



FULL COUNCIL REPORT

Date Written	22 nd February 2017
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Service Area	Finance
Exempt/Non Exempt	Non Exempt
Committee Date	2 nd March 2017

To: Mayor, Ladies and Gentlemen

Budget Requirement and Council Tax 2017/18 – State of the Council Debate

1.0 SUMMARY OF THE REPORT

- 1.1 Local Authorities are required by statute to declare their Budget Requirement and Council Tax for the financial year 2017/18 by 11th March 2017.
- 1.2 The Final Local Government Settlement announced on 21st December 2016 resulted in a budget reduction of 0.5% for Merthyr Tydfil County Borough Council for 2017/18.
- 1.3 Cabinet of 22nd February 2017 recommended a Budget Requirement of £114.795 million and Council Tax increase of 2.9% for 2017/18.
- 1.4 The Medium Term Financial Plan indicates a projected budget deficit of £16.358 million for the 4 year period 2017/18 to 2020/21.
- 1.5 The proposed Capital Programme 2017/18 to 2020/21 totals £9.462 million for 2017/18 and £25.938 million for the 4 year period 2017/18 to 2020/21.
- 1.6 Both proposed revenue and capital budgets for 2017/18 have been linked to corporate priority areas in demonstrating the proportion of resources allocated to the Council's corporate priorities for improvement.
- 1.7 The proposed Minimum Revenue Provision Policy for 2017/18 is based on the principle of asset useful economic lives and supports the concept of prudent provision.

1.8 The Chief Finance Officer comments on the robustness of the estimates and the adequacy of financial reserves.

2.0 RECOMMENDATIONS that

2.1 The Council Tax increase of 2.9% for 2017/18 ('Band D' of £1,440.68) for the County Borough Council be approved.

2.2 The Budget Requirement of £114.795 million for 2017/18 (net revenue budget) be approved.

2.3 The revisions to the Medium Term Financial Plan 2017/18 to 2020/21 in arriving at a projected budget deficit of £16.358 million for the period 2017/18 to 2020/21 be approved.

2.4 The core funded Capital Programme of £25.938 million for the period 2017/18 to 2020/21 be approved.

2.5 The Minimum Revenue Provision Statement for 2017/18 be approved on the following basis:

(a) Historic debt liability at 31st March 2007 – charged to revenue over 44 years by the straight line method

(b) Capital expenditure financed by borrowing from 1st April 2007 – charged to revenue by the asset life method

2.6 The Chief Finance Officer's comments relating to the robustness of the estimates and adequacy of reserves be noted.

2.7 The proposed reporting of the Medium Term Financial Plan 2017/18 to 2020/21 to Council on 22nd March 2017 be noted.

3.0 INTRODUCTION AND BACKGROUND

3.1 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.

3.2 Although referenced within this report the detailed MTFP document for 2017/18 to 2020/21 will be presented for consideration to the Special Cabinet meeting of 15th March 2017 prior to recommendation for approval to the Council meeting of 22nd March 2017.

3.3 By virtue of section 32(10) of the Local Government Finance Act 1992, as amended, the Council must calculate its Budget Requirement for 2017/18 by 11th March 2017 at the very latest, including the setting of the annual Council Tax rate.

- 3.4 The Final Local Government Settlement for 2017/18 was announced on 21st December 2016 and resulted in a reduction in the Council's Aggregate External Finance (AEF) of 0.5% for 2017/18, equating to £446,046, and is detailed in Appendix 1. Merthyr Tydfil's AEF for 2017/18 is £88,763,184 compared to the adjusted AEF of £89,209,230 for 2016/17.
- 3.5 Merthyr Tydfil, along with Powys, is supported by a "floor mechanism" for 2017/18 whereby the Welsh Government has ensured that no Local Authority experiences a funding reduction greater than 0.5%. Without the "floor mechanism" Merthyr Tydfil would have experienced a funding reduction of 0.94% equating to a further cash reduction of £391,113.
- 3.6 Funding formula and data set changes have resulted in Merthyr Tydfil moving from 4th best revenue settlement in 2016/17 to along with Powys joint bottom with protection in 2017/18. Changes to key data sets impacting upon the revenue settlement are detailed in Appendix 2.
- 3.7 Budget 2017/18 and MTFP 2017/18 to 2020/21 proposals have been considered and approved by Cabinet, Joint Scrutiny / Audit Committee and Council throughout 2016/17 as indicated in Table 1.

Table 1 – Budget / MTFP Committee Dates

Cabinet	Council	Joint Scrutiny / Audit
27 th July 2016 30 th November 2016 11 th January 2017 8 th February 2017 22 nd February 2017	7 th September 2016 30 th November 2016 25 th January 2017	18 th January 2017 15 th February 2017

In addition the outcome of the public budget consultation 2017/18 exercise was presented to Cabinet of 8th February 2017

- 3.8 The Capital Programme 2017/18 to 2020/21 detailed within this report was considered by Cabinet of 8th February 2017 and recommended to this Council for approval.

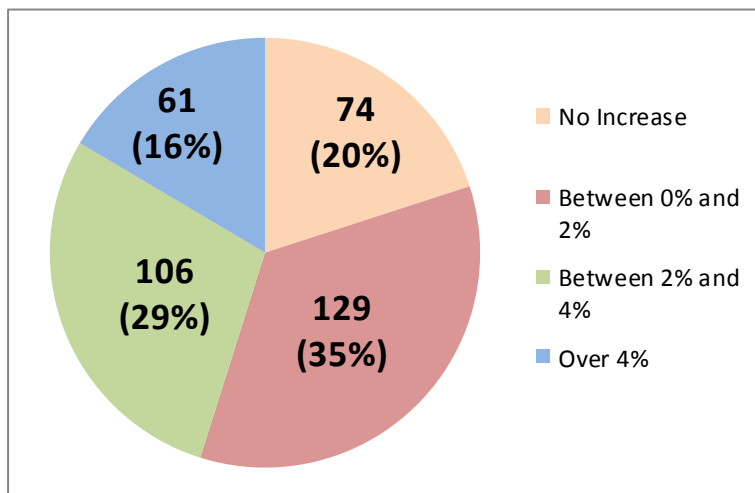
4.0 COUNCIL TAX 2017/18

- 4.1 Merthyr Tydfil's MTFP for 2016/17 to 2019/20, approved by Council 23rd March 2016, reflects a Council Tax increase of 3.5% per annum, as set for 2016/17.
- 4.2 Cabinet of 8th February 2017 proposed a Council Tax increase of 2.9% for 2017/18. This increase was confirmed by Cabinet of 22nd February 2017 and recommended to this Council of 2nd March 2017 for approval. This results in a 'Band D' Council Tax of

£1,440.68 for 2017/18, and equates to an additional requirement of £40.61 for 2017/18 (equivalent to 78 pence per week), and is outlined in Appendix 3.

- 4.3 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 £1,440.68.
- 4.4 The ‘*Council Priorities and Budget Consultation 2017/18*’ report to Cabinet of 8th February 2017 indicated that 80% of 376 respondents supported a reasonable increase in Council Tax if it meant that as many Council services as possible were maintained at current levels of service. In responding to the preferred level of Council Tax increase for 2017/18, 45% of the 370 respondents supported a Council Tax increase in excess of 2%, as follows:
- No increase – 74 respondents (20%)
 - Between 0% and 2% – 129 respondents (35%)
 - Between 2% and 4% – 106 respondents (29%)
 - Over 4% – 61 respondents (16%)
- 4.5 Figure 1 highlights the respondents’ preferred Council Tax increases following the consultation exercise.

Figure 1 – Preferred Council Tax Increase for 2017/18



- 4.6 For the purpose of the MTFP projections, a 2.9% Council Tax increase per annum is maintained for the period 2018/19 to 2020/21.

5.0 BUDGET REQUIREMENT 2017/18

- 5.1 A Council Tax increase of 2.9% results in a Revenue Budget Requirement of £114.795 million for the financial year ending 31st March 2018.
- 5.2 The Budget Requirement represents the Council’s net affordable spending power based on monies received from the Welsh Government (Aggregate External

Finance) and monies resulting from the council tax levy. The Budget for 2017/18 is outlined in Appendix 3 and summarised in Table 2 and results from Cabinet, Council and Joint Scrutiny / Audit Committee deliberations throughout the 2016/17 financial year, as indicated in Table 1.

Table 2 – Proposed Budget 2017/18

Description	£'000
People and Performance Directorate	74,694
Place and Transformation Directorate	21,296
Corporate Costs	22,029
Apprenticeship Levy	263
Employee Severance Costs	1,305
Non General Fund Allocations	-835
Collection Fund Surplus	-600
Corporate Vacancy Factor	-400
Contribution from Earmarked Reserves	-1,700
Capitalisation of Severance Costs	-500
Budget Reserve / Change Programme	-757
Net Expenditure	114,795

5.3 Cabinet of 22nd February 2017 recommended to this Council of 2nd March 2017 a Budget Requirement of £114.795 million for 2017/18.

6.0 MEDIUM TERM FINANCIAL PLAN (MTFP)

6.1 A Medium Term Financial Plan is a rolling programme, continually evolving as further information and changing circumstances become known. Council of 25th January 2017 considered further revisions to the MTFP, following recommendations for approval by Cabinet, in arriving at the following revised cumulative budget deficits for the period of the MTFP 2017/18 to 2020/21:

- 2017/18 – budget deficit of £1.659 million
- 2018/19 – budget deficit of £6.804 million
- 2019/20 – budget deficit of £13.035 million
- 2020/21 – budget deficit being determined

6.2 In addressing the estimated residual budget deficit ('funding gap') for 2017/18 of £1.659 million, Corporate Management Team undertook budget workshops on the 10th and 11th January 2017 to review a suite of budget reduction options identified by all Council services in supplementing and complementing the existing change management programme. These options were based on the identification of potential service budget reduction opportunities ranging from 2% to 20% for each service area and were risk scored by Chief Officers and Senior Managers against the Council's risk matrix of likelihood against impact.

