



RHONDDA CYNON TAF COUNTY BOROUGH COUNCIL

CABINET

23RD JANUARY 2020

THE COUNCIL'S 2020/2021 REVENUE BUDGET

REPORT OF THE DIRECTOR OF FINANCE AND DIGITAL SERVICES

AUTHOR: Barrie Davies (01443 424026)

1.0 PURPOSE OF THE REPORT

- 1.1 This report provides Cabinet with information in respect of the 2020/2021 local government settlement and the outcomes of the budget consultation phase 1 exercise, to assist with its deliberations in formulating the revenue budget strategy for the financial year 2020/21, which it will recommend to Council, for approval.

2.0 RECOMMENDATIONS

It is recommended that the Cabinet:

- 2.1 Note that the procedures relating to revenue budget construction, the budget consultation process, and reporting to Council, are set out in the "Budget and Policy Framework" within the Council's Constitution.
- 2.2 To note and consider the outcomes of the budget consultation phase 1 process.
- 2.3 Consider and if appropriate agree the draft 2020/2021 Revenue Budget Strategy, detailed in the attached Discussion Paper 'Appendix A', as the basis upon which a second phase of consultation will take place.
- 2.4 Agree the draft timetable for setting the 2020/2021 revenue budget as set out at Appendix A2.
- 2.5 Agree to receive feedback from the second phase of budget consultation in order to consider and determine the final budget strategy for submission to Council.

- 2.6 Agree that the Council continues to support the medium term financial strategy aimed at maximising ongoing efficiency in service delivery, targeted service transformation and other changes that maintain the financial integrity of the Council whilst still aiming as much as possible to protect jobs and key services.

3.0 BACKGROUND

- 3.1 The revenue budget for the financial year ending the 31st March 2021, must be constructed in accordance with the “Budget and Policy Framework” (contained in the Council’s Constitution), which was agreed by Members in May 2002.
- 3.2 Under these arrangements, it is for the Council’s “respective Chief Officers” to report to Cabinet, and for the Cabinet to then recommend a budget to Council, after having conducted an appropriate budget consultation exercise. I have reproduced the relevant sections of the Constitution at Appendix A1, for Members’ information.
- 3.3 A draft timetable for agreeing the 2020/2021 revenue budget strategy is attached at Appendix A2.

4.0 THE KEY ELEMENTS OF A BALANCED BUDGET STRATEGY FOR 2020/2021

- 4.1 The Council’s Senior Leadership Team have considered budget strategy options throughout the Autumn and in light of emerging delays to the WG Local Government Settlement timescales as a consequence of Central Government planned spending reviews, Brexit and latterly the General Election.
- 4.2 I have reported on the implications of the provisional settlement and on our updated budget requirement to Council on the 15th January 2020 and set this out in detail in the discussion paper attached at Appendix A.
- 4.3 Based on the provisional settlement and alongside our updated base budget requirement, reflecting the continuing increased pressures across many of our services, I have also set out a high level robust and balanced budget strategy option which would include a Council Tax increase of 2.85%.
- 4.4 The outcome from the Phase 1 budget consultation process is also now available for Cabinet to consider alongside the proposals.

- 4.5 Clearly, there are many possible budget permutations open to the Council, but Members' overriding ambition will be to construct a balanced budget package, that is equitable and fair to all by limiting any impact on service provision and where possible, provides for targeting resources to key service areas whilst avoiding an excessive increase in the Council Tax levied by the County Borough Council.

5.0 EQUALITY & DIVERSITY IMPLICATIONS

- 5.1 In developing the draft 2020/2021 Revenue Budget Strategy, an Equality Impact Assessment has been undertaken to ensure that:
- (i) the Council meets the requirements of the Public Sector Equality Duties; and
 - (ii) due regard has been taken of the likely impact of the recommendations in terms of equality and discrimination.

6.0 CONSULTATION

- 6.1 The proposed approach to budget consultation for 2020/21 is set out in the Cabinet report dated 17th October 2019 and in the delegated decision of the Service Director for Democratic Services and Communication dated 14th November 2019. It comprises 2 phases as follows :

Phase 1 - provided residents and stakeholders with the opportunity to feedback their views on some of the key strategic building blocks used to construct the Council's budget.

