

Public Document Pack  
Cyngor Bwrdeistref Sirol Pen-y-bont ar Ogwr  
Bridgend County Borough Council



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

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

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



**Cyfarwyddiaeth y Prif Weithredwr / Chief Executive's Directorate**  
Deialu uniongyrchol / Direct line /: 01656 643148 / 643694 / 643513  
Gofynnwch am / Ask for: Gwasanaethau Democrataidd

Ein cyf / Our ref:  
Eich cyf / Your ref:

**Dyddiad/Date:** Dydd Mercher, 21 Ionawr 2026

Annwyl Cyngorydd,

**PWYLLGOR TROSOLWG A CHRAFFU CORFFORAETHOL**

Cynhelir Cyfarfod Pwyllgor Trosolwg a Chraffu Corfforaethol Hybrid yn Siambr y Cyngor - Swyddfeydd Dinesig, Stryd yr Angel, Pen-y-bont ar Ogwr, CF31 4WB / o bell drwy Microsoft Teams ar **Dydd Mawrth, 27 Ionawr 2026 am 10:00**.

**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

5 - 10

I dderbyn am gymeradwyaeth y Cofnodion cyfarfod y 11/12/2025

4 Strategaeth Ariannol Tymor Canolig 2026-27 I 2029-30

11 - 86

Gwahoddwyr:

Y Cyngorydd John Spanswick - Arweinydd

Y Cyngorydd Jane Gebbie - Dirprwy Arweinydd / Aelod Cabinet dros Wasanaethau Cymdeithasol, Iechyd a Llesiant

Y Cyngorydd Hywel Williams - Aelod Cabinet dros Gyllid a Pherfformiad

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

Cyfnwedd testun: Rhowch 18001 o flaen unrhyw un o'n rhifau ffon ar gyfer y gwasanaeth trosglwyddo testun

Test relay: Put 18001 before any of our phone numbers for the text relay service

Rydym yn croseawu gohebiaeth yn y Gymraeg. Rhowch wybod i ni os yw eich dewis iaith yw'r Gymraeg

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

Y Cyngorydd Martyn Jones - Aelod Cabinet dros Wasanaethau Addysg ac Iechyd  
 Y Cyngorydd Eugene Caparros - Aelod Cabinet dros Newid yn yr Hinsawdd a'r Amgylchedd (Rhannu Swydd)  
 Y Cyngorydd Gary Haines - Aelod Cabinet dros Newid yn yr Hinsawdd a'r Amgylchedd (Rhannu Swydd)  
 Y Cyngorydd Melanie Evans - Aelod Cabinet dros Adnoddau  
 Y Cyngorydd Neelo Farr - Aelod Cabinet dros Adfywiad, Datblygiad Economaidd a Thai

Jake Morgan - Prif Weithredwr  
 Carys Lord - Pennaeth Cyllid, Tai a Newid  
 Lindsay Harvey - Cyfarwyddwr Corfforaethol – Addysg, Blynyddoedd Cynnar a Phobl Ifanc  
 Claire Marchant - Cyfarwyddwr Corfforaethol - Gwasanaethau Cymdeithasol a Lles  
 Janine Nightingale - Cyfarwyddwr Corfforaethol - Cymunedau  
 Kelly Watson - Prif Swyddog, Gwasanaethau Cyfreithiol a Rheoleiddio, AD ac Etholiadol

Deborah Exton - Cyfarwyddiaeth y Prif Weithredwr  
 Joanne Norman - Rheolwr Grwp Cynllunio Ariannol a Rheoli Cyllidebau

## 5 Strategaeth Gyfalaf 2026-27

87 - 132

### Gwahoddwyr:

Y Cyngorydd John Spanswick - Arweinydd  
 Y Cyngorydd Hywel Williams - Aelod Cabinet dros Gyllid a Pherfformiad

Carys Lord - Pennaeth Cyllid, Tai a Newid

Deborah Exton - Cyfarwyddiaeth y Prif Weithredwr  
 Nigel Smith - Rheolwr Grŵp – Prif Gyfrifedd

## 6 Casgliadau ac Argymhellion

## 7 Enwebiad Pwyllgor Trosolwg a Chraffu ar y Cyd (JOSC) Bwrdd Gwasanaeth Cyhoeddus (PSB) Cwm Taf Morganwg

133 - 136

## 8 Diweddariad Rhaglen Gwaith

137 - 174

## 9 Materion Brys

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

Nodyn: 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 / 643159

Yn ddifffuant

**K Watson**

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

**Dosbarthiad:**

Cynghorwr:

F D Bletsoe

JPD Blundell

N Clarke

HJ David

H Griffiths

S J Griffiths

M L Hughes

J Llewellyn-Hopkins

RL Penhale-Thomas

T Thomas

A Ulberini-Williams

AJ Williams

MJ Williams

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**COFNODION CYFARFOD Y CABINET A GYNHALIWYD YN HYBRID YN SIAMBR Y CYNGOR – Y SWYDDFEYDD DINESIG, STRYD YR ANGEL, PEN-Y-BONT AR OGWR, CF31 4WB / O BELL DRWY GYFRWNG TIMAU MICROSOFT DDYDD MAWRTH, 18 TACHWEDD 2025 AM 14:30**

**Presennol**

Y Cyngorydd JC Spanswick – Cadeirydd

N Farr  
M J Evans

HM Williams  
M Jones

E L P Caparros

P Davies

**Presennol yn Rhithwir**

J Gebbie

**Swyddogion:**

Jake Morgan  
Carys Lord  
Claire Marchant  
Janine Nightingale  
Kelly Watson  
Mark Galvin  
Lindsay Harvey  
Michael Pitman  
Jason Bale  
Adam Spear

Prif Weithredwr  
Prif Swyddog – Cyllid, Tai a Newid  
Cyfarwyddwr Corfforaethol - Y Gwasanaethau Cymdeithasol a Lles  
Cyfarwyddwr Corfforaethol - Y Cymunedau  
Prif Swyddog – Gwasanaethau Cyfreithiol a Rheoleiddiol, AD a Pholisi Corfforaethol  
Uwch Swyddog y Gwasanaethau Democrataidd - Pwyllgorau  
Cyfarwyddwr Corfforaethol - Addysg, y Blynyddoedd Cynnar a Phobl Ifanc  
Swyddog Cymorth Technegol – Y Gwasanaethau Democrataidd  
Rheolwr Gweithrediadau (Menter a Gwasanaethau Arbenigol)  
Gwasanaethau Rheoleiddiol a Rennir

**551. Ymddiheuriadau am Absenoldeb**

Y Penderfyniad Wnaed	Dim
Dyddiad Gwneud y Penderfyniad	18 Tachwedd 2025

**552. Datganiadau o Fuddiannau**

Y Penderfyniad Wnaed	Dim
Dyddiad Gwneud y Penderfyniad	18 Tachwedd 2025

**553. Cymeradwyo Cofnodion**

Y Penderfyniad Wnaed	<u>PENDERFYNWYD</u> : Cymeradwyo cofnodion 21 Hydref 2025 fel cofnod gwir a chywir.
Dyddiad Gwneud y Penderfyniad	18 Tachwedd 2025

**554. Adolygiad Polisi Cyllid Meithrin Cymru Pen-y-bont ar Ogwr**

Y Penderfyniad Wnaed	<u>PENDERFYNWYD</u> : Bod y Cabinet yn cymeradwyo gweithredu Polisi Cyllid Meithrin Cymru Pen-y-bont ar Ogwr (Atodiad 1).
Dyddiad Gwneud y Penderfyniad	18 Tachwedd 2025

**555. Gorchymyn Diogelu Mannau Cyhoeddus - Ymgynghoriad Rheoli Cŵn**

Y Penderfyniad Wnaed	<u>PENDERFYNWYD</u> : Bod y Cabinet yn cymeradwyo cychwyn ymgynghoriad cyhoeddus ynghylch y cynnig i greu Gorchymyn Diogelu Mannau Cyhoeddus fel yr amlinellwyd ym mharagraff 2.10 yr adroddiad.
Dyddiad Gwneud y Penderfyniad	18 Tachwedd 2025

**556. Diweddariad Chwarter 2 Rhaglen Gyfalaf 2025-26**

Y Penderfyniad Wnaed	<u>PENDERFYNWYD</u> : Bod y Cabinet yn gwneud y canlynol: <ul style="list-style-type: none"><li>Nodi diweddariad Chwarter 2 Rhaglen Gyfalaf 2025-26 y Cyngor hyd at 30 Medi 2025 (Atodiad A)</li><li>Cytuno i gyflwyno'r Rhaglen Gyfalaf ddiwygiedig (Atodiad B) i'r Cyngor i gael ei chymeradwyo.</li><li>Nodi'r Dangosyddion Darbodus gwirioneddol a Dangosyddion Eraill ar gyfer 2024-25 a'r dangosyddion rhagamcanol ar gyfer 2025-26 (Atodiad C).</li></ul>
Dyddiad Gwneud y Penderfyniad	18 Tachwedd 2025

**557. Adroddiad Hanner Blwyddyn Rheoli'r Trysorlys 2025-26**

Y Penderfyniad Wnaed	<u>PENDERFYNWYD</u> : Bod y Cabinet: <ul style="list-style-type: none"><li>Yn nodi gweithgareddau rheoli'r trysorlys ar gyfer yr hanner blwyddyn yn dod i ben ar 30 Medi 2025.</li><li>Yn nodi Dangosyddion Rheoli'r Trysorlys ar gyfer y cyfnod 1 Ebrill 2025 i 30 Medi 2025 yn erbyn y rhai a gymeradwywyd yn Strategaeth Rheoli'r Trysorlys 2025-26.</li></ul>
Dyddiad Gwneud y Penderfyniad	18 Tachwedd 2025

**558. Adroddiad Cynnydd Blynyddol Rheoli Ansawdd Aer Lleol 2025**

Y Penderfyniad Wnaed	<u>PENDERFYNWYD</u> : Bod y Cabinet: <ul style="list-style-type: none"><li>Yn nodi'r canlyniadau monitro ansawdd aer a gasglwyd yn 2024 ac yn cytuno i gwblhau Adroddiad Cynnydd Blynyddol 2025 (wedi'i atodi fel Atodiad 1) i'w gyflwyno fel y fersiwn derfynol i Lywodraeth Cymru erbyn 31 Rhagfyr 2025.</li><li>Yn nodi'r cynnydd a wnaed wrth ddatblygu'r Cynllun Gweithredu Ansawdd Aer ar gyfer Stryd y Parc.</li></ul>
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	<ul style="list-style-type: none"> <li>Yn nodi bod yr orsaf monitro ansawdd aer awtomatig wedi cael ei newid am ddau synhwyrdd awtomatig dangosol a ariennir drwy gronfa gymorth Rheoli Ansawdd Aer Lleol Llywodraeth Cymru.</li> </ul>
Dyddiad Gwneud y Penderfyniad	18 Tachwedd 2025

559. **Adroddiad Gwybodaeth i'w Nodi**  
560.

Y Penderfyniad Wnaed	PENDERFYNWYD: Bod y Cabinet yn cydnabod ac yn nodi cyhoeddi'r dogfennau a restrwyd yn yr adroddiad, yn amodol ar gywiro'r gwallau teipio a nodwyd.
Dyddiad Gwneud y Penderfyniad	18 Tachwedd 2025

**560. Eitemau Brys**

Y Penderfyniad Wnaed	Nid oedd dim eitemau brys
Dyddiad Gwneud y Penderfyniad	18 Tachwedd 2025

**561. Gwahardd y Cyhoedd**

Y Penderfyniad Wnaed	<p><u>PENDERFYNWYD:</u> Nid yw'r eitemau canlynol i gael eu cyhoeddi gan eu bod yn cynnwys gwybodaeth eithriedig fel y'i diffinnir ym Mharagraff 12 o Ran 4 a/neu Baragraff 21 o Ran 5 o Atodlen 12A o Ddeddf Llywodraeth Leol 1972 fel y'i diwygiwyd gan Orchymyn Llywodraeth Leol (Mynediad at Wybodaeth)(Amrywio)(Cymru) 2007.</p> <p>Yn dilyn cymhwyso prawf budd y cyhoedd, PENDERFYNODD y Cabinet, yn unol â'r Ddeddf, ystyried yr eitemau hyn yn gyfrinachol gyda'r cyhoedd wedi eu cau allan o'r cyfarfod yn ystod trafodaeth o'r fath.</p>
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Dyddiad Gwneud y Penderfyniad	
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**Cymeradwyo Cofnodion Eithriedig**

Y Penderfyniad Wnaed	<u>PENDERFYNWYD</u> : Cymeradwyo cofnodion eithriedig 21 Hydref 2025 fel cofnod gwir a chywir.
Dyddiad Gwneud y Penderfyniad	

I wyllo rhagor o'r ddadl a gafwyd ar yr eitemau uchod, cliciwch y ddolen hon

Daeth y cyfarfod i ben am 15:30

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<b>Meeting of:</b>	<b>CORPORATE OVERVIEW AND SCRUTINY COMMITTEE</b>
<b>Date of Meeting:</b>	<b>27 JANUARY 2026</b>
<b>Report Title:</b>	<b>MEDIUM TERM FINANCIAL STRATEGY 2026-27 TO 2029-30</b>
<b>Report Owner: Responsible Chief Officer / Cabinet Member</b>	<b>CHIEF OFFICER - LEGAL AND REGULATORY HR AND CORPORATE POLICY</b>
<b>Responsible Officer:</b>	<b>MERYL LAWRENCE SENIOR DEMOCRATIC SERVICES OFFICER - SCRUTINY</b>
<b>Policy Framework and Procedure Rules:</b>	<b>The budget setting process is outlined within the Council's Constitution and Financial Procedure Rules.</b>
<b>Executive Summary:</b>	<ul style="list-style-type: none"> <li>• The draft Medium Term Financial Strategy (MTFS) in Appendix 1 sets out the spending priorities for the Council for the next 4 years alongside a detailed budget for 2026-27.</li> <li>• In terms of the provisional local government settlement, the all-Wales increase in Aggregate External Funding (AEF) was 2.7%. The increase for Bridgend was 2.8%.</li> <li>• Welsh Government announced that local authorities will receive additional funding in the final settlement, so the position between draft and final budget would change.</li> <li>• On 9 December 2025 Welsh Government announced they had made a budget deal with Plaid Cymru which would result in local authorities receiving a 4.5% increase overall. Bridgend has been notified that provisionally our increase could be 4.6%, an additional £5 million compared to the provisional settlement. The proposals for spending the additional funding are included in Appendix 2.</li> <li>• Any Recommendations from this Committee will be reported on 3 February 2026 to Cabinet for consideration.</li> <li>• Following approval by Cabinet, a final version of the MTFS will be presented to Council for consideration on 25 February 2026.</li> </ul>

## **1. Purpose of Report**

- 1.1 The purpose of this report is to present the Corporate Overview and Scrutiny Committee (as the Scrutiny Committee with overall responsibility for budget scrutiny) with:
- a. the draft Medium Term Financial Strategy 2026-27 to 2029-30, which sets out the spending priorities of the Council, key investment objectives, budget areas targeted for necessary savings and the budget consultation process in **Appendix 1** which includes a financial forecast for 2026-2030 and a detailed draft revenue budget for 2026-27; and
  - b. the new proposals for spending the additional funding are contained in **Appendix 2**.

## **2. Background**

### New Scrutiny Budget Arrangements

- 2.1 On 9 April 2025, Council approved that a working group be established with representatives from all Scrutiny Committees and chaired by the Chair of the Corporate Overview and Scrutiny Committee, to feed back to COSC, as the Scrutiny Committee with overall responsibility for budget scrutiny.
- 2.2 On 24 July 2025, COSC considered a report on the work undertaken in consultation with Scrutiny Chairs on the proposed arrangements for the Scrutiny Budget Working Group and any comments received following consultation with Groups and individual Independent Members and agreed the:
- a. Size, composition and nominations process for the Working Group;
  - b. Draft Terms of Reference;
  - c. Proposed Structure of the Scrutiny Budget Working Group and Draft outline of schedule of meetings.
- 2.3 Four Deep Dive Groups were established to scrutinise each of the Directorates and met once each in September and October and the Chairs presented findings to the Scrutiny Budget Working Group on 4 November 2025. The consolidated recommendations were then presented to the Steering Group on 17 November 2025.
- 2.4 On 16 December 2025, Cabinet was asked to consider and respond to the Recommendations of the Scrutiny Budget Working Group as agreed by COSC at their meeting of 11 December 2025 and to consider them during the development of the draft budget proposals and MTFS.

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

- 3.1 Councils received their provisional settlements from Welsh Government on 24 November 2025. The headline figure was an overall increase of 2.7% across Wales



and, for Bridgend, a reported increase of 2.8% in Aggregate External Finance (AEF), after a number of transfers into the settlement in respect of pay and national insurance, which were funded through specific grants in 2025-26. In terms of cash increases, this represents a £7.9 million increase in funding, after the specific transfers into the settlement.

- 3.2 On 9 December 2025, Welsh Government announced that they had reached a budget agreement with Plaid Cymru that secured almost £300 million of additional investment in Wales' public services in 2026-27, and that the agreement would secure the passage of the Final Budget for 2026-27 in January 2026. As part of the agreement there would be additional funding of £112.8 million for local government in 2026-27, which would provide an overall 4.5% increase to the local government settlement. The leader of Plaid Cymru said "Our aim in negotiating with Welsh Government was to look after public services, protect jobs and keep council tax bills as low as possible". The announcement said that all Councils would receive increases above 4%, with an overall increase to local government of 4.5%. Bridgend has been notified that provisionally our increase could be 4.6%, an additional £5 million compared to the provisional settlement. Whether there are any conditions or expectations around this funding will be known when the final local government settlement is received in January. However, this could provide the opportunity to either reduce or remove proposed budget reductions, fund additional growth pressures or reduce the council tax increase in the final MTFS. This change is not reflected in the draft budget set out in **Appendix 1**.
- 3.3 Cabinet is proposing to spend the additional funding from the uplift to 4.6% as outlined in **Appendix 2**. The proposals at Appendix 2 do not fully allocate the additional funding available. It is proposed that this is maintained as a contingency in 2026-27 and Cabinet's preference is to use this to support schools in 2027-28 given the uncertain financial outlook for 2027-28.
- 3.4 The recommendations from the Budget Working Group have been considered as part of this process and the responses are attached as **Appendix 3**.

#### Budget Consultation Process

- 3.5 The Council is undertaking the annual budget consultation prior to the final budget being presented to Cabinet and Council at the end of February seeking views on the priority areas for residents, for review and to set a balanced budget.
- 3.6 In advance of the budget consultation, in October 2025 the Council introduced a 'Time to Talk Budget' campaign which included infographics, social media posts and dedicated webpages, outlining the current budget and how it is funded in order to enhance residents' understanding of how the budget is compiled, what contribution council tax makes to the Council's budget, any restrictions on the budget, and responses to frequently asked questions. The results of the budget consultation will be collated and considered by Cabinet in order to further inform final decisions on the MTFS in February 2026.
- 3.7 COSC is therefore asked to consider:
- a. the draft Medium Term Financial Strategy 2026-27 to 2029-30, which sets out the spending priorities of the Council, key investment objectives, budget areas

- targeted for necessary savings and the budget consultation process in **Appendix 1** which includes a financial forecast for 2026-2030 and a detailed draft revenue budget for 2026-27; and
- b. the new proposals for spending the additional funding are contained in **Appendix 2**

and agree Recommendations to submit to Cabinet, as part of the budget consultation process 2026-27.

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

- 4.1 The Equality implications are set out in Paragraph 4 of **Appendix 1** (the Medium Term Financial Strategy 2026-27 to 2029-30 Report to Cabinet on 13 January 2026).

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

- 5.1 The Well-being of Future Generations implications and connection to Corporate Well-being Objectives are set out in Paragraph 5 of **Appendix 1** (the Medium Term Financial Strategy 2026-27 to 2029-30 Report to Cabinet on 13 January 2026).

#### **6. Climate Change and Nature Implications**

- 6.1 The Climate Change and Nature Implications are set out in Paragraph 6 of **Appendix 1** (the Medium Term Financial Strategy 2026-27 to 2029-30 Report to Cabinet on 13 January 2026).

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

- 7.1 The Safeguarding and Corporate Parent Implications are set out in Paragraph 7 of **Appendix 1** (the Medium Term Financial Strategy 2026-27 to 2029-30 Report to Cabinet on 13 January 2026).

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

- 8.1 The Financial Implications are set out in Paragraph 8 of **Appendix 1** (the Medium Term Financial Strategy 2026-27 to 2029-30 Report to Cabinet on 13 January 2026).

#### **9. Recommendations**

The Committee is recommended to:

- 9.1 Consider the information contained in the report and attached appendices; and
- 9.2 Determine whether to make any comments or recommendations for submission to Cabinet on the draft MTFS, including the proposed budget pressures and budget reduction proposals, spending of the additional funding and budget consultation process, as the Scrutiny Committee with overall responsibility for budget scrutiny, as part of the budget consultation process.

**Background documents**    None

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<b>Meeting of:</b>	<b>CABINET</b>
<b>Date of Meeting:</b>	<b>13 JANUARY 2026</b>
<b>Report Title:</b>	<b>MEDIUM TERM FINANCIAL STRATEGY 2026-27 TO 2029-30</b>
<b>Report Owner: Responsible Chief Officer / Cabinet Member</b>	<b>CHIEF OFFICER – FINANCE, HOUSING AND CHANGE  CABINET MEMBER FOR FINANCE AND PERFORMANCE</b>
<b>Responsible Officer:</b>	<b>DEBORAH EXTON DEPUTY HEAD OF FINANCE</b>
<b>Policy Framework and Procedure Rules:</b>	<b>The budget setting process is outlined within the Council's Constitution and Financial Procedure Rules.</b>
<b>Executive Summary:</b>	<ul style="list-style-type: none"> <li>• The draft Medium Term Financial Strategy (MTFS) sets out the spending priorities for the Council for the next 4 years alongside a detailed budget for 2026-27.</li> <li>• The report outlines the financial, legislative and policy context within which the draft budget has been prepared alongside more detailed information on the services to be provided by the Council over the period of the MTFS.</li> <li>• The proposed MTFS is driven by the Council's 13 MTFS principles and has been developed by Cabinet and Corporate Management Board.</li> <li>• Welsh Government announced its draft budget on 3 November 2025 before the announcement of the provisional local government settlement on 24 November 2025.</li> <li>• In terms of the provisional local government settlement, the all-Wales increase in Aggregate External Funding (AEF) was 2.7%. The increase for Bridgend was 2.8%.</li> <li>• No information was provided on future years' funding although indications are it will still be extremely challenging.</li> <li>• There were a number of transfers of funding into the settlement.</li> <li>• Based on the provisional local government settlement the proposed net revenue budget for 2026-27 is £403.337 million, and this includes pay and price pressures of</li> </ul>

	<p><b>£11.529 million, service budget pressures of £9.194 million (Appendix A), budget reductions of £2.416 million (Appendix B) and a council tax increase of 4.95%. The breakdown of the draft budget for 2026-27 is set out in Table 5.</b></p> <ul style="list-style-type: none"> <li><b>• Welsh Government has announced that local authorities will receive additional funding in the final settlement, so the position between draft and final budget will change.</b></li> <li><b>• Based on the provisional settlement the MTFS sets out a most likely savings target of £32.771 million over the next 4 financial years.</b></li> <li><b>• The Council's general capital funding increased by £259,000 to £8.841 million.</b></li> <li><b>• The Section 151 officer has a statutory duty to set a balanced and robust budget.</b></li> <li><b>• If approved by Cabinet the draft MTFS will be submitted for consultation with the Council's Corporate Overview and Scrutiny Committee before a final version is presented to Council for approval on 25 February 2026.</b></li> <li><b>• On 9 December 2025 Welsh Government announced they had made a budget deal with Plaid Cymru which will result in local authorities receiving a 4.5% increase overall, and all authorities receiving at least 4.1% in the final settlement. Once the details are confirmed in January 2026 these will be factored into the final MTFS.</b></li> </ul>
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## **1. Purpose of Report**

- 1.1 The purpose of this report is to present Cabinet with the draft Medium Term Financial Strategy 2026-27 to 2029-30, which sets out the spending priorities of the Council, key investment objectives and budget areas targeted for necessary savings. The strategy includes a financial forecast for 2026-2030 and a detailed draft revenue budget for 2026-27. Definitions of the key financial terms can be found in the glossary at **Appendix D**.

## **2. Background**

### **Corporate Plan - Policy Context**

- 2.1 The Council's well-being objectives under the Well-being of Future Generations (Wales) Act 2015 are currently:
- A prosperous place with thriving communities
  - Creating modern, seamless public services
  - Enabling people to meet their potential
  - Supporting our most vulnerable

- 2.2 This draft Medium Term Financial Strategy (MTFS) has been significantly guided by these objectives. Although previous year-on-year changes in Aggregate External Finance (AEF) have necessitated substantial budget reductions across different service areas (£96.7 million since austerity began in 2010 - of which schools have contributed £9.45 million), the Council still plays a very prominent role in the local economy of Bridgend County Borough and in 2025-26 is responsible for annual gross expenditure of over £530 million. The Council is also the largest employer in the county borough. The Council's Corporate Plan is aligned to the Medium Term Financial Strategy, enabling the reader to make explicit links between the Council's well-being objectives and the resources directed to support them. However, it is clear that the challenging financial situation that the Council faces and the level of budget and service cuts that need to be made will inevitably severely impact on and restrict some of the objectives set out in the Corporate Plan for at least 2026-27, but maybe also beyond that, but the Council will remain ambitious in providing the maximum levels of service possible for all residents of the County Borough, within available resources.
- 2.3 The Welsh Government announced its Final Local Government Settlement for 2025-26 on 20 February 2025. The increase in AEF across Wales was 4.5%, with Bridgend receiving an increase of 3.8%. Due to the number of underlying budget pressures continuing from 2025-26 and new pressures emerging going forward, along with anticipated pay and price increases, this level of funding was not sufficient to meet all demands, leading to the need for a 4.5% council tax increase and £8.379 million of budget reductions.
- 2.4 The quarterly reports to Cabinet on the revenue position for 2025-26 have outlined in detail the ongoing difficulty in managing and monitoring the budget, in view of challenging and continuing pressures from 2024-25, which include increasing demand in some service areas, such as social services and homelessness. Whilst provisions were made in the 2025-26 budget to mitigate some of these costs, and whilst service models are in place to meet needs early to prevent an escalation of need, there was not sufficient funding to meet all, and the demand has continued to increase.
- 2.5 Budget planning for the financial year 2026-27 continues to be more uncertain and challenging than usual, with a number of existing and new cost pressures presenting themselves and making a demand on the Council's limited resources. In addition, there continue to be high expectations on the Council to address homelessness more robustly, and on a longer- term sustainable basis, and additionally to meet the needs of a growing and ageing population for social care, which results in increased demand and costs as well as more complex cases in both adult and children's services. In addition, providers of social care – both inside the Council and commissioned services – experience significant inflationary pressures due to wage inflation, including above inflation uplifts to the Real Living Wage, increases to national insurance and energy costs. There is new legislation in the form of the Health and Social Care (Wales) Act (2025) and the transitional revenue and capital costs associated with this legislation require significant investment. We also continue to see increased budgetary pressures in services for pupils with additional learning needs, due to increasing demand and complexity of needs. The Council is having to reduce spend and services in a climate that requires more support for our older and more vulnerable members of society with substantial increased demand for many services.

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

#### **3.1 Budget Narrative**

3.1.1 Through the MTFS the Council aspires to improve understanding of its financial strategy, to clarify the link between its corporate well-being objectives and the financial planning processes, and to explain the Council's goal of delivering sustainable services in line with the overarching ambition of the Well-being of Future Generations (Wales) Act 2015. The following budget narrative aims to articulate the continued and significant investment in public services that the Council will make. It sets out how the Council aims to change particular areas of service delivery, and the financial consequences of this. Cabinet has requested that the following principles should continue to underpin the development of the budget for the coming financial year:

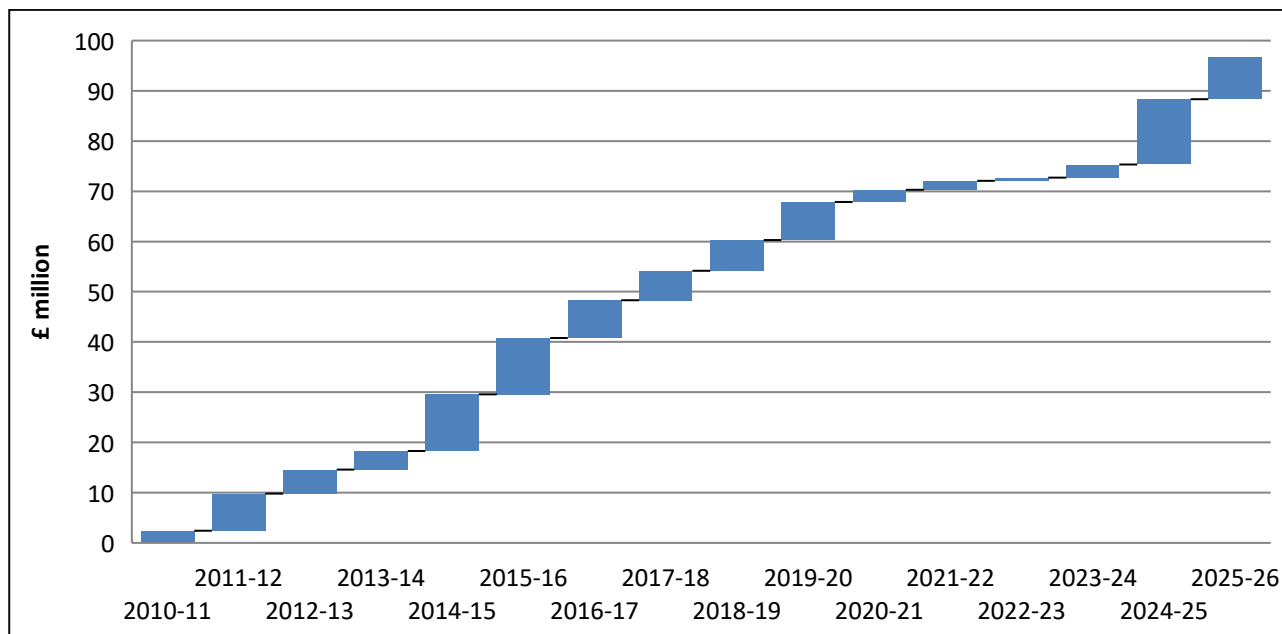
- The Council will seek to safeguard and protect the most vulnerable people in our communities;
- The Council will encourage residents and communities to support themselves and provide advice to enable this to happen;
- The Council will seek to limit service growth in the coming financial year;
- All Directorates will be required to contribute to the overall savings required in the coming years;
- The Council must have an efficient but effective, “back office” service that supports service delivery and transformation;
- In setting the budget, the Council will be mindful of the predicted financial austerity across the public sector in the coming years and plan to ensure the financial viability of the Council, and;
- The Council will seek to recover the cost of services via fees and charges where it is able to do so.

#### **3.1.2 Corporate Financial Overview**

Since austerity began in 2010 the Council has made almost £96.7 million (nominal value) of budget reductions, as shown below, towards which school delegated budgets have contributed £9.45 million. These reductions represent around 25% of the Council's current net budget, however the percentage of savings and cuts has not been equal across all Council services, with relative protection given in past years to some areas, such as social services.



### Bridgend County Borough Council (BCBC) Budget Reductions 2010 to 2025



While the Council's net revenue budget is planned at £403.337 million for 2026-27, its overall expenditure far exceeds this. Taking into account expenditure and services which are funded by specific grants or fees and charges, the Council's gross budget will be around £550 million in 2026-27. The Council's annual revenue budget covers the day-to-day running costs of the Council (including staff salaries, building maintenance, pensions, operational costs etc.). Around £240 million of the gross budget is spent on the Council's own staff including teachers and school support staff. Much of the cost of the services provided by external organisations is also wage related – these include for example waste collection operatives, social care workers, leisure staff and foster carers.

The Council gets the majority of its revenue funding (52%) from Welsh Government through the Revenue Support Grant and a share of non-domestic rates. Non-domestic rates are a charge on business properties, the rate for which is set by Welsh Government. The Council supplements this through council tax collection (20%), other grants (19%) and fees and charges (9%). Council tax is a charge that local authorities charge to help to pay for their services. The amount that council tax payers pay is made up of 3 elements:

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

In terms of council tax, the proportion of council tax required to balance the Council's budget has steadily increased over recent years and it currently funds around 28% of the net revenue budget. This means that for every £1 spent on services provided by the Council, only around 28 pence is funded by local council tax payers.

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

- Legislative changes in social care, including the Health and Social Care (Wales) Act 2025, which reflects Welsh Government's commitment to move towards the eradication of profit from children's social care, adult protection safeguarding requirements including deprivation of liberty safeguards, changes to the Public Law Outline for children and the statutory requirement for local authorities to reflect the Real Living Wage for care workers in commissioning arrangements. These legislative changes are not fully funded by Welsh Government and the removal of profit particularly has significant revenue and capital implications. Grant funding which has been made to support the transitional phase is due to end in 2027-28 which will increase cost pressures.
- Other legislative changes e.g. the Welsh Government's commitment to eradicate homelessness, local authorities' responsibilities in respect of responding to climate change and meeting net zero carbon targets, the Welsh Language and Education (Wales) Act 2025 and the Additional Learning Needs and Education Tribunal (Wales) Act 2018.
- An increase in need in children's social care - an ongoing exponential increase in contacts has been evident in the last year. Whilst the integration of early help services and the strengthening of permanent recruitment in children's social work teams has improved strength-based practice and resulted in a reduction in child protection registrations and the number of care experienced children, those children who are care experienced have the highest level and most complex needs, requiring foster care and residential accommodation, care and support. The last year has seen significant challenges around sufficiency of accommodation, care and support for care experienced children, an issue which all local authorities in Wales are facing. There has been a consistent number of high-cost independent residential placements and on occasion 'operating without registration' placements for children and young people. To meet this need the budgetary position has worsened as the number of high cost placements continues to exceed budget. There has also been a reduction in the number of in-house foster carers which has exacerbated the need for residential care. This area will be a priority for an invest-to-save initiative with an aim of significantly preventing and de-escalating these high-cost placements whilst continuing to reduce the total number of looked after children.
- Demographic changes – the size of the population is increasing as people living longer with complex health conditions. This means the number of people living in Bridgend with health and social care needs is also increasing with age related illness and disability. An ageing population can bring a range of health and social care needs which require care and support. The Cwm Taf Morgannwg Population Needs Assessment (2022-27) identified poorer physical and mental health and well-being and greater need for support from all parts of the population with many people living with multiple health conditions and in complex health situations. The cost of living crisis also places more pressure on families and informal care arrangements. Needs have been exacerbated by delays in access to NHS treatment. At a time when there has been an increase in contacts within adult social care and increased complexity of issues, there has been less financial support from Welsh Government through targeted grants to address whole system pressures around the

interface between hospital and community. There is significant pressure in the areas of learning disabilities and mental health as well as older people's services. In addition, the complexities and challenges for carers supporting individuals - children or adults – with significant disabilities are evident. Changing the model of support for adults with a learning disability and mental health is a priority. This will reduce the costly use of residential care for some.

- An increase in free school meals entitlement, separate from and additional to the Welsh Government's Universal Free School Meal entitlement, which brings additional funding pressures, as this increases the amount of funding that is needed to be provided to schools through their delegated budgets.
- More recently, a reduction in the council tax collection rate, due to the difficult economic circumstances that people find themselves in. This is coupled with a potential increase in council tax support as more people find themselves on low incomes or claiming benefits during the cost of living crisis.

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

- Though a large and complex organisation, the Council will make every effort to work as one single organisation. That means avoiding duplication and double handling of data through sharing of systems and processes. This is not always as easy as it sounds because often different rules or opportunities apply to different services. Nevertheless, acting as 'One Council working together to improve lives' is enshrined in the Council's vision.
- The Council will support communities and people to become more resilient by creating their own solutions and reducing dependency on the Council. It is not sustainable for the Council to continue to aspire to meet each and every need that arises and there is capacity, talent and ideas within the community that can be encouraged to play an active and effective role in sustaining and often enhancing local services. The Council has a role in encouraging, enabling and leading this approach and has adopted this as one of its underlying principles.
- The Council has agreed a principle of focusing diminishing resources on communities and individuals with the greatest need. Parts of our community have long standing problems of poverty and disadvantage. The solutions to this are not all in the direct control of the Council (for example the effects of changes to the welfare system) but where possible the Council has agreed that it wants to both alleviate problems in these areas and develop longer term sustainable solutions. The socio-economic duty on public bodies, which came into force on 31 March 2021, reflects these aims.
- The Council currently has four well-being objectives that reflect these and other principles. After more than a decade of austerity, with more and more of our residents struggling, we will also continue to improve efficiency and make better use of the resources we have. This means we will ensure that all resources (financial, physical, ecological, human and technological) are used as effectively and efficiently as possible and support the creation of resources throughout the community that can help to deliver the Council's well-being objectives. The effective and efficient use of resources will continue to inform our principles and

ways of working in the Corporate Plan, as well as being tested through the corporate self-assessment process.

In seeking to continue to meet the Council's identified priorities and protect its investment in education and early intervention, social services and well-being, and prioritise the most vulnerable in our society, as far as possible, we are proposing the following changes in the 2026-27 budget.

### **Additional Income**

Whilst recognising the ongoing economic challenges that local people and businesses will face next year, the Council will seek to raise additional income. For all services, the Council has a policy to recover service costs and will seek to do this where possible.

### **Alternative Delivery Models**

We will continue to seek alternative ways of delivering services if that can ensure greater sustainability and efficiency. Work is ongoing to "re-set" the relationship between this Council and Town and Community Councils to ensure better coordination and liaison between us. The intention is that Town and Community Councils (TCCs) will be better able to take on additional responsibility for some local services when appropriate. This work has been enhanced this year with the appointment of a Town and Community Council Liaison Officer, whose role is to act as the main point of contact between the Council and TCCs, providing support, guidance and communication, developing and maintaining strong working relationships. The current review and consultation on local service delivery and the size and nature of town and community councils will also inform the way forward.

During 2025-26 the Council underwent a Panel Performance Assessment. The headline findings from the assessment were very positive. However, despite these positives it describes the Council as now being at '*a crossroads in terms of its development and now is the time to act at pace. By making the necessary changes now, the council can make sure it can sustain services and continues to deliver for its communities for years to come.*' To address the issues raised, the Council is now developing a transformation plan which will set out a clear, long-term vision for Bridgend in 2040, and some broad themes / work streams for how we will achieve that vision. Additional strategic capacity has been put into the authority to increase our resilience and enhance the capacity for change. Specifically, it is anticipated that an acceleration of the Council's digital programme will deliver long term efficiency savings. In addition, the council will better embed programme and project management with additional investment to deliver change and sustainability. Wherever possible, staff restructuring will be done sympathetically, and we will also continue to support home and agile working and digital technology to ensure the Council is fit for the future.

### **Efficiency Savings**

The best kind of budget savings, of course, remain ones where there is little or no direct impact on residents or staff. After more than a decade of substantial budget

savings, opportunities for large scale savings of this sort are now very scarce, but where they emerge, they remain an important component of the MTFS.

Over recent years savings have been made by rationalising the number of operational depots and releasing three of the Council's major staff offices at Sunnyside, Sunnyside House and Ravens Court. We intend to close the Innovation Centre to release savings from associated running costs, and potentially sell it to generate a capital receipt. The ongoing investment in installing energy efficiency measures in the Council's buildings, including schools, will also continue to offer savings. The Council will continue to seek to apply for and secure grants where they can lead to revenue savings and greater sustainability of important services. Other potential savings are being considered in relation to the remodelling of social services provision.

### **Changes to Service Provision**

Unfortunately, despite the settlement we will receive for 2026-27 being an increase overall, it is still not sufficient to cover all of the things that we need to fund, and due to the number of unavoidable pressures we are facing it is not possible for us to balance the budget without also making consequential changes to the level of services that we can provide and prioritising those services that are deemed most important in terms of meeting the Council's agreed priorities. In particular it is important that where the Council runs a service that also benefits other organisations and partners that appropriate contributions are made, where possible, to complement the Council's investment.

#### **3.1.3 Education, Early Years and Young People**

The Council is proposing to spend £163 million on services delivered by the Education, Early Years and Young People Directorate in 2026-27, prior to the allocation of additional funding for pay and price increases. Around £130 million of this money will be spent directly by Bridgend's 59 schools and one pupil referral unit.

In addition to the £130 million proposed budget to be initially delegated to schools in 2026-27, which mostly pays for the salaries of teaching and other school staff and the running costs of the facilities (ongoing revenue expenditure), the Council has already spent £21.6 million in building and refurbishing schools as part of our 21st Century School Modernisation Band A Programme and has provisionally committed to a further £42 million as part of the Sustainable Communities for Learning Programme, £15 million more than was committed last year. This comprises one-off capital expenditure across several years, with substantial match funding from Welsh Government. Welsh Government has provided approval in principle in respect of the strategic outline programme, strategic outline cases, and outline business cases (that is, in respect of capital schemes) submitted by the Council around our aspirations for Band B funding. Welsh Government approval has been received in respect of the full business case for the Bridgend West primaries scheme, and the remaining Band B full business cases will be submitted to Welsh Government once tender processes have concluded. However, we are aware that there are significant cost pressures on this programme due to the impact of high inflation on tender prices being submitted and how this is affecting current costings for this programme.

The concepts proposed are based around forecast demand for primary school places, our support to promote the growth in Welsh-medium education and our desire to create additional capacity to meet the needs of children with additional learning needs in Heronsbridge School. Assessing the full year revenue impact of this is detailed work that is underway. It is likely that this will represent the biggest area of capital expenditure for the Council in future years.

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

School budgets make up one-third of the Council's overall net budget, so it is challenging to find the level of budget reductions that the Council has to meet without impacting on schools. However, for 2026-27, schools have not been tasked with finding any budget reductions from their delegated budgets, and there are currently no proposed budget reductions for schools for 2027-28. In addition, they will receive additional funding for a range of pay and price increases that could total around £5 million. The current net budget for schools is £126.309 million, compared to an overall Council net budget of £383.226 million, so it is difficult to make significant levels of budget reductions without any impact at all on schools, either directly or via central services that support schools.

