

COUNCIL - WEDNESDAY, 1 MARCH 2023

MINUTES OF A MEETING OF THE COUNCIL HELD AS A HYBRID MEETING ON WEDNESDAY, 1 MARCH 2023 AT 16:00

Present

Councillor M Jones – Chairperson

S Aspey	H T Bennett	A R Berrow	F D Bletsoe
S J Bletsoe	JPD Blundell	E L P Caparros	N Clarke
RJ Collins	HJ David	C Davies	C L C Davies
P Davies	S Easterbrook	M J Evans	N Farr
P Ford	J Gebbie	W R Goode	RM Granville
H Griffiths	S J Griffiths	D T Harrison	M L Hughes
D M Hughes	RM James	P W Jenkins	M R John
RL Penhale-Thomas	MJ Kearn	W J Kendall	
I M Spiller	J E Pratt	R J Smith	JC Spanswick
A Wathan	T Thomas	JH Tildesley MBE	G Walter
I Williams	A Williams	AJ Williams	HM Williams
T Wood	MJ Williams	R Williams	E D Winstanley

Apologies for Absence

J Llewellyn-Hopkins, M Lewis and E Richards

Officers:

Julie Ellams	Democratic Services Officer - Committees
Mark Galvin	Senior Democratic Services Officer - Committees
Lindsay Harvey	Corporate Director Education and Family Support
Rachel Keepins	Democratic Services Manager
Carys Lord	Chief Officer - Finance, Performance & Change
Claire Marchant	Corporate Director Social Services and Wellbeing
Janine Nightingale	Corporate Director - Communities
Michael Pitman	Technical Support Officer – Democratic Services
Alex Rawlin	Corporate Policy & Public Affairs Manager
Mark Shephard	Chief Executive
Kelly Watson	Chief Officer Legal, HR and Regulatory Services

99. DECLARATIONS OF INTEREST

Item 3, Corporate Plan 2023-28

Cllr H Bennett declared a personal interest as she was an employee of an organisation named as a historic partner in the report (i.e. BAVO).

Cllr E Winstanley declared a personal interest as she was an employee of Awen Cultural Trust, a partner in delivering some of the objectives of the Plan.

Item 4, Medium Term Financial Strategy (MTFS) 2023-24 to 2026-27

Cllr N Clarke declared a personal interest as she was a volunteer with Porthcawl RNLI.

Cllr J Pratt declared a personal interest as his wife was a teacher employed by BCBC and a Union Representative.

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Item 5, Capital Strategy 2023-24 Onwards

Cllr JP Blundell declared a personal interest as he was a LEA Governor of Bryntirion Comprehensive.

Cllr R Smith declared a personal interest as his wife was a teacher employed by BCBC.

100. CORPORATE PLAN 2023-28

The Chief Executive presented a report, the purpose of which was to provide an update on the Council's Corporate Plan and seek approval from Council for the Corporate Plan 2023-28, attached at Appendix 1 to the report.

The Chief Executive explained that there was a statutory requirement to develop and publish a Corporate Plan and it was probably one of the most important documents that they would consider and deliberate on, as it set out the direction of travel for the organisation and the priorities of the Council over the next five years. It had to align with the Medium Term Financial Strategy. He acknowledged the huge amount of work from the Corporate Policy and Public Affairs Manager and her team, including engagement and consultation, the detail of which was set out in the report and in the appendix. He added that it would potentially change before it was published in terms of infographics and format. He referred to the new well-being objectives and new ways of working that had been expanded compared to previous versions. The document focused on those things that had the most impact on the well-being of local residents. Efforts had been made to present the Corporate Plan in a way that was easier to understand in plain English and it was therefore more accessible. He added that an annual action plan would accompany the main Corporate Plan and all the detailed PIs, milestones and the smart elements would be included in the annual action plan.

The Chief Executive outlined the salient elements in the report including the alignment between the Corporate Plan and the MTFFS and the explicit links between the Council's well-being objectives and the resources that needed to be directed to support them. He explained that the Corporate Plan was the Council's main vehicle for demonstrating and communicating the priorities to local people and businesses and a really important document for regulators such as Audit Wales. He referred to engagement, and in particular, with the Corporate Overview and Scrutiny Committee and thanked the committee for their input and feedback. In terms of the feedback given, they had taken on board the suggestion to show the cost of Council services per day via infographics which was a much more meaningful way.

The Chief Executive explained the benefits of an annual action including the greater flexibility and allowing for additional and ongoing engagement including with young people. The Equalities Impact Assessment was set out in full as Appendix 2 to the report.

The Chief Executive added that a Delivery Plan would be presented to the Council's Overview and Scrutiny Committee, with the aim of monitoring and measuring the outcomes and objectives of the Corporate Plan's Action Plan.

The Leader, the Cabinet Member for Future Generations, the Cabinet Member for Regeneration and the Cabinet Member for Communities thanked the Corporate Policy and Public Affairs Manager and her team for their work on the plan and welcomed the level of engagement across the Chamber resulting in changes to the plan. They were encouraged to see the level of engagement with young people and partners. The Corporate Plan was an easy document to read and follow and showed how that authority provided value for money.

A Member commented that the infographics worked well and asked how the ageing population and those without computers would be able to view the document.

The Chief Executive replied that in terms of the delivery of the plan, he envisaged different versions and ways of accessing the plan such as large print versions etc. They had recognised this issue and would consider further the best way to ensure the document was accessible.

A Member referred to comments and criticisms that there should be more focus on Bridgend Town Centre and tourism and asked for assurances going forward that there would be a lot more emphasis on both this and Porthcawl.

