

Meeting of:	EXTRAORDINARY MEETING OF SUBJECT OVERVIEW AND SCRUTINY COMMITTEE 3
Date of Meeting:	25th July 2023
Report Title:	UPDATE ON COMMUNITIES DIRECTORATE POSITION & CHALLENGES
Report Owner / Corporate Director:	CORPORATE DIRECTOR COMMUNITIES
Responsible Officer:	Janine Nightingale CORPORATE DIRECTOR COMMUNITIES
Policy Framework and Procedure Rules:	There is no effect upon the Council's policy framework or procedure rules as a result of this report.
Executive Summary:	<p>The report reviews the challenges faced by the Communities Directorate.</p> <p>This Includes setting out the consequences of the £11.744m of savings taken from the Communities budget over 10 years of austerity, the reduction in staff teams and the vacancy issue that is affecting the rate of delivery of key statutory services.</p> <p>It sets out the work & performance of the directorate over the past 12 months and recommends that a new 5-year Target Operating Model be developed to align service provision with existing budgets and resources.</p> <p>This is recognised within the financial context and challenges of the Council in the years ahead.</p>

1. Purpose of Report

- 1.1 The purpose of the report is to update the extraordinary meeting of the Subject Overview and Scrutiny Committee 3 on the current position with the Communities Directorate in terms of budget and resources and comment on how this will affect future performance. Also, to provide a considered narrative of how the situation could be improved.

2. Background

- 2.1 The Communities Directorate brings together a wide range of services, some of which are statutory and many of which are highly visible to members of the public. These include waste collection & disposal, cleaner streets, highways and green spaces such as parks, and cemeteries, coastline and beaches, planning and development, strategic regeneration including major capital projects, economic development, the Bridgend employability services and the natural environment. This includes nature reserves and biodiversity and importantly the council's strategic commitment to the 2030 Net Zero Carbon Agenda. The Directorate is also responsible for the council's estate via the Corporate Landlord Section. We are committed to working in partnership with our citizens, our communities and with other partner and third sector organisations to listen and then to develop and deliver more responsive and sustainable services.
- 2.2 A Corporate Director leads the Community Directorate with one Head of Service, with the title Head of Operations – Communities Services. There are five Group Managers and one Service Manager. There are currently 586 staff employed in the Directorate, which equates to only 9% of the Council's overall resources. This is shown in the figure 1 below. The organisational structure of the Directorate and the principal areas of activity for which it is responsible is shown in figure 2 overleaf.

Figure 1 – staff resources in the Council

Our people

The Council is a large organisation employing around 6,000 people. People in our four directorates provide services to support communities through all stages of life.

For this, we rely on our people, from engineers to teachers to care workers.



Communities	568	Chief Executives	441
Social Services and Wellbeing	1,133	Education and Family Support	727
Schools	3,058		

- 2.3 The position that the Communities Directorate finds itself in in 2023, is very challenging. Not only in terms of budget pressures but in terms of staff resources, local community and political expectations and an increase in statutory work demands and pressures. Including, for example the Welsh Government mandated implementation of the 20mph speed restrictions and the 2030 Net Zero Carbon Public Sector Agenda.
- 2.4 This is not to say that the position is more acute in Communities than other Directorates in the Council, as there is a recognition of the challenges that exist in

other areas across the Council, such as Social Care. The Communities Directorate position, however, is set against a backdrop of 10 years of Austerity, where £11.744m has been removed from the Directorate budget in savings. This equates to a circa 38% reduction in real terms, with the budget in 23/24 standing at £31m. In 23/24 this £31m equates to only 9% of the Council's overall net Budget. Nearly half of the Council's budget is spent on our schools and education services and another quarter is spent on social services and wellbeing. The breakdown of the Council's budget is shown in figure 3 below.