The forecast pressure on Council budgets for future years is such that further efficiency savings may be unavoidable for schools going forwards, and so it will be necessary for headteachers and governing bodies to plan ahead.

There is a growing trend of students being referred for support and specialised services. Over the past three years, several younger students have faced the threat of permanent exclusion due to a lack of resources for specialised intervention. Where space is not available to support pupils in specialist provisions, additional learning provision must be provided within a mainstream setting and funding for additional staff is required. One-to-one staffing is often provided, along with adaptations and specialist equipment not readily available in mainstream classrooms.

Additional specialist provisions are essential to ensure that all pupils are placed in environments best suited to their needs at the earliest time. This will reduce the risk of challenge from parents or carers. Establishing additional specialist classes represents a cost-effective investment, as it would reduce reliance on ancillary support or out-of-county placements, which have been necessary for some students to maintain full-time education and mitigate the risk of further exclusions. Additional funding is being proposed for the education service to address some of these pressures. Bridgend has amongst the highest number of special school places and demand is growing. Equipping schools better to manage the needs of children in mainstream settings will be a priority to contain and even reduce the budget to sustainable levels.

Poor pupil behaviour in Bridgend schools escalated following the Covid-19 pandemic. The true impact on school attendance following the pandemic is now evident. Pupil exclusions have increased year on year for three years. In addition to

the need to improve general pupil attendance levels, the following key challenges have been identified:

- closing the gap between our highest and lowest performing primary and secondary schools;
- reducing persistent absenteeism;
- improving the attendance of pupils in vulnerable groups with a particular focus on closing the gap between those pupils eligible for free school meals (eFSM) and those not eligible for free school meals; and
- monitoring the number of pupils on reduced timetables e.g. those with additional learning needs or emotional, social and behavioural difficulties who experience challenges with a full timetable.

In June 2022, Bridgend Youth Justice Service was inspected by Her Majesty's Inspectorate of Probation. At that time, the service was deemed as requiring improvement. The main challenges faced by this service included increased numbers of children open to the service, the management of an increase in the number of first-time entrants into the criminal justice system and a reduction in grant funding. Since then, significant improvements have been made. His Majesty's Inspectorate of Probation (HMIP) most recently inspected Bridgend Youth Justice Service in November 2025. While we await formal (published) feedback from HMIP, initial feedback in respect of the work of Bridgend Youth Justice Service has been extremely positive and the service has managed well dealing with increased demand.

In seeking to protect our investment in education, early years provision and support for young people, and to provide as much support as possible to learners, the Council is aiming to make minimal changes to the services delivered at this time. However, we will continue to seek efficiencies in the application of the Council's Home-to-School Transport Policy.

### **3.1.4 Social Services and Well-being**

After Education and schools, the largest area of Council spend is social care. This includes social work and social care for children and for adults with care and support needs. Within the Directorate there is a focus on strengthening practice, improving the 'whole system,' targeted preventative services and supporting our workforce. For many years it has been understood that working in this way can result in less dependency on social care services for many individuals and more effective and cost-effective use of statutory services. Also, it has been evidenced in budget monitoring and outturn reports that social services' financial performance has been highly dependent on short term grant funding which is offsetting deficits in core budgets to meet the needs of the vulnerable population. Whilst the Directorate continues to develop new approaches to service delivery, and this includes better support and outcomes through prevention, early intervention and well-being services, this is more challenging than ever before with increasing need. 3 year strategic plans are being implemented for children and families and adults and carers which are resulting in increased workforce stability and improved integration of preventative services which reduce statutory demand. Practice is focused on strengths and what people can do, rather than a deficit model. However, the population of Bridgend is growing quickly, the third fastest growth of any Welsh Local Authority, and this means the number of people with care and support needs

is also increasing. Not all care and support needs can be prevented and those with eligible needs will have a range of co-morbidities and complexities requiring greater levels of support. In addition, there is considerable challenge on the 'supply side' of social care in respect of the impact of rising pay, including above inflation increases to the Real Living Wage and employer national insurances costs, and non-pay costs, including energy costs, to provide the quantity and quality of care required. The Council has undertaken a detailed analysis to understand the fair cost of care which has informed a care home fee setting strategy and is reflected in commissioned services. This is important in stabilising the care market and providing more certainty to the Council's financial planning. Consideration of expanding our in house offer will also be a priority as the market increasingly adjust prices with top-ups as supply is lower than demand.

The Council approved a 3 year sustainability plan for children and families in September 2023. Good progress has been made in progressing the actions set out in the plan, with a significant reduction in the numbers of agency workforce, the embedding of Signs of Safety as the model of social work practice and resulting sustainable reductions in the number of children subject to child protection registration and care experienced children numbers. Challenges remain: contacts to children's social care have continued to increase significantly in this last year and the needs of the children who are care experienced are more complex and require higher levels of care and support. There has also been a reduction in the number of in-house foster carers and a deficit in sufficiency of residential care resulting in some children being accommodated for some time in settings operating without registration (i.e. not registered with Care Inspectorate Wales). These placement challenges result in significant cost pressures for the Council, as they are usually at a higher cost than registered providers and therefore result in higher spend for the Council – the number of independent residential placements over the last 3 years has been steady at around 20 and whilst the Council is investing in its own residential provision the revenue costs of operating Council care homes also need to be provided for. A placement commissioning strategy which has been developed at the request of Welsh Government, identifies both capital and revenue investment gaps for the Council to develop sufficient not for profit provision to ensure sufficiency to comply with the new legislative requirements to eliminate profit from children's social care.

A further area of pressure is the volume and complexity of need for statutory social care services from the vulnerable population of the county borough. A 3 year strategic plan, 'Building On Strengths, Improving Lives - A Three - Year Plan For Sustainable Care And Support For Adults In Bridgend County Borough Council', has been developed, and was approved by Cabinet in November 2024, which sets out the operating model, workforce plan, practice model and prevention and wellbeing approach to supporting vulnerable people to live well as independently as possible. Practice continues to be strength-based and eligibility criteria rigorously applied in adult services. This plan seeks to manage and mitigate as far as is possible, the service and financial pressures within the service. Pressures are particularly evident in learning disability services, mental health services and services for older people. A learning disability transformation plan has been developed and actions are being progressed through a programme to right-size and right-price care packages and transform day-time occupation. Work has progressed to reset reablement services and significantly reduce the number of people who progress to a long term package of care and support at home without having the opportunity to maximise their



independence and for the care package to be right-sized, prior to commencing a long term service.

The supply side costs for commissioned care providers (domiciliary, residential and nursing) linked to inflation (food and fuel are particularly impactful), the need to increase the pay of staff to comply with Welsh Government's commitment to pay all care workers the Real Living Wage, and the increased reliance on agency staff (particularly registrant nurses), have meant that some councils have reported having to look at applying across the board increases in their fees during the past year. Across the UK, with rising prices over recent years and this year's increase in employer national insurance contributions, a small number of providers are facing financial difficulties and there is market exit probability in both adult and children's services which will place more pressure on Council budgets as the Council will always be a safety net provider in such circumstances.

The strategy for the coming years is to intervene early and preventatively, embed strength-based practice and support individuals and families to live their best lives, remodelling the way we work in order to deliver outcome focused services and approaches which enable people to maximise their independence and families to stay together with targeted support where needed, whilst progressing commissioning strategies and workforce plans which ensure the right person provides the right intervention and support in the most timely and preventative way. The Signs of Safety model of practice in children's social care, and strength based, outcome focused practice in adult social care, provide the basis for 'doing the right thing' which is invariably the most cost effective course of action. The increases in need and complexity from both children and vulnerable adults needs to be understood and reflected in service transformation and aligned financial planning expressed through sustainability plans.

In addition to children and family services and adult social care, the Social Services and Wellbeing directorate also has responsibility for prevention and wellbeing, including the healthy living partnership with Halo and the cultural partnership with Awen. These partnerships also experience the impact of inflationary pressures, particularly the Awen partnership which has very limited ability to raise income.

### **3.1.5 Housing and Homelessness**

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

The service also administers the Housing Support Grant from Welsh Government (£9.599 million allocation for 2025-26). The support activities funded via this funding are both broad and diverse. This is done through a range of corporate joint working

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

There are a number of key challenges facing the Council in delivering housing and homelessness services. Applications for temporary accommodation due to homelessness are consistently higher than in previous years. At the end of 2019-20 the Council was providing temporary accommodation to 83 households. At the end of October 2025 this had increased to 276 households. Individuals accommodated in temporary accommodation often have significant support needs, in relation to addressing their housing need or maintaining accommodation. It is estimated that around 47% of households in temporary accommodation require some level of support, and of these 60% of individuals require support in more than one area and 45% require support in more than two areas.

The increase in temporary accommodation placements has led to a significant cost pressure to the Council. In 2019-20 the net spend on temporary accommodation from core budget was £135,260. At the end of 2024-25 the net spend from core budget was £2,909,503.

The wider demand for social housing from those in housing need has also increased. At the end of 2019-20 there were 816 households registered on Bridgend's Common Housing Register. At the end of October 2024 this number had increased to 3,709 households. There is a particular challenge around single person accommodation, larger family units and accessible accommodation.

Housing will continue to adopt a strategic approach to homelessness prevention and provision by working with Welsh Government and partner organisations. Work with Registered Social Landlords is on-going to support new housing developments and housing will continue to use the Social Housing Grant effectively to increase the supply of social housing. We are currently in the process of purchasing a number of Houses in Multiple Occupation (HMOs) to reduce our dependency on the holiday let sector and provide better accommodation to those in need.

Capacity to work with and commission Housing Associations is limited as is the capacity to manage and develop services for such a high level of need. This will be considered carefully in 2026.

### 3.1.6 Public Realm

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

In 2026-27 the Council is likely to receive around £3.5 million of direct Welsh Government grant for public realm services. This includes waste services, public transport, rights of way and road safety.

The overall net budget that the Council proposes to spend on public realm services is around £27 million. The fact that schools and social services have had a high degree of financial protection in previous years has meant that the Council's other services have been under considerable pressure to make savings and, in many cases, we have had to reduce levels of service. However, the services in the Communities Directorate have also been subject to service changes that have resulted in alternative delivery models that have increased productivity, as well as collaborative approaches that have increased both efficiency and service resilience. Investment in this area is proposed to continue into 2026-27.

The Council is now in the process of bringing its waste services back in-house from July 2027. Bridgend has been named as the top performing waste authority in Wales, with recycling rates at over 73% in 2023-24. There has been a significant reduction in the volume of our residual waste, which is expected to benefit the Council financially over time, subject to contractual conditions with our disposal arrangements. However, all Councils have seen higher overall domestic waste due to the high number of people continuing to work from home following the pandemic. New operating arrangements at a lower cost were negotiated at the Materials Recovery and Energy Centre (MREC) in 2019-20 and an agreement with Neath Port Talbot County Borough Council has been made for waste disposal going forward until 2030 or until a regional facility comes online. We expect to spend in the region of £11 million on the collection and disposal of waste in 2026-27.

A major challenge for the Council is how to continue to meet public expectations for many highly visible and tangible services when the reduction in the available overall Council budget inevitably means the Council will be less able to deliver these services to the same level and frequency. These services are often the ones the public identify with their council tax payments. Increasingly the Council will seek to enable and facilitate partnerships to help to deliver some services, including more meaningful engagement with local residents regarding the role they can play in working effectively with us. It will be a priority to increase capacity in these areas.

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

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

### 3.1.7 Supporting the Economy

Whilst this is a Council priority, services such as regeneration and economic development as discretionary services have had to make considerable reductions to their budgets over recent years. The Council has delivered this by employing fewer but more highly skilled staff and focusing activity more narrowly on priority areas to maximise impact. Going forward, we will continue to collaborate on a regional basis with the nine other Councils that make up the South East Wales Corporate Joint Committee (CJC), known as Cardiff Capital Region City Deal. The CJC has responsibility for regional development and in particular the areas of strategic transport, regional economic development and strategic planning. The Council will continue to work with colleagues regionally and the CJC to understand how responsibilities will be shared between the region and local authorities to ensure the most effective outcomes overall. The City Deal created a £1.2 billion fund for investment in the region for 20 years. This will include long-term investments focusing on raising economic prosperity, increasing job prospects and improving digital and transport connectivity. In order to play an effective part in the Corporate Joint Committee, the Council will maintain as far as possible existing investment in its transport planning, spatial planning and regeneration teams to reflect this direction of travel. The Council will be spending in the region of £2.5 million a year running these services. These teams will ensure successful delivery of high-profile regeneration projects, including the numerous regeneration projects in Porthcawl and the redevelopment of Ewenny Road in Maesteg for both housing and employment uses, where the remediation of the site is underway and being funded by a £3.5 million Housing Viability Grant from the CCR. The completion of the £10 million redevelopment and refurbishment of the Maesteg Town Hall, in November 2024, has brought state of the art community, music, performance and library facilities to the heart of the Llynfi valley, and will safeguard this 144 year old listed building for future generations.

The Council also adopted the Replacement Local Development Plan (RLDP) in March 2024. We are the first local authority in Wales to have an approved RLDP, a major strategic planning document, since the pandemic. An important part of our budget planning is making sure that it is resourced appropriately to ensure our plan is properly researched and evidenced and sets out the development planning proposals for the County Borough which will shape its future, including housing growth. There is some £116 million of Section 106 contributions that will be forthcoming from our new RLDP and these are essential for delivering high quality new infrastructure, such as roads, new schools, housing and play facilities in development areas within the Borough.

More specifically, the Council has made and continues to make good progress in pursuit of the development of our main towns. These include the regeneration of the waterfront at Porthcawl, including the Salt Lake site, and investment in initiatives to improve the town centre in Bridgend. This includes the development of a new £80 million Bridgend College Campus on the former police station site at Cheapside, in the town centre. The construction commenced in May 2024 with a completed college building anticipated by Autumn 2026.

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

the Employability Bridgend programme. The Council was awarded over £20 million from the Shared Prosperity Fund (SPF) to undertake various programmes with partners across the County, including training and new business start-up grants. The SPF was extended for a transition year in 2025-26, ahead of wider local growth funding reforms. However, this was at a level that is around 40% lower than the previous year's budget. Further information is still awaited on the SPF replacement, the Local Growth Fund. In addition, the £18 million funding bid to the UK Government's Levelling Up Fund (LUF) for the complete refurbishment and restoration of the Grand Pavilion in Porthcawl was successful. Planning Permission has been granted, an enabling contract to strip out the building has been completed, the tender for the main construction works was awarded and the construction contract has commenced.

### **3.1.8 Regulatory and Corporate Services**

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

#### Shared Regulatory Services

This is a combined service with the Vale of Glamorgan and Cardiff City Councils, for which Bridgend will contribute around £1.8 million towards a group of services that includes Trading Standards, Environmental Health, Animal Health and Licensing (alcohol, gambling, safety at sports grounds, taxis etc.). These services all ensure, in different ways, that the public is protected.

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

#### Registrars

The Council operates a Registrar service that deals primarily with the registration of Births, Deaths and Marriages. The service also undertakes Civil Partnership and Citizenship ceremonies and provides a replacement certificate facility.

#### Council Tax and Benefits

The taxation service aims to collect over £120 million in council tax from over 66,000 households across the county borough, on behalf of the Council, South Wales Police and our Town and Community Councils. Our collection rates have been impacted in recent years, most recently due to the cost of living crisis. We are determined to regain the pre-2020 high levels of collection, but it is an uphill struggle. From 1 April 2026 Welsh Government are introducing changes to the recovery process to give council tax payers longer to pay before losing the right to pay by instalments which will result in a delay in income being received, increased postage costs and less income from court costs.

We are seizing the opportunity to reduce the cost of operating the service, by offering online services. We now offer a range of secure council tax functions online, allowing residents to self-serve at a time and location convenient to them. This will allow us to reduce the cost of running the service.

In line with many other Welsh Local Authorities the Council has reviewed its position with regards to council tax premiums. A council tax premium on long-term empty properties was introduced and took effect on 1 April 2023, whilst a council tax premium on second homes took effect on 1 April 2024. For the first 24 months the premium charge is set at 200% of the annual charge, increasing to 300% thereafter.

A number of benefits, including Housing Benefit and Universal Credit, are funded by the central UK government, but the administration of Housing Benefit applications falls to the Council. The Benefits Service also administers applications on behalf of the Council for Council Tax Reduction, Discretionary Housing Payments, Free school meals, Special Guardianship allowances, Adoption allowances and Disabled Facilities Grants.

### **3.1.9 Other Council Wide Services**

There are a number of things that the Council does that support the delivery of services but which themselves are not visible to the public. We need to maintain these services with sufficient capacity to support our services whilst making them as efficient and effective as possible. In many cases we operate such services by sharing with other organisations. Opportunities for further collaboration or sharing in these service areas has been and will continue to be explored. There are a number of proposed budget cuts against these services for 2026-27 onwards, all of which will compromise their ability to support frontline services and may, in some circumstances, be potentially counter-productive, for example, in terms of enabling the collection of additional income, or by inadvertently increasing costs in other service areas.

#### Property and building maintenance

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

The Council has brought together its asset management and building maintenance functions, and has centralised all premises repairs, maintenance and energy budgets into a single 'corporate landlord' service within the Communities Directorate. This enables us to better manage compliance, embed 'whole life costing' approaches into decision-making, manage the quality of work undertaken by contractors, and thereby deliver efficiencies in the management of our estate. This focus on reducing our assets and energy efficiency will be essential if the Council is to meet Welsh Government's target for all public sectors bodies to achieve net zero by 2030.

The service will continue to review its processes in 2026-27 including seeking further operational efficiencies and streamlined business processes, from ICT investment, improved procurement and contract management.

### Legal services

The Council needs to maintain effective legal support for all of its services. Any changes to services as part of the transformation agenda will need to be undertaken lawfully. Direct support to services such as Education and Social Services is delivered by a combination of permanent internal staff and external expertise when necessary. Almost half of our in-house legal team is specifically focused on child protection cases. These cases continue to increase in number and complexity.

The service is very lean and will have to prioritise caseloads on a risk assessed basis.

### Finance

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

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

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

With over 6,000 employees including schools, the Council needs a dedicated human resources service. The primary role of the service is to provide professional advice, guidance and support to managers and staff on a wide range of HR and OD issues as well as provide HR services for the payment of salaries, pension, contracts and absence administration. Other services include training and development, recruitment and retention, developing employee skills and 'growing our own,' through our Graduate and Apprenticeship schemes. Proposals will be developed to enhance these areas in response to the Panel Performance Assessment recommendations.

Working closely with our recognised trade unions, we maintain positive and transparent employee relations arrangements.

### ICT

We are continuing to invest in the automation and digitisation of services in line with our Digital Strategy, where it is appropriate to do so. Work will continue as part of the corporate Transformation Programme which will help achieve savings in future years, through the development and digitising of information-intensive processes, freeing up capacity and making efficiencies. The use of data needs improvement and the capacity to implement new systems has been limited. We will also be exploring the use of Artificial Intelligence, e.g. in social care, to secure service

efficiency, where it is appropriate to do so. Bridgend is currently behind where we wish us to be and this will be a priority for investment.

The ICT service is supporting changes across a range of services that in turn allow savings or improvements through more flexible working or new ways to access services. The Council spends around £4.4 million on its ICT services provision to support main Council activities and schools. The ICT service has focused on developing staff through the apprenticeship programme in conjunction with HR, developing skills and enabling in-house career progression.

### Procurement

The Council has a central team that provides procurement support across the range of services that we provide. Effective procurement is essential to ensuring good value for money across the Council. The central team work with services to implement corporate wide efficiencies where appropriate. The Council is developing an updated Corporate Procurement Strategy which will support a number of corporate priorities.

### Democratic Services

The Council is a democratic organisation with 51 elected members (Councillors) who make decisions, set policy direction and oversee the general performance of the Council. The number of elected members in each authority is set independently. Their remuneration is also determined by an independent panel. The Democratic Services team support all Members and ensure the appropriate arrangements are in place to comply with legislative requirements.

### Internal Audit

Our Regional Internal Audit Service is provided by a joint service that we share with the Vale of Glamorgan and Merthyr Councils. The service carries out routine checks and investigations to ensure that the Council maintains good governance – especially as it relates to the proper accountability of money and other resources. The level of service to be provided by the joint service in 2026-27 has been reviewed.

## **3.2 The Financial Context**

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



3.2.2 The MTFS includes:

- The principles that will govern the strategy and a four year financial forecast, comprising detailed proposals for 2026-27 and outline proposals for 2027-28 to 2029-30.
- The capital programme for 2025-26 to 2035-36, linked to priority areas for capital investment and the Capital Strategy, which will be presented for approval by Council in February 2026, along with the Treasury Management Strategy 2026-27.
- The Corporate Risk Assessment, which will be updated and included in the final MTFS in February 2026.

3.2.3 When Welsh Government announced the Final Local Government Settlement for 2025-26 in February 2025, they did not provide any indicative allocations for future years, but planning was on the basis of a cash flat (0% change to AEF) settlement for 2026-27 and future years. However, since the MTFS was agreed by Council in February, in July this year Welsh Government announced its approach to the budget for 2026-27. The Finance Secretary indicated that a one-year budget would be published in October which would increase departmental budgets by inflation. No indication was provided on what the level of inflation would be, but as a consequence of the announcement we updated our assumptions to be a most likely scenario of 2% increase in aggregate external funding.

3.2.4 On 1 July 2025 the Finance Secretary set out the Welsh Government's approach to the 2026-27 budget. He indicated that it would be a one-year only budget, due to the forthcoming Senedd elections, that it would not introduce major new spending commitments, and would focus once again on a healthier Wales, green jobs and growth, connecting communities and opportunity for every family.

3.2.5 Welsh Government announced their outline draft budget on 14 October 2025, which set out their high level strategic fiscal proposals for expenditure and financing. The Welsh Government Finance Secretary stated that it provided a stable platform on which public services can plan in the run-up to the Senedd election, and that government departments would have at least the same amount of funding, in real terms, as they had this year. He also said that Welsh Government were determined to recognise the particular circumstances of local government as they work together on a settlement which will protect jobs and frontline services, understanding the strict rules it has to comply with when making its budgets.

3.2.6 Following this, Welsh Government outlined their detailed draft budget on 3 November 2025. The Welsh Government Draft Budget sets out updated revenue and general capital spending plans for 2026-27. The Cabinet Secretary for Finance and Welsh Language stated that these were initial spending plans, to enable public services to begin their own planning for the next financial year. He stated that the Draft Budget allocates 98.6% of all the funding available for 2026-27 which means that more can – and will – be done to invest in the 'vital needs of Wales', by the time of the Final Budget in January 2026. He stated that 2025-26 allocations have been rolled over and departmental allocations increased by around 2% at this stage of the draft budget. He indicated that there is currently around £380 million of unallocated funding, a combination of revenue and capital.

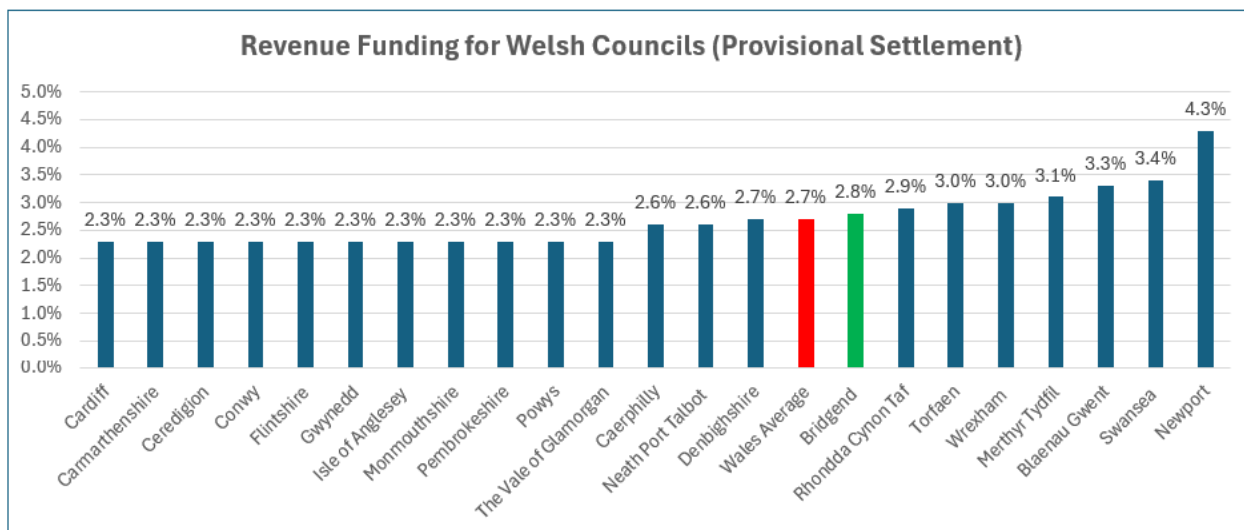
- 3.2.7 In respect of local authorities the Cabinet Secretary reiterated that additional funding allocated during 2025-26 for the public sector to meet the UK Government's increased employers' National Insurance costs, and to meet pay awards for teachers and local authority staff has been included in the baseline funding for 2026-27. There is also an uplift of 2% for general inflation and 2.2% for pay inflation. Additional funding was also included to ensure no individual local authority receives an increase of less than 2.3%.
- 3.2.8 The provisional local government settlement was announced on 24 November 2025. The Cabinet Secretary for Housing and Local Government indicated that this provisional settlement provided £6.4 billion from the Welsh Government Revenue Support Grant (RSG) and Non-Domestic Rates (NDR) to spend on delivering key services. The final budget and final local government settlement is due to be announced on 20 January 2026, so any changes between the provisional and final settlement will be reflected in the final Medium Term Financial Strategy presented to Council in February 2026. The Cabinet Secretary has indicated that there should be little or no change between the provisional and final settlements because of updates to the tax base, as the ones used in the provisional settlement are the most up to date. However, she could not guarantee that there will be no other changes between the provisional and final settlements, but she did not intend making any significant changes to the methodology or the data underpinning the distribution of the settlement.
- 3.2.9 Following the announcement of the provisional local government settlement, the Chancellor of the Exchequer presented the Autumn Budget 2025 to Parliament on 26 November 2025. The Office for Budget Responsibility (OBR) released a full economic and fiscal forecast on the same day.
- 3.2.10 In the Autumn Budget the Chancellor said that the budget would maintain their investment in the economy and the National Health Service, it would cut the cost of living and bring down inflation, providing immediate relief for families. The Chancellor said that there would be an extra £505 million added to the Welsh Government's budget between now and 2028 as a result of new spending commitments in England, and as part of the budget, changes have been announced to the way that Wales is funded which the UK Government says will lead to £425 million extra "spending power" for the Welsh Government.
- 3.2.11 In response to the Autumn Budget the Welsh Government First Minister said, *"This is a Budget which will help people right across Wales. It will mean more money in the pocket of people who need it the most, support for energy bills, a raise in the minimum wage and good news for pensioners."* She also said, *"We called on the UK Government to continue to support us with more money for hard pressed public services and they have delivered with an extra £500m, building on the £5 billion of extra funding they have already confirmed"*.

### **3.3 Welsh Government Provisional Local Government Settlement 2026-27**

- 3.3.1 As mentioned above, Councils received their provisional settlements from Welsh Government on 24 November 2025. The headline figure is an overall increase of 2.7% across Wales and, for Bridgend, a reported increase of 2.8% in Aggregate External Finance (AEF), after a number of transfers into the settlement in respect of

pay and national insurance, which were funded through specific grants in 2025-26. No local authority received less than a 2.3% increase in funding. In terms of cash increases, this represents a £7.9 million increase in funding, after the specific transfers into the settlement.

This increase for Bridgend was the eighth highest increase across all Welsh Local Authorities as illustrated in the chart below.



Source: WG Provisional LGF Settlement 2026-27

- 3.3.2 The Cabinet Secretary for Housing and Local Government stated ‘*The provisional settlement provides £6.4bn from the Welsh Government Revenue Support Grant (RSG) and Non-Domestic Rates (NDR) to spend on delivering key services. This is an average increase of 2.7% on a like-for-like basis and includes an additional £5.5m (on top of the £8.6m allocated at draft budget) to ensure no authority receives an increase of less than 2.3%.*
- 3.3.3 The Cabinet Secretary also stated ‘*We have been listening to local government, and we fully recognise the challenges that they face. This provisional settlement is the beginning of the budget process. Our priority has been to provide councils with the stability they need to set budgets which protect and deliver core frontline services. We will continue to work closely with the Welsh Local Government Association and council leaders to see where we can provide additional flexibility when managing their budgets.*
- 3.3.4 In a letter to Chief Executives and Directors of Finance in Wales the Cabinet Secretary stated that the provisional settlement included a baseline of £91.5m, added in previous years, to reflect their ongoing commitment to the real living wage in social care and that she expected this funding to be used for its intended purpose to support the provision of the real living wage of £13.45 for social care workers in line with their shared commitment to this vital workforce. This is included as a budget pressure in **Appendix A**.
- 3.3.5 In terms of capital funding the Cabinet Secretary stated that as part of their approach to uplift budgets in line with inflation, the general capital funding for local authorities has increased from £200 million to £204 million across Wales. In addition, funding for the Low Carbon Heat Grant for 2026-2027 will be almost £31 million, continuing

their work with local government to respond to the joint priority of improving the local government estate, by providing low carbon heating contributing to the Net Zero Wales plan.

- 3.3.6 On 9 December 2025 Welsh Government announced that they had reached a budget agreement with Plaid Cymru that secured almost £300 million of additional investment in Wales' public services in 2026-27, and that the agreement would secure the passage of the Final Budget for 2026-27 in January 2026. As part of the agreement there would be additional funding of £112.8 million for local government in 2026-27, which would provide an overall 4.5% increase to the local government settlement. The leader of Plaid Cymru said "Our aim in negotiating with Welsh Government was to look after public services, protect jobs and keep council tax bills as low as possible". The announcement said that all Councils would receive increases above 4%, with an overall increase to local government of 4.5%. Bridgend has been notified that provisionally our increase could be 4.6%, an additional £5 million compared to the provisional settlement. Whether there are any conditions or expectations around this funding will be known when we receive the final local government settlement in January. However, this could provide the opportunity to either reduce or remove proposed budget reductions, fund additional growth pressures or reduce the council tax increase in the final MTFS. This change is not reflected in this draft budget.

### **3.4 Settlement Implications for 2026 to 2030**

- 3.4.1 Welsh Government has stated that, due to the Senedd Elections in May 2026, this is a one-year local government settlement only. However, given recent announcements from both Welsh and UK Governments it is likely that the financial position in the next few years will be no less challenging than it is for 2026-27.

### **3.5 Transfers into the 2026-27 Revenue Settlement**

- 3.5.1 The provisional settlement includes a number of transfers into the local government settlement. These are listed below alongside the figures for Bridgend:

Teachers' Pay	£818,343
Additional Learning Needs Coordinators (ALNCo) Pay	£184,274
Public Sector Pay	£665,984
Fire Pay	£12,660
Employer National Insurance Contributions	£4,351,321

- 3.5.2 There may be additional transfers into the final settlement as Welsh Government continues to review and rationalise the number of grants that the local authority has to administer.

### **3.6 Specific Grants**

- 3.6.1 As part of the Welsh Government's Programme for Government, the Welsh Ministers have committed to reducing the administrative burden on local authorities, to allow them to focus on their vitally important work delivering services. At the heart of this work is their desire to ensure that local authorities are not hampered by unnecessary bureaucracy. Welsh Government has indicated that work has been completed or is underway in other grant areas to streamline the amount of

monitoring of grants, to ensure Welsh Government is only collecting the information which it, with local authorities, needs to understand the impact and outcomes of grant programmes. This has included reducing the frequency of monitoring returns, simplifying grant application forms and having stepped criteria for business cases dependent on the size and risk of programmes or projects.

- 3.6.2 The picture on changes to specific grants is available at an all-Wales level for most grants, but not yet at an individual authority level. However, from the information provided, and Welsh Government's announcements, it is clear that Welsh Government has provided a 2% inflationary uplift for most grants for 2026-27.
- 3.6.3 The biggest change in grant funding will be to the United Kingdom Shared Prosperity Fund which will cease at the end of 2025-26 and be replaced by the Local Growth Fund, for a three year period. Welsh Government is currently consulting on how that money could be spent. Currently Bridgend receives £5.601 million of revenue funding and £2.149 million of capital funding from the Shared Prosperity Fund. It has been reported that, going forward, the majority of the Local Growth Fund will consist of capital funding, with a smaller amount of revenue funding available, and this could have implications for services currently provided through the grant.

### 3.7 Current Year (2025-26) Financial Performance

- 3.7.1 The in-year financial position as at 30 September 2025 is shown below.

**Table 1- Comparison of budget against projected outturn at 30 September 2025**

Directorate/Budget Area	Original Budget 2025-26 £'000	Revised Budget 2025-26 £'000	Projected Outturn Q2 2025-26 £'000	Projected Over / (Under) Spend 2025-26 £'000
<b>Directorate</b>				
Education, Early Years and Young People	154,862	157,073	156,784	(289)
Social Services and Wellbeing	115,909	119,451	119,334	(117)
Communities	33,754	34,429	34,506	77
Chief Executive's	24,815	25,762	26,544	782
<b>Total Directorate Budgets</b>	<b>329,340</b>	<b>336,715</b>	<b>337,168</b>	<b>453</b>
<b>Council Wide Budgets</b>				
Capital Financing	5,958	5,907	4,680	(1,227)
Levies	10,209	10,209	10,209	0
Apprenticeship Levy	750	869	869	0
Council Tax Reduction Scheme	17,054	17,054	17,268	214
Insurance Premiums	1,363	1,363	1,375	12
Repairs & Maintenance	670	670	670	0
Pension Related Costs	430	430	462	32
Other Council Wide Budgets	17,452	10,009	4,628	(5,381)
<b>Total Council Wide Budgets</b>	<b>53,886</b>	<b>46,511</b>	<b>40,161</b>	<b>-6,350</b>
<b>Total</b>	<b>383,226</b>	<b>383,226</b>	<b>377,329</b>	<b>(5,897)</b>

- 3.7.2 The overall projected position at 30 September 2025, as reported to Cabinet on 21 October 2025, is a net under spend of £5.897 million comprising £453,000 net over spend on directorates and a net under spend of £6.350 million on Council wide

budgets. During quarter 2, pay awards for 2025-26 were agreed for Joint Negotiating Committee (JNC) Chief Officers, National Joint Council (NJC) employees, along with Teachers' pay awards from September 2025. The agreed pay awards for JNC and NJC staff were lower than budgeted for and the projected under spend on this budget has been recognised under other Council wide budgets. The ongoing uncertainty over future pay awards means that it is likely that the provision set aside in the MTFS for 2026-27 will need to be supplemented by any funding not committed from the central pay budget during 2025-26.

### **3.8 Medium Term Financial Strategy (MTFS) 2026-27 to 2029-30**

- 3.8.1 This section of the report sets out the proposed MTFS for the Council for the next four financial years, based on the latest information available from Welsh Government. It does not include fixed funding, expenditure or activity projections, but sets best, worst and most likely scenarios for the resources that will be available. The MTFS is reviewed regularly and amended as additional information becomes available, with the detail for future years being developed over the period of the strategy.
- 3.8.2 The development of the MTFS 2026-27 to 2029-30 is led by Cabinet and Corporate Management Board (CMB) and takes into account auditors' views, the recommendations of the Scrutiny Budget Working Group (SBWG), views of scrutiny committees and issues arising during 2025-26, underpinned by the ongoing aim to embed a culture of medium term financial planning closely aligned with corporate planning.
- 3.8.3 Implementation of the MTFS will continue to be led by Cabinet and CMB, supported by financial and performance data. Cabinet and CMB will seek to ensure that it is widely understood by internal stakeholders (Members, employees and Unions) and external stakeholders (citizens, businesses and partners).

### **3.9 MTFS Principles**

- 3.9.1 As well as consideration of future income and expenditure scenarios, the MTFS provides a set of clear principles which drive the budget and spending decisions over 2026-2030 and which Members and others can examine and judge the Council's financial performance against. The thirteen MTFS principles are:
  - 1. There will be a "One-Council" approach to the Medium Term Financial Strategy with a view on long term, sustainable savings proposals that are focused on ensuring that the Council remains financially viable over the full period of the MTFS.
  - 2. All budget related decisions will align with the principles of the Well-being of Future Generations (Wales) Act 2015.
  - 3. The Council will continue to meet its statutory obligations and demonstrate how it directs resources to meet the Council's corporate priorities. Other resource strategies (including the Treasury Management Strategy and Capital Strategy) are kept under review to maintain alignment with the MTFS and the Corporate Plan.

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

3.9.2 The MTFS Budget Reduction Contingency Reserve referenced in Principle 7 enables the Council to manage delays or unforeseen obstacles to the delivery of significant MTFS budget reduction proposals. No allocations have been made to date in 2025-26 from this reserve. The level of this reserve will be kept under review by the Section 151 officer in light of forecast difficulties in delivering specific future budget reduction proposals.

### **3.10 Council Tax**

3.10.1 The 2026-27 draft Revenue Budget, shown in Table 5 below, assumes a 4.95% increase in council tax for 2026-27, which is required to enable the Council to meet

the considerable financial challenges that it faces both currently and going forward, not least the ongoing pay and price pressures, along with the unprecedented number of unavoidable service pressures facing the Council as it tries to support its most vulnerable residents. This level of increase will be reviewed again following the consultation process before the final budget is agreed. Going forward an assumed annual increase of 4.5% has also been included for 2027-2030.

### 3.11 MTFS Resource Envelope

- 3.11.1 The published provisional 2026-27 Aggregate External Finance (AEF) figure is an increase of 2.8% for Bridgend. In the MTFS 2025-26 to 2028-29, it was stated that the Council would continue to work towards a most likely scenario in its planning assumptions for 2026-27 of an annual 0% change in AEF and an assumed increase in council tax of 4.5% for 2026-27, with anticipated 0% changes to AEF for future years, recognising the ongoing uncertainty around our funding in future years. However, despite the better than anticipated settlement, as stated above, as a result of the unprecedented challenges facing the Council, and in trying to keep the level of budget reductions to a minimum, it is proposed to increase council tax by 4.95% for 2026-27.
- 3.11.2 The MTFS is regularly reviewed against service performance and external economic and fiscal information to ensure that early action can be taken as necessary to keep it and the Corporate Plan on track. This is particularly important given the current economic uncertainties, particularly in respect of fluctuating levels of inflation, in the coming months and years. In view of these uncertainties, the MTFS has been developed taking into account possible resource envelope scenarios based on percentage changes in AEF shown in Table 2.
- 3.11.3 Welsh Government has not given any information on likely levels of funding for 2027-28 onwards, due to the Senedd Elections in May 2026. However, it is anticipated that the financial position will be no less challenging and that Councils should plan accordingly. Therefore, for 2027-28 onwards, given the level of funding uncertainty in future years, as well as unknown pay and price increases, we will continue to assume 0% change to AEF and an estimated council tax increase of 4.5%. However, they will continue to be monitored and will be amended as further fiscal and economic information is made known.

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

	<b>2026-27 % Change</b>	<b>2027-28 % Change</b>	<b>2028-29 % Change</b>	<b>2029-30 % Change</b>
Best Scenario	+2.8%	+1.0%	+1.0%	+1.0%
<b>Most Likely Scenario</b>	<b>+2.8%</b>	<b>0%</b>	<b>0%</b>	<b>0%</b>
Worst Scenario	+2.8%	-1.0%	-1.0%	-1.0%

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



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

	<b>2026-27 £'000</b>	<b>2027-28 £'000</b>	<b>2028-29 £'000</b>	<b>2029-30 £'000</b>	<b>Total £'000</b>
<b>Best Scenario</b>	2,416	7,438	7,182	6,915	<b>23,951</b>
<b>Most Likely Scenario</b>	2,416	10,349	10,122	9,884	<b>32,771</b>
<b>Worst Scenario</b>	2,416	13,260	13,004	12,737	<b>41,417</b>

### 3.12 Managing within the MTFS Resource Envelope

3.12.1 Given the slightly better than anticipated settlement, and the positive impact of the actuarial valuation on employers' pension contributions, explained in more detail in paragraph 3.18.5, the amount of budget reductions required for 2026-27 is lower than in previous years. Over the period of the MTFS the financial forecast for 2026-2030 is currently predicated on £32.771 million of budget reductions being met from Directorate and Corporate budgets. However, the assumptions beneath them can change quickly and with an uncertain, but no less challenging, financial settlement likely going forward, this level of reductions could change going forward. Directors have already been tasked with identifying future years' budget reductions, to ensure they are realisable at the earliest opportunities. The budget reduction targets are predicated on a number of spending assumptions, including:

- Projections for demographic changes, including an ageing population and an increasing number of young people with complex disabilities living into adulthood and adding progressively to the demand for care.
- Inflationary uplifts to support specific contractual commitments, which is difficult to predict going forward following the higher levels of inflation over recent years. The consumer price index (CPI) rate has remained under 5% since October 2023, went as low as 1.7% in September 2024 but has remained above 3% since April 2025, and was 3.6% for October 2025. This still compares favourably with the higher 8% - 11% increases experienced during 2022 and 2023 but it is much higher than the Bank of England's target of 2% - which the Bank considers a stable pace of increase.
- The future impact of national policies and new legislation which may not be accompanied by commensurate funding, such as the Welsh Government's commitment to eradicate homelessness, local authorities' responsibilities in respect of responding to climate change and meeting net zero carbon targets, potential additional responsibilities arising from UK government's Terrorism (Protection of Premises) Act 2025, and the implications of the Health and Social Care (Wales) Act 2025.
- Complying with the budget principle of full cost recovery, where possible. Consequently fees and charges will increase by the statutory minimum or at least CPI, unless determined otherwise.
- Increases in staffing costs, including a confirmed 6.7% increase in the Real Living Wage (from £12.60 to £13.45 per hour), a 4.1% increase in the national living wage from April 2026 (from £12.21 to £12.71), along with the

impact of staff pay increases in both 2025-26 and 2026-27. These include the full year effect of the teachers' pay increase of September 2025 (4% increase), the unknown teachers' pay increase in September 2026 and increases for non-teachers for 2026-27, which are still to be determined.

