

COUNCIL - WEDNESDAY, 28 FEBRUARY 2024

MINUTES OF A MEETING OF BUDGET COUNCIL HELD HYBRID IN THE COUNCIL CHAMBER CIVIC OFFICES, ANGEL STREET, BRIDGEND, CF31 4WB /REMOTELY VIA MICROSOFT TEAMS ON WEDNESDAY, 28 FEBRUARY 2024 AT 16:00

Present

Councillor W Kendall – Mayor/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	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	M Jones
MJ Kearn	T Wood	M Lewis	RL Penhale-Thomas
J E Pratt	R J Smith	JC Spanswick	I M Spiller
T Thomas	JH Tildesley MBE	G Walter	A Wathan
A Williams	AJ Williams	HM Williams	I Williams
MJ Williams	R Williams	E D Winstanley	

Officers:

Mark Shephard – Chief Executive
Claire Marchant – Corporate Director – Social Services and Wellbeing
Lindsay Harvey – Corporate Director – Education and Family Support
Janine Nightingale – Corporate Director – Communities
Carys Lord – Chief Officer – Finance, Housing and Change
Kelly Watson – Chief Officer – Legal and Regulatory, HR and Corporate Policy
Laura Griffiths – Group Manager – Legal and Democratic Services
Rachel Keepins – Democratic Services Manager
Mark Galvin – Senior Democratic Services Officer – Committees
Michael Pitman – Democratic Services Officer – Technical
Deborah Exton – Group Manager – Finance
Nigel Smith – Chief Accountant -

Mayor's announcement

Prior to considering the formal business on the agenda, the Mayor announced with some considerable sadness of the death of former County Borough Councillor David White who had passed away following an illness. David had formerly also been Mayor of Bridgend Town Council. The Group Leaders of the Council each in turn, paid tribute to Mr. White and all those present in the meeting stood for a minutes silence as a mark of respect to this highly regarded former Councillor.

10. Apologies for absence

Decision Made	Apologies for absence were received from Councillors J Llewellyn-Hopkins and Chris Davies
Date Decision Made	No decision made

11. Declarations of Interest

Decision Made	The following personal declarations of interest were made:- Councillor RM Granville – Agenda item 5 as a School Governor Councillor J Gebbie – Agenda item 5 as a School Governor Councillor JP Blundell – Agenda item 3 as a School Governor Councillor H Bennett – Agenda item 3 as her employer organisation are noted in the proposed budget cuts Councillor M Williams – Agenda item 3 as a School Governor at Litchard Primary School and Agenda item 4 as a member of Coity Higher and St. Brides Minor Community Councils Councillor E Winstanley – Agenda items 3 and 6 as an employee at Arwen Cultural Trust and Agenda item 5 as a School Governor at two schools within her Ward area Councillor J Pratt – Agenda item 3 as his wife is a teacher in a Bridgend County Borough School and a trade union representative Councillor Amanda Williams – Agenda item 5 as Chairperson of the Governing Body of Coity Primary School
Date Decision Made	No decision made

