



## **CABINET REPORT**

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Service Area	Finance
Committee Division	Strategic
Exempt/Non Exempt	Non Exempt
Committee Date	3 <sup>rd</sup> February 2021

*To: Chair, Ladies and Gentlemen*

### **Revenue Budget 2021/22**

#### **1.0 SUMMARY OF THE REPORT**

- 1.1 The Provisional Welsh Local Government Settlement was announced on 22<sup>nd</sup> December 2020 and resulted in a funding increase of 4.64% for Merthyr Tydfil for the 2021/22 financial year.
- 1.2 The Medium Term Financial Plan 2020/21 to 2023/24 was approved at Council of 4<sup>th</sup> March 2020 and indicated a projected budget deficit of £3.582 million for 2021/22.
- 1.3 Owing to the uncertainty governing projections for future year settlements this report focuses solely on the 2021/22 Budget with the Medium Term Financial Plan implications to follow in subsequent reports to Cabinet and Council.
- 1.4 A provisional Budget requirement of £133.786 million for 2021/22 is proposed after considering a number of revisions to the original budgeted position.
- 1.5 The provisional Budget for 2021/22 assumes a Council Tax increase of 4.99%, reflecting that approved for 2020/21.
- 1.6 The Final Local Government Settlement is due to be announced on 2<sup>nd</sup> March 2021 with no significant revisions anticipated.

## **2.0 RECOMMENDATIONS that**

- 2.1 The implications of the Provisional Local Government Settlement for 2021/22 outlined in Section 5 and Appendices 1 to 3 be noted and accepted.
- 2.2 The net 'Additional Demands' of £623,000 outlined in Section 5 and Appendix 4 be recommended to Council for approval.
- 2.3 The 'Capacity Exercise' proposals totalling £705,000 outlined in Section 5 and Appendix 5 be recommended to Council for approval.
- 2.4 The 'Corporate Vacancy Factor' increase of £150,000 outlined in Section 5 be recommended to Council for approval.
- 2.5 The release of £350,000 from 'Employee Severance Costs' outlined in Section 5 be recommended to Council for approval.
- 2.6 The 'Service Efficiencies' of £1.041 million outlined in Section 5 and Appendix 6 be recommended to Council for approval.

## **3.0 INTRODUCTION AND BACKGROUND**

- 3.1 The Medium Term Financial Plan (MTFP) 2020/21 to 2023/24 approved by Council on 4<sup>th</sup> March 2020 indicated a Revenue Budget of £127.533 million for Merthyr Tydfil for the financial year 2020/21 and indicative budget deficits for years 2 to 4 as follows:
  - 2021/22 projected deficit of £3.582 million
  - 2022/23 projected deficit of £4.263 million
  - 2023/24 projected deficit of £2.068 million
- 3.2 The cumulative projected budget deficit for the term of the MTFP was £9.913 million and was based on the following key assumptions:
  - Employee Pay Award of 2% per annum
  - Welsh Government funding increase of 2% per annum for the period 2021/22 to 2023/24
  - Council Tax increase of 4.99% per annum over the term of the MTFP
- 3.3 The proposals contained within this report were considered by the Joint Scrutiny/Audit Committee of 27<sup>th</sup> January 2021.

## **4.0 PROVISIONAL SETTLEMENT 2021/22**

- 4.1 The Provisional Local Government Settlement for 2021/22 was announced on 22<sup>nd</sup> December 2020 and is governed by the following characteristics:

- A total revenue funding increase for all Welsh Local Authorities of 3.84% (£172 million) from an adjusted 2020/21 base of £4.479 billion to £4.651 billion.
- A revenue funding increase for Merthyr Tydfil of 4.64% (£4.5 million) from an adjusted 2020/21 base of £97.0 million to £101.5 million.
- Merthyr Tydfil's revenue settlement is ranked 3<sup>rd</sup> best of all 22 Welsh Local Authorities.
- Funding formula and dataset changes have maintained Merthyr Tydfil's position in the top quartile of Welsh Local Authority revenue settlements for 2021/22 (4<sup>th</sup> best in 2020/21).
- Former specific grants, consisting of Coastal Risk Management Programme (£1.145 million for Denbighshire only) and Teachers Pay Award (£5.13 million), previously held outside of the revenue settlement, are transferred into the settlement with Merthyr Tydfil's proportion totalling £77,000.
- The Social Care specific grant, held outside of the revenue settlement, has increased from £40 million to £50 million, with Merthyr Tydfil's share increasing from £856,000 to £1.072 million.
- Julie James, Minister for Housing and Local Government, confirmed that Welsh Government's Covid-19 Hardship Fund would continue into 2021/22. Her Written Statement accompanying the Provisional Settlement read, *"we recognise the need to continue to provide funding to support Local Government's response to the pandemic. This will be considered separately and does not form part of this Settlement."*
- No indicative revenue settlement for the following year is provided by the Welsh Government.

4.2 The summary Provisional Revenue Settlement for 2021/22 is included as Appendix 1 with changes to key data sets included as Appendix 2. The Final Local Government Settlement is to be announced on 2<sup>nd</sup> March 2021.

## **5.0 BUDGET 2021/22**

### **Introduction**

5.1 Owing to no indication from the Welsh Government of future year settlements together with the current uncertainty surrounding the ongoing impact of Covid-19, implications of Brexit, the UK's economic outlook and the Westminster Government's future public sector funding commitments, this report focuses solely on the Budget for 2021/22. This will allow more informed future funding projections to be formulated over the coming weeks in readiness for the reporting of the MTFP to Cabinet and Council for consideration and approval.

- 5.2 As noted in paragraph 3.1 the indicative budget deficit for 2021/22 was reported as £3.582 million based on the assumptions contained within the MTFP. Table 1 outlines the current budget position for 2021/22, indicating a provisional budget surplus of £394,000.

Table 1 – Revised Budget Position 2021/22

Description	Original	Revised	Impact £'000
<b>Opening Projected Budget Deficit</b>	<b>n/a</b>	<b>n/a</b>	<b>3,582</b>
Revenue Settlement	+2%	+4.64%	-2,783
Social Services Grant	-£0.856m	-£1.072m	-216
Pay Award	+2%	+2%	0
Additional Demands	£3.0m	£4.900m	1,900
Less: Covid-19 Related	0	-£1.277m	-1,277
Capacity Exercise	0	£705k	705
Provision for Further Commitments	£764k	0	-764
Corporate Vacancy Factor	-£500k	-£650k	-150
Employee Severance Costs	£1.306m	£0.956m	-350
Provisional Service Efficiencies	0	-£1.041m	-1,041
Council Tax Increase	4.99%	4.99%	0
<b>Provisional Budget Surplus</b>	<b>n/a</b>	<b>n/a</b>	<b>-394</b>

### Revenue Settlement

- 5.3 The Welsh Government's Provisional Local Government Settlement was announced on 22<sup>nd</sup> December 2020 and resulted in an increase in Merthyr Tydfil's Aggregate External Finance (AEF) for 2021/22 of 4.64%. No indications were provided in respect of indicative future year settlements thus inhibiting Local Authorities' ability to effectively plan over the medium term.
- 5.4 The budget impact from the provisional settlement is detailed in Appendix 3 and demonstrates increased spending power of £2.783 million for 2021/22.

### Social Services Grant

- 5.5 The Provisional Settlement announcement included an increase in the specific Social Services grant, held as a specific grant outside of the settlement, of £10 million for Welsh Local Authorities as a whole (from £40 million to £50 million). Distribution of this specific grant is based on the Personal Social Services Indicator Based Assessment resulting in Merthyr Tydfil's allocation increasing from £856,000 to £1.072 million.

## **Pay Award**

- 5.6 The Chancellor of the Exchequer's Spending Review announcement on 20<sup>th</sup> November 2020 proposed a pay freeze for 2021/22 for all public sector employees except for the National Health Service. For Local Government this meant a 0% pay award for all employees with a salary exceeding £24,000 whereas those with a salary of £24,000 or less would receive a £250 increase.
- 5.7 The National Employers for Local Government Services in negotiation with the Trades Unions are yet to announce the negotiated agreed pay award for 2021/22. It is therefore considered prudent to not apply the pay freeze until formal notification is received. As a result, no monies are released from the MTFP budgeted salary costs at this stage.