The Chief Executive replied that there was a specific well-being objective which talked about thriving towns and there was a focus on striking a balance. The Leader added that they all shared that ambition for all the towns within the borough. The Cabinet member for Regeneration referred to the new college campus in the town centre which would be the biggest single investment they had ever seen in Bridgend Town Centre and would help in terms of the vibrancy of the town and would deliver a state-of-the-art higher education campus for students in the County Borough.

RESOLVED: That Council approved the Corporate Plan 2023-28 attached as Appendix 1 to the report.

101. **MEDIUM TERM FINANCIAL STRATEGY (MTFS) 2023-24 TO 2026-27**

The Chief Officer, Finance Performance and Change thanked the Deputy Head of Finance and her team for their hard work in bringing this report before Members.

She explained that the purpose of the report was to present to Council the Medium Term Financial Strategy 2023-24 to 2026-27, which included a financial forecast for 2023-27, a detailed revenue budget for 2023-24 and a Capital Programme for 2022-23 to 2032-33. She added that the MTFS was aligned with the Council's new Corporate Plan and the well-being objectives that were contained within it. Those documents identified the Council service and resource priorities for the next four financial years, with particular focus on the coming financial year and the development of the MTFS had been guided by those priorities.

The Chief Officer, Finance Performance and Change explained that the Council managed an annual gross expenditure of around £485 million and was the largest employer in the county borough. As a result, the Council played a significant role in the local economy of this area. The MTFS outlined the principles and detailed assumptions which drove the Council's budget and spending decisions. It outlined the financial context within which the Council was operating and tried to mitigate any financial risks and pressures going forward, whilst at the same time taking advantage of any opportunities that arose. She explained that the strategy focused on how the Council intended to respond to the increasing pressures on public sector services, which were exacerbated during the COVID-19 pandemic and immediately following that by the current cost of living crisis. It sets out the approaches and principles the Council would follow to ensure it remained financially sustainable and delivered on the corporate wellbeing objectives.

She added that it was a legal requirement under the provisions of the local Government Finance Act 92, that the Council approved a balanced budget for the coming financial year and set the council tax rates for the county borough. The report set out proposals to

achieve that objective and to contribute towards a sustainable financial position going into the medium term.

The Chief Officer, Finance Performance and Change explained that the long term financial sustainability of the Council was an important issue. The quarterly reports to Cabinet on the projected revenue position for 2022-2023 had outlined in detail the impact on the budget of the additional cost pressures faced by the Council throughout the year, as a result of the worsening economic climate, rising inflation and interest rates. These had been reflected in rising prices higher than anticipated pay increases and significant tender price increases for goods and services. While some of those additional pressures were not recurrent a number would be core pressures for the Council going forward and these were reflected in the MTFS. The final settlement for local government in Wales was not due to be announced until later that month and therefore the budget was being proposed on the basis of the provisional settlement which was received in December 2022. No significant changes in funding were anticipated between the provisional and final settlement and any changes would be reported back to Council at a later date.

The Chief Officer, Finance Performance and Change confirmed that she believed the level of Council reserves was sufficient to protect the Council in light of unknown demands or emergencies and current funding levels. It was essential that the Council fund balance was maintained in accordance with the MTFS principles, which was that the funds should balance and should be at a prudent but not at an excessive level. It was therefore essential also that revenue, service expenditure and capital expenditure were contained within their identified budgets for the coming financial year.

The Chief Officer, Finance Performance and Change referred to Annex 3 which was the detailed MTFS and drew attention to some of the key information within the document. Council had had to make budget reductions in previous years, and chart 1 indicated that budget reductions of £73 million had been found since the financial year 2010 - 2011. A range of different methods were used to encourage the public to respond to this consultation and the outcome of this process was reported to Cabinet on the 7th of February and was detailed in table five of the MTFS. Also, Cabinet and Corporate Management Board had been working with the Budget, Research and Evaluation Panel (BREP) over the last six months to facilitate the budget planning process. The draft budget report came to Cabinet in January and had subsequently been scrutinised by the Council scrutiny committees, resulting in a report to Cabinet on the 31st of January from the Corporate Overview and Scrutiny Committee, which outlined a number of recommendations. These recommendations had been considered by Cabinet and the response to these was provided in Appendix A of the MTFS. She explained that Cabinet had reflected on the responses received from the public consultation and from the recommendations from the BREP, and the scrutiny committees, and had compiled the budget based on the comments and the responses received.

The Chief Officer, Finance Performance and Change outlined the principles that would underpin the final budget for the coming year and that the budget before them provided additional funding to support the most vulnerable in Bridgend area by increasing funding to support social care and by increasing funding to support homeless individuals. It also reduced the level of service reductions required in the coming year compared to those included in the draft budget, and it reduced the proposed Council tax increase from 6% to 4.9% in recognition of the impact of any rise on the residents within the county borough. Schools had been tasked with finding budget reductions totalling 2% of their budget to be found as far as possible from efficiency savings in order to help balance the Council's budget. She asked Members to note that the Council would fully fund the pay and price increases the schools would meet in the coming year and this would outweigh that budget reduction. The risk on pay and prices would therefore rest with the Council

for schools during the coming financial year. The details of the budgets for individual services were given in section 2.4 of the strategy.

The Chief Officer, Finance Performance and Change explained that the current financial situation was outlined in section 3 of the report. With regards to the provisional local government settlement, the headline figure was an overall increase of 7.9% across Wales. The spread of that increase ranged from 6.5% to 9.3% and for Bridgend there was an increase of 7.7% in the coming financial year. The increase for Bridgend was the 13th highest increase across all local authorities. The detail on specific grants was still not available at an individual authority level. However, many of the grants remained unchanged from the current year's figures on an all Wales basis. The strategy also modelled the financial position for the authority for the next four years based on the latest information available from Welsh Government. Using this information, it was possible to look at different scenarios for the resources that may be available going forward.

