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FULL COUNCIL REPORT

Date Written	12 th February 2015
Report Author	Steve Jones
Service Area	Finance
Committee Division	Strategic
Committee Date	25 th February 2015

To: Mayor, Ladies and Gentlemen

Budget and Council Tax 2015/16 – State of the Council Debate

PURPOSE OF THE REPORT:

To recommend for approval the Council Tax level for 2015/16, the Revenue Budget for 2015/16 and the Annual Minimum Revenue Provision Statement

1.0 INTRODUCTION AND BACKGROUND

- 1.1 The Local Government Act 2003 requires authorities to take an integrated approach in the compilation of annual Budgets. Through the Medium Term Financial Plan (MTFP), the Council's revenue priorities are integrated with capital priorities and reflect the consequences of capital investment decisions.
- 1.2 Although referenced within this report the detailed MTFP document for 2015/16 to 2017/18 will be presented to the Council meeting of 25th March 2015, together with the Capital Programme for 2015/16 to 2019/20 and Prudential Indicators in compliance with the Prudential Code framework for capital investment in local authorities. This is resulting from the necessary re-profiling of capital expenditure to meet the Council's capital investment ambitions.

- 1.3 By virtue of section 32(10) of the Local Government Finance Act 1992 the Council must calculate its Budget Requirement for 2015/16 by 10th March 2015 at the very latest, including the setting of the annual Council Tax rate.

2.0 COUNCIL TAX AND BUDGET REQUIREMENT 2015/16

- 2.1 Cabinet of 11th February 2015 recommended to this Council of 25th February 2015, a Council Tax increase of 4.50% for 2015/16. This results in a County Borough Council Band D Council Tax of £1,352.72 for 2015/16 as evident in Appendix 1, and equates to an additional requirement of £58.25 for 2015/16 (equivalent of £1.12 per week). As 85% of the properties within the County Borough are valued at Bands A to C, a significant proportion of council tax payers will be liable to payments less than £1,352.72.
- 2.2 A Council Tax increase of 4.5% results in a Revenue Budget Requirement of £113.265 million for the financial year ending 31st March 2016 and is summarised in Appendix 1. Detailed Directorate Revenue Budgets for 2015/16 are outlined in Appendices 2 and 3 as follows:
- Appendix 2 – Community Services Directorate
 - Appendix 3 – Customer Services Directorate
- 2.3 The recommended Budget Requirement for 2015/16 and MTFP 2015/16 to 2017/18 is the culmination of a budget setting process which commenced with the reporting of the MTFP 2014/15 to 2017/18 to Council on 26th March 2014. The indicative budget deficits for 2015/16 to 2017/18 included within the MTFP were subsequently revised at Cabinet on 30th July 2014.
- 2.4 For the 2015/16 budget exercise all stakeholders have been engaged through a public Budget consultation process with Members actively involved through Cabinet Budget Workshops, Cabinet, Scrutiny Committees and Audit Committee. Formal committee meetings to consider budget proposals were as follows:
- Cabinet – 19th December 2014, 28th January 2015 and 11th February 2015
 - Schools Scrutiny Committee – 9th January 2015 and 19th January 2015
 - Customer Services Scrutiny Committee – 12th January 2015
 - Chief Executives Scrutiny Committee – 13th January 2015
 - Social Services and Social Regeneration Scrutiny Committee – 14th January 2015
 - Audit Committee – 19th January 2015
- 2.5 Any MTFP is a continuously evolving process, constantly revised in responding to changing circumstances and updated information. This is evident in Appendix 4 which highlights the revisions to the indicative Budget Requirement to enable a balanced budget to be recommended for approval for 2015/16. For completeness, the analysis includes the period of the MTFP 2015/16 to 2017/18. This is summarised in Table 1.

Table 1 – Budget Deficits 2015/16 to 2017/18

Description	2015/16 £'000	2016/17 £'000	2017/18 £'000
Cabinet 30 th July 2014	932	3,393	5,843
Final Revenue Settlement	1,073	2,933	5,124
Employee Pay Award	768	1,450	2,128
Additional Demands	2,903	3,264	3,288
Budget Reductions – Non Employee	-2,490	-2,780	-2,831
Budget Reductions – Employee Related	-2,059	-3,017	-3,041
Leisure Trust Reductions	-113	-113	-113
Capitalisation Direction	-888	0	0
Council Tax Increase (from 3.95% to 4.5%)	-126	-263	-411
Revised Budget Deficits	0	4,867	9,987

It is evident from Table 1 that although a balanced budget has been achieved for 2015/16 it is estimated that a further £9.987 million of budget reductions require identification over the period of the MTFP. This will be further considered in the MTFP 2015/16 to 2017/18 report to Council on 25th March 2015.

3.0 IMPACT OF FINAL REVENUE SETTLEMENT

- 3.1 Appendix 5 outlines the impact of the Provisional Local Government Settlement received on 8th October 2014 and the Final Local Government Settlement received on 10th December 2014 on the Budget Requirement. It is evident that the reduced funding increased the budget deficit for 2015/16 by £1.073 million.
- 3.2 Table 2 compares the budgeted Aggregate External Finance (AEF) within the original Medium Term Financial Plan with the revised finance assumptions. In the absence of indicative AEF's from the Welsh Government for 2016/17 and 2017/18, reductions of 3.07% and 3.57% are estimated for 2016/17 and 2017/18 respectively. This is based on the reduction of 0.5% from the Final AEF for 2014/15 and the Provisional AEF for 2015/16.

Table 2 – Aggregate External Finance (AEF)

Description	2015/16	2016/17	2017/18
Original Budgeted AEF (%)	-1.26	-1.00	-1.00
Revised AEF (%)	-2.52	-3.07	-3.57
Reduced Funding (£'000)	1,073	2,933	5,124

- 3.3 It is evident from Table 2 that the original AEF assumptions have been significantly revised owing to the continuation of the current Government austerity measures evidenced by the significant change from indicative to actual 2015/16 AEF and the evidenced trend reduction of 0.5% per annum.

4.0 IMPACT OF EMPLOYEE PAY AWARD

- 4.1 The National Joint Council for Local Government Services Pay Award recommendations announced in October 2014 have resulted in the Council providing additional monies in the Medium Term Financial Plan to support the additional cost for 2015/16 and estimated additional costs for 2016/17 and 2017/18 as outlined in Table 3.

Table 3 – Employee Pay Award Implications

Description	2015/16	2016/17	2017/18
Pay Award – Original MTFP (%)	0	0	0
Pay Award – Revised MTFP (%)	2.2	2	2
Additional Cost (£'000)	768	1,450	2,128

- 4.2 In the absence of any further information a pay award of 2% per annum is estimated for 2016/17 and 2017/18.

5.0 ADDITIONAL “UNAVOIDABLE” DEMANDS

- 5.1 It is recognised that even when funding is reducing significantly year on year, there will be a requirement to include additional demands in addressing the following:

- Ensuring spending decisions are linked to corporate priorities
- Reflecting current year financial pressures
- Reflecting known future demands and financial pressures

- Reflecting projected costs of potential employee redundancies

5.2 Detailed additional demands were considered by Cabinet, Scrutiny and Audit Committees as indicated in paragraph 3.3 and for completeness are included as Appendices 6 to 8. These are summarised in Table 4.

Table 4 – Additional “Unavoidable” Demands

Description	2015/16 £'000	2016/17 £'000	2017/18 £'000
Community Services Directorate	754	826	837
Customer Services Directorate	1,322	1,567	1,590
Corporate	827	871	861
Total	2,903	3,264	3,288

5.3 It is evident that £2.903 million additional monies are included within the recommended Budget Requirement for 2015/16 to address recognised financial pressures.