- 6.3 Gross full year savings of £1.548 million for 2017/18 were accepted by Corporate Management Team (CMT) and were recommended to the Cabinet of 8th February 2017 for consideration and approval. Cabinet's recommendations to this Council in respect of the identified £1.548 million CMT proposed budget reduction are as follows:
- Approval of the £1.386 million gross budget reductions for 2017/18 detailed in Appendix 4
 - Rejection of the £162,000 gross budget reductions for 2017/18 detailed in Appendix 5
- 6.4 These proposals are subject to employee, public and trade unions engagement and consultation and were deliberated with no objection by the Joint Scrutiny / Audit Committee of 15th February 2017.
- 6.5 The Cabinet recommended gross proposed budget reductions of £1.386 million for 2017/18 are reduced by £649,000 to net proposed budget reductions of £737,000 owing to the following requirements:
- £404,000 of the budget reduction proposals relate to outstanding budget reduction requirements relating to the Strategic Partnership Proposals in respect of the Customer Offering, Supporting People and Procurement work streams. It should be noted that £1.748 million of strategic partnership budget reductions are already reflected within the 2017/18 proposed Budget.
 - Estimated £245,000 of projected budget reduction slippage for 2017/18 reflecting the time taken for statutory engagement and consultation with employees, public and trade unions.
- 6.6 It is proposed that £245,000 of the projected revenue outturn surplus for 2016/17 be utilised to finance the loss of savings for 2017/18 resulting from projected slippage. Cabinet of 22nd February 2017 noted a projected revenue surplus of £1.031 million for the 3rd quarter of 2016/17.
- 6.7 The following further budget reduction proposals were accepted by Cabinet of 22nd February 2017 and recommended to this Council for approval:
- Application of further net miscellaneous adjustments of £129,000 for 2017/18 as outlined in Appendix 6
 - Utilisation of a further £700,000 of the Budget Earmarked Reserve for 2017/18, subject to the identification of further in-year budget reductions to minimise this requirement
- 6.8 Cabinet of 22nd February 2017 proposed a further recommendation to this Council for approval, in rejecting proposed changes to the schools' Breakfast Club service delivery, considered for September 2017. This proposal was previously agreed by Council of 25th January 2017 but subject to review. This adds £57,000 to the required utilisation of the Budget Earmarked Reserve for 2017/18.
- 6.9 The final projected MTFP budget deficits are outlined in Table 3 and indicate that the remaining budget deficit for 2017/18 has been addressed whilst a budget deficit of

£16.358 million is projected for the 4 year period of the MTFP (2017/18 to 2020/21). Service Budgets for 2017/18 and indicative Budgets for the period of the MTFP 2018/19 to 2020/21 are detailed in Appendices 7 to 10.

Table 3 – Final Projected Budget Deficits 2017/18 to 2020/21

Description	2017/18 £'000	2018/19 £'000	2019/20 £'000	2020/21 £'000
Budget Deficit Council 25th January 2017	1,659	6,804	13,035	n/a
Gross Cabinet Proposals	-1,386	-1,181	-1,181	-1,181
Less Strategic Partnership Proposals	404	247	247	247
Less Projected Slippage	245	0	0	0
Utilisation of 2016/17 Surplus	-245	0	0	0
Council Tax Increase (3.5% to 2.9%)	152	313	485	668
Net Miscellaneous Adjustments	-129	-228	-177	-36
Rejection of Breakfast Clubs Proposal	57	57	57	57
Budget Reserve / Change Programme	-757	0	0	0
Final Budget Deficit Council 2nd March 2017	0	6,012	12,466	16,358

6.10 In arriving at the projected budget deficits indicated in Table 3 the major assumption reflected in the MTFP is in respect of future Local Government Revenue Settlements. As indicated in the Council reports of 30th November 2016 and 25th January 2017, for the purposes of the MTFP monies received by the Welsh Government is estimated to reduce by 4.5% per annum for the 3 year period 2018/19 to 2020/21. This estimate is based on the following:

- The continuing austerity measures projected to be faced by Local Government over the medium term and the impact to potential future Local Government funding from continued financial pressures experienced in the National Health Service
- The uncertainty surrounding the potential implications of Brexit
- Welsh Government's indication that the 2017/18 revenue settlement is "as good as it gets" with potential significant reductions from 2018/19

A 1% better or worse revenue settlement to that projected reduces or increases the projected budget deficit for 2018/19 by £888,000.

6.11 Other main considerations and assumptions reflected in the MTFP are as follows:

- Council Tax increase of 2.9% per annum (as recommended for 2017/18)

- Pay award of 1% per annum, based on National Joint Council for Local Government Services pay award recommendations for 2017/18 maintained for the period of the MTFP
- Employer's Pension Contributions of 27.9% for 2017/18, 28.55% for 2018/19 and 29.2% for 2019/20 and 2020/21, based on the valuation of the Rhondda Cynon Taf Pension Fund by the Fund's actuary Aon Hewitt in October 2016. The pension contribution for 2016/17 is 25.5%.
- Foundation Living Wage of £8.69 per hour for 2017/18, £8.78 per hour for 2018/19, £8.87 per hour for 2019/20 and £9 per hour for 2020/21
- Council Tax collection rate of 96% and Council Tax base of 18,069.24 over the term of the MTFP, as 2017/18
- Continuation of the schools' cash protection commitment for 2017/18 only, at an indicative 1.92% despite no formal expectation from the Welsh Government. The financial commitment for 2017/18 of £1.005 million is net of £143,000 schools' contributions identified through the Schools Forum.
- Salary incremental progressions are included where appropriate together with Job Evaluation implications
- Inflationary allowance for unavoidable contractual uplifts (including energy costs) where appropriate with no increase for general inflation
- Application of the UK Government's Apprenticeship Levy of 0.5% of the pay bill less an allowance of £15,000, introduced through the 2016 Finance Bill. This equates to a financial commitment of between £263,000 and £271,000 per annum over the period of the MTFP.
- Utilisation of Living Wage Earmarked Reserve, Corporate Investment Fund and Budget Reserve as previously approved by Council
- A reduction of available new capital receipts to assist with the capitalisation of employee severance costs from £750,000 to £500,000 for 2017/18 and 2018/19 based on current asset sales projections.
- Anticipated in-year corporate employee cost savings of £400,000 per annum arising from the timing of a position becoming vacant and being appointed

6.12 The detailed MTFP 2017/18 to 2020/21 document will be considered at Special Cabinet on 15th March 2017 and subject to Cabinet's deliberations will be recommended to the Council of 22nd March 2017 for approval.

7.0 CAPITAL PROGRAMME

7.1 The basis for determining the Capital Programme for the four year period 2017/18 to 2020/21 is the Capital Programme approved by Council on 23rd March 2016 for the period 2016/17 to 2019/20.

7.2 As any MTFP is a rolling programme continuously updated to take into account changing circumstances or revised priorities it was necessary to review the Capital Programme to address the implications of delays in project commencement or completion, revised expenditure and financing profiles', Welsh Government initiatives, additional updated information and urgent demands. This process was carried out in consultation with relevant officers in the Authority and with reference to the Authority's Asset management plan.

- 7.3 This revised Capital Programme has been compiled over a four year period 2017/18 to 2020/21, to enable a focused approach to current capital expenditure commitments whilst allowing, through a currently developing enhanced capital option appraisal scheme, further projects to be considered for the longer term.
- 7.4 The proposed Capital Programme for 2017/18 to 2020/21 is outlined in Appendix 11 and indicates a core funded Capital Programme of £9.462 million for 2017/18 and £25.938 million for the four year period.
- 7.5 It should be noted that a significant amount of additional capital investment is supported by external providers such as Welsh Government, Heads of the Valley Programme, Heritage Lottery Fund and European Regional Development Fund demonstrating the Council's ability to attract and successfully bid for external capital funding.
- 7.6 Appendix 12 outlines the 21st Century Schools Band A Programme requirement, in supporting the Council's school improvement agenda. It is evident that the 21st Century Schools Programme bid totals £19 million requiring £9.5 million (50%) match funding contribution from the Council.
- 7.7 Appendix 13 outlines the indicative Physical Regeneration Programme for the Council whereby a financial commitment of £3.6 million from the Authority, commencing 2017/18, potentially secures the Council additional capital finance of £26.4 million. It should be noted that certain external funding bids are still subject to formal approval.
- 7.8 Appendix 14 outlines the Riverside/Riverside Phase 3 Taff and Crescent Street Programmes. The Authority was successful in securing £6.7 million of funding in 2014/15 and 2015/16 to support both projects, requiring a commitment from Merthyr Tydfil County Borough Council to complete the purchase programme in Taff and Crescent Streets by the 2018/19 financial year.
- 7.9 The remaining Capital Programme proposals are briefly summarised in paragraphs 7.9.1 to 7.9.15 as follows:
- 7.9.1 Cyfarthfa High School Roof Replacement – the school has experienced water ingress into classroom areas resulting from roof damage.
- 7.9.2 School Feasibility Studies – relates to scoping works in respect of several schools particularly to assess the future capital programme requirement in relation to the 21st Century Band B Programme.
- 7.9.3 Highways Structural Maintenance – annual commitment to tackle the backlog of required highway asset investment.
- 7.9.4 Disabled Facilities Grants – a mandatory demand-led annual commitment provided for improvement works to disabled people's homes.
- 7.9.5 Land Purchase/works – A budget allocation for purchase and work on land key to the Councils' future plans.

