOCATED	299		(299)		-	-	-	
		872	-	(299)	-	573	-	573	-

GRAND TOTAL		81,817	697	-	(33,400)	49,114	18,315	49,114	-
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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

	2022-23	2023-24	2023-24
	Actual	Estimate	Projection
	£m	(Council Mar 23) £m	£m
Council Fund services	29.230	69.045	49.114
TOTAL	29.230	69.045	49.114

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

	2022-23	2023-24	2023-24
	Actual	Estimate	Projection
	£m	(Council Mar 23) £m	£m
External sources	22.192	22.891	21.835
Own resources	0.227	36.481	21.691
Net Financing Requirement	6.811	9.673	5.588
TOTAL	29.230	69.045	49.114

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)	3.529	2.989	3.298
Additional Voluntary Revenue Provision (VRP)	2.132	2.414	2.273
Total MRP & VRP	5.661	5.403	5.571
Other MRP on Long term Liabilities	0.863	0.929	0.929
Total Own Resources	6.524	6.332	6.500

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
Capital Financing Requirement			
Opening CFR excluding PFI & other liabilities	161.451	167.556	162.600
Opening PFI CFR	14.765	13.903	13.903
Total opening CFR	176.216	181.459	176.503
Movement in CFR excluding PFI & other liabilities	1.149	4.270	0.017
Movement in PFI CFR	(0.862)	(0.929)	(0.929)
Total movement in CFR	0.287	3.341	(0.912)
Closing CFR	176.503	184.800	175.591
Movement in CFR represented by:			
Net financing need for year (Table 2 above)	6.811	9.673	5.588
Minimum and voluntary revenue provisions	(5.661)	(5.403)	(5.571)
MRP on PFI and other long term leases (Table 3)	(0.863)	(0.929)	(0.929)
Total movement	0.287	3.341	(0.912)

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

	2022-23 Actual £m	2023-24 Estimate (Council Mar 23) £m	2023-24 Projection £m
Debt (incl. PFI & leases)	119.820	112.186	117.336
Capital Financing Requirement	176.503	184.801	175.591

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

	2022-23 Actual £m	2023-24 Estimate (Council Mar 23) £m	2023-24 Projection £m
Authorised limit – borrowing	170.000	170.000	170.000
Authorised limit – other long term liabilities	30.000	30.000	30.000
Authorised Limit Total	200.00	200.000	200.000
Operational boundary – borrowing	130.000	130.000	130.000
Operational boundary – other long term liabilities	25.000	25.000	25.000
Operational Boundary Limit Total	155.000	155.000	155.000
Total Borrowing and Long Term Liabilities	119.820	112.186	117.336

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	2023-24	2023-24
	Actual	Estimate	Projection
	£m	(Council Mar 23) £m	£m
Capital Financing Central	5.060	6.553	5.440
Other Financing costs	4.079	4.360	4.220
TOTAL FINANCING COSTS	9.139	10.913	9.660
Proportion of net revenue stream	2.85%	3.19%	2.82%

This shows that in 2023-24, it was forecast that 3.19% of the Council's net revenue income will be spent on paying back the costs of capital expenditure. The current projection is anticipating it will be 2.82%.

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	2023/24	2023/24
	Actual	Estimate	Projection
	£m	£m	£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 'disproportionate' to the Council's overall income.

Agenda Item 6

Meeting of:	CABINET
Date of Meeting:	6 FEBRUARY 2024
Report Title:	TREASURY MANAGEMENT QUARTER 3 REPORT 2023-24
Report Owner / Corporate Director:	CHIEF OFFICER – FINANCE, PERFORMANCE AND CHANGE
Responsible Officer:	NIGEL SMITH, GROUP MANAGER – CHIEF ACCOUNTANT
Policy Framework and Procedure Rules:	Paragraph 22.5 of the Financial Procedure Rules require the Chief Finance Officer to report quarterly to the Cabinet, summarising borrowing and investment activity and indicating compliance with any statutory or Council approved guidelines.
Executive Summary:	<p>The report provides an update of Treasury Management activity for the period 1 April – 31 December 2023.</p> <p>As at 31 December 2023 the Council had £99.65 million of long term debt, £12.99 million of other long term liabilities and £64.50 million of short term investments, an overall net debt position of £48.14 million.</p> <p>The average interest rate for debt was 4.69% (excluding Salix borrowing which is interest free) and for investments it was 4.60%.</p> <p>The Council has a manageable maturity structure of borrowing, with its current debt repayable at various points over the next 30 years.</p> <p>The Council has complied with the Chartered Institute of Public Finance and Accountancy's Treasury Management Code and Welsh Government Investment Guidance.</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) to report an overview of treasury activities for the preceding financial year.

- Report on the Treasury Management Indicators for the period April to December 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 3.9% in November from the previous month where it was 4.6%, however it then unexpectedly increased if only slightly to 4% in December. This was against market expectations which are still expecting a downward trend. The increase was driven by increased tobacco and alcohol prices.
- 3.1.2 The Office for National Statistics produced figures which showed that the UK economy had contracted by 0.1% between July and September 2023. The unemployment rate rose slightly to 4.2% between June and August 2023, from 4.0% in the previous 3-month period, and estimates show it remained at 4.2% for September to November 2023 period.
- 3.1.3 The Bank of England's Monetary Policy Committee on the 14 December 2023 voted by a majority of 6-3 to maintain the official Bank Rate at 5.25%. This is still considered to be the peak for Bank Rate.

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 period to 31 December 2023.