Phase 2 - once Cabinet have agreed a draft budget strategy, and in light of the provisional local government settlement, then this draft strategy will itself be consulted upon as part of Phase 2.

7.0 FINANCIAL IMPLICATIONS

- 7.1 The financial modelling assumptions and implications are set out in Appendix A of this report.

8.0 LEGAL IMPLICATIONS or LEGISLATION CONSIDERED

- 8.1 The Council has a legal duty under the Local Government Finance Act 1992 to set a balanced budget and also a legal duty under the Local Government Act 2000 for it to be reported to and approved by Full Council. The construction of the draft 2020/2021 Revenue

Budget Strategy in line with the “Budget and Policy Framework”, as set out in the Council’s Constitution, will support compliance with the abovementioned legal requirements.

9.0 LINKS TO CORPORATE AND NATIONAL PRIORITIES AND THE WELL-BEING OF FUTURE GENERATIONS ACT

9.1 The draft budget strategy will be a key enabler for the delivery of the Council’s Corporate Plan and in doing so will support wider partnership objectives and the Well-Being of Future Generations Act.

10.0 CONCLUSIONS

10.1 The Senior Leadership Team holds the collective view that the Council should commit itself to setting its 2020/2021 revenue spending and, as a consequence, the Council Tax levied next year, at a level which balances the desire for fair and equitable service provision, with the need to recognise the impact that excessive tax burdens can have on local households.

10.2 A translation of the Senior Leadership Team’s recommended strategic approach into a high level budget for 2020/2021 with a Council Tax increase of 2.85% is attached to this report.

10.3 Given that the financial resources currently available to the Council are finite and that future local government settlements continue to be uncertain, the Senior Leadership Team believes that an ongoing, robust medium-term financial strategy is essential to ensure that our core public services continue to be improved.

APPENDIX A

RHONDDA CYNON TAF COUNTY BOROUGH COUNCIL

23rd JANUARY 2020

A DISCUSSION PAPER PREPARED BY THE SENIOR LEADERSHIP TEAM IN RESPONSE TO THE 2020/2021 LOCAL GOVERNMENT SETTLEMENT

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1.0 BACKGROUND

- 1.1 The Constitution sets out the procedure, which must be adhered to when setting the Council's annual revenue budget. It is a specific requirement of the Constitution that the Council's Chief Officers first report to the Cabinet, to advise Members on the issues involved (see extract of the Constitution at Appendix 1). Following due consideration of that report, and after having conducted an appropriate budget consultation exercise, it will then be for the Cabinet to determine a strategy and recommend a budget to Council, for final approval. A timetable for this process is attached at Appendix 2.
- 1.2 Prior to determining its preferred budget strategy for the financial year ending the 31st March 2021, the Cabinet must consider:
- The Council's own financial position.
 - The financial and service implications of the Welsh Government's (WG) 2020-2021 local government settlement.
 - Our Cwm Taf – Cwm Taf Wellbeing Plan 2018 -2023.
 - The Council's Corporate Plan 2016 – 2020 and draft updated Corporate Plan 2020 - 2024.
 - The level of demand and the statutory basis for delivery of services.
 - The results of the General Budget Strategy consultation exercise.
- 1.3 If Members are to arrive at the best possible outcome for our residents, it will be important that an appropriate weighting is given to each of the key determinants in paragraph 1.2 above, so that relative resourcing and spending priorities can be properly determined.
- 1.4 Accurate and up-to-date information is readily available in respect of the Council's own financial position, and officers have now analysed the 2020/2021 local government settlement from Rhondda Cynon Taf's perspective.

2.0 THE COUNCIL'S FINANCIAL POSITION

- 2.1 Members have continued to receive regular updates on the financial position and projections for this Council during 2019/20. A key starting point and important consideration is the annual statement of accounts. At the Council meeting on the 31st July 2019, I presented the Council's audited accounts, which reported General Fund Balances amounting to £10.498M.

