

MINUTES OF A MEETING OF THE COUNCIL HELD IN COUNCIL CHAMBER, CIVIC OFFICES, ANGEL STREET, BRIDGEND ON MONDAY, 24 NOVEMBER 2014 AT 4.00 PM

Present

Councillor G Thomas – Mayor and Chairperson

S Aspey	M Butcher	N Clarke	HJ David
G Davies	GW Davies MBE	PA Davies	E Dodd
DK Edwards	L Ellis	EP Foley	CA Green
M Gregory	EM Hughes	P James	RM James
RD Jenkins	B Jones	CL Jones	M Jones
RC Jones	DRW Lewis	JE Lewis	JR McCarthy
HE Morgan	LC Morgan	MEJ Nott OBE	AD Owen
G Phillips	CE Rees	CL Reeves	M Reeves
CE Smith	JC Spanswick	M Thomas	RL Thomas
JH Tildesley MBE	HJ Townsend	E Venables	KJ Watts
C Westwood	DBF White	PJ White	HM Williams
R Williams	M Winter	RE Young	

Officers:

Darren Mepham	Chief Executive
Susan Cooper	Corporate Director - Wellbeing
Andrew Jolley	Assistant Chief Executive Legal and Regulatory Services & Monitoring Officer
Mark Shephard	Corporate Director - Communities
Ness Young	Corporate Director Resources and Section 151 Officer
Gary Jones	Head of Democratic Services (Electronic back-up)
Andrew Rees	Senior Democratic Services Officer Committees

426. APOLOGIES FOR ABSENCE

Apologies for absence were received from the following Members / Officer for the reasons so stated:

Councillor C J James - Unwell
Councillor P N John – Unwell
Councillor D Sage – In hospital
Deborah McMillan – Corporate Director Children – Leave.

427. DECLARATIONS OF INTEREST

None.

428. WELSH GOVERNMENT'S WHITE PAPER REFORMING LOCAL GOVERNMENT - COUNCIL RESPONSE

The Chief Executive reported that a Welsh Government White Paper, *Reforming Local Government*, was published in July 2014 which broadly endorsed the Williams report – including a preferred option for council mergers that includes bringing BCBC and NPT together as a single authority. The Welsh Government subsequently published a document on 18 September 2014 entitled “*Invitation to Principal Local Authorities in Wales to submit proposals for voluntary merger*” enabling Councils to submit bids for voluntary mergers which would allow them to merge sooner than the Welsh Government’s legislative timetable otherwise provides for by inviting Initial Expressions

of Interest for voluntary mergers, with a deadline for the submission of the expression of interest being 28 November 2014.

The Chief Executive sought the view of Council on a response to the Welsh Government White Paper "Reforming Local Government". He stated that Cabinet at a Special meeting on 18 November 2014 had approved and recommended to Council that BCBC and the Vale of Glamorgan proceed to develop a joint expression of interest to merge voluntarily.

The Chief Executive reported that the Welsh Government in inviting expressions of interest had made it clear that the previous assumption that local government boundaries must follow existing health boundaries was not necessarily the only option and had encouraged expressions of interest in voluntary merger across health board boundaries where there was good reason to do so. He stated that this had created the opportunity to explore the merits and disadvantages of other options available to the Council. The Welsh Government would consider a merger of local authorities straddling the boundaries of Health Boards or police forces if it had made out an exceptional case for such a merger having clearly and comprehensively demonstrated that a merger would generate the benefits of reducing complexity, strengthening strategic and operational collaboration and improving integration of front-line services.

The Chief Executive reported that the Leader had entered into informal discussions with the leaders of neighbouring authorities based on merging to the east or to the west. An option of merging BCBC, the Vale of Glamorgan and Neath Port Talbot had been considered, however this presented a particular difficulty for this Council as it would straddle both East and West Wales and would not reduce the complexity of public services. He stated that an option of merging BCBC, Neath Port Talbot and Swansea was not fully supported by all authorities and therefore there were two potential merger options, namely, a merger with Neath Port Talbot or a merger with the Vale of Glamorgan. The Chief Executive informed Council that consideration had been given to an option of a merger with Rhondda Cynon Taff (RCT) with whom this Council shares a boundary, however the Williams Commission and the Welsh Government had indicated a likely merger of RCT with Merthyr Council, who share health board and Police Basic Command Unit boundaries and have a long history of collaboration. The Chief Executive stated that a merger with RCT would increase complexity and therefore this option had not been pursued. Discussions had focused on merging to the east or west based on the Council's existing or historic relationships. Council was requested to determine a preferred partner for Bridgend County Borough Council, and to consider whether it wished to submit an expression of interest in a voluntary merger, with an earlier timeframe.