## **Additional Demands**

- 5.8 Managers have identified a number of additional financial demands, considered unavoidable, for inclusion in the MTFP, resulting from service financial pressures such as demographic growth, legislative changes, new initiatives, loss of income and changes to grants terms and conditions.
- 5.9 These additional budget requirements are detailed in Appendix 4 and total £4.9 million for 2021/22. Included are £1.277 million additional demands relating to Covid-19 which are projected to be funded by Welsh Government through the continuation of the Hardship Fund.
- 5.10 As an indicative £3 million of additional demands was budgeted for within the MTFP for 2021/22, this leaves a further £623,000 requiring to be accommodated within the 2021/22 Budget.
- 5.11 It is recognised that without reflecting these additional expenditure requirements within the MTFP the Council will face significant financial pressures in remaining within Budget for 2021/22 and the medium to long term. All additional demand requirements however are subject to ongoing review with any identified amendments, owing to updated information, reported in due course. The potential for further demand requests should also be noted.

## **Capacity Exercise**

- 5.12 Over the course of the last 18 months to 2 years, Welsh Government Advisers and Audit Wales have independently questioned the Council's capacity to deliver services and its over reliance on key individuals. Consequently, Senior Managers undertook a corporate capacity exercise involving an assessment of the current resilience of Council services in determining potential risks and investment requirements.
- 5.13 Meetings were held with Senior Management across the Council to establish critical needs and priority areas for investment. This identified a total investment requirement of £705,000 for 2021/22 as outlined in Appendix 5. This additional

financial commitment is to be funded through the 'Provision for Further Commitments' budgeted at £764,000.

### **Corporate Vacancy Factor**

- 5.14 The Corporate Vacancy Factor reflects the salary savings resulting from the natural delay between a post becoming vacant and subsequently being filled. It is considered prudent to increase this budget saving for 2021/22 from the originally budgeted £500,000 to £650,000 reflecting the projected outturn for 2020/21 and previous years.

### **Employee Severance Costs**

- 5.15 For 2021/22 the MTFP originally budgeted £1.306 million for the cost of employee severances, £600,000 of which funded through capital receipts via a capitalisation direction received from the Welsh Government. This budget was to accommodate those early pension payments of employees who left the Council during the last 3 years, predominantly through voluntary early retirement, together with any further new departures from the Council.
- 5.16 Owing to capacity issues faced by the Council there is currently less opportunity for employees to leave the employment of the Council through voluntary early retirement or voluntary redundancy. Consequently, it is considered that the employee severance budget can be reduced by £350,000.

### **Service Efficiencies**

- 5.17 Service managers have identified service efficiencies of £1.041 million for 2021/22 as detailed in Appendix 6. These service efficiencies result from the realignment of budgets by reviewing MTFP assumptions, reviewing the Council's Borrowing Strategy for financing capital expenditure, identification of general operational savings, the receipt of additional grant income, increased income generation and the determination of efficiency initiatives.

### **Council Tax Increase**

- 5.18 The Council Tax increase for 2021/22 is currently budgeted at 4.99% reflecting the approved increase for the 2020/21 financial year. No decision has yet been determined for 2021/22. Every 1% increase or decrease to the budgeted Council Tax increase of 4.99% has a £237,000 impact on the revised budget surplus outlined in Table 1.

### **Potential Further Commitments**

- 5.19 It is recognised that there are potentially further commitments required to be funded from the provisional budget surplus of £394,000 outlined in Table 1. These further commitments include but are not restricted to the following:
- Schools Budget increase resulting from updated information in respect of Free School Meals entitlement

- Council Tax Bad Debt Provision increase since Council Tax collection during the pandemic has reduced by circa 2%
- Council Tax increase reduction from the budgeted 4.99%

5.20 The position regarding potential further commitments will become clearer over the coming weeks and will be resolved prior to the Budget setting Council in March 2021.

## 6.0 FINANCIAL IMPLICATION(S)

6.1 In setting a balanced budget the provisional Budget Requirement for 2021/22 totals £133.786 million based on a Council Tax increase of 4.99%. Compared to the adjusted 2020/21 Budget (adjusted for transfers into the settlement) this equates to a net Budget increase of 4.77% for 2021/22.

6.2 There are no significant settlement adjustments anticipated from the announcement of the Final Local Government Settlement on 2<sup>nd</sup> March 2021.

## 7.0 INTEGRATED IMPACT ASSESSMENT

	Positive Impacts	Negative Impacts	Not Applicable
<b>1. Merthyr Tydfil Well-being Objectives</b>	4 of 4	0 of 4	0 of 4
<b>2. Sustainable Development Principles - How have you considered the five ways of working:</b> <ul style="list-style-type: none"> <li>• Long term</li> <li>• Prevention</li> <li>• Integration</li> <li>• Collaboration</li> <li>• Involvement</li> </ul>	5 of 5	0 of 5	0 of 5
<b>3. Protected Characteristics</b> <i>(including Welsh Language)</i>	0 of 10	0 of 10	10 of 10
<b>4. Biodiversity</b>	0 of 1	0 of 1	1 of 1

### **Summary:**

The main positive impact is that the report supports the financial sustainability of the Council in proposing a provisional balanced budget for 2021/22.

The main negative impact is that the Provisional Settlement provided no indication in respect of future year settlements thus inhibiting effective financial planning.

**ELLIS COOPER**  
**INTERIM CHIEF EXECUTIVE**

**COUNCILLOR ANDREW BARRY**  
**CABINET MEMBER FOR GOVERNANCE**  
**AND CORPORATE SERVICES**

<b>BACKGROUND PAPERS</b>		
<b>Title of Document(s)</b>	<b>Document(s) Date</b>	<b>Document Location</b>
Medium Term Financial Plan 2020/21 to 2023/24	Council 4 <sup>th</sup> March 2020	Council agenda and minutes / Finance Department
Provisional Local Government Settlement 2021/22	Announced 22 <sup>nd</sup> December 2020	Finance Department
Medium Term Financial Plan / Budget Working Papers	March 2020 to January 2021	Finance Department
<b>Does the report contain any issue that may impact the Council's Constitution?</b>		<b>No</b>

***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 Revenue Settlement 2021-2022

## Provisional

Table 1a: Change in Aggregate External Finance (AEF), adjusted for transfers, by Unitary Authority

Unitary Authority	<i>£'000s</i>			
	2020-21 final Aggregate External Finance*	2021-22 provisional Aggregate External Finance	Percentage difference	Rank
Isle of Anglesey	101,369	104,825	3.4%	18
Gwynedd	188,409	194,793	3.4%	19
Conwy	161,181	166,906	3.6%	17
Denbighshire	153,089	158,632	3.6%	16
Flintshire	199,267	206,778	3.8%	14
Wrexham	184,569	188,856	2.3%	21
Powys	184,554	191,897	4.0%	8
Ceredigion	107,545	109,658	2.0%	22
Pembrokeshire	172,502	179,387	4.0%	7
Carmarthenshire	274,355	284,820	3.8%	13
Swansea	339,445	352,642	3.9%	10
Neath Port Talbot	227,198	236,680	4.2%	6
Bridgend	203,540	212,192	4.3%	5
The Vale of Glamorgan	160,455	168,316	4.9%	2
Rhondda Cynon Taf	389,403	404,375	3.8%	11
<b>Merthyr Tydfil</b>	<b>96,973</b>	<b>101,476</b>	<b>4.6%</b>	<b>3</b>
Caerphilly	283,708	292,367	3.1%	20
Blaenau Gwent	116,112	120,361	3.7%	15
Torfaen	140,308	146,340	4.3%	4
Monmouthshire	97,673	101,483	3.9%	9
Newport	228,000	240,796	5.6%	1
Cardiff	469,913	487,913	3.8%	12
<b>Total unitary authorities</b>	<b>4,479,570</b>	<b>4,651,494</b>	<b>3.8%</b>	