With regard to pay claims for 2026-27 the NJC Pay Claim has been submitted by Unison, Unite and GMB Unions, requesting an increase of:

- at least £3,000, or 10% (whichever is greater) for all staff, as well as a minimum hourly rate of £15.
- an extra day of annual leave for all staff,
- a reduction in the working week by two hours, with no loss of pay,
- the ability for school staff to take (at least) one day of their annual leave during term time, with no loss of pay.

A pay increase of £3,000 alone, which is significantly above inflation, would add around 10% to the Council's pay bill if ultimately agreed. With so much uncertainty it is difficult to determine what the pay pressure will be in 2025-26, but with a staff budget of around £240 million, every additional 1% increase will add at least a further £2.4 million pressure to the Council's pay budget. Funding has already been allocated in the schools' and central education budget for the full year effect (April to August 2025) of the teachers' September 2025 pay award. No information has been received to date on the potential teachers' pay award for September 2026.

### **3.13 Net Budget Reduction Requirement**

- 3.13.1 Table 4 shows the current position in respect of addressing the most likely forecast budget reduction requirement of £32.771 million. It shows that £2.826 million of budget reduction proposals have already been identified over the period of the MTFS, including the full £2.416 million required for 2026-27. The table shows that the Council still needs to develop proposals to the value of £29.945 million. This will require some difficult decisions to be made on the range and level of services that the Council provides going forward.

**Table 4 - Risk Status of Budget Reduction Proposals 2026-27 to 2029-30**

Year	<b>GREEN:</b>  Proposal developed and deliverable	<b>AMBER:</b>  Proposal in development but includes delivery risk	<b>RED:</b>  Proposals not fully developed and include high delivery risk	Budget reductions Identified so far	Budget reductions not yet developed	Total Required
	£'000	£'000	£'000	£'000	£'000	£'000
2026-27	832	1,106	478	2,416	0	2,416
2027-28	0	0	410	410	9,939	10,349
2028-29	0	0	0	0	10,122	10,122
2029-30	0	0	0	0	9,884	9,884
<b>Total</b>	<b>832</b>	<b>1,106</b>	<b>888</b>	<b>2,826</b>	<b>29,945</b>	<b>32,771</b>
Percentage of total required	3%	3%	3%	9%	91%	100%

3.13.2 Table 4 illustrates the difficult position that the Council finds itself in financially over the life of the MTFS. For 2026-30 only 9% of savings have been identified, which leaves the Council at risk of not balancing the budget. This will depend on the level of settlement that the Council receives and the total budget reductions required to balance the budget. Indications from Welsh Government are that financial settlements in future years will still be challenging and the Council will continue to face high pay and price pressures. Consequently we will continue to identify options to close the gap during the remainder of the financial year and into 2026-27, whilst at the same time seeking additional funding from Welsh Government, particularly for new responsibilities.

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

### **3.14 Scrutiny and Challenge**

3.14.1 We will be undertaking our annual budget consultation prior to the final budget being presented to Cabinet and Council at the end of February. The aim of the consultation will be to seek views on the priority areas for residents, in order to enable us to review and set a balanced budget. It is recognised that budget planning for 2026-27 continues to be challenging, and that the Council is still facing a significant level of cost pressures.

3.14.2 In advance of the budget consultation, in October 2025 the Council introduced a 'Time to Talk Budget' campaign. This included infographics, social media posts and

dedicated webpages, outlining the current budget and how it is funded in order to enhance residents' understanding of how the budget is compiled, what contribution council tax makes to the Council's budget, any restrictions on the budget, and responses to frequently asked questions.

- 3.14.3 The results of the budget consultation will be collated and considered by Cabinet in order to further inform final decisions on the MTFs in February 2026.

### 3.15 2026-27 Draft Revenue Budget

- 3.15.1 Table 5 shows the draft revenue budget for 2026-27. Any unallocated funding from the provisional settlement is currently held within the central budgets and will be re-allocated when the final budget is determined. In addition, following Welsh Government's announcement on 9 December 2025, any additional funding received through the final local government settlement will be allocated in line with any conditions or expectations attached to it, or taking into consideration the outcome of the budget consultation.

**Table 5 – Draft Revenue Budget 2026-27**

	Revised Budget 2025-26	Specific Transfers from WG incl pay and NI	Inter-Directorate Transfers	Employers' Pensions Contributions	Pay / Prices	Budget Pressures	Budget Reduction Proposals	Opening Revenue Budget 2026-27	Potential In- Year Allocations for Pay and Prices *	Potential Final Budget 2026-27
	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000
<b>Service Directorate Budgets:</b>										
Central Education, Early Years and Young People	32,246	332		-285	229	1,322	-717	33,127	1,010	34,137
Schools	126,309	3,072		-968	1,707	29	0	130,149	3,086	133,235
Education, Early Years and Young People	158,555	3,404	0	-1,253	1,936	1,351	-717	163,276	4,096	167,372
Social Services & Wellbeing	119,218	1,121		-1,663	69	6,345	-1,041	124,049	3,186	127,235
Communities	34,429	401		-668	238	415	-408	34,407	1,302	35,709
Chief Executives	25,755	428	20	-645	21	1,083	-250	26,412	844	27,256
<b>Total Directorate Budgets</b>	<b>337,957</b>	<b>5,354</b>	<b>20</b>	<b>-4,229</b>	<b>2,264</b>	<b>9,194</b>	<b>-2,416</b>	<b>348,144</b>	<b>9,428</b>	<b>357,572</b>
<b>Council Wide Budgets:</b>										
Capital Financing	5,907							5,907		5,907
Levies	10,210	13						10,223		10,223
Repairs and Maintenance	670							670		670
Council Tax Reduction Scheme	17,054				750			17,804		17,804
Apprenticeship Levy	869							869		869
Pension Related Costs	430							430		430
Insurance Premiums	1,363							1,363		1,363
Other Council Wide Budgets	8,766	666	-20		8,515	0	0	17,927	-9,428	8,499
<b>Total Council Wide Budgets</b>	<b>45,269</b>	<b>679</b>	<b>-20</b>	<b>0</b>	<b>9,265</b>	<b>0</b>	<b>0</b>	<b>55,193</b>	<b>-9,428</b>	<b>45,765</b>
<b>Net Budget Requirement</b>	<b>383,226</b>	<b>6,033</b>	<b>0</b>	<b>-4,229</b>	<b>11,529</b>	<b>9,194</b>	<b>-2,416</b>	<b>403,337</b>	<b>0</b>	<b>403,337</b>

\* Actual amounts will depend upon final agreed pay awards and inflationary increases / contractual increases

\*\* Updated Council structure, as approved by Council on 19 November 2025, will be reflected in quarterly monitoring reports 2026-27

\*\*\* £3m Real Living Wage for commissioned services in social care included in Social Services & Wellbeing budget pressure

- 3.15.2 The proposed net budget for 2026-27 will be funded by:

**Table 6 – Net Budget Funding**

	£	%
Revenue Support Grant	236,621,155	58.67
Non Domestic Rates	54,468,272	13.50
Council Tax Income	112,247,891	27.83
<b>Total</b>	<b>403,337,318</b>	<b>100%</b>

### **3.16 Council Tax Implications**

- 3.16.1 Based on the proposed budget of £403.337 million, there is a proposed 4.95% increase in council tax for 2026-27. This is required due to a combination of increasing demand for services and significant cost pressures, both pay and price increases. This level of increase is needed to enable the Council to set a balanced budget. This proposed increase will be kept under review and confirmed when the final budget is submitted for approval in February, once the consultation process has ended and the final settlement has been received.
- 3.16.2 As mentioned above, council tax currently only provides around 28% of the Council's funding. The majority of funding comes from Welsh Government, via the Revenue Support Grant and the Council's share of non-domestic rates. An increase in council tax of 1% therefore only provides around £1 million of additional funding.

### **3.17 Inter-Directorate Transfers**

- 3.17.1 There is only one small inter-directorate transfer included in the draft budget, in respect of the Joint National Council senior management structure approved by Council in November 2025.

### **3.18 Pay, Prices, Pensions and Demographics**

- 3.18.1 Pay awards for teachers, National Joint Council (NJC) and Joint Negotiating Committee (JNC) staff for 2025-26 have been agreed. They included an increase of 4% on all teachers' pay scales and allowances, an increase of 3.2% on all NJC pay points, and an increase of 3.2% for JNC Chief Officers and Chief Executive pay points. No information on pay claims for 2026-27 is available at this time. With so much uncertainty it is difficult to determine what the pay pressure will be in 2026-27 but with a staff budget of over £240 million, every additional 1% increase will add at least a further £2.4 million pressure to the Council's pay budget. Funding has been allocated in the budget for the full year effect (April to August 2026) of the teachers' September 2025 pay award.
- 3.18.2 In March 2022 Bridgend County Borough Council was officially recognised as a Real Living Wage accredited employer by the Living Wage Foundation, and all BCBC-employed staff, including social care staff, were paid at the level of the Real Living Wage. In October 2025 it was announced by the Real Living Wage Foundation that the Real Living Wage would increase by 6.7%, from £12.60 to £13.45 per hour. The rate was to be implemented as soon as possible, but by 1 May 2026 at the latest. For in-house staff this will be paid from 1 April 2026, and funding for this is reflected in the directorate pay and price allocations, along with consequential adjustments to the NJC pay scales.
- 3.18.3 Funding for price inflation in 2026-27 has been retained centrally to meet provision for increases in energy costs, rents, allowances and contractual commitments, which are still largely unknown. A further review of allocations will be undertaken before the final budget is agreed and any necessary amendments made. In respect of non-domestic rates Welsh Government has announced that further information on these arrangements will be determined as part of the preparations for their Final Budget.

- 3.18.4 Following approval of the final budget, the remaining inflationary provision will be retained centrally and allocated during the year as any unknown or unforeseen contract price inflation is agreed, in particular where the index is set after the Council's budget is approved.
- 3.18.5 The Council has received the provisional results of the triennial actuarial valuation of the Local Government Pension Fund as at 31 March 2025. The valuation shows that, based on the performance of the fund at that time, the employer's contributions required by the authority from April 2026 for the next three years is a potential reduction from the current 19.4% to a proposed 15.2%. This is based on high asset performance in the fund, specifically gains on investments, changes to membership and financial assumptions, since the last valuation. The impact of this is a potential reduced cost of employer's contributions of £4.229 million per annum, the budget for which has been top sliced from directorate budgets and centralised, to be used to fund some of the unavoidable budget pressures that the Council is facing. The confirmed contribution rate will be confirmed in the final MTFS.
- 3.18.6 In terms of demographics, there is evidence of an increase in the older persons' population. Wales, as a whole, has an ageing population. In Bridgend, between the 2011 census and the 2021 census there was an increase of 21.5% in people aged 65 years and over, resulting in increased pressure on a number of service areas, including residential care, home care and the assessment and care management teams.

### **3.19 Employers' National Insurance Contributions**

- 3.19.1 In the Autumn Budget 2024 the Chancellor of the Exchequer increased the rate of employers' national insurance contributions from 13.8% to 15%, and reduced the threshold on which this would apply to workers' earnings, from £9,100 to £5,000, from April 2025. The cost to the Council of implementing this for BCBC staff, and for the Fire and Rescue Authority, which the Council contributes to, is £4.828 million. The UK Government indicated it would provide additional funding to help to cover the costs of the increase for public sector workers. In addition there have been pressures from the Council's commissioned services, who also faced additional costs, for the Council to contribute to this cost, which were estimated to be as high as £1.5 million. In the MTFS 2025-2029 Council therefore approved a budget pressure of £1.5 million to help to mitigate these costs. In October 2025 we received a grant offer letter of £4,351,321 from Welsh Government towards additional employers' national insurance costs. Additional grant funding of £96,082 was also received towards the costs for post-16 provision in schools, resulting in total grant funding for the Council of £4.447 million. The Welsh Government Finance Secretary indicated that this grant funding would only cover around 80% of the costs of public sector employees, so the local authority has had to fund this shortfall of around £380,000, in addition to the cost of commissioned services. This grant funding has now been transferred into the settlement on a recurrent basis.

### **3.20 School Delegated Budgets**

- 3.20.1 Given the difficult financial position that the Council found itself in, a 1% efficiency in school budgets (£1.186 million) was included in the MTFS for 2025-26, given that school budgets account for around a third of net revenue expenditure. For 2026-27 the overall provisional settlement for the Council is slightly less challenging than

anticipated, therefore schools have not been asked to find any savings in 2026-27 or beyond at this stage.

- 3.20.2 There are still a significant number of pressures on school delegated budgets for 2026-27 and beyond, not least the full year cost of the September 2025 teachers' pay award for April to August 2026 (4% increase), the new pay award for teachers from September 2026, and the non-teachers' pay award from April 2026. Additional funding will be provided to them during 2026-27 to offset these additional pay and price pressures, which could reach £5 million based on current estimates. It is also understood that a number of school grants will be increasing in 2026-27 which will also help to support schools.

### 3.21 Budget Pressures

- 3.21.1 During 2025-26 a number of unavoidable service budget pressures have arisen for 2026-27 and future years, and those proposed to be funded are detailed in **Appendix A**. They are split into recurrent base budget pressures and emerging directorate pressures. The total of the budget pressures identified for 2026-27 is £9.194 million and this covers those pressures deemed to be unavoidable or statutory, and tries to mitigate some of the more significant budget pressures arising in 2025-26. The recurrent base budget pressures are based on the quarter 2 revenue monitoring position, but will be reviewed again before the final budget, using the quarter 3 information, and amended as necessary. It should be noted that budget pressure bids amounting to over £20 million were originally submitted, but these have had to be prioritised due to the limited funding available. The funding allocated is partly to enable time for transformation of services to take place and will be subject to robust ongoing financial monitoring during 2026-27. There may be additional pressures arising over the coming months and as stated previously, additional funding received via the final local government settlement. Consequently the total pressures requirement may change between draft and final budget.

- 3.21.2 Some of the more significant pressures facing the Authority include:

- Costs associated with supporting and protecting our most vulnerable residents, especially children.
- Support for children with additional learning needs.
- Increased costs of commissioned services in the social care sector following the 6.7% increase in the Real Living Wage, and in general following the 4.1% increase in the National Living Wage from announced by the UK government. Of the £6.345 million of budget pressures in Social Services and Wellbeing, £3 million is in respect of the Real Living Wage for commissioned services.

- 3.21.3 The UK's Packaging Extended Producer Responsibility (pEPR) scheme is a reform that shifts the full financial cost of managing household packaging waste from taxpayers (local authorities) to the businesses that place it on the UK market. Payments to local authorities are being made from November 2025 to cover their costs for managing household packaging waste. These payments, funded by producers of packaging, are calculated based on the net efficient disposal costs for each material type, and for Bridgend CBC in 2025-26 equates to £3.922 million. Similar amounts are anticipated in future years until businesses reduce their packaging waste. The pressures shown in **Appendix A** therefore do not include many budget pressures in the communities' directorate as the pEPR funding will

enable the directorate to support pressures in their service areas from the waste budget funding it releases. This will include mitigating pressures in respect of fleet management, planning, additional waste collection and disposal requirements, both capital and revenue, and in respect of the circular economy. However, it is worth noting that some of the recurrent pressures may need reviewing in future years if the pEPR funding reduces significantly.

### 3.22 Budget Reduction Proposals

- 3.22.1 Budget reduction proposals of £2.416 million for 2026-27 have been identified from service budgets to achieve a balanced budget, and these are detailed in **Appendix B**. This year it has again been extremely challenging to identify reductions in service budgets in order to balance the budget. Given the level of savings made by the Council in recent years, additional budget reductions are not easy to achieve and going forward will require transformational change, often including up-front investment, to reconfigure services and processes. Currently there are four emerging invest to save proposals under consideration – in adults' and children's social care, the provision of secondary nurture classes to reduce exclusions, and in respect of reducing the unit cost of placements in non-maintained / out of county settings. These budget reduction proposals will have a significant impact on staff and residents alike, but are necessary in order to set a balanced budget, or council tax would have to increase by an even higher rate.
- 3.22.2 Some of these proposals were approved by Council in the MTFS 2025-2029 and they are outlined in Table 7 below:

**Table 7 – Budget Reductions already Approved**

Ref	Proposal	£'000	Approval Date
EEYYP2	Review of Home to School Transport	417	£1.092m saving across 2025-26 to 2026-27. Policy change approved by Cabinet on 23 July 2024 with revised Policy approved on 10 September 2024 and implementation from September 2025.
SSW2	Redevelop the indoor bowls arena space	10	Approved in MTFS 2025-2029
SSW12	Business efficiencies in social services support services	129	Approved in MTFS 2025-2029
COM2	Review of cleaning specifications and frequencies on BCBC Operational assets	35	Approved in MTFS 2025-2029
COM3	Further review of cyclical servicing and maintenance contracts	40	Approved in MTFS 2025-2029
COM4	Increase income across the commercial property portfolio	15	Approved in MTFS 2025-2029



CEX6	Review provision of the CCTV service	250	Approved in MTFS 2025-2029. Original value was £444k but this has been reduced.
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### **3.23 Partnership Working**

3.23.1 As part of the MTFS process, and in view of the challenging financial circumstances the Council faces, we also review each of our main strategic partnerships to identify any potential cost savings. The Council's main strategic partners are:

- The Shared Regulatory Service (SRS), which is operated in partnership with Cardiff and the Vale of Glamorgan Councils, was asked by the partner organisations to put forward savings for 2026-27. Those proposals will be considered by the SRS Joint Committee in January 2026 and their recommendation will feed into the budget setting process.
- The partnerships with Halo Leisure and Awen Cultural Trust to run our leisure facilities and library and cultural facilities respectively, were also thoroughly reviewed. These key partners are delivering services at considerably less cost than when the Council provided leisure, culture and library services internally and have added considerable social value to communities in Bridgend. In recent years both partners have increasingly focussed on supporting the most vulnerable and provide a highly effective preventative offer. There will be a need to ensure that these partnerships continue to innovate whilst also recognising that these partners as providers also experience the same inflationary pressures – pay and non-pay - as other Council suppliers.
- Following Welsh Government's review of the school improvement system in Wales (the "Middle Tier Review"), from September 2025 several changes were made in respect of school improvement arrangements across Wales. The main change for Bridgend schools is that support for school improvement is now delivered directly by the local authority. Central South Consortium stills plays a key role in supporting schools across Bridgend, Merthyr Tydfil, Cardiff, the Vale of Glamorgan and Rhondda Cynon Taff, by providing a wide-ranging, professional learning offer.
- The South East Wales Corporate Joint Committee, which came into operation in April 2024, is made up of the ten local authorities named in The South East Wales Corporate Joint Committee Regulations 2021 plus the Brecon Beacons National Park Authority. Since April 2024 it has had responsibility for regional transport and strategic planning and for doing whatever is deemed necessary to enhance or promote the economic well-being of the area. It is known as the Cardiff Capital Region City Deal. For 2026-27 it is anticipated that the local authority contribution will remain at or around the same overall level as 2025-26.

### **3.24 Council Wide Budgets**

3.24.1 Council Wide budgets include funding for the Council Tax Reduction Scheme, costs of financing capital expenditure, levies, including that for the South Wales Fire and Rescue Authority, centrally held pay and prices provisions, insurance budgets,

discretionary rate relief and centrally held building related costs. A number of these budgets are fixed and unavoidable, and therefore cannot be reduced without putting the Council at risk. The higher than anticipated pay awards in recent years, soaring inflation, and unprecedented amount of budget pressures has put also additional pressure on these budgets.

- 3.24.2 The South Wales Fire and Rescue Authority covers 10 South Wales Council areas including Bridgend County. It is funded by raising a levy on its constituent Councils, based on population. The current levy on Bridgend for 2025-26 is £9,532,347. For 2026-27 the Council has received a transfer of £12,660 into the provisional settlement from Welsh Government in respect of Fire and Rescue Authority (FRA) pay increases in 2025-26. This will be passported to the FRA as part of the annual levy in 2026-27. The FRA are currently consulting on a proposed increase of 2.99% across all its constituent local authorities for 2026-27, which, after population changes, would equate to an increase in Levy of £285,048 for Bridgend. Following the consultation process a final decision will be made at the FRA Board meeting in February 2026. The agreed budget increase for the Council will be included as a budget pressure in the final MTFS report.

### **3.25 Business Rates (Non-Domestic Rates)**

- 3.25.1 The Local Government Finance (Wales) Act 2024 provided the Welsh Government with the ability to introduce differential multipliers for Wales. They include the introduction of:

- a lower multiplier for small to medium sized retailers
- a higher multiplier for high value properties

The levels of all multipliers have been determined as part of the Welsh Government's budget setting for 2026 to 2027. The lower multiplier has been set at £0.35, the higher multiplier at £0.515 and the standard multiplier has been set at £0.502 (£0.568 in 2025-26).

- 3.25.2 The next non-domestic rating list will also take effect on 1 April 2026, following revaluation. The Welsh Government will provide transitional relief to all ratepayers whose liabilities will increase by more than £300 following the revaluation. Any such increases will be phased in over two years. The impact on the business rates bills for the Council's buildings is currently being assessed and any amendments required to budgets will be picked up in the final MTFS.

### **3.26 Fees and Charges**

- 3.26.1 In general, fees and charges are increased by CPI, subject to rounding, or in line with statutory or service requirements, except where a clear decision is taken not to do so. Schedules of fees and charges will be reported separately, as usual, under Delegated Powers and Directorates will apply the requirements outlined in the Council's Fees and Charges Policy, which was updated and approved by Cabinet in May 2024. As a key principle, where a decision has been taken to charge for a service, the Council will aim for full cost recovery, except where there is a conscious decision which is consistent with Council priorities, recognising that the service would then be subsidised by council tax payers.

3.26.2 A full list of all fees and charges for 2026-27 will be published on the Council's webpages once the budget has been approved for 2026-27.

### 3.27 Council Reserves

3.27.1 In line with the MTFs principle 8, the Council will endeavour, where possible, to maintain the Council Fund at a level of 5% of the Council's net budget, excluding schools. This is currently £10.008 million, or 3.9% of the Council's net budget excluding schools, slightly lower than the target of 5% due to the need to draw down from it in recent years to balance the accounts at year end.

3.27.2 Details of the Council's total earmarked reserves position at 31 October 2025 are shown in Table 8. These continue to be reviewed during 2025-26 and where they are no longer required they will be unwound. A more detailed position statement will be included in the Final MTFs report to Council on 25 February 2026.

**Table 8 – Earmarked Reserves**

Opening Balance 01 Apr 25	Reserve	Net Additions/ Reclassification	Draw-down	Unwound	Closing Balance 31 Oct 2025
£'000		£'000	£'000	£'000	£'000
	<b>Corporate Reserves:</b>				
46,038	Capital Programme Contribution	45	-	-	46,083
2,290	Asset Management Reserves	-	(209)	-	2,081
1,830	Major Claims & Insurance Reserves	-	-	-	1,830
1,892	Service Reconfiguration	-	-	-	1,892
2,294	Change Management/Digital Transformation	-	(184)	-	2,110
500	Economic and Future Resilience Fund	-	-	-	500
3,179	Other Corporate Reserves	-	-	-	3,179
<b>58,023</b>	<b>Total Corporate Reserves</b>	<b>45</b>	<b>(393)</b>	<b>-</b>	<b>57,675</b>
	<b>Directorate Reserves:</b>				
1,919	Education & Family Support	-	(38)	-	1,881
1,856	Social Services & Wellbeing	-	(265)	-	1,591
1,835	Communities	-	(182)	(1)	1,652
1,966	Chief Executives	83	(123)	-	1,926
<b>7,576</b>	<b>Total Directorate Reserves</b>	<b>83</b>	<b>(608)</b>	<b>(1)</b>	<b>7,050</b>
	<b>Equalisation &amp; Grant Reserves:</b>				
316	Education & Family Support	-	-	-	316
47	Social Services & Wellbeing	-	-	-	47
2,478	Communities	(355)	(81)	-	2,042
47	Chief Executives	310	-	-	357
-	Cross Directorate	-	-	-	-
<b>2,888</b>	<b>Equalisation &amp; Grant Reserves:</b>	<b>(45)</b>	<b>(81)</b>	<b>-</b>	<b>2,762</b>
(619)	School Balances	-	-	-	(619)
<b>67,868</b>	<b>TOTAL RESERVES</b>	<b>83</b>	<b>(1,082)</b>	<b>(1)</b>	<b>66,868</b>

### 3.28 Capital Programme and Capital Financing Strategy

3.28.1 This section of the report deals with the proposed Capital Programme for 2025-26 to 2035-36, which forms part of, but extends beyond the MTFs. It has been

developed in line with the MTFS principles and reflects the Welsh Government draft capital settlement for 2026-27, which provides General Capital Funding (GCF) for 2026-27 of £204 million across Wales and of £8.841 million for BCBC for 2026-27, of which £3.849 million is un-hypothecated supported borrowing, with the remaining £4.992 million provided through general capital grant. This is £259,000 more than we received in 2025-26.

3.28.2 The original Capital Programme budget approved by Council on 26 February 2025 has been further revised and approved by Council during the year to incorporate budgets brought forward from 2024-25, slippage into 2026-27 and any new schemes and grant approvals. A review has also been undertaken of the capital resources available to the Council, along with the capital pressures that it faces. The Council only receives around £8 million per year from Welsh Government and has limited opportunities now to generate additional capital receipts or increase capital earmarked reserves. Due to the very limited capital resource available, following a number of years of significant investment in the Council's infrastructure, service managers were asked to only submit bids for unavoidable capital pressures for scrutiny by the Capital Programme Board, which will be considered for the final MTFS. Given limited capital resources and increasing costs of contracts, the Council will need to make difficult decisions about which capital schemes it can afford to progress, which will involve prioritising existing and future schemes, as not all will be affordable. The programme will require constant review, of not just new, but also existing approved schemes, since the figures included for schemes may change following tender processes.

3.28.3 In addition to limited levels of funding, there are also other financial pressures arising as a result of ongoing economic circumstances, which are being seen in existing tender prices, and will continue to do so for some time going forward, placing pressure on the capital programme overall, including:

- Increased prices of materials, as a result of higher inflation rates, sometimes up to 25% higher than previously estimated;
- Supply chain difficulties leading to higher prices and delays in schemes being completed;
- Inability to recruit to key posts, both within the Council and companies we contract with, resulting in higher wages and overall contract costs;
- Additional requirements on schemes to achieve Welsh Government's Net Zero commitments, which includes an aim of collectively achieving net zero across the Welsh public sector by 2030. This will lead to changes in the way we design and manage our assets, which will likely result in increased costs.

These pressures mean that the Council has limited resources available to fund capital projects in the coming few years therefore all decisions regarding changes to the programme will have to be carefully considered.

3.28.4 Following approval by Council of the Capital Strategy in February/March each year, and the subsequent quarterly monitoring reports to Cabinet and Council, any amendments to the capital programme are usually dealt with during the year rather than just as part of the MTFS. The latest capital programme was approved by Council in November 2025 and any further changes will be included in the updated capital programme presented to Council for approval on 4 February 2026 or the

capital programme to be included in the final MTFS to be approved by Council on 25 February 2026.

- 3.28.5 The capital programme contains a number of annual allocations that are met from the total general capital funding for the Council. The proposed allocations for 2026-27 are shown in Table 9 below.

**Table 9 – 2026-27 Proposed Annual Allocations of Capital Funding**

	<b>Proposed 2026-27 £'000</b>
Highways Structural Works	340
Carriageway Capital Works	250
Disabled Facilities Grants	2,450
Housing Renewal / Empty Property Schemes	100
Minor Capital Works	1,130
Community Projects (match funding)	50
Street lighting / Bridge infrastructure replacement	400
ICT equipment replacement	400
2030 Decarbonisation	150
<b>Total</b>	<b>5,270</b>

### 3.29 Capital Receipts

- 3.29.1 The disposals strategy for the period to 2030 is still in the process of being finalised and, as with previous years, it is anticipated that the majority of the receipts will emanate from the sale of our interests within the Porthcawl Waterfront Regeneration Area. Welsh Government have now increased their share of the joint venture and we will go forward with them as equal partners. The equalisation resulted in a substantial early capital receipt for the Council.
- 3.29.2 Whilst Porthcawl will be the focus of the disposal programme in the immediate future, the agreed sale of our land at Eweny Road, Maesteg to Avant Homes is progressing well, with the land remediation works due to be completed in January 2026. The completion of these works will trigger the completion of the land sale which will bring in a capital receipt in the 2025-26 financial year. Based on the deal that has been exchanged this is likely to result in a capital receipt of around £1.35 million to the Council.
- 3.29.3 Since last year the sale of our former offices at Ravens Court, Bridgend, to South Wales Police has been completed resulting in a capital receipt to the Council of £1.85 million. The sale of the former YGG Cwm Garw site in Pontycymer has been delayed and will now complete in the 2026-27 financial year albeit this is a relatively small receipt of £65,000.

- 3.29.4 Our strategic land holding at Parc Afon Ewenni, Waterton, Bridgend which was due to be brought forward for sale is now being considered for our own use and will not be marketed for sale in the immediate future.
- 3.29.5 Capital receipts from property disposals are subject to the exchange of contracts, so it is prudent not to commit them until we have a contractual agreement.

### **3.30 Prudential (Unsupported) Borrowing**

- 3.30.1 Total Prudential Borrowing taken out as at 1 April 2025 was £46.889 million, of which £31.246 million was outstanding. It is estimated that the total borrowed will increase by £7.512 million by the end of 2025-26.
- 3.30.2 Future prudential borrowing could include an estimated £1.964 million towards the purchase of fleet, £1.565 million towards new school builds and £1.5 million towards the refurbishment of Community Children's Play Areas.

## **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 2026. 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 four well-being objectives.
- 5.2 The well-being objectives are designed to complement each other and be part of an integrated way of working to improve well-being for people in Bridgend County. In developing the MTFS, officers have considered the importance of balancing short-term needs in terms of meeting savings targets, with safeguarding the ability to meet longer-term objectives.
- 5.3 The proposals contained within this report cover a wide range of services and it is inevitable that the necessary budget reductions will impact on the wellbeing goals in different ways. A Well-being of Future Generations Assessment will be undertaken on proposed individual projects and activities where relevant and will feed into specific reports to Cabinet or Council.

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

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

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

## 6. Climate Change and Nature 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, our 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 BCBC's Corporate Parenting Strategy, and provides substantial investment in social services, both adult and children's services through revenue budget pressures.

## **8. Financial Implications**

- 8.1 This report outlines the financial issues that Council is requested to consider as part of the 2026-27 to 2029-30 MTFS. The Council's Section 151 Officer is required to report annually on the robustness of the level of reserves. The current and future anticipated level of Council reserves is sufficient to protect the Council in light of unknown demands or emergencies and current funding levels. It must be emphasised that the biggest financial risks the Council is exposed to at the present time relates to the uncertainty of Welsh Government funding, both generally for local government into the medium term with recent one-year settlements, and specifically for some of the pressures the Council is currently facing in its service areas, the increasing difficulty in the delivery of planned budget reductions as well as the identification of further proposals. Therefore, it is imperative that the Council Fund balance is managed in accordance with the MTFS Principle 9, as set out in the MTFS, and it is essential that revenue service expenditure and capital expenditure is contained within the identified budgets.
- 8.2 The Section 151 Officer is also required to report to Council if they do not believe that they have sufficient resource to discharge their role as required by section 114 of the Local Government Act 1988. Members should note that there is currently sufficient resource to discharge this role.
- 8.3 The proposed budget includes estimates which take into account circumstances and events which exist or are reasonably foreseeable at the time of preparation. However, there is always a risk of change, as evidenced by the volatile economic environment of the last 12 months. Subject to the risks identified the proposed MTFS provides a firm basis for managing the Council's resources for the year 2026-27 and beyond.
- 8.4 However, the extremely challenging financial situation that the Council is facing, currently and in the coming years, cannot be under-stated. Whilst the Council's provisional settlement was slightly better than anticipated, there are still significant service pressures facing the Council going into 2026-27. These pressures, along with new emerging pressures, all need to be met from the funding available. The only way to mitigate them is through service reductions or higher increases in council tax. The Council's reserves are falling, and there is limited capacity to establish new reserves, so using reserves to balance the budget is not a robust or long term solution, particularly in light of the fact that these financial challenges are still likely to be facing us into 2027-28 and possibly beyond. All of these factors must all be taken into consideration when approving the budget for 2026-27 onwards.



**9. Recommendation**

- 9.1 It is recommended that Cabinet submits for consultation the 2026-27 annual budget and development of the MTFS 2026-27 to 2029-30, as set out in this report, prior to presenting a final version for approval by Council on 25 February 2026.

**Background documents**

Individual Directorate Monitoring Reports

Provisional Local Government Revenue and Capital Settlements 2026-27

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## BUDGET PRESSURES 2026-27 TO 2029-30

**RECURRENT BUDGET PRESSURES**

Ref	Directorate	Service	Pressure	2026-27	2027-28	2028-29	2029-30
				£000	£000	£000	£000
1	Education, Early Years and Young People	ALN	Recoupment Expenditure at Heronsbridge / YBC. Whilst numbers have remained stable in inter-authority recoupment placements, with 20 at Summer 2025, down to 18 in Autumn 2025, the pressure is due to additional support being provided at Heronsbridge School and Ysgol Bryn Castell to mitigate further external placements.	250			
2	Social Services and Wellbeing	Adult Social Care	Adult Social Care pressures including physical disabilities homecare, learning disabilities and physical disabilities residential care, as a result of increased placements and increased costs due to changing needs.	250			
3	Social Services and Wellbeing	Children's	There is an overspend of £560k for supported accommodation. The Placement Commissioning Strategy and the Children and Young People's Transitional Strategy outline the need to grow supported accommodation options in response to the increasing number of children aged 10–15 becoming looked after, as well as ongoing responsibilities under the mandated National Transfer Scheme.	250			
4	Communities	Highways	Highways Services - insufficient budget in respect of staffing and hire charges for vehicles and equipment.	40			
5	Communities	Parks and Playing Fields	Parks and Playing Fields - maintenance budgets on cemeteries.	50			
6	Chief Executive	Finance	Funding to reinstate MTFs Budget Reduction CEX25 Finance Senior Management Savings from 2024-25. A full restructure was proposed and consulted on but it did not proceed.	70			
7	Chief Executive	Finance	Benefits - shortfall on Department for Work and Pension (DWP) subsidy contributions towards housing benefit payments in Bridgend. Any Housing Benefit award paid over the subsidy level is borne by the Council as the DWP does not fully fund all Housing Benefit expenditure – for example, there are a number of tenancy arrangements whereby the subsidy is limited to historic local housing allowance rates or restricted by rent officer determinations.	91			
8	Chief Executive	Legal	Historical shortfall on income generated from legal fees for property transactions, S106 Agreements and Highway Agreements.	58			
<b>Total Recurrent Budget Pressures</b>				<b>1,059</b>	<b>0</b>	<b>0</b>	<b>0</b>

**EMERGING DIRECTORATE PRESSURES**

Ref	Directorate		Pressure	2026-27	2027-28	2028-29	2029-30
				£000	£000	£000	£000
SCHNEW 1	Education, Early Years and Young People	Individual Schools Budget	Increase to delegated funding for schools required for energy, cleaning, building maintenance, caretaking and rates as a result of planned extensions to existing premises and proposed new build/replacement schools.	29	293	220	0
EDNEW1	Education, Early Years and Young People	Home to School Transport	Home to school transport for pupil transport for Welsh Immersion provision which supports pupils up to Year 7. The late immersion unit based in Ysgol y Ferch o'r Sgêr was established in March 2025 and all newcomers to Welsh-medium education will be immersed in the language within the unit from Monday to Thursday and spend Friday at their home-school. In line with the transport policy, pupils who are eligible to receive school transport also receive transport to the late immersion unit.	47			

				2026-27	2027-28	2028-29	2029-30
Ref	Directorate		Pressure	£000	£000	£000	£000
EDNEW2	Education, Early Years and Young People	School Improvement	The budget pressure funding (£225k in 2025-26 and 2026-27) is required to support the creation of a School Improvement Group within the local authority's Education, Early Years and Young People Directorate. This additional resource has been necessary following the reorganisation of regional school improvement arrangements across Wales. This funding has facilitated the appointment of a team of school improvement partners supported by three professional officers to support digital learning and strategic development in primary and secondary schools.	225			
EDNEW3	Education, Early Years and Young People	Early Years - Additional Learning Needs	Additional Learning Needs pressures, including additional resource bases in schools, particularly for communication autism, due to the significant increase in the number of pupils with emotional, social and behavioural needs, and pupils with complex medical needs and physical disabilities.	800			
SSW1	Social Services & Wellbeing	Children's Services	<p>The Health and Social Care Bill is designed to rebalance and reform the children's social care system, specifically by eliminating for-profit providers of residential and foster care. There are significant revenue (and capital) pressures associated with meeting the requirements of this legislation against an overall significantly overspent children's placement budget. The current in-house provision and services supporting families to stay together are already dependent on grant funding.</p> <p>Due to new statutory responsibilities under the Health and Social Care (Wales) Act, which require local authorities to ensure sufficient local placement options for children, while reducing and eliminating reliance on private providers. This requirement is supported by our Placement Commissioning Strategy, which identifies the need to establish at least four additional residential homes to meet current and anticipated levels of demand.</p> <p>The 2026-27 figure includes the shortfall on homes 1 &amp; 2, and 3 months of home 3.</p>	1,498	585	1,642	
SSW2	Social Services & Wellbeing	Adult Social Care	Front Door - Increasing demand for assessment for adults with social care needs. There is an increase in costs due to increasing demand for assessment within our Early Intervention and Prevention Service (EIPH) which is the front door to adult services. 2742 new contacts were received during April-August 2025/26 compared to 2422 for the same period in 2024/25. Undertaking a timely and accurate assessment is a key part of our sustainable and strengths based model. With the surge in demand for the service we are unable to maintain this level of service which will result in delays in the system and increased risk, and higher care costs. This will ensure we can meet the demand and prevent unnecessary escalation of need.	86			
SSW3	Social Services & Wellbeing	Adult Social Care	Complex Needs and Continuing Health Care. Increasing pressure from meeting the full care costs of people with complex needs. There is an increase in care costs to the local authority as people with complex needs, including learning disabilities and dementia, become older. Whilst they may be entitled to continuing health care contributions from the health board, this requires a high degree of expertise, persistence and a focussed assessment from our social workers to obtain this.	60			
SSW4	Social Services & Wellbeing	Adult Social Care	Transition. Learning Disabilities - Residential. An increased demand for high cost accommodation/residential care for young people with complex needs transitioning to adult social care at 18. There has been an increase in cost due to increasing numbers of young people with complex needs transitioning from Child and Family services to Adult Social Care at 18. As well as an increase in demand from young people with high levels of complexity, adults with a learning disability are also living longer. This places greater pressure on our residential budget.	800			

				2026-27	2027-28	2028-29	2029-30
Ref	Directorate		Pressure	£000	£000	£000	£000
SSW5	Social Services & Wellbeing	Adult Social Care	Transition - Independent Domiciliary Care. An increased demand for high cost accommodation/residential care for young people with complex needs transitioning to adult social care at 18. The pressure is based on increasing numbers of placements (and increasing complexities of need) made in long-term homecare services over the past 18 months, due to demographic pressures, such as an ageing population and increasing dementia.	151			
SSW6	Social Services & Wellbeing	Commissioned Services	Implications of Real Living Wage (RLW) uplifts on commissioned contracts within Social Services and Wellbeing, to meet Welsh Government's commitment to the real living wage in social care, based on the announced increase to RLW from £12.60 in 2025 to £13.45 (6.7% increase) in 2026.	3,000			
SSW7	Social Services & Wellbeing	Directorate Wide	Establishment of an accommodation unit, similar to the school modernisation team, to develop business cases, seek funding and manage social services accommodation proposals for in-house services. This will initially focus on children's accommodation, to meet the requirements of the Health and Social Care (Wales) Act 2025 in terms of eliminating profit from the care of looked after children, but will also manage changes in provision for adult services, with a view to investing to achieve longer term budget savings.	250			
COM1	Communities	Waste	Additional revenue funding required, over and above the current budget, to operate the waste service as an in-house service from July 2027, as agreed by Cabinet. Separate one-off mobilisation costs that are required eg ICT system costs, legal and HR costs, are being funded by an earmarked reserve, and some may be funded from the Extended Producer Responsibility contribution. An element of the funding is required in 2026-27 to enable containers and personal protective equipment to be pre-ordered in time for the July 2027 start date.	275	965		
COM2	Communities	Transport	Bus Subsidies: to include provision to undertake pilot schemes on routes no longer served by bus operators.	50			
CEX1	Chief Executive's	Taxation	Shortfall in Court Cost Income from council tax and Non Domestic Rates, both historically and as a consequence of changes to the legislation for the administration and enforcement of council tax which are due to be introduced by Welsh Government from 01/04/2026 (The Council Tax (Discount, Disregards and Exemptions) Regulations 2026).	75			
CEX2	Chief Executive's	Democratic Services	The current Welsh Government consultation on committee meetings, ending on 28 November 2025, proposes extending the mandatory broadcasting of council meetings to include all statutory committees like Democratic Services and Planning, as well as Cabinet meetings (presently it is just full council). Additional revenue funding, over and above the current budget would be needed to increase capacity to comply with this requirement and the infrastructure needed to support this approach. Furthermore, the new conferencing system for the Chamber and Committee Rooms aligned with the Council's digital transformation project will require more resource. Furthermore, the recent Panel Performance Assessment identified that a critical component of any emerging transformation plan will be our approach to the digital function. Resources will therefore be required to provide ongoing support to our Elected Members to help them understand and champion these digital initiatives. A key area of support will be the Member Referral System providing an effective digital platform for handling constituents' cases and effectively manage their workload.	36			
CEX3	Chief Executive's	Democratic Services	Strengthening Democratic Services capacity to assist with policy advice, support and development.	50			