2.5 The Communities Directorate has received some elements of budget growth pressures during the 10-year period, 2014 to 2023. This totals £7.8m, however this does include a £2m allocation for a corporate Public Realm Fund, £1.741m for waste services pressures which includes an increase in tonnage of waste collected, 592K to cover the reduction in waste grant and an allocation of 692k in 2017/18 for a revenue contribution to the Cardiff Capital Region City Deal (CCR).

Figure 2 – Structure Chart of the Communities Directorate with responsibilities

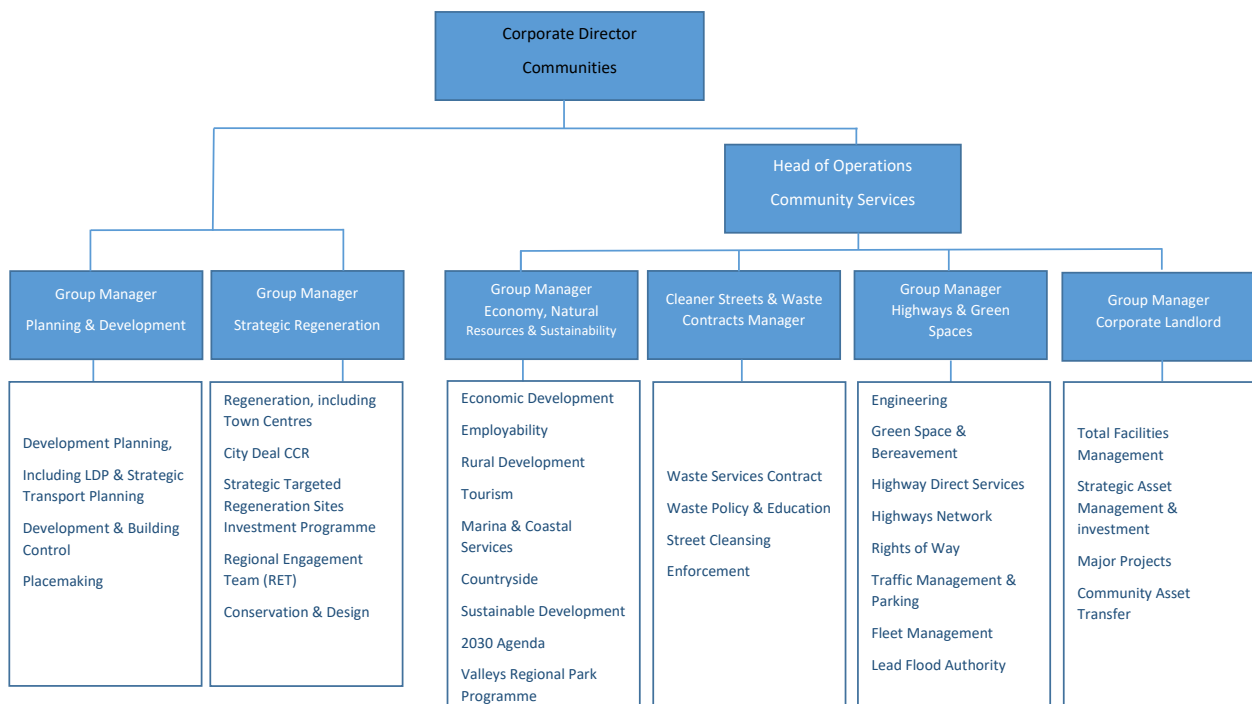
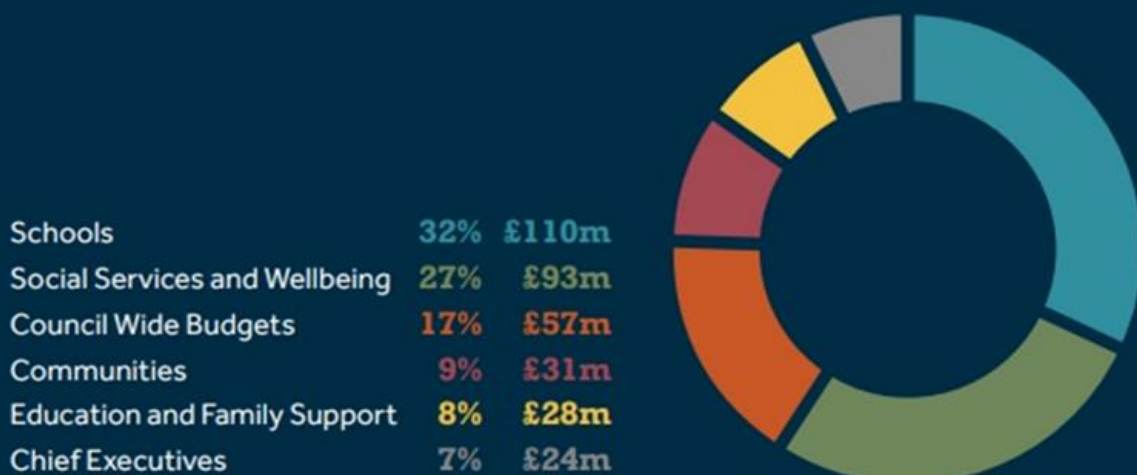