6.0 BUDGET REDUCTIONS

6.1 In achieving a balanced budget for 2015/16, gross budget reductions of £5.596 million were required to be identified, equating to £4.662 million net of estimated “slippage”. This resulted from a comprehensive Service and Budget Review exercise whereby service managers were rigorously challenged by Cabinet and Senior Management in respect of service performance, value for money and the identification of budget reductions. In addition, in arriving at the budget reduction proposals consideration was given to the following:

- Corporate Asset Management Plan (presented to Council 26th March 2014)
- Updated Corporate Plan (presented to Council 23rd April 2014)
- Corporate Plan – Annual Delivery Document 2014/15 (presented to Council 16th July 2014)
- Outcome of the public consultation in respect of Phase 2 of the Council’s Proposed Efficiency Measures for 2014/15 (presented to Council 16th July 2014)
- Revised Risk Management and Policy Strategy (presented to Council 16th July 2014)
- Revised Single Integrated Plan (presented to Council 8th October 2014)
- Strategic Workforce Plan (presented to Council 3rd December 2014)
- Outcome of the public consultation in respect of Phase 3 of the Council’s Proposed Efficiency Measures for 2015/16 (presented to Council 28th January 2015)

- 6.2 In addition all proposals have been risk assessed against the Council's "5x5 Risk Matrix" of "Likelihood of Risk" against "Impact of Risk" and subjected to Equality Impact Assessment considerations. It should be noted that all proposals are considered to be manageable risks even if risk scored as a high risk.
- 6.3 Directorates have identified a suite of non-employee related budget reductions for the period 2015/16 to 2017/18, ranging from "quick win" efficiency measures with negligible impact on service delivery to more transformational re-configuration of services. Detailed proposals were considered at Cabinet, Scrutiny and Audit Committees as indicated in paragraph 3.3 and for completeness are included as Appendices 9 to 10. These are summarised in Table 5.

Table 5 – Non Employee Budget Reductions

Description	2015/16 £'000	2016/17 £'000	2017/18 £'000
Community Services Directorate	-1,140	-1,026	-1,036
Customer Services Directorate	-1,350	-1,754	-1,795
Total	-2,490	-2,780	-2,831

- 6.4 Employee related budget reduction proposals were considered in closed sessions at Cabinet, Scrutiny and Audit Committees as indicated in paragraph 2.4 and are subject to Public, Trade Unions and Employees consultation. A summary of the proposals is outlined in Table 6 and owing to the consultation period it is evident that not all the proposed savings for 2015/16 will be effective from 1st April 2015 and instead will be subject to a degree of 'slippage'.

Table 6 – Employee Budget Reductions

Description	2015/16 £'000	2016/17 £'000	2017/18 £'000
Community Services Directorate	-1,022	-1,031	-1,041
Customer Services Directorate	-1,147	-1,162	-1,176
Senior Management Review/Corporate Centre Restructure	-412	-412	-412
Employee Terms and Conditions	-412	-412	-412
Estimated Budget Reductions not achievable for 1 st April 2015	934	0	0
Total	-2,059	-3,017	-3,041

- 6.5 Council of 28th January 2015 (in closed session) considered the setting up of the Merthyr Tydfil Leisure Trust. It is proposed that the management fee payable to the Trust be net of a £113,000 efficiency saving requirement.

7.0 OTHER CONSIDERATIONS IN DETERMINING THE BUDGET REQUIREMENT

- 7.1 Capitalisation Direction – on 30th January 2015, the Council received approval from the Welsh Government for a capitalisation direction for £888,000 for the 2015/16 financial year to assist with the cost of service reform. This will enable the Council to utilise capital receipts (proceeds from the sale of assets) to finance the cost of redundancies thus alleviating the financial burden on the revenue budget.
- 7.2 Council Tax Increase – a further increase in Council Tax for 2015/16 to 4.5% from the budgeted 3.95% will generate additional income of £126,000. A 4.5% council tax increase will also be applied for the 2016/17 and 2017/18 financial years within the revised MTFP.
- 7.3 Employer's Superannuation Rate – a superannuation rate of 24.9% is included within the estimates for 2015/16 as advised by Rhondda Cynon Taf County Borough Council as administrators for the Pension Fund. The superannuation rates included for 2016/17 and 2017/18 are 25.5% and 26.2% respectively.
- 7.4 Salary Incremental Progression – included where appropriate together with Job Evaluation implications.
- 7.5 Inflation – allowance for unavoidable contractual uplifts (including energy costs) where appropriate with no increase for general inflation.
- 7.6 Schools Protection – cash protection for schools of 0.6% per annum is included within the MTFP, 1% above the change in the Welsh Government's "Block Grant" received from Central Government.
- 7.7 Reserves/Outcome Agreement Grant – no contribution from General Reserves, Earmarked Reserves or Outcome Agreement Grant is budgeted for over the term of the MTFP.
- 7.8 Corporate Vacancy Factor – anticipated in-year corporate employee cost savings of £200,000 per annum arising from the timing between a post becoming vacant and being appointed is included within the MTFP.
- 7.9 Collection Fund – a contribution of £600,000 per annum is budgeted for within the MTFP resulting from projected surplus on the Collection Fund.
- 7.10 Capital Financing Costs – although the Capital programme will not be reported to Council until 25th March 2015, the Budget Requirement 2015/16 includes capital financing costs of £8.031 million relating to historic capital investment decisions and Council approved current capital commitments.

8.0 ANNUAL MINIMUM REVENUE PROVISION (MRP) STATEMENT

8.1 Under the Local Authorities (Capital Finance and Accounting) (Wales) Regulations 2003, Local Authorities are required to charge to their revenue account for each financial year a Minimum Revenue Provision (MRP) to account for the cost of their debt in that financial year. Regulation 21 set out the method Authorities were required to follow in calculating MRP.

8.2 For the financial year 2007/08 and subsequent financial years, under the Local Authorities (Capital Finance and Accounting) (Amendment) (Wales) Regulations 2008, the detailed calculation has been replaced with a requirement that local authorities calculate an amount of MRP which they consider to be prudent. The broad aim of prudent provision is to ensure that debt is repaid over a period reasonably commensurate with that over which the capital expenditure provides benefits.

8.3 The options for prudent provision are as follows:

8.3.1 Option 1 – Regulatory Method

MRP is equal to the amount determined in accordance with the former 2003 Regulations as if it had not been revoked by the 2008 Regulations.

8.3.2 Option 2 – Capital Financing Requirement (CFR) Method

MRP is equal to 4% of the non-housing CFR at the end of the preceding financial year.

8.3.3 Option 3 – Asset Life Method

Where capital expenditure on an asset is financed wholly or partly by borrowing, MRP is to be made in equal annual instalments over the life of the asset. Where capital expenditure is not incurred in the creation of an asset, MRP is to be made in equal annual instalments over a period reasonably reflecting the benefit arising from the expenditure.

8.3.4 Option 4 – Depreciation Method

MRP is to be equal to the depreciation of that proportion of the asset on which expenditure has been financed by borrowing.

8.4 The conditions under which the prudent provision options can be used are as follows:

8.4.1 Options 1 and 2 should only be used in relation to capital expenditure incurred before 1st April 2008, and capital expenditure incurred on or after that date which the Authority is satisfied forms part of its Supported Capital Expenditure.

- 8.4.2 Options 3 and 4 should be used in relation to capital expenditure incurred on or after 1st April 2008 which is to be financed by borrowing and which does not form part of the Authority's Supported Capital Expenditure.
- 8.4.3 Option 3 should be used in relation to capital expenditure, allowable through a capitalisation direction, incurred on or after 1st April 2008 which is to be financed by borrowing.
- 8.4.4 Options 3 and 4 can be used in relation to capital expenditure, whenever incurred, which is to be financed by borrowing, whether or not part of the Authority's Supported Capital Expenditure.

8.5 MRP Policy Statement 2015/16

- 8.5.1 The 2008 Regulations recommend that prior to the commencement of each financial year a local authority prepares a statement of its policy on making MRP (Annual MRP Statement) and submits it to full Council.
- 8.5.2 The major proportion of the MRP for 2015/16 will relate to historic debt liability at 31st March 2007 that will continue to be charged to revenue at 4% in accordance with Option 1.
- 8.5.3 It is considered prudent that all capital expenditure financed by borrowing from 1st April 2007 be liable to a MRP charge to revenue governed by Option 3. This will allow a charge to revenue over a period reasonably commensurate with the estimated useful life applicable to the nature of the expenditure, using the equal annual instalment method.