				2026-27	2027-28	2028-29	2029-30
Ref	Directorate		Pressure	£000	£000	£000	£000
CEX4	Chief Executive's	Legal Services	In the MTFS 2025-2029 additional revenue funding was granted for the appointment of a dedicated s106 officer and an assistant in the Communities Directorate. The establishment of an Infrastructure Management Board to develop and implement an Infrastructure Management Plan has also been agreed in principle. The purpose behind these actions is to ensure the Council obtains maximum benefit from S106 funding, particularly as the Replacement Local Development Plan (RLDP) will generate around £155 million in S106 income over the course of the plan period. The implication is that there will be a greater demand on legal advice on S106s going forward and therefore additional revenue funding will be required over and above the current budget for Legal Services to meet this work in-house.	65			
CEX5	Chief Executive's	Human Resources	Permanent funding for additional resource to ensure we meet our mandatory pension reporting requirements that have significantly changed in recent years due to greater reporting requirement for both Teachers and LGPS with separate monthly returns. There is also additional work following the McCloud ruling.	81			
CEX6	Chief Executive's	Human Resources	Previous savings against the Learning & Development were mitigated by vacancies that now need to be filled to ensure we meet operational payroll deadlines.	57			
CEX7	Chief Executive's	Transformation	Following the outcome of the Panel Performance Assessment, the development of a multi-skilled transformation team to take forward transformation across the Council, to progress change at pace, leading to deliverable savings in the medium to longer term.	500			
CW1	Council Wide	Capital Financing	Revenue Funding to meet the costs of unsupported borrowing, to support the capital programme, not least the Sustainable Learning for Communities Programme and capital expenditure for communities.		500	500	
Total Budget Pressures				8,135	2,343	2,362	0

TOTAL ALL BUDGET PRESSURES	9,194	2,343	2,362	0
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TOTAL PRESSURES

Schools	29	293	220	0
Education, Early Years and Young People	1,322	0	0	0
Social Services and Wellbeing	6,345	585	1,642	0
Communities	415	965	0	0
Chief Executives	1,083	0	0	0
Council Wide	0	500	500	0
	9,194	2,343	2,362	0

Budget Reduction Proposals 2026-27 to 2029-30

Ref.	Budget Reduction Proposal	Impact, including on 5 Ways of Working as set out in the Well-being of Future Generations Act	Budget 2025-26 £'000	Total Budget Reduction 2026-2030 as % of 2025-26 Budget	2025-26 Budget Reductions £'000	Proposed 2026-27 £'000	Proposed 2027-28 £'000	Proposed 2028-29 £'000	Proposed 2029-30 £'000
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RAG STATUS KEY	
RED	Proposals not fully developed/include high delivery risk incl. e.g. consultation
AMBER	Proposal in development but includes delivery risk
GREEN	Proposal developed and deliverable

EDUCATION, EARLY YEARS AND YOUNG PEOPLE

EEYYP1	Review of Home to School Transport	The new Home to School Transport Policy was implemented on 1 September 2025. The Budget reduction proposal was split over two financial years. The efficiency savings are ongoing and contracts have been adjusted to take into account the change of eligibility of pupils.	10,892	4%	675	417			
EEYYP2	Efficiencies in Catering Budget	The efficiency saving will be met through a reduction in the Catering Service's core budget across a number of areas, including non-staffing costs, procurement etc. Little impact is envisaged on front line services.	£5.082m gross budget	6%		300			
Total Education, Early Years and Young People Directorate						717	0	0	0

SOCIAL SERVICES AND WELLBEING

SSW1	Achieve better value for money by Cabinet considering a recommendation to extend the Healthy living partnership	On 22nd October 2024 Cabinet agreed to the proposed extension of the term of the Healthy Living partnership agreement with GLL/ HALO . Officers for the Council have since agreed the terms of the deed of variation and wording of the applicable procurement notices with GLL/HALO. The completed deed of variation is awaiting to be published as per the required procurement notices.  The extension of the Healthy Living partnership provides certainty on service delivery and an opportunity for the reprofiling of service and management fee.	£1.175m (Management Fee)	17%			200		
SSW2	Redevelop the indoor bowls arena space and explore redevelopment for other purposes that offer increased income generation	The operation of the indoor bowls hall at Bridgend Life Centre generates operating costs that are difficult to cover based on the seasonal usage by the indoor bowls club. Any changes to indoor bowling would not be popular and may have a negative impact on the Council's wellbeing goals. The development of the wellbeing hub inside the bowls hall has improved usage by downsizing the number of bowling rinks already. With investment there may be possibilities for seasonal increased income generation. Potential need for alternative community venue for indoor bowls.	£1.175m (Management Fee)	2%	10	10	10		



Budget Reduction Proposals 2026-27 to 2029-30

Ref.	Budget Reduction Proposal	Impact, including on 5 Ways of Working as set out in the Well-being of Future Generations Act	Budget 2025-26 £'000	Total Budget Reduction 2026-2030 as % of 2025-26 Budget	2025-26 Budget Reductions £'000	Proposed 2026-27 £'000	Proposed 2027-28 £'000	Proposed 2028-29 £'000	Proposed 2029-30 £'000
Page 68 SSW3	Achieve better value for money by Cabinet considering a recommendation to explore an agency model for the Healthy Living Partnership	Recent changes to legislation mean that Local Authorities (LAs) do not have to charge VAT on leisure activities so could engage a company to act in an agency capacity and therefore save the irrecoverable VAT . Implementation of an agency model as part of the Healthy Living partnership would allow HALO to collect income on behalf of the local authority so income remains 'non-business', which would mean HALO would not have to pay irrecoverable VAT on expenditure. The council would need to seek independent advice to understand the risks associated with the agency model.	£1.175m (Management Fee)	17%			200		
SSW4	Business efficiencies in support services through reviewing structures in business support, performance and commissioning.	The commissioning team is at full capacity with all colleagues on permanent contracts, so any MTFS saving / restructure will result in redundancy costs. The team are also driving forward key transformational change linked to MTFS savings, so any reduction on capacity will impact our ability to deliver targeted savings elsewhere in the MTFS. There is also a risk that we will not be able to meet essential requirements of the newly implemented WG Code of Practice for commissioning care and support, nor our own internal Contract Procedure Rules, where there is a risk that tenders cannot be undertaken within required timescales. Business support has been restructured to provide a support office model which ensures that statutory minutes linked to safeguarding are completed and distributed in a timely manner and to ensure social work tasks are carried out by support officers, thus maximising the amount of time that social workers spend with children, adults, families and carers. Reduction in this resource will increase the administrative burden on social work staff. Any reduction in the performance team will impact on the ability to complete statutory performance returns. There is a high probability reductions in these teams will result in compulsory redundancies.	2,730	5%	129	129			
SSW5	Adult Social Care Placements - Review the level of support provided within supported living and residential placements across ASC to ensure that we focus on people's strengths and maximise their independence.	As well as 'right sizing' of support we will also 'step down' where it is possible from residential placements to more independent options such as Supported Living and 'Shared Lives.' The delivery of these savings will only be achieved if there is permanent funding secured for the commissioning for complex needs team. It is important that they are focussed on delivering improved outcomes for individuals by supporting more independent living.	40,522	1%		370			
SSW6	Review the levels of support provided through direct payments for all adult groups to ensure that we focus on people's strengths, maximise their independence and reduce their reliance on formal care in line with direct payments policy.	The delivery of these savings will only be achieved if there is permanent funding secured for the commissioning for complex needs team. It is important that they are focussed on delivering improved outcomes for individuals by supporting more indepdent living.	6,313	4%		250			
SSW7	Day Service Placements - Review the day opportunity placements we commission with independent providers for people with a learning disability and re-provide this within our in-house services.	It is important that there is a positive, outcome focussed, progressive offer from in-house services which maximises indpedence and supports individuals to achieve their personal outcomes. This should also represent better value for money.	648	8%		50			



Budget Reduction Proposals 2026-27 to 2029-30

APPENDIX B

Ref.	Budget Reduction Proposal	Impact, including on 5 Ways of Working as set out in the Well-being of Future Generations Act	Budget 2025-26 £'000	Total Budget Reduction 2026-2030 as % of 2025-26 Budget	2025-26 Budget Reductions £'000	Proposed 2026-27 £'000	Proposed 2027-28 £'000	Proposed 2028-29 £'000	Proposed 2029-30 £'000
Page 69 SSW8	Residential and Non Residential Charging - In line with Fairer Charging regulations, apply a 10% increase in both residential and non-residential charges so we continue to move towards full cost recovery.	As any charges levied are in line with Welsh Government Fairer Charging Regulations the impact on individuals is mitigated. The increase is in line with the MTF5 principle to move towards full cost recovery across all service areas.	-10,186	-2%		232			
	Total Social Services and Wellbeing Directorate					1,041	410	0	0

COMMUNITIES

COM1	Review of cleaning specifications and frequencies on BCBC Operational assets.	Will impact cleaning standards and visibility of cleaning frequencies but change is considered feasible. Will need to review cleaning staff numbers and potential for redundancies however aim will be to implement changes through staff redeployment and recruitment changes across the wider cleaning contract thus avoiding redundancy issues.	308	11%	35	35			
COM2	Further review of cyclical servicing and maintenance contracts dialling back maintenance items to safety critical and statutory compliance only.	Reduction of cyclical maintenance activity counter productive for long term asset operation. Potential for reduction in Business Support staff as a result of the reduction in cyclical orders although savings to Business Support already form part of current MTF5.	1,452	3%	45	40			
COM3	Increase income across the commercial property portfolio	Change will take time to implement and require additional surveyor resource over time.	1,626	1%	15	15			
COM4	Increase fees on Bereavement services, i.e. burial charges by 10%	Income target has been based on historic income levels achieved and the application of a 10% increase to current charges. There is a risk to achieving the income target if there is a reduction in burials compared with the last two years if they return to pre-pandemic levels, or if relatives seek alternative services from neighbouring authorities.	Income budget £679K	10%		68			
COM5	Reduce the budget available for the Climate Emergency Response Programme, including Ultra Low Emission Vehicles (ULEV) implementation	The Climate Emergency Programme will have to be remodelled. This will impact on the Welsh Government's net zero 2030 target and will now require additional grant funding from external sources or joint working with partners to achieve our ambitious targets.	414	12%		50			
COM6	Reduce available property maintenance budgets in Corporate Landlord by up to 10% per asset	Risk to safety and statutory building compliance. Reduction of maintenance activity counter productive for long term asset operation. This reduction would be limited to assets where non essential maintenance items can be removed. Will have a resulting negative affect on teams delivering maintenance functions with reduction in volume of orders, but these reductions have been taken previously and could be taken again if required	1,501	7%		100			
COM7	Reduction in Traffic & Transportation Budget with relation to the provision of Car Parking	This saving could be realised by looking to increase the opening hours at the Rhiw Car Park to encourage use during the night time economy, which could increase fee income and reduce operating costs by moving to a pay & display operation.	1,341	7%		100			
	Total Communities Directorate					408	0	0	0

CHIEF EXECUTIVES

Ref.	Budget Reduction Proposal	Impact, including on 5 Ways of Working as set out in the Well-being of Future Generations Act	Budget 2025-26 £'000	Total Budget Reduction 2026-2030 as % of 2025-26 Budget	2025-26 Budget Reductions £'000	Proposed 2026-27 £'000	Proposed 2027-28 £'000	Proposed 2028-29 £'000	Proposed 2029-30 £'000
CEX1	Review provision of the CCTV service.	This is a non statutory service, provided by the Council, the main benefit of which is felt by other public sector bodies. The saving will be achieved by requesting contributions from South Wales Police or the Community Safety Partnership, or by reducing the specification of live coverage.	462	54%		250			
	Total Chief Executive's Directorate					250	0	0	0

	GRAND TOTAL REDUCTIONS					2,416	410	0	0
	ESTIMATED BUDGET REDUCTION REQUIREMENT (MOST LIKELY)					2,416	10,349	10,122	9,884
	REDUCTION SHORTFALL					0	9,939	10,122	9,884

832	0	0	0
1,106	0	0	0
478	410	0	0
2,416	410	0	0

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

## Project Description (key aims):

Medium Term Financial Strategy (MTFS) 2026-27 to 2029-30

## Section 1 Complete the table below to assess how well you have applied the 5 ways of working.

Long-term	<p><b>1. How does your project / activity balance short-term need with the long-term and planning for the future?</b></p> <p>The development of the MTFS aims to balance short-term needs in terms of meeting savings targets, while safeguarding the ability to meet longer-term objectives. It provides a financial basis for decision making and aims to ensure that the Council's finances can be as healthy as they can be for future generations. It does this by:</p> <ul style="list-style-type: none"> <li>• Outlining the impact of a number of different funding scenarios (Best, Most Likely and Worst) to provide an element of flexibility to the Council.</li> <li>• Adhering to a clear set of MTFS principles and annual budget principles that drive expenditure decisions.</li> <li>• Ensuring that the majority of savings are generated from making smarter use of resources with front line service reductions kept to a minimum and only as a last resort.</li> <li>• The development of a 10 year capital programme which reflects the Council's affordability in terms of capital receipts and borrowing and investment in capital schemes that support the Council's well-being objectives and benefits the County Borough over a longer period.</li> <li>• Protecting front line services as far as possible.</li> </ul>
Prevention	<p><b>2. How does your project / activity put resources into preventing problems occurring or getting worse?</b></p> <p>The MTFS attempts to balance investment in preventative measures against costs of reacting to unanticipated situations in statutory services. Each budget reduction proposal is weighed in terms of the impact on other areas of the Council, on the public and on the Well-being of Future Generations. Where a budget cut in one area of non-statutory prevention would lead to increased costs in another, this is not considered to be good financial management. A number of budget pressures target investment in preventative services, and budget reductions are achieved through remodelling of existing service provision to prevent more costly long term pressures. In addition, the Council's capital programme targets significant investment in refurbishing or replacing highways, buildings and other infrastructure to prevent longer term maintenance costs.</p>

<b>Integration</b>	<b>3. How does your project / activity deliver economic, social, environmental &amp; cultural outcomes together?</b>
	The Medium Term Financial Strategy is closely aligned to the Council's Corporate Plan, with explicit links between resources and well-being objectives. The MTFS has been guided by its well-being objectives. The development of the Corporate Plan and MTFS are both the responsibility of Cabinet and the Corporate Management Board.
<b>Collaboration</b>	<b>4. How does your project / activity involve working together with partners (internal and external) to deliver well-being objectives?</b>
	A number of budget reduction proposals are achievable through inter-agency working, with the Third Sector, Social Enterprises, other local authorities and partners. These include joint services across local authorities, and with the Health Service, and new models of working internally to provide more resilient services. A number of services already collaborate with other partners and these continue to improve performance whilst operating with reducing resources.
<b>Involvement</b>	<b>5. How does your project / activity involve stakeholders with an interest in achieving the well-being goals? How do those stakeholders reflect the diversity of the area?</b>
	We will be undertaking our annual budget consultation prior to the final budget being presented to Cabinet and Council at the end of February. The aim of the consultation will be to seek views on the priority areas for residents, in order to enable us to review and set a balanced budget. It is recognised that budget planning for 2026-27 continues to be challenging, and that the Council is facing even more demand and cost pressures than experienced in previous years, as a result of the global economic circumstances arising from the continuing cost of living crisis and economic background.  The results will be collated and considered by Cabinet in order to further inform final decisions on the MTFS.

<b>Section 2      Assess how well your project / activity will result in multiple benefits for our communities and contribute to the national well-being goals</b>		
<b>Description of the Well-being goals</b>	<b>How will your project / activity deliver benefits to our communities under the national well-being goals?</b>	<b>Is there any way to maximise the benefits or minimise any negative impacts to our communities (and the contribution to the national well-being goals)?</b>

<p><b>A prosperous Wales</b></p> <p>An innovative, productive and low carbon society which recognises the limits of the global environment and therefore uses resources efficiently and proportionately (including acting on climate change); and which develops a skilled and well-educated population in an economy which generates wealth and provides employment opportunities, allowing people to take advantage of the wealth generated through securing decent work.</p>	<ul style="list-style-type: none"> <li>• Improved educational outcomes for children and young people leading to a well-educated and skilled population to meet future skills needs.</li> <li>• Improve future outcomes for young people including educational attainment, cohesive safe communities are more attractive and easier places to do business.</li> <li>• Increase productivity, employment and skills. Encourage a lower carbon economy.</li> </ul>	<p>The majority of savings will be generated from making smarter use of resources with front line service reductions kept to a minimum and only as a last resort.</p> <p>The MTFS is aligned with the Corporate Plan to achieve the Council's current well-being objectives:</p> <p>Funding is targeted in line with these priorities and in line with the 13 MTFS Principles.</p>
<p><b>A resilient Wales</b></p> <p>A nation which maintains and enhances a biodiverse natural environment with healthy functioning ecosystems that support social, economic and ecological resilience and the capacity to adapt to change (for example climate change).</p>	<ul style="list-style-type: none"> <li>• Break long term cycles to secure better outcomes for people and communities.</li> <li>• Stronger individuals and communities are more resilient to change.</li> <li>• Communities place a greater value on their environment and more people get involved in local issues and recognise the importance of green space in wellbeing and as a prevention factor.</li> <li>• Healthy active people in resilient communities, volunteering, keeping young people in the local area, reducing travel to work, increased use and awareness of green spaces.</li> </ul>	<p>The impact on local communities will be monitored through the wide range of services that will continue to be provided by the Council or its partners.</p>

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

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

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



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

Section 4 Identify decision meeting for Project/activity e.g. Cabinet, Council or delegated decision taken by Executive members and/or Chief Officers	
Cabinet	
Compiling Officers Name:	Deborah Exton
Compiling Officers Job Title:	Deputy Head of Finance
Date Completed:	30/11/2025

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<b>GLOSSARY OF FINANCIAL TERMS</b>	
Aggregate External Finance (AEF)	Aggregate external finance (AEF) represents the support for local revenue spending from the Welsh Government and is made up of formula grant. Formula grant includes the revenue support grant (RSG), and the distributable part of non-domestic rates (NDR). Amounts are determined annually and in advance of each new financial year as part of the Local Government Financial Settlement.
Appropriations	Transfer of funding to or from a specific account e.g. earmarked reserve.
Assets	Any item of value owned by an entity (e.g. buildings, vehicles). Assets can be classed as Non-current or capital assets where the asset has a useful life of more than one year (e.g. buildings, vehicles), or a current asset which includes cash or other assets which can reasonably be expected to be converted to cash in the normal course of business including stocks, debtors etc.
Band D	Dwellings are assigned to different council tax bands (A to I) based on their value. Band D is considered the median band. Council tax can be measured in 'band D' terms. Band D has historically been used as the standard for comparing council tax levels between and across local authorities.
Budget	A statement expressing the Council's policies and service levels in financial terms for a particular financial year. In its broadest sense it includes both the revenue budget and the capital programme and any authorised amendments to them.
Budget Head	For a particular service activity, the level of detail at which revenue or capital budgets are approved by the Council, whether in the Budget Book, the latest approved capital programme or as a result of supplementary estimates approved for the budget year.
Budget Pressure	See 'Pressures'
Budget Reductions	<p>Budget reductions are measures to reduce the net budget of the Council. They can be achieved in a number of ways, including:</p> <ul style="list-style-type: none"> <li>* reducing or removing the spend on the service eg reducing the number of staff, providing less of a service.</li> <li>* generating more income to offset costs of a service eg moving to full cost recovery.</li> </ul> <p>Both have the same impact in terms of reducing the net budget required to run that service.</p>
Business Rates	See "Non-Domestic Rates"
Budget Requirement	The Budget Requirement is the amount of expenditure that is funded by council tax and general support from central government, i.e. revenue support grant and redistributed non-domestic rates.
Budget Virement	See Virement

Capital Programme	The Council's financial plan covering capital schemes and expenditure proposals for the current year and a number of future years. It also includes estimates of the capital resources available to finance the programme.
Capital Expenditure	Spending on non-current assets (buildings, equipment and land) intended to benefit future accounting periods or spending that increases the capacity, economy, efficiency or lifespan of an existing asset.
Capital Receipts	Capital receipts are the money councils receive from asset sales, the use of which is normally restricted to funding other capital expenditure or paying off debt. The receipts cannot usually be used to fund revenue costs.
Contingency	An amount of money that is included in a budget to cover potential events that are not specifically accounted for in the specific cost estimate.
Council Tax	System of local taxation introduced in April 1993. A property tax levied on homes determined by placement of residences within 9 valuation bands (A-I). There are exemptions for certain types of property and discounts for people in certain circumstances.
Council Tax Base	The estimated number of chargeable properties, expressed as the equivalent number of 'Band D' properties in the Council's area. The Council is required to annually advise the Welsh Government of its Council Tax Base (as at 31st October), which they use in the Local Government Financial Settlement, and to allow the Council, South Wales Police Authority and Town / Community Councils to calculate the following year's Council Tax charges.
Council Tax Reduction	Council Tax Reduction (CTR) provides assistance for those on low incomes with a liability to pay council tax
Council Wide Budgets	These include budgets, provisions and services that are Council wide, and are not managed by an individual directorate.
CPI	The main inflation rate used in the UK is the CPI (Consumer Price Index). The Chancellor of the Exchequer bases the UK inflation target on the CPI. The CPI inflation target is currently set at 2%. The CPI differs from the CPIH in that CPI excludes housing costs.
Deficit budget - schools	A school deficit budget occurs when a school's planned or actual spending exceeds its planned or actual income for a given financial year. This means the school has more expenses than income, leading to a negative financial balance.
Earmarked Reserves	An authority may choose to earmark reserves, putting aside resources to deliver specific longer-term objectives – for example, the replacement of vehicles, plant and equipment. The purpose and usage of each earmarked reserve should be clearly set out. They can only be used for one-off purposes, not recurrent / ongoing spend.
Fees and Charges	Income raised from making charges for the provision of services such as licence permits, car parking and planning fees.
Financial year	The period of twelve months commencing on 1 April

Fiscal	Relates to public finance, especially taxation, public revenues and public debt.
Gross Revenue Budget	The Gross Revenue Budget includes all funding available to the authority, not just Revenue Support Grant, Non-Domestic Rates and Council Tax, but also other specific grants, fees, charges and other contributions that the Council receives.
Hypothecated Funding	Ring-fenced funding, which must be spent on particular services or initiatives
Inflation	The rate of increase in prices over a given period of time.
Insurance	Insurance is one of the ways that the councils manage the risk of losses.
Levy	A levy is an amount of money a local authority is compelled to include in its budget on behalf of another organisation – for example, the Fire and Rescue Authority, Coroner's Service etc. This does not appear as a separate item on the council tax bill like a precept would.
Local Government Settlement	The annual allocation of funding from the Welsh Government to local authorities.
Medium Term Financial Strategy	The MTFS is a rolling financial plan that is updated annually by local authorities. Typically, this will include planned expenditure for three to five years.
Multiplier	The multiplier is a figure set by Welsh Government each year. It determines how much you pay in Business (Non-Domestic) Rates by applying it to the rateable value of your property.
Net Revenue Budget	The Net Revenue Budget is the budget after fees, charges, other income and specific grants are taken into account. It is funded from the Revenue Support Grant, Non-Domestic Rates and Council Tax.
Nominal Value	Nominal value does not take into account the effect of inflation, it is an absolute monetary value.
Non-Domestic Rates	Also known as 'business rates': a form of taxation on commercial and business properties (i.e. non-domestic properties). Business rates are based on the property's rateable value which is set by the Valuation Office Agency. Your local council calculates your business rates bill using a 'multiplier', set by Welsh Government. Non-Domestic Rates are collected by each Council for properties in their area. Each Council then receives a share of the total available as part of its annual funding, based upon its total adult population.
Non-Recurrent	One-off income, expenditure or savings.
Outturn	Expenditure actually incurred.
Over spend	When referring to expenditure the actual expenditure incurred is greater than the budget.  When referring to income the actual income achieved is less than the budget.
Precept	This is the Council Tax collected by the Council on behalf of the Town and Community Councils and the South Wales Police Authority
Pressures	A budget pressure is an increase in cost that is generally beyond the control of the service or organisation.
Prudential Borrowing	See 'Unsupported (Prudential) Borrowing'
Real Value	Real value is after taking into account the value of inflation.

Recurrent	Ongoing income, expenditure or savings
Reserves	These are balances in hand that have accumulated over previous years and are held for defined (earmarked reserves) and general (general reserves) purposes. Councils are required to regularly review the level and purpose of their reserves and to take account of the advice of the Chief Finance Officer.
Revenue	A term used to describe the day-to-day costs of running Council services e.g. salaries, utility costs for buildings, cleaning, transport related costs, food, general supplies e.g. consumables such as paper, stationery etc.
Revenue Support Grant (RSG)	The Revenue Support Grant (RSG) represents the major element in the support for local revenue spending that the Council receives from the Welsh Government. Amounts are determined annually and in advance of each new financial year as part of the Local Government Financial Settlement, and form a part of the Aggregate External Finance (AEF), along with a share of Non-Domestic Rates.
Revised Budget	This is constructed from the original budget for the year and virements to adjust for known under or overspending within the overall cash limit for the service.
Risk Management	A planned and systematic approach, involving culture, structure and processes, to provide assurance that the Council's significant risks are identified, evaluated and managed effectively.
Section 106 Agreements	Section 106 agreements, also known as planning obligations, are agreements between developers and local planning authorities that are negotiated as part of a condition of planning consent. The Town and Country Planning Act 1990 enables local authorities to negotiate contributions towards a range of infrastructure and services, such as community facilities, public open space, transport improvements and/or affordable housing. The funding received is referred to as Section 106 funding.
Section 151 Officer	Section 151 of the Local Government Act 1972 requires every local authority to make arrangements for the proper administration of their financial affairs and requires one officer to be nominated to take responsibility for the administration of those affairs.
Specific government grants	Grants given to local authorities by the government to support specific activities or projects. There are specific terms and conditions associated with spending and accounting for these grants.
Standard Spending Assessments (SSAs)	Standard Spending Assessments (SSAs) are notional assessments of each council needs to spend on revenue services, calculated each year by the Welsh Government for use in the distribution of the Revenue Support Grant (RSG). SSAs are calculated prior to the year to which they relate using principles established by the Welsh Government, which encompass the demographic, physical and social characteristics of each area, as reflected by a range of indicators.

	An authority's SSA is derived as a funding mechanism to distribute the RSG, it is not and should not be viewed as a target level of expenditure for an authority. The RSG funding is unhypothecated, SSAs are not meant to be prescriptive in any way, and therefore authorities will spend at levels above and below their SSA according to decisions that have been made locally.
Supported Borrowing	A source of funding from the Welsh Government to finance general capital expenditure. Allocations are issued annually to each local authority as part of the Local Government Financial Settlement. The Welsh Government includes an element within the Revenue Support Grant to fund the cumulative costs of this borrowing that is classed as supported borrowing.
Taxbase	This is the number of Band D equivalent dwellings in a local authority area after taking into account any discounts, premiums and exemptions. An authority's tax base is taken into account when it calculates its council tax.
Treasury Management	The management of the authority's cash flows, its borrowings and its investments, the management of the associated risks, and the pursuit of the optimum performance or return consistent with those risks.
Treasury Management Strategy (TMS)	The strategy for the Treasury Management activities to be adopted for a particular financial year. The strategy needs to be flexible enough to allow the Head of Finance to respond appropriately to changing circumstances during the course of the year to the best advantage of the Council.
Under spend	When referring to expenditure the actual expenditure incurred is less than the budget.  When referring to income the actual income achieved exceeds the budget.
Un-hypothecated Funding	Funding allocated without restrictions on how it should be spent.
Unsupported (Prudential) Borrowing	Borrowing to fund capital expenditure which exceeds Welsh Government support in the Revenue Support Grant. Councils can choose to fund capital expenditure through Unsupported (Prudential) Borrowing so long as they demonstrate that borrowing is prudent, sustainable and affordable, as the ongoing revenue costs of unsupported borrowing will still need to be met from available resources.
Unusable Reserves	Unusable reserves are established for specific legal or accounting purposes and cannot be used to fund future expenditure.
Usable Reserves	Usable reserves are referred to as cash-backed reserves that can be used to fund future expenditure. Some reserves however will be subject to restrictions on their usage. These include Schools Reserves, Capital Grants Unapplied and Capital Receipts Reserves.
Value for Money	Broadly value for money is the extent to which objectives are achieved in relation to costs. It is about achieving the optimum

	<p>combination of costs and benefits to an organisation. Value for money is more formally defined as the relationship between economy, efficiency and effectiveness.</p> <p>Economy is the price paid for what goes into providing a service. Efficiency is a measure of productivity – how much you get out in relation to what is put in.</p> <p>Effectiveness is a measure of the impact achieved and can be quantitative or qualitative. Outcomes should be equitable across communities, so effectiveness measures should include aspects of equity.</p>
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## **REPORT TO CORPORATE OVERVIEW AND SCRUTINY COMMITTEE**

### **PROPOSED USE OF ADDITIONAL FINAL SETTLEMENT FUNDING**

1. Following the announcement of the provisional local government settlement on 24 November 2025, on 9 December 2025 Welsh Government announced that they had reached a budget agreement with Plaid Cymru that secured almost £300 million of additional investment in Wales' public services in 2026-27, and that the agreement would secure the passage of the Final Budget for 2026-27 in January 2026. As part of the agreement there would be additional funding of £112.8 million for local government in 2026-27. . The announcement stated that all Councils would receive increases above 4%, with an overall increase to local government of 4.5%. Bridgend has been notified that provisionally our increase could be 4.6%, an additional £5 million compared to the provisional settlement. This increase will be confirmed when we receive the final local government settlement on 20 January 2026.
2. Cabinet has reflected on their priorities for the allocation of the additional funding. A number of additional budget pressures have been proposed, which are included in **Annex 1**. These currently total £4.008 million.
3. The public budget consultation, Time to Talk Budget 2026-2027, is currently live and will be open for responses until 27 January 2026. The results of the survey will be reported to Cabinet in February, and will be taken into consideration when setting the final budget for Council approval on 25 February 2025.
4. In addition, Cabinet are proposing a number of Invest to Save projects, to transform some of the services that we provide, in order to inform future years' savings proposals. These will be focused on adults' and children's social care, the provision of secondary nurture classes to reduce exclusions, and in respect of reducing the unit cost of placements in non-maintained / out of county settings.

Directors are currently drafting business cases for these proposals, and funding to support them will be allocated from existing Transformation earmarked reserves.

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## BUDGET PRESSURES 2026-27 TO 2029-30

ADDITIONAL FINAL SETTLEMENT BUDGET PRESSURES

				2026-27	2027-28	2028-29	2029-30
Ref	Directorate		Pressure	£000	£000	£000	£000
NEW1	Education, Early Years and Young People	Youth Service	A recurrent allocation of £250,000 subject to a review of the service and where this would have most impact and ensure key youth provision is protected as Shared Prosperity Funding is withdrawn.	250			
NEW2	Social Services and Wellbeing	Mental Health	Preventative mental health and wellbeing support to communities - a small grants scheme for third sector community organisations to support local access to preventative mental health and wellbeing support for a range of groups including veterans, accessible in local communities.	80			
NEW3	Social Services and Wellbeing	Community Sports Development	Capacity to support community sports development to increase participation, accessibilities and work with partners to address health and wellbeing inequalities and support the development of clubs to develop funding bids and participation. This will include a small sports fund (community chest) to support sports clubs to purchase new equipment / match fund grant bids.	183			
NEW4	Communities	Public Realm	This will be used to fund multi purpose teams in the Communities Directorate that will work across the Borough to improving public areas. This will include providing a coordinated approach to work on greening and planting, biodiversity improvements, cleaning and repairing assets, care of public spaces and small scale environmental improvements. This recurring funding will enable these teams to undertake direct action to improve local environments and to support the ongoing care of our neighbourhoods, towns and green spaces.	1,500			
NEW5	Communities	Town Centres	To develop and expand the Town centre management and events capacity across our towns to better support business as some Shared Prosperity Funding is reduced and provide a function to develop markets and events in our town centres.	150			
NEW6	Communities	Transport	Funding to support additional pilot schemes on routes no longer served by bus operators.	50			
NEW7	Chief Executive	Digital Transformation	The Council has committed to accelerate the pace of change across the Authority in response to the Panel Performance Assessment findings. One area for priority is the use of digital and Artificial Intelligence (AI) technology. This funding will support this, including the replacement of key systems that support services to ensure efficient working processes going forward.	500			
NEW8	Chief Executive	Transformation	The Council has committed to accelerate the pace of change across the Authority in response to the Panel Performance Assessment findings. To support this, additional capacity is required to develop a programme and project management function that can support services to deliver invest to save initiatives and service change. Without this the level of change to deliver efficiencies required and the associated risk cannot be managed.	600			

				2026-27	2027-28	2028-29	2029-30
Ref	Directorate		Pressure	£000	£000	£000	£000
NEW9	Chief Executive	Housing	The demand for Housing services, in particular homelessness presentations, has continued at a high level since Covid, and is not reducing. The capacity in the team has not been increased for many years therefore additional capacity is required to deal with the level of referrals to ensure individuals are not waiting for the support required.	150			
NEW10	Chief Executive	Human Resources	Funding to support internal investigations within the Council. The current lack of officers to undertake investigations is causing delays in investigations which leads to additional anxiety for employees and criticism from Trade Unions and Tribunals. This will also ensure we maintain independence in all investigations that require it.	100			
NEW11	Chief Executive	Procurement	To enhance progress on procurement work with Small and Medium Enterprises (SMEs) and local suppliers.	55			
NEW12	Chief Executive	Workforce Development	There is currently one workforce development officer within the Council who works within the Social Services and Wellbeing directorate. Additional capacity is sought across the Council to support the reduction of agency workers by developing more resilient long term solutions and focussing on workforce planning and development.	65			
NEW13	Chief Executive	Legal	The budget for a planning lawyer was removed a number of years ago, but workload has increased in this area, and it is difficult to recruit on temporary funding. The volume and complexity of work is increasing so a permanent full time officer is required. Without this there is a risk of delay and increased external costs.	65			
NEW14	Council Wide	Fire and Rescue Authority (FRA) Levy	Increase in Fire Service Precept of 2.99% to cover pay and price increases. The final budget is subject to approval by the Fire and Rescue Authority at its budget meeting in February 2026. This is in addition to the £12,660 funding transferred into the settlement towards the FRA increased pay and national insurance contributions.	260			
		Total Budget Pressures		4,008	0	0	0

## Scrutiny Budget Working Group Recommendations 2025

	Scrutiny Recommendation:	Cabinet Response:	Accepted/ Partially Accepted / Not Accepted:
<b>Council Wide - Recommendations:</b>			
<b>1</b>	<p><u>Invest to Save</u> The Group discussed that previously, proposed invest to save models had become cost avoidance measures which helped services to manage increases in demand, but financial savings had not been realised and removed from ongoing budgets and <b>recommended</b> that any future proposed invest to save models include a robust analysis clearly setting out:</p> <p>a. the proposed change and what it will look like;</p> <p>b. how it will be implemented accompanied by a SMART action plan;</p> <p>c. what changes it will make to service provision and to cost; and</p> <p>d. the date by which the savings will be achieved and can be removed from the future budget.</p>	<p>The recommendation is agreed. As part of the transformation work all Invest to Save schemes will have to be supported by a robust business plan which will be monitored to ensure service and financial outcomes are achieved.</p> <p>Both social services and education are preparing proposals to reduce spend on demand led budget for implementation in the current year. It is envisaged that Earmarked Reserves could be used, up to £3m, for these areas to meet demand more effectively to deliver savings / reduce spend.</p>	Accepted
<b>2</b>	<p><u>Transformation</u> The Group discussed feedback from each of the Deep Dive Groups that highlighted transformation was needed in order to ensure sustainability of future service delivery and <b>recommended</b>:</p>	<p>The draft budget for next year includes proposals to fund a new strategic transformation function within the Authority. This function will :</p> <ul style="list-style-type: none"> <li>• Work across all service areas, dealing with services on an agreed priority basis</li> </ul>	Accepted

**Scrutiny Budget Working Group Recommendations 2025**

	<b>Scrutiny Recommendation:</b>	<b>Cabinet Response:</b>	<b>Accepted/ Partially Accepted / Not Accepted:</b>
	<p>a. an in-depth review of the remit and structure of all Directorates and how they work, including the appropriateness of which services sit in each Directorate (e.g. 4G Pitches currently in Social Services Wellbeing Directorate) with a view to transformation rather than savings and avoiding duplication of efforts across the Authority;</p> <p>b. as part of the reviews, consideration be given to where the use of technology and Artificial Intelligence can be expedited;</p> <p>c. that Cabinet consider the reviews and whether there is sufficient capacity to invest capital given the number of capital pressures from all Directorates which will require prioritisation; and</p> <p>d. that consideration be given to establishing a Transformation Working Group to sit under the Corporate Overview and Scrutiny Committee (COSC) and whether Transformation should be a standing item on the COSC Agenda.</p>	<ul style="list-style-type: none"> <li>review the use of technology and AI across services to ensure it supports and enhances service delivery and efficiency. The proposal in the draft estimates includes £600,000 for programme and project management to create systemic change capacity to ensure the authority is able to deliver on its programmes for change</li> <li>Funding is also proposed to support ICT with the replacement of key systems to ensure efficient working practices going forward.</li> <li>Funding is also proposed to support workforce changes and development</li> <li>The governance arrangements for the transformation programme will include the reporting arrangements for the programme. Consideration will be given as to how COSC can be involved in this work.</li> </ul> <p>When reviewing services the requirement for both revenue and capital funding will be considered.</p>	
<b>3</b>	<p><u>Capital Programme</u></p> <p>The Group expressed concern regarding the perceived piecemeal and fragmented approach to the Capital Programme and discussed the Council's ability to borrow at competitive interest</p>	<p>There is already a robust process in place with the Capital Programme developed in line with the Capital Strategy. This includes discussions with Cabinet at an early stage.</p>	Accepted

**Scrutiny Budget Working Group Recommendations 2025**

	<b>Scrutiny Recommendation:</b>	<b>Cabinet Response:</b>	<b>Accepted/ Partially Accepted / Not Accepted:</b>
	rates. The Group <b>recommended</b> that consideration be given to developing a more focussed Capital Programme driven by the needs of the services with robust business cases, plans and projects setting out clear objectives and deliverables and that consideration be given to utilising our borrowing capacity to deliver revenue savings.	<p>The funding of the capital programme takes into account all funding options available and any subsequent revenue costs that may be incurred.</p> <p>The introduction of increased capacity in programme management will ensure that projects are delivered in line with approved scheme.</p>	
<b>4</b>	<p><u>Council Assets</u> The Group discussed the list of buildings and premises owned by the Council and noted that it included a number of residential properties. The Group <b>recommended</b> that an exercise be undertaken:</p> <ul style="list-style-type: none"> <li>a. to ascertain whether any assets could be released to generate monies or an additional narrative provided setting out why they are being retained and on what terms and conditions; and</li> <li>b. to ascertain whether all buildings are being used to their full potential for internal use or as potential income generating opportunities by renting out.</li> </ul>	<ul style="list-style-type: none"> <li>a) The Asset Register of the Council is being reviewed as part of the new Asset Management Plan for 2026/27. Where assets are identified as surplus to requirement they will be brought forward for disposal. A significant programme of office rationalisation has been undertaken over the past five years including the disposal of Ravens Court and it is intended that this approach will continue where properties are no longer required.</li> <li>b) The utilisation of corporate property is a key part of ensuring the efficient use of the Council's estate. There are examples of where we have rented corporate property to partner agencies, including the fourth floor of the Civic Offices to the Multi Agency Safeguarding Hub (MASH). This delivers a rental income for the Council. We are currently undertaking a study of utilisation of the floor space in the Civic Offices to understand</li> </ul>	Accepted

**Scrutiny Budget Working Group Recommendations 2025**

	<b>Scrutiny Recommendation:</b>	<b>Cabinet Response:</b>	<b>Accepted/ Partially Accepted / Not Accepted:</b>
		<p>how spaces are used and whether any further efficiencies can be achieved.</p> <p>It is proposed that this is included as a key corporate project</p>	
<b><u>Chief Executive's Directorate - Recommendations:</u></b>			
<b>5</b>	<p><u>CCTV (Indicative Budget Reduction Proposal 2026-27 - CEX 6)</u></p> <p>The Group discussed the provision of CCTV and that although the budget also includes support for some Council services, the largest user of the CCTV service are the Police. The Group therefore <b>recommended</b> that the Police be asked to financially contribute to the provision of the CCTV and should they refuse, that consideration be given to withdrawing their use.</p>	<p>This is reflected in the draft MTFS proposals and has been discussed with the Police and Crime Commissioner following the comments in the Budget Working Group. Considerations are being given to the use of technology to offset the implications of changed funding at the request of the Police and Crime Commissioner</p>	Accepted
<b>6</b>	<p><u>Budget Reduction Proposal CEX 3</u></p> <p>The Group <b>recommended</b> that Cabinet reconsider budget reduction proposal not progressed last year, CEX 3, regarding the review of the discretionary payments made to senior member salary holders to see if there is any scope to achieve savings.</p>	<p>The schedule of remuneration will be reviewed annually and discretionary payments considered based on the demand / requirements each year. Any changes to the schedule will considered by full Council.</p>	Partially accepted
<b>7</b>	<p><u>Fees and Charges</u></p> <p>The Group considered the Council's <u>Fees and</u></p>	<p>Fees and Charges are considered each year as part of the budget setting process in line with the fees</p>	Accepted



**Scrutiny Budget Working Group Recommendations 2025**

	<b>Scrutiny Recommendation:</b>	<b>Cabinet Response:</b>	<b>Accepted/ Partially Accepted / Not Accepted:</b>
	<u>Charges 2025/26</u> and the income generating possibilities and <b>recommended</b> that Cabinet consider an above inflationary rise in all fees and charges that are not set by other bodies, e.g. 10%.	and charges policy, along with the default being that all fees and charges increase in line with inflation. Where this is not the case the rationale is reported to Council as part of the budget setting process.  As services are reviewed going forward the impact of increases above the rate of inflation will be built into the review to determine the financial and service impact of such changes	
<b><u>Education, Early Years and Young People Directorate – Recommendations:</u></b>			
<b>8</b>	<u>Further Indicative 1% Reduction to Schools Delegated Budgets</u> The Group expressed significant concern regarding the number of schools projecting a deficit budget and questioned the recoverability of the deficits given the level of deficits and the challenges facing schools. The Group therefore unanimously <b>recommended</b> that the further indicative reduction of 1% to school delegated budgets for 2026-27 should be removed.	Following the recommendations of the Scrutiny Budget Working Group, and the better than anticipated settlement, schools have not been tasked with finding any budget reductions from their delegated budgets for 2026/27, and there are currently no proposed budget reductions for schools for 2027/28.  Cabinet is giving consideration to options during 2026/27 to retain sufficient head room in the budget to ensure this can be delivered for 2027/28	Accepted
<b>9</b>	<u>Education Welfare Service (EEYYP4)</u> The Group discussed the significant increase in issues regarding attendance, behaviour and exclusions and expressed significant concern regarding the risk posed by the proposed reduction to the Education Welfare Service. The Group therefore strongly <b>recommended</b> that the budget	Following the recommendations of the Scrutiny Budget Working Group, and the better than anticipated settlement, there are no proposed budget reductions for the Education Welfare Service in the 2026/27 budget.	Accepted