The Chief Executive reported that Bridgend has a specific difficulty in that it straddles the South East and South West regions of Wales, with Bridgend historically being part of South East Wales and consequently has well established relationships and similarities with partners in that region. He stated that it also has relationships with Neath Port Talbot on some services, such as waste and health and the last reorganisation of health boundaries amalgamated the Bridgend Local Health Board into what is now Abertawe Bro Morgannwg University Health Board (ABMU) which in turn is part of the South West region. Consequently relationships had been formed and commitments made with the Council's Western Bay partners namely Neath Port Talbot and the City and County of Swansea and the ABMU Health Board. The Chief Executive informed Cabinet that Bridgend was unique in Wales in having to operate across two distinct regions, which brought inefficiency and strains on capacity.

The Chief Executive outlined the advantages and disadvantages of a merger to the east or to the west for major areas of service delivery. In relation to the economy and

development, Bridgend is part of the Cardiff City Region in terms of economic activity, housing markets and travel to work arrangements and is a vital link to the continuing development of the Bridgend area and the ability to influence and play a key role in inward investment. He stated that the Swansea City Region has a relatively minor influence on these factors in Bridgend and whilst Bridgend is actively involved with the Cardiff City Region it has had no involvement with the Swansea City Region. The Chief Executive informed Cabinet that the Vale of Glamorgan is entirely within the Cardiff City Region and also plays a key role in the economic prosperity of the region. He stated that Neath Port Talbot is predominantly within the Swansea City region and informed Cabinet that it was important to note that those boundaries are approximate and are a response to patterns of economic and social activity. In support of the city region concept, Bridgend is a part of the emerging regional planning framework for South East Wales, while a western merger would mean that new authority would straddle both city regions equally and could lead to the new authority being marginalised by both regions as experienced by BCBC now. A merger to the East would create a new authority that is almost wholly within the Cardiff City region and well placed to be influential.

The Chief Executive reported that Bridgend is part of the Central South Consortium (CSC) for education improvement along with Cardif, the Vale of Glamorgan, Merthyr and RCT. He stated that improving educational achievement is a key priority, with BCBC typically attaining average results for Wales. Improvements had been recently seen as the Consortium's relationships with schools start to take effect. The Chief Executive informed Cabinet that Neath Port Talbot is part of the south west and mid Wales consortium along with Swansea, Carmarthenshire, Pembrokeshire, Ceredigion and Powys, known as ERW and unlike the CSC which has centrally pooled resources, the western consortium consists of paired authorities who mutually support each other on school improvement work in hubs, with Neath Port Talbot being in a hub with Swansea. A merger to the West would necessitate a change of consortium resulting in a loss of momentum; BCBC may be able to extract via TUPE some resources from CSC to come back in house to a new authority and although not a consideration for Bridgend, it would have a destabilising effect on the Central South Consortium. Conversely if NPT were to join the CSC it would have a destabilising effect on the South West and Mid Wales consortium. A merger to the East would have no impact on the current school improvement arrangements.

The Chief Executive reported that BCBC operates a distributed tertiary model for delivery of post 16 education whilst NPT have a tertiary model. Bringing the BCBC and NPT systems together would be problematic unless BCBC move towards the tertiary model, or NPT adopt the distributed tertiary model. Changing either model to harmonise is likely to be disruptive to ongoing school improvement. BCBC and the Vale of Glamorgan have similar schools systems to each other (including a distributed tertiary model for post 16 education) with schools typically achieving comparable results. The funding formula for schools is broadly similar and the two authorities have a number of educational partnerships outside of the consortia such as the Educational Psychology Service. A merger to the West would also create an authority that is responsible for two quite distinct education systems, although in the long term this could be harmonised but in the short to medium term would lead to inefficiency and incoherence with a risk that education improvement stalls or reverses. He stated that a merger to the East would have a lower risk to educational improvement due to less distraction or upheaval with the potential to slow down progress and there would be also be no requirement to reconcile different models of tertiary education.

