

CABINET - TUESDAY, 13 FEBRUARY 2018

MINUTES OF A MEETING OF THE CABINET HELD IN COUNCIL CHAMBER - CIVIC OFFICES ANGEL STREET BRIDGEND CF31 4WB ON TUESDAY, 13 FEBRUARY 2018 AT 14:30

Present

Councillor HJ David – Chairperson

CE Smith
RE Young

PJ White

HM Williams

D Patel

Apologies for Absence

Officers:

Darren Mepham	Chief Executive
Mark Shephard	Corporate Director - Communities
Susan Cooper	Corporate Director - Social Services & Wellbeing
Andrew Jolley	Corporate Director Operational & Partnership Services
Andrew Rees	Senior Democratic Services Officer - Committees
Deborah Exton	Group Manager - Finance
Lindsay Harvey	Corporate Director Education and Family Support
Gary Jones	Head of Democratic Services

154. DECLARATIONS OF INTEREST

None

155. CORPORATE PLAN 2018-22

The Chief Executive sought endorsement of the Council's new Corporate Plan 2016-20 for 2018-22 prior to submission to Council for approval.

He stated that the Corporate Plan which covered 2018-2020 set out the three corporate priorities, which was based on extensive public consultation known as "Shaping Bridgend's Future", undertaken in 2015. He informed Cabinet of the need to build on the current corporate plan and re-affirmed the current three corporate priorities for the forthcoming four years. The Plan also set out principles which will govern how the Council operates and the aspiration to work as one Council.

He reported that the Corporate Overview and Scrutiny Committee had considered the draft plan and had played an important part in the development of the plan. A series of constructive comments for amendment and inclusion had been made by the scrutiny process, which had been considered and wherever feasible, been incorporated into the draft Plan. He stated that the Plan will be supported by the Medium Term Financial Strategy, directorate business plans and service plans. The Plan sets out the Council's priorities and commitments which would be reviewed annually to take into account changing circumstances and progress made and to ensure that the requirements of the Local Government (Wales) Measure 2009 and the Wellbeing of Future Generations (Wales) Act 2015 are met.

The Chief Executive reported on the results of the consultation which had been carried out and that 15 engagement events were held across the County Borough. He stated

that the results showed strong agreement with the three priorities. Another “Shaping Bridgend’s Future” consultation was undertaken in 2017, which reaffirmed the findings of 2015. Major consultation exercises were carried out by the Council and its partners in 2017, on the Wellbeing Assessment and Population Assessment which found that the Council’s priorities reflect citizens’ priorities and therefore the right ones for the Council to focus on in the next four years.

The Chief Executive informed Cabinet of the Council’s duty to set wellbeing and improvement objectives. Once approved, the three corporate priorities would be the Council’s wellbeing objectives under the Wellbeing of Future Generations (Wales) Act 2015 and improvement objectives under the Local Government (Wales) Measure 2009. He stated that the Well-being Statement, required by the Act, is embedded into the plan and the commitments are the steps the Council will take to deliver the integrated improvement and wellbeing objectives. He informed Cabinet that the plan also sets out how these objectives make a contribution to the seven national wellbeing goals.

The Leader commented that the Overview and Scrutiny process had been very thorough in its scrutiny of the Corporate Plan and most of the suggestions had been incorporated into the Plan. He stated that two consultation exercises had been carried out on the Plan and on both occasions the members of the public which had responded were overwhelmingly in support of the Council’s priorities.

The Cabinet Member Wellbeing and Future Generations was pleased to see that the new indicators in the Corporate Plan reflected more accurately the aims of the Council, than the previous Corporate Plan.

The Leader referred to the aim in the Corporate Plan to create successful town centres and informed Cabinet there were no cameras to measure the number of visitors to Pencoed town centre. He also stated that comments had been received that the Corporate Plan is too short, but he explained that the Council runs in excess of 750 different services and felt that the Plan had the right balance.

RESOLVED: That Cabinet endorsed the new Corporate Plan 2018-22 and recommended it to Council for approval on 28 February 2018.