9.0 ROBUSTNESS OF ESTIMATES AND ADEQUACY OF FINANCIAL RESERVES

- 9.1 Under Part II of the Local Government Act 2003, the Chief Finance Officer is required to report upon the robustness of the estimates made for the purposes of the budget and council tax setting calculations and the adequacy of the proposed financial reserves.
- 9.2 The Chief Finance Officer confirms the robustness of the 2015/16 budget setting process with reference to the consideration of the following components:
- Price increases – potential pay awards, pension increases, interest rate assumptions and major contracts due for re-tendering
 - Fees and charges reviews
 - Changes in the demand for services – local demand changes and changes resulting from national legislation
 - History of budgetary control – identification of highest risk budgets
 - Council Tax base and recovery rate
 - Specific grants available and compliance with terms and conditions
 - Clear timetable with allocated roles and responsibilities

- Budget strategy and guidelines – beginning with Corporate Management Team support and instruction April 2014 in respect of the necessity for budget savings
- Clear political priorities – through Cabinet Budget Workshops linked to Corporate Priority Outcomes
- Assessment of financial risks included in the budget
- Good working relationships with all Departments with clear support from Corporate Management Team
- Member challenge – through Cabinet, Audit Committee and Scrutiny Committees
- Budget public consultation responses

9.3 As at 1st April 2015, total General Reserves is estimated to be £4.5 million (£4.411 million at 1st April 2014) which is in line with the Budget Board’s overarching aim, included within its Terms of Reference, as follows:

“To maintain an adequate, healthy General Reserves balance of between 3.5% and 4% of the Council’s annual budgeted Net Revenue Expenditure in ensuring the Council continues to remain financially viable.”

General Reserves of £4.5 million is considered adequate for Merthyr Tydfil County Borough Council, equating to 3.9% of the net revenue budget.

9.4 As indicated in paragraph 7.7 of this report there is no planned utilisation of either General Reserves or Earmarked Reserves for the period of the Medium Term Financial Plan 2015/16 to 2017/18. Earmarked Reserves, including Schools Balances and the Insurance Fund, are subject to continuous review and scrutiny through the Budget Board and Cabinet.

9.5 As indicated in paragraphs 5.1 to 5.3 of this report the Budget proposals include additional monies allocated to those priority service areas where it is recognised that financial pressures exist.

10.0 FINANCIAL IMPLICATION(S)

10.1 The financial implications are outlined throughout this report and in the accompanying appendices and are summarised as follows:

- Revenue Budget Requirement for 2015/16 of £113.265 million
- Council Tax increase of 4.5% for 2015/16, equivalent to a Band D Council Tax of £1,352.72.

11.0 SINGLE INTEGRATED PLAN AND SUSTAINABILITY IMPACT SUMMARY

- 11.1 The Single Integrated Plan and Sustainability Impact Assessment has been completed and the proposals address the requirement for Efficient, Effective and Sustainable Public Services that enable its citizens.

12.0 EQUALITY IMPACT ASSESSMENT

- 12.1 Equality Impact Assessments (EqIA) have been prepared for the purpose of this report by each individual Directorate, in arriving at budget proposals for 2015/16. Copies of the EqIA's can be obtained from the author.

- 12.2 The Public Sector Equality Duty which came into force on 5th April 2011 requires the Council to demonstrate that financial decisions in setting a balanced budget are fair, transparent and accountable in considering the needs and rights of different members of the Community. This is achieved through assessment of the potential impact of changes to policies, procedures and practices on different protected groups or characteristics.

- 12.3 Under the equality duty (set out in the Equality Act 2010), public authorities must have 'due regard' to the need to eliminate unlawful discrimination, harassment and victimisation as well as to advance equality of opportunity and foster good relations between people who share a protected characteristic and those who do not. Protected characteristics are defined as:

- Age
- Disability
- Gender reassignment
- Marriage and civil partnership
- Pregnancy and maternity
- Race
- Religion or (non-) belief
- Sex
- Sexual orientation
- Welsh language

- 12.4 The 2011 Census provides the following data in respect of certain protected characteristics for the County Borough Council:

- Population of 58,802 with 49.0% male and 51.0% female
- Ethnicity profile of 97.6% white, 0.8% mixed race, 1.2% asian, 0.2% black and 0.2% other ethnic groups
- Age profile of 30.5% between 0 and 24, 26.0% between 25 and 44, 26.7% between 45 and 64 and 16.8% 65 and above
- Single people account for 35.3% of the population, married 44.8%, divorced 9.3%, separated 2.5%, widowed 7.9% and civil partnership 0.2%
- 57.2% of people have a religion, 35.8% do not, with 7% not stated

- 12.5 All financial decisions and proposals in arriving at a recommended Merthyr Tydfil County Borough Council Budget Requirement of £113.265 million and Council Tax increase of 4.5% for 2015/16 are itemised in the Budget Requirement Cabinet reports of 19th December 2014, 28th January 2015 and 11th February 2015, with all

non-employee related proposals included as appendices to this report. All proposals were subject to an Equality Impact Assessment in following approved Council procedures as follows:

12.5.1 Screening for Relevance – involved the completion of an “Equality Impact Assessment Screening Form” to establish whether or not the budget proposal impacted upon equality and diversity. All forms were completed by appropriate service managers and reviewed by the Council’s Equalities Officer.

12.5.2 Equality Impact Assessment – if the “Screening Form” exercise determined the requirement for a full equality impact assessment then the appropriate service manager was responsible for the completion of the “Equality Impact Assessment Report” for that budget proposal (reviewed by the Council’s Equalities Officer) taking into account the following considerations:

- Aims of the budget proposal, including responsibility and stakeholders
- Known information in respect of service users, how this information was collected and required actions
- Possible impact on different protected characteristics, based on service user information, data, consultation and research or professional experience
- Actions required to mitigate potential adverse impact or to address identified knowledge gaps
- Fostering good relations between different groups
- Advancing equality of opportunity between different groups
- Elimination of discrimination, harassment and victimisation
- Reduction of social exclusion and poverty
- Arrangements to monitor the budget proposal

The completed EqIA determined the following potential outcomes:

- Continue the budget proposal
- Adjust the budget proposal
- Justify the budget proposal
- Discontinue the budget proposal

12.6 In evidencing the non-adverse budget proposals impact on equality and diversity it should be noted that the budget proposals were also measured against potential adverse impact on achieving the Council’s vision, values and outcomes through the Single Integrated Plan and Corporate Plan, supported by four priority outcomes, as follows:

- People in Merthyr Tydfil have the opportunity and aspiration to learn and develop their skills to maximise their potential
- People in Merthyr Tydfil benefit from a strong, sustainable and diverse economy
- People, who live and work in Merthyr Tydfil are supported to enjoy a healthier and better quality of life
- People enjoy a vibrant, attractive, safe and sustainable place in which to live, work, play and visit

13.0 RECOMMENDATION (S) that

- 13.1 The Council Tax increase of 4.5% (Band D of £1,352.72) for 2015/16 for the County Borough Council, be approved.
- 13.2 The Net Revenue Budget (Budget Requirement) for 2015/16 of £113.265 million outlined in Appendix 1, be approved.
- 13.3 The Minimum Revenue Provision Statement be approved on the following basis:
- (a) Option 1 as the basis for calculation for the historic debt liability at 31st March 2007; and
 - (b) Option 3 for all capital expenditure financed by borrowing from 1st April 2007.
- 13.4 The Chief Finance Officer's comments relating to the robustness of the estimates and adequacy of reserves be noted.
- 13.5 The proposed reporting of the following financial documents to Council on 26th March 2014 be noted:
- Medium Term Financial Plan 2015/16 to 2017/18
 - Capital Programme 2015/16 to 2019/20
 - Prudential Indicators in compliance with the Prudential Code framework for capital investment in Local Authorities

GARETH CHAPMAN
CHIEF EXECUTIVE

BACKGROUND PAPERS

Title of Document(s)	Document(s) Date	Document Location
Medium Term Financial Plan 2014/15 to 2017/18	26 th March 2014	Council agenda and minutes / Finance Department
Medium Term Financial Plan 2014/15 to 2017/18 – Further Progress Update (Exempt)	30 th July 2014	Cabinet agenda and minutes / Finance Department
Provisional Local Government Settlement 2015/16	8 th October 2014	Finance Department
Final Local Government Settlement 2014/15	10 th December 2014	Finance Department
Budget Requirement 2015/16 to 2017/18 – Non Employee Proposals	19 th December 2014	Cabinet agenda and minutes / Finance Department
Budget Requirement 2015/16 to 2017/18 – Employee Proposals (Exempt)	19 th December 2014	Cabinet agenda and minutes / Finance Department
Scrutiny and Audit Committees	9 th January 2015 to 19 th January 2015	Agendas and minutes / Finance Department
Budget Requirement 2015/16 to 2017/18 – Progress Update (Exempt)	28 th January 2015	Cabinet agenda and minutes / Finance Department
Budget Requirement 2015/16 to 2017/18 – Further Update	11 th February 2015	Cabinet agenda and minutes / Finance Department
Medium Term Financial Plan / Budget Working Papers	February 2014 to February 2015	Finance / Directorates

Consultation has been undertaken with the Corporate Management Team in respect of each proposal(s) and recommendation(s) set out in this report.