The Chief Executive reported that Social Care in BCBC is split with adult social care delivered via the Wellbeing directorate and children's social care via the Children's directorate. Both the Vale of Glamorgan and Neath Port Talbot operate a combined social services model. He stated that there are strengths and weaknesses in the two

approaches and in whichever direction Bridgend merges, the new authority would need to decide which model to operate. Changing the model of operation would in itself bring some disruption, with a merger to the West or East merger, but this would need to be explored further as part of a wider discussion on all service delivery models whichever merger option is decided. He stated that BCBC is actively involved in service integration with the ABMU Health Board, which is responsible for the area covered by Swansea, Neath Port Talbot and BCBC known as Western Bay. Health and social care integration has been pursued by the four bodies working together in partnership and within that arrangement there are variations between the 3 local authority areas as ABMU operates many services on a locality basis, where most of the integration takes place. He stated that this would bring a degree of flexibility to the options for merger, and would not present a 'stumbling block' to a merger to the East. Some specific social care issues have started to move to a regionally shared model, which includes the regional safeguarding board and the regional adoption service, however these particular regionalisation projects had been driven by the Welsh Government who have chosen the health boundary footprints, rather than necessarily because of strong historic operational commonalities in the service areas. He stated that a western merger would allow the new authority to work alongside Swansea to continue the direction of travel already established by the Western Bay partnership and there would be less scope for reorganisation to disrupt progress on health and social care integration. He also stated that an eastern merger would create a new authority which straddled two health boards.

The Chief Executive also reported on the implications for other partners of the merger proposals in that Bridgend and the Vale of Glamorgan are in the same Basic Command Unit (BCU) for policing. The BCU boundaries reflect geography and also similarities in policing requirements, whilst Bridgend, the Vale of Glamorgan and South Wales Police are developing further proposals for collaboration in the operation of crime and disorder reduction partnerships. He stated that a merger with Neath Port Talbot would either mean that the new authority would operate across 2 BCUs or would require South Wales Police to reorganise the command structure.

The Chief Executive reported that the South Wales programme for health will be a key driver for the future patient flows, and will influence how primary, intermediate care and community services should best be organised in a coordinated way to support people in remaining independent in localities and the Princess of Wales Hospital is one of the 5 key hospitals in the network. It was recognised that there will be a greater patient flow across South Wales, both to the East and West, and the Plan sets out that the new networks will not match to the LHB footprint. Whilst the Princess of Wales Hospital is part of the South Wales central network, it would need to maintain links with the South west and West Wales network, working both East and West. It will maintain its key links with Cwm Taf and the Royal Glamorgan hospital, and will need to work closely with Prince Charles hospital and the University Hospital of Wales in Cardiff, while the Abertawe Bro Morgannwg Health Board continues to be the commissioning body for Bridgend residents. He stated that irrespective of the way BCBC merges there is a need to broker solutions that integrate working across health boundaries as well as within health boundaries. A merger to the West may result in less complex relationships between the new authority and health partners but conversely a merger to the East may present greater opportunities for that authority to drive and influence better join up of a health and social care economy that already works across the east / west boundary.

The Chief Executive informed Council the South Wales Fire and Rescue Service follows the South East Wales boundary and incorporates Bridgend County, joint working with the fire service was well developed on the policing and community safety footprints and the South Wales Police and South Wales Fire and Rescue services are in the process of co-locating their control centre in Bridgend. He stated that Swansea and Neath Port Talbot are served by the Mid and West Wales Fire and Rescue Service. A western

merger would result in the new authority being served by two fire authorities under the current arrangements or a requirement to change the Fire authority boundaries.

The Chief Executive reported on the implications of a merger on the 3rd sector in that it is extremely diverse following many boundaries. He stated that this Council funds BAVO which acts as a voice for the 3rd sector and which has historic links to the east. BAVO has also recently developed links with Neath Port Talbot and Swansea in order to work with the Western Bay partnership.