## Changes in Key Datasets

Dataset	Merthyr Tydfil				Wales		
	2020-21 Final	2021-22 Provisional	% Difference	Rank	2020-21 Final	2021-22 Provisional	% Difference
Population (note 1)	59,719	60,751	1.7%	4	3,136,749	3,163,125	0.8%
Pupil Numbers - Nursery and Primary	5,419	5,383	-0.7%	11	263,655	261,664	-0.8%
Pupil Numbers - Secondary in year groups 7-11	2,921	3,032	3.8%	3	161,806	165,357	2.2%
IS / JSA / PC / UC (not in employment) claimants - 18 to 64	2,057	2,307	12.1%	14	79,026	90,136	14.1%
IS / JSA / PC claimants - 65+	2,231	2,152	-3.6%	1	105,082	100,207	-4.6%
IS / JSA / PC / UC (not in employment) claimants - all ages	4,300	4,476	4.1%	8	184,558	191,132	3.6%
SDA / DLA / PIP claimants - 18 to 64	3,785	3,802	0.4%	11	142,023	142,657	0.4%

Where:

IS = Income Support

UC = Universal Credit

PIP = Personal Independence Payment

JSA = Job Seekers Allowance

SDA = Severe Disablement Allowance

PC = Pension Credit

DLA = Disability Living Allowance

Notes

1. Population data set used for the 2020/21 final settlement mid-year Office for National Statistics (ONS) estimates and the 2014 based local

**Implications of Local Government Settlement**

<b>Description</b>	<b>2021/22 £'000</b>
<u>Aggregate External Finance (Note 1)</u>	
Budgeted Settlement (Note 2)	98,746
Final Settlement (Note 3)	101,476
Increase in Aggregated External Finance	-2,730
<u>Council Tax Base</u>	
Budgeted Council Tax levy (Note 4)	32,257
Final Council Tax levy (Note 5)	32,310
Increase in Council Tax levy (Note 6)	-53
<u>Net Transfers In to the Settlement</u>	
Teachers' Pay Grant (Note 7)	77
Adjustment for Teachers' Pay Award (Note 7)	-77
Total Net Transfers In to the Settlement	0
<b>Net Implications of Revenue Settlement</b>	<b>-2,783</b>

**Notes**

- 1 The Aggregate External Finance (AEF) consists of the total of Revenue Support Grant and Redistributed Non Domestic Rates
- 2 Based on indicative Council projected AEF of +2%
- 3 Based on Provisional Welsh Government AEF of +4.64%
- 4 Based on Provisional Council Tax Base of 18,400.53 (96% collection rate) - 2020/21 base approved by Council 18 December 2019
- 5 Based on Final Council Tax Base of 18,430.74 (96% collection rate) - 2021/22 base approved by Council 25 November 2020
- 6 Based on an indicative Council Tax increase of 4.99% (as approved for 2020/21)
- 7 Transfers in to the Settlement of grants previously held outside the Settlement (already budgeted for within the MTFP)

**Additional Demands**

Ref.	Department	Description	2021/22 £'000	2022/23 £'000	2023/24 £'000
1	Learning	<b>Adult Community Learning (ACL)</b> - changes to the terms and conditions of the ACL Welsh Government grant came into place for the 2020/21 grant which meant that expenditure previously covered by the grant is no longer allowed. Previously there were no restrictions on how the grant could be spent and it was used to offset expenditure with the shortfall being met by core funding, however the terms and conditions of the grant have changed which means that we can only claim 3% of the coordinator costs. There are also restrictions on how much of it can be used to cover childcare. The additional growth is to cover £11k co-ordinator and £3k childcare.	14	13	14
2	Learning	<b>Youth Service Treharris</b> - building has been revalued resulting in an increase to the insurance costs which the authority is responsible for under the lease.	2	2	2
3	Learning	<b>Individual Schools Budget (ISB)</b> - adjustments as per March pupil data.	10	670	700
4	Learning	<b>Individual Schools Budget (ISB)</b> - this is required to support the Learning Resource Base (LRB)/Additional Learning Needs (ALN) transitional arrangements as additional funding is required to support specialist provision capacity in secondary schools. There is currently only one LRB and funding for one nurture class and this is not currently fit for purpose to meet needs. Growth requested to secure transitional solutions but further scoping needed to identify long term solution required.	37	41	41

**Additional Demands**

Ref.	Department	Description	2021/22 £'000	2022/23 £'000	2023/24 £'000
5	Learning	<b>Individual Schools Budget (ISB)</b> - seeding a Welsh Medium Nursery as approved in council report 29 January 2020.	60	140	140
6	Learning	<b>Special Tuition</b> - there is currently no room hire budget and the transport budget needs to be right sized. The recently refurbished bungalow is being used well to manage room hire costs but some budget is still required due to capacity limits and to cover sessions that are more cost effective in other settings due to lower transport costs. Due to the complex behaviours/dynamics of the pupils accessing special tuition, it is not always possible to place them in more cost effective groupings but this is being maximised and under regular review. This is a budget pressure in 2020/21.	30	30	30
7	Learning	<b>Special Tuition (pupils not on roll)</b> - for pupils who are not on a school roll there is no recovery of funding from schools and the budget doesn't currently reflect this demand pressure. This usually happens following a permanent exclusion or if pupils move in from out of county in Key Stage 4 (KS4). It has proved to be difficult to secure a place on the roll of a school when a pupil has been permanently excluded from another school. This budget will recognise an equivalent sum of money for 7 pupils not on roll over a 12 month period and contribute towards the appropriate provision costs e.g. special tuition or other EOTAS provisions such as Military Prep. This is a budget pressure in 2020/21.	25	25	25

**Additional Demands**

Ref.	Department	Description	2021/22 £'000	2022/23 £'000	2023/24 £'000
8	Learning	<b>Education Other than at School (EOTAS) Other Provisions</b> - placements at alternative provisions (Military Prep, Amelia Trust Farm etc.) need to be secured for some pupils as part of a therapeutic programme. To date there has not been a budget allocated for these provisions. This has been further exacerbated by the fact that the college has not delivered any courses for pupils in years 10 and 11 that it has done in the past and so demand for these other programmes has increased. The cost of the college placements did not exceed the funding schools receive if the pupils were accessing mainstream delivery and the other programmes are more expensive. This is a budget pressure in 2020/21.	30	30	30
9	Learning	<b>Education Inclusion Statutory</b> - growth required to maintain post currently funded from Fixed Penalty Notice (FPN) income. Assumes FPN income will begin to be recovered prior to Spring Term 2022 and that 40% previous levels will be generated. This post has not only been crucial in undertaking statutory duties, but has also played a major contribution in welfare duties prior to and during the pandemic.	15	0	0
10	Learning	<b>Hwb Sustainability Funding</b> - in the school forum on 07 October 2020 it was agreed that the schools would pay a 50% annual contribution towards sustainability funding and the local authority would pay 50%.	76	76	76
11	Learning	<b>Statutory Building Compliance/Maintenance</b> - condition surveys costing provided by Estates to address backlog which should enable all Education stock to be surveyed by 31st March 2024.	32	32	32
12	Learning	<b>Individual Schools Budget (ISB) Catering</b> - there has been a significant increase in Free school meals. This may have an impact on growth for the ISB funding and catering. This is currently being calculated.	0	0	0

