



Cyngor Bwrdeistref Sirol

Blaenau Gwent

County Borough Council

MEDIUM TERM FINANCIAL STRATEGY

2025/2026 to 2029/2030

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1. **Introduction**

1.1 The Medium-Term Financial Strategy (MTFS), the Council’s key financial planning document, is an integral part of the Council’s Corporate Business Planning arrangements. The Strategy is a rolling a 5-year plan and is updated, reviewed and approved annually by Council. The Strategy will change over time as new opportunities, or policy decisions affect the financial position of the Council.

1.2 The MTFS includes a forward look over the next five years to assess the spending requirements the Council is likely to face to deliver its priorities and the level of cuts i.e. reducing or stopping services that will need to be made to ensure the Council can set a balanced budget each year. It provides guidance for officers and Members on the short-, medium- and longer-term financial challenges and enables advance financial planning to be carried out, assisting the Council to understand and meet future demands. Planning now to meet known or anticipated changes in the future provides greater opportunity to phase in the impact of the changes.

1.3 The Strategy sets out how the Council will finance its priorities, having regard for the Corporate Plan.

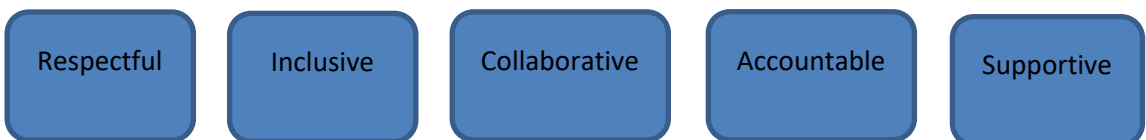
2. **Corporate Plan**

2.1 The Corporate Plan 2022/27 sets out an ambitious programme of activity for the Council to 2027. The priorities also referred to as Well-being Objectives, have been developed in order to support our communities to thrive and provide modern and high-quality services which support economic growth and well-being.

2.2 **Our Vision:**

Blaenau Gwent – a place that is fair, open and welcoming to all by working with and for our communities

Our Core Values:



2.3 **Our Corporate Plan 2022/27 priorities are:**

- Maximise learning and skills for all to create a prosperous, thriving, resilient Blaenau Gwent
- Respond to the nature and climate crisis and enable connected communities
- An ambitious and innovative council delivering quality services at the right time and in the right place
- Empowering and supporting communities to be safe, independent and resilient.

2.4 Blaenau Gwent's has experienced a trend of declining population with a reduction of 4.2% (2,900) at the 2021 Census compared to 2011. The population change by age group shows that there is an increase in people over 65 (9%) and a decrease in all other age groups with projections indicating a continuing decline.

2.5 The 2021 Census also showed that the Borough has the highest proportion of residents aged 16 to 64 years who are economically inactive and long-term sick or disabled across England and Wales at 36.1%.