3.3 Treasury Management update for period 1 April 2023 to 31 December 2023

- 3.3.1 The Council has complied with its legislative and regulatory requirements during 2023-24. The Treasury Management Strategy 2023-24 was approved by Council on 1 March 2023. The Half year report was presented to Cabinet on 17 October 2023.
- 3.3.2 A summary of the treasury management activities is shown in the Treasury Management Quarterly report to 31 December 2023 at **Appendix A**. The Council's external debt and investment position at 31 December 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 31 December 2023 was £64.5 million, with an average interest rate of 4.60%. The total balance of investments has decreased 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 31 December 2023

Investments for Treasury Purposes	Principal as at 31/03/2023 £m	Principal as at 30/12/2023 £m	Average Rate 30/12/2023 %
External Long Term Borrowing			
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
Total External Long Term Borrowing	99.93	99.79	4.69*
Other Long Term Liabilities			
Private Finance Initiative**	13.90	12.89	
Other Long Term Liabilities	0.23	0.10	
Total Other Long Term Liabilities	14.13	12.99	
Total Gross Debt	114.06	112.64	
Investments for treasury management purposes			
Debt Management Office	7.50	NIL	
Local Authorities	53.00	53.00	4.48
Money Market Funds (instant access)	NIL	3.00	5.35
Banks	14.00	8.50	5.08
Total Treasury Investments	74.50	64.50	4.60
Net Debt	39.56	48.14	

* Excluding Salix loans which are interest free

** (PFI) arrangement for the provision of a Secondary School in Maesteg 10.25 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 £12.99 million at 31 December 2023 includes £12.89 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 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 are no long-term investment (original duration of 12 months or more) outstanding as at 31 December 2023. All investments at 31 December 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 31 December 2023 are shown in the appendix 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 period 1 April 2023 to 31 December 2023
- Note the Treasury Management Indicators for the period ending 31 December 2023 against those approved in the Treasury Management Strategy 2023-24.

Background documents

None



Treasury Management Quarterly Report to 31 December 2023

Cyngor Bwrdeistref Sirol



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 TM 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 TM Code and the legal obligation under the Local Government Act 2003 to have regard to both the CIPFA TM 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 capital schemes approved within the capital programme. Therefore, any actual loans taken are not generally associated with particular items of expenditure or assets.

The Council 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 rates finally started to decline, mirroring the sharp but earlier drop seen in the Eurozone and US. Despite the fall, the Consumer Price Index (CPI) remained substantially in excess in the Bank of England's (BoE) 2% target, at 3.9% for November 2023. Market expectations for further rises in Bank Rate fell from October through to year end, indicating that the 5.25% level reached in August 2023 was indeed the peak for Bank Rate.

Economic growth in the UK remained weak over the period, edging into recessionary territory. In the 3rd quarter of the 2023 calendar year, the economy contracted by 0.1%, following no change in the 2nd quarter. Monthly Gross Domestic Product (GDP) data

showed a 0.3% contraction in October, following a 0.2% rise in September. While other indicators have suggested a pickup in activity in the subsequent months, quarter 4 GDP growth is likely to continue to be weak.

Revised July data showed the unemployment rate increased to 4.2% (3mth/year) while the revised employment rate rose to 75.7%. Pay growth edged lower as the previous strong pay rates waned; total pay (including bonuses) growth was 7.2% over the three months to October 2023, while regular pay growth was 7.3%. Adjusting for inflation, pay growth in real terms were positive at 1.3% and 1.4% for total pay and regular pay respectively.

Inflation continued to fall from its peak as annual headline CPI declined to 3.9% (down from 4.6%) in November 2023. The largest downward contribution came from energy and food prices. The November core rate also fell to 5.1% from 5.7%. However, the December figure rose, going against most expectations to 4% mainly driven by tobacco and alcohol prices.

The BoE's Monetary Policy Committee held Bank Rate at 5.25% throughout the period, although a substantial minority continued to vote for a 25 basis point rate rise. The Bank continues to tighten monetary policy through asset sales, as it reduces the size of its balance sheet. Financial market Bank Rate expectations moderated over the period as falling inflation and weakening data showed that higher interest rates were working in the UK, US, and Eurozone.

Following the December Monetary Policy Committee meeting, Arlingclose, the authority's treasury adviser, maintained its central view that 5.25% is the peak in Bank Rate. Short term risks are broadly balanced, 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. As such, while consumer confidence continued to improve over the period, it is likely this will reverse at some point and spending will struggle. Higher rates will also impact exposed businesses; according to S&P Global/CIPS UK survey data, the UK manufacturing and construction sectors contracted during the quarter. The services sector recovered, however, with the Purchasing Managers Index (PMI) rising strongly in December, possibly due to improving consumer confidence.

Arlingclose maintained the advised maximum duration limit for all banks on its recommended counterparty list to 35 days over the period.

In October, Moody's revised the outlook on the UK's Aa3 sovereign rating to stable from negative. This led to similar rating actions on entities that include an element of government support in their own credit ratings, including banks and housing associations. Local authorities were, however, downgraded on expectations of lower government funding.

3.0 EXTERNAL DEBT AND INVESTMENT POSITION

The Council's external debt and investments at 31 December 2023 is set out in Table 1 below. The Council held £99.65 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 July 2054 (no call was made in January 2024)
- £2.78 million of Salix interest-free loans

In addition, the Council had £64.5 million of investments for treasury management purposes and £5.84 million of investments for commercial purposes.

Table 1: Council's external debt and investment position as of 31 December 2023

Investments for Treasury Purposes	Principal as at 31/03/2023 £m	Principal as at 30/12/2023 £m	Average Rate 30/12/2023 %
External Long Term Borrowing			
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	2.78	NIL
Total External Long Term Borrowing	99.93	99.65	4.69*
Other Long Term Liabilities			
Private Finance Initiative**	13.90	12.89	
Other Long Term Liabilities	0.23	0.10	
Total Other Long Term Liabilities	14.13	12.99	
Total Gross Debt	114.06	112.64	
Investments for treasury management purposes			
Debt Management Office	7.50	NIL	NIL
Local Authorities	53.00	53.00	4.48
Money Market Funds (instant access)	NIL	3.00	5.35
Banks	14.00	8.50	5.08
Total Treasury Investments	74.50	64.50	4.60
Net Debt	39.56	48.14	

Investments for Commercial Purposes	Fair Value as at 31/03/2023 £m	Anticipated return 31/12/2023 £m
Investments	5.84	0.460

* Excluding Salix loans which are interest free

** (PFI) arrangement for the provision of a Secondary School in Maesteg 10.25 years remaining term

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 at their next maturity date of 22 July 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 TM 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 £3.298 million.