**Scrutiny Budget Working Group Recommendations 2025**

	<b>Scrutiny Recommendation:</b>	<b>Cabinet Response:</b>	<b>Accepted/ Partially Accepted / Not Accepted:</b>
	reduction proposal not progressed last year, EYYP4 should not be pursued.		
<b>10</b>	<p><u>Unallocated Funding be Cascaded to Councils in Addition to their Core Funding</u></p> <p>The Group discussed the Welsh Government announcement regarding the minimum 2.3% increase to local government from which schools get their core funding, the unallocated funding which could support frontline services such as schools and that last year, there was consequential funding for education in Wales within the UK budget. The Group <b>recommended</b> that the Leader and those that sit on the on the Welsh Local Government Association lobby for the unallocated funding to be cascaded to councils in addition to their core funding to support schools.</p>	Lobbying has taken place and continues to do so, the results of which are reflected in the draft MTFS proposals.	Accepted
<b>11</b>	<p><u>Proposal to Close Small Schools (EYYP4)</u></p> <p>The Group discussed the budget reduction proposal not progressed last year relating to the proposal to close smaller schools and <b>recommended</b> that consideration be given to the viability of federated models for schools instead and, in addition, when a headteacher vacancy arises, that consideration be given to the possibility of sharing an existing headteacher for multiple small schools.</p>	<p>As part of the School Modernisation Programme the whole school estate is continuously reviewed. The Federation model has been adopted in Bridgend with the Garw Federation being one such example of this.</p> <p>In respect of small schools, consideration will be given to the viability of federations and where a headteacher post becomes vacant, opportunities to establish an executive headteacher position having</p>	Accepted

**Scrutiny Budget Working Group Recommendations 2025**

	<b>Scrutiny Recommendation:</b>	<b>Cabinet Response:</b>	<b>Accepted/ Partially Accepted / Not Accepted:</b>
	The Group also <b>recommended</b> that any proposed closure has regard to forthcoming local housing developments and how it will affect demand and pupil roll numbers.	<p>management oversight of a number of small schools.</p> <p>The local authority will ensure that any proposed closure of a small school continues to have regard to pupil yield from planned housing developments.</p> <p>The local authority will also pay due regard to Welsh Government guidance in respect of this matter.</p>	
<b>Social Services and Wellbeing Directorate - Recommendations:</b>			
<b>12</b>	<p><u>In-House Residential Provision for Care Experienced Children (CEC)</u></p> <p>The Group discussed the significant cost of residential provision for CEC, the elimination of profit legislation and the necessity for transformation of service delivery. In particular, the Group discussed the need for in-house residential provision, that an invest to save model is vital for the Directorate to manage the incoming level of demand and need and <b>recommended</b> that Cabinet consider including social care in the Capital Programme proposed in recommendation 3 above and providing an appropriate capital budget for the Directorate at the times when it's needed to support them as required.</p>	<p>Capital schemes are agreed to meet corporate priorities therefore there are no generic allocations in the programme. The importance of this service requirement is acknowledged and funding was approved for one acquisition and development at Council in January 2026.</p> <p>As further schemes are developed by the service they will be evaluated and considered in the normal process for funding and inclusion in the Capital programme.</p>	Accepted

**Scrutiny Budget Working Group Recommendations 2025**

	<b>Scrutiny Recommendation:</b>	<b>Cabinet Response:</b>	<b>Accepted/ Partially Accepted / Not Accepted:</b>
<b>13</b>	<u>Budget Reduction Proposals 2025/26 not progressed</u> The Group recognised the need and level of budget growth and invest to save that was being considered and that savings were also required. The Group therefore <b>recommended</b> that Cabinet reconsider the SSW Budget Reduction Proposals 2025/26 not progressed and whether any can be safely repackaged with a view to transformation rather than savings.	This is ongoing as part of the Transformation programme. Invest to save business cases are being developed for adult social care and child and family services.	Accepted
<b>14</b>	<u>Community Hubs – SSW 5 proposal not progressed to reduce library facilities related services</u> The Group discussed the upcoming Community Hubs report to the Social Services, Health and Wellbeing Overview and Scrutiny Committee and the positive impact that an integrated Community Hub could have on residents and possible cost savings of multi-agency service delivery and <b>recommended</b> that the Community Hubs be explored to realise this potential as far as possible.	A community hubs steering group chaired by the Deputy Leader is meeting in January. The group comprises all parts of the Council and key partners. It is vital all engage in this work to maximise asset usage and make this model a success.  Scrutiny is also asked if it could consider this subject as part of any associated policy and strategy scrutiny work it undertakes.	Accepted
<b><u>Communities Directorate - Recommendations:</u></b>			
<b>15</b>	<u>Grant Funding</u> The Group discussed the level of bureaucracy around some grant funding applications and the	The Council will review its approach to grant funding applications, to ensure that they align with the	Accepted

## Scrutiny Budget Working Group Recommendations 2025

	Scrutiny Recommendation:	Cabinet Response:	Accepted/ Partially Accepted / Not Accepted:
	perceived lack of a prior clear overall plan regarding the purpose and intent of the grant funding and the most appropriate grant funding which should be applied for. The Group <b>recommended</b> a value for money exercise be undertaken to ensure grant funding applications are as efficient as possible and that grants sought delivered the maximum potential aligned to a clear plan for its use.	Council's strategic objectives and represent good value for money.  More applicable to larger grants as some grants simply provide essential day to day provision.	
16	<u>Housing and Homelessness Budget</u> Given the current budget for housing and homelessness, the Group discussed the current housing policy and whether the Council could be more aggressive in the housing market. The Group <b>recommended</b> that the consideration be given to continuing to increase the Council's housing stock through the purchase of Houses of Multiple Occupancy and building our own and that advice be sought regarding the point at which the Council would need to decide whether or not to become a Housing Authority.	We will continue the work to look at increasing the Council's stock of Houses of Multiple Occupation and will also look at different options to increase the supply of temporary accommodation.  Consideration will be given as to whether Earmarked Reserves could be utilised on an invest to save basis	Accepted
17	<u>Flood Prevention</u> The Group discussed the increasing adverse weather events and that the risks of and response to flooding represented a corporate risk to the		Accepted

**Scrutiny Budget Working Group Recommendations 2025**

	<b>Scrutiny Recommendation:</b>	<b>Cabinet Response:</b>	<b>Accepted/ Partially Accepted / Not Accepted:</b>
	<p>Authority. The Group <b>recommended</b> that:</p> <p>a. that flood prevention measures be prioritised with an invest to save model as prevention is cheaper than repairs after the fact;</p> <p>b. consideration be given to the Council's emergency response should defences fail, including whether the Council will purchase and hold emergency provision or a strategy of being able to import such provision at short notice; and</p> <p>c. discussions are held with neighbouring local authorities regarding their approach to flood prevention and sharing best practice.</p>	<p>a. The Directorate will look to prioritise spend on flood prevention measures, in addition to what is currently being procured, including equipment to assist in prevention work including ditching machines and gully cleansing.</p> <p>b. The Cabinet is proposing we establish a fund to assist residents whose property may have been affected by flooding or inclement weather. This will be funded by an Earmarked Reserve</p> <p>c. Discussions are regularly held with neighbouring LA's on winter maintenance regimes and best practice, both at Officer and Director level.</p>	
<b>18</b>	<p><u>Engineering Services</u></p> <p>The Group discussed the Council's approach to engineering services and that engineers seem to be scattered throughout the authority, e.g. highways, property, civil engineers, etc. and <b>recommended</b> that consideration be given to adopting a robust central engineering practice and the possibility of recruitment of a senior lead engineer with a desire to achieve transformation of service delivery and proactively manage the Council's estate.</p>	<p>Engineers from multi-disciplines, such as drainage and highways are located within the Communities Directorate, with the majority sitting within the Engineering Team in Highways. There are also mechanical and electrical engineers who work in the Corporate Landlord Service Area. There are also instances where engineering services, such as structural are contracted in via our SLA with WSP. This is because we do not retain that specialism in house. So, the engineering service is currently a hybrid mix of in-house and outsourced specialists. A review of this delivery mechanism will be undertaken to ascertain whether there would be any efficiencies</p>	Accepted

**Scrutiny Budget Working Group Recommendations 2025**

	<b>Scrutiny Recommendation:</b>	<b>Cabinet Response:</b>	<b>Accepted/ Partially Accepted / Not Accepted:</b>
		to be gained from a corporate service approach, albeit most Local Authorities do adopt a modern hybrid approach and bring in resource when required.	
<b>19</b>	<p><u>Enforcement</u></p> <p>The Group discussed the frustrations regarding continuous cases of fly tipping and the perception that the Council do not take enforcement action, highlighting that education to prevent such cases has its limits. The Group also discussed the issue of overrunning road works and parking infractions in highways and <b>recommended</b> that consideration be given to adopting a more proactive and robust approach to enforcement and that a business case be developed to invest in the Enforcement Team to target the most prolific offenders, also establishing whether the increased enforcement could achieve a cost neutral position or possibly generate income. The Group also <b>recommended</b> that discussions are held with neighbouring local authorities regarding their approach to enforcement and sharing best practice.</p>	<p>A review of enforcement activities will be undertaken &amp; also benchmarking with other Local Authorities, to understand if there are best practice examples that can be implemented in BCBC.</p> <p>Balance is needed between education and enforcement, with recognition that education is key and prevention is always more effective. Over the last 3 years fly-tipping has reduced, evidencing that the Authority's approach has been successful.</p>	Partially Accepted

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<b>Meeting of:</b>	<b>CORPORATE OVERVIEW AND SCRUTINY COMMITTEE</b>
<b>Date of Meeting:</b>	<b>27 JANUARY 2026</b>
<b>Report Title:</b>	<b>CAPITAL STRATEGY 2026-27</b>
<b>Report Owner: Responsible Chief Officer / Cabinet Member</b>	<b>CHIEF OFFICER – FINANCE, HOUSING AND CHANGE</b>
<b>Responsible Officer:</b>	<b>NIGEL SMITH, GROUP MANAGER – CHIEF ACCOUNTANT</b>
<b>Policy Framework and Procedure Rules:</b>	<p>The Council's Financial Procedure Rules (paragraph 3.5.1) requires the Chief Finance Officer to prepare a Capital Strategy for submission to the Council for approval prior to the start of the financial year. The Strategy must demonstrate that capital expenditure and investment decisions are in line with service objectives and properly take account of stewardship, value for money, prudence, sustainability and affordability.</p> <p>The Capital Strategy must comply with the requirements of the Chartered Institute of Public Finance and Accountancy (CIPFA) Prudential Code for Capital Finance in Local Authorities.</p>
<b>Executive Summary:</b>	<ul style="list-style-type: none"> <li>• The purpose of the report is to present to the Corporate Overview and Scrutiny Committee the draft Capital Strategy 2026-27 to 2035-36.</li> <li>• Control on capital expenditure is governed by legislation.</li> <li>• The draft Capital Strategy has been produced in accordance with CIPFA's Prudential Code for Capital Finance in Local Authorities.</li> <li>• The draft Capital Strategy sets guiding principles for capital expenditure, and a framework for the management of capital finance.</li> <li>• The Capital Strategy is currently based on financial information as at quarter 2 (30 September 2025) but will be updated with information as at 31 December 2025 and the latest Medium Term Financial Strategy before being presented to Cabinet for endorsement and Council for approval in February 2026.</li> </ul>

## **1. Purpose of Report**

- 1.1 The purpose of this report is to present to the Corporate Overview and Scrutiny Committee the draft Capital Strategy 2026-27 to 2035-36, which includes the Prudential Indicators against which the Council measures itself during the financial year (**Appendix A**), and for the Committee to provide any comments for consideration in finalising the Capital Strategy for Cabinet endorsement and Council approval in February 2026.

## **2. Background**

- 2.1 Control on capital expenditure and investment is governed by legislation. The Local Authorities (Capital Finance and Accounting) (Wales) Regulations 2003, as amended, provides the regulatory framework for accounting practices to be followed, and contains 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 In December 2021, the Chartered Institute of Public Finance and Accountancy (CIPFA) published a new edition of the Prudential Code for Capital Finance in Local Authorities. The Code requires local authorities to determine a Capital Strategy, to be approved by full Council, 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. This edition included a significant change in the Code, which is that, in order to comply with the Code, an authority must not borrow to invest primarily for financial return. It goes further to clarify that "it is not prudent for local authorities to make any investment or spending that will increase the capital financing requirement, and so lead to new borrowing, unless directly and primarily related to the functions of the authority and where any financial returns are either related to the financial viability of the project in question or otherwise incidental to the primary purpose". The draft Capital Strategy has been produced in line with the 2021 Code and sets out the long-term context in which capital expenditure and investment decisions are made and gives due consideration to both risk and reward and impact on the achievement of priority outcomes.
- 2.3 The Capital Strategy should demonstrate how the Council ensures that all its capital and investment plans and borrowing are prudent and sustainable. In doing so the Capital Strategy includes the prescribed Prudential Indicators for a three-year rolling period. It is intended to give a high-level 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.

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

- 3.1 The principles within the draft Capital Strategy have been applied to the allocation of capital resources and schemes within the Capital Programme included within the Medium Term Financial Strategy (MTFS). This will be approved by Council before the start of the financial year in accordance with the Constitution. Following approval, any schemes for which external funding has been approved will be added to the Capital Programme once the funding has been accepted and included in the next Capital

Programme report to Council. Urgent expenditure not included in any budget approval, which needs to be agreed prior to the next meeting of Council, may only be incurred with the approval of the Chief Finance Officer.

3.2 The draft Capital Strategy is at **Appendix A**. The financial information included within the draft Capital Strategy will be updated when the Council's budgets are finalised for the Medium Term Financial Strategy. Any comments from this Committee will be considered when the Capital Strategy is finalised for Cabinet to consider at its meeting on 17 February 2026, and for Council to approve on 25 February 2026.

3.3 The Strategy emphasises the pressures currently being faced by the Council. Pressures on the capital programme include:

- Increased prices of materials;
- Supply chain difficulties leading to higher prices and delays in scheme being completed;
- Recruitment challenges, both within the Council and in companies we contract with, resulting in higher wages and overall contract costs;
- Additional requirements on schemes to achieve Welsh Government's Net Zero commitment, which includes an aim of collectively achieving net zero across the Welsh public sector by 2030, which will lead to changes in the way assets are designed and managed, which will likely result in increased costs.

Welsh Government's capital funding allocation to the Council for 2026-27 shows a slight increase to that previously anticipated, from £4.772 million to £4.992 million, and future estimates show funding as remaining at this increased level. It is a modest increase and with the Council's capital receipts largely committed to schemes within the capital programme, funding any new schemes is challenging. It may be possible to secure specific grants and other funding to deliver schemes. Whilst the Council is able to borrow to fund capital expenditure, this places a long-term liability on the Council as well as a revenue cost in terms of interest payable. The Council also has to set aside revenue resources to repay the debt, which is a further cost to revenue budgets.

3.4 The draft Capital Strategy confirms the Council's compliance with the Prudential Code for Capital Finance in Local Authorities. It sets out the guiding principles for capital decisions in respect of:

Principle 1: Focusing capital investment on delivery of the Council's Well-being Objectives and Priorities

Principle 2: Ensuring strong governance over decision-making

Principle 3: Ensuring that capital plans are affordable, sustainable and prudent

Principle 4: Maximising and promoting the best use of available funds.

3.5 The draft Capital Strategy sets out a framework for the self-management of capital finance and examines the following areas:

- Capital Strategy Framework
- Asset Management Planning
- Risk
- Governance and Decision Making
- Capital investment programme and funding

- Managing borrowing

It reports on the delivery, affordability and risks associated with the long-term context in which capital expenditure and investment decisions are made.

- 3.6 The Council has robust processes in place to approve, manage and monitor capital projects. Monthly finance meetings are held consisting of the Leader, Cabinet Member – Finance & Performance, and members of the Corporate Management Team, chaired by the Chief Officer – Finance, Housing and Change to enable discussions about both capital and revenue to be held together, conscious that capital decisions often have revenue implications.
- 3.7 Section 4.0 of the draft Capital Strategy summarises the 10-year Capital Programme by Council Directorates and identifies some of the key schemes. Key indicators are included at section 5.0 – Funding the Strategy and Section 6.0 – Managing the Borrowing Requirement. These Performance Indicators are crucial in determining the effective management of borrowing to support the Capital Programme and are reported to Cabinet and Council on a quarterly basis.

#### **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.
- 4.2 Schemes within the Capital Programme will be subject to the preparation of separate Equality Impact Assessments before proceeding.

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

- 5.1 In terms of meeting the 5 ways of working within the Act the draft Capital Strategy sets out the following:
  1. **Long term:** The draft Capital Strategy is a 10-year strategy and considers the need for capital investment over the medium to long term.
  2. **Prevention:** The draft Capital Strategy seeks to ensure that assets and capital investment are fit for the future, to enable the Council to successfully deliver its services for the benefit of its communities.
  3. **Integration:** The draft Capital Strategy is an integral element of the Council's medium term financial strategy, ensuring coherence between revenue and capital budgets to enable delivery of the Council's services.
  4. **Collaboration:** The draft Capital Strategy brings together the capital plans of the Council to ensure the delivery of the well-being objectives.
  5. **Involvement:** The draft Capital Strategy is developed through directorates identifying capital needs and schemes to meet those needs. It is subject to scrutiny by this Committee and is presented to Cabinet and then Council for approval.

- 5.2 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. In developing the draft Capital Strategy, officers have considered the importance of balancing capital resources over the short-term and minimising the revenue costs of debt with longer-term objectives of managing the Council's long term capital programme. The Prudential Indicators are forward looking and are set to support future sustainability.

## **6. Climate Change and Nature Implications**

- 6.1 The Climate Change and Nature implications were considered in the preparation of this report. It is considered that there will be no significant or unacceptable impacts upon the environment or nature 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 included in the report. Both the financial information and Prudential Indicators will be updated in advance of Cabinet and Council in February 2026.

## **9. Recommendation**

- 9.1 It is recommended that the Corporate Overview and Scrutiny Committee:
- Note the draft Capital Strategy 2026-27 to 2035-36, including the Prudential Indicators 2026-27 to 2035-36 at **Appendix A** and provide any comments for consideration in finalising the Capital Strategy. Such comments should be reported to the Chief Officer – Finance, Housing and Change by 30 January 2026.

## **Background documents**

None

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# Capital Strategy

2026-27 to 2035-36

## INTRODUCTION

Welcome to the Council's 2026-27 to 2035-36 Capital Strategy. The Strategy sets out the Council's plan for capital expenditure, and how that is to be funded, over the next 10 years. It underpins the Council's four wellbeing objectives:

**THRIVING** – a prosperous place with thriving communities

**EMPOWERING** – supporting our most vulnerable

**ACHIEVING** – enabling people to meet their potential

**MODERNISING** – creating modern, seamless public services.

To deliver the Council's vision will require capital investment in new schools, to regenerate the County Borough's towns, to develop innovative decarbonisation schemes to support the Council's 2030 Decarbonisation Strategy, and continued investment in IT infrastructure to ensure the Council can deliver its services digitally moving forward. We will also look to the capital programme to enable major transformation of services so they are sustainable and efficient going forwards, pump priming invest to save proposals where they achieve deliverable savings in future years.

In developing long term investment decisions, it is crucial that decisions are based on clear information, including a long-term plan of capital expenditure, ensuring affordability and having in place clear asset management plans.

The Capital Strategy is reviewed and updated at least annually to take account of changing plans and guidance as appropriate. The Council continues to face financial challenges ahead so whilst the Council receives some grant funding from Welsh Government which contributes to the delivery of an ambitious programme of works, the Council will also have to borrow, or look at alternative delivery models, to realise its strategic plan. That borrowing has to be affordable in the light of challenging financial settlements and the focus has to be on delivering essential schemes to support the services the Council delivers.



Cllr John Spanswick  
Leader of the Council



Jake Morgan  
Chief Executive



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## STRATEGIC CONTEXT

Bridgend is conveniently situated between Wales' capital city Cardiff to the east and the city of Swansea to the west, approximately 20 miles from each. Nestled along the M4 corridor with easy access from both major cities, bounded by the Bristol Channel to the south, it is at the heart of the South Wales industrial and coastal belt. Bridgend as a County Borough covers around 100 square miles and is home to nearly 146,000 residents and continues to grow. The County Borough's towns are undergoing redevelopment and a number of historic buildings, and the town centres have been rejuvenated over recent years. To the north is the residential town of Maesteg, to the southwest is the coastal town of Porthcawl and to the east is Pencoed. Bridgend County Borough Council is one of 22 Councils in Wales, and accounts for approximately 4.7% of the country's population. The Council has 51 elected Councillors who represent the people of Bridgend and set the overall Council strategy and budget framework.



The Council continues to face significant challenges. These include demographic pressures including an ageing population, an increasing number of young people with complex disabilities living into adulthood and requiring care and support, the need for the public sector to decarbonise by 2030 as well as the current cost of living crisis. Inflation has had a significant impact particularly in relation to capital costs and tender pricing. With continued pressure on both revenue and capital budgets the Council will need to ensure it focuses on delivery of key services, supporting communities, particularly the most vulnerable in our society, as well as doing all we can to help our local economy thrive.

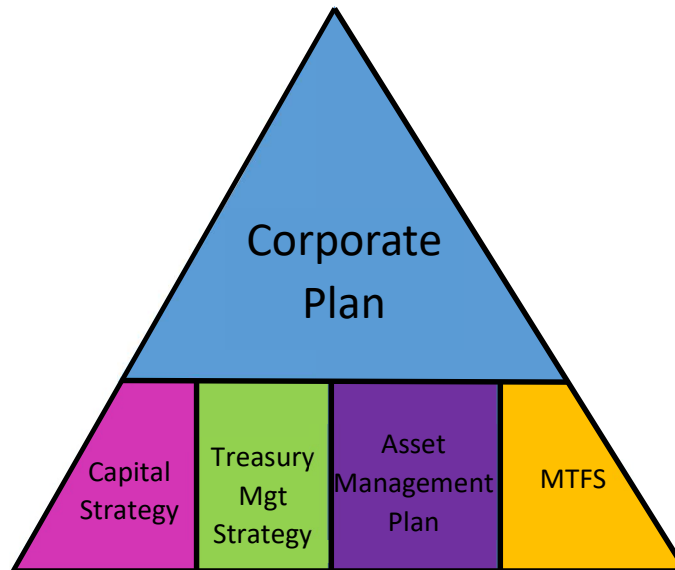
Where capital investment is needed to deliver the Council's priorities, the Capital Strategy is the framework that the Council can rely on to develop a clear, consistent and informed process in undertaking capital investment decisions.

## CAPITAL STRATEGY FRAMEWORK

The Chartered Institute of Public Finance and Accountancy's (CIPFA) Prudential Code for Capital Financing in Local Authorities (the Prudential Code) places a requirement on local authorities to determine a Capital Strategy, to be approved by full Council, 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. Local Authorities should have in place a Capital Strategy that sets out the long-term context in which capital expenditure and investment decisions are made and gives due consideration to both risk and reward and impact on the achievement of priority outcomes.

This Capital Strategy is the policy framework document that sets out the principles to be used to guide the allocation of capital investment across all the Council's services and informs decisions on capital spending priorities within the Council's 10-year Capital Programme. It also reports on the delivery, affordability and risks associated with this Strategy.

The Capital Strategy is presented to Council as an integral part of the Council's Budget and Policy Framework. It links with the Corporate Plan, Treasury Management Strategy (TMS), Medium Term Financial Strategy (MTFS) and the Council's Asset Management Plan (AMP).



The Capital Strategy sets out the Council's approach to:

1. asset management planning
2. risk
3. governance and decision making
4. capital investment in 2026-27 and indicatively to 2035-36
5. funding the strategy
6. managing the borrowing requirement
7. prudent Minimum Revenue Provision (MRP) Policy for repayment of capital expenditure
8. affordability

The remainder of this strategy considers these in more detail.

The capital programme is a key element of the MTFS. The MTFS provides a set of clear principles which drive the budget and spending decisions of the Council. There are thirteen principles in total, but the following three refer specifically to the capital programme and Strategy:

10. Capital investment decisions are in alignment with the Council's Capital Strategy and mitigate any statutory risks taking account of return on investment and sound option appraisals.
11. Prudential borrowing is only used to support the capital programme where it is affordable and sustainable within the Council's overall borrowing limits and the revenue budget over the long term.
12. Decisions on the treatment of surplus assets are based on an assessment of the potential contribution to the revenue budget and the capital programme.

To reflect these the capital strategy is based on the following guiding principles:

**PRINCIPLE 1 : Focus capital investment on delivery of the Council's Well-being Objectives and Priorities**

- Ensuring that capital investment plans are driven by the Council's Corporate Plan
- Ensuring decision-makers are clear on the positive contribution capital investment makes to our well-being objectives
- Appraising all investments in the context of objectives/priorities
- Ensuring there is a corporate business planning process incorporating service transformation and the impact on property assets

**PRINCIPLE 2 : Ensure strong governance over decision-making**

- Ensuring that proposals demonstrate that a rigorous process of options appraisal has been followed, requiring evidence of need, cost, risk, outcomes and methods of financing
- Schemes will only be added to the capital programme once an affordable business plan is in place, it demonstrates value for money and has been reviewed and agreed by senior management in discussion with Cabinet Members
- All major capital schemes have a lead Project Sponsor and follow project management principles
- The approval process within the Financial Procedure Rules contained in the Constitution are strictly adhered to

**PRINCIPLE 3 : Ensure capital plans are affordable, sustainable and prudent**

- Promote capital investment which allows invest to save outcomes and which contribute to future MTFS savings
- Make sure assets perform at an optimal level through effective ongoing asset management and are consistent with levels of investment
- Review and challenge the Council's assets, including the need, cost and performance of the estate
- Maximise the use of internal borrowing and maintain an under-borrowed position compared to its Capital Financing Requirement if feasible
- Ensure that the ongoing revenue implications of any capital scheme are fully identified, and resources confirmed to meet ongoing revenue expenditure

**PRINCIPLE 4 : Maximise and promote the best use of available funds**

- Generate funding, where possible, from the rationalisation of existing assets with a strong Disposal Strategy
- Minimise the use of ring-fencing capital receipts to ensure a One-Council approach
- Bidding for external funds where appropriate and ensuring that there are effective working relationships with external funders
- Have clear policies for the consumption of our reserves
- Ensuring that there is effective pre- and-post project appraisal including a "lessons learned" exercise.
- Ensuring up to date property information relating to condition surveys, life cycle costs and maintenance back logs

## 1.0 ASSET MANAGEMENT PLANNING

The Council's Asset Management Plan (AMP) vision is:

**“To have a lean sustainable estate that enables Bridgend County Borough Council (BCBC) to live within its means and support delivery of our well-being objectives”**

The following principles drive the decisions on the on-going challenge, management and use of BCBC property assets to support the achievement of our corporate priorities and statutory duties:

1. The AMP supports and maintains alignment with the MTFS, Capital Strategy and Corporate Plan, linking with other resource strategies and corporate transformation programmes including carbon reduction.
2. The AMP works to deliver effective management covering not just health, safety and effective maintenance but supporting wider benefits such as carbon reduction.
3. Capital investment decisions support the Council's corporate priorities and mitigate any statutory risks taking account of return on investment and sound option appraisals. Appraising all investments in the context of objectives/priorities.
4. Decisions on the treatment of surplus assets are based on an assessment of the potential contribution to the revenue budget, the capital programme and corporate priorities.
5. A balance will be maintained within the non-operational portfolio between rental income, capital receipts, economic development/ community support.
6. Capital receipts generated will support the capital programme.

The Council also has a Highways Asset Management Plan (HAMP). The HAMP needs to take into account the following:

1. Much of the infrastructure serving the northern half of the county borough was originally constructed in the early 1900's and was not designed to cope with the current demands (economic, social and environmental) placed upon it.
2. The BCBC highway network is continuously growing with no sign of abatement. The Council has seen much in the way of development over the last decade, resulting in a significant increase in the amount of asset requiring management.
3. Highway Authorities have a statutory duty to maintain highways and ensure that they are available for safe use by all.
4. Climate change is also affecting the way the asset performs with increased deterioration caused by increased rainfall/storm events and increased groundwater tables which affects the structure of the highway asset.

The HAMP sets out how the levels of service for the infrastructure network determined by the Council will be achieved.

## HEALTH AND SAFETY WORKS

The Council adopts a 5-year continuous rolling stock condition programme. The surveys include planned preventative maintenance data that informs the Council's budget allocation for both revenue and capital repairs, maintenance and new build. Given the limited capital and revenue funding and the currently known high level of maintenance backlog, a prioritisation matrix for budget allocation has been developed. The matrix works to give highest priority to health and safety works. Given the potential level of funding compared to the demand for repairs and maintenance, this may lead to the closure of buildings or the drive for further

capital investment in new build projects. The matrix is used to inform the capital funding planning and decision making as it relates to asset management.

For highway structures, the current basis for prioritisation is one of reactive safety repairs, where the asset is risk assessed using a standardised matrix. This risk assessment is then considered against the individual assets Bridge Condition Indices (BCI) rating. This allows the prioritisation of schemes and allocation of the available budget to ensure that best value is achieved. A similar approach is applied to carriageway and footway schemes, where combinations of technical survey, site inspections and reports from members of the public determine the basis for the prioritisation of works.

## 2.0 RISK

In undertaking complex projects, decision making needs to be supported by business cases in line with best practice covering strategic, economic, financial, commercial and management cases.

It would be expected that in nearly all circumstances, any proposed investment in land and buildings will require the completion of a full feasibility study in the first instance. The purpose of a feasibility assessment is to evaluate the practicality and desirability of a capital project, and assess its deliverability, before the Council invests time and money into the project. It may be that the proposed project cannot be delivered to time or cost or may not deliver the outcomes necessary. If this is the case the feasibility study would confirm that the project should not proceed. The Council needs to understand how successful the project will be, what will be delivered, at what cost, how funded, and what potential risks may be inherent in the project (which may also affect cost). This will determine whether the proposed scheme can proceed to a **capital expenditure bid** and, if approved, subsequent inclusion into the capital programme as a fully funded scheme.

It is accepted that there are a number of capital pressures that will need financing going forward, including an ambitious Sustainable Communities for Learning programme investing in new schools within the County Borough, economic recovery, decarbonisation, homelessness, digitalisation and coastal defences. Unforeseen future liabilities may also arise during the year, which would need to be considered as part of the Capital Programme. There are also other financial pressures arising as a result of the ongoing cost of living crisis, which are being seen in tender prices, and it is anticipated will continue to do so for some time going forward, placing pressure on the capital programme overall, including:

- Increased prices of materials, which have seen significant increases over recent years;
- Supply chain difficulties leading to higher prices and delays in schemes being completed;
- Inability to recruit to key posts, both within the Council and companies we contract with, resulting in higher wages and overall contract costs;
- Additional requirements on schemes to achieve Welsh Government's Net Zero commitments, which includes an aim of collectively achieving net zero across the Welsh public sector by 2030. This will lead to changes in the way we design and manage our assets, which will likely result in increased costs.

These need to be considered at the early stages of project feasibility to ensure that anticipated cost increases are factored into each scheme's forecast budget. Consideration may be given to capped procurement exercises, setting the maximum budget available for works. In addition, delays in suppliers' ability to source and deliver materials for capital schemes need

to be considered. This could affect external funding particularly grants where schemes have to be completed within a set deadline.

Occasionally there will be a need to agree urgent capital expenditure where detailed feasibility and business plans have not been developed, but where it is in the interests of the Council to progress the scheme perhaps due to the needs of service users, or the opportunity to promote economic development within the County Borough. Any such schemes must align with the Council's overarching strategic priorities and long-term objectives, to ensure that the investments contribute to the Council's desired outcomes. Any such expenditure must still be formerly discussed and approved by Cabinet and Council, unless it is of such urgency that it needs approval from the Chief Executive, Chief Finance Officer, and/or Solicitor to the Council in line with the scheme of delegation. It is anticipated that such a situation would be rare and would only happen in exceptional circumstances.

Capital investment is technically described as:

**“Expenditure on the acquisition, creation, or enhancement of ‘long term assets’”**

This generally consists of land, property and plant which have a useful life of more than 1 year but can also include funding passed on to other bodies in order for them to undertake capital works. Expenditure outside this definition will be, by definition, revenue expenditure.

Expenditure can be capitalised where it relates to the:

- Acquisition, reclamation, enhancement or laying out of land.
- Acquisition, construction, preparation, enhancement or replacement of roads, buildings and other structures.
- Acquisition, installation or replacement of movable or immovable plant, machinery, apparatus vehicles or vessels.

Enhancement of an existing fixed asset means:

- To lengthen the useful life of the asset; or
- To increase substantially the open market value of the asset; or
- To increase substantially the extent to which the asset can be used for the purposes of, or in connection with, the functions of the Council.

Local Authority capital investment is therefore:

1. Expenditure on **creation of new assets, specific projects or non-treasury investments to meet strategic aims**. Non treasury investment to meet service or Council obligations could include loans or equity towards capital expenditure incurred by external bodies, Council subsidiaries or joint ventures.
2. Expenditure on **existing assets** to ensure they meet the requirements of service delivery, are fit for purpose, meet health and safety guidance, and reduce future costs.

Within the Accounting Policies for the Council, expenditure on the acquisition, creation or enhancement of Property, Plant and Equipment is capitalised on an accruals basis, provided that it is probable that the future economic benefits or service potential associated with the item will flow to the Council and the cost of the item can be measured reliably. Expenditure



that maintains but does not add to an asset's potential to deliver future economic benefits or service potential (i.e. repairs and maintenance) is charged as an expense when it is incurred.

All expenditure on Property, Plant and Equipment is recognised irrespective of value. Capital expenditure below £40,000, with the exception of vehicles, is considered non-enhancing and is immediately impaired unless cumulatively over more than one year the expenditure would amount to more than this value.

The Council currently does not make use of any capitalisation flexibilities nor capitalise any borrowing costs associated with the capital programme. The Council's capital expenditure plans are linked to the Corporate Plan, Asset Management Plan, priorities and service delivery plans with the inclusion of the 'Future Property Needs' within the business plan template.

Opportunities may arise due to the availability of grant funding. Whilst the Council may seek to maximise the grant funding it can secure, it is still crucial that any capital grant funding supports schemes that align with the Council's strategic priorities and long-term objectives. Most capital expenditure will result on ongoing revenue costs and the total cost of the scheme and its funding, both capital and revenue, must be considered and affordable before progressing to apply for, and secure, grant funding.

### **The Prudential Code and borrowing for financial reward.**

The Prudential Code states that, in order to comply with the Code, an authority must not borrow to invest primarily for financial return. The Code does not require existing commercial investments, including property, to be sold. However, it does set out that authorities who have a need to borrow should review options for exiting their financial investments for commercial purposes. There are limited opportunities within the existing investment portfolio to release / sell properties, as the current emphasis is to enhance income return (as opposed to capital value). The majority of the investments held are high yielding and an improved income stream is unlikely on any re-investment. The Public Works Loan Board (PWLB), a key source of borrowing for the Council, requires the Chief Finance Officer to confirm that the Council's spending plans do not include the acquisition of assets primarily for yield, reflecting a view that local authority borrowing powers are granted to finance direct investment in local service delivery (including housing, regeneration and local infrastructure) and for cash flow management, than to add debt leverage to return-seeking investment activity.

### **Commercial Activities**

The Council has an existing investment portfolio which is 100% based within the County Borough and primarily in the office and industrial sectors. The income streams are generally spread between the single and multi-let office investments on Bridgend Science Park, the multi-let industrial estates and the freehold ground rent investments. The portfolio therefore does not accord with the risk balance in location and sectoral terms to the majority of investment portfolios and is also management intensive, with a large number of units relative to the overall income and value. The total value of Investment Properties was £4.890 million at 31 March 2025. This would be expected to generate a rental income of £458,500 per annum excluding any vacant or rent-free periods. The lessees are responsible for all repairs and maintenance associated with these properties.

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. This will be an ongoing consideration where expenditure on the types of non-treasury investments



identified previously are proposed, including development of any limits and indicators to determine any risk proportionality.

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

*Table 1: Prudential Indicator: Proportion of Estimates of Net Income from Commercial and Service Investments to Net Revenue Stream*

	2024-25 Actual £m	2025-26 Estimate £m	2026-27 Estimate £m	2027-28 Estimate £m	2028-29 Estimate £m	2029-30 Estimate £m
Net Revenue Budget*	361.28	383.27	383.27	383.27	383.27	383.27
Income from Commercial Investments	0.46	0.46	0.46	0.46	0.46	0.46
% Ratio	0.13%	0.12%	0.12%	0.12%	0.12%	0.12%

*\*Future Net Revenue Budget settlements are unknown so assumed current budget level for future years*

### **Management of Risk**

Major capital projects require careful management to mitigate the potential risks which can arise. The effective monitoring, management and mitigation of these risks is a key part of managing the capital strategy. General risks are those which are faced as a consequence of the nature of the major projects being undertaken. Most of these risks are outside of the Council's control but mitigations have been developed as part of the business planning and governance process.

The effective management and control of risk are also prime objectives of the Council's treasury management activities. The Treasury Management Strategy therefore sets out various indicators and limits to constrain the risk of unexpected losses and details the extent to which financial derivatives may be used to manage treasury risks.



*Impression of Porthcawl Lido*

### 3.0 GOVERNANCE AND DECISION MAKING

The Council has robust processes in place to approve, manage and monitor capital projects arising from the Capital Strategy. Monthly finance meetings are held consisting of the Leader, Cabinet Member – Finance & Performance, and members of the Corporate Management Board, chaired by the Chief Officer – Finance, Housing and Change to enable discussions about both capital and revenue to be held together, conscious that capital decisions often have revenue implications. Whilst not responsible for delivering capital projects and managing expenditure, the aims are to:

- support projects to be completed on time, within approved budget and to the agreed quality; ensuring that work is properly resourced;
- assess risks and ensure appropriate mitigating actions are in place; and
- to understand changes impacting on the project, including major milestones, scope of deliverables, cost and benefits.

The group also reviews and scrutinises the existing capital programme and fixed annual allocations and makes recommendations on new capital schemes that could be included in the capital programme, or on existing capital budgets which could be amended (increased, reduced or removed) in the capital programme. These then follow the formal approval process through Cabinet and Council.

#### **Prioritisation, Evaluation and Skills**

The Council will maintain a rolling ten-year capital programme, updated on an annual basis (or more frequently as required) to take into account revised priorities, new schemes and changes in the availability of funding. The Council's Capital Programme contains a number of recurrent annual allocations, which are the first call on its General Capital Funding. These allocations are reviewed annually with a view to determining whether they are still essential, relevant and achieving the outcomes expected, and amended accordingly.

Where capital resources allow as a result of additional general capital grant, earmarked reserves or capital receipts, as part of the MTFS process, Directorates will be requested to submit Expressions of Interest for new capital schemes, outlining:

- Proposed project
- Timescale
- Potential cost, including identification of ongoing operational (revenue) costs
- Potential revenue savings
- Link to Corporate Priorities
- Risk of not undertaking

These will be ranked in order of fit to:

1. Link to well-being objectives
2. High level of risk of not progressing, based on the criteria below.
3. Service is able to meet any additional revenue costs arising from the scheme e.g. increased Business Rates, running costs.
4. Ability to attract matched funding / high leverage ratio.
5. An appropriate return on investment where appropriate.

## Ranking assessment:

High	High risk to Bridgend County Borough Council (BCBC) in terms of service delivery and/or meeting MTFS Savings e.g. urgent/ essential works to prevent imminent building failure and closure.
Medium	Medium risk to BCBC in terms of service delivery and/or meeting MTFS Savings e.g. identified works required over the next 2 to 5 years.
Low	Low risk to BCBC in terms of service delivery and/or meeting MTFS Savings e.g. identified works desirable.

As stated, the Council only has limited resources and needs to have regard to the overall affordability of the capital programme in future years. Each scheme, therefore, needs to be evaluated to ensure it meets the Council's objectives and in accordance with **PRINCIPLE 1** above (see Principles on page 6).

The business plan put forward for a capital project will be reviewed to ensure it takes account of stewardship, value for money, prudence, sustainability and affordability, and has been subject to detailed feasibility assessments. Investment decisions will consider risk and reward and how the project contributes to the achievement of corporate objectives. The phasing of projects over more than one financial year will be assessed to ensure timetabling of plans and budgeting is realistic and funding is available over the life of the project.

The revenue implications for each capital bid are considered at the initial evaluation stage, covering both staffing/running costs associated with the bid and the financing costs over the lifetime of the asset created. One of the Chief Finance Officer's requirements when reviewing capital bids is to ensure that the revenue implications are realistic and affordable. The options appraisal exercise undertaken for larger projects seeks to ensure that the lifetime revenue implications of a capital project are fully considered and evaluated, are affordable and are included in the MTFS in accordance with **PRINCIPLE 2** above (page 6).

Successful projects will then be required to complete a full Business Case to be considered in more detail by Corporate Management Board and Cabinet for eventual inclusion in the Capital Programme to be incorporated in the MTFS, to be approved by Council.

In Year Approvals

Any bids for capital funding outside of the annual MTFS bidding round should be accompanied by a full business case and be supported by the appropriate Director, Section 151 Officer and Cabinet. All funding sources should be fully identified before the bid is taken forward for Council approval for inclusion in the capital programme.