Budget Requirement 2015/16
Council 25 February 2015
Corporate Summary

Revised Budget 2014/15	Description	Gross Expenditure 2015/16	Gross Income 2015/16	Net Budget 2015/16	Variance	
£		£	£	£	£	%
70,984,287	Community Services Directorate	79,411,000	-9,454,000	69,957,000	-1,027,287	-1.45
46,496,413	Customer Services Directorate	76,454,000	-31,433,000	45,021,000	-1,475,413	-3.17
772,000	Net Employee Severance Costs and Savings "Slippage" (Note 1)	1,233,000	0	1,233,000	461,000	59.72
-1,387,740	Non General Fund Allocations	0	-1,342,000	-1,341,460	46,280	3.33
20,000	Discretionary Non Domestic Rate Relief	20,000	0	20,000	0	0.00
-600,000	Collection Fund Surplus	0	-600,000	-600,000	0	0.00
-200,000	Corporate Vacancy Factor	0	-200,000	-200,000	0	0.00
-470,000	Net Contribution to/(from) Earmarked Reserves	0	0	0	470,000	100.00
-1,100,000	Contribution from Outcome Agreement Grant	0	0	0	1,100,000	100.00
-112,000	Contribution from Biffa Profit Sharing Scheme	0	0	0	112,000	100.00
17,768	Welsh Government Floor Adjustment	0	0	0	-17,768	-100.00
0	Further Employee Related Reductions (Note 2)	-824,000	0	-824,000	-824,000	n/a
114,420,728	Net Expenditure	156,294,000	-43,029,000	113,265,540	-1,155,188	-1.01
-91,600,430	Aggregate External Finance	n/a	n/a	-89,288,359	2,312,071	2.52
22,820,298	Net Expenditure Met From Council Tax	n/a	n/a	23,977,181	1,156,883	5.07
17,629.02	Council Tax Base	n/a	n/a	17,725.11	96.09	0.55
1,294.47	Merthyr Tydfil CBC Council Tax Band D	n/a	n/a	1,352.72	58.25	4.50

Notes

1. Net of a Capitalisation Direction of £888,000 in respect of service reform
2. Projected savings from Senior Management Review, Corporate Centre Administrative Review and contribution from Employees

Budget Requirement 2015/16
Council 25 February 2015
Community Services Directorate

Revised Budget 2014/15 £'000	Description	Gross Expend 2015/16 £'000	Gross Income 2015/16 £'000	Net Budget 2015/16 £'000
	<u>Youth & Family Social Regeneration & Development</u>			
642	Youth Service	569	0	569
47	Transition Services	0	0	0
24	Transition into Employment	278	-254	24
220	Early Years	194	-9	185
69	Integrated Children's Centre	116	-36	80
35	Youth Support Services	43	0	43
60	Participation	68	0	68
270	Employability & Worklessness	255	0	255
	<u>Adult & Family Social Regeneration & Development</u>			
93	Adult Community Learning (inc. Venture Out)	104	-43	61
48	Vulnerable Families	410	-363	47
48	Family & Community Services	252	-206	46
0	Communities First	0	0	0
	<u>Social Regeneration Management</u>			
362	Social Regeneration Management	261	0	261
25	Adult Learning (Sufficiency)	24	0	24
80	Families First	84	0	84
246	<u>Carers Network</u>	223	0	223
	<u>Daytime Activities</u>			
232	Outside/Community Based Daytime Activities	213	0	213
933	Day Centres	1,043	-83	960
280	Transport Services	263	0	263
	<u>Business Services</u>			
66	Compliments and Complaints	73	0	73
717	Business Services Teams	672	0	672
	<u>Social Services Services & Recharges</u>			
127	Directorate Services and Recharges	75	0	75
21	Receivership	21	0	21
138	Repairs & Maintenance	138	0	138
223	Office Accommodation	216	0	216

Budget Requirement 2015/16
Council 25 February 2015
Community Services Directorate

Revised Budget 2014/15 £'000	Description	Gross Expend 2015/16 £'000	Gross Income 2015/16 £'000	Net Budget 2015/16 £'000
	<u>Adult Services</u>			
82	Adult Services Management	214	0	214
112	ISS Management	55	0	55
853	Initial Support Services (Initial Response)	862	0	862
549	Community Occupational Therapy	539	0	539
1,080	Social Work Team	1,105	0	1,105
1,644	Accommodation (HFE's)	2,322	-631	1,691
549	Continuing Social Care	0	0	0
23	Meals on Wheels	0	0	0
	<u>Supported Housing Services</u>			
37	Supporting People	2,145	-2,098	47
65	Older Persons Strategy	49	0	49
1,254	Accommodation (Group Homes)	1,300	-53	1,247
24	Mental Health Hostel	0	0	0
	<u>Safeguarding, Quality & Performance</u>			
147	Social Care Workforce Development	391	-277	114
136	Contract Compliance	82	0	82
497	Safeguarding	551	-9	542
48	Policy & Quality Services	0	0	0
	<u>Independent Service Provision</u>			
1,747	Supported Placements	2,096	-15	2,081
1,622	Independent Domiciliary Care	1,675	0	1,675
611	Direct Payments	688	0	688
34	Independent Daytime Activities	120	0	120
4,217	Independent Residential Establishments (IRE's)	5,909	-1,682	4,227
276	Extra Care Facility	267	0	267
	<u>Social Care Commissioned Services</u>			
16	Social Care Commissioned Services	16	0	16
40	Autism Strategy	40	0	40
43	Telecare / Telehealth Services	38	0	38

Budget Requirement 2015/16
Council 25 February 2015
Community Services Directorate

Revised Budget 2014/15 £'000	Description	Gross Expend 2015/16 £'000	Gross Income 2015/16 £'000	Net Budget 2015/16 £'000
	<u>Children's Services</u>			
732	Children with Disabilities	795	0	795
3,815	Looked After Children's Services	3,586	0	3,586
2,125	Fostering and Adoption Services	2,150	0	2,150
2,653	Intake & Family Support Services	2,555	0	2,555
240	Children's Social Services	224	0	224
376	Youth Offending Team	445	-104	341
85	Duty Services	79	0	79
36,098	<u>Individual Schools Budget (ISB)</u>	35,828	0	35,828
	<u>Other School Expenditure</u>			
67	Relief / Supply Costs	53	0	53
80	Building Maintenance	80	0	80
275	Retirement / Severance	295	0	295
1	Child Protection	0	0	0
-1	Insurances	0	0	0
184	Schools Effectiveness Grant	783	-595	188
48	Welsh in Education Grant	146	-98	48
	<u>Special Educational Needs</u>			
75	Ynysowen Speech & Language	76	0	76
717	Learning Support Assistants	661	-22	639
152	Behavioural Support	157	0	157
7	Education of Travellers	28	-21	7
22	Dyslexia Support	1	-4	-3
70	Speech Therapists	54	0	54
135	Special Tuition	240	-102	138
1	Hospital Education	1	0	1
136	Special Needs Advisory Teachers	140	0	140
344	Special Recoupment	380	-22	358
339	Psychological Services	347	0	347
155	Partial Hearing Classes	156	0	156
78	School Counselling	81	0	81
5	SNAP Cymru	5	0	5
20	ALN Training	20	0	20

Budget Requirement 2015/16
Council 25 February 2015
Community Services Directorate

Revised Budget 2014/15 £'000	Description	Gross Expend 2015/16 £'000	Gross Income 2015/16 £'000	Net Budget 2015/16 £'000
	<u>School Meals and Milk</u>			
5	School Meals	1,921	-1,910	11
6	School Milk	73	-67	6
12	<u>Awards and Music</u>	285	-273	12
	<u>Strategic Management and Support</u>			
388	Strategic Management	398	0	398
43	Secretariat	44	0	44
340	School Support Services	819	-477	342
	<u>School Improvement</u>			
116	Strategic Education Projects	116	0	116
13	Schools Data Management Systems	13	0	13
265	Joint Education Service	267	0	267
50	<u>Other Education</u>	50	0	50
70,984	Net Expenditure	79,411	-9,454	69,957