12. Medium Term Financial Strategy (MTFS) 2024-25 to 2027-28

Decision Made	<p>The Chief Officer – Finance, Housing and Change submitted a report, the purpose of which, was to seek Council approval of the Medium-Term Financial Strategy 2024-25 to 2027-28, attached at Annex 3 (along with associated appendices), which includes a financial forecast for 2024-28, a detailed revenue budget for 2024-25 and a Capital Programme for 2024-25 to 2033-34.</p> <p>The proposed Medium Term Financial Strategy (MTFS) sets out the spending priorities for the Council for the next 4 years alongside a detailed budget for 2024-25.</p> <p>She gave a comprehensive resume of the report, highlighting amongst other points the following:-</p> <ul style="list-style-type: none">• The financial, legislative and policy context within which the draft budget has been prepared alongside more detailed information on the services to be provided by the Council over the period of the MTFS.• The proposed MTFS being driven by the Council's 13 MTFS principles, along with additional budget principles requested by Cabinet for the forthcoming financial year and has been developed by Cabinet and Corporate Management Board, taking into account discussions with, and the recommendations of, the Budget Research and Evaluation Panel and the Council's Overview and Scrutiny Committees.• Welsh Government announced its draft budget on 19 December 2023 before the announcement of the provisional local government settlement on 20 December 2023.• In terms of the provisional local government settlement, the all-Wales increase in Aggregate External Funding (AEF) was 3.1%. The increase for Bridgend was 3%.• No information was provided on future years' funding although indications are it will still be extremely challenging.• There were no transfers for new responsibilities or specific grants into the provisional local government settlement.• The proposed budget for 2024-25 is £359.725 million, and this includes budget pressures of £11.856 million, budget reductions of £13.045 million and a council tax increase of 9.5%. The breakdown of the budget for 2024-25 was set out in Table 10 to the report.• The MTFS sets out a most likely savings target of £44.882 million over the next 4 financial years.• The Council's general capital funding decreased by £28,000 to £7.980 million.• The Section 151 officer has a statutory duty to set a balanced and robust budget.• The final settlement is not due to be announced until the end of February. As a result of this, the budget was being proposed on the basis of the provisional settlement received in December 2023. Changes in the Final Settlement, such as the transfer in of specific grants, and additional funding, will be reported to Council in due course, but will not affect the council tax level. <p>In conclusion the Chief Officer – Finance, Housing and Change stressed to Members how challenging this</p>
---------------	---

year's budget had been to set a balanced budget.

The Deputy Leader echoed the above and extended his thanks to Finance Officers for setting a balanced budget and Members also for their valid contribution to this through the Budget Research and Evaluation Panel (BREP) and the overview and scrutiny process. He also thanked the general public, over 2,000 of which, had given their views on the Council's MTFs proposals, some of which had been taken on board. He reminded Council that the Authority provided over 800 functions (as part of its services), that included education for around 23,000 pupils and key support for the most vulnerable, for example, children with Additional Learning Needs and expensive Out of County Placements.

The Leader and the Deputy Leader in turn also thanked Members across all parties for their contributions, including the recommendations of BREP via O&S Committees. They advised that the budget this year had been harder than any in previous years to set. Some of the recommendations made through the scrutiny process had been agreed to, but unfortunately it had not been possible to accommodate all of these, due to the level of cuts that overall had to be made. The Deputy Leader stressed in particular the different number of pressures being experienced in relation to Social Services, cautiously warning, that these showed no signs of reducing in future years at the present time.

Members then posed a number of questions and concerns to the Cabinet and Officers, particularly the Chief Officer – Finance, Housing and Change, for example:-

- Concern was expressed in the level of Council Tax increase, particularly if that this level of increase continued in future years, it would possibly lead to people becoming homeless due to them being unable to pay this and other utility bills. It was therefore considered that these should be both measured and proportionate going forward;
- A Member acknowledged the impact of around 14 years of UK Government cuts forced upon local authorities during the period of austerity and some of the the planned aims and objectives set by the Council that have had to be deferred or put off completely during this time, due to lack of resources. This had amounted to around £75m or 25% of the Council's total budget (in this period).
- A Member felt that the percentage cut (ie 3%) to the Education (Schools) budget would result in schools having deficit budgets which would then further result in them having to put together Deficit Recovery Plans over a 3 or 5 year period, which they may not be able to financially meet, with further cuts anticipated over the coming years.
- There were too many Red/Amber risks marked as potential savings that were required to be made (in the RAG status) in future years. What if these cannot be made/achieved?
- A Member noted that with the Council having an overspend this year of around £10m, with a probable risk of a further overspend being incurred next financial year, he urged officers, to look at

what the Council could do differently next year and in future years, to minimise such overspends taking place.