The Chief Executive summarised the effects of a merger on the harmonisation of council tax levels and reported on indicative figures for a band D property in BCBC, Vale of Glamorgan and Neath Port Talbot. He also reported on the impact on local authority reserves and on the need to harmonise pay, grading and conditions of service.

The Chief Executive reported that those Councils who agree to voluntary merger and whose proposal is accepted by the Welsh Government would merge two years ahead of compulsory merger and come into effect on 1 April 2018. If the Council did not to submit an Expression of Interest in Voluntary Merger, Local Government elections will take place in May 2017 and the new authorities would come into effect on 1 April 2020.

He stated that the Williams Commission had recommended that early candidates for voluntary merger be incentivised to do so and that the Welsh Government prospectus sets out the process and requirements for voluntary merger and refers to support that will be made available from the Welsh Government. He stated that the nature of that support is unclear but that the type of support required might include additional funding to support the merger process, including supporting the harmonisation of terms and conditions and tackling equal pay and pension arrangements.

The Chief Executive set out the suggested benefits of voluntary merger, which include a much shorter period of uncertainty for staff and communities; setting its own pace and the potential to gain greater freedom and autonomy two years earlier from April 2018. The Chief Executive informed Council that the Welsh Government had set out a default model that would see Bridgend merging with Neath and Port Talbot and that if the Council wished to merge with Neath Port Talbot then members may consider that there is no need to express an interest in voluntary merger since it would eventually happen by default as and when legislation was put into place. He stated that there were some indications that a merger of Swansea and Neath Port Talbot may be proposed with or without Bridgend and if this was the case then waiting to see what emerged may be counterproductive if this Council had a strong view on whether or not it wished to merge with both Swansea and Neath Port Talbot. He also stated that if the Council wished to merge with the Vale of Glamorgan then an expression of interest in voluntary merger was most probably required in order to clearly indicate that both councils are serious about that proposition.

The Chief Executive concluded that BCBC was currently required to operate across two distinct regions of Wales and to operate very complex partnership arrangements, which were not sustainable and which would become even less so as the Council responds to successive years of reduced funding. He stated that the proposals by Welsh Government to reduce the number of councils in Wales presented an opportunity to ensure that public service provision for the communities of Bridgend County is simplified and more effective. He informed Council that Bridgend has linkages with a number of public sector partners to both the east and the west, meaning that the choice of authority with whom to merge was not as clear cut as it may be in some other parts of Wales. Nevertheless the balance of benefits to the community would be achieved through a merger with the Vale of Glamorgan Council. In particular this would allow Bridgend to

continue to contribute to and benefit economically from the development of the Cardiff Capital City Region, maintain momentum in educational improvement and ensure the geographical alignment with the majority of other public services serving this area. Arrangements with the NHS would still be complex since a merged Vale of Glamorgan and Bridgend would be served by two Health Boards. He stated that a combined authority with the Vale of Glamorgan would still seek to work with other local authorities over a wider area and this would apply to both Cardiff City Council and other local authorities in the city region and with Neath Port Talbot and Swansea Councils with whom it would share a health board. The Chief Executive informed Council that any expression of interest in voluntary merger would need to be clear that progression to merger would be subject to the establishment of a sound and fully funded business case.

The Chief Executive reported on the financial implications in pursuing a merger and although the prospectus referred to support from the Welsh Government, it gave no commitment to provide any additional funding to meet the costs of merger. He added that the Welsh Government did not know its settlement beyond 2016-17 and was therefore not in a position to give such a commitment at this stage. The Chief Executive stated that the Council already had significant savings targets for the coming years and until a business case was developed there was no guarantee that a merger would deliver further recurrent savings. He explained that there was no provision in earmarked reserves or baseline budgets for the costs of merger and that therefore a decision to submit an Expression of Interest would need to be caveated by making it clear that a voluntary merger would only be pursued if a satisfactory business case can be constructed which would need to include assurances that the full costs of merger (such as pay harmonisation and council tax) could be funded. In addition, any merger would result in the need to harmonise funding as well as service delivery arrangements. The Chief Executive informed Council that planning and implementing a merger would require a dedicated programme team for the duration of the project as well as some external support and an expression of interest would clearly identify what support this authority would require from the Welsh Government in order to develop that expression of interest into a firm proposal and supported by a robust business case. He stated that there was a risk that the Council could be distracted from developing and delivering plans and projects which would enable the delivery of the £50m savings required in the Medium Term Financial Strategy.