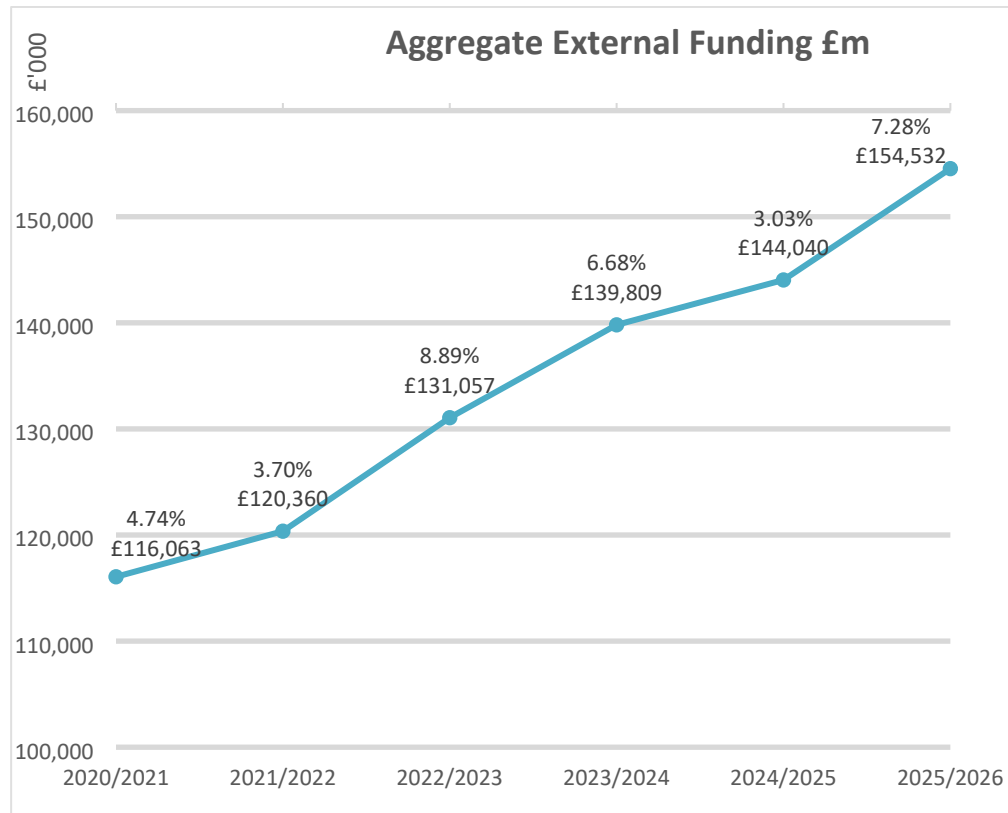
2.6 The Council has a responsibility to the people of Blaenau Gwent to help improve the social, economic and environmental well-being of the area. By setting a small number of strategic priorities within the Corporate Plan it will allow efforts to be concentrated on delivery in these areas and ultimately, help to improve the quality of the lives of residents.

3. **Revenue Settlement – Recent Trends**

3.1 2024/2025 revenue settlement was the fifth consecutive year that the Council received a positive increase in the Revenue Support Grant (before transfers in and new responsibilities) from Welsh Government.

3.2 The Council's revenue settlements for the period 2019/2020 to 2025/2026 is shown in Figure 1 below, on a cash basis.

Figure 1: Trend in Aggregate External Funding (AEF) – Cash Basis



- 3.3 The graph demonstrates that funding received from Wales Government has increased year on year, with an overall increase of £38m between 2020/20/21 and 2025/26 (this includes grant transfers of £4m into the settlement). However, this is following a number of years of austerity when local government funding was reduced, for example in 2013/2014 AEF totalled £117m and in 2020/2021 it was £116m.
- 3.4 Whilst the settlement for 2024/2025 was positive with an increase of 3%, when compared to the increase in costs as a result of high inflation and pay awards, this fell significantly below real cost increases. This when combined with increased demand for services have contributed to the financial challenge the council is facing in delivering its services to the residents of Blaenau Gwent.