**Additional Demands**

Ref.	Department	Description	2021/22 £'000	2022/23 £'000	2023/24 £'000
13	Social Services	<b>Social Worker Team</b> - additional Social Worker (not part of capacity review) to undertake Additional Mental Health assessments as increase in demand is outside of the current team capacity. The post will enable residents of MTCBC to improve their mental health, and cope with any long term effects of having mental health problems	52	55	58
14	Social Services	<b>Initial Response Services</b> - Stay Well @ Home service incorporated into core budget estimates. Grant funding ended. Cwm Taf Stay Well@home is a collaborative project between Merthyr CBC, Rhondda Cynon Taf CBC and Cwm Taf Morgannwg University Health Board. This regional service aims to prevent unnecessary hospital admissions and ensure timely discharge for those people that require admission to hospital. The service operates 7 days a week between 8 am and 8 pm and is supported by a range of community based responses across health and social care provision.	0	57	69
15	Social Services	<b>Fostering Services In House</b> - review of current care needs and associated costs. Assessment in service need will increase within the Medium Term Financial Plan (MTFP) period, strategy is to actively recruit more in house Foster Carers. Specific pressure within Kinship Care - MTFP assumptions needed to be increased to match demand levels (55 placements increase of 12). Current demand is at 58 and is above the revised MTFP calculations, longer term Strategy is to transition children to Special Guardianship orders where appropriate so current risk levels on assumptions seen to be acceptable. 2020/21 Outturn position current £163k overspend	137	153	109
16	Social Services	<b>Supported Placements</b> - review of current care needs and associated costs. Assessment in service need will increase within the MTFP period. Original MTFP assumptions for Supported Living Placements needed to be adjusted to allow for actual services being commissioned and adjust for contract prices since last review (13 properties supported)	0	25	65

**Additional Demands**

Ref.	Department	Description	2021/22 £'000	2022/23 £'000	2023/24 £'000
17	Social Services	<b>Independent Residential Establishments (IRE's)</b> - review of current care needs and associated costs. Assessment in service need will increase within the MTFP period. Original MTFP assumptions needed to be adjusted to allow for actual services being commissioned and adjust for contract prices since last review. 185 long term placements within MTFP assumptions	0	302	652
18	Social Services	<b>Direct Payments</b> - review of current care needs and associated costs. Assessment in service need will increase within the MTFP period. Original MTFP assumptions needed to be adjusted to allow for actual services being commissioned and adjust for placement charges since last review. Placement levels within MTFP assumptions 2021/22 = 107, 2022/23 = 110, 2023/24 = 116 and 2024/25 = 119	108	162	213
19	Social Services	<b>Independent Domiciliary Care</b> - review of current care needs and associated costs. Assessment in service need will increase within the MTFP period. Non-Framework services increasing and MTFP assumptions adjusted to reflect increase (300hrs per week), demand offset with decrease in framework hours (168hrs per week)	0	25	66
20	Social Services	<b>Supporting Change Services</b> - previously funded Integrated Care Fund (ICF) Leaving Care and Edge of Care services, salary costs instated as part of sustaining ongoing service provision of Mentoring and Support Worker; Special Guardianship Officer and Social Worker. The project was developed with the aim of reducing the number of children coming into care, increase the number of children who could remain safely at home with their families and increase the number of children looked after, who return to live with their families.	0	102	106



**Additional Demands**

Ref.	Department	Description	2021/22 £'000	2022/23 £'000	2023/24 £'000
21	Social Services	<b>Children Looked After Residential Placement Services</b> - review of current care needs and associated costs. Assessment in service need will remain at this level and will not decrease any further within the MTFP period. Original MTFP assumptions needed to be adjusted to allow for actual services being commissioned and adjust for placement changes since last review. Placement levels within MTFP assumptions 2021/22 = 12.27, 2022/23 = 11, 2023/24 = 8 and 2024/25 = 8 and annual increase of 2 placements per year. 2020/21 - projected £1,063k overspend position	591	632	357
22	Social Services	<b>Vale, Valleys and Cardiff (VVC) Regional Adoption Group</b> - purchase of 1 Adoption place from outside of the VVC consortium. Adopters are being sought for a sibling pair via Barnardos	80	0	0
23	Social Services	<b>Receivership</b> - adjustments to the legal fees assumptions for Adult Advocacy service. No budget allocation previously within the MTFP assumptions. 2020/21 - projected £14k overspend position	8	9	9
24	Social Services	<b>Extra Care Facility</b> - adjustments to MTFP assumptions within last years reports (inflation levels, minimum wage, current service demand and costs along with new service demand review etc). MTFP assumptions adjusted to reflect actual service increase of 19 hours per week (to 366hrs per week). 2020/21 - projected £14k overspend position	4	7	10
25	Social Services	<b>Children Looked After (Court, Legal and Professional Services)</b> - adjustments to MTFP assumptions within last years reports (inflation levels, minimum wage, current service demand and costs along with new service demand review etc). MTFP assumptions realigned with 2.34% increase across Court Costs £31k, Legal Fees £82k, Professional services £36k, DNA Sampling £31k and Translation costs £8k	4	4	4

**Additional Demands**

Ref.	Department	Description	2021/22 £'000	2022/23 £'000	2023/24 £'000
26	Social Services	<p><b>MTCBC Homes for the Elderly</b></p> <p>Ty Gurnos - MTFP income position reviewed and revised to 14 bed long-term occupancy (90%) rather than 15 beds (94%). Current actuals being 2 self funders and 14 reduced charge occupants. Reduction of £10k.</p> <p>Ty Bargoed - MTFP income position reviewed and revised to 29 bed long-term occupancy (90%) rather than 30 beds (95%). Current actuals being 5 self funders and 24 reduced charge occupants. Reduction of £27k.</p>	37	37	37
27	Social Services	<p><b>Carers Network</b> - budget to help identify unpaid carers. Evaluate, develop and commission services for carers. To provide relevant materials for carers to access clear up to date information, advice and support, empowering them to balance their caring role and their lives outside of caring</p>	10	10	10
28	Community Regeneration	<p><b>New Bus Station</b> - budget required for costs of operating the new bus station, due to open in 2021.</p> <p>The estimate includes £60k staff costs, and £126k of premises related costs. These costs are partly offset by annual income of £50k from rents, service charges, advertising, and toilet charges. Additional income of £83k pa from the bus operators is estimated from 2022/23 onwards. As this is a new facility these are best estimates at this time.</p>	136	59	64
29	Community Regeneration	<p><b>Operational Environmental Health</b> - body cameras were purchased for the Environmental Health Technician and the Regulatory Officer due to threats to personal safety whilst performing abandoned vehicle duties. There is an associated biennial Cloud Software charge for storing images captured that are uploaded to the cloud.</p>	0	1	0

**Additional Demands**

Ref.	Department	Description	2021/22 £'000	2022/23 £'000	2023/24 £'000
30	Community Regeneration	<b>Housing</b> - additional homelessness costs due to increased demand for temporary accommodation for those individuals owed a duty of care under legislation. Estimate based on 15 individuals presenting as homeless (previously based on 10).	51	51	51
31	Community Regeneration	<b>Community Safety</b> - the acting Regional Community Cohesion Co-ordinator funded through the Community Cohesion Grant grant is on maternity leave. The maternity leave ends in 2021/22 but maternity costs are not funded by the grant and the authority has to bear the costs.	2	0	0
32	Community Regeneration	<b>Community Safety</b> - new Anti-Social Behaviour Officer required to undertake enforcement duties to include the issuing of formal warnings, issuing of fixed penalty notices and attendance at court where necessary.	33	35	36
33	Community Regeneration	<b>CCTV</b> - in the approved budget reductions for the 2020/21 to 2021/24 Medium Term Financial Plan, it was agreed that the CCTV function within the Authority would change to a non-staffed provision allowing for the removal of the 4 CCTV operative posts. However, as a result of increased anti-social behaviour in the Town Centre and a risk of failing to meet our Crime and Disorder Statutory duties if we proceeded with the reduction, the CEO under delegated authority has given permission to the Head of Protection and Safety for CCTV to remain as a staffed provision.	73	74	75
34	Community Regeneration	<b>Transport</b> - revisions to school transport contract costs due to changes in pupil numbers. In total net additional cost per day £95.51 for 190 days (196 term days, less 6 inset days).	18	18	18

