

**MINUTES OF A MEETING OF THE CABINET HELD REMOTELY - VIA MICROSOFT TEAMS
ON TUESDAY, 23 FEBRUARY 2021 AT 14:30**

Present

Councillor HJ David – Chairperson

CE Smith
NA Burnett

HM Williams

D Patel

RE Young

Officers:

Mark Shephard	Chief Executive
Claire Marchant	Corporate Director – Social Services and Wellbeing
Janine Nightingale	Corporate Director - Communities
Gill Lewis	Interim Chief Officer – Finance, Performance and Change
Kelly Watson	Chief Officer Legal, HR and Regulatory Services
Mark Galvin	Senior Democratic Services Officer - Committees
Lindsay Harvey	Corporate Director Education and Family Support
Michael Pitman	Democratic Services Officer - Committees

622. DECLARATIONS OF INTEREST

None

623. APPROVAL OF MINUTES

RESOLVED: That the minutes of the 19/01/2021 be approved as a true and accurate record

624. CORPORATE PLAN 2018-2023 REVIEWED FOR 2021-2022

The Interim Chief Officer – Finance, Performance and Change presented a report which sought endorsement of the Council's Corporate Plan 2018-2023 reviewed for 2021-22 (Appendix A) prior to submission to Council for approval.

She advised that the Corporate Plan 2018-2023, described the Council's vision for Bridgend County Borough, our 3 well-being objectives and our organisational values and principles that underpin how we will work to deliver our priorities. It also represented the contribution to achieving the 7 national well-being goals.

The Interim Chief Officer – Finance, Performance and Change explained that the Corporate Plan had been refreshed for 2021-22. This followed a corporate planning process with Corporate Directors / Heads of Service through each Directorate's departmental management team. The process was carried out between October 2020 and December 2020 to review progress and streamline the plan. The updated plan was listed at Appendix A of the report.

The Interim Chief Officer – Finance, Performance and Change explained that due to Covid-19, the targets set had become redundant in that the performance indicators and data collected were not indicative of a normal year of performance.

She advised that the Corporate Overview and Scrutiny Committee had considered the updated plan on 14 January 2021 and made a number of constructive comments and where feasible, those changes had been added to the updated plan. The Committee would continue to monitor progress against the plan.

The Leader thanked Interim Chief Officer – Finance, Performance and Change for the report. He stated that it was the most important report received by Cabinet and was pleased to see the high level of engagement from Members through the Corporate Overview and Scrutiny Committee which was reflected in the plan.

The Cabinet Member Social Services and Early Help welcomed the report and stated that considering the position we had been in for the last year, she was pleased to see the partnership work and relationships had been strengthened. She explained that the prevention agenda was extremely important and had been recognised as such throughout the pandemic.

The Cabinet Member Education and Regeneration supported the statement on performance indicators and stated that this was particularly noticeable in the education sector. He paid tribute to the head teachers, teachers, parents and children who had endured the difficulties during Covid-19 and said that the challenges had been met superbly.

The Cabinet Member Wellbeing and Future Generations thanked all the officers who put the report together and made it such an easy read. She pointed out a number of key areas listed in the report and was pleased to see that the environmental aspect was key and had not been forgotten amongst others.

The Deputy Leader also thanked everyone involved in putting the report together and had full gratification for the staff who had stepped up during these times with many undertaking additional roles that they may not have been familiar with. He also thanked the finance team for successfully distributing £30 million worth of business grants to local businesses in need.

The Leader stressed that much of the detail in the report was important and crucial plans but was not an exhaustive list of everything that was carried out by BCBC. There were many services that were provided by BCBC but were not necessarily included in the Corporate Plan, however were just as important.

The Cabinet Member Communities thanked the team involved in bringing forward a thorough and cohesive strategy in terms of the heat networks. He stated that it was a small team, but they had worked tirelessly on these strategies and this had not gone unnoticed.

RESOLVED: That Cabinet:

Endorsed the Corporate Plan 2018-2023 reviewed for 2021-22 and recommended it to Council for approval on 24 February 2021.

625. **MEDIUM TERM FINANCIAL STRATEGY (MTFS) 2021-22 TO 2024-25**

The Interim Chief Officer, Finance, Performance and Change presented a report containing the Medium-Term Financial Strategy (MTFS) 2021-22 to 2024-25, attached at Annex 3, which included a financial forecast for 2021-25, a detailed revenue budget for 2021-22 and a Capital Programme for 2020-21 to 2030-31.