In line with the Council's Financial Procedure Rules, schemes for which external funding has been approved (grants, S106 etc) will be added to the capital programme once the funding has been accepted and included in the next capital programme report to Council. In addition, any urgent expenditure not included in any budget approval, which needs to be agreed prior to the next meeting of Council, may only be incurred with the agreement of the Chief Finance Officer, subject to a maximum value of £100,000. Any such decision requires approval by either the Chief Executive Officer (or can be sub-delegated to the Section 151 Officer) under the Scheme of Delegation, Scheme B1 paragraph 2.2.

To support prioritisation and to avoid slippage and potentially unanticipated additional costs, the Council will need to ensure access to sufficient skills and capacity both within the Council and externally in order to deliver the investment programme. Such capacity could be project management and development skills, technical and design skills, knowledge, availability of contractors as well as wider market factors.

In procuring any capital goods or works the Council's Contract Procurement Rules must be followed to ensure that the Council achieves value for money and abides by all Procurement legislation. The Council's process and authority for the acquisition and disposal of land or property is set out in the Council's Constitution.

### **Approval, Monitoring and Reporting the Capital Programme**

It is important given the risks surrounding capital projects that the appropriate governance framework is in place. This is highlighted in **PRINCIPLE 2** above. The Capital Strategy informs the Council's capital investment programme and Treasury Management Strategy. This integration is one of the reasons why it is deemed that full Council should continue to consider and approve the affordability of the Capital Strategy and detailed programme as part of the Council's budget proposals recommended by Cabinet.

Council approves the capital investment programme having consideration of CIPFA's Prudential and Treasury Management Code indicators highlighting the impact of capital decisions on the revenue budget and affordability, prudence and sustainability.

A monitoring process is in place which:

- Reports on variances in expenditure and slippage on schemes and seeks explanations from project managers to report back to Corporate Management Board and Cabinet to inform future planning decisions
- Quarterly capital monitoring reports will be prepared for Cabinet and Council which should include details of any virements between projects as well as projections of likely year end spend.

The Chief Finance Officer will prepare a Capital Programme for consideration by Corporate Management Board and Cabinet. It must be approved by Council in accordance with the Financial Procedure Rules of the Council's Constitution.

Variations to the capital programme, other than those permitted under Rules 3.4.5 and 3.4.6 of these Rules, shall require the approval of the Council following a report of the Chief Finance Officer after taking into consideration the recommendations of the Cabinet.

A post project appraisal of all projects in accordance with the Project Management Toolkit must be completed to demonstrate how objectives have been met, how final costs compared to budget and what revenue costs / savings materialised. This information will be reported back to feed future appraisal exercises.

### **Post Project Evaluation**

Once any major capital project is completed, it is good practice to look at the project in retrospect. This is an important part of any project to review lessons learned. It is a chance to reflect on what those involved with the project, both from a provider/contractor aspect and customer view, as to what their perspectives on the project were, what they may have

changed, what they learned and what could be done better. It is important to learn from mistakes so as to avoid those in the future, but also crucially to gather best practice and to pass this on to other projects. The project manager should undertake a lessons' learned meeting with key personnel once the project has been completed to enable the Council to share best practice in all capital schemes.

### **Knowledge and Skills**

Within the Finance section, the Capital Programme and Treasury Management Strategy are managed by professionally qualified accountants or staff with extensive Local Government finance experience. They all undertake Continuous Professional Development (CPD) and attend courses on an ongoing basis to keep abreast of new developments and skills. The Council has access to courses and documentation on developments within the capital and treasury management fields from both CIPFA and the Council's appointed Treasury Management advisors. The Council's Section 151 Officer is the officer with overall responsibility for Capital and Treasury activities and is a professionally qualified accountant and follows an ongoing Continuous Professional Development (CPD) programme. All Treasury Management Practices (TMPs) are reviewed and updated as necessary. Where staff do not have the knowledge and skills required, use is made of external advisers and consultants that are specialists in their field. The Council currently employs Arlingclose Limited as treasury management advisers. This approach is more cost effective than employing such staff directly and ensures that the Council has access to knowledge and skills commensurate with its risk appetite. Arlingclose will continue to be the Council's Treasury Management Advisors until August 2028, following which the contract will be re-tendered.

All the Council's capital projects have project teams from all the professional disciplines from across the Council and when required external professional advice is also taken. Project management tools are used and there is a strong project management ethos within the Council. Throughout the Council is a good mix of professional qualified staff and staff with both commercial and local authority experience. There is a Corporate Landlord team consisting of skilled and professional staff covering design and management, estates and valuation, statutory compliance, strategic asset management planning, facilities management, management and commissioning of repairs and maintenance and energy management to introduce new energy efficiency measures such as upgraded heating, lighting, insulation and investigating new technological solutions that will enable staff to be fully agile and provide a better service, while an online portal is being developed that will provide information, process customer requests and enable staff to log jobs and track progress. The Council has been successful in applying for monies from various sources such as Welsh Government and the National Lottery, and in recent years has secured significant UK Shared Prosperity Funding (SPF) and Levelling Up Funding (LUF).

## 4.0 CAPITAL INVESTMENT PROGRAMME 2026-27 TO 2035-36

The ten-year rolling programme has been initially set for 2026-27, and on an indicative basis for the nine years thereafter. It has been profiled in accordance with technical advice relating to regulatory processes, timetables and work plans. In 2026-27, the Council is planning capital expenditure of £109.27 million as summarised below.

*Table 2: Prudential Indicator: Estimates of Capital Expenditure*

Directorate	2024-25 actual £m	2025-26 projection £m	2026-27 budget £'m	2027-28 budget £m	2028-29 budget £m	2029-30 budget £m
Education, Early Years and Young People	8.08	23.54	<b>73.70</b>	36.22	-	-
Social Services and Wellbeing	0.45	1.04	-	-	-	-
Communities	16.45	45.72	<b>31.20</b>	6.21	6.01	4.99
Chief Executive's	4.35	5.96	<b>2.95</b>	2.95	2.95	2.95
Council Wide Capital Budgets	-	1.99	<b>1.68</b>	1.68	3.57	3.57
<b>TOTAL Capital Programme</b>	<b>29.33</b>	<b>78.25</b>	<b>109.53</b>	<b>47.06</b>	<b>12.53</b>	<b>11.51</b>
Right of use assets	3.94	0.35	-	-	-	-
<b>TOTAL</b>	<b>33.27</b>	<b>78.60</b>	<b>109.53</b>	<b>47.06</b>	<b>12.53</b>	<b>11.51</b>

The main capital projects in this period include:

- Sustainable Communities for Learning Band B (Heronbridge, Mynydd Cynffig, Ysgol Gymraeg Bro Ogwr and Bridgend West). £106.62 million is included in the above table for 2026-27 to 2027-28 plus an additional £3.30 million for associated highways works.
- Porthcawl Grand Pavilion – £15.98 million is included above for 2026-27 to 2027-28 for the redevelopment of the building.
- Annual commitments to Disabled Facilities Grants and other housing adaptation schemes of £2.45 million from 2026-27 onwards.
- Waste/Recycling vehicles - £8.00 million for 2026-27 to 2027-28.
- Waterton Depot - £3.10 million in 2026-27
- Local Government Borrowing Initiative Highways Maintenance - £1.94 million for 2026-27.

The Council will need to borrow approximately £16.20 million in order to fund new school projects in line with the Council's Schools Modernisation Programme. This will impact on the operational borrowing limit set as part of the Local Government Act 2003.

### Right of Use assets

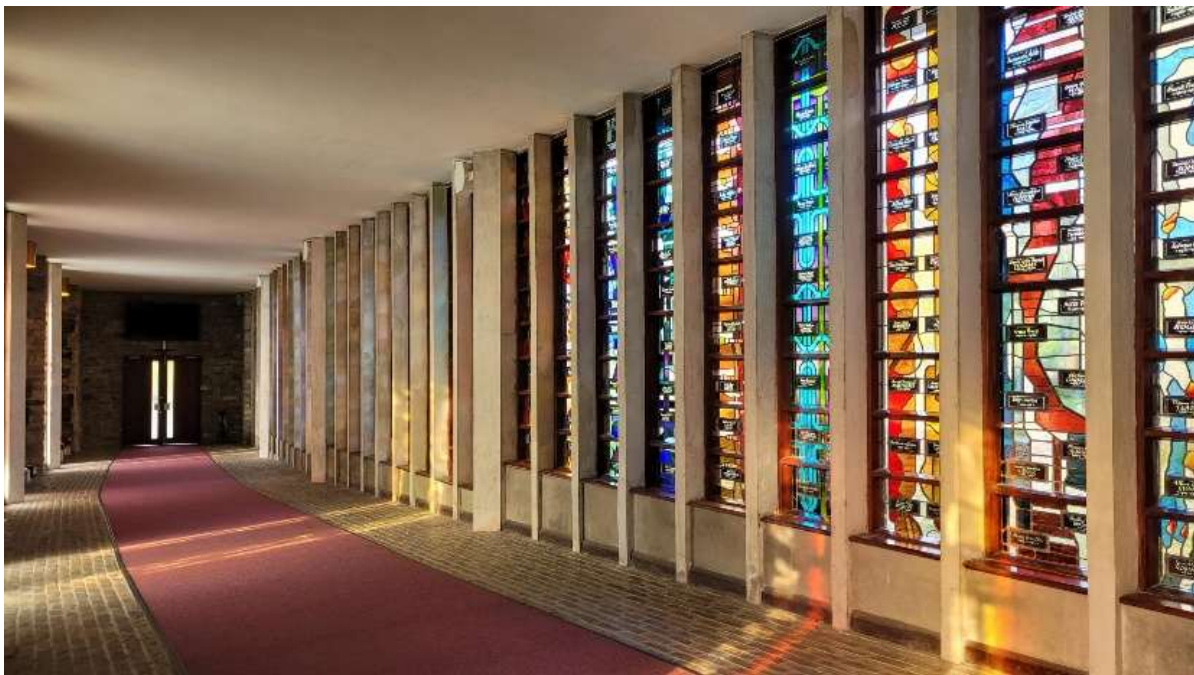
Internal Financial Reporting Standard 16 (IFRS16) requires organisations to report information that faithfully represents lease transactions and provides a basis for users of financial statements to assess the amount, timing and uncertainty of cash flows arising from leases. To meet that objective a lessee should recognise assets and liabilities arising from a lease. The Council has recognised 'right of use' assets and an equivalent lease liability, which is the



Council's obligation to make lease payments. This increases the Council's Capital Financing Requirement (CFR) – or the amount of assets that will need to be financed via debt, and the revenue resources that will need to be set aside to repay the debt, known as the Minimum Revenue Provision, or MRP. As it is a debt, it could affect the Council's borrowing limits. As at 31 March 2025 the CFR included £3.68 million for right of use assets recognised under IFRS16.

A further impact of the standard is to recognise the interest element of the lease separate to the debt repayment, so the interest cost is recognised as a capital financing cost rather than absorbed within the total charge to Directorate revenue budgets. This does not increase the cost, but changes where that cost is shown in the annual Statement of Accounts.

The approved capital programme will be subject to ongoing scrutiny and amendment. Of particular concern will be the continued pressure on costs, particularly within the construction sector, and the level of price increases for works and the impact on project costs. The estimates of capital expenditure shown above (and throughout the Strategy) are based on both known cost forecasts (for schemes already underway) as well as estimated future costs for those schemes not yet progressed through the procurement stages. As the procurement progresses it may become evident that the costs to undertake schemes are in excess of the available budget, and schemes within the capital programme may need to be reprioritised based on the available funding.



*Stained glass window – Coychurch Crematorium*

## 5.0 FUNDING THE STRATEGY

The Council has several funding streams available to support capital investment which includes the following cash resources:

<b>Cash Resources</b>	
<b>Non ring-fenced grants</b>	These are for use on Council determined priorities. These include an annual 'General Capital Grant' from Welsh Government
<b>Ring-fenced grants</b>	These are to achieve a particular outcome and therefore with restricted use as specified by the funder. The main source of external grant is from Welsh Government, which in most cases follows an application or bidding process for schemes or distribution of grants on a formula basis. The short-term nature of grant awards makes long term planning and delivery of strategic schemes very difficult. Where external grant funding bids are made, it is essential that these are in line with Council priorities and include consideration of any revenue budget consequences. Where grants require match funding, the Council will prioritise such support to increase the likelihood of a successful bid.
<b>External contributions</b>	For example from planning agreements (under Section 106 of the Town and Country Planning Act 1990).
<b>Revenue budgets and Earmarked Reserves</b>	Held specifically to support the affordability of capital investment.
<b>Capital Receipts</b>	These are as a result of the disposal of Council assets and cannot be used to fund revenue budgets.

Further detail is included in **Appendix 1** Capital Funding Sources.

### **Financial Context**

Whilst the aims and priorities will shape decisions around capital expenditure, there is recognition that the financial resources available to meet priorities are constrained in the current economic and political climate. The context for capital expenditure decisions is as follows:

- The Council does have limited capital resources; however these are earmarked to existing schemes within the Capital Programme.
- The Council anticipates it will receive resources in the future with an annual capital allocation from Welsh Government, potential s106 monies or new grant approvals.
- The Council does have a Disposal Strategy though has limited capital assets which it could sell and use receipts to reinvest.
- The Council is currently servicing debt of £93.50 million of fixed interest loans, at an average interest rate of 4.73% and £2.32 million of interest free Salix loans, giving a total loan debt of £95.82 million.
- The Council's MTFS identifies that the Council still needs to develop savings proposals to meet future anticipated funding levels. Any additional capital expenditure which is not funded through capital resources will increase the pressure on revenue budgets unless that expenditure delivers revenue savings or income to offset such additional expenditure.



- Any new schemes that are not funded by capital receipts, earmarked reserves, revenue contributions or grants, will have a requirement for borrowing to enable the scheme to progress. Such borrowing will be at a cost and is repayable with interest, and the cost of any new borrowing will place an additional pressure on the revenue budget.
- Careful scrutiny of any new proposed capital schemes will be required, to assess the affordability of delivering those schemes given the current difficult financial climate the Council is facing.

### **Allocation of capital funding**

General Capital Funding and Supported Borrowing from Welsh Government will be prioritised towards mandatory capital investments. This includes investment required to meet health and safety requirements. This principle also applies to uncommitted capital receipts and capital reserves.

Unsupported (Prudential) Borrowing will be prioritised as follows:

- To mandatory capital expenditure, including health and safety requirements. This will be considered to be an inescapable capital budget pressure and will be included in future years' budgets as part of the annual budget setting process.
- To capital expenditure which attracts a high level of matched funding. This is particularly important as the Council tries to maximise every £1 it spends on capital with schemes involving external grants or contributions from partners. The aim is for the Council to ensure that it invests in its strategic buildings and town centre infrastructure as grant funding and inward investment opportunities become available by allocating uncommitted reserves, maximising interest free loans or unsupported borrowing.
- To capital expenditure which provides a good financial return. Borrowing for such projects must be funded by the directorate, and therefore the financial benefit accruing to the directorate will be net of financing costs. This approach aligns the directorate incentives with the corporate benefit of such projects. This would include Invest to Save projects. Advantage will be taken of interest free loans where available.

Any borrowing will result in a cost to revenue as borrowing must be repaid, and the majority of borrowing will incur costs in the form of interest payments. This will be factored into any decision to include a scheme within the Capital Programme which requires any level of borrowing.

### **Borrowing to pay for Capital Investment**

There are currently no nationally imposed restrictions to the quantum of borrowing that can be undertaken to pay for capital investment. The Council approves its own affordable borrowing limit as part of the Local Government Act 2003 and this is set at a level consistent with the programme of capital investment proposed. There are two main types of borrowing to pay for capital investment which form part of the Council's borrowing requirement and is managed as part of the Treasury Management Strategy:

- 'Supported Borrowing' – costs of servicing are specifically included within the annual Revenue Support Grant (RSG) the Council receives from Welsh Government.

- 'Unsupported Borrowing' - costs of servicing to be met from Council tax, Revenue Support Grant/share of Non-Domestic Rates (not ringfenced for supported borrowing), rent, savings, additional income or sale of assets.

The planned financing of capital expenditure is outlined in Table 3 as follows:

*Table 3: Capital financing*

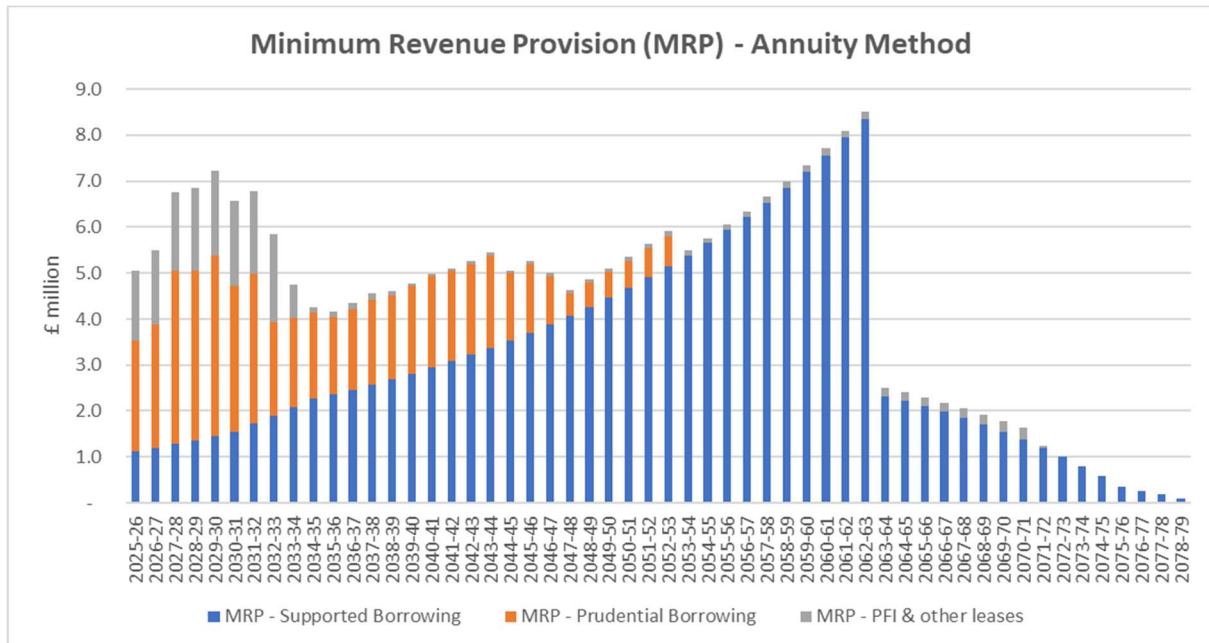
	2024-25 Actual £m	2025-26 Projection £m	2026-27 Budget* £m	2027-28 Budget £m	2028-29 Budget £m	2029-30 Budget £m
External sources	20.71	38.41	69.14	27.36	4.99	4.99
Own resources	2.86	25.61	18.65	13.73	3.69	2.67
Net Financing Requirement	9.70	14.58	21.74	5.98	3.85	3.85
<b>TOTAL</b>	<b>33.27</b>	<b>78.60</b>	<b>109.53</b>	<b>47.07</b>	<b>12.53</b>	<b>11.51</b>

The net financing requirement or 'debt' is only a temporary source of finance, since loans and leases must be repaid, and is replaced over time by other financing, usually from revenue, which is known as Minimum Revenue Provision, or MRP. This includes revenue contributions to pay off Prudential or Unsupported Borrowing, which is shown as additional Voluntary Revenue Provision. Other MRP on Long Term Liabilities relates to the provision of the secondary school at Maesteg, through the Private Finance Initiative (PFI) and MRP for leases under IFRS16. The calculation of MRP from 1 April 2024 has been based on the annuity method as approved by Council on 23 October 2024. The MRP Policy is set out in Section 7 of this strategy. The MRP amounts are shown in Table 4 below:

*Table 4: Replacement of debt finance*

	2024-25 Actual £m	2025-26 Projection £m	2026-27 Budget £m	2027-28 Budget £m	2028-29 Budget £m	2029-30 Budget £m
Minimum Revenue Provision (MRP)	1.20	1.20	1.28	1.37	1.46	1.56
Additional Voluntary Revenue Provision	1.87	2.43	2.69	3.78	3.69	3.92
<b>Total MRP &amp; VRP</b>	<b>3.07</b>	<b>3.63</b>	<b>3.97</b>	<b>5.15</b>	<b>5.15</b>	<b>5.48</b>
<b>Other MRP on Long term Liabilities</b>	<b>1.24</b>	<b>1.36</b>	<b>1.47</b>	<b>1.56</b>	<b>1.63</b>	<b>1.70</b>
<b>Total Own Resources</b>	<b>4.31</b>	<b>4.99</b>	<b>5.44</b>	<b>6.71</b>	<b>6.78</b>	<b>7.18</b>

The Council's cumulative outstanding amount of debt finance is measured by the Capital Financing Requirement (CFR). This increases with new debt-financed capital expenditure and reduces by the MRP amount within the year. Debt-financed expenditure is that which is **not** funded by grants, contributions, reserves or capital receipts. The CFR is forecast to increase by £9.31 million during 2025-26, with a further increase in 2026-27 of £16.35 million. The forecast MRP over the long term is shown in the graph below.



This shows that MRP is expected to increase over the period to 2029-30 based on the current capital programme. Based on the above figures for expenditure and financing, the Council's estimated CFR is as follows:

*Table 5: Prudential Indicator: Estimates of Capital Financing Requirement*

	2024-25 Actual	2025-26 Projection	2026-27 forecast	2027-28 forecast	2028-29 forecast	2028-29 forecast
	£m	£m	£m	£m	£m	£m
<b>Opening Capital Financing Requirement</b>	175.72	181.11	190.71	206.97	206.20	203.23
<b>Movement in Financing Requirement</b>	5.39	9.60	16.26	(0.77)	(2.97)	(3.37)
<b>Closing Capital Financing Requirement</b>	<b>181.11</b>	<b>190.71</b>	<b>206.97</b>	<b>206.20</b>	<b>203.23</b>	<b>199.86</b>

### Lease versus buy

The Council's decision to lease versus buy assets will involve balancing financial, operational and strategic considerations to ensure value for money, affordability, and the effective delivery of services. Factors that need to be considered include:

- **Service delivery objectives:** the primary goal is to ensure the chosen method provides an effective solution for service delivery and contributes to the Council's objectives
- **Affordability:** the impact of the decision on the revenue budget is crucial. This will involve assessing long-term costs, cash flow implications, and the effect on the Council's borrowing capacity (capital financing requirement) and level of debt. Leasing increases the Council's debt and therefore the capital financing requirement, which may impact on the Council's ability to borrow and the level of that borrowing.
- **Risk management:** the Council will need to consider and mitigate risks associated with ownership – e.g. maintenance costs, obsolescence, market value fluctuations; versus leasing – e.g. potential rent increases, repairing liabilities, and less control or ability to enhance or refurbish.
- **Value for money:** a thorough cost-benefit analysis should be undertaken, considering the present value of all costs over the life of the asset.
- **Accounting:** leased assets under accounting standards are required to be capitalised as Right of Use assets, with an associated debt liability,
- **Flexibility and Control:** owning an asset provides full control and the ability to customise, while leasing offers operational flexibility and the ability to manage technological obsolescence by upgrading equipment for example more frequently.
- **Funding Sources:** the availability of funding e.g. capital receipts, grants, borrowing from the Public Works Loan Board (PWLb) can influence the decision.

Lease obligations are similar to borrowing as they have an ongoing revenue budget commitment. Leasing will be considered following due diligence over the life of the asset, comparing the financial and non-financial benefits and risks compared to the Council owning such assets itself.

### Asset Disposals

When a capital asset is no longer needed, it may be sold so that the proceeds, known as capital receipts, can be reinvested in new assets or to repay debt. Repayments of capital grants, loans and investments also generate capital receipts. The Council's forecast use of capital receipts are set out in Table 6.

*Table 6: Forecast capital receipts*

	2024-25 Actual £m	2025-26 Projection £m	2026-27 Budget £m	2027-28 Budget £m	2028-29 Budget £m	2029-30 Budget £m
<b>Opening balance</b>	<b>25.99</b>	<b>32.02</b>	<b>20.03</b>	<b>9.85</b>	<b>3.96</b>	<b>3.42</b>
Asset sales	6.34	-	-	-	-	-
Applied in capital programme	(0.31)	(11.99)	(10.18)	(5.89)	(0.54)	-
<b>Closing balance</b>	<b>32.02</b>	<b>20.03</b>	<b>9.85</b>	<b>3.96</b>	<b>3.42</b>	<b>3.42</b>

As can be seen from the above table, the majority of capital receipts from asset sales are already allocated to the capital programme.

## 6.0 MANAGING THE BORROWING REQUIREMENT

The Council's major objectives when borrowing are:

- to minimise the revenue costs of debt
- to manage the Council's debt maturity profile i.e. to leave no one future year with a high level of repayments that could cause problems in re-borrowing
- to secure funding in any one year at the cheapest cost commensurate with future risk
- to forecast average future interest rates and borrow accordingly
- to monitor and review the level of variable interest rate loans in order to take greater advantage of interest rate movement
- to reschedule debt if appropriate, in order to take advantage of potential savings as interest rates change
- to optimise the use of all capital resources including borrowing, both supported and unsupported, usable capital receipts, revenue contributions to capital and grants and contributions

### Limits to Borrowing Activity

The Council's long-term borrowing excluding Salix loans, which are interest-free or low interest, at 30 September 2025 was £93.50 million at an average interest rate of 4.73%. The majority of lending is Public Works Loan Board with maturity dates between 2026 and 2057. £19.25 million of borrowing relates to Lender's Option Borrower's Option (LOBO) loans that have a maturity date of 2054, however these may be rescheduled in advance of this maturity date. The Council has a number of energy schemes which are funded via Salix interest free loans. These loans are required to be repaid between 5 and 10 years.

External borrowing can arise as a result of both capital and revenue expenditure and timing of cash flows. As the Council has an integrated Treasury Management Strategy there is no association made between individual loans and particular types of expenditure. The Council makes use of internal borrowing and maintains an under-borrowed position in accordance with **PRINCIPLE 3** above. 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. Projected levels of the Council's total outstanding debt, which comprises borrowing, PFI and Other Long-Term Liabilities, are shown below compared with the Capital Financing Requirement:

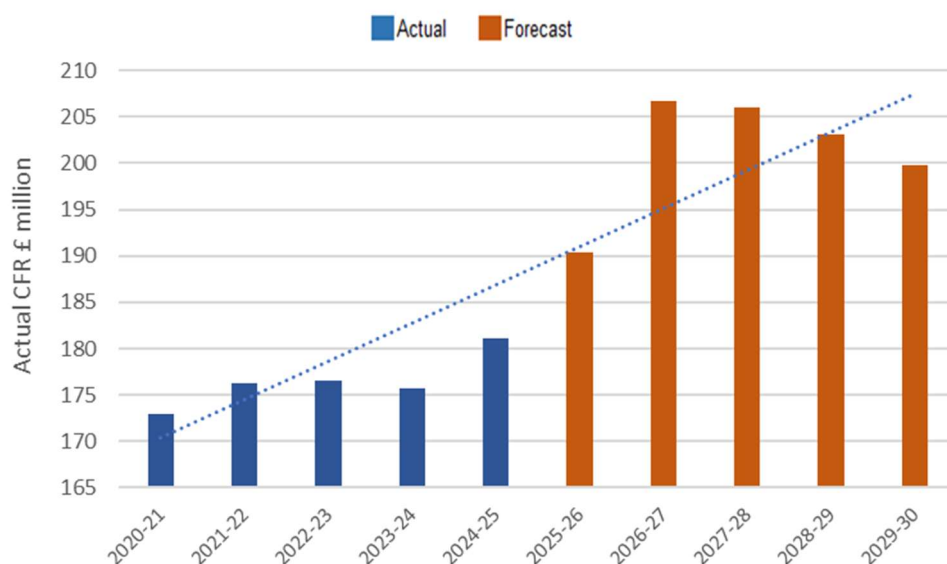
*Table 7: Prudential Indicator: Gross Debt and the Capital Financing Requirement*

	2024-25 Actual £m	2025-26 Projection £m	2026-27 Estimate £m	2027-28 Estimate £m	2028-29 Estimate £m	2029-30 Estimate £m
Debt (incl. PFI & leases)	119.43	112.15	<b>102.50</b>	99.14	97.11	88.47
Capital Financing Requirement	181.11	190.71	<b>206.97</b>	206.20	203.23	199.86

Statutory guidance is that debt should remain below the capital financing requirement, except in the short-term. Whilst the above shows this, it is based on current borrowing. The Council

will need to take out new borrowing to support the capital programme, however, the Council still expects debt to be below the capital financing requirement in the medium term. The chart below shows the trend in the CFR from 2020 onwards. The increasing trend reflects the anticipated increases in spend in the capital programme from commitments which are funded by internal borrowing.

### Capital Financing Requirement Trend



To compare the Council's actual borrowing against an alternative strategy, a liability benchmark has been calculated showing the lowest risk level of borrowing based on the current assumptions within the Capital Programme and the use of capital receipts and reserves. However, this forecast could change significantly should schemes within the capital programme and use of reserves be delayed. Further details of the Liability Benchmark can be found within the Treasury Management Strategy 2026-27. The actual amount will be monitored and assumptions challenged and external borrowing will only be taken out if there is no opportunity to use Internal Borrowing.

*Table 8: Borrowing and the Liability Benchmark*

	2024-25 Actual £m	2025-26 Projection £m	2026-27 Estimate £m	2027-28 Estimate £m	2028-29 Estimate £m	2029-30 Estimate £m
Outstanding Borrowing (excl. PFI & Leases)	103.71	97.49	<b>89.31</b>	87.50	87.11	80.17
Liability Benchmark	67.01	104.73	<b>142.17</b>	156.79	159.17	160.19

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. Due to the level of debt financing anticipated within the Capital Programme the operational limit has been

increased to £150 million in 2026-27 and £160 million in 2027-28. This level is considered affordable by the Council. There are no changes to the authorised limits.

Table 9: Prudential Indicators: Authorised limit and operational boundary for external debt in £m

	2025-26 £m	2026-27 £m	2027-28 £m	2028-29 £m
Authorised limit – borrowing	170.00	170.00	170.00	170.00
Authorised limit – other long-term liabilities	25.00	25.00	25.00	25.00
<b>Authorised Limit Total</b>	<b>195.00</b>	<b>195.00</b>	<b>195.00</b>	<b>195.00</b>
Operational boundary – borrowing	120.00	150.00	160.00	160.00
Operational boundary – other long-term liabilities	20.00	20.00	20.00	20.00
<b>Operational Boundary Limit Total</b>	<b>160.00</b>	<b>170.00</b>	<b>180.00</b>	<b>180.00</b>
<b>Total Borrowing and Long-Term Liabilities</b>	<b>111.85</b>	<b>102.28</b>	<b>99.00</b>	<b>97.04</b>

The impact of changes to lease accounting under IFRS16, which requires that operating leases are brought onto the balance sheet as a right of use asset and equivalent lease liability, is that it increases the Council's liabilities and therefore its estimated borrowing requirement, although actual borrowing may be below this level. The current estimate from the Treasury Management Strategy is that there will be a borrowing requirement of £6.89 million for 2026-27, £52.50 million in 2027-28 and £68.93 million in 2028-29 compared to the current level of borrowing. *In incremental terms* this would be borrowing of £6.89 million in 2026-27, £45.61 million in 2027-28 and £16.44 million in 2028-29.

### Other Long-Term Liabilities

#### Private Finance Initiative

The Council has a Private Finance Initiative (PFI) arrangement for the provision of a Secondary School in Maesteg. This forms a long-term liability for the Council (with nine years remaining on the term) which will be £10.98 million at 31 March 2026 including the short term liability of £1.08 million included as current liabilities in the Council's balance sheet in the Statement of Accounts. This is a technical adjustment and is equivalent to the amount that is to be paid during 2026-27.

#### IFRS16 - Leases

Leases that were formerly treated as operational are now required to be recognised as Right of Use assets, with an equal liability. The following provides an estimate of the leases to be recognised as liabilities in the balance sheet at 1 April 2026:

Description	Right of Use Asset 01/04/26 £m	Lease liability as at 01/04/26 £m
Land and Buildings	0.35	0.35

**Pension Guarantees**

The Council has entered into a number of long-term contracts for services that have been outsourced to service providers. These often involve the transfer of Council employees to the new service provider. Employee's rights are protected under the provision in Transfer of Undertakings (Protection of Employment) Regulations 2006 (TUPE). However, pension rights are not fully covered within TUPE regulations. The Council have thus given a pension guarantee to Awen Cultural Trust. This guarantee means that if an admitted body fails to pay its pension obligations, the Council will be responsible for taking on those obligations. Further details on borrowing are included within the Treasury Management Strategy.



## 7.0 PRUDENT MINIMUM REVENUE PROVISION POLICY STATEMENT 2026-27

The annual Minimum Revenue Provision Statement needs to be approved by Council before the start of each financial year. The MRP charges for 2026-27 will be on the following basis:-

- i. Capital expenditure incurred before 1 April 2008 and any capital expenditure after 1 April 2008 that is government supported will be based on the Capital Financing Requirement after accounting adjustments on an annuity basis over 45 years.
- ii. The Council has previously recognised one significant asset. MRP will be charged on an annuity basis over the remaining asset life.
- iii. For unsupported capital expenditure, exercised under the Prudential Code, the MRP charge will be based on an annuity basis over the remaining asset life. The rate used in the annuity calculation will be based on the PWLB certainty rate for a loan equal to the asset life. The first charge can be delayed until the year after the asset is operational but this will be at the discretion of the Section 151 Officer
- iv. For assets funded via Salix loans, MRP will be charged equal to the schedule of repayments of the loan.
- v. For assets reclassified as finance leases under International Financial Reporting Standards (IFRS) or resulting from a Private Finance Initiative, the MRP charge will be regarded as met by a charge equal to the element of the rent/charge that goes to write down the balance sheet liability for the year.
- vi. Where loans are made to other bodies for their capital expenditure with an obligation for the bodies to repay, no MRP will be charged. The capital receipts generated by the annual repayments on those loans will be put aside to repay debt instead. Where loans do not have an annual repayment MRP may be required or may be waived where capital receipts are expected within a prudent period.
- vii. MRP may be waived on expenditure recoverable within a prudent period of time through capital receipts (e.g. land purchases) or deferred to when the benefits from investment are scheduled to begin or when confirmed external grant payments towards that expenditure are expected.

The MRP Charge 2026-27 based on the estimated capital financing requirement is detailed below:

	Options	Estimated Capital Financing Requirement 31/03/26 £m	2026-27 Estimated MRP £m
Capital expenditure before 01/02/2008 and any after 01/04/2008 that does not result in a significant asset (Supported)	(i)	134.34	1.19
Supported capital expenditure - significant asset	(ii)	2.47	0.09
Unsupported capital expenditure, exercised under the Prudential Code (Unsupported)		39.24	2.69
PFI, Finance Leases and other arrangements	(iii)	14.66	1.47
<b>TOTAL COUNCIL FUND</b>		<b>190.71</b>	<b>5.44</b>

## 8.0 AFFORDABILITY

Capital investment and the proposed Capital programme form an integral part of the Council's revenue budget and Medium Term Financial Strategy. The revenue budget impact of capital schemes for council tax and rent payers include:

- The costs of operating/maintaining new assets.
- The capital financing costs of servicing any borrowing required to pay for investment.
- The revenue costs of preparing and delivering projects.
- Abortive costs required to be charge to revenue budgets if schemes do not proceed.

The percentage of the Council's revenue budget that is committed to capital financing costs is increasing in the long term. Given the pressure on revenue budgets it will be increasingly difficult to secure revenue funding to meet the costs of any new borrowing. Within the current climate tender prices are being received that are higher than expected, with costs potentially exceeding available budgets. Given the uncertainty over future capital receipts, diminishing uncommitted earmarked reserves and limited capital budget allocations from Welsh Government, this will mean that there is limited scope for new capital projects unless fully funded from grants and external contributions. This must be a factor considered by Council when determining the Capital Programme.

Table 10 below shows the proportion of the budget that will need to be set aside to finance capital expenditure, which is expected to increase over the life of the current capital programme, accelerating the pressure that capital expenditure, funded from debt, puts on the revenue budget. The requirement to meet these additional costs can only come from future savings or from increases in council tax. An increasing ratio limits the scope for additional borrowing in future years and reduces the Council's overall flexibility when making decisions on the allocation of its revenue resources. A gross ratio is also calculated which indicates the gross financing cost i.e. it represents a worst case scenario.

*Table 10: Prudential Indicator: Proportion of financing costs to net revenue stream*

	<b>2024-25 Actual %</b>	<b>2025-26 Projection %</b>	<b>2026-27 Estimate %</b>	<b>2027-28 Estimate %</b>	<b>2028-29 Estimate %</b>	<b>2029-30 Estimate %</b>
General Fund - Net Capital Financing Budget	1.53%	1.97%	1.99%	2.01%	2.04%	2.06%
General Fund - Gross Capital Financing Budget	2.85%	3.21%	3.23%	3.26%	3.28%	3.31%

**GLOSSARY**

Asset Management	The stewardship of capital assets, including decisions around on-going maintenance and eventual disposal.
Bank of England	The <i>central bank</i> of the UK, based in London, sometimes just called ‘the bank’.
Bank Rate	The official interest rate set by the <i>Monetary Policy Committee</i> , and the rate of interest paid by the <i>Bank of England</i> on commercial bank deposits. Colloquially termed the ‘base rate’.
Borrowing	Usually refers to the outstanding loans owed and <i>bonds</i> issued.
Capital	(1) Long-term, as in capital expenditure and capital receipts, (2) Principal, as in capital gain and capital value, (3) Investments in financial institutions that will absorb losses, before senior unsecured creditors.
Capital Expenditure	Expenditure on the acquisition, creation or enhancement of fixed asset that are expected to provide value for longer than one year, such as property and equipment, plus expenditure defined as capital in legislation such as the purchase of certain investments.
Capital Finance	Arranging and managing the cash required to finance <i>capital expenditure</i> , and the associated accounting.
Capital Financing Requirement (CFR)	A local authority’s underlying need to hold debt for capital purposes, representing the cumulative capital expenditure that has been incurred but not yet financed. The CFR increases with capital expenditure and decreases with capital finance and MRP.
Capital Receipt	Cash obtained from the sale of an item whose purchase would be capital expenditure. The law only allows local authorities to spend capital receipts on certain items, such as new capital expenditure. They are therefore held in a capital receipts reserve until spent.
Capital strategy	An annual policy document required by the Prudential Code that sets out a local authorities’ high-level plans for capital expenditure, debt and investments and its Prudential Indicators for the forthcoming financial year.
CIPFA	The Chartered Institute of Public Finance and Accountancy – the professional body for accountants working in the public sector. CIPFA also sets various standards for local government – e.g. Treasury Management Code and Prudential Code.

Debt	(1) A contract where one party owes money to another party, such as a loan, deposit, or bond. (2) In the Prudential Code, the total outstanding borrowing plus other long-term liabilities.
Fair value	IFRS term for the price that would be obtained by selling an investment, or paid to transfer debt, in a market transaction.
Financing costs	In the Prudential Code, interest payable on debt less investment income plus premiums less discounts plus MRP.
GDP	Gross domestic product – the value of the national aggregate production of goods and services in the economy. Increasing GDP is known as economic growth.
General Fund	A local authority reserve that holds the accumulated surplus or deficit on revenue income and expenditure, except on council housing.
IFRS	International Financial Reporting Standards, the set of accounting rules in use by UK local authorities since 2010.
Impairment	A reduction in the value of an investment caused by the counterparty being in financial difficulty.
Interest	Compensation for the use of cash paid by borrowers to lenders on debt instruments.
Interest rate risk	The risk that unexpected changes in interest rates cause an unplanned loss, for example by increased payments on borrowing or lower income on investments.
Internal borrowing	A local government term for when actual “external” debt is below the capital financing requirement, indicating that difference has been borrowed from internal resources instead; in reality this is not a form of borrowing.
Investment property	Land and buildings that are held purely for rental income and/or capital growth. Investment properties are not owner-occupied and provide no direct service benefit.
Investment strategy	A document required by investment guidance that sets out a local authority’s investment plans and parameters for the coming year. Sometimes forms part of the authority’s treasury management strategy.
Lease	A contract where one party permits another to make use of an asset in return for a series of payments. It is economically similar to buying the asset and borrowing a loan, and therefore leases are often counted as a type of debt.
Lessee	Party to a lease contract that uses an asset owned by the lessor.
Lessor	Party to a lease contract that own an asset but permits another (the lessee) to use it.

Liability benchmark	Term in CIPFA's Risk Management Toolkit which refers to the minimum amount of borrowing required to keep investments at a minimum liquidity level. Used to compare against the actual and forecast level of borrowing.
Loan	Contract where the lender provides a sum of money (the principal) to a borrower, who agrees to repay it in the future together with interest. Loans are not normally tradable on financial markets. There are specific definitions in government investment guidance.
Loans CFR	The capital financing requirement less the amount met by other long-term liabilities, i.e. the amount to be met by borrowing.
Long-term	Usually means longer than one year.
MRP	Minimum revenue provision - an annual amount that local authorities are required to set aside and charge to revenue for the repayment of debt associated with capital expenditure. Local authorities are required by law to have regard to government guidance on MRP.
Net borrowing	Borrowing minus treasury investments.
Net revenue stream	In the Prudential Code, income from general government grants, Council Tax and rates.
Other long-term liabilities	Prudential Code term for credit arrangements.
Operational boundary	A prudential indicator showing the most likely, prudent, estimated level of external debt, but not the worst-case scenario. Regular breaches of the operational boundary should prompt management action.
Private Finance Initiative (PFI)	A government scheme where a private company designs, builds, finances and operates assets on behalf of the public sector, in exchange for a series of payments, typically over 30 years. Counts as a credit arrangement and debt.
Property fund	A collective investment scheme that mainly invests in property. Due to the costs of buying and selling property, including stamp duty land tax, there is usually a significant fee charged on initial investment, or a significant difference between the bid and offer price.
Prudential borrowing	Another term for unsupported borrowing.