The strategy was regularly reviewed as more information became available, and this was particularly important given the significant economic uncertainties at the current time. The strategy contained assumptions with regards to possible council tax rises going forward due to the pressures already outlined. The model included an increase in Council tax of 4.9% for 2023-2024. This was significantly below the current inflation rate in order to be able to support the citizens of Bridgend, to deal with the rising cost of living, such as increased energy and food bills and other inflationary increases.

The Chief Officer, Finance Performance and Change explained that section 4 of the strategy outlined the budget position for the coming financial year and the net budget requirement for next year was detailed at Table 10, which showed a net budget for next year of £342 million. She outlined some of the key points included in the financial pressures of over £25 million for the coming year. Inevitably cost pressures would arise during the year as a result of new changes or unanticipated events and therefore, a provisional allocation of £1.3 million had been set aside for these in the revenue budget whilst further work was undertaken. She asked Members to note that in setting this budget, it had not been possible to fund all of the pressures identified by services for the coming financial year. Of the £20 million identified, only £11 million had been funded in this proposed budget as detailed in Appendix C of the report. In order to balance the budget, reductions had been identified which totalled £2.6 million as detailed in Appendix D of the report. The South Wales Fire and Rescue Authority was funded by raising a levy on its constituent councils, which was based on population. The levy payable for the coming financial year was £8.5 million and this was a 9.25% increase over the levy for the current financial year.

The Chief Officer, Finance Performance and Change explained that fees and charges were reviewed on an annual basis and a schedule of the fees and charges for the coming financial year would be published on the website. New charges or charges that had been included in the 2023-2024 budget and were above the general increase were shown in Appendix E to the report.

This strategy also dealt with the proposed Capital Programme for the periods 2022-2023 through to 2032-2033. This 10 year programme had been revised during the financial year to bring it up to date and to take into account new capital schemes as they had been developed. Due to the limited capital finances available, services had been asked not to submit bids for funding at this stage. It was recognised that there were a number of capital pressures that would need financing going forward, including regeneration, decarbonisation, homelessness and digitalisation. In addition, there were also financial pressures arising as the result of the impact of the war in Ukraine and the cost of living crisis which had been seen in existing tender prices and would continue to do so for

some time going forward, placing pressure on the existing Capital Programme. The Capital Programme was shown at Appendix G of the report.

The Chief Officer, Finance Performance and Change explained that at the end of March 2022, the Council fund stood at £10.1 million. In the face of continued uncertainty regarding the economy and public finances and the impact of the pandemic and in line with MTFS principles, she recommended that Council maintained its Council fund balance at this level. An overview of reserves was undertaken at the end of December in accordance with the protocol and a breakdown of the movement on those reserves at that time was in Appendix H of the report. A further review would be undertaken at the end of the current financial year and transfers would be made at that point, taking account of the overall financial position for the Council, including the final outturn, actual council tax income, earmarked reserve levels, the Council fund level and any new pressures or risks that needed to be provided for. It was anticipated that there would be insufficient funding available to set aside reserves at the end of this financial year. Reserves could be used to support the revenue budget however, reserves could only be used once, therefore the use of them should be limited to one off areas of expenditure and they should never be used to fund ongoing base budget requirements. She explained that with regards to the council tax, the proposed budget could be balanced with an increase in the council tax of 4.9% for 2023-2024. This increase was lower than the rate of inflation and was required to enable the Council to meet the significant and unprecedented budget pressures that it was facing, including higher than anticipated pay price and service pressures.

The Chief Officer, Finance Performance and Change explained that the final section of the of the strategy provided information on the Council's longer term financial outlook.

The Cabinet Member for Resources thanked the Chief Officer, Finance Performance and Change and the Deputy Head of Finance for their work in bringing forward a balanced budget which was an enormous challenge.

There had been increased demand for many Council services this year which they had had to address and an inflationary pressure of historical proportions. As elected Members they had a responsibility to balance effective service provision against being fair to the taxpayer and there was a legal duty to agree a balanced budget. They had shared best practice and acknowledged the need for an all Wales approach to tackle issues facing all communities. He explained that they had worked alongside the School Budget Forum, the BREP, and the scrutiny committees, and he thanked all Members who took part, particularly Cllr Alex Williams and Cllr Penhale Thomas. They had been able to incorporate many of the scrutiny recommendations into the budget. He also thanked the members of the public who took the time to complete the budget survey over the five week budget consultation. He explained that the budget invested more money in schools, more money in social care and more money into highways, and he believed it was fair to the Council taxpayer. This would protect the most vulnerable people in the communities and keep a very tight grip on growth pressures. It minimised the impact on frontline services and schools had been asked to scrutinise their delegated budgets to ease the burden faced by other Council services. The Council would protect schools by meeting any new pay or price pressures and all schools would receive the full support of the Council. Member had been asked to approve an uplift to the Council tax of around £1.50 per week for a band D property. This modest rise would protect highly valued council services. This budget would build on the successes of the past, 2 new comprehensive schools, 6 new primary schools and seven flying start units and investment of around £200,000,000.

They would continue to invest in state-of-the-art education facilities over the next four years to give future generations the best possible start in life.

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The Deputy Leader explained that she was aware that the cost of living was impacting on finances and the financial impact that this budget would have on the families in the borough. She had no hesitation in supporting the budget proposal as it was the best option available to ensure the protection of the most vulnerable residents. The cost of living crisis was also affecting all staff and the Trade Union pay claim for staff was unfair. The pay award for local government was falling well behind the wider labour market and with the rapid inflationary costs, more and more staff delivering services were now falling into poverty. She added that reserves were maintained at an appropriate level in accordance with direction from Wales Audit.