Budget Requirement 2015/16
Council 25 February 2015
Customer Services Directorate

Revised Budget 2014/15 £'000	Description	Gross Expend 2015/16 £'000	Gross Income 2015/16 £'000	Net Budget 2015/16 £'000
	<u>Customer Service, ICT & Business Change</u>			
219	Performance Management	224	0	224
202	Partnerships	216	-30	186
282	Business Change	349	0	349
993	Service Support and Development	1,055	-57	998
1,484	ICT Computers	1,620	-133	1,487
0	Schools Support Team	228	-228	0
207	ICT Printing	319	-119	200
108	CCTV	168	-63	105
40	Peace of Mind	347	-333	14
-422	Parking Services	297	-554	-257
0	Civil Parking Enforcement	111	-111	0
88	<u>Emergency Planning</u>	96	0	96
	<u>Public Protection and Housing</u>			
-6	Rent Allowances	21,100	-21,106	-6
66	Housing Renovation Grants	93	-50	43
-48	Miscellaneous Rentals	5	-53	-48
435	Housing Services (RSL's Advice & Strategy)	408	0	408
54	Community Safety	59	0	59
216	Trading Standards General	177	-6	171
19	Food Quality	18	0	18
83	Animal Health & Welfare	91	-13	78
51	Licensing	182	-139	43
40	Public Health & Health Education	40	0	40
64	Private Sector Housing	62	0	62
3	Pest Control	31	-16	15
139	Occupational Health	136	0	136
83	Dog Warden Scheme	47	-2	45
1	Animal Impounding	1	0	1
146	Food Safety & Prevention of Infectious Diseases	160	-2	158
42	Nuisances	43	-1	42
31	Pollution Control	55	-25	30
0	Default Works	10	-12	-2
0	Disabled Facilities Grants Fees	0	-100	-100

Budget Requirement 2015/16
Council 25 February 2015
Customer Services Directorate

Revised Budget 2014/15 £'000	Description	Gross Expend 2015/16 £'000	Gross Income 2015/16 £'000	Net Budget 2015/16 £'000
2,281	<u>Transport</u>	2,569	-245	2,324
	<u>Leisure Culture and Environment</u>			
2,328	Proposed Merthyr Tydfil Leisure Trust	2,109	0	2,109
0	Retained Leisure Services	86	-25	61
42	Sports Development	221	-221	0
60	Dolygaer Education Centre	0	0	0
88	Registrars	182	-102	80
178	Bereavement Services	416	-308	108
991	Street Cleansing	861	-22	839
1,637	Grounds Maintenance	2,172	-815	1,357
	<u>Waste Management</u>			
1,347	Waste Disposal	1,361	-119	1,242
716	Civic Amenities	1,052	0	1,052
542	Recycling	177	0	177
397	Kitchen and Garden Waste	0	0	0
774	Refuse Collection	1,084	-379	705
0	Sustainable Waste	1,607	-1,432	175
	<u>Engineering and Highways</u>			
617	Highways Administration	630	0	630
577	Roads Maintenance and Repair	422	0	422
56	Grass Maintenance	36	0	36
86	Gullies and Drainage	76	0	76
68	Street Furniture / Infrastructure	71	0	71
188	MTCBC Winter Maintenance	152	0	152
-723	External Works	1,323	-1,950	-627
684	Street Lighting	670	-99	571
77	Bridge Maintenance	107	0	107
96	Land Drainage	133	-62	71
59	Land Reclamation	21	0	21
107	Traffic Management	60	-7	53
462	Engineering	457	-9	448
183	Depots	251	-86	165

Budget Requirement 2015/16
Council 25 February 2015
Customer Services Directorate

Revised Budget 2014/15 £'000	Description	Gross Expend 2015/16 £'000	Gross Income 2015/16 £'000	Net Budget 2015/16 £'000
	<u>Corporate Property</u>			
799	Corporate Property and Estates Division	1,076	-157	919
7	Glynmil Gipsy Site	7	-5	2
827	Office Accommodation	812	0	812
878	<u>Fleet Management</u>	964	-251	713
	<u>Town Planning</u>			
102	Planning - Development Control	418	-208	210
395	Planning - Development Plan	415	0	415
27	Building Control	176	-148	28
	<u>Economic Development</u>			
440	Economic Development	445	-36	409
208	Physical Regeneration	177	0	177
107	Rights of Way	110	-2	108
108	Orbit Business Centre	316	-257	59
26	<u>Tourist Information Centre</u>	12	0	12
	<u>Finance</u>			
861	Accountancy	851	-16	835
36	Insurance	39	0	39
216	Audit	220	-4	216
84	Counter Fraud	131	-38	93
247	Benefits	494	-288	206
6,169	Council Tax Benefit Payments	6,268	0	6,268
2	Revenues	663	-761	-98
260	Payroll	305	-27	278
143	Creditors	146	0	146
293	Procurement	297	-1	296
	<u>Human Resources</u>			
628	Human Resources	706	-75	631
23	Trade Unions	24	0	24

Budget Requirement 2015/16
Council 25 February 2015
Customer Services Directorate

Revised Budget 2014/15 £'000	Description	Gross Expend 2015/16 £'000	Gross Income 2015/16 £'000	Net Budget 2015/16 £'000
	<u>Legal and Democratic</u>			
358	Legal	424	-70	354
155	Democracy	158	0	158
35	Register of Electors	35	-1	34
4	Elections	5	0	5
86	Mayor Expenses	84	0	84
773	Members Expenses	781	0	781
116	<u>Communications</u>	113	0	113
86	<u>Scrutiny</u>	87	-21	66
451	<u>Corporate Management - Executive</u>	457	0	457
	<u>Corporate Authority</u>			
7,876	Capital Financing Costs	8,031	0	8,031
2,968	Levies	2,906	0	2,906
310	Contribution to Pensions	304	0	304
380	External Audit and Inspection Fees	380	0	380
1,015	Insurances	1,079	0	1,079
100	Provision for Bad Debts	100	0	100
30	External Legal Fees	30	0	30
120	Grants to Voluntary Organisations	120	0	120
92	Subscriptions	100	0	100
39	Bank Charges	39	0	39
10	Green Horizons Project	5	0	5
24	News Merthyr/Contact Supplement	24	0	24
28	Empty Property NDR Relief	28	0	28
11	Flexi-time Machine	0	0	0
6	Miscellaneous	6	-5	1
32	Translations/Welsh Translations	32	0	32
-28	Welsh Water Long Term Debt Interest	0	-25	-25
-5	Car Purchase Loans	0	-3	-3
46,496	Net Expenditure	76,454	-31,433	45,021

Budget Requirement 2015/16**Council 25 February 2015****Calculation of Budget Requirement 2015/16 and Indicative Budget Deficits 2016/17 to 2017/18**

Description	2015/16			2016/17			2017/18		
	Required Budget £'000	Available Finance £'000	Budget Deficit £'000	Required Budget £'000	Available Finance £'000	Budget Deficit £'000	Required Budget £'000	Available Finance £'000	Budget Deficit £'000
Cabinet 30 July 2014	114,787	-113,855	932	117,284	-113,891	3,393	119,815	-113,972	5,843
Final Revenue Settlement	357	716	1,073	382	2,551	2,933	382	4,742	5,124
Employee Pay Award	768	0	768	1,450	0	1,450	2,128	0	2,128
Additional 'Unavoidable' Demands	2,903	0	2,903	3,264	0	3,264	3,288	0	3,288
Budget Reductions - Non Employee	-2,490	0	-2,490	-2,780	0	-2,780	-2,831	0	-2,831
Budget Reductions - Employee Related	-2,059	0	-2,059	-3,017	0	-3,017	-3,041	0	-3,041
Merthyr Tydfil Leisure Trust	-113	0	-113	-113	0	-113	-113	0	-113
Capitalisation Direction for Service Reform	-888	0	-888	0	0	0	0	0	0
Council Tax Increase from 3.95% to 4.5%	0	-126	-126	0	-263	-263	0	-411	-411
Total	113,265	-113,265	0	116,470	-111,603	4,867	119,628	-109,641	9,987