- 2.2 Given the continuing financial pressures the Council is working under, it remains my view, that the Council should hold a minimum of £10M as General Fund Balances, (i.e. its working balance). This level is set given the context of the need for continued strong financial management that is felt to be essential to ensure that the Council maintains financial flexibility and stability going forward.
- 2.3 Members will be aware that in addition to General Fund Reserves, the Council also holds a number of earmarked reserves that are kept under continuous review and are assessed each year by the Wales Audit Office. Members will be aware that included in these Reserves is a Medium Term Financial Planning and Service Transformation Reserve that has successfully supported transitional funding as part of the Council's Medium Term Service Planning arrangements. It has achieved this through helping to smooth the delivery of budget savings over a number of years, whilst still allowing an annual balanced budget to be delivered. The starting point for the Medium Term Financial Planning and Service Transformation Reserve as at the 31st March 2019 is £3.303M. As part of our ongoing strategy, we have continued to identify and deliver savings in-year which means we have been able to increase the level of transitional funding available and the latest position is that this reserve has now increased to £4.363M (additional in year savings to date of £0.606M plus the reinstatement of resources (£0.454M) following confirmation of government funding in respect of the firefighters pension cost increases by South Wales Fire and Rescue Authority).
- 2.4 The Wales Audit Office continues to emphasise that we must remain disciplined, if we are to maintain our long-term goal of driving forward continuous improvement of key services, though this becomes increasingly harder to achieve following a period of such severe financial pressures.
- 2.5 I believe the Wales Audit Office assessment is an accurate one and it is clear that Members continue to take their fiduciary duty extremely seriously as evidenced by the positive reports received from the regulators and the track record of budgetary control across services. The challenge, therefore, is to construct a prudent, equitable and fair revenue budget for the financial year ending the 31st March 2021. This must involve an approach which publicly demonstrates sound financial stewardship; which does not take unnecessary risks; which maximises income generation; continues to deliver year on year efficiency savings and which delivers the services that are needed and we can afford, as well as protecting as many jobs as possible.

3.0 THE 2020/2021 LOCAL GOVERNMENT SETTLEMENT

- 3.1 The timing of the Local Government Settlement for 2020/21 has been extremely uncertain throughout the Autumn period as a consequence of the originally planned Comprehensive Spending Review, Brexit and latterly, the General Election.
- 3.2 On the 16th December 2019, the Minister for Housing and Local Government (Julie James AM) announced the Provisional 2020/2021 Local Government Settlement. The Minister's statement and key data table is attached at Appendix 3.
- 3.3 The "headlines" of the 2020/2021 Provisional Settlement are as follows:-

- a. The overall increase in Revenue Support Grant (RSG) and Non-Domestic Rates (NDR) funding for 2020/2021 (of unhypothecated funding) at an all Wales level, after adjusting for transfers is 4.3% (+£184M).
- b. The settlement for Rhondda Cynon Taf, amounts to an increase of **4.5%** which is above the average of 4.3%. Settlement figures across Wales range from 3.0% to 5.4%.
- c. No 'floor' protection has been included for 2020/21.
- d. The Settlement figures for 2020/21 include transfers into the settlement in respect of NHS Funded Nursing Care (£1.9M), the Teachers Pay Grant (£12.0M) and the Teachers Pensions Grant (£39.1M). There is also a transfer in respect of the Coastal Risk Management Programme (not applicable to this Council). The values for this Council are £0.146M, £0.990M and £3.222M respectively. Whilst the part year (2019/20) implications of the Teachers Pay Grant and Teachers Pension Grant transfer into the settlement, the additional full year implications are to be funded from within the settlement increase.
- e. There is no indication of settlement levels beyond 2020/21.
- f. Provisional figures and indicative estimates are included for specific grants, at an all Wales level. Of particular note, would be the continuation and increase (from £30M to £40M) in the Social Care Workforce and Sustainability Pressures Grant. This funds our core base budget.
- g. The Council's General Capital Funding allocation has increased by £0.236M to £13.677M.

4.0 IMPLICATIONS OF THE 2020/2021 PROVISIONAL SETTLEMENT

- 4.1 The provisional settlement indicates that our 2020/2021 RSG and NDR funding will total £388.666M.
- 4.2 In anticipation of the 2020/2021 local government settlement, the Council's service managers have constructed base budget requirements for next financial year. Those initial calculations provided for:-
 - Estimated employee costs, pension costs and National Insurance Contribution levels;
 - Non-pay (i.e. goods and services) inflation, including energy and fuel;
 - Corporate financing requirements and levies; and
 - Full year effects of any additional burdens imposed on the Council.
- 4.3 The Provisional Settlement is better than modelled in the most recent Medium Term Financial Plan and recognises some of the intense funding pressures which are being experienced across local government in general but also within Rhondda Cynon Taf.
- 4.4 Members have continued to receive updates on the projections of the Council's revenue budget position for the period to 2022/23, as part of our Medium Term

Financial Planning (MTPF) arrangements. The latest of these assessments was considered by Council on the 31st July 2019 where, based on the financial projections at that time, a starting point budget gap of £15.591M was projected which increased to £24.307M in the absence of One Off Funding provided during 2019/20 continuing and without costs associated with the Teachers Pension Fund increases being funded.