Liability benchmark

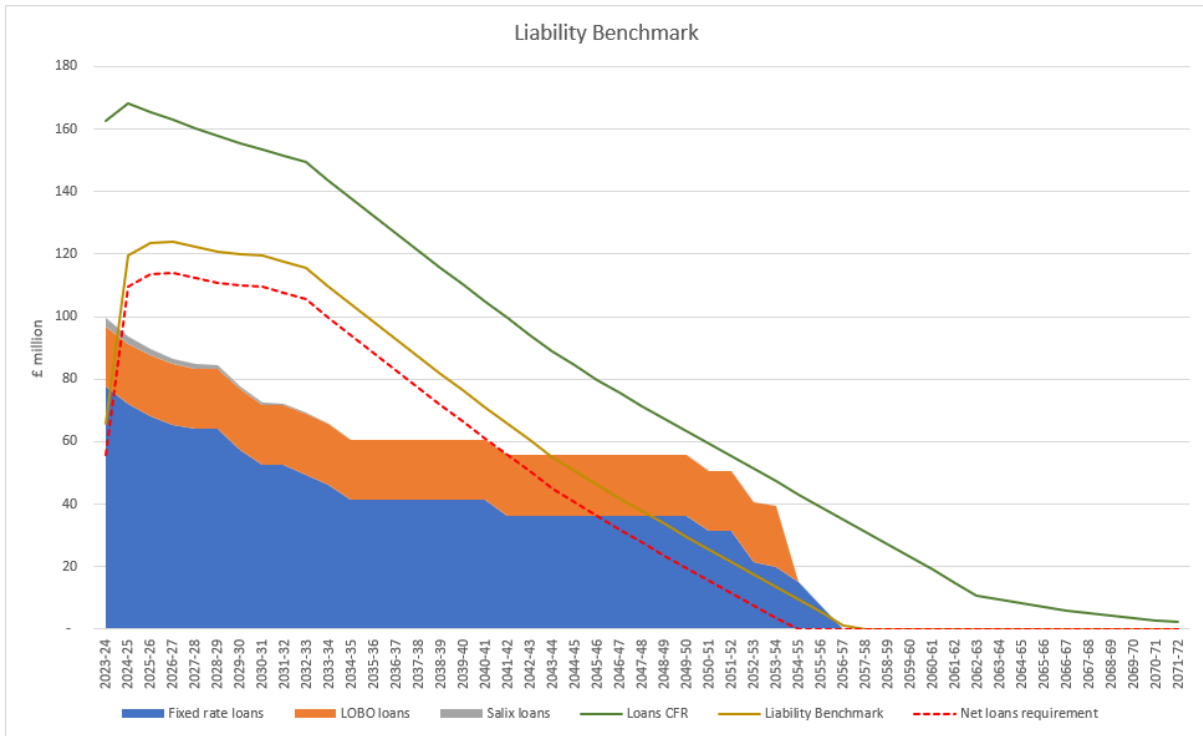
The liability benchmark is a tool which helps to assess the lowest level of borrowing the Council needs, taking into account available cash resources to fund capital expenditure in the short term. A minimum level of investments is factored into the calculation, set at £10 million, which are held as reasonably liquid 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	176.21	184.81	175.58	185.75	182.45
Less: Other debt liabilities	(13.90)	(12.97)	(12.97)	(11.97)	(10.90)
Loans Capital Financing Requirement	162.31	171.83	162.61	173.78	171.55
Less: Balance Sheet Resources	(139.06)	(84.14)	(94.20)	(53.95)	(47.63)
Plus: Liquidity allowance	10.00	10.00	10.00	10.00	10.00
Liability Benchmark	33.25	97.69	78.41	129.83	133.92

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 may need to consider borrowing long term in 2024-25 although this is based on a number of assumptions including the forecast capital programme expenditure and the level and use of reserves.

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 to take new long-term borrowing.

4.0 BORROWING

As at 31 December 2023 the Council held £99.60 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.

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 TM 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

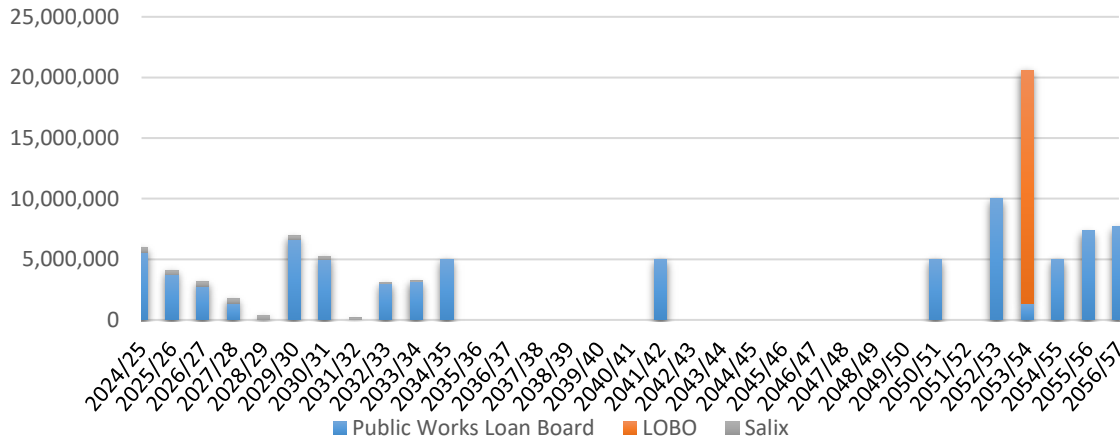
The maturity structure of borrowing indicator is set to control the Council's exposure to refinancing risk with respect to the maturity of the Council's external borrowing. The limits are set to avoid having large amounts of debt maturing in a short space of time. and is the amount of projected borrowing 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 31 Dec 2023
Under 12 months	50%	0%	19.64	19.71%
12 months and within 24 months	25%	0%	8.74	8.77%
24 months and within 5 years	25%	0%	6.20	6.22%
5 years and within 10 years	40%	0%	15.54	15.60%
10 years and within 20 years	50%	0%	13.14	13.19%
20 years and above	60%	25%	36.39	36.52%