- 7.9.6 Depot review – An allocation is included within the 2017/18 financial years as part of the review of current and future Depot requirements.
- 7.9.7 Brandy Bridge, Abercanaid – Repairs are required to avoid a weight limit needing to be considered as concrete is de-bonding from the steel reinforcement and breaking off in large sections. If this continues it will reduce the strength and loading capacity of the piers. This is the only road bridge into the village of Abercanaid that also serves businesses and so it is essential that the repairs are carried out.
- 7.9.8 Road Slippage South of Pontygwaith – an allocation is required to carry out the physical works to address the recent road slippage South of Pontygwaith.
- 7.9.9 Pontsticill Bridge – This bridge is already subject a weight restriction. Phase 1 of a planned 2 phase strengthening programme was completed in 2011. This capital allocation would allow the remaining strengthening works to be completed and for the weight restriction to be removed. Failure to complete the works will result in the bridge continuing to deteriorate.
- 7.9.10 Pentwyndeinter Bridge – The road bridge was closed in 2014 due to significant defects leading to the bridge being in danger of complete collapse. Replacement of the road bridge will allow the reopening of the section of highway and therefore reduce the traffic flow issues in Quakers Yard which is currently the only available route for residents of Pentwyn Deinter.
- 7.9.11 Security Fences – A Capital allocation is required to install electric security fences at the two Household Waste Recycling sites and possibly at the Waste Depot at Units 3 and 4 resulting in a potential reduction of revenue security costs at the site.
- 7.9.12 Corporate Maintenance – commitment for general capital maintenance and improvement projects including emergency projects and statutory compliance.
- 7.9.13 Costs of Supporting Capital Expenditure – relates to professional costs contributing to the implementation of capital projects.
- 7.9.14 Redundancy costs – The Council has the potential flexibility to utilise capital receipts for the period 2017/18 to 2018/19 to finance the revenue costs of service reform. The value of revenue expenditure eligible for capitalisation in any given financial year is restricted to the amount of new capital receipts realised in that same financial year. Appendix 11 details an estimated amount of £500,000 new capital receipts available per annum to be used to finance redundancy costs.
- 7.9.15 Unallocated – for 2018/19 and 2020/21 there remains unallocated monies within the Capital Programme which will be subject to further reports to Cabinet in due course.
- 7.10 From Appendices 11 to 14 it is evident that the Council is faced with challenging capital finance constraints but is innovative and effective in securing external funding and working with partners to support its capital investment ambitions. General Capital Funding received from the Welsh Government is projected to be maintained at £2.605 million per annum over the period of the Capital Programme, whilst new

capital receipts from the sale of Council surplus assets is prudently projected not to exceed £500,000 per annum.

- 7.11 It is recognised that owing to funding restrictions there are a number of potential significant projects currently not included within the proposed Capital Programme which may result in further urgent requests to Cabinet for capital funding during 2017/18.
- 7.12 Council of 25th January 2017 approved the Joint Working Agreement formally establishing the Cardiff Capital Region Joint Committee under the City Deal initiative involving the 10 constituent Local Authorities within South East Wales. Once specific projects within the initiative are determined these projects with associated financial commitments will be reflected in the Council's Capital Programme.
- 7.13 The proposed Capital Programme 2017/18 to 2020/21 was considered at Cabinet of 8th February 2017 and recommended to this Council of 2nd March 2017 for approval.

8.0 ALIGNING RESOURCES TO CORPORATE PRIORITIES

- 8.1 Budgets have been linked to specific corporate priority areas to demonstrate the proportion of revenue resources allocated to the Council's corporate priorities for improvement. An additional category 'Core Business As Usual' is used to denote that net expenditure not attributable to any specific priority area. The position for 2017/18 is outlined in Table 4, together with the code designated to each priority area.

Table 4 – Budget Requirement 2017/18 Linked to Corporate Priority Areas

Priority Area	Code	Budget £'000	Budget %
Raising Standards of Attainment	RSA	43,500	37.89
Employability	E	547	0.48
Economic Development	ED	481	0.42
Active Lifestyles	AL	1,931	1.68
Promoting Independence	PI	17,522	15.26
Meeting the Needs of Vulnerable Children	MNVC	11,627	10.13
A Sustainable Environment	SE	7,780	6.78
Total		83,388	72.64
Core Business As Usual	CBAU	31,407	27.36
Net Revenue Budget Requirement		114,795	100.00

- 8.2 It is evident from Table 4 that the core corporate improvement priorities of education and social care contribute to a significant proportion of the net revenue budget for 2017/18 (63.28%).
- 8.3 Projects within the Capital Programme have been linked to specific corporate priority areas to demonstrate the proportion of capital resources allocated to the Council's corporate priorities for improvement. As with revenue expenditure the category 'Core Business As Usual' denotes that net expenditure not attributable to any specific priority area.

- 8.4 The position over the life of the Capital Programme is summarised in Table 5 and demonstrates that the most significant proportion of the Council's "core" capital funding is allocated to the corporate improvement priority of education (27%) and core business as usual (33%) whilst 6% remains unallocated.

Table 5 – Capital Programme Linked to Corporate Priority Areas

Priority Area	Code	Budget £'000	Budget %
Raising Standards of Attainment	RSA	6,915	27
Employability	E	0	0
Economic Development	ED	3,600	14
Active Lifestyles	AL	0	0
Promoting Independence	PI	3,400	13
Meeting the Needs of Vulnerable Children	MNVC	0	0
A Sustainable Environment	SE	1,862	7
Core Business As Usual	CBAU	8,531	33
Unallocated	-	1,630	6
Total		25,938	100

- 8.5 It should be noted that Table 5 excludes capital expenditure supported by external grants.

9.0 ANNUAL MINIMUM REVENUE PROVISION (MRP) STATEMENT

- 9.1 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.
- 9.2 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.
- 9.3 The options for prudent provision are as follows:
- 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.
 - Capital Financing Requirement (CFR) Method – MRP is equal to 4% of the non-housing CFR at the end of the preceding financial year.
 - 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.

- Depreciation Method – MRP is to be equal to the depreciation of that proportion of the asset on which expenditure has been financed by borrowing.
- 9.4 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.
- 9.5 Following the new regulations for 2007/08 Council has previously approved the following MRP Policy:
- Regulatory Method – historic debt liability at 31st March 2007
 - Asset Life Method – capital expenditure financed by borrowing from 1st April 2007
- 9.6 Council of 23rd March 2016 approved amending the existing MRP Policy, to a Policy supporting a more prudent annual provision whilst recognising the requirements of the Well-being of Future Generations (Wales) Act 2015. This amendment was accepted by the Wales Audit Office subject to minor revisions and was reflected within the audited Statement of Accounts 2015/16 approved by Council on 28th September 2016.
- 9.7 The following MRP Policy Statement is proposed for 2017/18 reflecting both Council's previous amendment approval and the Wales Audit Office's agreement:
- It is considered prudent for the historic debt liability at 31st March 2007 be charged to revenue over 44 years by the straight line method, which is commensurate with the average of existing asset useful economic lives. This replaces the previous Regulatory Method.
 - 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 the 'Asset Life' method. 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.
- 9.8 The Capital Financing Costs included within the MTFP (Appendix 10) have been calculated through application of the proposed MRP Policy for 2017/18.

10.0 ROBUSTNESS OF ESTIMATES AND ADEQUACY OF FINANCIAL RESERVES

- 10.1 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.

10.2 The Chief Finance Officer confirms the robustness of the 2017/18 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 – through Corporate Management Team ownership and guidance
- 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, Council and Joint Scrutiny / Audit Committee
- Budget public consultation responses

10.3 As at 1st April 2017, total General Reserves is estimated to be £4.65 million (£4.627 million at 1st April 2016) 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 £4.65 million is considered adequate for Merthyr Tydfil County Borough Council, equating to 4% of the net revenue budget.

10.4 Earmarked Reserves, including Schools Balances and the Insurance Fund, are subject to continuous review and scrutiny through the Budget Board and Cabinet. Planned utilisation of Earmarked Reserves in supporting the MTFP has been reported to Cabinet and Council throughout 2016/17 as detailed in Appendix 15 and summarised in Table 6.

Table 6 – Planned Utilisation of Earmarked Reserves

Description	2017/18 £'000	2018/19 £'000	2019/20 £'000	2020/21 £'000
Committed Budget Reserve	-1,245	-800	-600	-400
Living Wage Reserve	-277	-275	-298	0
Corporate Investment Fund	-178	-184	-188	-192
Potential Additional Budget Reserve (to be offset by identified in-year savings)	-757	0	0	0
Total	-2,457	-1,259	-1,086	-592

10.5 A formal Council Reserves Policy is currently being developed and will be recommended for approval to the Council of 22nd March 2017.

11.0 FINANCIAL IMPLICATION(S)

11.1 The proposed Council Tax increase for 2017/18 is 2.9%, equivalent to a 'Band D' Council Tax of £1,440.68.

11.2 At a proposed Council Tax increase of 2.9%, the Budget Requirement for 2017/18 totals £114.795 million.

11.3 The revised MTFP for 2017/18 to 2020/21 currently projects a budget deficit of £16.358 million over the 4 year period of the MTFP.

11.4 The core funded Capital Programme totals £25.938 million for the 4 year period 2017/18 to 2020/21.

12.0 SINGLE INTEGRATED PLAN AND SUSTAINABILITY IMPACT SUMMARY

12.1 The Single Integrated Plan and Sustainability Impact Assessment has been completed and the proposals positively impact on the Financial Sustainability of Public Services.

13.0 EQUALITY IMPACT ASSESSMENT

13.1 An Equality Impact Assessment (EqIA) form has been prepared for the purpose of this report. It has concluded that the proposals have a non-discriminatory impact for all protected characteristics. The form can be accessed on the Council's website/intranet via the 'Equality Impact Assessment' link.

GARETH CHAPMAN
CHIEF EXECUTIVE

COUNCILLOR PHIL WILLIAMS
CABINET MEMBER FOR GOVERNANCE
AND CORPORATE SERVICES

BACKGROUND PAPERS		
Title of Document(s)	Document(s) Date	Document Location
MTFP 2016/17 to 2019/20	Council 23 rd March 2016	Council agenda and minutes / Finance Department
MTFP 2016/17 to 2019/20 – Progress Update	Council 7 th September 2016	Council agenda and minutes / Finance Department
Provisional Local Government Settlement 2017/18	Announced 19 th October 2016	Finance Department
Revised MTFP 2017/18 to 2020/21 – Progress Update	Council 30 th November 2016	Council agenda and minutes / Finance Department
Final Local Government Settlement 2017/18	Announced 21 st December 2016	Finance Department
Revised MTFP 2017/18 to 2020/21 – Progress Update January 2017	Council 25 th January 2017	Council agenda and minutes / Finance Department
Council Priorities and Budget Consultation 2017/18	Cabinet 8 th February 2017	Cabinet agenda and minutes / Finance Department
MTFP 2017/18 to 2020/21 – Progress Update February 2017	Cabinet 8 th February 2017	Cabinet agenda and minutes / Finance Department
Capital Programme 2017/18 to 2020/21	Cabinet 8 th February 2017	Cabinet agenda and minutes / Finance Department
MTFP 2017/18 to 2020/21 - Final	Cabinet 22 nd February 2017	Cabinet agenda and minutes / Finance Department
Joint Scrutiny / Audit Committee	18 th January and 15 th February 2017	Agenda and minutes / Finance Department
MTFP / Budget Working Papers	March 2016 to February 2017	Finance Department
Does the report contain any issue that may impact the Council's Constitution?		No