- 4.5 The continuation of funding for one off and teachers pension costs has now been clarified through the provisional settlement and so we can now update our modelling with greater certainty in this regard. The provisional settlement also includes an increase to the Social Care Workforce and Sustainability Pressures Grant. The impact of this funding confirmation is shown in table 1 below.

Table 1 : Confirmation of One-Off Funding

	£'000
Budget Gap at MTPF (July 2019)	24,307
One off Funding transferred into base at Provisional Settlement	- 4,212
Continuation and Increase in Social Services Grant	- 3,400
Revised Budget Gap	16,695

- 4.6 We have also during the last few months continued to refresh our base budget requirements for 2020/21. Inescapable budget pressures have now been updated and include additional costs in respect of :
- specialist accommodation requirements within social care settings (£1.8M)
 - demographic demand led pressures in social care (£1.5M)
 - provision of recycling bags - dry and food waste (£0.2M)
 - running costs of the Ron Jones Athletics Stadium (£0.15M)
 - Free School Meals (£0.3M)
 - Home Tuition (£0.1M)
- 4.7 Inflation and Pay pressures include providing adequate provision for teaching and non-teaching pay awards, updated costs for the funding of voluntary retirements and additional workforce costs in respect of all our services including Social Care. These additional costs have been offset by a reduction in pension costs associated with the Local Government Pension Scheme.
- 4.8 Members will also recall the decision which was made in December 2015 to terminate the Council's PFI scheme at Garth Olwg. The arrangement formally ended in January 2017, but there have been legal issues to conclude since that point. On the 21st November 2019, the legal process was finally concluded and the financial implications of this can now be factored into the Council's ongoing revenue budget requirement. This amounts to an ongoing revenue base budget saving of £2.527M.
- 4.9 Other updates include an increase to our estimated Capital Charges and a required on-going cost associated with our digital programme which will facilitate future release of efficiencies through greater productivity, agile working and reductions in our office accommodation requirements.
- 4.10 These updates are summarised in table 2 below.

Table 2 : Base Budget Updates

Base Budget Updates	£'000
Inescapable Budget Pressures	4,060
Inflation and Pay	2,030
Capital Charges	750
Digital Programme	1,000
PFI Reduction	- 2,527
Total Base Budget Updates	5,313

- 4.11 As already referenced, the provisional settlement provides clarity on the funding available to schools and alongside their resource requirement. This has now been updated to reflect the school budget requirement.
- 4.12 As referenced at section 3, the provisional settlement provides this Council with an uplift of 4.5%. This compares with the MTFP assumption, based on planning information available at that time, of a 0% uplift. The impact of our updated tax base can also now be reflected.
- 4.13 The combined effects of the above updates is shown in table 3 below.

Table 3 : Revised Budget Gap at Provisional Settlement

	£'000
Revised Budget Gap	16,695
Base Updates	5,313
Additional Resource for Schools	4,036
Provisional Settlement - Additional Resources to MTFP Assumptions	- 17,342
Revised Budget Gap	8,702

- 4.14 In order to close the remaining budget gap, savings proposals were set out in the July MTFP (relating to the Materials Recycling Facility, Day Centres, Office Accommodation and Home Care Charges) amounting to £1.199M.
- 4.15 In addition, an efficiency target was set at £6M and since this point, services have been working to identify proposals to deliver to this target without impacting on front line services. It is confirmed that this target has now been met and can therefore be included in the Council's base budget requirement for next year.
- 4.16 On the 10th December 2019, the Llwydcoed Crematorium Joint Committee considered and agreed a report which proposed an annual redistribution from the accounts of the Joint Committee to Rhondda Cynon Taf and Merthyr Councils. For this Council an amount of £0.182M can be factored into our ongoing budget requirement.
- 4.17 The impact of these now agreed budget reduction measures is shown in table 4 below.