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.

Maturity Profile of long term debt



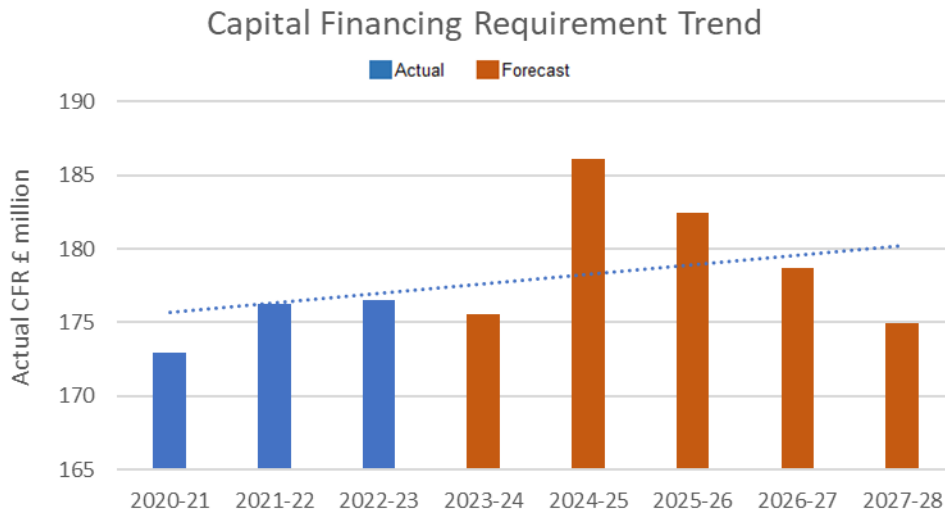
None of the LOBO loans have had to be repaid during the period to 31 December 2023. All the LOBO loans are subject to the lender having the right to change the rate of interest payable during the financial year at either of two trigger points in January and July, with the Council having the right to 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.

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 £62.96 million as at 31 Dec 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 forecast CFR as at 31 March 2024 is £184.80 million, external borrowing is £99.65 million 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 31 December 2023 the Council held £64.50 million of investments, with an weighted average return of 4.35% (£85.50 million at 4.16% as at 30 September 2023). Table 6 below shows the investment profile as at 31 December 2023.

Table 6: Investments by counterparty type

Investment Category	Balance 1 April 2023	Investments made in period	Investments repaid in period	Balance 31 Dec 2023	Weighted interest rate 1 April 2023 to 31 Dec 2023
	£m	£m	£m	£m	%
Government DMO	7.50	343.90	(351.40)	0.00	5.04
Local Authorities	53.00	34.00	(34.00)	53.00	4.04
Money Market Funds	-	55.60	(52.60)	3.00	4.92
Banks (fixed maturity dates)	3.00	27.00	(27.0)	3.00	4.89
Banks (instant access/notice accounts)	11.00	55.05	(60.55)	5.50	3.78
TOTAL	74.50	515.55	(525.55)	64.50	4.35

The following should be noted:

- During the period to 31 December 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 31 December 2023.

The overall interest receivable from treasury investments for the period 1 April 2023 to 31 December 2023 was £3.12 million. Although interest rates are expected to have reached their peak, the returns on new investments may vary as there will be a time lag on the overall average rates for existing investments until historic investments mature and monies are reinvested. 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. All investments as at 31 December 2023 were short term of less than one year duration.

Table 7: Sums invested for periods longer than a year

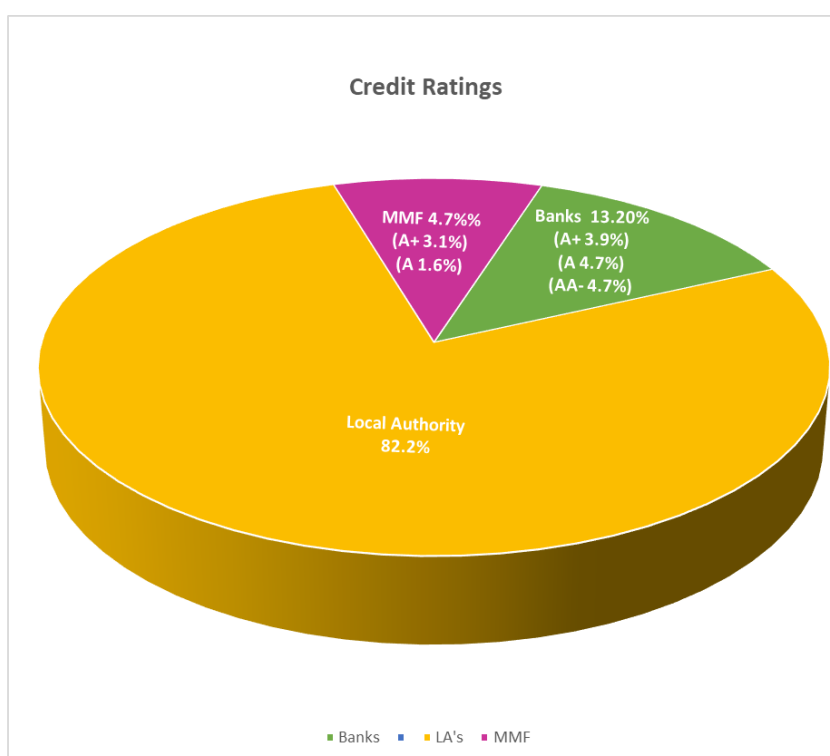
Price risk indicator	TMS 2023-24 £m	Actual £m	Full term maturity
Limit on principal invested beyond financial year end	15	NIL	NIL