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

WELSH LOCAL GOVERNMENT SETTLEMENT 2017-18

Final

Table 1a: Change in Aggregate External Finance (AEF) plus top-up funding, adjusted for transfers, by Unitary Authority

<i>£'000s</i>				
Unitary authority	2016-17 final Aggregate External Finance plus top-up funding	2017-18 final Aggregate External Finance plus top-up funding	Percentage difference	Rank
Isle of Anglesey	92,222	92,652	0.5%	8
Gwynedd	167,155	168,964	1.1%	1
Conwy	149,793	150,557	0.5%	7
Denbighshire	139,608	140,474	0.6%	5
Flintshire	184,722	185,033	0.2%	11
Wrexham	170,222	169,447	-0.5%	20
Powys	170,882	170,028	-0.5%	21
Ceredigion	97,034	97,937	0.9%	2
Pembrokeshire	156,973	156,776	-0.1%	16
Carmarthenshire	251,724	252,176	0.2%	10
Swansea	308,411	310,701	0.7%	4
Neath Port Talbot	206,003	207,571	0.8%	3
Bridgend	187,452	187,638	0.1%	12
The Vale Of Glamorgan	149,851	149,554	-0.2%	17
Rhondda Cynon Taf	353,882	355,447	0.4%	9
Merthyr Tydfil	89,209	88,763	-0.5%	21
Caerphilly	263,849	263,627	-0.1%	15
Blaenau Gwent	109,387	108,979	-0.4%	19
Torfaen	129,407	129,031	-0.3%	18
Monmouthshire	91,786	91,799	0.0%	14
Newport	208,142	208,250	0.1%	13
Cardiff	425,919	428,217	0.5%	6
Total Unitary Authorities	4,103,632	4,113,620	0.2%	

Changes in Key Datasets 2017-18

Final

Dataset	Merthyr Tydfil				Wales		
	2016-17 Final	2017-18 Final	% Difference	Rank	2016-17 Final	2017-18 Final	% Difference
Population - 2014-based	60,077	59,180	-1.5%	18	3,131,170	3,116,371	-0.5%
Pupil Numbers - Nursery and Primary	5,211	5,278	1.3%	13	257,423	261,391	1.5%
Pupil Numbers - Secondary in year groups 7-11	2,906	2,856	-1.7%	16	158,384	156,986	-0.9%
Free School Meals - Primary	1,113	1,074	-3.5%	15	47,125	46,265	-1.8%
Free School Meals - Secondary	667	614	-7.9%	22	27,664	27,055	-2.2%
Children in out of work families	3,600	3,400	-5.6%	19	138,700	133,400	-3.8%
Total IS/ JSA/ PC/UC (not in employment) claimants - 18 to 64	3,586	2,916	-18.7%	15	129,068	106,468	-17.5%
Total IS/ JSA/ PC claimants - 65+	2,583	2,493	-3.5%	2	127,130	121,761	-4.2%
Total IS/ JSA/ PC/UC (not in employment) claimants - all ages	6,180	5,417	-12.4%	21	256,860	228,789	-10.9%
SDA/DLA/PIP claimants - 18 to 64	3,763	3,893	3.4%	17	138,725	145,035	4.5%

Where:

IS = Income Support

JSA = Job Seekers Allowance

PC = Pension Credit

UC = Universal Credit

SDA = Severe Disablement Allowance

DLA = Disability Living Allowance

PIP = Personal Independence Payment

Budget Requirement 2017/18
Council 02 March 2017
Corporate Summary

Revised Budget 2016/17	Description	Gross Expenditure 2017/18	Gross Income 2017/18	Net Budget 2017/18	Variance	
£		£	£	£	£	%
72,348,026	People and Performance Directorate	88,993,000	-14,299,000	74,694,000	2,345,974	3.24
21,620,249	Place and Transformation Directorate	31,241,000	-9,945,000	21,296,000	-324,249	-1.50
22,342,009	Corporate Costs	43,488,192	-21,479,000	22,009,192	-332,817	-1.49
0	Apprenticeship Levy	263,000	0	263,000	263,000	n/a
1,222,000	Net Employee Severance Costs/Slippage	1,305,000	0	1,305,000	83,000	6.79
-976,000	Non General Fund Allocations	-835,000	0	-835,000	141,000	14.45
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	-400,000	0	-400,000	-200,000	-100.00
0	Contribution from Budget Reserve	0	-1,245,000	-1,245,000	-1,245,000	n/a
-492,000	Contribution from Living Wage Reserve	0	-277,000	-277,000	215,000	43.70
-169,000	Contribution from Corporate Investment Fund	0	-178,000	-178,000	-9,000	-5.33
-100,000	Contribution from Biffa Profit Sharing Scheme	0	0	0	100,000	100.00
-750,000	Capitalisation of Severance Costs	-500,000		-500,000	250,000	33.33
0	Earmarked Reserves/Change Management	0	-757,000	-757,000	-757,000	n/a
114,265,284	Net Expenditure	163,575,192	-48,780,000	114,795,192	529,908	0.46
-89,209,230	Aggregate External Finance	n/a	n/a	-88,763,184	446,046	0.50
25,056,054	Net Expenditure Met From Council Tax	n/a	n/a	26,032,008	975,954	3.90
17,896.23	Council Tax Base	n/a	n/a	18,069.24	173.01	0.97
1,400.07	Merthyr Tydfil CBC Council Tax Band D	n/a	n/a	1,440.68	40.61	2.90

Council 02 March 2017**Budget Reduction Proposals Approved by Cabinet of 08 February 2017**

Ref.	Description	MTFP Budget 2017/18 £'000	Budget Reduction 2017/18 £'000	Budget Reduction 2018/19 £'000	Budget Reduction 2019/20 £'000	Budget Reduction 2020/21 £'000
1	Social Services Business Support - Compliments and Complaints HR implications.	82	-4	-4	-4	-4
2	Social Services - Quality and Regulation Services HR implications.	108	-11	-11	-11	-11
3	Social Services - Directorate Services and Recharges 100% reduction to the Social Services equipment budget line	29	-3	-3	-3	-3
4	Social Services Citizen Engagement A £1,000 reduction to this line, new expenditure commitment under the Act as yet unquantifiable as to the actual budget resource required for this area.	4	-1	-1	-1	-1
5	Social Services Early Intervention and Assistance Services - Carers Network Contractual implications.	223	-22	-22	-22	-22
6	Social Services Collaborative Partnerships - Cwm Taf Youth Offending Service Based on recent outturn positions (advised by RCTCBC) within this service area a one year saving can be made on the agreed fee for collaboration.	340	-17	0	0	0
7	Social Services Assessment and Care Management Services - Deprivation of Liberty Services A reduction of the ongoing collaboration costs can be achieved based on recent quarter 1 outturn position (advised by RCTCBC).	83	-4	-4	-4	-4
8	Social Services Initial Support Services - Telecare / Telehealth Services Reduce the provision of equipment to enable people to be self managing significantly improves their quality of life and prevents further deterioration in their health needs.	38	-1	-1	-1	-1

Council 02 March 2017**Budget Reduction Proposals Approved by Cabinet of 08 February 2017**

Ref.	Description	MTFP Budget 2017/18 £'000	Budget Reduction 2017/18 £'000	Budget Reduction 2018/19 £'000	Budget Reduction 2019/20 £'000	Budget Reduction 2020/21 £'000
9	Social Services Supported and Accommodation Services - Supporting People Utilising grant funding for a one year saving of £19k in the 17/18 budget. Budget will be required going forward to ensure compliance with grant terms & conditions	97	-19	0	0	0
10	Social Services Independent External Care Provision - Supported Placements - Accountancy Budget review and realignment to current service user makeup, adjustment for a reduced minimum wage uplift and adjustment for increased income from Health. Not impacting service users packages of care. These are a commissioned service to enable people to be supported to live independently. There is a statutory duty to support these individuals under the Social Services & Well Being Act	2,755	-138	0	0	0
11	Social Services Independent External Care Provision - Shared Lives Accountancy Budget review and realignment to current service user makeup, adjustment for a reduced minimum wage uplift. Not impacting service users packages of care. These are a commissioned service to enable people to be supported to live independently. There is a statutory duty to support these individuals under the Social Services & Well Being Act	377	-11	-11	-11	-11
12	Social Services Independent External Care Provision - Independent Domiciliary Care Accountancy Budget review and realignment to current service user makeup, adjustment for a reduced minimum wage uplift and adjustment for new Domiciliary Care Contract. Not impacting service users packages of care. These are a commissioned service to enable people to be supported to live independently. There is a statutory duty to support these individuals under the Social Services & Well Being Act	1,753	-42	-42	-42	-42
13	Social Services Independent External Care Provision - Extra Care Facility Accountancy Budget review and realignment to current contract, adjustment for a reduced minimum wage uplift. Not impacting service users packages of care. These are a commissioned service to enable people to be supported to live independently. There is a statutory duty to support these individuals under the Social Services & Well Being Act	281	-24	-24	-24	-24

Council 02 March 2017**Budget Reduction Proposals Approved by Cabinet of 08 February 2017**

Ref.	Description	MTFP Budget 2017/18 £'000	Budget Reduction 2017/18 £'000	Budget Reduction 2018/19 £'000	Budget Reduction 2019/20 £'000	Budget Reduction 2020/21 £'000
14	Social Services Children with Disabilities HR implications.	757	-13	-13	-13	-13
15	Social Services Children Looked After - Fostering Services As this budget line relates to the purchasing of fostering placements across Independent Fostering Agencies, In House Fostering, Kinship Fostering & Emergency/Respite placements the reduction is against the ongoing Placement Contracts and In House Placements.	3,088	-80	-80	-80	-80
16	Social Services Children Looked After - Advocacy Services £16k efficiency - reduction of the budgets within this area. New legislative constraints and demands on service area yet to be financially verified.	81	-16	0	0	0
17	Community Development Adult Community Learning Contractual implications.	36	-4	-4	-4	-4
18	Community Development Family Community Services Cease celebration event.	48	-2	-2	-2	-2
20	Early Years - Early Years Reduction in training budget for the sector £4,000. Further initiatives include contractual implications.	175	-18	-18	-18	-18
22	Youth Services - Youth Service Management HR implications.	121	-4	-4	-4	-4
24	Youth Services - Adult Learning (Sufficiency) Reduce the funding available to meet the council's statutory obligation of producing both Childcare and Play sufficiency assessments.	24	-4	-4	-4	-4
26	Learning Strategic Management and Support - Building Maintenance Reduced budget to carry out priority R&M works in schools that fall to the responsibility of the council as landlord.	80	-16	-16	-16	-16