Table 4 : Confirmed Savings and Remaining Budget Gap

	£'000
Revised Budget Gap	8,702
Savings Already Identified (per MTFP)	- 1,199
Efficiency Target	- 6,000
Llwydcoed Crematorium	- 182
Remaining Budget Gap	1,321

4.18 This reflects the position which was reported to Council on the 15th January 2020 and it is against this backdrop that we must consider our budget strategy for 2020/21.

5.0 DEVELOPING AN EQUITABLE, DELIVERABLE AND BALANCED BUDGET FOR 2020/2021

5.1 Notwithstanding the more positive settlement from WG for 2020/21, it does follow a sustained period of real term reductions to our funding levels and it is against this context that we need to develop a balanced budget for next year. There remain significant pressures upon many of our services together with a limited ability to increase Council Tax income, and a low tax base. Within these parameters, we will therefore need to take appropriate decisions to ensure that next year's budget is equitable for all, does not compromise our financial stability and protects and develops our key services.

5.2 I touched upon the Council's overall financial position in Section 2 of the report. In my view, it is vital that we continue with the strategy we have adopted to date that takes account of the importance of sound financial management, including the level of General Fund balances and appropriate use of the "Medium Term Financial Planning and Service Transformation Reserve" as transitional funding, whilst targeting any available resources toward our high priority, customer-focused public services.

5.3 Every year, there are certain corporate financial provisions that must be "top sliced" locally, before service budgets can be allocated. Next year will be no different. There will be a requirement for:

- a) A provision to meet levies from External Bodies;
- b) A provision for Capital Charges;
- c) A provision for all other "Miscellaneous Finance" items (Audit Fees, Insurance Costs, Bank Charges, etc.) which are non-specific to any particular Service Group; and
- d) Resources to fund the Council Tax Reduction Scheme.

5.4 As part of our updated budget requirement, appropriate sums have been set aside for these corporate financial requirements.

6.0 COUNCIL TAX LEVELS

6.1 This Council has always acted reasonably when setting its Council Tax, balancing the impact upon services and the ability of the public to pay, recognising that those eligible will receive support through the Welsh Government's Council Tax Reduction Scheme (CTRS). The original modelled

proposal was to increase Council Tax in 2020/21 by 3.00%. This was consistent with the level which we have used in our modelling for some time and is a lower level of increase than we have implemented over recent years. It is now proposed that Council Tax be increased by **2.85%** for next year. This will increase the remaining budget gap by £0.132M.

- 6.2 Members will be aware that the costs of the CTRS impacts on the net income generated through any increase in Council Tax. A 1% increase in Council Tax will generate an additional income for the Council of £1.126M (at the 2020/21 tax base level), but will also cost £0.243M in additional CTRS requirements. It therefore follows that a 1% increase generates a net additional income of £0.883M, or stated another way, 22% of any Council Tax increase is lost to support the increased costs associated with the Welsh Government's CTRS.

7.0 SCHOOLS BUDGET (ISB)

- 7.1 Members have always viewed our schools as being a key priority and have ensured that they have been treated favourably in comparison with other council services.
- 7.2 As part of the initial budget modelling assumptions (July 2019) a £1.5M cash uplift for schools had been built into the Medium Term Financial Plan.
- 7.3 Following the clarity provided through the provisional settlement with regard to funding for Teachers Pension Costs and Teachers Pay award (2019) costs, these amounts have now been passed on, fully, to our schools. In addition, funding is also provided to cover, in full, pay and non-pay inflation and pressures, including the baselining of one-off and passported funding (£2.5M) which was provided for the 2019/20 budget. Schools are therefore fully funded for 2020/21.
- 7.4 In overall terms, the proposal sees the Schools Budget (ISB) increase from £148.9M to £161.6M, an increase of £12.7M, or 8.5%.