Figure 3 – Breakdown of Council Net Budget

Where does our budget go?

Nearly half of your Council's budget is spent on our schools and another quarter is spent on social services and wellbeing.

You can see the detail in the chart.



- 2.5 The decision to reduce the Communities Budget was made by the Council over successive years, largely to protect core statutory services in Social Services and Education. Consequently, this has had a very marked, cumulative impact on the service delivery and resource profile in Communities. The 10-year profile of the £11.744m Budget Savings from the Communities Directorate, provided by the Finance Department, is shown below in figure 4 below.

Figure 4 – Community Budget savings over 10 years (shown in Millions)

14/15	15/16	16/17	17/18	18/19	19/20	20/21	21/22	22/23	23/24	TOTAL
1.728 m	2.488 m	1.336 m	806K	1.454 m	1.938 m	646K	823K	150K	375K	11.74 4m

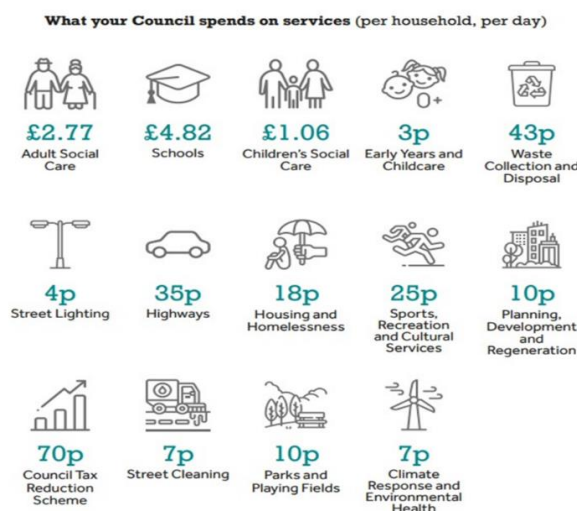
- 2.6 Whilst during the first few years of austerity the savings made to the Communities budget may not have been immediately noticeable, the cumulative effect from 2018 onwards has had a very marked impact on the delivery of statutory and essential frontline community services. The most significant savings achieved were £1.188m on the Directorate staffing structure, which saw the removal of a Head of Service and Group Manager post, the reduction of Business Admin support to the Directorate and the reduction in size of teams. At the same time the Corporate Director Communities accepted the post of interim Chief Executive, until his later appointment to that post in 2019. These staff changes removed layers of senior management and administrative capacity in the Directorate, which effected both performance and the speed of decision making. Some teams have since operated with a circa 50% reduction in staff but not with the corresponding realignment of responsibilities or expectations. Examples of reductions in team size include: -