**Additional Demands**

Ref.	Department	Description	2021/22 £'000	2022/23 £'000	2023/24 £'000
35	Community Regeneration	<p><b>Glynmil</b> - additional costs due to a new lease for the Glynmil site.</p> <p>The original lease on the site came to an end this financial year. The only realistic option open to the Council to fulfil our statutory obligation was to enter into a new leasing arrangement with the site owner. The new lease is different from the first as we have now taken over the repair and maintenance for the site. Now that we have a long lease on the facility, we are able to access Welsh Government investment support</p> <p>The estimate now includes costs of £38k associated with a Site Warden (who will TUPE across to MTCBC), and £80k annual rent payable to the land owner. These costs are offset by housing benefit income in respect of the occupants of the site. This is estimated to be £100k per annum (based on the assumption of 84% occupancy which reflects recent occupancy levels at the site).</p> <p>An information report will be taken to Council.</p>	18	18	18
36	Community Regeneration	<p><b>Physical Regeneration</b> - Strategic Infrastructure Programme Manager post is currently grant funded from the Local Transport Fund (LTF) allocation for the Bus Station. This funding will end in 2021/22 but there are other on-going Transport Infrastructure projects.</p>	0	69	70
37	Community Regeneration	<p><b>Physical Regeneration</b> - corporate Christmas Event - This will include funding for erection of the lights and take down (approx. £30k but will need a new contract next year), as well as the event itself (£15k).</p> <p>This was previously funded from an earmarked reserve but this has now been exhausted so there is no allocated budget for the Christmas Event going forward.</p>	45	45	45

**Additional Demands**

Ref.	Department	Description	2021/22 £'000	2022/23 £'000	2023/24 £'000
38	Community Regeneration	<b>Physical Regeneration Other Events</b> - This has been included to support the co-ordination of events moving forward. This will include corporate and third party events. It will allow us to support events that enhance the Town Centre and benefit the local economy. Events will include BID Events (Food Festival and Chilli Fiesta), Crownload, Merthyr Rising and any other events that come through the Event Safety Advisory Group (ESAG) that may require revenue support to ensure delivery.	50	50	50
39	Community Regeneration	<b>Physical Regeneration</b> - this is to accommodate any of the maintenance requests received for the Town Centre. This will be for items that require upgrading or replacement in the Town Centre eg. Lighting, repairs, cleanliness etc. There is currently no specific budget for these maintenance items. The original Town Centre scheme was grant and capital funded but no provision was then made for on-going maintenance.	50	50	50
40	Community Regeneration	<b>Public Health / Food Safety</b> - request to permanently increase hours of an Environmental Health Officer post from 31 to 37 hrs per week. This post has currently been temporarily increased to 37 hrs per week funded from a earmarked reserve but will be exhausted in 2020/21.  The salary costs are apportioned between the Public Health and Food Safety budgets.	9	9	9
41	Neighbourhood Services	<b>Grounds Maintenance</b> - the cost of security at Cyfarthfa Park has increased by £23.5k to £145k pa, as a result of the award of contract to a new supplier (as per report to Cabinet 29 January 2020),	23	25	27

**Additional Demands**

Ref.	Department	Description	2021/22 £'000	2022/23 £'000	2023/24 £'000
42	Neighbourhood Services	<p><b>Grounds Maintenance</b> - income estimates have been revised to reflect in year budget pressures:</p> <p>Sale of logs income removed (£7k). Logs are now recycled instead of sold.</p> <p>Sports Pitch Fee income, estimated at £29.5k, waived for 2021/22 owing to the continued impact of covid on community sport.</p> <p>Schools' Grass Cutting SLA income reduced by £12.4k due to fall in demand. Estimate was £70k, and is now £57.6k based on actual schools grass cuts planned for 2020/21.</p>	49	49	49
43	Neighbourhood Services	<b>Street Cleansing</b> - maternity cover for the Environmental Health Officer in the Fly Tipping team (10 months, full time).	5	0	0
44	Neighbourhood Services	<b>Street Cleansing</b> - a budget is required to meet the costs of responding to cleansing related out of hours call outs.	4	4	4
45	Neighbourhood Services	<b>Fleet Management</b> - Transport Manager post added to structure, as agreed by Corporate Management Team (CMT) on 08 July 2020. The new Transport Manager started 07 September 2020.	59	62	65

**Additional Demands**

Ref.	Department	Description	2021/22 £'000	2022/23 £'000	2023/24 £'000
46	Neighbourhood Services	<p><b>Household Waste Recycling Centres</b> - revision to the budgets for treatment of recyclable waste and income from sale of recyclate. The temporary closure of the sites during 2020/21 means that these pressures can be managed with the existing budget for 2020/21, but growth will be required from 2021/22 onwards.</p> <p>Estimated expenditure for the treatment of recyclable waste collected at the site has been revised upwards (5,453 tonnes at average price £48.85 per tonne; previously 5,208 at average price £48.75 per tonne).</p> <p>Estimated income from the sale of materials collected at the sites has been revised down by £40k pa. This is mostly due to a fall in the price of textiles which are currently being sold at £40 per tonne (previously £190 per tonne).</p>	50	50	50
47	Neighbourhood Services	<b>Recycling Collections</b> - reduced income from sale of recyclate processed at Unit 20. This reflects an overspend in the current year.	100	100	100
48	Neighbourhood Services	<p><b>Highways Operational</b> - alignment of budget to accommodate increased costs associated with materials waste disposal by increasing estimate to £79k pa (currently £59k pa).</p> <p>This is a budget pressure in the current year and reflects actual costs over the previous 3 years (2019/20 = £82k, 2018/19 = £80k, 2017/18 = £92k).</p>	20	20	20
49	Neighbourhood Services	<b>Highways Operational</b> - granite block installed as part of a town centre programme no longer meet minimum skid requirements. Annual inspection and treatment is now required. Previously the Economic Development budget has paid for these works but is no longer able to do so.	15	15	15

**Additional Demands**

Ref.	Department	Description	2021/22 £'000	2022/23 £'000	2023/24 £'000
50	Neighbourhood Services	<b>Highways Operational</b> - additional budget is required to carry out needed gully maintenance and repair works. For example, replacement of drain covers, jet washing blocked gully's etc. These costs are in addition to cleansing costs currently provided under contract with Caerphilly CBC.	27	27	27
51	Neighbourhood Services	<b>Highways Operational</b> - annual running costs of insourcing the Gully Cleansing Service as per Gully Sucker Business Case approved by Council 04 November 2020. Gross costs of £207k pa (2021/22), less existing budget of £58k pa.	149	151	153
52	Neighbourhood Services	<b>Corporate Property and Estates</b> - Property Services statutory compliance management software has been upgraded in 2020/21. The previous version is obsolete and is being phased out by the supplier. The cost is now £16k pa (previously £5k pa). The additional cost has been offset by a £3k reduction in the estimate for other software costs.	8	8	8
53	Neighbourhood Services	<b>Building Control</b> - Building control Apprentice, as approved by CMT.	17	18	0
54	Neighbourhood Services	<b>Highways Administration</b> - cost of implementing new software.  Alloy will replace Mayrise as the co-ordinating software for Highway Operations. Mayrise is due to be phased out and will no longer be supported by the supplier (Yotta). Replacement in 2021/22 is advised to avoid possible delay later on as supplier capacity is limited while demand for Alloy is likely to increase as other authorities switch-over. The new software will allow for potential street lighting efficiencies to be taken forward.	27	0	0



**Additional Demands**

Ref.	Department	Description	2021/22 £'000	2022/23 £'000	2023/24 £'000
55	Neighbourhood Services	<b>Highways Administration</b> - additional budget is required for survey works to keep the current data set up to date and other ad-hoc reports. For example network updates following the adoption of a new estate / roadway / footway, revaluation of assets to reflect current replacement costs, specialist surveys to guide policy formulation - for example anti skid policies as recently considered - all of these items are costs in addition to the annual maintenance charges allowed for in the current budget.	10	10	10
56	Neighbourhood Services	<b>Highways Administration</b> - additional cost of 3 x mobile licenses following the introduction of Alloy (Mayrise replacement - see Ref 54).	2	2	2
57	Neighbourhood Services	<b>Highways Administration</b> - one off set up costs for K-Gully software, as per Gully Sucker Business Case approved by Council 04 November 2020.	2	0	0
58	Neighbourhood Services	<b>Corporate Property and Estates</b> - increase training budget to put Estates officers through CIPFA Diploma in Public Sector Asset Management.	1	1	1
59	Neighbourhood Services	<b>Land Drainage</b> - upgrade of Microdrainage software to assess Sustainable Drainage Applications, in accordance with our duties as the Sustainable Drainage Approval Body (SAB). It can also be used to carry out chargeable Sustainable Drainage Design work.	2	2	2