8.0 BUDGET STRATEGY PROPOSALS

- 8.1 This Council has taken a proactive approach to dealing with the continued real term reductions in resources it has received in recent years and has continued to deliver saving proposals early with a clear focus maintained across the medium term planning horizon. The Council has continued to deliver robust, balanced budgets and taken the opportunity to use our Medium Term Financial Planning and Service Transformation Reserve, as transition funding, to sensibly support the overall budget strategy. This approach is one which I would recommend is continued.
- 8.2 The Cabinet have always been focussed on protecting our front line services and have taken any opportunities to prioritise or reallocate resources to areas of priority.
- 8.3 For 2020/21, the following proposals are set out for Cabinet's consideration.

a. NDR Local Relief Scheme

Cabinet have already initiated a consultation on a proposal to introduce a local discretionary relief scheme for Non Domestic Rates (NDR). The

consultation closes on the 24th January and Cabinet will subsequently determine how they wish to progress. As referenced in the Cabinet report, resources have already been set aside in the Medium Term Financial Plan to provide further support to our town centres and businesses so there is no further financial impact on our base budget.

b. Youth Engagement / Youth Offending

The Council recognises the ongoing need to work proactively across our services, with our schools and partners to ensure the effectiveness of our youth engagement activities both within and outside of a school environment and to ensure that there are opportunities for young people across the County Borough to reach their full potential and overcome barriers to learning and progression. Our current core spend on Youth Engagement amounts to £1.9M and it is proposed that an additional revenue investment of £250k is made in this area, representing a budget increase of over 13%.

c. Paddling Pools

Following a number of voluntary groups being able to open paddling pools during last summer, the Council will now work wider with community groups and put in place a package of bespoke support that will enable further paddling pools to open throughout the summer holiday period going forward (subject to the preparedness of community groups). £50k is proposed to be included within the budget strategy for this purpose.

d. Prudential Borrowing for Investment in our Infrastructure

Following the investment of over £95M being made in our infrastructure and corporate priorities since 2015, it is proposed to set aside £500k of our revenue resource to enable, through the use of prudential borrowing powers, £7.5M of capital resource to be further invested in our priority investment areas. This will include strategic highways developments, parks and green spaces and continued investment in extra care facilities. Full details of this spend will be set out in the forthcoming updated capital programme.

e. Supporting the Muni Arts Centre

The Council has been working with Awen Cultural Trust to secure a sustainable future for the Muni Arts Centre alongside an ambitious longer term plan to substantially refurbish the Centre. Whilst these longer term plans are being developed along with a potential funding package, it is confirmed that the initial plan is to reopen the venue during the summer of 2020 (following initial maintenance works). In order to support the reopening, whilst the longer term vision is being developed, there is a need for a revenue contribution to be made amounting to £140k per annum. The revenue support will be ring-fenced and the part year revenue budget requirement is £105k.

f. Fees and Charges

A final report on the proposed level of Fees & Charges for 2020/21 will be presented to Cabinet on the 20th February 2020. Following the initial (Phase

1) consultation exercise undertaken during late November and December, the Cabinet's draft proposals with regard to fees and charges would see a standard increase of 1.5% (CPI), with a number of specific exceptions :

Area of Charge	Proposed Exception
Leisure for Life	Freeze
Car Park Charges	Freeze
Summer and Winter Playing Fees (sports clubs)	Freeze
Meals on Wheels / Day Centre Meals	10p per meal
School Meals	5p per meal
Lido	50p Adult Swim

The impact of these draft proposals would cost £6k.

g. Home to School Transport Re-tender Savings

Following a number of successful retendering exercises over recent years, delivering reduced costs of our provision, a review of the Home to School Transport budget has now concluded that £810k can be released from the base budget requirement.

h. Council Tax Reduction Scheme (CTRS)

Members will be aware through the quarterly performance reports this year that the costs associated with the CTRS have been consistently below budget. As at Quarter 2 (reported 21st November 2019), the projected underspend in this area was £0.352M. Further work on caseloads and demand has now been concluded and the proposal is to reduce the base budget in 2020/21 by £0.350M. It should be noted that whilst this takes the budget to £24.680M, this is still in excess of the Welsh Government funding for this area which for 2020/21 totals £21.564M.

i. Supported Accommodation Strategy and Savings

In addition to the Council's ongoing investment in developing extra care facilities, Cabinet have also agreed to capital investment in developing supported accommodation at Penllew Court and Crown Avenue. These facilities are now nearing completion and will be available for occupancy during 2020/21. The revenue savings (part year) which we can now build into our base budget for 2020/21 is £400k.

8.4 The implications of the above strategy proposals, including the proposed reduction in the level of Council Tax increase, on the remaining budget gap position is shown in the table 5 below.