The below table details the Council’s investments by counterparty and maturity profile.

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	Deposits maturing after 12 months £m	TOTAL £m
Government DMO	-	-	-	-	-	-
Local Authorities	-	4.00	15.00	34.00	-	53.00
Money Market Funds	3.00	-	-	-	-	3.00
Banks	2.50	3.00	3.00	-	-	8.50
Total	5.50	7.00	18.00	34.00	-	64.50

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. Although the council did not have deposits with the Government DMO at 31 December 23 it did use them during the period. These are 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 31 December 2023.

Table 9: Interest Rate Exposure

Interest rate risk indicator	£ million
One year revenue impact of a 1% rise in interest rates	(0.449)
One year revenue impact of a 1% fall in interest rates	0.642

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 31 December 2023 is shown below.

Table 10: Interest

	01 April 2023 – 31 December 2023 £ million
Interest expenditure payable on long term borrowing	3.406
Interest income received in period	(3.123)
Net interest cost	0.283

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 to reflect market conditions and the current value at the time they are valued, otherwise known as Fair Value, which provides security of their value and continued benefit to the Council.

Table 11: Non-treasury investments

Non-treasury investments	£ million
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
Total at Fair Value	5.845
Anticipated annual return 2023-24	0.460

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 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			
INVESTMENT GRADE	Extremely strong	AAA		Aaa		AAA				
	Very strong	AA+	F1+	Aa1	P-1	AA+	A-1+			
		AA		Aa2		AA				
		AA-		Aa3		AA-				
	Strong	A+	F1	A1	P-2	A+	A-1			
		A		A2		A				
		A-		A3		A-				
	Adequate	BBB+	F2	Baa1	P-3	BBB+	A-2			
		BBB		Baa2		BBB				
BBB-		Baa3		BBB-						
SPECULATIVE GRADE	Speculative	BB+	B	Ba1	Not Prime (NP)	BB+	B			
		BB		Ba2		BB				
		BB-		Ba3		BB-				
	Very speculative	B+		B1		B+				
		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 – December 2023

	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
Official Bank Rate													
Upside risk	0.00	0.00	0.25	0.25	0.50	0.50	0.50	0.50	0.50	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
3-month money market rate													
Upside risk	0.00	0.00	0.25	0.25	0.50	0.50	0.50	0.50	0.50	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
5yr gilt yield													
Upside risk	0.00	0.25	0.75	0.85	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00
Central Case	3.77	3.75	3.75	3.75	3.70	3.60	3.50	3.50	3.40	3.30	3.30	3.30	3.35
Downside risk	0.00	-0.25	-0.75	-0.85	-1.00	-1.00	-1.00	-1.00	-1.00	-1.00	-1.00	-1.00	-1.00
10yr gilt yield													
Upside risk	0.00	0.25	0.75	0.85	0.85	0.90	1.00	1.00	1.00	1.00	1.00	1.00	1.00
Central Case	3.72	3.75	3.80	3.80	3.80	3.80	3.80	3.80	3.75	3.65	3.60	3.65	3.70
Downside risk	0.00	-0.25	-0.75	-0.85	-1.00	-1.00	-1.00	-1.00	-1.00	-1.00	-1.00	-1.00	-1.00
20yr gilt yield													
Upside risk	0.00	0.25	0.75	0.85	0.85	0.90	1.00	1.00	1.00	1.00	1.00	1.00	1.00
Central Case	4.16	4.20	4.20	4.20	4.20	4.20	4.20	4.20	4.20	4.20	4.20	4.20	4.25
Downside risk	0.00	-0.25	-0.75	-0.85	-1.00	-1.00	-1.00	-1.00	-1.00	-1.00	-1.00	-1.00	-1.00
50yr gilt yield													
Upside risk	0.00	0.25	0.75	0.85	0.85	0.90	1.00	1.00	1.00	1.00	1.00	1.00	1.00
Central Case	3.76	3.80	3.85	3.90	3.90	3.90	3.90	3.90	3.90	3.90	3.95	3.95	3.95
Downside risk	0.00	-0.25	-0.75	-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%

- UK inflation and wage growth remain elevated but have eased over the past two months fuelling rate cuts expectations. Near-term rate cuts remain unlikely, although downside risks will increase as the UK economy likely slides into recession.
- The MPC's message remains unchanged as the Committee seeks to maintain tighter financial conditions. Monetary policy will remain tight as inflation is expected to moderate to target slowly, although some wage and inflation measures are below the Bank's last forecasts.
- Despite some deterioration in activity data, the UK economy remains resilient in the face of tighter monetary policy. Recent data has been soft but mixed; the more timely PMI figures suggest that the services sector is recovering from a weak Q3. Tighter policy will however bear down on domestic and external activity as interest rates bite.
- Employment demand is easing. Anecdotal evidence suggests slowing recruitment and pay growth, and we expect unemployment to rise further. As unemployment rises and interest rates remain high, consumer sentiment will deteriorate. Household and business spending will therefore be weak.
- Inflation will fall over the next 12 months. The path to the target will not be smooth, with higher energy prices and base effects interrupting the downtrend at times. The MPC's attention will remain on underlying inflation measures and wage data. We

believe policy rates will remain at the peak for another 10 months, or until the MPC is comfortable the risk of further 'second-round' effects has diminished.