Council 02 March 2017**Budget Reduction Proposals Approved by Cabinet of 08 February 2017**

Ref.	Description	MTFP Budget 2017/18 £'000	Budget Reduction 2017/18 £'000	Budget Reduction 2018/19 £'000	Budget Reduction 2019/20 £'000	Budget Reduction 2020/21 £'000
27	Learning School Support Services - Headteacher / Schools Forum Reduction can be achieved as schools forum members do not currently reclaim travel expenses or seek reimbursement for room hire and tea/coffee provisions.	4	-1	-1	-1	-1
28	Learning School Support Services - General Office Running Costs £1k reduction to be applied to £3k advertising budget. Also £3k saving from applying a 30% moratorium on office equipment/stationery budget.	21	-4	-4	-4	-4
30	Learning Special Educational Needs - Enhanced Provision HR implications.	1,297	-130	-130	-130	-130
31	Learning Special Educational Needs - Speech Therapists Contractual implications.	48	-7	-7	-7	-7
32	Learning Special Educational Needs - Special Tuition Service reconfiguration to increase group tuition and review criteria of support.	144	-7	-7	-7	-7
33	Learning Special Educational Needs - ALN Training Delivery of ALN Training to support capacity building in schools and the developing role of Greenfield Special School as an outreach hub - centre of excellence for specialist provision across the County Borough. £3,000 saving could be delivered by introducing charges for some types of training as an alternative to stopping specific programmes.	15	-3	-3	-3	-3
35	Learning School Improvement - Strategic Education Projects Reduction on On-line Admissions module to be supported via corporate reserves since one-off requirement.	134	-27	-27	-27	-27
36	Learning School Improvement - Schools Data Management Systems Contractual implications.	116	-17	-17	-17	-17

Council 02 March 2017**Budget Reduction Proposals Approved by Cabinet of 08 February 2017**

Ref.	Description	MTFP Budget 2017/18 £'000	Budget Reduction 2017/18 £'000	Budget Reduction 2018/19 £'000	Budget Reduction 2019/20 £'000	Budget Reduction 2020/21 £'000
37	Learning Subjective Analysis Exercise Additional budget reductions identified through further review of running costs incorporating Car Allowances (£3,975), Printing and Stationery (£1,000) and Telephones and Postages (£825).		-6	-6	-6	-6
38	Neighbourhood Services - Grounds Maintenance and Bereavement Services HR implications	1,399	-54	-54	-54	-54
41	Neighbourhood Services - Fleet Management Reduction in maintenance of computer equipment budget.	72	-1	-1	-1	-1
42	Neighbourhood Services - Waste Disposal Roll out of kerbside sort recycling collections to difficult to access properties (e.g. farms), commencing Feb 2017. This will reduce waste disposal costs (£4,661) and increase income from the sale of recyclable materials (£8,316). Also, garden waste collections for Trade customers have been introduced. This will also reduce waste disposal costs (£3,848).	755	-15	-15	-15	-15
43	Neighbourhood Services - Recycling Reduce the budget for the advertising and promotion budget by £7,000 (currently £28,000). There will be a reduction in the number of leaflets, events and general communications carried out.	147	-7	-7	-7	-7
45	Neighbourhood Services - Sustainable Waste Management Grant HR implications.	432	-22	-22	-22	-22
46	Neighbourhood Services - Highways Administration Remove 1 Xerox Printer (£700), withdraw from Association for Public Service Excellence Benchmarking Club (£4,000), and reduce training budget by (£5,300). Further initiatives have HR implications.	500	-25	-25	-25	-25
47	Neighbourhood Services - Highways Operational Allow 2 Highways Operatives to undertake chargeable works for RCT CBC, which will generate net income of £55,000. This will allow the service to retain the flexibility to cover holidays, sickness and winter maintenance.	1,052	-55	-55	-55	-55

Council 02 March 2017**Budget Reduction Proposals Approved by Cabinet of 08 February 2017**

Ref.	Description	MTFP Budget 2017/18 £'000	Budget Reduction 2017/18 £'000	Budget Reduction 2018/19 £'000	Budget Reduction 2019/20 £'000	Budget Reduction 2020/21 £'000
48	Neighbourhood Services - Street Lighting End the night scout service (£2,700). Reduce the energy budget by £25,000 to reflect the reduction in electricity costs already achieved by the energy efficiency programme.	246	-28	-28	-28	-28
50	Neighbourhood Services - Bridge Maintenance Reduce bridge maintenance budget by £2,000. This budget was increased in 2015/16, so a 2% reduction will not have a significant impact on the delivery of this service.	107	-2	-2	-2	-2
51	Neighbourhood Services - Land Drainage Reduce land drainage budget by £2,000. This budget was increased in 2015/16, so a 2% reduction will not have a significant impact on the delivery of this service.	74	-2	-2	-2	-2
52	Neighbourhood Services - Traffic Management Reduce the number of traffic orders and the reduce number of replacement road signs each year. Also a reduction in the number of road safety schemes delivered each year.	41	-4	-4	-4	-4
53	Neighbourhood Services - Depots Reduction of equipment budget.	37	-7	-7	-7	-7
54	Neighbourhood Services - Planning Development Control Includes the re-introduction of search fees for personal search companies £11,000, and £3,000 reduction of the equipment budget. Further initiatives have HR implications.	211	-42	-42	-42	-42
55	Neighbourhood Services - Building Control Re-introduction of search fees for personal search companies £10,000, and a reduction of the default works budget £3,000.	67	-13	-13	-13	-13
56	Community Regeneration - Employability (Core) Reduction of cash match funding into the ESF projects Bridges 2 and Working Skills for Adults after projects profiled to April 2020.	304	-15	-15	-15	-15

Council 02 March 2017**Budget Reduction Proposals Approved by Cabinet of 08 February 2017**

Ref.	Description	MTFP Budget 2017/18 £'000	Budget Reduction 2017/18 £'000	Budget Reduction 2018/19 £'000	Budget Reduction 2019/20 £'000	Budget Reduction 2020/21 £'000
57	Community Regeneration - Economic Development HR implications.	266	-27	-27	-27	-27
58	Community Regeneration - Rights of Way HR and contractual implications.	112	-22	-22	-22	-22
59	Community Regeneration - Orbit Business Centre Reduce expenditure on repair and maintenance and building management services.	-26	-5	-5	-5	-5
60	Community Regeneration - Tourist Information Centre Remove premises budget.	3	-1	-1	-1	-1
61	Community Regeneration - Housing Services Contractual implications.	371	-37	-37	-37	-37
62	Community Regeneration - Environmental Health HR implications.	516	-7	-7	-7	-7
63	Community Regeneration - Registrars HR implications.	84	-10	-10	-10	-10
64	Deputy Chief Executive - ICT Computers Contractual implications.	1,497	-30	-30	-30	-30
65	Deputy Chief Executive - ICT Printing Contractual implications.	187	-4	-4	-4	-4
66	Deputy Chief Executive - News Merthyr / Contact Supplement Produce 4 editions of the newspaper style contact magazine (8 pages english and 8 pages Welsh) costing £3,500 each edition.	19	-4	-4	-4	-4
67	Deputy Chief Executive - Mayoral Expenses Reduce the Hospitality Budget (Mayoral Budget 2) by 55%, saving £8,008.	79	-8	-8	-8	-8
68	Corporate Services - Service Support and Development HR implications.	803	-80	-80	-80	-80

Council 02 March 2017**Budget Reduction Proposals Approved by Cabinet of 08 February 2017**

Ref.	Description	MTFP Budget 2017/18 £'000	Budget Reduction 2017/18 £'000	Budget Reduction 2018/19 £'000	Budget Reduction 2019/20 £'000	Budget Reduction 2020/21 £'000
69	Corporate Services - Peace of Mind Savings achieved through collaboration with RCT CBC.	26	-5	-5	-5	-5
70	Corporate Services - Audit General running costs.	261	-2	-2	-2	-2
71	Corporate Services - Benefits An additional £32,000 of DWP grant monies will be built into the budget. This has been proposed and accepted as part of the change management programme.	340	-32	-32	-32	-32
72	Corporate Services - Revenues Reduction in postage costs due to mail merge process between Benefits and Council Tax of 10% (£4,850). There is also some scope to increase Bailiff fee income slightly (£1,500).	30	-6	-6	-6	-6
73	Corporate Services - Parking Services HR implications.	-288	-15	-15	-15	-15
74	Corporate Services - Leisure Trust Contractual implications.	2,439	-100	-100	-100	-100
75	Corporate Services - Retained Leisure Budgets Reduction of expenditure as a result of new arrangements in place with Pen y Dre School for the replacement of astro turf (£6,250). Further initiatives have HR implications.	78	-8	-8	-8	-8
76	Finance - Accountancy General running costs reduction	702	-2	-2	-2	-2
77	Finance - Procurement HR implications.	309	-15	0	0	0
78	Human Resources HR implications.	581	-16	-16	-16	-16
79	Legal General running costs	305	-2	-2	-2	-2
	Total		-1,386	-1,181	-1,181	-1,181