Table 5 : Budget Strategy Proposals 2020/21

	£'000	£'000
Remaining Budget Gap		1,321
NDR Local Relief Scheme	-	
Additional Resources to Support Youth Engagement	250	
Paddling Pools	50	
Prudential Borrowing - Investment (£7.5M)	500	
Muni Arts Centre - Revenue Support	105	
Council Tax at 2.85%	132	
Fees and Charges	6	
Home to School Re-tender Savings	- 810	
CTRS	- 350	
Supported Accommodation Savings	- 400	- 517
Remaining Budget Gap		804

8.5 *Medium Term Financial Planning and Service Transformation Reserve (Transitional Funding)* – We have for many years used our transition funding reserve sensibly as part of our balanced budget strategy, at a level which does not compromise the robustness of our budget and which can be replenished with some certainty, given our ongoing strategy of delivering savings early.

8.6 As previously referenced the reserve currently stands at £4.363M, having been replenished during this year (2019/20) by £1.060M to quarter 2. Accordingly, to address the remaining budget gap, it is proposed that an allocation of £0.804M is made from this reserve for 2020/21. This would facilitate a balanced budget for 2020/21 and would leave £3.559M in the reserve (subject to the year-end assessment of reserves). I am confident that processes are now sufficiently well embedded to ensure that savings are achieved in-year and that this reserve can continue to be replenished.

	£'000
Remaining Budget Gap	804
Use of Transition Funding	- 804
Remaining Budget Gap	-

8.7 The above provides a robust and balanced budget strategy which can be recommended to Cabinet and Council.

9.0 MEDIUM TERM FINANCIAL PLANNING

9.1 Whilst the focus for this report is necessarily on 2020/21, the pressures on our services and the absence of any firm indications of future settlement levels means that our Medium Term Financial and Service Planning arrangements remain key to ensuring that financial stability is maintained as the cornerstone of our overall financial health as a Council.

9.2 Medium Term Service Planning remains extremely challenging in the absence of any indication or certainty of ongoing funding levels and it will be critical that

we maintain our flexibility to respond accordingly to annual settlement levels within the context of our own medium term planning arrangements.

- 9.3 The delivery of efficiency savings early and as part of our medium term planning has placed us extremely well in our ability to respond to funding challenges and uncertainties and continues to contribute to the delivery of a lean, efficient and effective organisation.
- 9.4 The future quantum of such savings however must be considered and reflected upon in light of what has been delivered to date (£95M over the last 10 years) and what can reasonably continue to be delivered without impacting on our front line services and having an unintended consequence elsewhere.

10.0 SERVICE PRIORITIES

- 10.1 Even within a period of significantly reducing resources and hence financial pressure on all services, this Council remains committed as far as it possibly can to continue to deliver its key services, stronger communities and social justice. The Council's Corporate Plan 2016-2020 sets out that our key purpose is to provide a County Borough that has high aspirations, is confident and promotes opportunity for all.
- 10.2 Our future and ongoing aspirations are also set out in the new draft Corporate Plan "Making a Difference" 2020-2024 which is currently being consulted upon.
- 10.3 The Senior Leadership Team have had due regard to the new draft plan in formulating the proposals set out in this report.
- 10.4 In addition to our revenue base budget requirements, opportunities also continue to be taken to deliver investment in key strategic areas through one off funding made available via a risk based review of earmarked reserves and through identification of in-year savings opportunities. The Council has already invested over £95M (over and above the normal Capital Programme) in areas supporting key Corporate Plan priorities since October 2015, the latest investment (£5.8M) being agreed by Council in October 2019.
- 10.5 A report setting out the updated capital programme for 2020/21 to 2022/23 will be reported for Members consideration shortly.

11.0 2020/2021 SERVICE GROUP BUDGETS

- 11.1 The Council adopts a comprehensive budget challenge process involving finance officers and senior managers from each Service area, with a subsequent detailed review and assessment being conducted by the Senior Leadership Team, to ensure consistency and fairness across all service areas.
- 11.2 The 2019/2020 revenue budget and the regular performance monitoring reports are available to the Cabinet, to act as a benchmark to evaluate service delivery options, priorities and savings proposals. It is, of course, important to note that the current year's figures are for information purposes only and are not meant to represent a base service requirement, or target. Indeed, budget provision for next year could be more, or less, than the 2019/2020 levels, depending upon Members' decisions and spending priorities, and following the impact of the 2020/2021 local government settlement.