Prudential Code	Developed by CIPFA and introduced in April 2004 as a professional code of practice to support local authority capital investment planning within a clear, affordable, prudent and sustainable framework and in accordance with good professional practice. Local authorities are required by law to have regard to the Prudential Code.
Prudential indicators	Indicators required by the Prudential Code and determined by the local authority to define its capital expenditure and asset management framework. They are designed to support and record local decision making in a manner that is publicly accountable.
PWLB	Public Works Loans Board - a statutory body operating within the DMO that lends money from the National Loans Fund to local authorities and other prescribed bodies and collects the repayments.
Supported borrowing	Borrowing for which the repayment costs are supported by government grant.
TMS	(1) Treasury management strategy. (2) Treasury management system.
Treasury management	The management of an organisation's cash flows, investment and borrowing, with a particular focus on the identification, control and management of risk. Specifically excludes the management of pension fund investments.
Treasury management advisor	Regulated firm providing advice on treasury management, capital finance and related issues.
Treasury Management Code (TM Code)	CIPFA's Code of Practice for Treasury Management in the Public Services and Cross-Sectoral Guidance Notes, to which local authorities are required by law to have regard.
Treasury management indicators	Indicators required by the Treasury Management Code to assist in the management of credit risk, interest rate risk, refinancing risk and price risk.
Treasury management policy statement	Document required by the Treasury Management Code setting out a local authority's definition of and objectives for treasury management.
Treasury management strategy	Annual report required by the Treasury Management Code covering the local authority's treasury management plans for the forthcoming year.
Unsupported borrowing	Borrowing where the cost is self-financed by the local authority. Sometimes called prudential borrowing since it was not permitted until the introduction of the Prudential Code in 2004. See also supported borrowing.

**Appendix 1****Capital Funding Sources****Borrowing**

The Council is able to borrow money on the money market or from the Public Works Loan Board (PWLB) to fund capital schemes or, on a short term basis, use its own internal resources (i.e. cash flow). However, for all schemes initially funded from borrowing, the Council will have to fund the repayment and interest costs and any on-going related revenue support. With the exception of the Welsh Government's allocation of Supported Borrowing, all other borrowing is unsupported i.e. where associated interest and debt repayment costs must be met from existing revenue budgets, Council Tax, savings or additional income generation.

The Council is only able to borrow for "unsupported borrowing" (also known as Prudential Borrowing) under the guidance contained in the CIPFA Prudential Code whereby, in summary, the Council is required to ensure that all borrowing is both prudent and affordable.

All schemes funded from Prudential Borrowing are approved by full Council, and in accordance with MTFS **PRINCIPLE 11** must be affordable and sustainable, with payback met from Directorate or Council revenue budgets over a period no longer than the life of the asset. Projects requiring funding through prudential borrowing should submit a robust business case to include forward predictions of affordability, with the aim that projects should be self-funding (i.e. create a revenue stream so that the cost of borrowing is cost neutral on Council Tax).

The potential for Prudential Borrowing is not unlimited and must be considered within the Council's overall borrowing limits. Whenever Prudential Borrowing is under consideration, the means of payment must be clearly identified. Typically this can be from:

- Income or savings generated by the investment;
- Budget reductions made elsewhere in the Directorate to compensate;
- Additional recurrent funding approved by Council as part of the budget setting process.

There may be the need for borrowing where there is no identifiable future revenue stream, for example, to repair or construct infrastructure assets. This may be to support corporate priorities. The cost of such borrowing falls on the council tax payer through payments of debt interest on the Council's revenue account and repayment of debt over a specified period of time. This is known as the Minimum Revenue Provision (MRP). There may still be a need for such borrowing but each proposal should be reviewed on a case by case basis with the project evaluation clearly stating how the borrowing is to be afforded. Given the significant ongoing financial challenges facing this Council, it is likely that such schemes will be an "exception".

**External Grants**

The Council receives annual capital grant funding from Welsh Government and is able to bid for grant funding directly to other government departments or from other grant awarding bodies.

The annual funding from Welsh Government is not ring-fenced so the Council has flexibility in how it allocates this funding. It is proposed that this is earmarked in the first instance to works deemed to be of a mandatory nature e.g. health and safety, or towards the Council's wellbeing objectives.



Any additional capital grant funding received from external sources must be managed in line with the Council's Grants Policy. Delegated authority is required to bid for and accept any external funding, and external funding applications should be supported by a strong business case which demonstrates how the project meets the Council's Corporate Priorities and how any future revenue costs will be met.

### **Capital Receipts from Asset Disposals**

The Council generates capital receipts from the sale of surplus assets. Maximisation of these receipts will increase the amount that can be spent on capital investment. Capital receipts cannot be used to fund revenue costs.

The Council has a statutory obligation to deliver best consideration under S123 of the Local Government Act 1972 and will seek to obtain market value in its disposals. However, there are exceptions and there will sometimes be a balance to strike where disposals can achieve social, economic or environmental policy objectives which contribute towards the Corporate Plan. In such instances, consideration will be given to the Value for Money that this represents.

The Council has also introduced a Community Asset Transfer (CAT) Strategy, where it considers the transfer of assets to third party groups at less than best consideration to support its objectives. The Council will consider, on a case-by-case basis, the potential transfer of assets to an alternative provider after a full assessment of the long-term (full life) risks and rewards of the transfer, including the achievement of best value including potential market value, linked to the Council's aims and objectives. Where the Council proposes to dispose of or grant a long lease at nil consideration, or at a value below market value, a valuation will be undertaken to ensure that the Council is fully aware of the receipt that it is foregoing as a result of the Community Asset Transfer.

A key principle of the Council's Capital Strategy, **PRINCIPLE 4**, is that, unless specifically agreed by Cabinet for exceptional circumstances, all capital receipts will be treated as general capital funding and allocated according to determined priorities. This supports the "One Council" approach. However, this does not negate the need for Council to approve any proposed schemes from that receipt. There may potentially be other schemes where the Council decides to set aside receipts in this way and these will be approved within the reporting of the Capital Programme.

The Council will aim to maximise its capital receipts, where possible, by enhancing the land prior to disposal. In relation to development sites it will produce a technical pack which will include site investigations, planning briefs, utilities and drainage information, as relevant. The Council will consider the most appropriate method of disposal by way of private treaty, tender or by public auction. Generally it will dispose of assets on the open market, in order to robustly demonstrate that it has delivered best consideration. However, there will be occasions when it will sell off market to a single bidder. In these instances it will seek an independent valuation to assess the capital receipt and to affirm that best consideration has been delivered.

### **S106 contributions**

Under S106 of the Town and Country Planning Act 1990 (as amended), contributions can be sought from developers towards the costs of providing community and social infrastructure, the need for which has arisen as a result of a new development taking place. This funding is commonly known as Section 106 (S106) contributions. Section 106 Agreements are legal agreements between Local Authorities and developers, which are linked to planning



permissions and can also be known as planning obligations. A section 106 agreement is designed to make a development possible that would otherwise not be possible, by obtaining concessions and financial contributions from the developer. Any contributions received from the developer are 'ring-fenced' for the purpose as set out in the relevant S106 agreement and are applied to fund schemes within the capital programme once an eligible scheme has been identified. S106 contribution agreements can be used, for example, for the provision of educational facilities, highways infrastructure, affordable housing, play areas and open spaces, in line with the Council's adopted policy on the use of section 106 agreements. Consideration of available S106 funding should be taken when agreeing the capital programme for future years to maximise the use of the available funding and reduce the reliance on other sources of funding. Contributions can be time limited in that if they are not spent within an agreed timescale, typically 5 – 10 years, dependent on what has been agreed in the S106 agreement, any funds not spent in line with the agreement would have to be repaid to the developer.

### **Revenue and Reserves**

The Council is able to use revenue funding and reserves for capital schemes. However, whilst government funding to the Council has seen a modest increase, as a result of competing revenue budget pressures and the impact of the inflationary and cost of living pressures, which have placed significant pressure on the revenue budget, the Council is unable to use revenue budgets or establish new reserves to directly fund capital projects, unless funding has already been set aside.



## Appendix 2

	Date Approved	Total 2025-2035			2025-26					FUTURE YEARS									CUMULATIVE
		Total Cost	BCBC Funding	External Funding	Council July 25 2025-26	New Approvals / Reductions	Virement	Slipped (to)/from Future Years		2026- 2027	2027- 2028	2028- 2029	2029- 2030	2030- 2031	2031- 2032	2032- 2033	2033- 2034	2034- 2035	Total 2024 - 2035
		£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Education, Early Years and Young People																			
1 Highways / Other Offsite Works Band B Schools	20/21	3,392	3,392	-	1,000			(900)	100	3,292									3,392
2 Heronsbridge Replacement	22/23	40,459	13,705	26,754	39,521	133		(37,921)	1,733	19,000	19,726								40,459
3 Mynydd Cynffig Replacement	22/23	13,680	5,575	8,105	13,390			(13,163)	227	7,828	5,625								13,680
4 Y G Bro Ogwr Replacement	22/23	15,497	3,406	12,091	15,155			(14,430)	725	6,291	8,481								15,497
5 Bndgend West	22/23	42,647	12,598	30,049	14,976			(12,000)	2,976	37,285	2,386								42,647
6 Ysgol Gyfun Gymraeg Llangynwyd	21/22	94	94	-	94				94										94
7 Land Purchase Band B	21/22	2,026	2,026	-	2,026				2,026										2,026
8 Garw Valley South Primary Provision	14/15	61	61	-	61				61										61
9 Pencoed Primary School - Band A	14/15	51	51	-	51				51										51
10 Pencoed School Highways Works	16/17	-	-	-	56	(56)			-										-
11 Abercerdin Primary School Hub	21/22	276	276	-	276				276										276
12 Brynteg Comprehensive School All Weather Pitch	21/22	26	26	-	26				26										26
13 Schools Minor Works	RECURRENT	567	556	11	567				567										567
14 Schools Traffic Safety	16/17	50	50	-	50				50										50
15 School Modernisation	14/15	333	333	-	333				333										333
16 Pencoed Primary School - Classroom Extension	22/23	-	-	-	-				-										-
17 Coely Primary School - Extension	22/23	2,476	2,148	328	2,476				2,476										2,476
18 Bryntirion Comprehensive New Classrooms	22/23	695	171	524	695				695										695
19 Bryntirion Comprehensive School Highways	23/24	66	66	-	66				66										66
20 School's Capital Maintenance Grant	19/20	4,180	3,059	1,121	4,150	30			4,180										4,180
21 Welsh Medium Childcare Provision - Bridgend	19/20	550	-	550	550				550										550
22 Welsh Medium Childcare Provision - Porthcawl	19/20	550	-	550	550				550										550
23 Free School Meals	22/23	575	228	347	575				575										575
24 Community Focused Schools	22/23	1,663	953	710	953	910	(200)		1,663										1,663
25 ALN Capital Grant	22/23	1,580	672	908	672	908			1,580										1,580
26 Y G Bro Ogwr Mobile Classrooms	22/23	436	-	436	436				436										436
27 Porthcawl Welsh Medium Seedling School	22/23	181	181	-	181				181										181
28 Flying Start Extension - Nantymoel Primary	23/24	569	-	569	504	65			569										569
29 Flying Start Highways	24/25	36	22	14	36				36										36
30 Bryntirion Comprehensive 3G Pitch	25/26	740	-	740	-	540	200		740										740
Total Education, Early Years and Young People		133,456	49,649	83,807	99,426	2,530	-	(78,414)	23,542	73,696	36,218	-	-	-	-	-	-	-	133,456
Social Services and Well-being																			
Adult Social Care																			
31 Bryn Y Cae	19/20	40	40	-	40				40										40
32 Ty Cwm Ogwr Care Home	21/22	23	23	-	23				23										23
33 Wellbeing Minor Works	RECURRENT	242	242	-	242				242										242
34 Bakers Way	17/18	10	10	-	10				10										10
35 Children's Residential Accommodation Hub	18/19	18	18	-	18				18										18
Culture									-										
36 Community Centres	20/21	117	117	-	117				117										117
37 Bryngarw House	20/21	8	8	-	8				8										8
38 All Wales Play Opportunities	25/26	231	-	231	231				231										231
39 Bridgend Life Centre	25/26	272	32	240	272				272										272
40 Brackla Sports Centre	25/26	75	10	65	-	75			75										75
Total Social Services and Well-being		1,036	500	536	961	75	-	-	1,036	-	-	-	-	-	-	-	-	-	1,036

	Date Approved	Total 2025-2035			Council July 25 2025-26 £'000	2025-26			Revised 2025-26 £'000	FUTURE YEARS									CUMULATIVE Total 2024 - 2035 £'000
		Total Cost £'000	BCBC Funding £'000	External Funding £'000		New Approvals / Reductions £'000	Virement £'000	Slipped (to)/from Future Years £'000		2026-2027 £'000	2027-2028 £'000	2028-2029 £'000	2029-2030 £'000	2030-2031 £'000	2031-2032 £'000	2032-2033 £'000	2033-2034 £'000	2034-2035 £'000	
<b>Communities</b>																			
<b>Street Scene</b>																			
41 Community Children's Play Areas	20/21	2,361	2,361	-	2,361				2,361										2,361
42 Parks/Pavilions/Community Centres CAT	14/15	1,054	887	167	1,054				1,054										1,054
43 Aber Playing Fields	19/20	11	11	-	11				11										11
44 Cardiff Capital Region City Deal	17/18	7,691	7,691	-	175				175	471	690	3,689	2,666						7,691
45 Coychurch Crem Works	RECURRENT	22	-	22	22				22										22
46 Remedial Measures - Car Parks	17/18	135	135	-	135				135										135
47 Civil Parking Enforcement	17/18	54	54	-	54				54										54
48 Road Signs 20mph Default Speed	22/23	209	-	209	209				209										209
49 Road Safety	14/15	3	3	-	3				3										3
50 Highways Structural Works	RECURRENT	3,454	3,454	-	394				394	340	340	340	340	340	340	340	340	340	3,454
51 Carriageway Capital Works	RECURRENT	2,552	2,552	-	302				302	250	250	250	250	250	250	250	250	250	2,552
52 Prow Capital Improvement Programme	15/16	116		116	50				50	66									116
53 Highways Refurbishment	19/20	1,014	1,014	-	1,014				1,014										1,014
54 Replacement of Street Lighting Columns/ River Bridge Protection Measures	RECURRENT	4,119	4,119	-	519				519	400	400	400	400	400	400	400	400	400	4,119
55 River Bridge Protection Measures	16/17	22	22	-	22				22										22
56 Communities Minor Works	RECURRENT	582	582	-	582				582										582
57 Ultra Low Emissions Vehicle Transformation Fund 2	22/23	111	-	111	111				111										111
58 Fleet Transition Ultra Low Emissions Vehicles	21/22	54	-	54	54				54										54
59 Net Zero Carbon Fleet	21/22	147	147	-	147				147										147
60 Porthcawl Metro-Link (CCR)	21/22	19	19	-	19				19										19
61 Residents Parking Bridgend Town Centre	14/15	109	109	-	109				109										109
62 Fleet Vehicles	14/15	1,971	1,971	-	1,971				1,971										1,971
63 Cemeteries	18/19	314	314	-	314				314										314
64 S106 Highways Small Schemes	14/15	35	-	35	35				35										35
65 Unadopted Roads	14/15	67	67	-	67				67										67
66 Coal Tip Safety	23/24	1,795		1,795	1,795				1,795										1,795
67 Grass Cutting Equipment	24/25	101	101		101				101										101
68 Waste Vehicles	24/25	8,000	8,000		3,000			(3,000)	-	6,000	2,000								8,000
69 Highways Maintenance LGBI	25/26	4,847	4,847		2,908				2,908	1,939									4,847
70 Resilient Roads	25/26	494		494	494				494										494
71 Bridgend Bus Station	25/26	186		186		186			186										186
<b>Regeneration &amp; Development</b>																			
72 Special Regeneration Funding	17/18	436	436		436				436										436
73 Porthcawl Regeneration	20/21	2,827	2,827	-	2,827				2,827										2,827
74 Economic Stimulus Grant	19/20	315	315	-	315				315										315
75 Coastal Risk Management Programme	20/21	184	184	-	184				184										184
76 Ewenny Road Industrial Estate	21/22	3,485	-	3,485	3,485				3,485										3,485
77 CESP/Arbed Phase 1	21/22	2,123	855	1,268	2,123				2,123										2,123
78 Bridgend Heat Scheme	16/17	3,265	2,276	989	3,265				3,265										3,265
79 Maesteg Town Hall Cultural Hub	17/18	61	38	23	61				61										61
80 Town & Community Council Fund	RECURRENT	633	633	-	183				183	50	50	50	50	50	50	50	50	50	633
81 Porthcawl Townscape Heritage Initiative	14/15	89	89	-	89				89										89
82 Commercial Property Enhancement Fund	21/22	134	134		134				134										134
83 Urban Centre Property Enhancement	19/20	1,300		1,300	650				650	650									1,300



	Date Approved	Total 2025-2035			2025-26					FUTURE YEARS									CUMULATIVE
		Total Cost £'000	BCBC Funding £'000	External Funding £'000	Council July 25 2025-26 £'000	New Approvals / Reductions £'000	Virement £'000	Slipped (to)/from Future Years £'000	Revised 2025-26 £'000	2026- 2027	2027- 2028	2028- 2029	2029- 2030	2030- 2031	2031- 2032	2032- 2033	2033- 2034	2034- 2035	Total 2024 - 2035 £'000
										£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	
84 2030 Decarbonisation	RECURRENT	1,354	1,354		589	15			604	150	150	150	150	150					1,354
85 Shared Prosperity Fund	22/23	3,077	929	2,148	3,077				3,077										3,077
86 Local Places for Nature	23/24	734		734	367				367	367									734
87 Porthcawl Grand Pavilion	22/23	23,874	5,867	18,007	6,392	1,500			7,892	14,782	1,200								23,874
88 Pride in Place Impact Fund	25/26	3,000		3,000		1,500			1,500	1,500									3,000
Corporate Landlord									-										
89 DDA Works	14/15	198	198	-	198				198										198
90 Minor Works Asset Management	RECURRENT	12,362	12,362	-	2,192				2,192	1,130	1,130	1,130	1,130	1,130	1,130	1,130	1,130	1,130	12,362
91 Fire Precautions	14/15	107	107	-	107				107										107
92 Bryncethin Depot Facilities	14/15	272	272	-	272				272										272
93 Waterton Upgrade	18/19	3,591	3,591	-	3,591			(3,101)	490	3,101									3,591
94 Investing in Communities	19/20	47	47	-	47				47										47
Total Communities		105,117	70,974	34,143	48,616	3,201	-	(6,101)	45,716	31,196	6,210	6,009	4,986	2,320	2,170	2,170	2,170	2,170	105,117
Chief Executive's																			
Housing / Homelessness																			
95 Disabled Facilities Grants (DFG)	RECURRENT	22,000	22,000	-	1,750				1,750	2,250	2,250	2,250	2,250	2,250	2,250	2,250	2,250	2,250	22,000
96 Discretionary Housing Grants	RECURRENT	2,000	2,000		200				200	200	200	200	200	200	200	200	200	200	2,000
97 Housing Renewal / Empty Properties	RECURRENT	1,000	1,000	-	100				100	100	100	100	100	100	100	100	100	100	1,000
98 Enable Grant	25/26	382	-	382	382				382										382
99 Homelessness and Housing	22/23	530		530	530				530										530
100 Health and Wellbeing Village	21/22	480	-	480	480				480										480
101 Affordable Housing	23/24	802	530	272	802				802										802
102 Enforcement Fund 1	25/26	250	250		250				250										250
103 Enforcement Fund 2	25/26	22	22		22				22										22
104 Enforcement Fund 3	25/26	75	75			75			75										75
105 Multi Project Enforcement Fund	25/26	100	100			100			100										100
ICT																			
106 Investment in ICT	RECURRENT	4,052	4,052	-	452				452	400	400	400	400	400	400	400	400	400	4,052
107 Digital Transformation	22/23	597	597	-	97		500		597										597
108 Replacement CCTV	21/22	-	-	-	29	(29)			-										-
109 ICT Datacentre Replacement	22/23	39	39		39				39										39
110 HWB Schools IT	21/22	185	185	-	18	167			185										185
Total Chief Executive's		32,514	30,850	1,664	5,151	313	500	-	5,964	2,950	2,950	2,950	2,950	2,950	2,950	2,950	2,950	2,950	32,514
Council Wide Capital Budgets																			
111 Corporate Capital Fund	RECURRENT	773	773		773				773										773
112 Unallocated	RECURRENT	30,187	30,187	-	1,716		(500)		1,216	1,687	1,687	3,571	3,571	3,571	3,721	3,721	3,721	3,721	30,187
Total Council Wide Capital budgets		30,960	30,960	-	2,489	-	(500)	-	1,989	1,687	1,687	3,571	3,571	3,571	3,721	3,721	3,721	3,721	30,960
Total Expenditure		303,083	182,933	120,150	156,643	6,119	-	(84,515)	78,247	109,529	47,065	12,530	11,507	8,841	8,841	8,841	8,841	8,841	303,083

	Date Approved	Total 2025-2035			2025-26				FUTURE YEARS										CUMULATIVE
		Total Cost	BCBC Funding	External Funding	Council July 25 2025-26	New Approvals / Reductions	Virement	Slipped (to)/from Future Years	Revised 2025-26	2026- 2027	2027- 2028	2028- 2029	2029- 2030	2030- 2031	2031- 2032	2032- 2033	2033- 2034	2034- 2035	Total 2024 - 2035
		£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
<b>Expected Capital Resources</b>																			
<b>General Capital Funding</b>																			
General Capital Funding - General Capital Grant		49,700	49,700	-	4,772				4,772	4,992	4,992	4,992	4,992	4,992	4,992	4,992	4,992	4,992	49,700
General Capital Funding - Supported Borrowing		38,451	38,451	-	3,810				3,810	3,849	3,849	3,849	3,849	3,849	3,849	3,849	3,849	3,849	38,451
Capital Receipts		28,598	28,598	-	23,898	(56)	(167)	(11,681)	11,994	10,178	5,891	535							28,598
Earmarked Reserves		35,411	35,411	-	26,700	138		(13,557)	13,281	8,469	7,841	3,154	2,666						35,411
Revenue Contribution		332	332	-	307	25			332										332
Prudential Borrowing (Directorate Funded)		3,956	3,956	-	3,956				3,956										3,956
Prudential Borrowing (Corporate Funded)		21,161	21,161	-	9,428			(6,349)	3,079	15,954	2,128								21,161
Local Govt Borrowing Initiative (Highways Infrastructure)		4,847	4,847	-	2,908				2,908	1,939									4,847
Empty Property Enforcement Loan (RCT)		447	447		272	175			447										447
SALIX Interest Free Loan - WG		30	30			30			30										30
<b>Sub-Total General Capital Funding</b>		<b>182,933</b>	<b>182,933</b>	<b>-</b>	<b>76,051</b>	<b>312</b>	<b>(167)</b>	<b>(31,587)</b>	<b>44,609</b>	<b>45,381</b>	<b>24,701</b>	<b>12,530</b>	<b>11,507</b>	<b>8,841</b>	<b>8,841</b>	<b>8,841</b>	<b>8,841</b>	<b>8,841</b>	<b>182,933</b>
<b>External Funding Approvals</b>																			
WG - Other		10,346	-	10,346	7,194	2,069			9,263	1,083									10,346
WG - 21st Century Schools		74,346	-	74,346	53,960			(50,457)	3,503	50,950	19,893								74,346
WG - Enable Grant		382	-	382	382				382										382
WG - Integrated Care Fund (ICF)		480	-	480	480				480										480
WG - Welsh Medium Capital Grant		1,536	-	1,536	1,536				1,536										1,536
Loan (RCT)		-	-	-					-										-
Westminster		22,577	-	22,577	8,962	1,500			10,462	12,115									22,577
Cwm Taf Morgannwg (HCF)		133	-	133		133			133										133
S106		4,241	-	4,241	4,241			(2,471)	1,770		2,471								4,241
Cardiff Capital Region (CCR)		3,485	-	3,485	3,485				3,485										3,485
Heritage Lottery Fund (HLF)		23	-	23	23				23										23
Arts Council of Wales		1,500		1,500		1,500			1,500										1,500
Sport Wales		612		612	240	205	167		612										612
EU		-	-	-					-										-
Other		489	-	489	89	400			489										489
<b>Sub-Total External Funding Approvals</b>		<b>120,150</b>	<b>-</b>	<b>120,150</b>	<b>80,592</b>	<b>5,807</b>	<b>167</b>	<b>(52,928)</b>	<b>33,638</b>	<b>64,148</b>	<b>22,364</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>120,150</b>
<b>Total Funding Available</b>		<b>303,083</b>	<b>182,933</b>	<b>120,150</b>	<b>156,643</b>	<b>6,119</b>	<b>-</b>	<b>(84,515)</b>	<b>78,247</b>	<b>109,529</b>	<b>47,065</b>	<b>12,530</b>	<b>11,507</b>	<b>8,841</b>	<b>8,841</b>	<b>8,841</b>	<b>8,841</b>	<b>8,841</b>	<b>303,083</b>
<b>Funding Shortfall/(Surplus)</b>		<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>

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<b>Meeting of:</b>	<b>CORPORATE OVERVIEW AND SCRUTINY COMMITTEE</b>
<b>Date of Meeting:</b>	<b>27 JANUARY 2026</b>
<b>Report Title:</b>	<b>CWM TAF MORGANNWG PUBLIC SERVICES BOARD (PSB) JOINT OVERVIEW AND SCRUTINY COMMITTEE (JOSC) NOMINATION</b>
<b>Report Owner: Responsible Chief Officer / Cabinet Member</b>	<b>CHIEF OFFICER - LEGAL AND REGULATORY HR AND CORPORATE POLICY</b>
<b>Responsible Officer:</b>	<b>MERYL LAWRENCE SENIOR DEMOCRATIC SERVICES OFFICER - SCRUTINY</b>
<b>Policy Framework and Procedure Rules:</b>	<b>The work of Overview and Scrutiny Committees relate to the review and monitoring of plans, policy or strategy that form part of the Policy Framework and consideration of plans, policy or strategy relating to the power to promote or improve economic, social or environmental wellbeing in the County Borough of Bridgend. Any changes to the structure of the Scrutiny Committees and the procedures relating to them would require the Bridgend County Borough Council Constitution to be updated.</b>
<b>Executive Summary:</b>	<p><b>Joint scrutiny arrangements and Terms of Reference for Cwm Taf Morgannwg Public Services Board Joint Overview and Scrutiny Committee (JOSC) were agreed by Council on 19 July 2023, to ensure effective scrutiny arrangements are in place to scrutinise the newly established single Public Services Board (PSB) for Cwm Taf Morgannwg.</b></p> <p><b>The Corporate Overview and Scrutiny Committee (COSC) as the Scrutiny Committee designated to scrutinise the work of the Public Service Board as required by the Well-being of Future Generations (Wales) Act, 2015 and based on the political balance of this Committee as far as practical, nominates 5 Members to the Cwm Taf Morgannwg PSB JOSC and one substitute Member from the Committee to attend the JOSC when one of the core Members are not available.</b></p>

	<p><b>Due to a change in the Committee Membership, a vacancy has arisen and this report seeks nomination of <i>one Labour Group Member</i> from the Committee to the Cwm Taf Morgannwg PSB JOSC for the remainder of the 2025-26 municipal year.</b></p>
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## 1. Purpose of Report

1.1 The purpose of the report is to request the Committee to nominate for the remainder of the 2025-26 municipal year, one Labour Group Member to fill a vacancy to the Cwm Taf Morgannwg Public Service Board Joint Overview and Scrutiny Committee, based on the political balance of the Committee, as follows:

- - 3 Members from Labour (currently Cllrs Huw David, Simon Griffiths and a Vacancy)
- - 1 Member and 1 Substitute Member from Bridgend County Independents (currently Cllrs Tim Thomas and Freya Bletsoe)  
and
- 1 Member from Democratic Alliance (currently Cllr Ross Penhale-Thomas)

## 2. Background

2.1 Joint scrutiny arrangements and Terms of Reference for the Cwm Taf Morgannwg Public Services Board Joint Overview and Scrutiny Committee were agreed by Council on 19 July 2023, to ensure effective scrutiny arrangements are in place to scrutinise the established single Public Service Board (PSB) for Cwm Taf Morgannwg.

2.2 Since the 2023-24 municipal year, COSC (as the Scrutiny Committee designated to scrutinise the work of the Public Service Board as required by the Well-being of Future Generations (Wales) Act, 2015 and based on the political balance of this Committee as far as practical), have nominated five members of the Committee to the Cwm Taf Morgannwg Public Service Board Joint Overview and Scrutiny Committee (PSB JOSC) and one substitute Member from COSC to attend the JOSC when one of the core Members are not available.

## 3. Current situation / proposal

3.1 Due to a change in the Committee Membership, a vacancy has arisen and consequently, a nomination of *one Labour Group Member* is requested to the Cwm Taf Morgannwg PSB JOSC for the remainder of the 2025-26 municipal year as follows:



- - 3 Members from Labour (currently Cllrs Huw David, Simon Griffiths and a Vacancy)
- - 1 Member and 1 Substitute Member from Bridgend County Independents (currently Cllrs Tim Thomas and Freya Bletsoe) and
- 1 Member from Democratic Alliance (currently Cllr Ross Penhale-Thomas)

#### **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 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 establishment of the Joint Scrutiny Arrangements will enable the Authority's long-term commitment to effective scrutiny of the Cwm Taf Morgannwg PSB.
  - Prevention – The PSB Wellbeing Assessment and Plan will be preventative in nature and progress will be scrutinised effectively.
  - Integration – The proposed arrangements are for integrated joint scrutiny by three Local Authorities of the integrated partnership arrangements of the Cwm Taf Morgannwg Public Service Board.
  - Collaboration – This report supports collaborative working with other Local Authorities and partners to effectively scrutinise the PSB.
  - Involvement – The joint arrangements will enable effective scrutiny of the wellbeing assessment, plan and progress and promote the involvement of stakeholders, partners in scrutiny activity.

5.2 The proposed arrangements will assist in the achievement of the Council's 4 Well-being Objectives under the **Well-being of Future Generations (Wales) Act 2015**, listed below:

1. A prosperous place with thriving communities
2. Creating modern, seamless public services
3. Enabling people to meet their potential
4. Supporting our most vulnerable

## **6. Climate Change and Nature Implications**

6.1 There are no Climate Change or Nature Implications arising from this report.

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

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

## **8. Financial Implications**

8.1 There are no financial implications arising from this report.

## **9. Recommendation**

9.1 The Committee is requested to nominate for the remainder of the 2025-26 municipal year, one Labour Group Member to fill a vacancy to the Cwm Taf Morgannwg Public Service Board Joint Overview and Scrutiny Committee based on the political balance of the Committee.

## **Background documents**

None.

<b>Meeting of:</b>	<b>CORPORATE OVERVIEW AND SCRUTINY COMMITTEE</b>
<b>Date of Meeting:</b>	<b>27 JANUARY 2026</b>
<b>Report Title:</b>	<b>FORWARD WORK PROGRAMME UPDATE</b>
<b>Report Owner/ Responsible Chief Officer / Cabinet Member:</b>	<b>CHIEF OFFICER - LEGAL AND REGULATORY HR AND CORPORATE POLICY</b>
<b>Responsible Officer:</b>	<b>MERYL LAWRENCE SENIOR DEMOCRATIC SERVICES OFFICER – SCRUTINY</b>
<b>Policy Framework and Procedure Rules:</b>	<b>The work of the Overview &amp; Scrutiny Committees relates to the review and development of plans, policy or strategy that form part of the Council's Policy Framework and consideration of plans, policy or strategy relating to the power to promote or improve economic, social or environmental wellbeing in the County Borough of Bridgend.</b>
<b>Executive Summary:</b>	<p><b>The Council's Constitution requires the Corporate Overview and Scrutiny Committee to develop and implement a Forward Work Programme for the Committee.</b></p> <p><b>The Committee is asked to consider and agree its Forward Work Programme, identify any specific information it wishes to be included in and any invitees they wish to attend for the reports for the next two Committee meetings, identify any further items for consideration on the Forward Work Programme having regard to the criteria set out in the report, note the Recommendations Monitoring Action Sheet for this Committee and the Forward Work Programmes for each of the Subject Overview and Scrutiny Committees attached for information.</b></p>

## 1. Purpose of Report

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

- a) Present the Committee with the Forward Work Programme attached as **Appendix A** for consideration and approval;

- b) Request any specific information the Committee identifies to be included in the items for the next two meetings, including invitees they wish to attend;
- c) Request the Committee to identify whether there are presently any further items for consideration on the Forward Work Programme having regard to the selection criteria in paragraph 3.5 of this report;
- d) Present the Recommendations Monitoring Action Sheet for this Committee attached as **Appendix B** to track responses to the Committee's recommendations made at previous meetings;
- e) Present the Forward Work Programmes for the other Overview and Scrutiny Committees attached as **Appendices C, D and E** for information, following consideration in their respective Committee meetings;

## 2. Background

- 2.1 The Council's Constitution requires the Corporate Overview and Scrutiny Committee to develop and implement a Forward Work Programme for the Committee.
- 2.2 The Council's Constitution also provides for each of the other Overview and Scrutiny Committees to propose items for the Forward Work Programme having regard for the Council's Corporate Priorities and Risk Management framework. Where a matter for consideration by an Overview and Scrutiny Committee also falls within the remit of one or more other Committees, the decision as to which Committee will consider it will be resolved by the respective Chairs or, if they fail to agree, the Chair of the Corporate Overview and Scrutiny Committee.

### Best Practice / Guidance

- 2.3 The Centre for Governance and Scrutiny's (CfGS) Good Scrutiny Guide recognises the importance of the forward work programme. In order to 'lead and own the process', it states that Councillors should have ownership of their Committee's work programme, and be involved in developing, monitoring and evaluating it. The Good Scrutiny Guide also states that, in order to make an impact, the scrutiny workload should be coordinated and integrated into corporate processes, to ensure that it contributes to the delivery of corporate objectives, and that work can be undertaken in a timely and well-planned manner.
- 2.4 Forward Work Programmes need to be manageable to maximise the effective use of the limited time and resources of Scrutiny Committees. It is not possible to include every topic proposed. Successful Scrutiny is about looking at the right topic in the right way and Members need to be selective, while also being able to demonstrate clear arguments for including or excluding topics.
- 2.5 The CfGS's guide to effective work programming 'A Cunning Plan?' makes the following reference to the importance of good work programming:

*'Effective work programming is the bedrock of an effective scrutiny function. Done well it can help lay the foundations for targeted, incisive and timely work on issues of local importance, where scrutiny can add value. Done badly, scrutiny can end up wasting time and resources on issues where the impact of any work done is likely to be minimal.'*

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

#### Corporate Overview and Scrutiny Committee Draft Forward Work Programme

- 3.1 Following the approval of the schedule of Scrutiny Committee meeting dates at the Annual Meeting of Council on 14 May 2025, the standing statutory reports to this Scrutiny Committee of: the Corporate Plan, the Medium Term Financial Strategy (MTFS) and Budget, Performance and Budget Monitoring, etc. have been mapped to the appropriate timely meeting dates into a draft Forward Work Programme.
- 3.2 The draft outline Forward Work Programme for each of the other Overview and Scrutiny Committees have been prepared using a number of difference sources, including:
- Corporate Risk Assessment;
  - Directorate Business Plans;
  - Previous Scrutiny Committee Forward Work Programme report topics / Minutes;
  - Committee / Member proposed topics;
  - Policy Framework;
  - Cabinet Work Programme;
  - Discussions with Corporate Directors;
  - Performance Team regarding the timing of performance information.
- 3.3 There are items where there is a statutory duty for Policy Framework documents to be considered by Scrutiny, e.g., the MTFS including draft budget proposals scheduled for consideration in January 2026, following which the Committee will make conclusions and recommendations in a report on the overall strategic overview of Cabinet's draft Budget proposals to the meeting of Cabinet in February 2026.
- 3.4 An effective Forward Work Programme will identify the issues that the Committee wishes to focus on during the year and provide a clear plan. However, at each meeting the Committee will have an opportunity to review this as the Forward Work Programme Update will be a standing item on the Agenda, detailing which items are scheduled for future meetings and be requested to clarify any information to be included in reports and the list of invitees. The Forward Work Programme will remain flexible and will be revisited at each COSC meeting and any updated information gathered from Forward Work Programme Planning meetings with Corporate Directors.

#### Identification of Further Items

- 3.5 The Committee are reminded that the Scrutiny selection criteria used by Scrutiny Committee Members to consider, select and prioritise items emphasises the need to consider issues such as impact, risk, performance, budget and community perception when identifying topics for investigation to maximise the impact scrutiny can have on a topic and the outcomes for people. The criteria which can help the Committee come to a decision on whether to include a referred topic, are set out below:

### Recommended Criteria for Selecting Scrutiny Topics:

PUBLIC INTEREST:	The concerns of local people should influence the issues chosen for scrutiny;
ABILITY TO CHANGE:	Priority should be given to issues that the Committee can realistically influence, and add value to;
PERFORMANCE:	Priority should be given to the areas in which the Council is not performing well;
EXTENT:	Priority should be given to issues that are relevant to all or large parts of the County Borough, or a large number of the Authority's service users or its population;
REPLICATION:	Work programmes must take account of what else is happening in the areas being considered to avoid duplication or wasted effort.

### Reasons to Reject Scrutiny Topics:

- The issue is already being addressed / being examined elsewhere and change is imminent.
- The topic would be better addressed elsewhere (and can be referred there).
- Scrutiny involvement would have limited / no impact upon outcomes.
- The topic may be sub-judice or prejudicial.
- The topic is too broad to make a review realistic and needs refining / scoping.
- New legislation or guidance relating to the topic is expected within the next year.
- The topic area is currently subject to inspection or has recently undergone substantial change / reconfiguration.

### Corporate Parenting

- 3.6 Corporate Parenting is the term used to describe the responsibility of a local authority towards care experienced children and young people. This is a legal responsibility given to local authorities by the Children Act 1989 and the Children Act 2004. The role of the Corporate Parent is to seek for children in public care the outcomes every good parent would want for their own children. The Council as a whole is the 'Corporate Parent', therefore all Members have a level of responsibility for care experienced children and young people in Bridgend.
- 3.7 In this role, it is suggested that Members consider how each item they consider affects care experienced children and young people, and in what way can the Committee assist in these areas.
- 3.8 Scrutiny Champions can greatly support the Committee in this by advising them of the ongoing work of the Cabinet Committee Corporate Parenting and particularly any decisions or changes which they should be aware of as Corporate Parents.

- 3.9 The Forward Work Programme for COSC is attached as **Appendix A** for the Committee's consideration.
- 3.10 The Recommendations Monitoring Action Sheet to track outstanding responses to the Committee's recommendations made at previous meetings is attached as **Appendix B**.
- 3.11 The Forward Work Programmes for the other Overview and Scrutiny Committees are attached as **Appendices C, D and E** for information.

#### **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 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 approval of this report will assist in the planning of Scrutiny business in both the short-term and in the long-term on its policies, budget and service delivery.
  - Prevention - The early preparation of the Forward Work Programme allows for the advance planning of Scrutiny business where Members are provided an opportunity to influence and improve decisions before they are made by Cabinet.
  - Integration - The report supports all the wellbeing objectives.
  - Collaboration - Consultation on the content of the Forward Work Programme has taken place with the Corporate Management Board, Heads of Service and Elected Members.
  - Involvement - Advanced publication of the Forward Work Programme ensures that stakeholders can view topics that will be discussed in Committee meetings and are provided with the opportunity to engage.
- 5.2 When setting its Forward Work Programme, the Committee should consider how each item they propose to scrutinise assists in the achievement of the Council's 4 Wellbeing Objectives under the **Well-being of Future Generations (Wales) Act 2015** as follows:

1. A prosperous place with thriving communities
2. Creating modern, seamless public services
3. Enabling people to meet their potential
4. Supporting our most vulnerable

## **6. Climate Change and Nature Implications**

- 6.1 The Committee should consider how each item they scrutinise affects climate change, the Council's Net Zero Carbon 2030 target and how it meets the Council's commitments to protect and sustain the environment over the long term. There are no Climate Change or Nature Implications arising from this report.

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

- 7.1 The Committee should consider how each item they scrutinise affects care experienced children and young people, and in what way the Committee can assist in these areas. Safeguarding is everyone's business and means protecting peoples' health, wellbeing and human rights, and enabling them to live free from harm, abuse and neglect. There are no Safeguarding and Corporate Parent Implications arising from this report.

## **8. Financial Implications**

- 8.1 There are no financial implications arising from this report.

## **9. Recommendation**

- 9.1 The Committee is recommended to:
- a) Consider and approve the Forward Work Programme for this Committee in **Appendix A**.
  - b) Identify any specific information the Committee wishes to be included in the items for the next two meetings, including invitees they wish to attend.
  - c) Identify whether there are presently any further items for consideration on the Forward Work Programme having regard to the selection criteria in paragraph 3.5 of this report.
  - d) Note the Recommendations Monitoring Action Sheet in **Appendix B** to track outstanding responses to the Committee's recommendations made at previous meetings;
  - e) Note the Forward Work Programmes for the other Subject Overview and Scrutiny Committees attached as **Appendices C, D and E for information**, following consideration in their respective Committee meetings;

## **Background documents**

None.



**Corporate Overview and Scrutiny Committee**  
**2025-26 Forward Work Programme**

Monday 30 June 2025 at 10.00am		
Report Topics	Any Specific Information Requested	Invitees
Revenue Budget Outturn 2024-25		<b><u>All Cabinet Members</u></b>  <b><u>Officers</u></b> Chief Executive; Chief Officer - Finance, Housing and Change; Corporate Director – Education, Early Years and Young People; Corporate Director - Social Services and Wellbeing; Corporate Director – Communities; Chief Officer Legal and Regulatory Services, HR & Electoral.
Scrutiny Budget Working Group		N/A
Corporate Parenting Champion Nomination		N/A
Nominations to the Joint Overview and Scrutiny Arrangements following Transition to a Single Public Services Board (PSB) for Cwm Taf Morgannwg		N/A
Forward Work Programme Update		N/A

Thursday 24 July 2025 at 10.00am		
Report Topics	Any Specific Information Requested	Invitees
Budget Monitoring 2025-26 – Quarter 1 Revenue Forecast		<b><u>All Cabinet Members</u></b>  <b><u>Officers</u></b> Chief Executive; Chief Officer - Finance, Housing and Change; Corporate Director – Education, Early Years and Young People; Corporate Director - Social Services and Wellbeing; Corporate Director – Communities; Chief Officer Legal and Regulatory Services, HR & Electoral.