- Maintaining monetary policy in restrictive territory for so long, when the economy is already struggling, will require significant loosening in the future to boost activity.
- Global bond yields will remain volatile. Markets are currently running with expectations of near-term US rate cuts, fuelled somewhat unexpectedly by US policymakers themselves. Term premia and bond yields have experienced a marked decline. It would not be a surprise to see a reversal if data points do not support the narrative, but the current 10-year yield appears broadly reflective of a lower medium-term level for Bank Rate.
- There is a heightened risk of fiscal policy and/or geo-political events causing substantial volatility in yields.

Agenda Item 7

Meeting of:	CABINET
Date of Meeting:	6 FEBRUARY 2024
Report Title:	ESTABLISHMENT OF A SHADOW GOVERNING BODY AND APPOINTMENT OF LOCAL AUTHORITY GOVERNORS AT OGMORE VALE PRIMARY SCHOOL
Report Owner / Corporate Director:	CORPORATE DIRECTOR – EDUCATION AND FAMILY SUPPORT
Responsible Officer:	SUE ROBERTS, GROUP MANAGER SCHOOL SUPPORT
Policy Framework and Procedure Rules:	There is no effect upon the policy framework or procedure rules.
Executive Summary:	<p>As part of the transition from an interim executive board (IEB) to a full governing body (FGB), it is a requirement that a shadow governing body (SGB) is established to work alongside the IEB for at least six months before the IEB ceases and the SGB becomes the FGB.</p> <p>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.</p> <p>All school governing bodies have four compulsory groups of governors. One of these groups is local authority governors. The local authority appoints local authority governors.</p> <p>This report also details recommendations for appointments to current local authority governor vacancies at Ogmores Vale Primary School.</p>

1. Purpose of report

1.1 The purpose of this report is to:

- inform Cabinet of the establishment of a shadow governing body (SGB) at Ogmores Vale Primary School as part of the transition from the interim executive board (IEB) back to a full governing body; and to

- seek approval from Cabinet for the appointment of local authority governors to the school governing bodies listed at paragraph 3.2.

2. Background

- 2.1 In accordance with the provisions of Part 2 of the School Standards and Organisation (Wales) Act 2013, and Welsh Government Statutory Guidance Document (222/2017) Schools Causing Concern, an IEB established on 28 May 2021 to replace the governing body at Ogmore Vale Primary School.
- 2.2 Part of the function of the IEB has been to create and support a SGB which, after working together for six months, will assume the full powers of a governing body.
- 2.3 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 the school governing body (see paragraph 3.1 and Appendix A).

3. Current situation/proposal

- 3.1 Recruitment has begun for the compulsory groups of governors to a shadow governing body which will be established on 29 February 2024. The IEB will cease on 31 August 2024 and the SGB will become the full governing body on 1 September 2024.
- 3.2 For the three current local authority governor vacancies at the school as set out 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:

Name of applicant	School
Mrs Kate Clarke	Ogmore Vale Primary School
Mr Michael Simmonds	Ogmore Vale Primary School
Cllr Delyth Hughes	Ogmore Vale Primary School

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 note the procedural change from an IEB to an SGB at Ogmore Vale Primary School and to approve the appointments detailed at paragraph 3.2.

Background documents

None

Appendix A

The following table represents current and future local authority governor vacancies (up to the end of February 2024) 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	2 (current)	2 February 2024
Brackla Primary School	1 (current) 1 (vacant from 22 January 2024)	2 February 2024
Brynmenyn Primary School	1 (current)	2 February 2024
Bryntirion Infant School	1 (current)	2 February 2024
Caerau Primary School	2 (current)	2 February 2024
Corneli Primary School	2 (current)	2 February 2024
Croesty Primary School	1 (current)	2 February 2024
Cwmfelin Primary School	1 (current)	2 February 2024
Ffaldau Primary School	2 (current)	2 February 2024
Garth Primary School	1 (current)	2 February 2024
Litchard Primary School	1 (current)	2 February 2024
Maes yr Haul Primary School	1 (current)	2 February 2024
Mynydd Cynffig Primary School	1 (current)	2 February 2024
Nantyffyllon Primary School	1 (current)	2 February 2024
Newton Primary School	1 (vacant from 22 January 2024)	2 February 2024
Nottage Primary School	3 (current)	2 February 2024
Pencoed Primary School	1 (current)	2 February 2024
Penybont Primary School	1 (current)	2 February 2024
Pîl Primary School	1 (current)	2 February 2024
Plasnewydd Primary School	1 (current)	2 February 2024

Trelales Primary School	1 (current)	2 February 2024
Tremains Primary School	1 (current)	2 February 2024
Tynyrheol Primary School	2 (current)	2 February 2024
Ysgol Bryn Castell	1 (current)	2 February 2024
Ysgol Gynradd Gymraeg Calon y Cymoedd	1 (current)	2 February 2024
Archbishop McGrath Catholic High School	1 (current)	2 February 2024
Brynteg School	1 (vacant from 22 January 2024)	2 February 2024
Cynffig Comprehensive School	1 (vacant from 22 January 2024)	2 February 2024
Coleg Cymunedol Y Dderwen	1 (current)	2 February 2024
Porthcawl Comprehensive School	1 (vacant from 22 January 2024)	2 February 2024
Ysgol Gyfun Gymraeg Llangynwyd	1 (current)	2 February 2024

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Agenda Item 8

Meeting of:	CABINET
Date of Meeting:	6 FEBRUARY 2024
Report Title:	INFORMATION REPORT FOR NOTING
Report Owner / Corporate Director:	CHIEF OFFICER – LEGAL AND REGULATORY SERVICES, HR AND CORPORATE POLICY
Responsible Officer:	MARK GALVIN – SENIOR DEMOCRATIC SERVICES OFFICER
Policy Framework and Procedure Rules:	There is no effect upon the policy framework and procedure rules.
Executive Summary:	To update Cabinet with a report for Members information and noting on the Outcomes of Estyn Inspections of Schools in Bridgend Autumn Term 2023.