The Deputy Leader advised Members when voting on this budget that she suspected that millions of pounds would be required to discharge their statutory duties in children's services due to the level of demand. She asked all Members who had been involved in the scrutiny process to be supportive of the level of reserves.

The Leader stated that this had been the single most challenging budget that he had ever been involved in setting. It sought to support families, promote well-being and protect the most vulnerable citizens in the county borough. The budget had been developed following a comprehensive consultation with the public, with key stakeholders and expansive engagement with all members through the Overview and Scrutiny process. He thanked the Scrutiny Chairs for their efforts in that process and all Members for a constructive input and recommendations. They had listened and that had been reflected in the final budget.

The Leader explained that safeguarding the most vulnerable citizens was a priority shared by every Member in the Chamber. Given the increase in demand on both adult and children's social services experienced in every local authority in the country, they would have to invest more in these essential services. He explained the proposals for both Adult and Children's social services and for the homeless. Those, together with unavoidable inflationary pressures, nationally negotiated and agreed pay increases that they anticipated would come in, would total over £14 million.

The Leader explained that the partnership with Welsh Government which would enable them to embark on the largest and most ambitious phase of the 21st century School Modernisation Programme and what that meant for BCBC. He was happy to support the budget as a well-being budget that remained ambitious.

A Member asked about the proposed savings from the withdrawal of the Blue Badge holders ability to park in BCBC car parks with no charge. She asked how much a full public consultation would cost and if the costs for this consultation were in the proposed budget and what the timelines were for delivery of this in order to deliver the budget saving of £40,000. The Cabinet Member for Resources replied that there would be a full public consultation around this saving proposal and they would take that into account and act accordingly. The Corporate Director for Communities replied that the intention was to take the savings proposed in the Communities Directorate, in one package, out for consultation. She added that BCBC was the only authority in Wales that currently allowed free parking for blue badge holders to park for free. The estimated saving of £40,000 may not be completely realised that year because they had to do the consultation first.

The Member asked how the budget conformed with principal seven of the Council's adopted budget strategy that stated savings proposals were fully developed and included realistic delivery timescales prior to inclusion in the annual budget. The Chief Officer, Finance Performance and Change replied that the saving proposal had been quantified and they had a figure against it. If the budget was agreed, they would start that process and would certainly get that policy change in place before the end of the

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financial year. They should see some of that income coming in during the financial year and it would be fully made by 2024/25.

A Member asked how much the advert on local radio cost, telling residents about enforcement on fly tipping and also how much money was raised through enforcement. The Cabinet Member for Communities replied that he did not have that information to hand but acknowledged that they needed to do more work on this as they had previously been concentrating on engagement and recycling. Recycling rates were very good so they could afford to concentrate more on fly tipping and a little less on engagement. He agreed to provide the information requested by the Member, outside the meeting.

A Member asked if they would revert back to six cabinet positions after increasing it to 7 last year, which costs the authority £17,000 a year in uplift. He asked for public assurance that no Cabinet/senior officer meetings would be held in local hotels with refreshments, but that they would be held in the Civic Centre, saving money. The Leader replied that there were no plans to increase the number of Cabinet Members and that BCBC had one of the smallest sized Cabinets in Wales.

The Cabinet Member for Communities thanked the Corporate Director for Communities and her small team for doing an excellent job with reducing resources. He referred to the consultation responses and the value of their work. He outlined the good news around capital funding and the decarbonisation agenda and other developments within his portfolio.

A Member asked how any redundancies, as a result of the 2% cut to schools and education, would be paid as he understood there was only a small amount of money in the redundancy pot. Could they be satisfied that the cost of redundancies would not outweigh the savings made by cutting education, given that it was most likely to be the oldest staff who would opt for redundancy costing the authority more? The Corporate Director for Education and Family Services replied that as in Appendix D of the MTFs, the saving represents 2% and 1% going forward. School budgets were also affected by school pupil numbers etc and therefore at this time, it was very difficult to determine the impact overall of the 2% on individual school budgets. They were not keen to see any redundancy in schools and were looking at a range of measures to see how they could achieve the savings without redundancy situations. He gave some examples of the measures being considered and assured the Member that the proposal efficiency saving for schools would not necessarily lead to teacher redundancies.

A Member asked the Chief Officer, Finance Performance and Change to confirm that the CCRD payments could be taken from both the revenue and capital budgets and corresponding reserves? He also asked where the payment was in this budget. The Chief Officer, Finance Performance and Change replied that they had a revenue budget which they used to contribute to the running costs of the CCR office. They also made an additional payment to support the capital spend for CCR. There was a reserve which was topped up and that reserve would only be required for a short period of time. They were not incurring any long term revenue costs as a result of doing it this way. The Member asked what amount of revenue had gone into pay the CCRD payment this year? The Chief Officer, Finance Performance and Change did not have that information to hand but agreed to provide it after the meeting.

A Member explained that he was concerned about the prospect of reduced staff, potentially an increase in the number of pupils on role and a response given to him in a scrutiny meeting that it could be remedied by potentially looking at shared learning online. He was concerned about the impact this could have on children with additional learning needs and cognitive disorders and was reassured that provisions would be put in place. He asked exactly how much that support would cost and where was it allocated

in the budget? The Corporate Director for Education and Family Support replied that there were two areas identified, support for learners with additional learning needs and also support for digital learning. With regard to the inclusion service or the Learner Support group within the current Directorate, there was a range of support for learners with cognition, learning and multiple motor impairments. There was also a range of support for the educational psychology, support for learners, the sensory teams and also for learners with emotional, social and behavioural difficulties and the overall cost of that provision was £7.5 million. In relation to the online learning, they had benefited significantly from a Welsh government grant over the last three years. All schools now benefitted from wholesale Wi-Fi connectivity that was available free from charge to schools. They had also provided Chromebooks to all six form learners within Bridgend and that satisfied the post 16 post inspection action plan requirement. In addition they had supported the Welsh medium schools in delivering Chromebooks to every single learner in the Welsh medium schools.