**Additional Demands**

Ref.	Department	Description	2021/22 £'000	2022/23 £'000	2023/24 £'000
60	Finance	<b>Revenues and Benefits</b> - loss of Leisure Trust Service Level Agreement (SLA) for cash collection. £1.4k pa.	1	1	1
61	Finance	<b>Revenues and Benefits</b> - revised estimate for Bailiff fee/Court income, due to changes in debt recovery practice as a result of the pandemic. This estimate is based on 50% of pre-pandemic income, based on best estimates at this point in time.	244	242	239
62	Finance	<b>Information and Communications Technology (ICT)</b> - Microsoft Office Licences requiring upgrading to Office 365, as current Microsoft licences come to an end and there is now the additional need for Microsoft Teams to support the Homeworking agenda. This can be done as a gradual process but will be an on-going annual cost.	100	120	140
63	Legal and Democratic Services	<b>Information Governance</b> - budget required for the Information Commissioner's Office (ICO) Data Protection Registration which has not been included in previous year's budgets.	3	3	3
64	Human Resources and Organisational Development	<b>Human Resources</b> - new Occupational Health posts (Occupational Health Adviser and Occupational Health Administrator). These new posts were agreed as part of a Full Council report on 26 February 2020 (Occupational Health Service Change).	44	47	49
65	Human Resources and Organisational Development	<b>Human Resources</b> - Maintenance and Training costs for implementing new e-performance and e-recruitment systems, as agreed by CMT.	16	5	5

**Additional Demands**

Ref.	Department	Description	2021/22 £'000	2022/23 £'000	2023/24 £'000
66	Human Resources and Organisational Development	<b>Payroll</b> - inclusion of training costs in year 1 and 2 for Senior Payroll Officer. Payroll Management Training is required for Senior Payroll Officer who has recently come into post as part of restructure within the section. Qualiification requirements were included as part of job description when post was filled.	3	3	0
67	Corporate Costs	<b>Levies</b> - increase estimate for the South Wales Central Area Coroner's Service Levy. Current estimate is £112k but the actual levy for 2020/21 was £124k. This budget pressure has been managed in the current year because of a rebate for financial year 2019/20.  Also proposed increase of £6k in the Glamorgan Archives Levy.	18	18	19
68	Corporate Costs	<b>Levies</b> - increase in the South Wales Fire and Rescue Authority Levy. We have been notified that the levy will increase by 3.94% to £3.04 million for 2021/22. The original estimate was based on a 2% increase.	50	50	50
69	Corporate Costs	<b>Bank Charges</b> - revised estimate for bank changes. This adjustment reflects the overspend in the current year.	4	4	4
70	Corporate Costs	<b>Council Tax Reduction Scheme</b> - assuming a 4.99% increase in CT and resultant trend in claim numbers and average claim payments as per the model. Based on a projected caseload of 6,506 and average cost per claim of £1,041. Original Budget was £6.466 million.	656	633	646

**Additional Demands**

Ref.	Department	Description	2021/22 £'000	2022/23 £'000	2023/24 £'000
71	Corporate Costs	<b>Accountancy Review</b> - reflects consolidation of a number of minor adjustments Council wide, resulting from re-alignment of budgets following correction of salary grades, job evaluation outcomes, employees joining the Pension Fund and general rounding adjustments.	67	107	155
72	Community Regeneration (Covid Related - Reimbursed by Welsh Government)	<b>Transport</b> - 4 new buses were required as a result of two schools staggering opening times for pupils in response to Covid at a cost of £480 per day for 64 days.  All bus contracts will be reentered in September 2021 so the additional transport will not be required from then on.	31	0	0
73	Community Regeneration (Covid Related - Reimbursed by Welsh Government)	<b>Housing</b> - increases in Temporary Accommodation costs.  As a result of the pandemic, Welsh Government changed the homelessness legislation. Anyone now presenting as homeless has to be housed, whereas previously there was specific criteria that determined whether we owed a duty of care. Consequently, there is an expectation that we will have to provide temporary accommodation for an additional 49 individuals during April 2021 to October 2021 rising to 61 individuals for November 2021 to March 2022. We have previously been able to accommodate some homeless presentations in the winter night shelter but due to current Covid-related restrictions we would be unable to utilise this facility.	871	871	871

**Additional Demands**

Ref.	Department	Description	2021/22 £'000	2022/23 £'000	2023/24 £'000
74	Community Regeneration (Covid Related - Reimbursed by Welsh Government)	<b>Orbit Centre</b> - loss of income due to reduction in room hire for conferences/meetings. Due to Covid restrictions the Orbit Centre has been unable to run conferences and hire out meeting rooms. This has resulted in a significant reduction in the income generated this year from such room hire. Although next year it is hoped that this may improve, with the use of online meetings the demand for meeting rooms may still be reduced. The Centre will be looking at possible re-use of the rooms for tenants but again with the move to working from home there is some uncertainty over the demand for rooms for tenants.	100	0	0
75	Corporate Services (Covid Related - Reimbursed by Welsh Government)	<b>Parking Services</b> - reduction in income due to pandemic and working from home policy.  The estimate for 2021/22 is based on actual income over the last few months. Assumptions have been made that for the term time the current levels of income can be achieved next year with a reduction out of term time due to less income being generated when students are not in college. There has also been a reduction in season ticket income generated this year due to home working, and this has also been factored into next year's estimate.  For future years (2022/23 onwards) the income has been set at a level half-way between the pre-covid income levels and current income levels. There is a great deal of uncertainty over these income levels and they will need to be reviewed regularly.	275	160	161
<b>Total Additional Demands</b>			<b>4,900</b>	<b>5,926</b>	<b>6,217</b>

**Additional Demands**

Ref.	Department	Description	2021/22 £'000	2022/23 £'000	2023/24 £'000
76	Covid Related Pressures	<b>Reimbursed by Welsh Government</b> - it is anticipated that covid related additional costs associated with School Transport and Homelessness provision together with loss of income associated with the Orbit Centre and Car Parking will be funded by the continuation of the Welsh Government's Hardship Fund into 2021/22	-1,277	0	0
77	Corporate Costs	<b>Budgeted Additional Demands</b> - this relates to the budgeted 'new' additional demands included within the Medium Term Financial Plan for 2021/22 approved by Council March 2020. The actual proposed additional demands (excluding covid related) total £3.623 million thus exceeding budgeted additional demands by £623,000.	-3,000	-3,000	-3,000
		<b>Net Additional Demands</b>	<b>623</b>	<b>2,926</b>	<b>3,217</b>