1. Purpose of Report

- 1.1 The purpose of this report is to inform Cabinet of the Information Report for noting that has been published since its last scheduled meeting.

2. Background

- 2.1 At a previous meeting of Cabinet, it was resolved to approve a revised procedure for the presentation to Cabinet of Information Reports for noting.

3. Current situation / proposal

3.1 Information Report

The following Information Report has been published since the last meeting of Cabinet:-

Title

Date Published

Outcomes of Estyn Inspections of Schools
in Bridgend Autumn Term 2023

31 January 2024

3.2 Availability of Document

The document has been circulated to Elected Members electronically via email and placed on the Bridgend County Borough Council website. The document is available from the above date of publication.

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 as a result of this report.

6. Climate Change Implications

6.1 There are no Climate Change Implications from this report.

7. Safeguarding and Corporate Parent Implications

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

8. Financial Implications

8.1 There are no financial implications in relation to this report.

9. Recommendations

9.1 That Cabinet acknowledges the publication of the report referred to in paragraph 3.1 of this report.

Background documents

None

Meeting of:	CABINET
Date of Meeting:	6 FEBRUARY 2024
Report Title:	OUTCOMES OF ESTYN INSPECTIONS OF SCHOOLS IN BRIDGEND DURING AUTUMN TERM 2023
Report Owner / Corporate Director:	CORPORATE DIRECTOR – EDUCATION AND FAMILY SUPPORT
Responsible Officer:	SUE ROBERTS GROUP MANAGER SCHOOL SUPPORT
Policy Framework and Procedure Rules:	There is no impact on the Council’s policy framework or procedure rules.
Executive Summary:	This report contains information about the inspection of two primary schools, one secondary school and one special school that took place between October 2023 to November 2023.

1. Purpose of Report

1.1 The purpose of this report is to inform Cabinet of the outcomes of the Estyn inspection visits to:

- Coleg Cymunedol Y Dderwen;
- Heronsbridge School;
- Llangwydd Junior School; and
- Porthcawl Primary School.

2. Background

2.1 All four schools were previously inspected during the period of July 2013 to October 2015 under the old Estyn inspection framework.

2.2 Due to the COVID-19 pandemic, Estyn had suspended inspections across all schools for a one-year period.

2.3 During the spring and summer term 2022, Estyn piloted inspection arrangements that support renewal and reform in education in Wales. The new inspection reports will no longer include summative gradings, but instead will detail how well providers are helping a child to learn.

3. Current situation/proposal

3.1 During autumn term 2023, Estyn visited four schools in Bridgend, who were all inspected using the new approach. The full text of these reports is available on the Estyn website: www.estyn.gov.uk.

Coleg Cymunedol Y Dderwen

3.2 Coleg Cymunedol Y Dderwen was inspected by Estyn in October 2023 and the report was published on 4 December 2023.

3.3 Estyn noted the following as strengths of the school:

- Care, support, and guidance is a strength of the school and has a positive impact on, for example, pupils' attendance, including those eligible for free school meals.
- The school prepares pupils to make informed choices about their aspirations and future careers. All pupils have beneficial opportunities to learn about different careers pathways and participate in work experience placements in Year 10 and Year 12.
- The school's provision for pupils with additional learning needs (ALN) is a strength. The additional learning needs co-ordinator (ALNCO) works purposefully with an assistant ALNCO and the ALN team to ensure these pupils' needs are met.
- Pupils in the sixth form are mature and independent learners. They contribute meaningfully to school life, for example by supporting younger pupils through their role as mentors and subject, skills, or anti-bullying ambassadors. The 'Head Learners' team represent the student body with enthusiasm and confidence.

3.4 Coleg Cymunedol Y Dderwen's Estyn inspection report included the following recommendations:

Recommendation number	Recommendation
Recommendation 1	Streamline self-evaluation and improvement processes and ensure that they focus consistently on the impact of provision on pupil outcomes.
Recommendation 2	Increase the effectiveness of teaching by ensuring that it provides appropriate challenge for all pupils.
Recommendation 3	Strengthen provision for the progressive development of pupils' literacy, numeracy, and Welsh skills.

- 3.5 The local authority, along with Central South Consortium, will support the school in drawing up an action plan to show how the recommendations will be addressed. Estyn will work with the local authority to review the school's progress.

Héronsbridge School

- 3.6 Heronsbridge School was inspected by Estyn in October 2023 and the report was published on 4 December 2023.

- 3.7 Estyn noted the following as strengths of the school:

- A strong feature of the school is the decidedly positive behaviour of pupils and their highly effective attitudes to learning. Pupils develop very strong working relationships with staff. This supports them to know where to turn to for support and guidance.
- The school provides valuable opportunities for pupils to develop an understanding of incidental Welsh language skills across the curriculum through daily greetings, use of songs and key phrases. Welsh is interwoven throughout the school day and is a strength of the school.
- Teachers robustly track assessment data over time to inform curriculum design and monitor the progress of pupils. They use this information well to ensure that teaching builds securely on pupils' previous learning. This is a significant strength of the school.
- Parents are kept well informed about their child's progress and achievements through home to school diaries, phone calls, meetings, and detailed annual school reports. Communication between home and school is a significant strength of the school.
- Leaders carefully track a range of information about pupils, including attendance and behaviour. As a result, pupils attend well and nearly all pupils show improvements in their behaviour during their time at school. Attendance for the last academic year was higher than the all-Wales average. This is a notable strength in a school where pupil attendance rates are impacted by their complex medical needs.
- Heronsbridge was part of the pilot for schools as learning organisations (SLO) model. The ethos of this model underpins the school improvement processes extremely well. In addition, the model complements the school values and commitment by leaders and staff to continually improve as an organisation.
- Professional learning is a strength of the school. A rigorous process is in place to meet the professional learning needs of all staff.