156. MEDIUM TERM FINANCIAL STRATEGY 2018-19 TO 2021-22

The Chief Executive presented the Medium Term Financial Strategy 2018-19 to 2021-22, which included a financial forecast for 2018-22, a detailed revenue budget for 2018-19 and a Capital Programme for 2017-18 to 2027-28. He stated that the Strategy also includes the proposed Council Tax requirement for the County Borough Council, for approval by Council, which would be presented together with the requirements of the Police & Crime Commissioner for South Wales and Community/Town Councils.

He reported that the Corporate Plan was being presented to Council for approval alongside the MTFs 2018-22. The two documents were aligned to each other, enabling explicit links to be made between the Council’s priorities and the resources directed to support them. The Chief Executive gave a Corporate Financial Overview and while the net revenue budget is planned at £265.984m for 2018-19, overall expenditure far exceeds this. Taking into account expenditure and services funded by specific grants or fees and charges, the Council’s gross budget would be around £400m in 2018-19. He stated that around £170m of this expenditure is spent on the Council’s staff, including teachers and school support staff. Much of the cost of the services provided by external organisations was also wage related, which included waste collection operatives, domiciliary care workers and foster carers. He also informed Cabinet that the Council faced reduced income to fund services, as well as legislative

and demographic changes. He stated that the Council has adopted a corporate plan that sets out the approaches that it will take to manage these pressures whilst continuing to ensure that, as far as possible, services can be provided that meet the needs of the community.

The Chief Executive informed Cabinet that the Council had received an increase in funding of 0.1% from the Welsh Government which equated to £115k. This was offset by new responsibilities facing the Council as a result of the increase to the capital limit for residential care from £30,000 to £40,000 which would cost the Council £300k and homelessness prevention responsibilities costing £236k. The true position was likely to be a reduction of 0.25% equating to £500k, compared to the previous year. The Welsh Government had allocated £42m for social services pressures and £62m for school funding in its settlement to local government across Wales but this funding was not ring-fenced.

The Chief Executive reported that the Council proposed to spend £108m on services delivered by the Education & Family Support Directorate. In 2017-18 the Council had introduced a 1% annual efficiency saving for schools for each year of the MTFS. However for 2018-19, the level of budget reductions required is not as great as had been predicted. It had therefore, been possible to protect schools from the 1% saving for one year, however this would be almost unavoidable for 2019-20 onwards and it would be necessary for head teachers and governing bodies to prepare for future years.

The Chief Executive also reported that nearly 70% of planned savings had been delivered, however some of the planned savings were taking longer to deliver due to their complexity and impacts on service users. In respect of Social Care and Wellbeing it was not being asked to deliver significant savings in 2018-19 in order to consolidate the ambitious transformation programme it has embarked upon and to make those services sustainable for the future. He informed Cabinet that in relation to public realm and in order to meet public expectation, collaboration was taking place with the third sector, Town and Community Councils and businesses to help deliver those services.

The Chief Executive reported on the unavoidable and discretionary budget pressures which total £2.649m made up of unavoidable pressures of £1.212m and discretionary growth items of £1.437m. Budget reduction proposals of £6.123m had been identified from service and corporate budgets to achieve a balanced budget. Fees and charges would be increased by at least Consumer Price Index (at the prevailing rate, currently 3%) plus 1% which had combined to give a base budget for 2018-19.

He also reported on the Capital Programme for 2017-18 to 2027-28 and also the capital financing strategy, which includes prudential borrowing and capital receipts forecast. Both had been developed in line with the MTFS principles and reflect the Welsh Government capital settlement for 2018-19. Capital funding of £6.3m had been allocated by the Welsh Government, which was an allocation of £41k more than in the previous year; however there was no indication beyond that. Following a rigorous appraisal process and a review of the limited amount of funding available, proposed new capital schemes of £11.254m had been developed for 2018-19 onwards, of which the Council's contribution would be £7.045m.

The Chief Executive also informed Cabinet that the MTFS also includes the Treasury Management Strategy, which had been considered by the Audit Committee. He stated that the net budget requirement for the Council is 2018-19 is £265.984m, which equated to an increase in Council Tax of 4.5%. He also informed Cabinet that the Council would need to fund the pay award for its employees. The outcome of the national negotiations was not yet known, but that the proposed pay award had produced a budget pressure of £2m.