Council 02 March 2017

Budget Reduction Proposals Rejected by Cabinet of 08 February 2017

Ref.	Description	MTFP Budget 2017/18 £'000	Budget Reduction 2017/18 £'000	Budget Reduction 2018/19 £'000	Budget Reduction 2019/20 £'000	Budget Reduction 2020/21 £'000
19	Community Development Family Community Services Reduce creche facility for those undertaking courses.	48	-3	-3	-3	-3
21	Early Years - Integrated Children's Centre Generate additional income through increasing costs to all services located at the facility.	68	-14	-14	-14	-14
23	Youth Services - Youth Service Street Based HR implications.	65	-3	-3	-3	-3
25	Youth Services - Participation and Youth Support Services Reduce activity support to develop young peoples participation which is a key priority for the council and Welsh Government - this is outside of the current contract and may mean ceasing the young persons Gala unless they are able to secure external funding.	82	-2	-2	-2	-2
29	Learning School Support Services - Youth Orchestra Services Introduction of charges to pupils in order to cover a proportion of costs. Charges could be based on each session or for a term to cover the required income levels. Free provision could still be delivered to eligible Free School Meal pupils so access is as equitable as possible.	15	-3	-3	-3	-3
34	Learning Special Educational Needs - School Transport Contractual implications.	762	-15	-15	-15	-15
39	Neighbourhood Services - Grounds Maintenance and Bereavement Services Increase fees and charges across all services offered by the bereavement services department by 12%. This will ensure the service achieves full cost recovery.	1,399	-55	-55	-55	-55
40	Neighbourhood Services - Street Cleansing HR implications.	1,245	-25	-25	-25	-25
44	Neighbourhood Services - Refuse Collection Introduce a charge for the replacement of wheeled refuse bins. The charge will be cost neutral (£12 per bin).	1,052	-21	-21	-21	-21

Council 02 March 2017**Budget Reduction Proposals Rejected by Cabinet of 08 February 2017**

Ref.	Description	MTFP Budget 2017/18 £'000	Budget Reduction 2017/18 £'000	Budget Reduction 2018/19 £'000	Budget Reduction 2019/20 £'000	Budget Reduction 2020/21 £'000
49	Neighbourhood Services - Street Lighting Start dimming all street lighting for 5 hours per night between 00:30am and 05:30am. This is estimated to reduce electricity costs by £21,300 per annum.	246	-21	-21	-21	-21
77	Finance - Procurement HR implications.	309	0	-15	-15	-15
	Total		-162	-177	-177	-177

Council 02 March 2017**Net Miscellaneous Adjustments**

Ref.	Description	Budget Reduction 2017/18 £'000	Budget Reduction 2018/19 £'000	Budget Reduction 2019/20 £'000	Budget Reduction 2020/21 £'000
1	Corporate Services - CCTV Correction of previous growth request for £48,000 in respect of reduced funding for CCTV from Merthyr Valleys Homes effective from 31st December 2016.	4	4	4	4
2	Corporate Services - Peace of Mind Growth request in respect of loss of provision to non-sheltered accommodation no longer required	-17	-17	-17	-17
3	Corporate Services - Retained Leisure Growth request for agency staff to address lack of female participation in sport no longer requested	-7	-7	-7	-7
4	Housing Services - Prevention of Homelessness Inclusion of further new responsibility within the Final Settlement following completion of validation exercise	80	80	80	80
5	Corporate Provision for Bad Debts Revision to calculation of bad debt provision results in reduced contribution required from Council corporate budget	-80	0	0	0
6	Housing Services - Disabled Facilities Grants Fees Further contribution in respect of grant fees associated with Disabled Facilities Grants. Previously £100,000 allocated for 2017/18 with no allocations from 2018/19.	-29	-128	-129	-129
7	Cardiff Capital Region City Deal Merthyr Tydfil's contribution to the Cardiff Capital Region Joint Committee operational costs - Council report of 25 January 2017.	40	40	40	40
8	Utilisation of Earmarked City Deal Reserve Financing of Cardiff Capital Region Joint Committee costs from the projected revenue surplus outturn for 2016/17	-40	-40	-40	-40
9	Further Expenditure Review Relates to further review and realignment of service budgets	-27	-107	-57	33
10	Validation of New Responsibilities and Transfers In/Out of Settlement Adjustment following final validation of service requirements	-53	-53	-51	0
	Total	-129	-228	-177	-36

Medium Term Financial Plan 2017/18 to 2020/21
Council 02 March 2017
Corporate Summary

Description	Budget 2017/18 £'000	Indicative Budget 2018/19 £'000	Indicative Budget 2019/20 £'000	Indicative Budget 2020/21 £'000
People and Performance Directorate	74,694	75,891	77,334	78,158
Place and Transformation Directorate	21,296	21,690	22,144	22,486
Corporate Costs	22,009	21,639	22,233	22,286
Apprenticeship Levy	263	266	268	271
Net Employee Severance Costs/Slippage	1,305	1,056	1,306	1,306
Non General Fund Allocations	-835	-835	-835	-835
Discretionary Non Domestic Rate Relief	20	20	20	20
Collection Fund Surplus	-600	-600	-600	-600
Corporate Vacancy Factor	-400	-400	-400	-400
Contribution from Budget Reserve	-1,245	-800	-600	-400
Contribution from Living Wage Reserve	-277	-275	-298	0
Contribution to/from Corporate Investment Fund	-178	416	412	408
Capitalisation of Severance Costs	-500	-500	0	0
Earmarked Reserves/Change Management	-757	0	0	0
Net Expenditure	114,795	117,568	120,984	122,700
Available Finance	-114,795	-111,556	-108,518	-106,342
Projected Budget Deficit (to be identified through the Corporate Change Programme)	0	6,012	12,466	16,358

In Appendices 8 to 10 the following Priority Area codes denote the Corporate Improvement Priorities as set out in the Corporate Plan:

- RSA Raising Standards of Attainment
- E Employability
- ED Economic Development
- AL Active Lifestyles
- PI Promoting Independence
- MNVC Meeting the Needs of Vulnerable Children
- SE A Sustainable Environment
- CBAU Core Business As Usual (not attributable to any specific priority area)

Medium Term Financial Plan 2017/18 to 2020/21**Council 02 March 2017****People and Performance Directorate**

Description	Budget 2017/18 £'000	Indicative Budget 2018/19 £'000	Indicative Budget 2019/20 £'000	Indicative Budget 2020/21 £'000	Corporate Priority Area
<u>Business Support</u>					
Business Manager	58	59	60	61	CBAU
Compliments and Complaints	77	80	82	82	CBAU
<u>Social Care Services and Recharges</u>					
Quality & Regulation Services	99	100	101	102	CBAU
Client Financial Management Services	223	226	230	233	CBAU
Receivership	22	22	22	22	PI
Social Care Service Responsibility & Recharges	26	26	26	26	CBAU
Delivering Transformation Grant	62	62	62	62	CBAU
<u>Duty, IAA & ACT Compliance</u>					
Out of Hours/Emergency Duty Services	63	63	63	63	CBAU
IAA Duty Services	76	79	80	83	MNVC
Citizen Engagement	3	3	3	3	PI,MNVC
<u>Early Intervention and Assistance Services</u>					
Multiple Intervention Assistance Service	0	0	0	0	MNVC
Carers Network	201	201	201	201	PI
<u>Social Services Collaborative Partnerships</u>					
Integrated Community Equipment Store (ICES)	175	175	175	185	PI
Cwm Taf Social Care Workforce Development	146	149	151	152	CBAU
Cwm Taf Youth Offending Services	323	340	340	340	MNVC
Vale, Valleys & Cardiff (VVC) Regional Adoption Group	165	170	175	180	MNVC
Integrated Family Support Services (IFST)	280	280	280	280	MNVC
<u>Adult Social Care</u>					
Adult Services Management	139	143	145	146	CBAU
Social Care Client Service Strategies	86	89	91	94	PI
Health Park Accommodation (previously Social Services Running Costs)	163	163	163	163	CBAU
<u>Assessment & Care Management Services</u>					
Social Work Team	1,151	1,181	1,202	1,222	PI
Deprivation of Liberty (DOLs) Services	88	90	92	94	PI
<u>Initial Support Services</u>					
ISS Management	65	67	69	69	CBAU
Initial Adult Services	255	260	263	265	PI
Initial Response Services	547	362	374	381	PI
Community Occupational Therapy	381	387	393	396	PI
Telecare / Telehealth Services	37	37	37	37	PI

Medium Term Financial Plan 2017/18 to 2020/21**Council 02 March 2017****People and Performance Directorate**

Description	Budget 2017/18 £'000	Indicative Budget 2018/19 £'000	Indicative Budget 2019/20 £'000	Indicative Budget 2020/21 £'000	Corporate Priority Area
<u>Supported and Accommodation Services</u>					
MTCBC Homes for the Elderly	1,636	1,675	1,738	1,768	PI
MTCBC Group Home (Llysfaen Fach)	879	812	839	851	PI
Supporting People	78	99	101	102	PI
<u>Day Care Services</u>					
Outside/Community Based Activities	238	241	245	246	PI
Day Centres	864	847	865	863	PI
Transport	207	218	230	241	PI
<u>Independent External Care Provision</u>					
Supported Placements	2,560	2,919	3,248	3,419	PI
Shared Lives	365	440	470	502	PI
Independent Domiciliary Care	1,750	1,809	1,940	1,956	PI
Direct Payments	981	1,099	1,179	1,249	PI
Independent Commissioned Day Services	166	166	166	166	PI
Independent Residential Establishments (IRE's)	4,574	4,711	4,829	4,926	PI
Extra Care Facility	256	270	286	301	PI
<u>Children's Social Care</u>					
Children's Social Care	204	206	209	212	MNVC
<u>Children with Disabilities</u>					
Children with Disabilities	753	746	773	783	MNVC
<u>Children Looked After</u>					
Looked After Children Team	468	480	492	502	MNVC
Looked After Children Educational Support (LACES)	175	177	178	179	MNVC
Fostering & Family Placement Team	432	440	448	453	MNVC
LAC Residential Placement Services	993	965	900	958	MNVC
Fostering Services	3,088	2,995	2,830	2,673	MNVC
Leaving Care Support Services	311	378	493	596	MNVC
Adoption Services	111	123	135	146	MNVC
Advocacy Services	65	81	81	81	MNVC
<u>Intake & Family Support Services</u>					
Intake Team	534	550	561	566	MNVC
Child & Family Team	611	622	639	653	MNVC
Specialist Family Support	25	25	25	25	MNVC
Family Centre & Contact Services	623	632	639	645	MNVC
Children in Need	324	330	338	343	MNVC
Support Other Than Looked After Services	588	556	537	502	MNVC

Medium Term Financial Plan 2017/18 to 2020/21**Council 02 March 2017****People and Performance Directorate**