A Member asked if there was a figure of revenue that was generated from capital? The Chief Officer, Finance Performance and Change replied that returns on the capital on the revenue monies that they had invested were going up at the current time because interest rates had gone up. She did not have the figure with her but they were predicting for this year, an increase since January when the base rate had gone up.

A Member referred to officers in neighbouring local authorities working not only with the executive, but also opposition groups to formulate alternative budgets. He asked if Cabinet and officers agreed that going forward, opposition groups should be given support to work with the officers to put forward alternative budgets? The Monitoring Officer replied that there was a requirement that all officers support all members within the authority including Cabinet, backbenchers and Scrutiny Chairs and Leaders of the Opposition. From her perspective, that was satisfied by them attending Scrutiny Committees, BREP and offering to meet individually with Members as demonstrated by an open invitation over the past weekend. The Leader replied that he would like them to work together as Members on one budget the same as the one before them which benefitted from over six months of engagement with colleagues from across the Chamber. They could look at ways to improve the process next year. Hundreds of hours of members and officers time had been taken up with considering the proposals that were before them.

A Member referred to the Waterton Upgrade identified in the budget which had since been removed from the LDP following an updated report from National Resource Wales that the area was now a flood risk. This project would need to be relocated or rescoped and he asked why it remained in the capital budget. The Corporate Director for Communities replied that it was clear that they did not want to stay on that depot site. They were exploring other areas where they could replace that depot and in particular looking at the Brynmenyn Industrial Estate. It was going to be very challenging to get that capital receipt, but what was clear was that they had a salt barn and an operational depot that was now in the flood risk area and could not stay there. Work was being done to find an alternative location with a reduced budget.

A Member referred to a response given in the Corporate Overview and Scrutiny meeting of 2nd February 2023 that suggested there were hidden contingencies within the budget table over and above the £116 million stated in reserves. There may be more money available to protect children's education than presented in the budget, and it gives the impression that as an organisation, they were not being completely clear and or transparent.

He asked how much additional contingency was built into the budget over and above the state of reserves, where it was and how could this pass the test of being balanced,

robust and defined if there were undisclosed contingencies contained within it? The Leader replied that there were no undisclosed reserves. They had made a provision in the budget for pay and price inflation. He was referring to pay inflation and the pressures that they faced and that was identified within the budget that was before them.

A Member referred to the underlying principle of the Constitution which was one Council working together for the benefit of the residents. The budget that had gone through scrutiny was based on the political priorities of the administration and not all members or groups. Her group submitted what they believed to be a credible, balanced and legal alternative budget that included the recommendations from scrutiny as well as listening to the priorities in the public consultation. She was disappointed that the proposals were not considered in line with one Council and Group Leaders were not given the opportunity to discuss this further. She asked if the Leader would be willing to listen to the 25 opposition Members of this Council and public opinion and withdraw the budget and take it back to Cabinet to consider the concerns that they had all made. The Leader replied that he was disappointed that at this late stage he had not seen the alternative proposals. They had a legal duty to set a budget and a responsibility to send out the bills, to set the levy and the precept for South Wales Fire and Rescue Service, for South Wales Police and for Town and Community Councils. The Member quoted section 16, point 2.3 from the Constitution that that was not what was constitutionally required from them on that day. Councillors had the opportunity to send this back to Cabinet for five days and it needed to be done within the next 11 days. It was not law that they had to set a budget today under the Constitution. The Leader asked the Chief Officer, Finance Performance and Change to share with the Chamber, her interpretation and response. She explained that Members could submit an alternative budget if they were not happy with the proposed budget. She confirmed that she did receive an alternative budget just before the deadline. In her role as the Section 151 officer, she reviewed the proposals to ensure they were robust and that they would result in a balanced budget.

She did not believe that they met the criteria and in particular, the requirement of the Council to be robust with regards to its long term financial planning and therefore on that basis, it was not brought forward to Council. The Leader reminded Members that there was one budget for consideration before them. The Monitoring Officer explained that it was correct that paragraph 6.2, point 3 said that the Council would consider the proposals and could adopt them, amend them, refer them back to Cabinet for further consideration or substitute its own proposals. However, that should not be read in isolation in her opinion it should be read in conjunction with paragraph 16 point 2.4, which clearly stated any amendments to the proposal needed to be with the Chief Finance officer by the deadline and that included any referral back to Cabinet.

A Group Leader explained that he recognised that the backdrop to this budget was like no other. While the relatively significant uplift in the financial support from Welsh government was to be welcomed, it really masked the reality of the situation on the ground, where budgets across the local authority were under tremendous pressure. He shared his colleagues concerns at the particularly low level of savings predicated on policy changes. He thought this was something that they must have a laser focus on moving forward across the remainder of the MTFS. Working in that spirit of genuine cooperation had led to changes, and he thanked Cabinet Members for having reviewed some of their initial proposals to get them to this point. He believed fundamentally in education and that a 2% cut to individual schools budgets was infeasible and undeliverable. He was bitterly disappointed that they were unable to make some headway on reducing the level of that cut in the many rounds of discussions through BREP and scrutiny. He welcomed the commitment that had been given by Cabinet around the detail of future budgets and looked forward in the next financial year to a more rigorous and in-depth exploration of the budget setting process.