A member of Council expressed concern at the proposal for a voluntary merger with the Vale of Glamorgan and considered that a merger to the west was more appropriate given the collaboration the Council has with Neath Port Talbot and Swansea Councils and the ABMU through the Western Bay partnership in social care. Another member of Council expressed concern at the impact on European funding on the area should the Council merge with the Vale of Glamorgan and questioned whether consultation had taken place with Town and Community Council on the proposal for a voluntary merger. The Chief Executive informed Council that European structural funds were allocated on programme boundaries known as NUTS 2 regions with Bridgend placed in the West Wales and Valleys programme and the Vale of Glamorgan in the East Wales programme. He stated that the Council was currently planning for the next programme of European funding with delivery expected to run to 2023 and is again split on an east and west basis. Irrespective of any future revised local government boundary changes European funding would continue on existing European funding boundaries in that the Council would be able to draw on funding from the West Wales and Valleys programme for those communities which remained in that area and similarly communities in the Vale of Glamorgan that are eligible for funding would continue to be able to draw on funding from the East Wales programme. The Chief Executive informed Council that if a further programme of European funding was established it was likely to run to 2030. The Chief Executive informed Council that there had been no formal consultation with Town and

Community Councils but they had been informed of developments including that of a voluntary merger and some had already expressed a view on the merger proposals. He stated that there would be a formal consultation with Town and Community Councils should the proposed voluntary merger be accepted by the Welsh Government.

A member expressed concern at the development of proposals for a voluntary merger being based on the concept of the Cardiff City Region which would be based on a macro structure where the Council only had limited representation on the City Region which would be at the expense of the ongoing social care collaboration in Western Bay. He stated that future local government services in this area should not be based on the City Region and that the Western Bay region should be developed as a future model of local government where services were being developed for an increasing elderly population with the health service. He believed that the argument in favour of a merger to the east due to the existence of a different model of sixth form education in the west and improvements being seen through the Central South Consortium which is an unelected body were irrelevant.

A member of Council questioned whether the ABMU had been consulted on the voluntary merger given that many residents living in communities in the west of the County Borough had historic links to the west in connection with health care services. The Chief Executive informed Council that initial discussions had taken place with the ABMU on the proposal at chief executive / leader level. ABMU had expressed a clear preference that local government boundaries be co-terminus with health board boundaries, but had expressed a willingness to work with a new council to the east. The Chief Executive commented that the Council remained committed to working with its partners in the Western Bay region and consultation would take place on the expression of interest document with the ABMU prior to its submission to the Welsh Government. The Chief Executive informed Council that there had been no consultation to date on the proposals for a voluntary merger with Trade Unions.

A member of Council believed that there was sufficient evidence in existence for a merger to the east due to the greater linkages BCBC has with public sector service providers to the east. Another member of Council commented that the amount of collaboration taking place to the east outweighed that taking place to the west and that the new council would continue to work with the ABMU to the west.

A member of Council commented that a decision on a merger had to be based on the basis of the City Region and that BCBC is already part of the prestigious Cardiff City Region. Another member of Council stated that the majority of residents who travel to work outside the County Borough travel to work to the east and north. A member of Council while supporting the expression of interest cautioned against spending large sums of money on developing a Business Case. The Chief Executive informed Members that the Council is looking to the Welsh Government to fund a Business Case for the voluntary merger.

A member of Council stated that the Welsh Government in inviting expressions of interest had expressed reluctance for mergers across health board boundaries.

A member of Council referred to the allocation of European funding in that a far larger proportion of funding had been allocated to the west programme as opposed to the east programme and that if a merger took place with the Vale of Glamorgan the new council would need to bid for funding from two programmes and that as funding was based on income would funding be eligible from 2 funds. The Chief Executive informed Council that the new council would be eligible to bid for funding from two streams as Bridgend would still be in the west programme.