Description	Net Budget 2017/18 £'000	Indicative Budget 2018/19 £'000	Indicative Budget 2019/20 £'000	Indicative Budget 2020/21 £'000	Corporate Priority Area
<u>Youth Justice Services</u>					
Youth Justice Services (LASPO)	0	0	0	0	MNVC
<u>Safeguarding</u>					
Merthyr Tydfil Safeguarding Unit	193	196	200	202	PI,MNVC
Independent Safeguarding Services	114	114	114	114	PI,MNVC
Multi Agency Safeguarding Hub (MASH)	317	323	328	331	PI,MNVC
<u>Performance</u>	323	327	332	335	CBAU
<u>Families First (grant)</u>	0	0	0	0	MNVC
<u>Community Development</u>					
Adult Community Learning (inc. Venture Out)	30	32	35	37	E,AL,PI
Family & Community Services	47	48	48	49	MNVC
<u>Worklessness</u>					
FSF Lone Parent	0	0	0	0	E
Inspire to Achieve	0	0	0	0	E
Inspire to Work (to be confirmed)	0	0	0	0	E
<u>New Head of Service post - Community and Wellbeing</u>	62	59	60	61	CBAU
<u>Early Years & Youth</u>					
Early Years	157	156	156	206	MNVC
Integrated Children's Centre Services	-24	-29	-29	-11	RSA
Integrated Children's Centre building	92	93	94	96	CBAU
<u>Flying Start</u>	0	0	0	0	MNVC
<u>Youth Services</u>					
1400 Youth Service Management	116	118	119	121	RSA,E,MNVC
1422 Youth Service Street based	65	67	69	69	RSA,E,MNVC
1425 Youth Service 16+	33	35	36	36	RSA,E,MNVC
1451 Youth Servie Penydre	98	99	100	101	RSA,E,MNVC
1452 Youth Service Treharris	85	86	87	88	RSA,E,MNVC
1457 Youth Service Cyfarthfa	75	76	77	78	RSA,E,MNVC
1466 Youth Service Troedryhiw	73	75	77	79	RSA,E,MNVC
1730 Youth service YPAG	0	0	0	0	RSA,E,MNVC
1731 Youth Service Strategy Grant	0	0	0	0	RSA,E,MNVC
1751 Adult Learning (sufficiency)	20	20	20	20	E

Medium Term Financial Plan 2017/18 to 2020/21
Council 02 March 2017
People and Performance Directorate

Description	Budget 2017/18 £'000	Indicative Budget 2018/19 £'000	Indicative Budget 2019/20 £'000	Indicative Budget 2020/21 £'000	Corporate Priority Area
<u>Transition into Employment</u>					
Inspire Match Funding	24	24	24	24	E
Employment Support	0	0	0	0	E
<u>Participation & Youth Support Services</u>	82	83	84	86	RSA,E,AL, MNVC
<u>Individual Schools Budget</u>					
Individual Schools Budget (ISB)	38,649	39,099	39,591	39,702	RSA
Ynysowen Speech & Language	78	79	80	81	RSA
Partial Hearing Classes	160	162	164	165	RSA
EIG	236	241	246	251	RSA
<u>Other School Expenditure</u>					
Maternity Costs	61	62	64	65	CBAU
Facility Time	15	16	16	16	CBAU
Retirement / Severance	356	365	372	381	CBAU
Welsh Joint Education Committee (WJEC)	15	15	15	15	CBAU
<u>School Meals</u>	11	11	11	12	CBAU
<u>Strategic Management and Support</u>					
Strategic Management and Support (now only training)	10	7	7	7	CBAU
Extended Leadership Team	80	79	79	79	CBAU
<u>School Support Services</u>					
Building Maintenance	64	64	64	64	CBAU
Health & Safety	28	28	28	29	CBAU
Caretaking & Cleaning SLA	0	0	0	0	CBAU
LMS & Resources	44	44	43	43	CBAU
Admissions	78	70	67	69	CBAU
Governor Support	24	22	20	20	CBAU
Headteacher / Schools Forum	2	2	2	2	CBAU
General Office Running Costs	17	17	17	17	CBAU
Peripatetic Music Service	0	0	0	0	CBAU
Youth Orchestra Service	15	15	15	16	CBAU
<u>Other Education</u>					
Local Safeguarding Children's Board (LSCB)	10	10	10	10	CBAU
Vacant Education Properties	0	0	3	3	CBAU
Grant to Organisations	1	1	1	1	CBAU

Medium Term Financial Plan 2017/18 to 2020/21**Council 02 March 2017****People and Performance Directorate**

Description	Budget 2017/18 £'000	Indicative Budget 2018/19 £'000	Indicative Budget 2019/20 £'000	Indicative Budget 2020/21 £'000	Corporate Priority Area
<u>Special Educational Needs</u>					
Education Inclusion	68	70	71	72	RSA
Enhanced Provision	1,167	1,192	1,214	1,237	RSA
Speech Therapists	41	43	43	44	RSA
Special Tuition	137	139	142	145	RSA
Special Needs Advisory Teachers	86	87	87	88	RSA
Special Recoupment	815	816	816	816	RSA
Psychological Services	374	381	387	393	RSA
SNAP Cymru	13	13	13	13	RSA
ALN Training	12	12	12	12	RSA
School Counselling	68	69	70	72	RSA
School Transport	762	780	780	780	MNVC
<u>School Improvement</u>					
Strategic Education Projects	89	89	89	89	RSA
Schools Data Management Systems	98	100	102	104	CBAU
Joint Education Service	258	263	268	274	RSA
Net Expenditure	74,694	75,891	77,334	78,158	

Medium Term Financial Plan 2017/18 to 2020/21**Council 02 March 2017****Place and Transformation Directorate**

Description	Budget 2017/18 £'000	Indicative Budget 2018/19 £'000	Indicative Budget 2019/20 £'000	Indicative Budget 2020/21 £'000	Corporate Priority Area
<u>Director</u>					
ICT Computers	1,461	1,485	1,501	1,512	CBAU
Schools Support Team	0	0	0	0	CBAU
ICT Printing	184	187	190	192	CBAU
Business Change	339	351	361	364	CBAU
Corporate Communications Team	127	133	134	135	CBAU
News Merthyr/Contact Supplement	15	15	16	16	CBAU
Emergency Planning	97	98	99	100	CBAU
<u>Community Regeneration</u>					
Economic Development	242	246	250	263	ED
Physical Regeneration	179	182	184	186	ED
Rights of Way	91	91	92	93	ED
Orbit Business Centre	-31	-37	-42	-34	ED
Tourist Information Centre	0	0	0	0	ED
<u>Employability</u>					
Employability core	289	292	294	297	E
Bridges into work 2 (grant)	0	0	0	0	E
Working Skills for Adults	0	0	0	0	E
Communities for Work P3	0	0	0	0	E
Communities for Work P1	0	0	0	0	E
<u>Neighbourhood Services</u>					
Bereavement Services	-68	-69	-71	-75	CBAU
Grounds Maintenance	1,242	1,242	1,261	1,273	SE
Street Cleansing	1,121	1,146	1,166	1,188	SE
Fleet Management	692	706	720	734	CBAU
<u>Refuse and Waste</u>					
Waste Disposal	745	743	739	768	SE
Civic Amenities	1,092	1,131	1,171	1,212	SE
Recycling	136	109	115	116	SE
Refuse Collection	844	854	866	874	SE
Sustainable Waste Management Grant	455	471	510	544	SE
Pentrebach Waste Management Depot	0	0	0	0	SE

Medium Term Financial Plan 2017/18 to 2020/21**Council 02 March 2017****Place and Transformation Directorate**

Description	Budget 2017/18 £'000	Indicative Budget 2018/19 £'000	Indicative Budget 2019/20 £'000	Indicative Budget 2020/21 £'000	Corporate Priority Area
<u>Highways and Engineering</u>					
Highways Administration	475	485	492	497	CBAU
Highways Operational	812	822	832	840	SE,CBAU
Street Lighting	218	226	236	247	SE
Bridge Maintenance	105	105	105	105	CBAU
Land Drainage	72	74	76	78	SE
Land Reclamation	21	21	21	21	SE
Traffic Management	37	37	37	37	CBAU
Engineering	389	396	402	406	CBAU
Depots	30	29	32	36	CBAU
<u>Corporate Property & Estates</u>					
Corporate Property & Estates Division	672	688	666	649	CBAU
Glynmil Gipsy Site	3	3	3	3	CBAU
Land Charges	0	0	0	0	CBAU
Office Accommodation	815	833	849	866	CBAU
<u>Public Protection</u>					
Housing Renovation Grants	-71	-72	-71	-70	SE
Miscellaneous Rentals	0	0	0	0	SE
Housing Services (RSL's Advice & Strategy)	399	403	408	423	SE
Community Safety	116	117	118	119	SE
Trading Standards General	247	252	256	259	CBAU
Licensing	25	21	23	26	CBAU
Public Health, Health Education & Occupational	156	158	160	162	CBAU
Environmental Protection & Housing	117	118	120	121	SE
Operational - Dog Warden and Pest Control	61	62	63	64	CBAU
Animal Impounding	2	2	2	2	CBAU
Food Safety & Prevention of Infectious Diseases	171	173	175	177	CBAU
Default Works	0	0	0	0	SE
Registrars	74	77	81	83	CBAU
Contribution from Renewal Reserve	-125	-75	-50	0	PI
Transport	1,493	1,521	1,545	1,568	RSA,CBAU
<u>Planning & Countryside</u>					
Planning - Development Control	165	177	185	189	CBAU
Planning - Development Plan	417	393	460	404	SE
Building Control	54	55	57	59	CBAU

Medium Term Financial Plan 2017/18 to 2020/21**Council 02 March 2017****Place and Transformation Directorate**

Description	Budget 2017/18 £'000	Indicative Budget 2018/19 £'000	Indicative Budget 2019/20 £'000	Indicative Budget 2020/21 £'000	Corporate Priority Area
<u>Corporate Services</u>					
Risk Management	81	82	84	85	CBAU
Partnerships	59	59	60	61	CBAU
Service Support and Development	723	749	763	770	CBAU
Executive Support	185	189	192	194	CBAU
CCTV	162	163	164	165	CBAU
Peace of Mind	4	8	13	15	PI
Audit	259	267	273	277	CBAU
Counter Fraud	0	0	0	0	CBAU
Benefits	308	314	321	338	CBAU
Revenues	23	38	53	65	CBAU
Parking Services	-300	-294	-280	-285	CBAU
Leisure Trust	1,901	1,901	1,901	1,901	AL
Leisure Trust SLA's	438	438	438	438	CBAU
Retained Leisure budgets	65	64	66	66	CBAU
<u>Finance</u>					
Accountancy	702	725	738	744	CBAU
Insurance	44	45	46	46	CBAU
Creditors	146	148	150	151	CBAU
Procurement	294	317	323	326	CBAU
Net Expenditure	21,296	21,690	22,144	22,486	