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A Member said that he thought they had actually worked as one Council over the last few months. He had sat on the BREP committee, which looked in detail at the budget proposals and where the cost savings were going to come from and in general, there was a strong consensus around from those committees about the things that needed to be changed. Cabinet picked up many of the changes and this was collaborative working across the Council. He believed they were working on very low levels of contingency for the organisation and should there be another catastrophe, it could leave the organisation vulnerable and unable to provide those statutory and essential services to residents. Were officers sure that they had enough in terms of contingency reserves and were they ready for Bridgend to bounce back as quickly as possible from this? The Chief Officer, Finance Performance and Change replied that the Council fund was enough for emergencies and it certainly shouldn't go any lower. The Council fund should sit at 5% of the net revenue budget and they were sitting at just some margin below that so were in line with what Audit Wales would consider acceptable. They did have earmarked reserves which had been set aside to meet liabilities that they knew they were going to meet or to meet policy decisions that had been made which they could not deliver in any one year to enable them to deliver some of those policies over a period of time. She believed that the reserve levels were right and that they were managing the risks going forward through that reserve policy. With regards to investing to help in the future, she outlined work going through the capital programme to enable them to do that such as solar panels etc.

A Member stated that inflation was running at between 10% and 12% and they were faced with supporting an increase to a budget of less than half of that. He was therefore inclined to support the one budget that he had seen and had the opportunity to help scrutinise and he supported it as being necessary in the current circumstances.

A Member asked about support for schools going forward. The Corporate Director for Education and Family Support replied that where schools had deficit budgets, they would need to support them and the range of support on offer would be from a wide range of sources, not just from finance but from school improvement professionals and from local authority experts.

There was also a range of activity to support families to make sure the needs of children coming into schools in early years settings were also supported.

Following a Members request which was duly seconded, a recorded vote was conducted on the report's recommendations, the result of which was as follows:

For: Councillors S Aspey, H Bennett, JP Blundell, E Caparros, R Collins, HJ David, Colin Davies, P Davies, M Evans, N Farr, P Ford, J Gebbie, R Goode, RM Granville, H Griffiths, S Griffiths, M Hughes, M Jones, M Kearns, W Kendall, JC Spanswick, JH Tildesley, G Walter, H Williams, R Williams, E Winstanley = 26 votes

Against: Councillors A Berrow, F Bletsoe, S Bletsoe, N Clarke, Chris Davies, S Easterbrook, D Harrison, D Hughes, P Jenkins, M John, R Smith, I Spiller, R Penhale-Thomas, T Thomas, A Wathan, Alex Williams, Amanda Williams, I Williams, M Williams, T Wood = 20 votes

Abstentions: RM James and JE Pratt

The recommendations of the report were carried.

RESOLVED: That Council approved the MTFs 2023-24 to 2026-27, including the 2023-24 revenue budget and the Capital Programme 2022-23 to

2032-33. In particular Council approved the following specific elements:

- The MTFS 2023-24 to 2026-27 (Annex 3).
- The Net Budget Requirement of £342,047,227 in 2023-24.
- A Band D Council Tax for Bridgend County Borough Council of £1,675.26 for 2023-24 (Table 15 of the MTFS).
- The 2023-24 budgets as allocated in accordance with Table 10 in paragraph 4.1.3 of the MTFS.
- The Capital Programme 2022-23 to 2032-33, attached at Appendix G of the MTFS.

102. **CAPITAL STRATEGY 2023-24 ONWARDS**

The Chief Officer, Finance Performance and Change presented to Council for approval, the Capital Strategy 2023-24 to 2032-33 (Appendix A to the report), which included the Prudential Indicators, and the Annual Minimum Revenue Provision Statement 2023-24.

She explained that local authorities were required to determine a Capital Strategy which demonstrated that the authority took capital expenditure and investment decisions in line with service objectives and properly took account of stewardship, value for money, prudence, sustainability and affordability when making these decisions. The proposed Capital Strategy for 2023 - 2024 to 2032 - 2033 was attached at Appendix A of the report.

The Chief Officer, Finance Performance and Change explained that the strategy set out the Council's plan for capital expenditure, and how that was to be funded over the coming 10 years. In developing long term investment decisions, it was crucial that decisions were based on clear information, including a long term management plan. The document was presented as an integral part of the Council's budget and policy framework. It linked with the Corporate Plan, the Treasury Management Strategy, the Medium Term Financial Strategy and the Council's Asset Management Plan.

The Chief Officer, Finance Performance and Change outlined the principles which drove the budget and spending decisions of the Council as reflected in the capital strategy. The plan detailed how any proposed investments in land and buildings would require the completion of a full feasibility study to evaluate the practicality of the capital project, and to assess its deliverability before the Council invested time and money into that project.

The Chief Officer, Finance Performance and Change added that there were a number of significant areas that would need financing going forward, including economic recovery, decarbonisation and homelessness, digitalisation and coastal defences. As reported to Council throughout the year there were also other financial pressures arising as a result of the pandemic and Brexit, which were being seen in existing schemes, and it was anticipated this would continue for some time going forward. The pressures included supply chain difficulties leading to higher prices and delays in schemes being completed.

The Chief Officer, Finance Performance and Change explained that the strategy also referred to the changes with regards to the ability to borrow from the public works loan board with regards to borrowing to invest primarily for financial return. Major capital projects required careful management to mitigate the potential risks which could arise. The effective monitoring, management and mitigation of these risks was a key part of managing the capital strategy.

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The Chief Officer, Finance Performance and Change explained that the report outlined the robust process in place to approve, manage and monitor capital projects and quarterly capital monitoring reports were prepared for Cabinet and Council which included details of any variances between projects as well as projections of likely year end spend.

The Chief Officer, Finance Performance and Change reported that in 2023 - 2024 the Council was planning capital expenditure of £69 million and this was summarised at table 2 within the capital strategy document. The Council had several funding streams available to support capital investment and these were detailed in appendix one of the capital strategy. The Council received support from Welsh government towards the cost of capital and this funding was prioritised towards investment that was required to meet health and safety requirements. There were currently no nationally imposed restrictions to the level of borrowing that the Council could incur to pay for capital investment. The Council approved its own affordable borrowing limit.