3.5 **2024/2025 Revenue Budget**

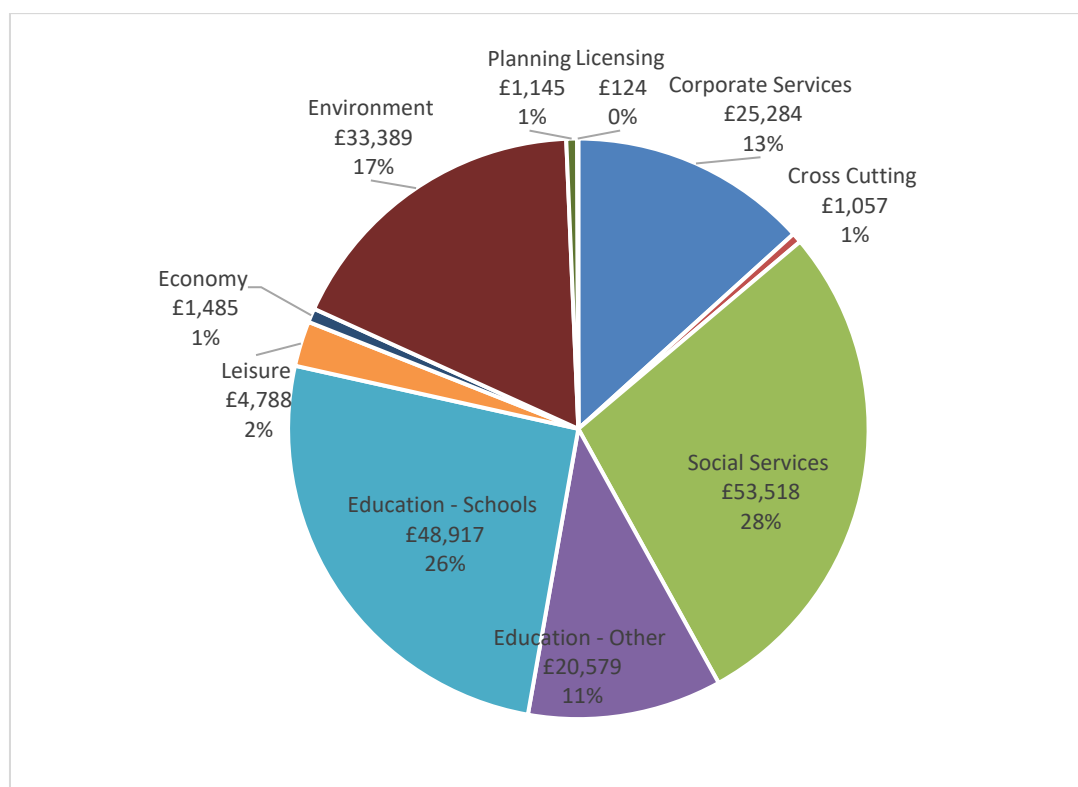
3.6 The baseline revenue funding the Council received in 2024/2025 from Welsh Government after allowing for transfers was £144.04m, an increase of 2.8% (£4.23m). The all-Wales average increase in the Local Government Settlement was 3.3%.

3.7 In setting the 2024/2025 budget, the Council agreed: -

- All grants transferring into the Settlement would be transferred to the relevant service
- Additional funding of £2.8m to be built into the budget, over and above pay and price inflation, to address existing and emerging cost pressures
- Bridging the Gap proposals of £6.48m to deliver financial efficiencies/cost reductions
- A contribution from specific reserves of £1.5m
- A Council Tax increase of 4.95% (Blaenau Gwent element).

3.8 As a result of these decisions, the Council agreed a net budget requirement of £185m. The budget allocation across Portfolios is shown in figure 2 below:

Figure 2: 2024/2025 Revenue Budget per Portfolio (£'000)



3.9 Social Services and Education (including School budgets) account for 65% (£123m) of the Council’s budget and are priority services for the Council.

3.10 In addition, to the agreed net budget, the Council receives specific revenue grant and for 2023/2024 this totalled approximately £68m, to support the delivery of services.

3.11 Specific revenue grants include the following funding sources:

Portfolio	Grant	2023/2024 £'000
Corporate Services	Rent Allowances / Rebates / Discretionary Housing Payments ¹⁹	19,194
	Homes for Ukraine Support Scheme	999
Social Services	Children’s and Communities (including Flying Start & Families First)	5,313
	Childcare Offer (incl. TCBC)	1,579

	Supporting People - Housing Support Grant	3,539
	Radical reform	593
	Supporting Social Services	1,140
	Regional Integration Fund (RIF)	1,575
	Unaccompanied Asylum Seekers	648
Education	Local Education Authority Grant (including universal free school meals)	4,703
	Pupil Development Grant	3,464
	School Improvement	2,123
	EAS School to School Grants	1,122
	Communities for Work Plus	1,128
	Youth Revenue Grant	335
Environment	Concessionary Fares	535
	Universal Free School Meals	1,349
Economy	Cardiff City Region	709
	Shared Prosperity Fund	5,677

- 3.12 Specific revenue grant funding is currently supporting around 250 posts across the organisation at a cost of more than £10m. WG provides grant funding allocations on an annual basis, which makes planning for any reductions in grant funding difficult.
- 3.13 The assumption within the MTFS is that all grants will continue at the current level, and any reduction or termination of grant will be offset by a reduction in service expenditure. Where it is anticipated that there will be a reduction in grant with no additional revenue support and a reduction in expenditure is not possible, a cost pressure will be included in the MTFS.
- 3.14 Welsh Government is reviewing the number of specific grants with a view to rationalising and reducing the administration burden on local authorities. Some grants will be amalgamated and / or transferred into the revenue support grant from April 2025. Current indications are that 8 grants totalling £3.35m will be transferred in. The MTFS assumes these grants will be passported to the relevant service area / budget.