## APPENDIX A

<b>Quarter 4 / Year End Performance 2024-25</b>		As above plus: Corporate Policy and Public Affairs Manager; Corporate Performance Manager; and Group Manager – Human Resources and Organisational Development.
<b>Self-Assessment 2024-25</b>		As above.
<b>Digital Strategy</b>		<b><u>Cabinet Members</u></b> Cabinet Member(s) for Resources  <b><u>Officers</u></b> Chief Executive; and Chief Officer - Finance, Housing and Change
<b>Scrutiny Budget Working Group</b>		<b><u>N/A</u></b>

### Thursday 23 October 2025 at 10.00am

<b>Report Topics</b>	<b>Any Specific Information Requested</b>	<b>Invitees</b>
<b>Budget Monitoring 2025-26 – Quarter 2 Revenue Forecast</b>		<b><u>All Cabinet Members</u></b>  Chief Executive; Chief Officer - Finance, Housing and Change; Corporate Director – Education, Early Years and Young People; Corporate Director - Social Services and Wellbeing; Corporate Director – Communities; and Chief Officer Legal and Regulatory Services, HR & Electoral.
<b>Arrangements for Commissioning Services</b>		<b><u>Cabinet Members</u></b> Leader of the Council; Cabinet Member for Finance and Performance  <b><u>Officers</u></b> Chief Executive; Chief Officer - Finance, Housing and Change; and Chief Officer Legal and Regulatory Services, HR & Electoral.

### Thursday 11 December 2025 at 10.00am

<b>Report Topics</b>	<b>Any Specific Information Requested</b>	<b>Invitees</b>
<b>Quarter 2 Performance Report 2025-26</b>		<b><u>All Cabinet Members</u></b>  <b><u>Officers</u></b> Chief Executive;

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		<p>Chief Officer - Finance, Housing and Change;          Corporate Director – Education, Early Years and Young People;          Corporate Director - Social Services and Wellbeing;          Corporate Director – Communities;          Chief Officer Legal and Regulatory Services, HR &amp; Electoral;          Corporate Policy and Public Affairs Manager;          Corporate Performance Manager;          and          Group Manager – Human Resources and Organisational Development.</p>
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**~~Thursday 15 January 2026 at 10.00am~~**  
**CANCELLED**

**Tuesday 27 January 2026 at 10.00am**

<b>Report Topics</b>	<b>Any Specific Information Requested</b>	<b>Invitees</b>
<b>Draft Medium Term Financial Strategy 2026-27 to 2029-30 and Budget Proposals</b>		<p><b><u>All Cabinet Members</u></b></p> <p><b><u>Officers</u></b>          Chief Executive;          Chief Officer - Finance, Housing and Change;          Corporate Director – Education, Early Years and Young People;          Corporate Director - Social Services and Wellbeing;          Corporate Director – Communities;          Chief Officer Legal and Regulatory Services, HR &amp; Electoral;          Corporate Policy and Public Affairs Manager;</p> <p>Deputy Head of Finance; and          Finance Manager – Social Services &amp; Wellbeing / Chief Executive's Directorate; and Finance Manager – Education, Early Years and Young People / Communities Directorate.</p>
<b>Capital Strategy 2026-27</b>		<p><b><u>Cabinet Members</u></b>          Leader of the Council;          Cabinet Member for Finance and Performance;</p> <p><b><u>Officers</u></b>          Chief Officer Finance, Housing and Change; and          Group Manager – Chief Accountant</p>

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Thursday 26 March 2026 at 10.00am

Report Topics	Any Specific Information Requested	Invitees
Quarter 3 Performance Report 2025-26		<p><b><u>All Cabinet Members</u></b></p> <p><b><u>Officers</u></b>            Chief Executive;            Chief Officer - Finance, Housing and Change;            Corporate Director - Education and Early Years and Young People;            Corporate Director - Social Services and Wellbeing;            Corporate Director – Communities;            Chief Officer Legal and Regulatory Services, HR &amp; Electoral;            Corporate Policy and Public Affairs Manager            Corporate Performance Manager;            and            Group Manager – Human Resources and Organisational Development.</p>
Corporate Plan Delivery Plan Review 2025-26		<p><b><u>Cabinet Members</u></b>            Leader of the Council;            Cabinet Member for Finance and Performance;</p> <p><b><u>Officers</u></b>            Chief Executive;            Chief Officer Finance, Housing and Change;            Corporate Policy and Public Affairs Manager.</p>
Budget Monitoring 2025-26 – Quarter 3 Revenue Forecast		<p><b><u>All Cabinet Members</u></b></p> <p><b><u>Officers</u></b>            Chief Executive;            Chief Officer – Finance, Housing and Change;            Corporate Director – Education, Early Years and Young People;            Corporate Director - Social Services and Wellbeing;            Corporate Director – Communities; and            Chief Officer Legal and Regulatory Services, HR &amp; Electoral.</p>

**2026-27 Draft Forward Work Programme**

<b>Monday 29 June 2026 at 10.00am</b>		
<b>Report Topics</b>	<b>Any Specific Information Requested</b>	<b>Invitees</b>
<b>Revenue Budget Outturn 2025-26</b>		<b><u>All Cabinet Members</u></b>  <b><u>Officers</u></b> Chief Executive; Chief Officer - Finance, Housing and Change; Corporate Director – Education, Early Years and Young People; Corporate Director - Social Services and Wellbeing; Corporate Director – Communities; Chief Officer Legal and Regulatory Services, HR & Electoral.
<b>Scrutiny Budget Working Group</b>		N/A
<b>Corporate Parenting Champion Nomination</b>		N/A
<b>Nominations to the Joint Overview and Scrutiny Arrangements following Transition to a Single Public Services Board (PSB) for Cwm Taf Morgannwg</b>		N/A
<b>Forward Work Programme Update</b>		N/A

<b>Reports to be Scheduled</b>		
<b>Report Topics</b>	<b>Any Specific Information Requested</b>	<b>Invitees</b>
<b>Scrutiny Annual Report 2024/25 &amp; 2025/26</b>		N/A
<b>Corporate Arrangements for Commissioning Services</b> (once the National report is available or internal thematic analysis report is complete)		<b><u>Cabinet Members</u></b> Leader of the Council; Cabinet Member for Finance and Performance  <b><u>Officers</u></b> Chief Executive; and Chief Officer - Finance, Housing and Change.
<b>Staff Survey</b>	Including responses, outcome of staff focus groups and future staff surveys.	<b><u>Cabinet Members</u></b> Leader of the Council; Cabinet Member for Finance and Performance;  <b><u>Officers</u></b> Chief Executive; Group Manager – Communications and Public Affairs

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<b>Engagement and Participation Strategy Action Plan</b>	Update to be provided within 12 months	TBC
<b>Workforce Strategy Monitoring Action Plans</b>	To monitor progress / implementation of Action Plans	<p><b><u>Cabinet Members</u></b> Leader of the Council; Deputy Leader of Council and Cabinet Member for Social Services, Health and Wellbeing; Cabinet Member for Finance and Performance;</p> <p><b><u>Officers</u></b> Chief Executive; Chief Officer Legal and Regulatory Services, HR &amp; Electoral; Group Manager – Human Resources Organisational Development</p>
<b>Whole-Council response to Climate Change and the Environment</b>	Information on how the Council manages contingencies for emergency responses, e.g. the impact on the Highways budget due to recent storm damage.	<p><b><u>Cabinet Members</u></b> Cabinet Member for Climate Change and the Environment;</p> <p><b><u>Officers</u></b> Chief Executive; Chief Officer – Finance, Housing and Change; Corporate Director – Communities; Corporate Director – Social Services and Wellbeing; and Corporate Director – Education, Early Years and Young People.</p>
<b>Independent review and transfer of Early Help service from the Education, Early Years and Young People Directorate to the Social Services and Wellbeing Directorate</b>	Recommendation from COSC 30 June 2025	To be discussed in work planning meeting.

### **Briefings and Workshops:**

<b><u>Topic</u></b>	<b><u>Information Required / Committee's Role</u></b>	<b><u>Invitees</u></b>
Funding arrangements with, and the steps being undertaken to ensure fair contributions from, partner organisations, including the Health Board, for the provision of residential placements and the delivery of social care.	Recommendation from COSC on 24 October 2024.	<p><b><u>Cabinet Members</u></b> Cabinet Member for Social Services, Health and Wellbeing;</p> <p><b><u>Officers</u></b> Corporate Director – Social Services and Wellbeing</p>

**APPENDIX B****CORPORATE OVERVIEW AND SCRUTINY COMMITTEE - RECOMMENDATIONS MONITORING ACTION SHEET 2025-26**

<b>Date of Meeting</b>	<b>Agenda Item</b>	<b>Action</b>	<b>Responsibility</b>	<b>Outcome</b>	<b>Response</b>
24 July 2025	<b>Digital Strategy</b>	The Committee <b>requested</b> the number of Hwb devices apportioned per School and further detail of the investment in the replacement programme.	Interim Head of Operations – Community Services	Circulated for response. Chased.	
23 Oct 2025	<b>Budget Monitoring 2025-26 – Quarter 2 Revenue Forecast</b>	The Committee <b>requested</b> feedback from the upcoming meeting of the School Deficit Budget Management Group which has been established to consider best practice across schools and explore how some schools have managed to reduce their deficit be shared with Members of COSC and EYS OSC.	Corporate Director – Education, Early Years and Young People	Circulated for response. Chased.	
23 Oct 2025	<b>Budget Monitoring 2025-26 – Quarter 2 Revenue Forecast</b>	The Committee <b>requested</b> the number of community and parent governor vacancies at each Bridgend school.	Corporate Director – Education, Early Years and Young People	Circulated for response. Chased.	
23 Oct 2025	<b>Arrangements for Commissioning Services</b>	The Committee <b>requested</b> a copy of internal audit plan 2025-26 which includes detail of the commissioning arrangements for services in the Social	Group Manager, Commissioning	Circulated for response. Chased.	

**APPENDIX B**

Date of Meeting	Agenda Item	Action	Responsibility	Outcome	Response
		Services and Wellbeing Directorate.			
11 Dec 2025	<b>Corporate Performance Quarter 2 2025-26</b>	The Committee recommended that consideration be given to the establishment of a Transformation and Change Working Group and that regular updates be provided to the Committee but that there be a separation of powers between the Group and the Committee to allow clear scrutiny of the process.	Chief Executive / Chief Officer – Legal and Regulatory, HR and Corporate Policy	Circulated for response. Chased.	
11 Dec 2025	<b>Corporate Performance Quarter 2 2025-26</b>	With reference to Commitment WBO1.2.1 relating to woodland enhancement, the Committee discussed large parcels of common land in the County Borough and pieces of land transferred from the Coal Board and <b>recommended</b> that:  a. there be greater collaboration with groups such as the Coity Wallia Board of Conservators who manage them and that consideration be given to whether there are any external funding routes that can be utilised to assist them; and	Corporate Director - Communities	Circulated for response. Chased.	



**APPENDIX B**

Date of Meeting	Agenda Item	Action	Responsibility	Outcome	Response
		b. consideration be given to including the in this performance indicator, the performance of any pieces of land which have been transferred from the Coal Board into the Council's ownership.			
11 Dec 2025	<b>Corporate Performance Quarter 2 2025-26</b>	Members expressed concern regarding capital projects such as Porthcawl Grand Pavilion and school modernisations that are both overspent and delayed but one is ranked green while the others are red and amber. The Committee were advised that there are different milestones attached to individual capital projects which appeared to present an inconsistent approach to the reporting of performance of capital projects and <b>recommended</b> that consideration be given to consistent methods being used to assess the performance and detail provided in the narrative.	Chief Officer – Finance, Housing and Change / Corporate Policy and Performance Manager	Circulated for response. Chased.	
11 Dec 2025	<b>Corporate Performance Quarter 2 2025-26</b>	The Committee <b>recommended</b> that the heading, 'WBO3.4: <i>Modernise school buildings</i> ' in	Corporate Director – Education, Early	<b>ACTIONED</b> – response and information	Follow link <a href="#">here</a>

**APPENDIX B**

Date of Meeting	Agenda Item	Action	Responsibility	Outcome	Response
		the Performance Dashboard be amended to reflect that the capital projects sitting beneath it relate to new buildings or extensions.	Years and Young People	circulated 20 January 2026.	
11 Dec 2025	<b>Corporate Performance Quarter 2 2025-26</b>	The Committee expressed significant concern regarding the 10% year-end target for the percentage of care leavers who have experienced homelessness during the year and <b>recommended</b> that it be set at 0%.	Corporate Director – Social Services and Wellbeing	Circulated for response. Chased.	
11 Dec 2025	<b>Corporate Performance Quarter 2 2025-26</b>	The Committee discussed areas of performance which are reliant on volatile/unpredictable data such as the number of pupils awaiting specialist provision and numbers of Care Experienced Children which changes frequently and the timeliness of reporting performance. The Committee <b>recommended</b> that consideration be given to how live data can best be accessed and analysed to provide Members with the latest position.	Chief Executive/ Chief Officer – Finance, Housing and Change / Corporate Policy and Performance Manager	Circulated for response. Chased.	

**APPENDIX B**

Date of Meeting	Agenda Item	Action	Responsibility	Outcome	Response
11 Dec 2025	<b>Corporate Performance Quarter 2 2025-26</b>	The Committee discussed the responses provided to their Recommendations 1 and 2 made at their previous meeting on 23 October 2023 and <b>requested</b> a written note explaining the reasons why they had only been partially accepted given the responses provided	Chief Officer – Finance, Housing and Change and Corporate Director - Communities	Circulated for response. Chased.	
11 Dec 2025	<b>Corporate Performance Quarter 2 2025-26</b>	The Committee expressed concern regarding the performance against WBO2.1.4 relating to the handling of corporate complaints and that delays or failure to receive requested information from service areas appeared to be impacting on the ability to respond to complaints in a timely manner and <b>requested</b> a corporate response from the Chief Executive explaining how this will be addressed.	Chief Executive	Circulated for response. Chased.	
11 Dec 2025	<b>Corporate Performance Quarter 2 2025-26</b>	The Committee <b>requested</b> the percentage of Unaccompanied Asylum-Seeking Children in the percentage of Care Experienced Children who had experienced homelessness (CH/052).	Corporate Director – Social Services and Wellbeing	<b>ACTIONED</b> – response and information circulated 20 January 2026.	Follow link <a href="#">here</a>

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<b>Date of Meeting</b>	<b>Agenda Item</b>	<b>Action</b>	<b>Responsibility</b>	<b>Outcome</b>	<b>Response</b>
11 Dec 2025	<b>Corporate Performance Quarter 2 2025-26</b>	The Committee <b>requested</b> the National Evaluation relating to the Basic Income for Care Leavers in Wales Pilot.	Corporate Director – Social Services and Wellbeing	<b>ACTIONED</b> – response and information circulated 20 January 2026.	Follow link <a href="#">here</a>
11 Dec 2025	<b>Corporate Performance Quarter 2 2025-26</b>	The Committee expressed concern regarding the time taken to deliver Disabled Facilities Grants and <b>requested</b> : a. that consideration be given to including median data instead of an average which was presenting an inflated figure skewed by legacy cases; and b. a presentation on the process being used, prioritisation and spend.	Chief Officer – Finance, Housing and Change	Circulated for response. Chased.	
11 Dec 2025	<b>Corporate Performance Quarter 2 2025-26</b>	The Committee discussed the Corporate Complaints report presented to the previous meeting of the Governance and Audit Committee (GAC) on 27 November 2025 where concerns were raised regarding the number of complaints regarding waste contract, the majority of which were upheld. The Committee were given some reassurance by the Corporate	Scrutiny/Chair of CEH OSC	Referral made to CEH OSC to be reported on 23 Feb 2026.	Complete

**APPENDIX B**

Date of Meeting	Agenda Item	Action	Responsibility	Outcome	Response
		Director and advised that GAC have requested further information but <b>requested</b> that the issue be referred to the Communities, Environment and Housing Overview and Scrutiny Committee for information in the meantime.			
11 Dec 2025	<b>Recommendations from Scrutiny Budget Working Group</b>	The Committee made recommendations and requested additional information.	Scrutiny / Chair of COSC	<b>ACTIONED</b> - Recommendations formally reported to Cabinet on 16 December 2025 for consideration and response.	Follow link <a href="#">here</a>

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**Education and Youth Services Overview and Scrutiny Committee**  
**2025-26 Forward Work Programme**

Thursday, 3 July 2025 at 11am		
Report Topic	Information Required / Committee's Role	Invitees
<b>Bridgend Youth Justice Service and Bridgend Youth Support Service</b>		<p><b><u>Cabinet Member</u></b> Cabinet Member for Finance and Performance</p> <p><b><u>Officers</u></b> Corporate Director – Education, Early Years and Young People; Strategic Manager – Youth Justice Service; Operational Managers - Youth Justice Service; Group Manager (Early Years and Young People); and Youth Support Services Manager (BYS)</p> <p>Youth Council Representative</p>

Monday, 15 September 2025 at 11am		
Report Topic	Information Required / Committee's Role	Invitees
<b>Mental Health and Wellbeing Support for Learners</b>	To include a holistic focus on the mental health and wellbeing support provided to learners to assist them to attend education, and information regarding any support regarding any support available from Social Services, General Practitioners, the Health Board and third sector.	<p><b><u>Cabinet Member</u></b> Deputy Leader and Cabinet Member for Social Services, Health and Wellbeing; Cabinet Member for Education and Youth Services;</p> <p><b><u>Officers</u></b> Corporate Director – Education, Early Years and Young People; Corporate Director – Social Services and Wellbeing; Head of Learning; Group Manager – Prevention and Wellbeing</p> <p>Youth Council Representative</p> <p>Representatives from Health Representatives from CAMHS</p> <p>Headteacher Nominees</p>

<b>Monday, 13 October 2025 at 11.00am CANCELLED Monday, 24 November 2025 at 11am</b>		
<b>Report Topic</b>	<b>Information Required / Committee's Role</b>	<b>Invitees</b>
<b>Online Safety and Digital Learning - To be rescheduled to 24 November 2025</b>	<p>Overview of the issues regarding online safety and key priorities and challenges.</p> <p>To include: Safeguarding/online safety Digital Learning Use of mobile phones/devices</p>	<p><b><u>Cabinet Member</u></b> Cabinet Member for Education and Youth Services</p> <p><b><u>Officers</u></b> Corporate Director – Education, Early Years and Young People; Head of Learning; Group Manager – (Schools); Digital Lead Officer; Lead Officer – Strategic Development (Primary Sector) Lead Officer – Strategic Development (Secondary Sector)</p> <p>Youth Council Representative</p> <p>Headteacher Nominees</p>

<b>Monday, 9 February 2026 at 11am</b>		
<b>Report Topic</b>	<b>Information Required / Committee's Role</b>	<b>Invitees</b>
<b>Teaching and Learning in Schools in Bridgend</b>	<p>Teacher and Learner Feedback</p> <p>Progress Update - Implementation Curriculum for Wales</p>	<p><b><u>Cabinet Member</u></b> Cabinet Member for Education and Youth Services</p> <p><b><u>Officers</u></b> Corporate Director – Education, Early Years and Young People; Head of Learning; Group Manager – School Improvement</p> <p>Youth Council Representative</p> <p>Headteacher Nominees</p>



Monday, 16 March 2026 at 11am		
Report Topic	Information Required / Committee's Role	Invitees
Early Review of School Improvement Arrangements into the Local Authority		<p><b><u>Cabinet Member</u></b> Cabinet Member for Education and Youth Services</p> <p><b><u>Officers</u></b> Corporate Director – Education, Early Years and Young People; Head of Learning; Group Manager – School Improvement</p> <p>Youth Council Representative</p> <p>Headteacher Nominees</p>

Date to be arranged		
Report Topic	Information Required / Committee's Role	Invitees
Future School Modernisation	<p>An audit of the condition of all schools in Bridgend County.</p> <p>An analysis of the lessons learned from the school modernisation projects that have happened or in the process of being planned and built, including the impact of wider political and economic forces. The report would need to consider such issues as the role and value of price caps; risk management and mitigation, including the impact of ecological ones on project timing and costs; procurement; land acquisition; the impact of design changes to projects; and project management and oversight, especially in terms of the contribution made by Cabinet and the Corporate Management Board.</p> <p>The future demography of the County Borough, and the impact of new and proposed housing developments, and the potential knock-on impact on school catchment areas and pupil numbers.</p>	<p><b><u>Cabinet Member</u></b> Cabinet Member for Education and Youth Services; Cabinet Member for Finance &amp; Performance;</p> <p><b><u>Officers</u></b> Corporate Director – Education, Early Years and Young People; Corporate Director - Communities; Head of Learning;</p> <p>Deputy Head of Finance; Accountant – Capital and Grants;</p> <p>Interim Head of Operations - Community Services; Manager (Sustainable Communities for Learning); Group Manager – Corporate Landlord; Senior Portfolio Surveyor, Education and Wellbeing;</p> <p>Youth Council Representative</p> <p>Headteacher Nominees</p>

<b>School Maintenance TBC (Communities)</b>	The future of school modernisation and project finance in Wales. To include an on the progress of increasing specialist provision.	
Physical Health, Healthy Living and Wellbeing	To include an Update on the Universal Primary Free School Meals Implementation.	<p><b><u>Cabinet Member</u></b> Deputy Leader and Cabinet Member for Social Services, Health and Wellbeing; Cabinet Member for Education and Youth Services;</p> <p><b><u>Officers</u></b> Corporate Director – Education, Early Years and Young People; Corporate Director – Social Services and Wellbeing; Head of Learning; Group Manager – Prevention and Wellbeing</p> <p><b><u>External</u></b></p> <p><b><u>Headteacher Nominees</u></b> Invitees to be confirmed</p> <p><b><u>Youth Council Representative</u></b> Invitee to be confirmed</p>

**Briefings and Workshops:**

Topic	Information Required / Committee's Role	Invitees and Date
<b>New Estyn Inspection Framework / Local Government Education Services (LGES)</b>		
<b>Update on Effective School Governing Bodies – Appointment, Support and Funding</b>	Invitation to be extended to Governors Association	
<b>School Safeguarding Audits Summary</b>		Autumn 2025
<b>Pupil and Learner Attainment Outcomes</b>	To include Validated Exam Results	January 2026
<b>Support for Home-Educated Learners</b>		<b>TBC</b>

**Referral from Corporate Overview and Scrutiny Committee – 23 October 2025**

The Committee expressed concern regarding the number of schools projecting a deficit budget and the extent of the deficits and requested that Education and Youth Services Overview and Scrutiny Committee (EYS OSC) consider requesting a report to monitor the situation.

**Items to be Scheduled to the Committee's 2026-2027 Forward Work Programme**

- May/June 2026 – Close Current 3 year Strategic Plan and Open New 3 Year Strategic Plan (possibly to include Review of Post Inspection Plan)
- September 2026 – Future School Improvement Arrangements  
Home to School Transport Update Report

**Information Report to be provided:**

- Autumn 2025/Spring 2026 – English Language School Catchment Areas / Capacity

**Research and Evaluation Panel**

- From Autumn 2025 - School Improvement Research and Evaluation Panel (REP)

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**Social Services, Health and Wellbeing Overview and Scrutiny Committee**  
**2025-26 Forward Work Programme**

Wednesday, 9 July 2025 at 10.00am		
Report Topic	Information Required / Committee's Role	Invitees
<b>Regional Partnership Agreement</b>	Pre-Decision	<p><b><u>Cabinet Member</u></b> Deputy Leader and Cabinet Member for Social Services, Health and Wellbeing</p> <p><b><u>Officers</u></b> Corporate Director – Social Services and Wellbeing; Head of Adult Social Care; Group Manager – Integrated Community Services Manager; and</p> <p><b><u>External</u></b> Regional Integrated Services Director for Cwm Taf Morgannwg; and Director, Primary Care, Community &amp; Mental Health – Cwm Taf Morgannwg University Health Board</p>

Thursday 11 September 2025 at 10.00am		
Report Topics	Any Specific Information Requested	Invitees
<b>Social Services Annual Report 2024-25</b>	Pre-Decision	<p><b><u>Cabinet Member</u></b> Deputy Leader of the Council and Cabinet Member for Social Services, Health and Wellbeing;</p> <p><b><u>Officers</u></b> Corporate Director - Social Services and Wellbeing; Head of Adult Social Care; Head of Children and Family Services. Group Manager - Prevention and Wellbeing; Group Manager – Commissioning; and Group Manager - Business Strategy, Performance &amp; Improvement.</p>
<b>Social Services Representations and Complaints 2024-25</b>	Pre-Decision	<p><b><u>Cabinet Member</u></b> Deputy Leader of the Council and Cabinet Member for Social Services, Health and Wellbeing;</p> <p><b><u>Officers</u></b> Corporate Director - Social Services and Wellbeing.</p>

**APPENDIX D****Thursday, 25 September 2025 at 10.00am**

<b>Report Topic</b>	<b>Information Required / Committee's Role</b>	<b>Invitees</b>
<b>Care Inspectorate Wales Improvement Check of Children and Family Services - June 2025</b>  <b>and</b>  <b>Care Inspectorate Wales Fostering Service Inspection - June 2025</b>	CIW to present the Improvement Check report to the Committee.	<b><u>Cabinet Member</u></b> Deputy Leader and Cabinet Member for Social Services, Health and Wellbeing  <b><u>Officers</u></b> Corporate Director – Social Services and Wellbeing; Head of Children and Family Services; Deputy Head of Children and Family Services;  <b><u>External</u></b> Representatives from Care Inspectorate Wales

**Thursday, 6 November 2025 at 10.00am**

<b>Report Topic</b>	<b>Information Required / Committee's Role</b>	<b>Invitees</b>
<b>Annual Corporate Safeguarding Report 2024-25</b>		<b><u>Cabinet Member</u></b> Deputy Leader and Cabinet Member for Social Services, Health and Wellbeing  <b><u>Officers</u></b> Corporate Director – Social Services and Wellbeing; Head of Adult Social Care; Head of Children and Family Services; Group Manager – Information, Advice and Assistance and Safeguarding; Team Manager – Older People Mental Health; and Education and Community Safety Leads
<b>Community Hubs Strategy</b>	Including Libraries post consultation.	<b><u>Cabinet Member</u></b> Deputy Leader and Cabinet Member for Social Services, Health and Wellbeing  <b><u>Officers</u></b> Corporate Director – Social Services and Wellbeing; and Group Manager – Prevention and Wellbeing.

**Thursday, 4 December 2025 at 10.00am**  
**POSTPONED**

**APPENDIX D**

Friday, 23 January 2026 at 10.00am (Postponed from 4 December 2025)		
Report Topic	Information Required / Committee's Role	Invitees
<b>Healthy Living Partnership – Agency Model</b>	Including plans and various programmes provided e.g. carer's offer.	<p><b><u>Cabinet Member</u></b> Deputy Leader and Cabinet Member for Social Services, Health and Wellbeing</p> <p><b><u>Officers</u></b> Corporate Director – Social Services and Wellbeing; Group Manager – Prevention and Wellbeing;</p> <p><b><u>External</u></b> Active Communities Manager – Halo Leisure Head of Development and Partnerships – Greenwich Leisure Limited</p>

Thursday, 12 March 2026 at 10.00am		
Report Topic	Information Required / Committee's Role	Invitees
<b>Assisted Transport Policy Implementation Progress</b>	Post implementation progress report	<p><b><u>Cabinet Member</u></b> Deputy Leader and Cabinet Member for Social Services, Health and Wellbeing</p> <p><b><u>Officers</u></b> Corporate Director – Social Services and Wellbeing; Head of Adult Social Care; Policy Officer – Social Care;</p> <p><b><u>External</u></b> Representatives from People First</p>
<b>Learning Disability Transformation Programme Progress</b>	Post implementation progress report	

Monday, 27 April 2026 at 10.00am		
Report Topic	Information Required / Committee's Role	Invitees
<b>Western Bay Adoption Service Inspection Report</b>		<p><b><u>Cabinet Member</u></b> Deputy Leader and Cabinet Member for Social Services, Health and Wellbeing</p> <p><b><u>Officers</u></b> Corporate Director – Social Services and Wellbeing; Head of Children and Family Services; Deputy Head of Children and Family Services.</p>

**2026-27 Draft Forward Work Programme**

**Thursday, 9 July 2026 at 10.00am**

<b>Report Topic</b>	<b>Information Required / Committee's Role</b>	<b>Invitees</b>
<b>Provision of Accommodation Based Regulated Support Services in Bridgend</b>	<p>Post implementation progress report</p> <p>To include information setting out the provision of accommodation based regulated support services in Bridgend to include the following:</p> <ol style="list-style-type: none"> <li>whether they are private, public or charity sector;</li> <li>how staff are contracted; and</li> <li>the ownership of the buildings.</li> </ol>	<p><b><u>Cabinet Member</u></b> Deputy Leader and Cabinet Member for Social Services, Health and Wellbeing</p> <p><b><u>Officers</u></b> Corporate Director – Social Services and Wellbeing; Head of Adult Social Care.</p>

**Briefings and Workshops:**

<b>Topic</b>	<b>Information Required / Committee's Role</b>	<b>Invitees</b>
<b>Overview – Social Services &amp; Wellbeing Directorate / Social Services and Wellbeing (Wales) Act</b>	<p>Attendance from:</p> <p>Corporate Director – Social Services and Wellbeing</p> <p>Head of Adult Social Care</p> <p>Head of Children and Family Services</p> <p>Group Manager – Prevention and Wellbeing</p>	<b>To be scheduled.</b>
<b>The Replacement System for CareDirector (WCCIS)</b>	<p>The Committee requested a briefing on COR-2024-01 on the Corporate Risk Assessment: The threat to business continuity if the Council is unable to procure and implement major ICT systems which support critical services such as a replacement system for CareDirector (WCCIS). <i>CareDirector</i> is a Cloud-based case management solution for social care organisations that supports integrated working across health and social care.</p>	<p><b>Members and officers for the Briefing and Workshop – TBD.</b></p> <p><b>To be scheduled in early 2026 in partnership with IT.</b></p>
<b>Use of Artificial Intelligence within Social Services and Wellbeing Directorate</b>	<p>The Committee <b>recommended</b> that there be an all Member briefing on the use of artificial intelligence within the Social</p>	<b>This will form part of the Digital Strategy which will be reported to the Corporate Overview and Scrutiny Committee Pre-Decision.</b>



	Services and Wellbeing Directorate and how it is envisaged it could safely aid a reduction in staff numbers.	<b>To be scheduled after the Digital Strategy has been considered at COSC.</b>
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**Items to be Scheduled to the Committee's Forward Work Programme**

- Support for Care Leavers (including input from Employability and Housing). The Committee have requested that Care Experienced young people be invited for this item.  
  
(Will be a joint report between Social Services, Health and Wellbeing and the Communities and Housing Directorates)
- Regional Partnership Agreement Progress Update (12 months from July 2025)
- Future Arrangements for Advocacy for Adults and Children
- A closed session detailing confidential information presented to Social Services Improvement Board (including live case studies)
- Review of the Regional Operating Model of the Emergency Duty Team
- Review of the Fostering Service (9-12 months from October 2025)
- External Review of Strength Based Outcome Focused Practice Model being embedded into Adult Social Care
- Further Report regarding the Community Hubs Strategy (at the appropriate time early in 2026)

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**Communities, Environment and Housing Overview and Scrutiny Committee**  
**2025-26 Forward Work Programme**  
**and draft 2026-27 Forward Work Programme**

<b>Monday, 14 July 2025 at 4pm</b>		
<b>Report Topic</b>	<b>Information Required / Committee's Role</b>	<b>Invitees</b>
<b>Community Asset Transfers</b>	<p>Position Update</p> <p>Outcome of review recommended by SOSC 3 to be undertaken by the Community Asset Transfer (CAT) Steering Group to assess and review the Council's current CAT programme, considering:</p> <ul style="list-style-type: none"> <li>• Its impact</li> <li>• Success stories</li> <li>• Good practice researched from other Welsh local authorities</li> <li>• Reflection on lessons learned</li> </ul>	<p><b><u>Cabinet Member</u></b> Cabinet Member for Climate Change and the Environment;</p> <p><b><u>Officers</u></b> Corporate Director – Communities; Interim Head of Operations – Communities; and Community Asset Transfer Officer.</p>
<b>Porthcawl Regeneration Masterplan</b>	<p>Public Consultation Feedback from Feb/March 2025</p> <p>and</p> <p>Pre-Planning Consultation</p>	<p><b><u>Cabinet Member</u></b> Cabinet Member for Regeneration, Economic Development and Housing;</p> <p><b><u>Officers</u></b> Corporate Director – Communities; Group Manager – Strategic Regeneration; and Porthcawl Regeneration Programme Manager.</p>

<b>Monday, 29 September 2025 at 4pm</b>		
<b>Report Topic</b>	<b>Information Required / Committee's Role</b>	<b>Invitees</b>
<b>United Kingdom Shared Prosperity Fund Update</b>	<ul style="list-style-type: none"> <li>• What we did</li> <li>• Lessons Learned</li> <li>• Progress Update</li> <li>• How the system has changed</li> <li>• A look back and a look forward.</li> </ul> <p>Detailed Financial Information including:</p> <ul style="list-style-type: none"> <li>• Funds received by which groups/organisations</li> <li>• Their purpose</li> </ul>	<p><b><u>Cabinet Member</u></b> Cabinet Member for Regeneration, Economic Development and Housing;</p> <p><b><u>Officers</u></b> Corporate Director – Communities; Interim Head of Operations – Communities; and Group Manager – Economy, Natural Resources &amp; Sustainability.</p>

	<ul style="list-style-type: none"> <li>• How much</li> </ul>	
<b>Social Housing Allocation Policy</b>	Pre-Decision	<p><b><u>Cabinet Member</u></b> Cabinet Member for Regeneration, Economic Development and Housing;</p> <p><b><u>Officers</u></b> Chief Officer – Finance, Housing and Change; Strategic Housing Commissioning Manager; Housing Solutions Team Manager.</p>

<b>Monday, 3 November 2025 at 4pm</b>		
<b>Report Topic</b>	<b>Information Required / Committee's Role</b>	<b>Invitees</b>
<b>Net Zero Strategy Review</b>	Pre-Decision	<p><b><u>Cabinet Member</u></b> Cabinet Member for Climate Change and Environment;</p> <p><b><u>Officers</u></b> Corporate Director – Communities; Interim Head of Operations – Communities; Group Manager – Economy, Natural Resources &amp; Sustainability; Decarbonisation Programme Manager</p>
<b>Electric Vehicle Charging Strategy</b>	Pre-Decision	<p><b><u>Cabinet Member</u></b> Cabinet Member for Climate Change and Environment;</p> <p><b><u>Officers</u></b> Corporate Director – Communities; Interim Head of Operations – Communities; Group Manager – Economy, Natural Resources &amp; Sustainability.</p>

Monday, 8 December 2025 at 4pm		
Report Topic	Information Required / Committee's Role	Invitees
<b>Porthcawl Regeneration</b>		<p><b><u>Cabinet Member</u></b> Cabinet Member for Regeneration, Economic Development and Housing;</p> <p><b><u>Officers</u></b> Corporate Director – Communities; Group Manager – Strategic Regeneration; Porthcawl Regeneration Programme Manager.</p>

Monday, 23 February 2026 at 4pm		
Report Topic	Information Required / Committee's Role	Invitees
<b>S.106 and Infrastructure Delivery Plan</b>  <b>Pride in Place Impact Fund (PIPIF)</b>	<p>Including: update on Audit Wales Report: Bridgend County Borough Council – Planning and Development Service; and the intended spend for S106 monies</p>	<p><b><u>Cabinet Member</u></b> Cabinet Member for Regeneration, Economic Development and Housing;</p> <p><b><u>Officers</u></b> Corporate Director – Communities;  Group Manager – Planning and Development Services; Strategic Planning and Transport Manager.</p>

Monday, 20 April 2026 at 4pm		
Report Topic	Information Required / Committee's Role	Invitees
<b>Bridgend Town Centre Masterplan &amp; Regeneration</b>	To include a walkaround before the meeting.	<p><b><u>Cabinet Member</u></b> Cabinet Member for Regeneration, Economic Development and Housing;</p> <p><b><u>Officers</u></b> Corporate Director – Communities; Group Manager – Strategic Regeneration.</p>
<b>Condition of the Highways and Status</b>	<p>Including: - Repairs and maintenance;</p>	<b><u>Cabinet Member</u></b>

<b>of Road Resurfacing Programme</b>	<ul style="list-style-type: none"> <li>- Road resurfacing and potholes;</li> <li>- Network management of utilities; and</li> <li>- The development of internal metrics for repairs and closing referrals.</li> </ul>	<p>Cabinet Member for Climate Change and the Environment;</p> <p><b><u>Officers</u></b>          Corporate Director – Communities;          Interim Head of Operations – Communities;          Group Manager – Highways and Green Spaces;          Highways Network Manager.</p>
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<b>Monday, 13 July 2026 at 4pm</b>		
<b>Report Topic</b>	<b>Information Required / Committee's Role</b>	<b>Invitees</b>
<b>Maesteg Town Hall TBC</b>	<p>To include a walkaround before the meeting (week before the meeting).</p> <p>Lessons learned</p> <p>To include:</p> <ul style="list-style-type: none"> <li>- Reasons for the overall project cost;</li> <li>- Detail of what led to the increased cost and challenges encountered; and</li> <li>- An appraisal of what could have changed or been done differently.</li> </ul>	<p><b><u>Cabinet Member</u></b>          Cabinet Member for Regeneration, Economic Development and Housing;</p> <p><b><u>Officers</u></b>          Corporate Director – Communities;          Group Manager – Strategic Regeneration.</p>
<b>Grand Pavillion TBC</b>	<p>To include a walkaround before the meeting (subject to building works at that time ).</p>	

<b>Monday, 28 September 2026 at 4pm</b>		
<b>Report Topic</b>	<b>Information Required / Committee's Role</b>	<b>Invitees</b>
<b>Local Lettings Policy – Porthcawl</b>	<p>Joint report with Communities and Housing</p>	<p><b><u>Cabinet Member</u></b>          Cabinet Member for Regeneration, Economic Development and Housing;          Cabinet Member for Climate Change and the Environment</p> <p><b><u>Officers</u></b>          Corporate Director – Communities;</p>
<b>Cemeteries Review TBC</b>		

<b>Monday, 2 November 2026 at 4pm</b>		
<b>Report Topic</b>	<b>Information Required / Committee's Role</b>	<b>Invitees</b>
<b>Fleet Services Review TBC</b>		<b><u>Cabinet Member</u></b> Cabinet Member for Climate Change and the Environment;  <b><u>Officers</u></b> Corporate Director – Communities;

<b>Monday, 4 December 2026 at 4pm</b>		
<b>Report Topic</b>	<b>Information Required / Committee's Role</b>	<b>Invitees</b>
<b>TBC</b>		

**Briefings:**

<b>Topic</b>	<b>Information Required / Committee's Role</b>	<b>Invitees</b>
<b>Highway Infrastructure</b>	Including: - Repairs, maintenance and prioritisation process.	<b>Spring 2026 (Before 20 April 2026 Committee Meeting)</b>
<b>Future Waste Services</b>		<b>All Member Briefing pre-Council - July 2026</b>
<b>Corporate Joint Committees Regional Responsibilities</b>		<b>All Member Briefing Date to be confirmed</b>
<b>Revised Social Housing Allocation Policy</b>	The changes especially in respect of the bands and how properties will be allocated.	<b>All Member Briefing Date to be arranged in line with final adoption of Policy</b>

**Items to be Scheduled to the Committee's Forward Work Programme - To be discussed in next Scrutiny Forward Work Programme Planning Meeting**

- Council's Preparedness to Respond to Storms and Adverse Weather, to include:
  - Preventative measures against foreseeable damage;
  - Impact of adverse weather and any fallout (e.g. loss of power) on vulnerable residents;
  - Invitees from Communities and Social Services; and
  - Information shared during internal and Local Resilience Forum debrief sessions held following Storm Darragh and any other inclement weather events.
- Water quality and pollution and the capacity of the Penybont Wastewater Treatment Works to include plans to meet future demand from significant increases in the number of properties planned from a number of new developments and that Welsh Water and Natural Resources Wales be invited to attend.
- Street / Utility work including charges

- Car Parking Charging Review, to include:
  - Outcome of the review;
  - Free parking offers; and
  - The difference in revenue between the free parking period and a full charging model
- Housing (with Registered Social Landlord Invitees)
- A report on the CAT Programme to be added to the Forward Work Programme in 12-18 months to evaluate progress, including an update on the recommendations of an internal audit which took place in April 2025, set out in paragraph 2.1.6 of the report.
- Final UKSPF monitoring report, including a complete analysis of the successes and the lessons learned for future projects and to include:
  - details of how the public, businesses and community organisations were informed and supported to make full use of available funding, including how the Bridgend County Prosperity Co-Production Framework had informed decision-making about the UKSPF.
  - detailed information regarding the feasibility studies funded by the UKSPF and how many have or will become viable projects.
  - detailed evaluation of the sustainability of jobs created across the three themes as a result of UKSPF funding, to include the monitoring processes and the support offered by BCBC; and
  - detailed information about the impact the cut in funding during the transition year had on projects in the community

**Information reports to be provided**

Audit Wales 'Springing Forward Asset Management Inspection Report' – including associated Action Plan.

**Referral from Corporate Overview and Scrutiny Committee – 11 December 2025**

The Committee discussed the Corporate Complaints report presented to the previous meeting of the Governance and Audit Committee (GAC) on 27 November 2025 where concerns were raised regarding the number of complaints regarding waste contract, the majority of which were upheld. The Committee were given some reassurance by the Corporate Director and advised that GAC have requested further information but requested that the issue be referred to the Communities, Environment and Housing Overview and Scrutiny Committee for information in the meantime.