The percentage of the Councils revenue budget that was committed to capital financing costs was increasing in the long term period given the pressure on revenue budgets, this limited the affordability of other priorities in future years and should be a factor considered by members when determining the capital programme.

The Cabinet Member for Resources welcomed the strategy which provided a clear framework for Members to follow and provided a clear commitment for post project evaluation. He supported the request from Scrutiny for a member training session to ensure that going forward, all Members had a good, clear understanding of the strategy.

A Member referred to the significant pressure on the capital programme from higher prices as a result of inflation and asked the Chief Officer, Finance Performance and Change to outline the changes to the strategy or the additional considerations that had been included in the strategy to accommodate those in future. The Chief Officer, Finance Performance and Change replied that this was about future proofing the Capital Programme. It was normal practice to include contingency in individual schemes. They were aware there were pressures within existing schemes which were outside the control of officers and there were issues in relation to inflation impacting on many of the capital schemes at the moment. Tenders were coming in above anticipated estimates and they were not allocating all of the capital monies to enable them to respond to those kind of pressures going forward.

A Member asked for reassurance that the Executive would look at maximizing the opportunities that came with investing in solar energy and EV charging points to provide much needed revenue to the Council. The Leader replied that they were investing in electric vehicle charging points as reported to Council and they would consider ideas around improving energy efficiency in schools to reduce energy costs. He asked Members to support and recognise the work being done around Bridgend Heat Network, which was a pioneering project, the only one of its kind and supported the authority's renewable energy agenda.

A Member asked if going forward, they could have better reporting of risk at project level so when faced with difficult decisions, they had the complete picture. The Chief Officer, Finance Performance and Change replied that she was happy to look at the way that information was reported. They did not want to give away commercial information but would look to see if they could address the issues raised.

RESOLVED: That Council approved the Capital Strategy 2023-24 to 2032-33 including the Prudential Indicators 2023-24 to 2025-26 and the

103. TREASURY MANAGEMENT STRATEGY 2023-24

The Chief Officer, Finance Performance and Change presented the Treasury Management Strategy 2023-24 (Appendix A to the report), which included the Treasury Management Indicators, for 2023-24 to 2025-26.

She explained that the Treasury Management functions of the Council were regulated by the Local Government Act 2003. This provided authorities with the powers to borrow and invest as well as providing controls and limits on this activity. The Council had to approve a Treasury Management Strategy before the start of each financial year which set out the Councils and Chief Financial Officer's responsibilities, delegations and reporting arrangements.

The Chief Officer, Finance Performance and Change explained that the Council undertook its treasury management activities in accordance with the Chartered Institute of Public Finance's prudential code which had been updated to reflect changes in an increasingly complex environment and to complement changes to regulations. The Council had an integrated Treasury Management Strategy where borrowing and investments were managed in accordance with best professional practice. The Council would look to borrow money if needed to either meet short term cash flow needs or to fund capital schemes approved within the capital programme. Therefore, any actual loans taken were not generally associated with particular items of expenditure or assets.

The Chief Officer, Finance Performance and Change explained that the Council was exposed to financial risks including the potential loss of invested funds and the revenue effect of changing interest rates. The successful identification, monitoring and control of risk were therefore central to the Treasury Management Strategy. Should anything change significantly, a revised strategy would be presented to Council for approval. She added that the ongoing impact on the UK of the war in Ukraine, together with higher inflation, higher interest rates, uncertain government policy and a deteriorating economic outlook, would be major influences on the Council's Treasury Management Strategy for 2023-2024.

The Chief Officer, Finance Performance and Change reported that as at the 31st of December 2022, the Council held £99.8 million of borrowing and £94.05 million of investments. It was anticipated that the Council might need to borrow during the next three years however, this position could change should capital schemes not progress as anticipated, further schemes added to the capital programme that were not fully funded by grant or revenue contributions, or new schemes added which required additional debt financing. When borrowing money, the Council's primary objective was to strike an appropriately low risk balance between securing low interest costs and achieving certainty of those costs over the period for which funds were required. The strategy outlined the major objectives for the Council with regards to borrowing in 2023-24.

The Chief Officer, Finance Performance and Change explained that they had changed the strategy going forward based on comments that they had received from elected Members. The new strategy proposed that there was a reduced limit on what they could place with other local authorities and they were also proposing to reduce the time over which that money could be invested. During the coming financial year, Council would receive reports as required in the Code of Practice. These included an annual Treasury Management Strategy, a mid-year monitoring report and an annual Treasury Outturn report.

A Member referred to some councils around the country that were taking a higher degree of risk and getting themselves into trouble and asked if the authority was confident that the changes that had been made to the strategy were sufficient to protect against those situations. The Chief Officer, Finance Performance and Change replied that treasury management activities had inherent risk built into them and the strategy was trying to minimise that as much as possible. The changes that they were proposing went close to reducing that risk.

A Member referred to the loan to Thurrock Council of £8 million, £5 million of which was due to be repaid in May and asked if the Chief Officer, Finance Performance and Change could clarify the position. The Chief Officer, Finance Performance and Change replied that this was one of the risks they faced however there was a very strong process in place to make sure that they made all the relevant due diligence checks before that money was deposited anywhere and they would have regular updates in relation to that particular investment. Some repayment was due during the current financial year and they were assured that both of those payments would be made on the date on which they were due.

A Member asked if they reviewed on a regular basis, what programmes would move forward within the next two years and if not, what money could be moved back into the mainstream budget to alleviate the other problems they were facing.