She advised that the MTFS was complimentary to the Council's Corporate Plan, and looked to provide the resources to enable the Council's well-being objectives to be met. The MTFS outlined the principles and detailed assumptions which drive the Council's budget and spending decisions,

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outlined the financial context in which the Council is operating, and tried to mitigate any financial risks and pressures going forward, as well as taking advantage of any opportunities arising.

She added that the final local government settlement for 2021-22 is approximately two months later than previous years, due to the delay in the outcome of the Comprehensive Spending Review by the UK government, as a result of the Covid-19 pandemic. The final settlement was not due to be announced until 2 March 2021 and as a result this budget was proposed on the basis of the provisional settlement received in December 2020. Further background was at section 4 of the report.

The Interim Chief Officer, Finance, Performance and Change outlined the financial implications as indicated at section 8 of the report. She emphasised that the biggest financial risks the Council was exposed to at the present time related to the uncertainty of Welsh Government funding, including funding to mitigate the effects of Covid-19, the increasing difficulty in the delivery of planned budget reductions as well as the identification of further proposals.

The Leader thanked the team for the work that had gone into the MTFs as well as the Capital Programme 2020-21 to 2030-31 especially with the pressures of the last year.

The Deputy Leader asked if there had been any alternative budget proposals.

The Interim Chief Officer, Finance, Performance and Change stated that there had been no alternative budgets proposed. The deadline for submitting an alternative was last Friday and nothing had been submitted before or since the deadline.

The Deputy Leader thanked the Budget Research and Evaluation Panel for the time spent looking at the information, scrutinising and providing their input. He added that the input of Independent Members of the Panel were as equally valuable. The Deputy Leader commented on the 14 recommendations made by the Panel and elaborated on the responses of Cabinet.

The Leader stressed that the contributions of the Corporate Overview and Scrutiny Committee and all elected Members outside of the Overview and Scrutiny Committees were also valued and considered when forming the budget and that was evident from the MTFs report presented.

The Leader stated that the budget proposals were not developed overnight, and that it was a long and scrutinised process that began almost immediately after the previous budget. He asked the Interim Chief Officer, Finance, Performance and Change to explain the timeline of this.

The Interim Chief Officer, Finance, Performance and Change explained that the process began shortly after the 2020 budget was set, which was end of February beginning of March 2020 and Cabinet were aware of the timeline for the 2021 budget proposals shortly after. She explained that the first Budget Research and Evaluation Panel (BREP) meeting was end of May- early June 2020 where the first discussions took place on the proposals. Various Subject Overview and Scrutiny Committees were then given the opportunity to scrutinise the budget proposals of particular areas, discuss and offer recommendations. This was then presented to the Corporate Overview and Scrutiny Committee with all Subject Overview and Scrutiny Committees invited to the discussions.

The Cabinet Member Communities stated that an increase of Council Tax by 3.9% was proposed in the MTFs, which was a better proposal than was initially expected at the

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start of the process. He asked where we were in terms of our council tax proposals compared with other Local Authorities.

The Interim Chief Officer, Finance, Performance and Change explained that while she could not give a definitive answer as many Local Authorities had not had their budget meeting yet, early discussions with other local authorities had shown that most were looking at a similar increase in council tax and all local authorities in Wales were proposing some increase in council tax.

The Leader explained that many residents may struggle to pay council tax. He asked what was in place to help those in need of support.

The Interim Chief Officer, Finance, Performance and Change explained that eligible residents could apply for the Council Tax Reduction Scheme, which aimed to help low-income people or those who had recently lost their job as a result of Covid-19. She added that a few tweaks had been made to how council tax could be paid, one of which was allowing residents to pay the last 10 months as opposed to the first 10 months. She added that a personal and proactive approach had also been taken by understanding personal circumstances and support residents where ever possible with paying council tax and ensuring that eligible people are made aware of the Council Tax Reduction Scheme.

The Leader stated the BCBC had funds that were in their reserves. He asked what these funds were used for.