Medium Term Financial Plan 2017/18 to 2020/21**Council 02 March 2017****Corporate Costs**

Description	Budget 2017/18 £'000	Indicative Budget 2018/19 £'000	Indicative Budget 2019/20 £'000	Indicative Budget 2020/21 £'000	Corporate Priority Area
<u>Corporate Management - Executive</u>	1,544	1,588	1,611	1,627	CBAU
<u>Corporate Authority</u>					
Capital Financing Costs	7,462	7,560	7,652	7,564	CBAU
Rent Allowances	-6	-6	-6	-6	SE
Council Tax Benefit Payments	6,025	6,125	6,225	6,325	CBAU
Levies	2,928	2,928	2,928	2,928	CBAU
Contribution to Pensions	339	339	339	339	CBAU
External Audit and Inspection Fees	380	380	380	380	CBAU
Insurances	553	553	1,053	1,053	CBAU
Provision for Bad Debts	20	100	100	100	CBAU
External Legal Fees	30	30	30	30	CBAU
Grants to Voluntary Organisations	14	14	14	14	CBAU
Subscriptions	100	100	100	100	CBAU
Bank Charges	71	71	71	71	CBAU
Empty Property NDR Relief	30	31	32	32	CBAU
Translations	0	0	0	0	CBAU
Welsh Translations	77	77	77	77	CBAU
Welsh Water Long Term Debt Interest	-15	-11	-7	-7	CBAU
Payroll Insurance Income	-5	-5	-4	-4	CBAU
Car Purchase Loans	-1	0	0	0	CBAU
Corporate Property	-89	-89	-89	-89	CBAU
<u>Human Resources</u>					
Human Resources	564	571	582	591	CBAU
Trade Unions	26	27	28	28	CBAU
Payroll	246	250	254	257	CBAU
<u>Legal</u>					
Legal	303	310	316	319	CBAU
Information Governance	59	63	66	67	CBAU
Democracy	170	173	175	176	CBAU
Register of Electors	40	40	40	40	CBAU
Elections	85	0	0	0	CBAU
Mayor Expenses	71	72	73	74	CBAU
Members Expenses	791	784	793	800	CBAU
Scrutiny	92	93	95	95	CBAU

Medium Term Financial Plan 2017/18 to 2020/21
Council 02 March 2017
Corporate Costs

Description	Budget 2017/18 £'000	Indicative Budget 2018/19 £'000	Indicative Budget 2019/20 £'000	Indicative Budget 2020/21 £'000	Corporate Priority Area
<u>To be Recharged</u>					
Holiday Pay	100	100	100	100	CBAU
Living Wage Provision	150	150	150	150	CBAU
Energy Levy	50	50	50	50	SE
Strategic Partnership Workstreams	-195	-829	-995	-995	CBAU
Net Expenditure	22,009	21,639	22,233	22,286	

Capital Programme 2017/18 to 2020/21
Council 02 March 2017

Expenditure	Revised 2017/18 £'000	Revised 2018/19 £'000	Revised 2019/20 £'000	2020/21 £'000	Total £'000	Corporate Priority Area
<u>21st Century Schools Programme</u>						
Afon Taf High School Remodelling	1,375	0	0	0	1,375	RSA
Ysgol Y Graig Primary School	1,531	3,800	0	0	5,331	RSA
	2,906	3,800	0	0	6,706	
<u>Physical Regeneration Programme</u>						
Town Centre Regeneration Programme	160	160	200	160	680	ED
Cyfarthfa Heritage Area	407	240	400	340	1,387	ED
Vibrant and Viable Places / City Deal Programme	0	150	350	400	900	ED
Bus Station	0	100	100	150	350	ED
Taff Bargoed Regeneration Programme	133	0	50	100	283	ED
	700	650	1,100	1,150	3,600	
<u>Riverside</u>						
Riverside Project	290	0	0	0	290	SE
Riverside Phase 3 Taff and Crescent Street	419	516	637	0	1,572	SE
	709	516	637	0	1,862	
<u>Other Projects</u>						
Cyfarthfa High School Roof Replacement	129	0	0	0	129	RSA
Schools Feasibility Studies	40	40	0	0	80	RSA
Highway Maintenance	600	600	600	600	2,400	CBAU
Disabled Facilities Grants	850	850	850	850	3,400	PI
Land Purchase/Works	900	0	0	0	900	CBAU
Depot Review	547	0	0	0	547	CBAU
Brandy Bridge, Abercanaid	300	0	0	0	300	CBAU
Road Slippage South of Pontygwaith	180	0	0	0	180	CBAU
Pontsticill Bridge	100	0	0	0	100	CBAU
Pentwyndeinter Bridge	100	0	0	0	100	CBAU
Security Fences	200	0	0	0	200	CBAU
Corporate Maintenance	235	235	235	235	940	CBAU
Costs of Supporting Capital Projects	466	466	466	466	1,864	CBAU
Redundancy costs	500	500	0	0	1,000	CBAU
Unallocated	0	616	234	780	1,630	-
	5,147	3,307	2,385	2,931	13,770	
Total	9,462	8,273	4,122	4,081	25,938	

Capital Programme 2017/18 to 2020/21
Council 02 March 2017

Funding	Revised 2017/18 £'000	Revised 2018/19 £'000	Revised 2019/20 £'000	2020/21 £'000	Total £'000
General Capital Funding - Grant	986	986	986	986	3,944
<u>Supported Borrowing</u>					
General Capital Funding - Supported Borrowing	1,619	1,619	1,619	1,619	6,476
WG Supported Borrowing - 21st Century Schools	531	0	0	0	531
	2,150	1,619	1,619	1,619	7,007
<u>Capital Receipts</u>					
Capital Receipts - General	0	0	500	500	1,000
Capital Receipts - Capitalisation	500	500	0	0	1,000
Capital Receipts - Riverside	429	428	0	0	857
	929	928	500	500	2,857
Contribution from Corporate Risk Fund	200	0	0	0	200
<u>Unsupported Borrowing</u>					
Unsupported Borrowing - General	2,542	852	380	976	4,750
Unsupported Borrowing - 21st Century Schools	2,375	3,800	0	0	6,175
Unsupported Borrowing - Riverside Project	280	88	637	0	1,005
	5,197	4,740	1,017	976	11,930
Total	9,462	8,273	4,122	4,081	25,938

Indicative Capital Programme 2017/18 to 2020/21**Council 02 March 2017****Revised 21st Century Schools 2013/14 to 2018/19 - Band A Programme**

Proposed Project	2013/14 £'000	2014/15 £'000	2015/16 £'000	2016/17 £'000	2017/18 £'000	2018/19 £'000	Total £'000
Afon Taf High School Remodelling	35	2,465	5,000	3,125	1,375	0	12,000
Ysgol Y Graig Primary School	0	0	0	200	3,000	3,800	7,000
Total	35	2,465	5,000	3,325	4,375	3,800	19,000

Funding Source	2013/14 £'000	2014/15 £'000	2015/16 £'000	2016/17 £'000	2017/18 £'000	2018/19 £'000	Total £'000
Welsh Government - Capital Grant	0	2,375	3,500	0	1,469	0	7,344
Welsh Government - Local Government Borrowing Initiative	0	0	0	1,625	531	0	2,156
Total Welsh Government	0	2,375	3,500	1,625	2,000	0	9,500
Merthyr Tydfil County Borough Council	35	90	1,500	1,700	2,375	3,800	9,500
Total	35	2,465	5,000	3,325	4,375	3,800	19,000

Indicative Capital Programme 2017/18 to 2020/21
Council 02 March 2017
Summary Regeneration Programme 2017/18 to 2020/21

Project	MTCBC £'000	External Funding £'000	Total £'000
Town Centre Regeneration Programme	680	2,000	2,680
Cyfarthfa Heritage Area	1,387	11,500	12,887
Vibrant and Viable Places / City Deal Programme	900	2,000	2,900
Bus Station	350	10,000	10,350
Taff Bargoed Regeneration Programme	283	900	1,183
Total	3,600	26,400	30,000

Indicative Capital Programme 2017/18 to 2020/21
Council 02 March 2017
Summary Riverside Programme 2014/15 to 2019/20

Expenditure Profile / Funding Source	2014/15 £'000	2015/16 £'000	2016/17 £'000	2017/18 £'000	2018/19 £'000	2019/20 £'000	Total £'000
MTCBC	36	3,376	432	709	516	637	5,706
Welsh Government	5,700	1,000	0	0	0	0	6,700
Total	5,736	4,376	432	709	516	637	12,406

Council 02 March 2017
Planned Utilisation of Earmarked Reserves

Description	2017/18 £'000	2018/19 £'000	2019/20 £'000	2020/21 £'000
Budget Reserve Council 30 November 2016 Following a balance sheet and bad debt provision an estimated £3 million is available to assist with the budget process for the 5 years commencing 2017/18 based on a £200,000 per annum reduction in contribution.	-1,000	-800	-600	-400
Budget Reserve Cabinet 08 and 22 February 2017 Part utilisation of projected revenue outturn surplus for 2016/17 to finance the anticipated loss of approved full year savings owing to statutory engagement and consultation with employees, public and trade unions.	-245	0	0	0
Living Wage Reserve Council 07 September 2016 £1.34 million set aside within the 2015/16 audited revenue outturn surplus to finance the projected costs of the application of the Foundation Living Wage for the period 2016/17 to 2019/20.	-277	-275	-298	0
Corporate Investment Fund Council 07 September 2016 Funding to support the enablement of the 'Looked After Children' preventative agenda in respect of the Social Care Strategic Review	-178	-184	-188	-192
Budget Reserve Cabinet 22 February 2017 Utilisation of further monies to assist with the budget process for 2017/18, subject to the identification of further in-year budget reductions to offset and minimise this requirement	-700	0	0	0
Budget Reserve Cabinet 22 February 2017 Additional verbal recommendation, same narrative as above	-57	0	0	0
Total	-2,457	-1,259	-1,086	-592