Budget Requirement 2015/16
Council 25 February 2015
Impact of Local Government Revenue Settlement

Description	Final 2015/16 £'000	Indicative 2016/17 £'000	Indicative 2017/18 £'000
<u>Provisional Settlement - Reduction in Funding</u>			
Aggregate External Finance - Original MTFP (Note 1)	90,133	89,232	88,339
Aggregate External Finance - Provisional Settlement (Note 2)	89,228	86,488	83,401
Reduction in Aggregate External Finance (AEF) (Note 3)	905	2,744	4,938
<u>Provisional Settlement - Net Transfers</u>			
Local Government Borrowing Initiative (21st Century Schools)	100	125	125
Integrated Family Support Service	280	280	280
Autistic Spectrum Disorder	40	40	40
Student Finance Wales	-48	-48	-48
Food Safety Controls	-9	-9	-9
National Adoption Service	-6	-6	-6
Net Transfers in to the Revenue Settlement	357	382	382
<u>Final Settlement - Increase in Aggregate External Finance</u>			
Aggregate External Finance - Provisional Settlement (Note 2)	89,228	86,488	83,401
Aggregate External Finance - Final Settlement (Note 4)	89,288	86,547	83,457
Increase in Aggregate External Finance	-60	-59	-56
<u>Council Tax Base</u>			
Provisional Council Tax Base Available Finance (Note 5)	113,010	111,206	109,090
Final Council Tax Base Available Finance (Note 6)	113,139	111,340	109,230
Increase in Available Finance	-129	-134	-140
Net Impact of Local Government Revenue Settlement	1,073	2,933	5,124

Notes

1. Indicative Welsh Government AEF of -1.26% for 2015/16 and estimated Council AEF of -1% for both 2016/17 and 2017/18
2. Provisional Welsh Government AEF of -2.57% for 2015/16 and estimated Council AEF of -3.07% for 2016/17 and -3.57% for 2017/18
3. AEF consists of the total of Revenue Support Grant and Redistributed Non Domestic Rates
4. Final Welsh Government AEF of -2.52% for 2015/16 and estimated Council AEF of -3.07% for 2016/17 and -3.57% for 2017/18
5. Provisional Council Tax Base of 17,629.02 based on 96% Collection Rate (2014/15 base approved by Council 04 December 2013)
6. Final Council Tax Base of 17,725.11 based on 96% Collection Rate (approved by Council 03 December 2014)

Budget Requirement 2015/16**Council 25 February 2015****Community Services Directorate Additional 'Unavoidable' Demands**

Ref.	Service	Description	2015/16 £'000	2016/17 £'000	2017/18 £'000
1	Special Educational Needs (SEN) Recoupmnt	Additional SEN pupils educated out of county.	107	107	107
2	Education of Travellers	Additional match funding (25%) based on 2013/14 and 2014/15 of the Education of Travelers programme costs .	3	3	3
3	Looked After Children - Adoption	Regional Adoption Consortium	107	107	107
4	Looked after children	Increased demand & changes to assessed need within Looked After Children	137	200	200
5	Children's Social Services - Contact & Outreach	Increase in court ordered contact	19	20	20
6	Safeguarding	Increased demands & legislation regarding Child Protection & Looked After Children reviews	13	15	17
7	Supported Housing - Accommodation	Increased demand & changes to assessed needs within group home - reduces reliance on Independent sector	136	137	140
8	Supported Housing - Accommodation	Demand resulting from the withdrawal of Budget Reduction proposal reference 12 of Appendix 8 to the non-exempt report to Cabinet 23 December 2013 relating to the deregistration of Learning Difficulties and Disabilities (LDD) Care Homes	22	22	22
9	Residential Accommodation	Increase demand & changing assessed need within residential homes - reduces reliance on Independent sector for Elderly and Mentally Infirm services	107	110	116
10	Adult Social Services	Increased demands & legislation regarding Deprivation of Liberties and Continuing Health Care	42	44	44
11	Early Years & Play	Demand resulting from the withdrawal of Budget Reduction proposal reference 48 of Appendix 8 to the non-exempt report to Cabinet 23 December 2013 relating to stopping the three non maintained provisions and parental choice is purely based on accessing maintained provisions within schools	22	22	22
12	Transport Services	Current service demand & assessed need	12	12	12
13	Transport Services	Demand resulting from the non-achievement of Budget Reduction proposal reference 14 of Appendix 8 to the non-exempt report to Cabinet 23 December 2013 relating to review of transport within Adult Services	27	27	27
Total Community Services Directorate			754	826	837

Note

All proposals were considered and recommended for approval to this Council by Cabinet of 19 December 2014.

Budget Requirement 2015/16**Council 25 February 2015****Customer Services Directorate Additional 'Unavoidable' Demands**

Ref.	Service	Description	2015/16 £'000	2016/17 £'000	2017/18 £'000
1	Legal	Income target not achievable. Loss of contract with Merthyr Valleys Homes	13	12	12
2	Corporate Property & Regen	Restatement of Fees & Charges - historically understated	15	15	15
3	Office Accommodation	Rates for the Unit 5 are currently understated	13	0	0
4	Election	Avantguard Software-used for running postal votes	5	5	5
5	Members Expenses	1 additional Cabinet member with Portfolio for Transformational Change	10	10	11
6	Planning	Income target not achievable (Development Control Fees and Rentals)	114	114	114
7	Transport - Home to School	Expenditure for college bus and rail passes not previously built in by department	96	96	96
8	Transport - Home to School	Increase in the contractual daily rate for Additional Learning Needs (ALN) transport	76	76	76
9	Transport - Public Transport	Increase in costs of local bus contracts	12	12	12
10	Corporate Property & Regen	Costs associated with the acquisition of an additional 18 properties within Merthyr Vale - additional properties at Taff & Crescent Street	60	40	20
11	Museum	Demand resulting from the non-achievement of Budget Reduction proposal reference 7 of Appendix 9 to the non-exempt report to Cabinet 23 December 2013 relating to museum entry charges	25	0	0
12	Human Resources	Yearly maintenance Risex Ltd - Online Health & Safety Management System	10	10	10
13	Car Parking	Demand resulting from the non-achievement of Budget Reduction proposal reference 22 of Appendix 9 to the non-exempt report to Cabinet 23 December 2013 relating to parking tariff	91	91	91
14	Car Parking	Reduction in car parking income due to reduced demand	271	271	271
15	Orbit Centre	Demand resulting from the non-achievement of Budget Reduction proposal reference 65 of Appendix 9 to the non-exempt report to Cabinet 23 December 2013 relating to the sale of the Orbit Centre	56	70	76

Budget Requirement 2015/16**Council 25 February 2015****Customer Services Directorate Additional 'Unavoidable' Demands**

Ref.	Service	Description	2015/16 £'000	2016/17 £'000	2017/18 £'000
16	Corporate/planning	Geographical Information System (GIS) Officer built into core structure.	17	35	35
17	Civic Amenities Sites	Security costs at Civic Amenities sites are currently understated	30	36	41
18	Civic Amenities Sites	Additional tonnage and increased average cost per ton	280	315	330
19	Recycling/Communications	Additional cost relating to the Collaborative Change Programme (CCP)	13	7	-19
20	Corporate	Capital Financing costs - Increased costs due to Cabinet approved additional capital expenditure for the Riverside project and inclusion of expenditure for a potential Capitalisation Direction to aid service reform (Redundancy and Pension Costs).	26	268	355
21	Counter Fraud	Reduction in Benefit Fraud grant by 10%	17	17	17
22	Office Accommodation	Additional maintenance costs associated with the High Voltage Switch and Transformer at Unit 5	5	5	5
23	Economic Development	Rental income for unit no longer received	8	8	8
24	Emergency Planning	LRF income no longer being received	4	4	4
25	Corporate Property and Estates	Fixed term appointment of Technical Energy Officer post resulting in sustainable energy efficiency savings	45	45	0
26	Corporate Property and Estates	Implementation of council wide energy awareness raising initiatives with the aim of delivering sustainable energy efficiency savings	5	0	0
27	Partnerships	Reflects the Welsh Government notification of 15 December 2014 of a reduction in grant to support the Local Service Board. The post in question also supports the Single Integrated Plan Steering Group and the Regional Collaboration Board	5	5	5
Total Customer Services Directorate			1,322	1,567	1,590

Note

All proposals were considered and recommended for approval to this Council by Cabinet of 19 December 2014 with the exception of references 25, 26 and 27 which were recommended for approval by Cabinet of 28 January 2015.