- Leadership and management of the school is outstanding. Highly effective processes are in place that support improvement planning across the school strongly. Staff are highly motivated and manage the needs of pupils exceptionally well.

3.8 Estyn also invited the school to prepare two case studies on its work in relation to the curriculum and professional learning, for dissemination on Estyn’s website.

3.9 Heronsbridge School did not receive any recommendations from Estyn and is the second school in Bridgend to obtain this recognition.

Llangewydd Junior School

3.10 Llangewydd Junior School was inspected by Estyn in October 2023 and the report was published on 18 December 2023.

3.11 Estyn noted the following as strengths of the school:

- The provision for pupils with ALN is a strength and leaders ensure that provision is suitably adapted to meet all pupil needs in the Special Provision Classes (SPC) and in mainstream classes.
- All staff build and maintain positive working relationships with pupils, which foster a warm, supportive, and inclusive environment. Teachers’ expectations of pupils’ behaviour are high, and this results in the excellent behaviour seen across the school.
- Staff at Llangewydd Junior School create a friendly ethos, which has a positive effect on the development of pupils’ social and emotional skills. There is a culture of mutual respect between the staff and the pupils and, as a result, the pupils feel safe and respected in a caring community.
- Most pupils develop excellent speaking and listening skills. They engage effectively with staff and with each other. As pupils progress through the school, most develop a mature and extensive range of vocabulary. In general, they talk knowledgably about their work and school experience.

3.12 Llangewydd Junior School’s Estyn inspection report included the following recommendations:

Recommendation number	Recommendation
Recommendation 1	Embed leadership at all levels and strengthen the role of the governors to identify the school’s priorities for improvement successfully.

Recommendation 2	Ensure that teaching consistently provides opportunities to develop pupils' independent skills and challenges all pupils, particularly those who are more able.
Recommendation 3	Ensure that the curriculum is meaningful for all pupils and builds their Numeracy and ICT skills systematically and coherently across the school.
Recommendation 4	Provide pupils with opportunities to influence what and how they learn and to contribute to the development of the school.

3.13 The local authority, along with Central South Consortium, will support the school in drawing up an action plan to show how the recommendations will be addressed. Estyn will work with the local authority to review the school's progress.

Porthcawl Primary School

3.14 Porthcawl Primary School was inspected by Estyn in November 2023 and the report was published on 11 January 2024.

3.15 Estyn noted the following as strengths of the school:

- All staff have good working relationships with pupils which foster a caring and inclusive environment across the school. Teachers make valuable use of the highly skilled learning support officers and, together, they support learning effectively.
- The opportunities for pupils to develop their English-speaking skills are highly effective and a strength of the school.
- The school's support for pupils with ALN is a strength. Staff monitor progress carefully and effectively to identify and provide the support pupils need. The ALN co-ordinator works closely with outside agencies to plan purposeful support to enable pupils to progress in their learning and in their personal and social development.
- The headteacher has developed an inclusive and caring school culture. Together with the governors, staff, pupil, and parents, she has developed a vision that focuses strongly on pupil and staff well-being as the cornerstone of school improvement.

3.16 Porthcawl Primary School's Estyn inspection report included the following recommendations:

Recommendation number	Recommendation
Recommendation 1	Ensure that teaching consistently provides opportunities to challenge pupils of all abilities, so that they develop well as independent learners.
Recommendation 2	Provide opportunities for pupils to build their digital and listening skills systematically and coherently across the school.
Recommendation 3	Ensure that all activities in the Nursery to Year 2 classes have clear learning intentions.

3.17 Estyn inspectors concluded that the school is making sufficient progress and no follow-up action is required.

3.18 The local authority, along with Central South Consortium, will support the school in drawing up an action plan to show how the recommendations will be addressed.

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 of Future Generations (Wales) Act 2015 Assessment provides a comprehensive summary of the outcomes expected from the implementation of the service.

Long-term Supports the improvement of standards and outcomes in schools.

Prevention Development of post-inspection action plans or refinement of school improvement plans helped to ensure that recommendations identified are addressed and acted upon to secure school improvement, preventing standards from slipping. The local authority and Central South Consortium will continue to monitor the school's progress.

Integration Monitoring and acting upon school inspection reports is key to ensuring that outcomes for schools are achieved thus helping to support a successful economy.

Collaboration The local authority works closely with schools, Estyn and with Central South Consortium to deliver the well-being objectives related to school improvement. The local authority receives the

school inspection reports from Estyn and this informs the work conducted by Central South Consortium to deliver the support for school improvement services.

Involvement This area of work involves all stakeholders in school improvement. Schools work closely with Improvement Partners from Central South Consortium to refine their improvement plans or post-inspection action plans and to identify strategic support from the local authority, Central South Consortium and elsewhere (as required) reflecting the diversity of stakeholders involved in aspects of school improvement.

6. Climate Change Implications

6.1 There are no climate change implications arising directly from this information report.

7. Safeguarding and Corporate Parent Implications

7.1 There are no safeguarding or corporate parent implications arising directly from this information report.

8. Financial Implications

8.1 There are no financial implications arising directly from this information report.

9. Recommendation

9.1 It is recommended that Cabinet notes the content of this report.

Background documents

There are no background documents.

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