4. **Review and Update of the MTFS**

- 4.1 The MTFS must be regularly reviewed to ensure preparedness from a financial planning perspective. The review will include considering and updating assumptions used in the Strategy to reflect new / emerging information for example inflation, changing demographics, service demand and policy changes and more recently the ongoing financial impact of the cost-of-living crisis.
- 4.2 The table below identifies the key assumptions included in the MTFS.

Table 1: Key Financial Planning Assumptions

Financial Planning Key Assumptions	
Pay	<p><i>APT & C Staff:</i> The pay proposal for 2024/2025 is a flat rate of £1,290 across all NJC pay scales resulting in a pay increase ranging from 5.49% to 2.5%, with an average increase of 3.76%.</p> <p>For 2025/2026 onwards - 3% pay award per annum has been assumed to reflect the reducing pay offer for 2024/2025 and reduced inflation.</p> <p><i>School Based Staff:</i> <i>Teaching Staff:</i> The pay award for the academic year 2024/2025 was 5.5%. 3% have been assumed per annum from 2025/2026.</p> <p><i>Support Staff:</i> 3% have been assumed in line with the assumption for APT&C staff.</p> <p><i>Incremental Pay Progression</i> – the estimated cost of annual pay progression has been applied based on existing staffing.</p> <p><i>Pensions</i> – An actuarial valuation will be carried out during 2025/2026 which will inform the employers contribution rate from April 2026. No increase in</p>

	<p>employers' contributions has been assumed over the life of the MTFs at this stage.</p> <p>Employers National Insurance Contributions – the UK government has announced an increase on Employer NI contributions to 15% from April 2025. The Chancellor has also announced additional funding will be provided to the public sector. The current assumption in the MTFs is that the additional costs will be fully funded.</p> <p>A Vacancy Factor has been built into staffing budgets to reflect the financial impact of staff turnover (3% for Social Services, 1.5% other services).</p>
<p>Price Inflation (Non Schools)</p>	<p>The Consumer Price Index (CPI)</p> <p>CPI is currently at 2.3% (October 24). The Bank of England's target of 2%. For 2025/2026, an annual inflationary increase of 2% is proposed over the term of the MTFs (in line with the Bank of England's target).</p> <p>Utilities – Gas prices have reduced and there is a gradual reduction in energy prices (which is contributing to the fall in inflation). It is expected that energy costs will continue to reduce gradually from April 2024, therefore, it is proposed to apply no uplift for 2025/2026 and increase in line with inflation thereafter.</p> <p>Income Inflation – It is proposed to uplift income budgets by 2% for 2025/2026 onwards in line with inflation. Actual uplifts applied will be determined by the annual review of Fees & Charges.</p> <p>Council Tax Reduction Scheme – an increase of 4.95% in line with Council Tax assumption has been applied to ensure that our most vulnerable residents continue to be supported in respect of Council Tax.</p>