- A Member acknowledged the pressure Members were under, particularly with having commitments outside the local authority, for example also being members of outside bodies, other organisations and being also Town/Community Councillors, etc. She asked how their wellbeing was being gauged and supported;
- A Member asked the Cabinet Member – Resources to consider agreeing in ensuring that the finer detail of the proposals set out in the draft Budget for 2025/26 will form part of the questions in next years public consultation exercise (on the MTFS);
- A Member hoped that the local authority would put a plan in place to reduce the level of expenditure that is committed to supporting the homeless in the County Borough;
- A Member asked that, notwithstanding that the Council has a statutory duty to provide a whole host of different services, would the Cabinet agree that, to all intents and purposes the process next year will begin from a zero-based budget position;
- A Member raised some concern regarding the amount of Consultants the Council were currently using, which amounted to a total of around 23. This was an increase to that which the Authority had previously used at a given time. He sought assurance that we were having value for money through the use of these, as well as asking what checks and balances were in place to ensuring they were value for money;
- A Members considered that the time for local government reform was now due as all local authorities were experiencing budget pressures and that representations to that effect should be made by the local authority through the appropriate channels;
- Members were pleased to note that the Bridgend Bus station would not be the subject of closure, as part of the MTFS proposals;

Members at the conclusion of debate on this item, voted unanimously for an electronic vote on the report's recommendations.

Following conclusion of this the result of the vote was as follows:-

<u>For</u>	<u>Against</u>	<u>Abstentions</u>
26	20	2

RESOLVED: That Council approved the MTFS 2024-25 to 2027-28, including the 2024-25 revenue budget and the Capital

COUNCIL - WEDNESDAY, 28 FEBRUARY 2024

	<p>Programme 2023-24 to 2033-34. In particular it approved the following specific elements:</p> <ul style="list-style-type: none">• The MTFS 2024-25 to 2027-28 (Annex 3 of the report).• The Net Budget Requirement of £359,725,154 in 2024-25.• A Band D Council Tax for Bridgend County Borough Council of £1,834.41 for 2024-25 (at Table 15 of the MTFS report).• The 2024-25 budgets as allocated in accordance with Table 10 in paragraph 4.1.3 of the MTFS report.• The Capital Programme 2023-24 to 2033-34, attached at Appendix G of the MTFS report.
Date Decision Made	28 February 2024

13. Council Tax 2024-25

Decision Made	<p>The Chief Officer – Finance, Housing and Change presented a report, the purpose of which, was to provide Council with details of the council tax requirement for the County Borough Council, following Council having approved the Medium Term Financial Strategy on 28 February 2024, together with the requirements of the Police and Crime Commissioner for South Wales and Town and Community Councils, and to ask the Council to note the aggregate charge for each Community Council area for each council tax band for 2024-25.</p> <p>She explained that Paragraph 3.1.2 (g) of the Financial Procedure Rules (FPRs) requires her to recommend the level of Council Tax to be levied for the forthcoming year. The Council as the local authority for the area, also has to fulfil its requirement under Section 33 and 34 of the Local Government Finance Act 1992.</p> <p>The following were key points that should be noted from the report:-</p> <ul style="list-style-type: none">• Total Council Tax requirement is £124,495,342.• The total Council Tax requirement for Bridgend County Borough Council is £101,746,816.• The Police and Crime Commissioner for South Wales precept is £19,561,085.• The total Council Tax requirement from Town and Community Councils is £3,187,441.• The Bridgend County Borough Council Band D equivalent is £1,834.41.• The Police and Crime Commissioner for South Wales Band D equivalent is £352.67.
---------------	---

to 2033-34, which includes the Prudential Indicators and the Annual Minimum Revenue Provision Statement 2024-25.

The Capital Strategy sets guiding principles for capital expenditure, and a framework for the management of capital finance, while the Capital Strategy is currently based on financial information as reported in the Medium-Term Financial Strategy. The Capital Strategy was shown at Appendix A to the report.