Budget Requirement 2015/16
Council 25 February 2015
Corporate Additional 'Unavoidable' Demands

Ref.	Service	Description	2015/16 £'000	2016/17 £'000	2017/18 £'000
1	Corporate Wide	Net corporate re-alignment of budget heads to reflect correction of minor salary/income projections etc.	65	109	99
2	Redundancy Costs / Savings Slippage	Corporate provision for costs of redundancy and potential slippage in savings owing to consultation process extending past 1 April 2015 and into the 2015/16 financial year	762	762	762
Total Corporate			827	871	861

Note

All proposals were considered and recommended for approval to this Council by Cabinet of 19 December 2014.

Budget Requirement 2015/16**Council 25 February 2015****Community Services Directorate Proposed Non Employee Related Budget Reductions**

Ref.	Service	Description	2015/16 £'000	2016/17 £'000	2017/18 £'000
1	Individual Schools Budget (ISB)	Net reduced requirement for ISB after applying the cash protection of 0.6% and reflecting prior year pupil led adjustments, the increased savings resulting from review of nursery provision and the contribution to borrowing costs relating to 21st Century Schools.	-85	-85	-84
2	Children with Disabilities – Direct Payments	Reflects reviewed service & growth requirements in respect of the Additional 'Unavoidable' Demand request reference 11 of Appendix 4 to the non-exempt report to Cabinet 23 December 2013	-163	-64	-64
3	Youth Offending Services	Consortium working contract commitment matched - contracted out service	-18	-18	-18
4	Childrens Social Services	Cessation of Think Family commitment	-24	-24	-24
5	Looked After Children Education Support (LACES)	Reflects revised growth requirements in respect of the Additional 'Unavoidable' Demand request reference 14 of Appendix 4 to the non-exempt report to Cabinet 23 December 2013 relating to increased demand for additional tuition for Looked After Children	-15	-15	-15
6	Children's Social Services – Volunteer Drivers	Reflects revised growth requirements in respect of the Additional 'Unavoidable' Demand request reference 9 of Appendix 4 to the non-exempt report to Cabinet 23 December 2013 relating to increased demand on volunteer driver services	0	-8	-16
7	Children with Disabilities – Service Provision	Reflects revised growth requirements in respect of the Additional 'Unavoidable' Demand request reference 10 of Appendix 4 to the non-exempt report to Cabinet 23 December 2013	-29	-28	-28
8	Duty Services	Review of demand & MTFP assumptions - contracted out service	-13	-13	-13
9	Children's Social Services - Intake & Family Support	Enforced 15%-20%-25% year on year levy reduction to expenditure budgets within Preventative Services (S17)	-6	-7	-9
10	Children's Social Services - Intake & Family Support	Enforced 5% levy reduction to Taith contracts	-1	-1	-1
11	Children's Social Services - Looked After Children	Transition Programme from Independent Foster Care to In-House Foster Care Services (5 young people)	-90	-90	-90
12	Children's Social Services - Looked After Children	1% reduction to the Outreach Service Contract commissioned through the voluntary sector	-4	-4	-4

Budget Requirement 2015/16**Council 25 February 2015****Community Services Directorate Proposed Non Employee Related Budget Reductions**

Ref.	Service	Description	2015/16 £'000	2016/17 £'000	2017/18 £'000
13	Children's Social Services - Looked After Children	0.5% reduction to the SGO/CAO services within LAC through case and needs assessment reviews	-20	-20	-20
14	Children's Social Services - Looked After Children	Reduction of Specialist Adoptive placements from 4 to 2	-54	-27	-27
15	Children's Social Services - Looked After Children's Services	Review of demand & MTFP assumptions for overall LAC services	-43	-44	-45
16	Children's Social Services - Looked After Children's Services	Review of demand & MTFP assumptions for "When I'm Ready" reduced to 80% take up rate	-11	-15	-18
17	Children's Social Services - Looked After Children's Services	Enforced 2.5% levy reduction to expenditure budgets within LACES	-5	-5	-5
18	Children's Social Services - Looked After Children's Services	Review of MTFP assumptions for Direct Payments services for children additional demand reduced to 40hrs per week	-5	-6	-7
19	Independent Service Provision	Review of demand & MTFP assumptions - Independent Domiciliary Care	-63	-63	-63
20	Independent Service Provision	Review of demand & MTFP assumptions - Independent Residential Establishments	-110	-110	-110
21	Independent Service Provision	Review of demand & MTFP assumptions - Ty Cwm Extra Care	-9	-9	-9
22	Adult Social Services - Commissioned Services	Targeted 10% reduction of the Telecare/Telehealth Service	-5	-5	-5
23	Adult Social Services - Accommodation	Further enforced % levy reductions to expenditure budgets within both Residential Homes to enable a 10% reduction overall when combined with Food Provision reduction	-21	-21	-21
24	Adult Social Services - Accommodation	Reduction in Food Provision for meals from £6 per person per day to £5pppd in both Residential Homes	-23	-23	-23
25	Adult Social Services - Supported Housing Services	Reduction in Food Provision for meals from £6 per person per day to £5pppd in all Group Homes	-4	-4	-4

Budget Requirement 2015/16**Council 25 February 2015****Community Services Directorate Proposed Non Employee Related Budget Reductions**

Ref.	Service	Description	2015/16 £'000	2016/17 £'000	2017/18 £'000
26	Adult Social Services - Initial Support Services	MTFP adjustment to incorporate "Fairer Charging" policy agreed by Council 7th May 14	-71	-71	-71
27	Adult Social Services - Independent Service Provision	MTFP adjustment to incorporate transfer of one client to In-House provision rather than Independent (MT)	-52	-52	-52
28	Adult Social Services - Independent Service Provision	Section 117 CHC funding from Health for 7 current placements	-52	-52	-52
29	Adult Social Services - Independent Service Provision	MTFP adjustment based on anticipated reduction in placements within the Independent Sector, new placements to LA Homes	-54	-54	-54
30	Adult Social Services - Residential	MTFP adjustment to income projections within LA Residential Homes	-34	-34	-34
31	Adult Social Services - Independent Service Provision	MTFP adjustment to fees uplift within Independent Sector	-25	-25	-25
32	Business Services - Directorate Support Services	MTFP adjustment to Health Park rental charges inline with known floor plan charge allowing for % year on year uplift to charge	-7	-4	0
33	Social Regeneration - Early Years	Reduce service areas ability to respond to the CSA assessment and training for the wider childcare workforce	-9	-9	-9
34	Social Regeneration - Participation - Youth Support Services	It is recommended that the authority commission out the participation service	-2	-2	-2
35	Social Regeneration - Adult Learning	Reduction in amount allocated to tender for the completion of this specialised work (last full PSA cost 24,500)	-1	-1	-1
36	Social Regeneration - Carers Network	Delay the procurement of a single model structure whilst reducing contributions to carer organisations.	-12	-12	-12
Total Community Services Directorate			-1,140	-1,026	-1,036

Note

All proposals were considered and recommended for approval to this Council by Cabinet of 19 December 2014.