The Interim Chief Officer, Finance, Performance and Change elaborated on the reserve funds and what each percentage of funds was earmarked for, which covered, but were not limited to:

- Council running costs
- Capital programme
- Asset Management
- Covid-19 fund
- Grant funding
- Major claims, service reconfigurations, Insurance and redundancies

The Leader stated that Auditors and Audit Wales inspected the Councils reserves regularly and could make recommendations on how the Council uses the reserves.

The Interim Chief Officer, Finance, Performance and Change elaborated on this stating that Auditors carefully looked at reserves and ensured that reserves were in fact earmarked, as part of their test criteria. They had also undertaken a piece of work on financial sustainability and commented favourably on BCBCs reserves in terms of financial planning.

The Cabinet Member Wellbeing and Future Generations supported the MTFs report and budget proposals with the following supporting reasons:

- that all Members had the chance to provide input.
- A public consultation was undertaken on what goes into the budget and changes had been made as a result
- Wellbeing and future generations had been considered when developing the proposals which was evident by the number of aspects of this included in the appendices.

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RESOLVED: That Cabinet approved the MTFS 2021-22 to 2024-25, including the 2021-22 revenue budget and the Capital Programme 2020-21 to 2030-31, and recommend the following elements to Council for approval:

- The MTFS 2021-22 to 2024-25 (Annex 3).
- The Net Budget Requirement of £298,956,245 in 2021-22.
- A Band D Council Tax for Bridgend County Borough Council of £1,597.01 for 2021-22 (Table 17 of the MTFS).
- The 2021-22 budgets as allocated in accordance with Table 10 in paragraph 4.1.3 of the MTFS.
- The Capital Programme 2020-21 to 2030-31, attached at Appendix H of the MTFS.

626. TREASURY MANAGEMENT AND CAPITAL STRATEGIES 2021-22 ONWARDS

The Interim Chief Officer – Finance, Performance and Change presented a report which outlined the Treasury Management Strategy 2021-22 (Appendix A), which included the Treasury Management Indicators, and the Capital Strategy 2021-22 to 2030-31 (Appendix B), which included the Prudential Indicators, and the Annual Minimum Revenue Provision Statement 2021-22 (Schedule A of Appendix B), before submitting for approval by Council.

The Interim Chief Officer – Finance, Performance and Change provided background to the Treasury Management and its relation to borrowing activities with regards to the Chartered Institute of Public Finance and Accountancy's (CIPFA). Further background was at section 3 of the report.

She advised that the Treasury Management Strategy 2021-22 at Appendix A confirmed the Council's compliance with the CIPFA Code, which required that formal and comprehensive objectives, policies and practices, strategies and reporting arrangements were in place for the effective management and control of treasury management activities, and that the effective management and control of risk were the prime objectives of these activities. She outlined the various sections of the Treasury Management Strategy 2021-22 and the Capital Strategy 2021-22 to 2030-31.

The Leader welcomed the report and thanked the Interim Chief Officer – Finance, Performance and Change for the comprehensive report and the team who worked hard to provide it.

The Deputy Leader stated in relation to the extension to lend money from £1million to £2million for a special purpose vehicle, this did not mean that the Council would be doing so, and justification would need to be provided for that level of borrowing.

The Deputy Leader asked for elaboration on the feasibility assessment and what level of detail would be required.

The Interim Chief Officer – Finance, Performance and Change explained that the intentions of the recommendations from Internal Audit was to strengthen the link between feasibility and cost and effectiveness of work and to ensure that the Council learnt lessons from previous work in terms of planning.

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The Corporate Director Communities stressed that feasibility was an essential part of any project that was undertaken by the Council, and elements that were looked at were achievable, prudent, level of investment, whether planning permission was needed as well as risk. This formed a robust budget allocation which included a contingency fund of 10-15% to account for unforeseen circumstances that may arise.

The Leader echoed the Corporate Directors comments on feasibility and it showed the level of detail that went into projects and how much risk management and forward planning was undertaken.

RESOLVED: that Cabinet considered the report and noted the that the following be presented to Council for approval:

- the Treasury Management Strategy 2021-22 including the Treasury Management Indicators 2021-22 to 2023-24 (Appendix A);
- the Capital Strategy 2021-22 to 2030-31 including the Prudential Indicators 2021-22 to 2023-24 (Appendix B);
- the Annual Minimum Revenue Provision (MRP) Statement 2021-22 (Appendix B - Schedule A).

627. URGENT ITEMS

None