COUNCIL - MONDAY, 24 NOVEMBER 2014

A member commented on the draft expression of interest which referred to BCBC and the Vale of Glamorgan being similar areas in that both had a coastal heritage and villages but expressed concern that there had been no mention of the valley communities and that the Vale of Glamorgan had many affluent areas which may affect the availability of European funding. The Chief Executive informed Council that it was the view of the WLGA and Welsh Government that the European funding programme boundaries would continue and the existing programme boundaries would not be re-evaluated in the short to medium term.

The Leader informed Council that he believed that a case for an expression of interest in a voluntary merger with the Vale of Glamorgan Council had been made and hoped Council would support the proposal.

The Cabinet Member Strategic Change informed Council that he was proud to see the recommendation of an expression of interest in a voluntary merger with Vale of Glamorgan and that from the healthy, wealthy wise targets the economic case for a merger to the east had been made. He stated that if the Council was to merge to the east there was the possibility of European funding continuing for a longer timeframe which would assist in increasing economic development and that both areas' diversity would be strength.

A recorded Vote was taken at this point in the meeting, as a request had been made, which was duly seconded, to receive recorded votes on the proposal to BCBC and the Vale of Glamorgan proceed to develop a joint expression of interest to merge voluntarily and to submit this expression of interest to Welsh Government. For this procedure to proceed, at least one fifth of those Members present were required to vote in favour of this proposal.

The recorded vote was as follows:-

<u>FOR</u>	<u>Against</u>	<u>Abstain</u>	<u>Did Not Vote</u>
<u>Councillor</u>	<u>Councillor</u>	<u>Councillor</u>	<u>Councillor</u>
R D Jenkins	J E Lewis		G Thomas
M Thomas	D R W Lewis		
D K Edwards	G W Davies MBE		
R Young	M Jones		
H M Williams			
R C Jones			
A D Owen			
R Williams			
J R McCarthy			
D B F White			
C E Rees			
R M James			
M Winter			
E Venables			
L Ellis			
P James			
E M Hughes			
G Phillips			
H E Morgan			
P A Davies			
E P Foley			
E Dodd			

COUNCIL - MONDAY, 24 NOVEMBER 2014

M W Butcher
S Aspey
B Jones
G Davies
C Westwood
M Reeves
R Thomas
C Reeves
J C Spanswick
C L Jones
H J Townsend
J H Tildesley MBE
N Clarke
C A Green
K J Watts
P J White
H J David
M E J Nott OBE
M Gregory
C E Smith
L C Morgan

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A motion was made, which was duly seconded, that BCBC and the Vale of Glamorgan proceed to develop a joint expression of interest to merge voluntarily and to submit this expression of interest to Welsh Government by 28 November 2014.

The vote was as follows:

<u>FOR</u>	<u>Against</u>	<u>Abstain</u>	<u>Did Not Vote</u>
<u>Councillor</u>	<u>Councillor</u>	<u>Councillor</u>	<u>Councillor</u>
G Thomas	D K Edwards	M Jones	
J E Lewis	R M James		
D R W Lewis	L Ellis		
R D Jenkins	E M Hughes		
M Thomas	G Phillips		
R Young	G W Davies MBE		
H M Williams	R Thomas		
R C Jones			
A D Owen			
R Williams			
J R McCarthy			
D B F White			
C E Rees			
M Winter			
E Venables			
P James			
H E Morgan			
P A Davies			
E P Foley			
E Dodd			
M W Butcher			
S Aspey			

COUNCIL - MONDAY, 24 NOVEMBER 2014

B Jones
G Davies
C Westwood
M Reeves
C Reeves
J C Spanswick
C L Jones
H J Townsend
J H Tildesley MBE
N Clarke
C A Green
K J Watts
P J White
H J David
M E J Nott OBE
M Gregory
C E Smith
L C Morgan

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RESOLVED:

That Council approve that BCBC and the Vale of Glamorgan proceed to develop a joint expression of interest to merge voluntarily and to submit this expression of interest to Welsh Government by 28 November 2014.

The meeting closed at 5.08pm.