<p>Schools Growth (ISB)</p>	<p>The MTFS assumes that the ISB will increase by the cost of the pay awards and incremental drift for all school based staff and a funding adjustment for pupil demographics. It is assumed that schools will fund non pay pressures.</p> <p>Projected increases or decreases in pupil numbers will impact upon the ISB and based on September 2024 data collection, 2024/2025 age weighted pupil unit and projecting the pupils through the year groups:</p> <table border="1" data-bbox="552 663 1370 1010"> <thead> <tr> <th></th> <th>Increase / (Decrease) in Pupils</th> <th>Estimated Financial Impact Increase / (Decrease) in Funding (£'000)</th> </tr> </thead> <tbody> <tr> <td>2025/2026</td> <td>(62)</td> <td>(238)</td> </tr> <tr> <td>2026/2027</td> <td>(114)</td> <td>(429)</td> </tr> <tr> <td>2027/2028</td> <td>(98)</td> <td>(368)</td> </tr> <tr> <td>2028/2029</td> <td>(50)</td> <td>(188)</td> </tr> </tbody> </table> <p>The financial impact has been included in Cost Pressures at table 3.</p>		Increase / (Decrease) in Pupils	Estimated Financial Impact Increase / (Decrease) in Funding (£'000)	2025/2026	(62)	(238)	2026/2027	(114)	(429)	2027/2028	(98)	(368)	2028/2029	(50)	(188)
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2028/2029	(50)	(188)														
<p>Specific Grant Funding</p>	<p>It is assumed that any reduction in grant funding is offset by a reduction in expenditure, through stopping / reducing services or service redesign.</p> <p>It has been assumed that grants transferring into the settlement will be passported to the relevant service area.</p>															
<p>Capital Financing</p>	<p>Capital Financing – Capital financing costs reflect the schemes within the current capital programme, with borrowing costs for future schemes funded from either USB (Unhypothecated Supported Borrowing) or prudential borrowing. During 2021/2022, the Council agreed a change to the MRP policy, and the capital adjustment reflects the change in Policy during the term of the MTFS.</p> <p>The Bank of England has raised interest rates over the last 2 years to try and bring inflation down and the bank base rate currently stands at 4.75%. It is anticipated that interest rates will reduce over the short</p>															

	<p>to medium term as inflation returns to the Bank of England target of 2%.</p> <p>Over the past few years, the Council has been successful in managing its borrowings and investments and income from investments has exceeded borrowing costs.</p>
<p>Council Tax</p>	<p>Council Tax increased by 4.95% for 2024/2025. For planning purposes, it has been assumed that Council Tax will increase by 4.95% per annum. (1% increase will generate approximately £400,000 additional funding).</p> <p>The increase a household will have to pay, based on the Blaenau Gwent element of Band D property, is £1.82 per week, £95.04 per annum with Band D increasing from £1,919.91 to £2,014.95 per annum. However, the overall increase will be affected by decisions from other public bodies including Community Councils and the Police & Crime Commissioner for Gwent.</p> <p>No additional income has been assumed at this stage from an increase in the Council Tax Base for 2025/2026 onwards. This will be reflected in the Growth proposals within Bridging the Gap.</p> <p>In July 2024, the Council agreed the introduction of a Council Tax Premium for long term empty properties and second homes, following a public consultation process. This premium will be introduced in April 2025, and it will increase the Council Tax yield, as this will be included in the Council Tax base. The additional yield will mitigate in part the cost pressure within Housing Services.</p>
<p>Estimated Funding reduction (Aggregate External Funding - AEF)</p>	<p>2025/2026 AEF is based on the Provisional Settlement announced on 11 December 2024.</p> <p>Welsh government did not provide any indication of future funding levels within the provisional settlement, which makes financial planning in the short, medium and long term more challenging.</p>

	The MTFs assumption for 2026/2027 onwards has been revised to 3% uplift over the life of the MTFs.
Reserves	The financial modelling assumes a minimum contribution to General or specific reserves of £200,000 per annum from 2026/2027.

4.3 **Medium Term Financial Forecast**

4.4 The draft estimates have been prepared based on the approved 2024/2025 budget and increased in line with the assumptions included in Table 1, and these costs are detailed in table 2 below:

Table 2: Estimated Additional Costs Compared to 2024/2025 Budget

	2025/2026 £'000	2026/2027 £'000	2027/2028 £'000	2028/2029 £'000	2029/2030 £'000
Expenditure					
Pay and Increments – Non Schools	1,465	2,193	2,302	2,417	2,538
Pay and Increments – Schools	2,284	2,352	2,443	2,496	2,571
General Inflation – Non Schools	1,496	1,526	1,556	1,588	1,619
Council Tax Reduction Scheme	515	540	567	595	619
Grants Transferring into Settlement	2,139	0	0	0	0
Capital /Pension Adjustment	243	740	(12)	0	0
Total Expenditure Increase	8,142	7,351	6,856	7,096	7,347
Funding / Income					
AEF	(10,488)	(4,636)	(4,775)	(4,918)	(5,066)
Council Tax	(1,990)	(2,114)	(2,218)	(2,328)	(2,443)
Fees & Charges	(373)	(379)	(387)	(395)	(402)
Total Funding Increase	(12,851)	(7,129)	(7,380)	(7,641)	(7,911)
In Year Budget Gap – (Surplus)	(4,709)	222	(524)	(545)	(564)
Contribution to reserves		200	200	200	200
2024/2025 Shortfall - Reserve Funding to balance Budget	1,500				
Adjusted Budget Gap (Surplus)	(3,209)	422	(324)	(345)	(364)