## MTCBC Capacity Exercise - Final Proposals

Service	Capacity Gap	Solution	Progress & Description (January 2021)	2021/22 £'000	2022/23 £'000	2023/24 £'000
<b>Environmental Health</b>	Identified by Audit Wales – General Capacity	Additional staffing resource and hours regarding Environmental Health Officer duties.	This proposal is for extra technical resource (one post) in the Environmental Health Team and an increase in hours to an existing post. These elements address the recommendations from a recent audit (Audit Wales) and identified as critical as part of the capacity exercise. Both of these elements are now in place.	36	42	42
<b>Housing</b>	Increased capacity to meet service demand and legislation	Additional staffing resource in the Housing Team.	This proposal is an additional officer post in the Housing Team. This was included in the capacity exercise following the initial meetings to address the challenges of service demand and legislation. This proposal is now in place.	35	36	38
<b>Education</b>	ALN – Changes to legislation	ALN management to be increased	This senior post was identified as part of the capacity exercise. It addresses gaps to meet the new ALN Act. This proposal is in the process of being taken forward.	74	76	78
		ALN Admin support (potential part time post)	This admin duty was identified in recent months to support the new ALN Act. It may mean additional hours to existing staff.	10	10	11
		Children Looked After Education Co-ordination duties (e.g. part time role / extra hours)	Due to the implications of the new ALNet Act there is a need to increase capacity of the staffing in the Children Looked After Education Team. It is proposed to extend the hours of a current role. This has been identified recently to meet the needs of the new ALN Act.	8	9	9
		ALN Lead role to be carried out	This was originally identified as part of the capacity exercise. It was estimated to be a part time officer role. It has been included to address the expectations of the new ALN Act and is linked to the wider ALN business case with Social Services.	22	22	23
		IDP duties to be undertaken	This is in addition to the posts identified above as part of this capacity exercise. The post links to statementing and the increased requirements of the new ALNet Act.	49	51	53

## MTCBC Capacity Exercise - Final Proposals

Service	Capacity Gap	Solution	Progress & Description (January 2021)	2021/22 £'000	2022/23 £'000	2023/24 £'000
<b>Corporate Communications</b>	Support for the Cabinet – recommendation as part of the rapid assessment exercise	Cabinet and Policy support.	This proposal is for additional resource to support the Cabinet. It is a recommendation as part of the work done in the Rapid Assessment Exercise carried out by the Improvement and Assurance Board. This proposal has been implemented.	49	52	54
<b>Social Services - Safeguarding</b>	Resource around the Safeguarding Team	Senior Officer or Manager Post.	This post was identified in the capacity exercise and deemed critical to adult safeguarding as issues around capacity have been raised in two inspections. Concerns had also been expressed around resilience within the team. As a result a business case deemed a senior role was required. This proposal has been implemented.	58	61	65
<b>Information Governance</b>	Additional resource – linked to the Legal Team to meet GDPR requirements	Change emphasis of the current role.	This was proposed as part of the capacity exercise. This proposal is being considered to change of emphasis of a current role to meet the needs around data governance.	2	4	4
		Graduate/apprentice opportunity / Additional Data & Disclosures & Records resource.	This has resulted in a part time post to deliver duties regarding data and disclosure records. This proposal has been actioned.	21	21	22
<b>Insurance</b>	Resilience risk	Review current roles to meet our need regarding insurance.	This reflects the proposed change in roles to increase responsibilities, demonstrating the specialist nature of the service.	3	5	6
<b>Neighbourhood Services - Engineering</b>	Lack of resource and review of senior duties to be considered	Review of manager roles and increase staffing in the Engineering Team. It would be envisaged that funding and/or income could be used to fund some of these posts.	Three Engineer posts were identified as part of the capacity exercise. These posts will support MTCBC in meeting our duties from structural engineering, SAB and extreme weather challenges such as flooding. Two of these posts (one already vacant in the structure) will be funded from SAB income, the resilience fund and Storm Dennis capital monies (fixed term 2 years). A review of management duties has also taken place leading to key aspects being allocated accordingly.  These proposals have been actioned.	69	76	83



## MTCBC Capacity Exercise - Final Proposals

Service	Capacity Gap	Solution	Progress & Description (January 2021)	2021/22	2022/23	2023/24
				£'000	£'000	£'000
<b>Gypsy Traveller Provision</b>	An officer role is required	Take forward an officer role to meet these key duties.	This proposal ensures there is a permanent role regarding this support in the council. This was identified as part of the capacity exercise. There is no additional budget required as this was a growth item in the 2020/21 MTFP.	0	0	0
<b>Corporate Communications / Democratic Services / Registrars</b>	Resilience	Increase staffing hours.	This proposal increases resilience within the Corporate Communications and Engagement Team. It relates to increasing the hours of existing staff. This was identified as part of the capacity exercise.	8	8	9
<b>Revenues and Benefits</b>	Refocus of Revenues and Benefits to create better links between financial assessment elements of our services.	Following on from the relocation of the Financial Assessment Team into the Revenues and Benefits Team.	The costs here relate to job evaluations as part of a previous restructure where the Financial Assessment Team were relocated to the Revenues and Benefits structure.	38	44	50
<b>Education</b>	Data Team – Additional Resource	Corporate Data Team consideration.	This proposal relates to additional resource in the data team addressing the immediate issues relating to supporting the delivery of Capita One (Education Data Management System). The costing is based on increasing hours of existing staff and 2 posts. The first being a full time resource and the second being a part time support role. The job descriptions for these posts are in the process of being developed.	59	62	65
<b>Social Services - Adult</b>	Senior Officer resource and officer/co-ordination/admin support	Additional resource to support the leadership team.	This proposal was identified as part of the capacity exercise. It relates to a senior officer role in the Adults Services structure to support the Head of Service.	66	68	69
<b>Neighbourhood Services - Property / Project Management</b>	Technical support for the service	Mechanical compliance role within the team.	This was identified as part of the capacity exercise to provide additional technical support to the service area. The job description for this role has been developed.	37	39	41
	Additional software to support the delivery of the service	More effective and efficient processes.	This software solution has been researched and a proposal is being pursued.	5	5	5
<b>Commercial Team</b>	Expand commercial opportunities	Commercial Manager role to change our approach.	A new commercial manager post is proposed. A job evaluation has not yet taken place.	56	58	59
				<b>705</b>	<b>749</b>	<b>786</b>

**Service Efficiency Proposals**

Ref.	Service	Description of Budget Efficiency	Budget 2021/22 £'000	Efficiency 2021/22 £'000	Efficiency 2022/23 £'000	Efficiency 2023/24 £'000
1	Learning	<b>Governor Support</b> - additional income generation from meetings over and above existing Service Level Agreement (SLA). Over the last 3 years this proposal has been achieved.	22	-4	-4	-4
2	Learning	<b>Speech Therapists</b> - budget realignment resulting from saving identified between Medium Term Financial Plan (MTFP) and inflated contract price for 2021/22.	91	-2	-2	-2
3	Learning	<b>Central South Consortium</b> - reduction to contribution as indicated in the Central South Consortium Joint Committee of 16 December 2020	230	-4	-4	-4
4	Learning	<b>Facility Time</b> - reduce the part-time Trades Union Representative allocation of the flexible day from 39 days per year to 28 day per year. The full flexible allocation of 39 days per year is not always utilised.	63	-1	-1	-1
5	Learning	<b>School Meals</b> - reduction to staff training budget. The remaining training budget will be sufficient to ensure staff maintain minimum standards of food hygiene and safety.	14	-3	-3	-3
6	Learning	<b>Additional Learning Needs (ALN) Training</b> - the delivery of ALN Training supports 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. Minimal level of training reduction may be managed within the programme delivery. Recovery of some training costs from schools may be achievable.	12	-2	-2	-2

**Service Efficiency Proposals**

Ref.	Service	Description of Budget Efficiency	Budget 2021/22 £'000	Efficiency 2021/22 £'000	Efficiency 2022/23 £'000	Efficiency 2023/24 £'000
7	Learning	<b>Early Years</b> - right size identified budget lines in preparation and continuation of Agile working (£1,050). Reduction in sector training with where possible training being delivered online (£1,500). Reduce the budget available to respond to childcare sufficiency assesment to support the development of or extend provision in line with parents needs (£1,500). Reduce support of non maintained education places for autumn term (£2,900). Greater use of agile working during pandemic has identified different delivery/working options. In addition greater investment from the Children and Communities Grant (CCG) will be explored.	145	-7	-7	-7
8	Learning	<b>Integrated Children's Centre Building</b> - small saving in repairs and maintenance only undertaking Health & Safety 'critical' items	98	-2	-2	-2
9	Learning	<b>Youth Service Pen Y Dre</b> - reduction in Caretaker hours and integration of cleaning and caretaking through Solo contractor	60	-3	-3	-3
10	Social Services	<b>IAA Duty Services</b> - saving resulting from post being re-evaluated by the Job Evaluation process after removal of supervision duties	65	-3	-3	-3
11	Social Services	<b>Integrated Community Equipment Store (ICES)</b> - saving from review of MTFP assumptions, not a cut to contract commitment	175	-7	-7	-7
12	Social Services	<b>Cwm Taf Youth Offending Service</b> - saving from review of MTFP assumptions, not a cut to contract commitment	318	-4	-4	-4