- The Street Cleansing Team reduced from 85 to 42 posts (51%)
- Traffic & Transportation reduced from 11 to 6 posts (46%)
- Tourism Team over successive years from 22 to 1 post (95%)
- Green Space & Bereavement (winter position) from 87 to 46 posts (48%)

2.7 Other areas that are difficult to manage are the public expectations versus the reductions in service provision, as a direct consequence of these budget savings. Some of the most reported items by the public are weed control and grass cutting across the Borough, with dissatisfaction expressed on both. The reduction of these budgets has undoubtedly had a detrimental impact on the visual amenity of the Borough. The grass cutting regime was reduced from 8 cuts a year to 5 to make the relevant savings, however the public perception is not of a budget reduction but that the service provided is poor. This will be incredibly difficult to reconcile when the Council and Directorate have significantly reduced budgets overall and are effectively balancing competing statutory and financial priorities, some that could ultimately save lives. For example, the provision in social care and ensuring our highways network is safe and efficient. In a challenging budget position, these will unfortunately always have to take precedence over other amenity services.

2.8 This diminishing budget situation is quite starkly represented by a graphic that was recently included in the new corporate plan. This sets out the Council spends per household, per day on its services. From figure 5 below services such as Schools and Adult Social care cost £4.82 and £2.77 respectively per day. While the Council daily spend on waste collection and street cleansing is 43p and 7p per household, per day and the spend on Highways is 35p and Parks and Playing Fields 10p. This illustrates the exceedingly difficult budget challenges faced by the Council and the scale of the reductions in funding that have been subsequently awarded to the Communities Directorate to deliver front line services.

Figure 5 – Council spend on services, per household per day in 2023/24



2.9 Before moving onto the impact that the budget is having on the performance on the Communities Directorate, it also imperative that the current staff vacancy picture is

established. In addition, to having very lean teams and reduced budgets within the service area, there is also unfortunately a significant problem with vacancies, which is compounding the resource picture.

2.10 The Directorate currently has 61 vacancies in professional services posts. This equates in real terms to nearly 40% of professionally qualified posts. Some vacancies have existed for more than 12 months and are increasingly difficult to fill, as the market situation and salary gap is widening between the public and private sectors. This has inevitably resulted in delays as work has to be prioritised, sometimes on a daily basis. All vacant posts have been advertised regularly on the Council's website, through social media channels, and in specialist journals, such as "The Planner" magazine and press such the Guardian. Inevitable where the post cannot be filled some vacancies have to be filled using specialist agency staff to backfill priority positions, including in planning, highways, and for structural engineers. We have been collaborating with colleagues in HR to look at more innovative ways to recruit. This includes in some areas removing Chartered Status as a barrier to recruitment and assisting staff to gain this in post. However, some vacant posts are senior and require specialist qualifications, so it is not always possible to bring less qualified staff forward for the roles. Examples of some of the 61 posts currently vacant include: -

- **Principal Structural Engineer & Senior Structural Engineer**
- **Senior Drainage Engineer & Drainage Engineer**
- **Highways Engineers x 2 posts**
- **Building Control Team Leader (vacant 2 yrs)**
- **Highway Development Control Officer (vacant 3 yrs)**
- **Strategic Asset Manager & Surveyors x 6 posts**
- **Principal Strategic Transport Officer & Transport Officer**

3. Current situation / proposal

3.1 The previous section of this report has set out the budget and resource challenges of the Directorate, what is important to now understand is how these impact on performance and service delivery. This is because it is widely acknowledged that the perception of the performance of the Directorate, from both the public and local politicians, is that it is poor in some areas. This is a cause of real frustration amongst officers, who are managing really challenging portfolios, delivering some valuable services and projects, whilst prioritising work on a daily basis. It is not a situation that any member of staff in the Directorate wants to be in.