The Chief Executive reported on the budget reduction scenarios and that the most likely scenario was a potential net budget reduction of £32.592m over the course of the MTFS.

The Deputy Leader in commending the budget proposals commented that the MTFS is closely linked to the Corporate Plan and that the budget process is a continuous one and evidence based. He stated that there had been 2,619 consultation responses to the budget, which had exceeded the responses from last year. The majority of respondents had expressed a preference for protecting services to older and vulnerable people and schools and in the highway network, and the Council would be investing £5m in the highway network.

The Cabinet Member Social Services and Early Help commented on the ever increasing difficulty in setting the budget which was now about what the Council can deliver as opposed to what it would like to deliver. He informed Cabinet that a meeting had been arranged with the Minister to discuss how the transformation funding would be used. He stated that the Social Care and Wellbeing budget is the second largest budget after education and that £11m of savings in social care had been found over the past four years.

The Leader commented that as long as austerity measures are in place, the Council would have to continue to make savings and cuts to services.

The Cabinet Education and Regeneration commented that delivering the budget was a near impossible task and congratulated all colleagues and stakeholders in delivering what is a delicately balanced budget. He stated that there had been some leeway with the Education budget, but budget pressures would continue in future years. He also stated that education is entwined with economic development and despite austerity measures; the Council is investing in the economy.

The Cabinet Member Wellbeing and Future Generations commented that the MTFS would be difficult to deliver and was disappointed that those who had responded to the budget consultation did not wish to see spending on leisure and corporate services prioritised. She stated that regulatory services and procurement are unseen services but they keep the authority safe.

The Cabinet Member Communities paid tribute to the officers in drawing up proposals for the budget under such difficult circumstances and he thanked the public for responding to the consultation on the budget. He shared the sentiments of Cabinet colleagues who did not enter local politics to deliver cuts in services and commented that the public would have to expect the Council to deliver decisions that are unpalatable due to austerity measures. He stated that the Communities Directorate delivers the most visible of services to the public and that the Council would be looking to Town and Community Councils to take on services it could no longer provide. He also stated that the Council had initially been informed that the Police and Crime Commissioner would be increasing its precept by 5%, but now intended to increase its precept by 7%.

The Leader commented that Cabinet had considered the recommendations of the Overview and Scrutiny Committees and addressed the comments made in relation to the equity and distribution of budget cuts and that the Communities Directorate had faced more cuts than Education and Social Services. He stated that since 2013/14, the Directorate which had faced the highest percentage of cuts is that of the Chief Executive, followed by the Education and Family Support Directorate, Communities Directorate and Social Services and Wellbeing. He informed Cabinet that the value of those savings in the Communities Directorate is £6m, whilst savings of £12m have been made in Social Services and Wellbeing during that time.

The Leader stated that delivering the budget had not been easy for any Directorate, but the Council is committed to making investment in tackling empty properties, the valleys task force to revitalise the valleys, Band B school modernisation programme and installing LED technology to every streetlight in the County Borough. The Council would also be investing £5m in carriageway and footpath maintenance; in addition, it would be investing £600k in the Children's residential hub for therapeutic care and emergency care admissions. The Council would also be investing £500k in the Wellbeing Centre in Sunnyside and £360k to extend the cemeteries in Porthcawl and Cornelly.

RESOLVED: That Cabinet approved the MTFs 2018-19 to 2021-22 including the 2018-19 revenue budget, the Capital Programme 2017-18 to 2027-28 and the Treasury Management Strategy 2018-19 and recommended these to Council for adoption. In particular it approved that the following specific elements are forwarded to Council for approval:

- The MTFs 2018-19 to 2021-22
- The Net Budget Requirement of £265,984,097 in 2018-19.
- The 2018-19 budgets as allocated in accordance with Table 9 in paragraph 3.3.
- The Capital Programme 2017-18 to 2027-28.
- The Treasury Management Strategy 2018-19 and Treasury Management and Prudential Indicators 2018-19 to 2021-22.
- A Band D Council Tax for Bridgend County Borough Council of £1,395.51 for 2018-19.

157. **URGENT ITEMS**

There were no urgent items.

The meeting closed at 15:28