**Service Efficiency Proposals**

Ref.	Service	Description of Budget Efficiency	Budget 2021/22 £'000	Efficiency 2021/22 £'000	Efficiency 2022/23 £'000	Efficiency 2023/24 £'000
13	Social Services	<b>Social Work Team</b> - £2k saving from review of MTFP assumptions. £59k Integrated Care Fund (ICF) Grant income extended for 1 year (2021/22).	1,255	-61	0	0
14	Social Services	<b>ISS Management</b> - ICF Grant income extended for 1 year (2021/22).	129	-45	0	0
15	Social Services	<b>Initial Response Services</b> - ICF Grant income extended for 1 year (2021/22).	573	-25	0	0
16	Social Services	<b>Supported Placements</b> - reduction in the MTFP Budget assumption that demand will be 3 not 5	3,982	-71	-71	-71
17	Social Services	<b>Supported Placements</b> - ICF Grant income extended for 1 year (2021/22).	3,982	-100	0	0
18	Social Services	<b>Independent Domiciliary Care</b> - ICF Grant income extended for 1 year (2021/22).	2,555	-51	0	0
19	Social Services	<b>Children with Disabilities</b> - saving from review of MTFP assumptions with Children's Direct Payments, not a cut to service or contract commitments	724	-28	-28	-28
20	Social Services	<b>Fostering Services IFA's</b> - saving from review of MTFP assumptions that demand will be 45 placements, not a cut to service or contract commitments	1,939	-81	-81	-81

**Service Efficiency Proposals**

Ref.	Service	Description of Budget Efficiency	Budget 2021/22 £'000	Efficiency 2021/22 £'000	Efficiency 2022/23 £'000	Efficiency 2023/24 £'000
21	Social Services	<b>Leaving Care Support Services</b> - saving from review of MTFP assumptions, not a cut to service or contract commitments	577	-18	-18	-18
22	Social Services	<b>Adoption Services</b> - saving from review of MTFP assumptions for Adoption allowances, not a cut to service or contract commitments	162	-19	-19	-19
23	Social Services	<b>Advocacy Services (Children's Services)</b> - reflects additional Grant income secured.	60	-14	-14	-14
24	Social Services	<b>Special Guardianship Orders (SOTLAC)</b> - saving from review of MTFP assumptions for SGO's, not a cut to service or contract commitments	993	-8	-8	-8
25	Social Services	<b>MTCBC Group Home (Llysfaen Fach)</b> - adjustments to MTFP. Manager confirmed that 2 nightcare posts were not required. The Manager believed that these posts had already been removed from the budget as part of previous efficiencies. Four night care worker required in total - two in Llysfaen Fach and two in Llysfaen Respite. All these posts are filled. The saving is the salaries and associated direct replacement costs.	963	-85	-85	-85
26	Community Regeneration	<b>Transport</b> - removal of School Transport (Edwardsville). Information report to Council of 04 November 2020.	1,801	-36	-36	-36
27	Neighbourhood Services	<b>Bereavement Services</b> - raise fees and charges (by 0.2%)	7	-1	-1	-1

**Service Efficiency Proposals**

Ref.	Service	Description of Budget Efficiency	Budget 2021/22 £'000	Efficiency 2021/22 £'000	Efficiency 2022/23 £'000	Efficiency 2023/24 £'000
28	Neighbourhood Services	<b>Grounds Maintenance</b> - deletion of tractor £5635. Tractor is used for aiding arborists pulling trailer winching trees etc. Supplements the Playing field grass cutting and larger open spaces and planned biodiversity cut and collect machine. Is used in gritting and ploughing operations in white out conditions and this will be reduced with the loss of a tractor.	1,311	-6	-6	-6
29	Neighbourhood Services	<b>Street Cleansing</b> - remove 42/43 hour contracts and replace with 37 hour contracts.	1,384	-53	-53	-53
30	Neighbourhood Services	<b>Fleet Management</b> - removal of Fleet Van £882 CV54 WEJ / Remove fuel £600 Total £1,482. Removal of the van will require disussion with the Fleet Engineer who currently uses as a vehicle will still be required to undertake duties. In mitigation a system can be developed where idle vehicles can be identified for use by the Fleet Manager.	105	-2	-2	-2
31	Neighbourhood Services	<b>Household Waste Recycling Centres</b> - 1) Close HWRC's 1 day per week alternate days 2) Close during summer months at 5pm.	744	-15	-15	-15
32	Neighbourhood Services	<b>Street Lighting</b> - extend structural testing of aluminium lighting columns from 6 to 12 years. This would have a negligible impact since the design life of columns is 50 years.	370	-3	-3	-3
33	Neighbourhood Services	<b>Traffic Management</b> - increase income by increasing road closure fees and introducing fees for street closures	37	-8	-8	-8

**Service Efficiency Proposals**

Ref.	Service	Description of Budget Efficiency	Budget 2021/22 £'000	Efficiency 2021/22 £'000	Efficiency 2022/23 £'000	Efficiency 2023/24 £'000
34	Neighbourhood Services	<b>Grounds Maintenance</b> - relates to a restructuring of the Department whereby a Voluntary Early Retirement (VER) has already been approved.	1,311	-48	-48	-48
35	Finance	<b>Capital Financing Costs</b> - savings resulting from borrowing to finance capital expenditure being on a short-term basis rather than long-term basis. This enables the Council to take advantage of lower interest rates. It is projected that the Council will continue to borrow short-term from other Local Authorities at interest rates of 0.2% rather than borrow long-term through the Public Works Loan Board (PWLB) at interest rates of circa 2%. This approach has been agreed with the Council's Treasury Management consultant Arlingclose.	6,697	-188	-163	-163
36	Finance	<b>Creditors</b> - increase in the projected Purchase Card income from £55k to £60k. This is based on the projected value of purchases paid through the Purchase Card mechanism.	140	-5	-5	-5
37	Finance	<b>Procurement</b> - relates to income generation resulting from taking the lead procurement and contract management role in respect of regional collaborative tenders. Relates to the regional Textiles Recycling Framework (£1k) and the South East Wales Street Lighting Framework (£5k).	185	-6	-6	-6
38	Finance	<b>Revenues and Benefits</b> - reduce equipment Budget by £1,000. Reduce Printing & Stationary budget by £1,000. Historically these budget heads underspend.	-43	-2	-2	-2

**Service Efficiency Proposals**

Ref.	Service	Description of Budget Efficiency	Budget 2021/22 £'000	Efficiency 2021/22 £'000	Efficiency 2022/23 £'000	Efficiency 2023/24 £'000
39	Finance	<b>ICT Printing</b> - £2,823 contract saving from replacement of wide format printer.	140	-3	-3	-3
40	Corporate Services	<b>Parking Services</b> - relates to the under utilisation of existing cash collection hours	-340	-10	-10	-10
41	Legal and Democratic Services	<b>Legal</b> - reduce car allowance budget by £2,000 and legal fees budget by £1,000.	171	-3	-3	-3
42	Legal and Democratic Services	<b>Compliments and Complaints</b> - a reduction from £10,000 to £8,000 in money allocated to cover professional fees used predominantly to facilitate Social Services Department Stage 2 complaints.	78	-2	-2	-2
43	Legal and Democratic Services	<b>Register of Electors</b> - removal of the stationery budget and the telephone & postages budget. In mitigation we are already looking to computerise the systems as much as we possibly can and will continue to promote the use of electronic communications with the electorate.	40	-2	-2	-2
	<b>Total</b>			<b>-1,041</b>	<b>-734</b>	<b>-734</b>