The Chief Officer, Finance Performance and Change replied that the Capital Programme was submitted regularly and therefore regularly reviewed. With regards to individual schemes, they asked for updates from project managers on a very regular basis with regards to likely spend and the profile of that spend. Schemes would not sit in the Capital Programme if there was an issue with them or if the scheme was not going to be delivered and any funding that was earmarked to that scheme would then be released. They could then reallocate that money, if they were satisfied that the scheme would not take place, to support other capital schemes that were coming online. Reserves could only be used once, so they could not be used to prop up the revenue budget over a period of time.

RESOLVED: That Council approved the Treasury Management Strategy 2023-24 including the Treasury Management indicators 2023-24 to 2025-26 (Appendix A of the report).

104. **COUNCIL TAX 2023-24**

The Chief Officer, Finance Performance and Change presented a report providing Council with details of the council tax requirement for the County Borough Council, together with the requirements of the Police and Crime Commissioner for South Wales and Town and Community Councils, and seeking Council approval of the Band D council tax for Bridgend County Borough Council and the community areas for 2023-24.

The Chief Officer, Finance Performance and Change explained that in accordance with the Local Government Finance Act 1992, the Council had to calculate its budget requirement and formally approve the Council tax for the coming year. In addition, as a billing authority, Bridgend County Borough Council was also required to calculate the basic amount of Council tax for dwellings within the area, which related to one or more special items. This Council collected the council tax on behalf of Town and Community Councils within the area and also the Police and Crime Commissioner for South Wales. The Council had agreed a net budget requirement for the Council for the coming financial year of £342 million. This equated to a council tax of £1675.26 on a band D property.

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The Chief Officer, Finance Performance and Change explained that the Police and Crime Commissioner for South Wales had notified the Council that their precept for the coming financial year had been agreed and their precept on a band D property would increase to £324.47. This was a 7.4% increase for the coming year. The Town and Community Councils budget requirement for the coming year was an average .92% increase for 2023-2024. The total average band D council tax requirement for the coming year for all areas of Bridgend, and a further breakdown of the counter tax for each area detailing the amount payable to this Council was as shown in table 7 of the report.

A Member asked if there could be a vote on this bearing in mind that the budget had already been passed and if those Members who sat on Town and Community Councils should declare an interest. The Monitoring Officer replied that in terms of the interest, there was no need to declare a prejudicial interest. The budget had been passed by Council and her advice was if the council tax wasn't approved at this stage, they would be frustrating the will of Council.

The Member referred to the cost-of-living crisis and asked what the process was for recovering missed payments and if the authority was flexible in these circumstances. The Chief Officer, Finance Performance and Change replied that there were a number of processes in place to support people who were in difficulty with regards to meeting their council tax. If people wanted to pay in instalments, they could pay over 12 months as opposed to 10, which eased it for some people. They also checked to see whether or not they would be entitled to any benefits or anything that they may not be aware of. There was the Council tax reduction scheme as well, which was £16 million in the revenue budget to support people should they be having difficulties with their council tax, and the Council had in past years put more money into that for exactly the reason that had been identified.

A Member asked the Leader if he believed Welsh Government was doing all it could to help authorities in Wales. The Leader replied that the First Minister was on record as saying that he had a concern about the impact of increasing the income tax on some of the people on the lowest incomes in Wales and the potential regressive impact of an increase in the basic rate of income tax. In terms of the higher rate of income tax, there was a much smaller base in Wales and other parts of the UK and the revenue that would be generated from that was not considered significant. Welsh Government were currently considering their options in terms of raising income and they were certainly looking at the council tax system. The outcome of the consultation of the council tax system would be reported back and there would be some changes following on from that.

A Member stated that there was no comparison in the report with the other local authorities and that BCBC had the 4th highest level out of the 22 authorities in Wales. He asked if an analysis had been undertaken on affordability levels and what impact an increase would have on collection rates. The Deputy Head of Finance replied that the collection rate was reviewed annually and was actually brought down in pandemic. It was a combination of looking at the collection rate and what measures could be put in place to support residents. With regard to affordability, the Chief Officer, Finance Performance and Change explained that they were always monitoring collection rates and this was reflected when they brought the council tax base forward for approval back in December. It would never be set at a level which they did not think was achievable.

The Cabinet Member for Resources explained that when they used averages, they could give some kind of guidance of the average across Wales to refer to how authorities were funded. Within that range, there were a number of properties below a band D and a number above. The majority of properties in BCBC were below band D and this affected

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the overall average position in that table. A more affluent authority with a greater number of properties above band D would be different and therefore it was not really relevant where they were in that table. The Member replied that he had the Stats Wales table in front of him and BCBC was exponentially higher than most local authorities across the board.

Following a Member request, a recorded vote was conducted, the result of which was as follows:

For: Councillors S Aspey, H Bennett, JP Blundell, E Caparros, R Collins, HJ David, Colin Davies, P Davies, M Evans, N Farr, P Ford, J Gebbie, R Goode, RM Granville, H Griffiths, S Griffiths, M Hughes, RM James, M Jones, M Kearn, W Kendall, JC Spanswick, G Walter, H Williams, R Williams, E Winstanley = 26 votes

Against: Councillors A Berrow, F Bletsoe, S Bletsoe, N Clarke, Chris Davies, S Easterbrook, D Harrison, D Hughes, P Jenkins, M John, R Smith, I Spiller, R Penhale-Thomas, J Pratt, T Thomas, A Wathan, Amanda Williams, I Williams, M Williams, T Wood = 20 votes

The recommendations of the report were carried.

RESOLVED: That Council approved:

- a Band D Council Tax for Bridgend County Borough Council of £1,675.26 for 2023-24, and
- the Council Tax charges for Band D properties for 2023-24 for each of the community areas as outlined in Table 7 of the report.

105. **URGENT ITEMS**

None.

The meeting closed at 19:16