4.5 Based on the assumptions included in Table 1, the Council would have a budget surplus of £3.2m for 2025/2026 and an overall budget surplus of £3.8m over 5 years, should the Council continue to deliver services in their existing form and **before** considering cost pressures above inflationary assumptions and school cost pressures.

4.6 **New and Emerging Cost Pressures**

4.7 **Corporate Cost Pressures**

4.8 New and emerging Cost Pressures and Growth items have been assumed at £3m per annum for 2026/2027 onwards based upon known pressures and recent trends. As more detail emerges on potential cost pressures during this period, the detail will be included on the cost pressures Appendix.

4.9 In identifying the Cost Pressures and Growth items for 2025/2026, consideration have been given to:

- Cost of living crisis and the impact on high inflation and price & wage increases
- Cost pressures identified as part of the 2024/2025 financial reporting and an assessment undertaken to evaluate the Portfolios' ability to mitigate cost pressures from within existing resources
- Changes in demand for services
- New services/ responsibilities
- Changes in legislation/policy

4.10 The Autumn budget announcement on 30 October 2024 included an increase of 1.2% in the rate of employers' national insurance (NI) contributions and a reduction in the threshold on which NI becomes payable from £9,100 to £5,000. The financial impact for the Council is an estimated increase in costs of £1m and £0.88m for schools. The Minister's statement indicated that these costs will be funded by HM Treasury early in 2025/2026, they have therefore been excluded from current estimates / cost pressures.

4.11 The following cost pressures have been included in the draft estimates for 2025/2026:

Table 3: 2025/2026 Cost Pressures

	£'000
Fee uplifts for Community Care	1,853
Housing Services (offset in part by the increase in council tax as a result of premiums)	600
Council Tax Premiums – Staffing Resource	115
Increase in Council Tax due to Premiums	(397)
General Offices – Income	64
SRS – Increase in SLA	111
ALN – Resource Base	110
Schools- Pupil Demographics	(238)
New Welsh School – Year 3 Implementation	75
TOTAL	2,293

4.12 **School Cost Pressures**

4.13 The assumption in the MTFs is the Individual Schools Budget (ISB) uplift will increase to fund pay increases for 2025/2026 and schools will absorb non pay pressures.

4.14 Schools are facing significant financial challenges with pay awards over the last 2 years being higher than funding increases along with the continued increase in utility costs. This has had a significant impact on school balances as shown in the table below:

Table 4 –School Balances (Surplus/ (Deficit))

Phase	2021/2022 £'000	2022/ 2023 £'000	2023/2024 £'000 (Provisional)	2024/2025 £'000 (Forecast)
Secondary	965	675	37	(293)
All Through	852	664	(451)	(2,058)
Primary	3,971	2,993	1,668	(881)
Special	440	489	94	(326)
TOTAL	6,228	4,821	1,348	(3,558)

4.15 Schools are currently carrying approximately £5m of cost pressures in relation to pay and utilities. Maximising learning is one of the Council's key priorities and the positive settlement provides the Council with an opportunity to provide additional financial support to schools to

rebalance budgets. Additional funding of £2.44m has been built into the draft budget for both 2025/2026 and 2026/2027. This will increase school funding in total by 8.45% (£4.67m) for 2025/2026 after allowing for transfers into the settlement.

4.16 **MTFS**

4.17 The table below identifies the funding gap after applying the above assumptions to the 2024/2025 approved Estimates and cost pressures.