3.2 There is no doubt that the reduced levels of staff and service level budgets, compounded by unprecedented vacancies have caused some areas of the service to be less responsive in their business as usual [BAU] activities than they would like to be. Also, inevitably some projects have had delayed starts and now have to be undertaken on a prioritised forward work programme basis. This process is managed via the Directorate Management Team (DMT), who meet weekly to look at resource's profiles and prioritisation.

- 3.3 It is felt that one of the areas most criticised is that of Members Referrals. This has been the subject of many discussions with members for the past year. It will not add value to rehearse the concerns in detail in this report. There are however actions being undertaken to improve the functionality of the platform, increase the amount of information available for self-service and to add a small resource to the Directorate to manage the system. Currently, the Communities Directorate has no specific business support for referrals and is reliant on the small pool of professional officers, still in post, to set aside their BAU activities to answer referrals. Whilst we recognise that referrals are an important part of a role as an elected member, our current staffing level, does unfortunately mean that sometimes responding does inevitably then delay service delivery. It is felt that the situation is improving, and we hope to continue this with some additional resource in the coming months.
- 3.4 Whilst the major projects of the Directorate are fairly well known, we are successfully currently delivering over £68m of primarily grant funded capital schemes (*shown as figure 6 overleaf*). What is less visible however, is the significant amount of Corporate Reporting that is undertaken by the officers within the Communities Directorate. The detail of this over the past 12 months is set out below. These are an important part of the Business as Usual (BAU) work of the Directorate, but it does take significant resource and time every month to complete. In the last twelve months alone, the Directorate has delivered the following mentioned corporate reporting below, with a key number of strategies including most significantly the Replacement Local Development Plan. This was the culmination of three years' work and the first LDP in Wales to come forward to Welsh Government since the pandemic. So, despite the financial and resource pressures this has been achieved.
- **36 Cabinet Reports** – including the Bridgend 2030 Net Zero Carbon Strategy, Biodiversity Duty & Action Plan, Porthcawl Placemaking Strategy and the £3.5m Grant CCR Award for the Ewenny Road Redevelopment Site in Maesteg.
 - **5 Council Reports and 19 responses to Council Questions** – including the Economic Development Strategy and the Replacement Local Development Plan
 - **15 Scrutiny Committees, including COSC and CPA**
 - **3 Scrutiny Call In's** – Including the Waste Strategy, Porthcawl Appropriation and the Bridgend 2030 Net Zero Carbon Strategy
 - **9 Development Control Committee** – to determine planning applications
 - **3 All member Briefings** – The Members Portal, Active Travel & the Welsh Government 20mph speed limit implementation
- 3.5 As indicated above the Directorate's performance is also regularly scrutinised by this Committee SOC3, the Corporate Overview and Scrutiny Committee and by quarterly Corporate Performance Assessments. Over the last twelve months the numbers of Key Performance Indicators that are showing as red are very low for Communities, with the majority being amber or green. In addition, the revenue budget has also been well managed, with the Directorate reporting a close to balanced year end position for the past three years. This has been very challenging, particularly when there is such a demand for services, but it is clear that the number of vacancies throughout the Directorate is assisting financially in this regard.

Figure 5 – Circa £68m (majority grant funded) Major Projects being delivered by Communities Directorate

- £8m Maesteg Town Hall
- £3m Cosy Corner Redevelopment
- £3m Metro Link Project
- £18m Grand Pavilion Project
- £23m Shared Prosperity Fund Projects
- £3m Children's Playground Refurbishment
- £1.1m Local Places for Nature Fund
- £1m Communities for Work Fund
- £1.5m Additional Active Travel Routes
- £1.3m Urban Enhancement Property Fund
- £5m School Maintenance Grants
- WG 20mph Speed Restrictions across Borough
- Interim Waste Contract 2024/26
- Bridgend College Redevelopment (enabling works)
- Energy Projects including BDHN and Hybont
- Designing two major Primary Schools