Members made the following comments that were responded to by Officers and/or the appropriate member of Cabinet:-

- With reference to paragraph 3.1.2 of the report and the Table illustrated there, why are BCBC committing £944k of the Revenue budget to the Capital Programme. This is equivalent to a 1% increase in Council Tax or a 1% cut to the Council's Education budget, in order to finance the Capital Programme, at a time when we have a £33.4m slippage from the current year to the next year;
- A Member referred to the newly introduced Capital Programme Board which would focus on key projects particularly those associated with slippage in the Capital Programme. He suggested that this Board should have decision making powers and also have as its membership the presence of members of the Cabinet. He further added that consideration should also be given for this Board to have an oversight of the Capital Programme as a whole, as opposed to solely concentrating on certain individual projects;
- A Member was encouraged to see as part of the report's proposals, the further progression of the Council's School Modernisation Programme and more particularly, the new build of schools in the area of Cornelly.

In respect of bullet point 1. above and the £944k Revenue contribution to the Capital Programme, the Chief Officer – Finance, Housing and Change confirmed that she would send a breakdown of this to all Members, including details of the individual schemes and the financial contribution to these outside of the meeting. Some of the contributions came from schools or are works that are capital in nature and are therefore shown in the Capital Programme but were funded from an existing Revenue budget. These accounted for £668k of the £944k shown for 2023/2024.

These contributions will all have been agreed by members through the regular update report to Council.

Finally, she stated that an additional £0.221m had been added to the programme in relation to a range of planned minor works, which were of a capital rather than a revenue in nature, so these had now been included as part of the Capital Programme. These would be funded from the existing revenue minor works budget.

COUNCIL - WEDNESDAY, 28 FEBRUARY 2024

	<p><u>RESOLVED:</u></p> <p>That Council approved the Capital Strategy 2024-25 to 2033-34, including the Prudential Indicators 2024-25 to 2033-34 and the Annual Minimum Revenue Provision (MRP) Statement 2024-25 at Appendix A to the report.</p>
Date Decision Made	28 February 2024

15. Treasury Management Strategy 2024-25

Decision Made	<p>The Chief Officer – Finance, Housing and Change presented a report, seeking Council approval of the Treasury Management Strategy (TMS) 2024-25, which includes the:</p> <ul style="list-style-type: none">o Borrowing Strategy 2024-25o Treasury Investment Strategy 2024-25o Treasury Management Indicators for the period 2024-25 to 2026-27. <p>The proposed Treasury Management Strategy was attached at Appendix A to the report.</p> <p>She explained that Paragraph 22.2 of the Finance Procedure Rules (FPRs) requires that the Chief Finance Officer is responsible for preparing and presenting an annual Treasury Management Strategy to Council for approval. Paragraph 22.3 of the FPR's within the Council's Constitution also requires that all investments and borrowing transactions shall be undertaken in accordance with the Council's Treasury Management Strategy, as approved by Council.</p> <p>In terms of an Executive summary of the report, this was as follows:-</p> <ul style="list-style-type: none">• The Treasury Management Strategy 2024-25 (TMS) incorporates the Borrowing Strategy, Investment Strategy and Treasury Management Indicators.• The Council's treasury activities are regulated by legislation and the Chartered Institute of Public Finance and Accountancy's (CIPFA) Code of Practice. The Council operates within these requirements.• Council is required to approve the TMS in advance of the financial year. <p>A Member sought assurance that in light of some other Council's struggling with their finances, that the</p>
---------------	--

COUNCIL - WEDNESDAY, 28 FEBRUARY 2024

	<p>Council's investments with certain other local authorities are safe and secure, given the financial instabilities organisations across the UK have been experiencing now for some considerable time.</p> <p>The Chief Officer – Finance, Housing and Change, confirmed that the Finance Department are led by Financial Management Journals and their Treasury Management advisors in relation to where to invest money and the Authority also closely looked how much it was investing at any one time and for what length of time also, in order to minimise any risk associated with the investment.</p> <p>A Member also asked what affect the change in interest rates had had on BCBC over the recent period and this was responded to by the Group Manager – Chief Accountant.</p> <p><u>RESOLVED:</u> That Council approved the Treasury Management Strategy 2024-25 including the Treasury Management Indicators 2024-25 to 2026-27 at Appendix A to the report.</p>
Date Decision Made	28 February 2024

16. Urgent Items

Decision Made	There were no urgent items.
Date Decision Made	No decision made

To observe further debate that took place on the above items, please click this link (to be inserted following translation)