Table 5: Assessed Budget Gap

	Medium Term Budget Gap				
	2025/2026 £'000	2026/2027 £'000	2027/2028 £'000	2028/2029 £'000	2029/2030 £'000
Draft Expenditure					
Draft Estimates	191,370	203,741	209,783	217,161	224,786
Grants Transferring into Settlement	2,139	0	0	0	0
Cost Pressures - Council	2,293	3,000	3,000	3,000	3,000
Cost Pressures - Schools	2,445	2,445	0	0	0
Adjusted Draft Budget	198,247	209,186	212,783	220,161	227,786
Draft Funding					
AEF	(154,532)	(159,168)	(163,943)	(168,861)	(173,927)
Council Tax	(42,185)	(44,821)	(47,040)	(49,368)	(51,812)
Total Draft Funding	(196,717)	(203,989)	(210,983)	(218,229)	(225,739)
Budget Gap (Surplus)	1,530	5,197	1,800	1,932	2,047
Contribution to Reserves	0	200	200	200	200
Adjusted Budget Gap – (Surplus)	1,530	5,397	2,000	2,132	2,247

- 4.18 When considering cost pressures, the funding gap for 2025/2026 increases to £1.5m and totals £13.3m over the next 5 years.
- 4.19 Cost pressures will be reviewed and updated to reflect new /emerging information for example the financial impact of Policy decisions and cost pressures emerging during the current financial year and budget setting process.
- 4.20 **Sensitivity Analysis**
- 4.21 The budget gap identified in table 5 (after allowing for cost pressures), is an indication of the financial challenge facing the Council. The assumptions used in the financial modelling may change over time.
- 4.22 A range of different scenarios have been modelled over the life of the Medium-Term Financial Strategy, and these are shown in table 6 below.

Table 6: Sensitivity Analysis – 1% Change in all Assumptions

MTFS Assumptions					Funding Gap				
Pay	Schools Pay	Inflation	Council Tax	AEF	2025/2026	2026/2027	2027/2028	2028/2029	2029/2030
3%	3%	2%	4.95%	3%	£'000	£'000	£'000	£'000	£'000
MTFS Assumption +/- 1% £'000					Funding Gap £'000				
1,930	1,045	1,100	402	1,545	1,530	5,397	2,000	2,132	2,247

Assumption Change									
+1%	+1%	+1%	+0%	+0%	5,065	9,472	6,075	6,207	6,322
0%	+0%	-0%	+1%	+1%	(417)	3,450	53	185	300
+0%	+0%	-0%	-1%	-1%	3,477	7,344	3,947	4,079	4,194

5. **BRIDGING THE GAP PROGRAMME**

- 5.1 In recognising the challenges that the Council faces in the short, medium and long term, a programme of Strategic Business Reviews has and continues to be developed to deal with identified gaps between anticipated funding and expenditure that aims to build financial resilience. Based on strategic themes our Bridging the Gap programme will identify savings opportunities, potential cost

avoidance and new revenue streams. There will be a need to review what services the Council will provide, what it will stop and/or reduce and what will be delivered differently, as the Council moves to a community approach to delivering services and adopting the Marmot principles of tackling inequality through action on the social determinants of health.

5.2 The approach has a particular emphasis on the following themes:

- Strategic asset management planning –taking an organisational approach to consider the use of our assets such as buildings and reducing or ceasing usage
- Digital innovation programme – the adoption of modern digital technologies to improve business processes. Digital innovation improves customer experience and performance and can be used to create new business models
- Shared / alternative service delivery models / Service redesign – it will work more closely with residents, community groups and community councils as well as other public bodies in designing and delivering services
- Energy projects – exploration / implementation of alternative energy sources (solar, wind) to reduce both costs and carbon footprint of buildings / services
- Route optimisation / use of fleet
- Commercial investment opportunities / growth strategy
- Managing demand – designing services around early intervention and prevention, enabling people to live with greater independence
- Review of Fees & Charges – full cost recovery

5.3 As future opportunities are identified through these strategic business reviews the MTFS will be updated to reflect the impact on each financial year. Some of the reviews will inevitably take longer to have an impact but will potentially yield higher returns in the latter years of this MTFS.