WAY FORWARD FOR THE DIRECTORATE

- 3.6 It is very clear from both the existing Council budget position and the Medium-Term Financial Strategy (MTFS) that the financial position of the Communities Directorate is unlikely to improve in view of projected difficult settlements nationally and significant demands on other services. In fact, based on current projections, it is likely that the Directorate will have to make additional budget savings in the years ahead. Between 2020/21 and 2022/23 the savings required by the Communities Directorate has been 33% of the overall Council's savings target, despite only having 9% of the Council's budget overall. The reasons for this were set out earlier because the Council has had to make very difficult decisions to protect other services, including Education and Social Services Budgets.
- 3.7 This challenging financial situation, combined with very lean BAU staff teams, high vacancy rates and difficult to fill posts, with the added complexity of statutory responsibilities, large major projects, and the inevitable expectations of both the local communities and politicians, has meant the Directorate now has to look in detail at its Target Operating Model (TOM), over a five-year period to align with the MTFS planning. This is because the current situation is not sustainable. It is exerting undue pressure on staff and means that the Directorate cannot properly fulfil on a sustainable basis all its statutory obligations (*shown in table 6 overleaf*) without unavoidable delays, due to the need for work to be prioritised. This inevitably causes frustration to local communities and elected members and staff alike, and a key part of looking at the five-year TOM must be the management of expectations going forward. Communicating the consequences of reduced budgets and prioritisation of key services must be effective to ensure that our communities understand fully the situation, even if they express unhappiness with the outcome.
- 3.8 Therefore, a key part of this is likely to have to be more effective ongoing, communication and engagement with our local residents to gain a better mutual understanding, help shape and inform priorities and agree the role everyone can play

in helping to deliver some services. The Council is not able to deliver all services for everyone, or indeed many of the services to the same level that it has done historically, something that is very clearly set out in our newly approved Corporate Plan. So increasingly an important role will be helping to assist and facilitate communities to be able to provide some of the solutions to this challenge, while unless overall resourcing increases substantially, it is inevitable that our focus will have to be on delivering fewer services, but delivering them well, and these are likely to be the main statutory ones where realistically only the Council can effectively provide that service.

- 3.9 To develop an effective TOM moving forward it is recommended, that this work is focused on what services the Directorate can deliver efficiently and effectively, aligned and within the reduced resource and budget allocations. This must take into account its wide range of statutory responsibilities but also critical functions like strategic regeneration and economic development, which bring millions of pounds of grant funded capital allocations into the Authority annually. For every £1 spent in these functions £9 is returned and these grants in the main fund the majority of the major projects set out in figure 5 above.
- 3.10 This work should not be focused on delivering further efficiency savings, although this might be a byproduct but to ensure that the future service provision is financially sustainable and customer centric. A key part of this will be to ensure that the Directorate continues to collaborate with local communities and key stakeholders and that it maximises its partnership working with other Local Authorities, the Cardiff Capital Region, Welsh Government, and public sector bodies such as the Local Health Board.
- 3.11 It must be recognised, that a new 5-year TOM will not be the panacea for all the financial challenges faced within the Local Authority or the Directorate. There will inevitably need to be prioritisation of projects, however it will provide an opportunity to look at service provision and identify those services that bring the most value to the Community and which assist in delivering our Corporate Plan Aims and 7 Well Being Objectives.
- 3.12 This will be alongside the existing work that is ongoing with finance to manage existing budgets and priorities, vacancy management, reviewing the wellbeing plans of the Directorate and improving information available to members and the public to encourage self-service.