Budget Requirement 2015/16**Council 25 February 2015****Customer Services Directorate Proposed Non Employee Related Budget Reductions**

Ref.	Service	Description	2015/16 £'000	2016/17 £'000	2017/18 £'000
1	Waste Disposal	Reduction in Disposal Cost relating to the Collaborative Change Programme (CCP)	-32	-296	-290
2	Refuse Collection	Reduction in Transport Related Expenditure relating to the Collaborative Change Programme (CCP)	-157	-112	-102
3	Sustainable Waste Management Grant/Recycling	Saving through introduction of the Collaborative Change Programme (CCP)	-99	-119	-65
4	Lifeline	Additional income from new contract	-30	-30	-30
5	Dolygaer	If Dolygaer is sold or transferred in 2014/15	-8	-8	-17
6	Legal	Police and Crime Panel Grant awarded from Home Office	-30	0	0
7	Scrutiny	Police and Crime Panel Grant awarded from Home Office	-20	0	0
8	Tourist Information Centre	Possible closure of Tourist Information Centre	-8	-18	-19
9	Museum Service	NNDR savings change in rateable value	-11	-13	-14
10	Car Parking	Reduction in Car Park NNDR	-21	-20	-23
11	Corporate	Reduction in Levy due to SW Fire & Rescue	-46	-46	-78
12	Corporate	Pension Contribution ex mid glam-saving based on projected spend 2014/15-includes an increase of 1.2% CPI	-18	-24	-27
13	Council Tax Reduction Scheme	Reduction in demand	-99	-145	-196
14	Street Cleansing	Transport Related Expenditure	-38	-32	-27
15	Street Cleansing	Additional income from existing contract	-5	-5	-4
16	Bereavement	Decrease expenditure by 10% in 2015/16 and increase fees by 20% pa for 3 years.	-53	-87	-131
17	Depots	Rent budget for Unit 3 Viaduct House no longer required as property now vacant.	-19	-19	-19
18	Estates	Security for Unit 5 delivered through new contract	-30	-40	-40
19	Estates	Dismantling of mezzanine floor Unit 5	0	-13	-13
20	Grounds Maintenance	Other Indirect Staff Costs e.g. CRB Checks, medical tests etc	-3	-3	-3
21	Grounds Maintenance	Repairs & Maintenance (buildings)	-30	-71	-71

Budget Requirement 2015/16**Council 25 February 2015****Customer Services Directorate Proposed Non Employee Related Budget Reductions**

Ref.	Service	Description	2015/16 £'000	2016/17 £'000	2017/18 £'000
22	Grounds Maintenance	Electricity, gas, fuel oil, water, cleaning Savings resulting from a rationalisation of the number of sports field changing rooms, increasing fees and charges to users will also be necessary.	-10	-10	-10
23	Grounds Maintenance	Transport Related Expenditure Petrol, tyres, repairs and maintenance. A reduction in fleet as part of the ASD fleet review will result in less spend in associated budgets. Not double counted with fleet review.	-50	-50	-50
24	Grounds Maintenance	Equipment, Furniture & Materials. A reduced workforce and standard of maintenance would lead to a reduction in equipment required	-50	-50	-50
25	Grounds Maintenance	Maintenance of Equipment. A reduction in the amount of plant required would mean a reduction in the maintenance requirement	-4	-4	-4
26	Grounds Maintenance	Hire of Equipment. As part of the reduction in service standards i.e.. reduction in number of cuts the requirement to hire in some machinery will be removed.	-5	-5	-5
27	Grounds Maintenance	Chemicals. Weed spraying reduction in the current provision.	-5	-5	-5
28	Grounds Maintenance	Protective Clothing & Uniforms. Standardisation of the protective clothing issue combined with a reduced agency requirement will mean the budget requirement will be less.	-10	-10	-10
29	Grounds Maintenance	Contractor Payments. A reduced service will result in less payments to contractors i.e. specialist work to playing fields.	-5	-5	-5
30	Grounds Maintenance	Refuse/Tipping Charges. Reduce waste going to landfill by recycling more, chipping green waste back on site, educating staff to keep waste streams separate i.e. green waste and refuse.	-5	-5	-5
31	Grounds Maintenance	Plant & Seeds	-5	-5	-5
32	Grounds Maintenance	Taff Bargoed Park. Reduction in the maintenance specification i.e. reduction in the grass cutting. Reduced spend on materials.	-20	-20	-20

Budget Requirement 2015/16**Council 25 February 2015****Customer Services Directorate Proposed Non Employee Related Budget Reductions**

Ref.	Service	Description	2015/16 £'000	2016/17 £'000	2017/18 £'000
33	Grounds Maintenance	Fleet reductions. Part of the ASD fleet review. Reduction in the number of crew cabs, vans and tractors. Lease charges and Fuel.	-42	-67	-67
34	Grounds Maintenance	Reduce 1 crew cab tipper	0	-7	-7
35	Grounds Maintenance	Reduce 1 tractor (fields)	0	-4	-8
36	Property	Reduce Gypsy site costs	-5	-5	-5
37	Street Cleansing	Fleet Review - e.g. reduce mechanical sweepers	-20	-20	-20
38	Elections	Adaptation of premises all completed	-4	-4	-4
39	Members	Staff training and support reduced to required level also conferences and seminars reduced- covered in training budget	-9	-9	-9
40	Members	Professional fees standards Committee budget not required- covered in another budget line	-1	-2	-1
41	Register of Electors	Saving in Staff training budget	-1	-1	-1
42	Planning	Reduction in Inquiry and Appeals budget (DC) - subject to corporate covering any potential overspend.	-16	-16	-16
43	CCTV	Reduction in Maintenance budget	-5	-5	-5
44	Customer Contact/Central Services	Reduction in print budget	-7	-7	-7
45	Customer Contact/Central Services	Reduction in training budget	-5	-5	-5
46	Customer Contact/Central Services	Reduction in Car Allowance budget	-2	-2	-2
47	Customer Contact/Central Services	Reduction in catering budget	-2	-2	-2
48	Customer Contact/Central Services	Reduction in clothing budget	-1	-1	-1
49	ICT	Network Management charge for Schools - £15k. The management, development and support of the all Schools wide area network and local networks in schools (including wireless) is not included in any Schools SLA.	-15	-15	-15
50	IT	Stop Vodaphone APN contract - £4k.	-4	-4	-4
51	IT	Stop Bloxx web filtering- £3.4k	-3	-3	-3

Budget Requirement 2015/16**Council 25 February 2015****Customer Services Directorate Proposed Non Employee Related Budget Reductions**

Ref.	Service	Description	2015/16 £'000	2016/17 £'000	2017/18 £'000
52	IT	Schools Purchasing – 5% oncost charge on all purchases will give 7k income based on current school spend.	-7	-7	-7
53	IT	Cancel BSI ISO27001 accreditation - £7.6k	-8	-8	-8
54	IT	Cancel Daisy Mittel call centre software insurance £3.5k	-4	-4	-4
55	Parking	Reduction in print budget	-8	-8	-8
56	Partnerships	Community Safety Partnership contribution.	-15	-15	-15
57	Accountancy and Insurance	Reduction in contribution to insurance fund	-8	-17	0
58	Audit	Audit - Reduce professional fees and Seminar Budgets	-13	-13	-13
59	Benefits	Reduction in Training budget	-2	-2	-2
60	Payroll	Subscriptions saving £750 each year	-1	-1	-1
61	Procurement	Reduction in Training budget	-2	-2	-2
62	Procurement	WPC Management Fee-no charge	-13	-13	-13
63	Procurement	Reduction in Procsolve Marketplace Licence	-17	-17	-17
64	Procurement	Conferences budget removed.	-1	-1	-1
65	Revenues	Small increase in proportion of Bailiff work retained in-house	-5	-5	-5
66	Revenues	Reduction of Professional fees relating to external bailiffs as move work is retained in house. Bank charges reduced as less payments are processed mainly due to no longer taking rent payments from Merthyr Valleys homes.	-21	-35	-21
67	Environmental Health	Dog Warden - boarding and professional fees. Holding dogs for Statutory minimum.	-12	-12	-12
68	Environmental Health	Remove Sunbed regulations budget	-1	-1	-1
69	Environmental Health	Reduction of Default Works budget	-2	-2	-2
70	Housing Renewals & DFGs	Use a greater proportion of the Dept income from fees to offset salary costs.	-21	-21	-21
71	Housing Renewals & DFGs	Using DFG reserve fund	-100	-100	-100
72	Licensing	Training budget, travel etc	-7	-7	-7
73	Registrars	Reconfigure service, increase income charges	-2	-2	-2

Budget Requirement 2015/16**Council 25 February 2015****Customer Services Directorate Proposed Non Employee Related Budget Reductions**

Ref.	Service	Description	2015/16 £'000	2016/17 £'000	2017/18 £'000
74	Trading Standards	Reduction in Training Budget	-3	-3	-3
75	Trading Standards	Reduction in equipment budget	-2	-2	-2
76	Trading Standards	Reduction in car allowance	-2	-2	-2
77	Trading Standards	Reduction in legal fees	-2	-2	-3
78	Trading Standards	Reduction in printing budget	-1	-1	-1
79	Trading Standards	Reduction in Professional fees	-2	-2	-2
Total Customer Services Directorate			-1,350	-1,754	-1,795

Note

All proposals were considered and recommended for approval to this Council by Cabinet of 19 December 2014.