6. **Reserves Strategy**

- 6.1 Financial resilience is a Council priority, and this includes ensuring that reserves are adequate to be able to respond to unexpected events, emerging need or unforeseen budget pressures.
- 6.2 General reserves are unallocated amounts that enable the Council to meet non-specific and/or unforeseen financial liabilities.
- 6.4 Earmarked reserves are held by the Council to meet potential future expenditure on specifically identified risks, liabilities and commitments.
- 6.5 The Council has an agreed protocol for the establishment, retention, management, review and reporting of earmarked reserves. In addition to the statutory requirements to consider the adequacy of reserves when setting the budget and the extensive disclosures made in the Statement of Accounts, member scrutiny has been enhanced by the preparation of detailed quarterly monitoring reports. The Corporate Director of Corporate Services (S.151 Officer) also holds regular meetings during the year to consider the ongoing requirement and value of earmarked reserves held.
- 6.6 It is the Council's intention to maintain the general reserves at a minimum level of 4% of net revenue expenditure and increase the overall level of reserves over time to support the Council's financial resilience.
- 6.7 Significant elements of these earmarked sums relate to grant funding held in respect of specific projects or services that will be utilised in delivering the relevant service outcomes.
- 6.8 In setting the 2024/2025 budget, an overall planned use of reserves was agreed of £1.5m to balance the budget.

A summary of Reserves and Balances is shown in the table below:

Table 7: Summary of Usable Revenue Reserves

6.9 Reserves	2022/2023 £'000	2023/2024 (Forecast) £'000	2024/2025 (Forecast) £'000
Council Fund	12,910	12,600	12,524
Revenue Earmarked Reserves	33,877	38,390	38,020
Total General & Revenue Earmarked Reserves	46,787	51,590	50,544

6.10 The continuation of the inclusion of a budget contingency within the annual budget setting process is proposed of £200,000 per annum, to allow the replenishment of the Council's useable reserves from 2026/2027 onwards.

6.11 It is anticipated that earmarked reserves will reduce during the current financial year. Many of these reserves are short term in nature and will be utilised to deliver the intended outcome.

7. Capital Programme

7.1 The 5 year Capital Programme (2019/2020 to 2025/2026) was agreed by full Council in October 2019, with a further update being agreed in September 2023, to reflect the additional capital investment approvals agreed. The capital programme will be reviewed and updated covering the term of the MTFS during the final quarter of 2024/2025.

7.2 The following table summarises the capital programme and forecast expenditure:

Table 8: Capital Programme 2024/2025 to 2025/2026

Portfolio	2024/2025 (@ Quarter 2) £'000	2025/2026 £m
Corporate Services	970	0
Social Services	2,912	285
Education	26,609	750
Economy	16,680	0
Environment	14,724	800
All Portfolios	4,162	1,160

Total	66,057	2,995
Funded by:		
Capital Receipts	424	327
General Capital Grant	1,953	2,387
Supported Borrowing	1,902	1,906
Prudential Borrowing	0	0
Specific Reserves	305	0
Slippage	11,573	0
Grant Funding	49,900	0
Total Funding	66,057	4,620
Unallocated Funding	0	1,625

8. **RISKS**

- 8.1 The Corporate Plan, MTFs and the Bridging the Gap programme are designed to complement each other. They provide the narrative that describes the outcomes we plan to deliver, the financial envelope we intend to work within, and our approach to deliver a balanced budget in 2025/2026 and beyond whilst creating the conditions for improved financial resilience.
- 8.2 The risks identified with the Medium-Term Financial Strategy are:
- The MTFs has been modelled on a range of assumptions. Any change to these assumptions will impact on the budget gap identified above.
 - There is a risk that sufficient proposals will be developed under Bridging the Gap to deliver the required budget reductions to set a balanced budget
 - The continued reliance on Welsh Government grants to deliver services and the uncertainty of future grant levels
 - Increase in demand for services
 - Cost increases particularly the impact of the increase in employers' national insurance contributions on commissioned services and price instability around energy costs.
- 8.3 To mitigate against these risks, the assumptions within the MTFs will be reviewed regularly and cost pressures will be reported as part of the Council's Financial Reporting Framework.

Document History			
Author	Version		Date
G. Taylor	Draft v2	R Hayden	January 2025
G Taylor	Final	R Hayden	29 January 2025