Figure 6 - Statutory Responsibilities held with the Communities Directorate

- **Local Highway Authority** – To ensure a safe & efficient highway network
- **Waste Collection Authority** – collected, treated, disposed & recycled
- **Flood Authority** – flood prevention, monitoring & response
- **Cemetery Order & Bereavement Duties** – cemeteries & crematorium
- **Statutory Building Compliance** – including Big 5 within Corporate Estate
- **Local Planning Authority** – Planning Applications and Local Development Plan
- **SAB Authority** – Sustainable Drainage Approval Body
- **Building Regulations & Safety** – Building Control Applications & Inspections
- **Listed Buildings & Conservation Act** – Applications & protection
- **Natural Environment & Rural Communities** – conserving & improving Biodiversity
- **2030 Net Zero Carbon Public Sector** – WG duty on LA's
- **Harbour Authority** – Porthcawl Marina & wider environment
- **Hazardous Substances Authority** – Application approval for HSE & NRW
- **Minerals Planning Authority** – Local Quarries

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

- 4.1 An initial Equality Impact Assessment (EIA) screening has identified that there would be no negative impact on those with one or more of the protected characteristics, on socio-economic disadvantage or the use of the Welsh Language. It is therefore not necessary to carry out a full EIA on this policy or proposal.

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

- 5.1 BCBC is committed to promoting sustainable development and to discharge its duties under the Well-being of Future Generations (Wales) Act 2015. However, it must be noted that this legislation, which is now heavily embedded into the work of the Directorate, will make it very difficult to review our TOM. That is, to remove or stop community or front facing services in a compliant way. A summary relating to the five ways of working and how they connect to the Corporate Well-being Objectives is below:

Long-term: The Directorate has developed and created an Economic Development Strategy and a Replacement Local Development Plan (LDP). These combined with the Wellbeing Plan for the County Borough, set out a long-term vision for the County and how it will grow successfully and sustainably.

Prevention: The Communities Directorate has for many years worked closely with stakeholders and the local business community to support the sustainable growth of local economy in a wide variety of proactive ways. Also to take proactive action and support local businesses and local communities.

Integration: The work of the Directorate is closely aligned with the BCBC Corporate Plan, the Local Development Plan and the Public Service Board's Well-being Plan and the Bridgend County Economic Strategy.

Collaboration: The development of our strategies and plans, including the LDP, Economic Strategy, Biodiversity and Placemaking Strategies have been steered by collaboration with local communities and will be delivered in partnership with key stakeholders.

Involvement: Senior members of local public sectors organisations, community leaders, business leaders, representatives of business sectors and trade bodies and other key stakeholders, work regularly with the Communities Directorate in projects of mutual benefit.

6. Climate Change Implications

6.1 Staff resource within the Directorate are responsible for driving BCBC Climate Change and Decarbonisation ambitions forward. Any potential reduction in revenue budgets in future years will impact on the approved delivery plan and our target is reach Net Zero by 2030 for BCBC operations. There is no impact currently.

7. Safeguarding and Corporate Parent Implications

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

8. Financial Implications

8.1 The Communities Directorate operates with a £31m budget allocation in the financial year 2023/2024.

8.2 Since austerity began in 2010 the Council has made almost £73 million of budget reductions, which represents almost 23% of the Council's current net budget. However, the percentage of savings and cuts has not been equal across all Council services, as decisions have had to made regarding service priorities over that period.

8.3 An analysis of the savings requirements in the past 5 years are shown below:

	Agreed Council Revenue Budget £000	Agreed Communities Revenue budget £000	Overall Council savings identified £000	Communities' savings £000
2018/2019	265,984	26,729	6,123	1,454
2019/2020	270,809	25,331	7,621	1,938
2020/2021	286,885	27,790	2,413	646
2021/2022	298,956	28,137	1,760	823
2022/2023	319,514	28,995	631	150

8.4 Despite better than anticipated funding settlements from Welsh Government in recent years, the Council has had to manage exponential increases in demand across many services. In addition, the Council has sought to keep Council Tax rises low in recent due to the impact of the pandemic and then the "Cost of Living" crisis on residents in the Borough.

9. Recommendation

- 9.1 It is recommended that the Subject Overview and Scrutiny Committee 3 notes the report, the challenges outlined and the recommendations for the future of the Communities Directorate

Background documents

Bridgend County Borough Council Corporate Plan 2023-28