- 11.3 All of our services have recently completed their annual self-assessment exercise to support the preparation of delivery plans that will set out key actions for improvement and how progress will be measured. Funding will be a key consideration for these plans and the Senior Leadership Team's budget proposals are intended to underpin these improvements. This will allow the budget to be built "bottom up", on the basis of properly identified service need, within the framework provided by the Cwm Taf Wellbeing Plan and our own Corporate Plan.
- 11.4 Members will, of course, be keen to demonstrate that the Council is properly discharging all its statutory obligations, but with funding at a premium, will also wish to ensure that our services are being delivered in the most economic, efficient and effective manner. The basic principle which should, therefore, underpin the construction of the 2020/2021 budget, is that Members will look to target adequate funding towards the delivery of our key services whilst, at the same time, ensuring that the resultant Council Tax levied next year is reasonable and can be justified to our residents. Attached at Appendix 4 is an outline budget proposal, including efficiency and service funding requirements. This is based on a Council Tax increase of 2.85%.

12.0 THE 2020/2021 GENERAL BUDGET STRATEGY CONSULTATION PROCESS

- 12.1 As in previous years, the Council has been keen to consult with the public and other interested stakeholders on its general budget strategy and how services are delivered.
- 12.2 The proposed approach to budget consultation for 2020/21 is set out in the Cabinet report dated 17th October 2019 and in the delegated decision of the Service Director for Democratic Services and Communication dated 14th November 2019. It comprises 2 phases as follows :
- Phase 1** - provided residents and stakeholders with the opportunity to feedback their views on some of the key strategic building blocks used to construct the Council's budget.
- Phase 2** - once Cabinet have agreed a draft budget strategy, and in light of the provisional local government settlement, then this draft strategy will itself be consulted upon as part of Phase 2.
- 12.3 The Phase 1 Consultation report has been available to support the preparation of these proposals, and is attached at Appendix 5.
- 12.4 The general budget consultation also incorporated the requirements to consult on discretions available locally for the Council Tax Reduction Scheme (which has been used to inform the Council's decision on its scheme for 2020/2021 as considered by Council on the 15th January 2020).
- 12.5 In addition, specific consultation activity was undertaken with the Finance & Performance Scrutiny Committee the minutes of which are attached at Appendix 6.

13.0 CONCLUSIONS

- 13.1 On the 16th December 2019, the Minister for Housing and Local Government (Julie James AM) announced the Provisional 2020/2021 Local Government Settlement which showed this Council's increase in resources was set at 4.5%.
- 13.2 Whilst the Council's overall financial position remains sound, its level of General Fund Balances are not excessive. The Council must, therefore, retain its focus on holding a minimum level of General Fund Balances of £10M, in order to mitigate any risk of future budget instability. Alongside this, there is the opportunity to pragmatically use the Medium Term Financial Planning and Service Transformation Reserve as transitional funding without compromising the Council's financial stability, or reducing our General Fund Balances below £10M. As detailed in the report, the use of such transitional funding would produce a balanced budget for 2020/2021.
- 13.3 This Council has continued to deliver year on year robust and balanced budgets alongside an investment programme supporting key priorities. The challenge remains however, for positive and proactive management from the Senior Leadership Team and clear direction from Cabinet to produce a financially sustainable budget into the medium term in what continues to be an extremely challenging and uncertain financial climate.

BUDGET AND POLICY FRAMEWORK PROCEDURE RULES

1. The Framework for Executive Decisions

The Council will be responsible for the adoption of its policy framework and budget as set out in Article 4. The policy framework and budget adopted by the Council will be based on that proposed by the Executive. Once a budget or a policy framework is in place, it will be the responsibility of the Executive to implement it.

2. Process for Developing the Framework

(a) The Cabinet, following detailed reports from respective Chief Officers, (following appropriate consultation with stakeholders) will present to Council, proposed plans, policies and the associated annual budgets. This will be done allowing adequate time for Council to deal with the matter and, if needed, refer the matter back to the Executive for further consideration.

(b) The Council will consider the proposals of the Cabinet and may adopt them, amend them, refer them back to the Cabinet for further consideration, or substitute its own proposals in their place. In considering the matter, the Council shall have before it the Executive's proposals and any related report from the Finance and Performance Scrutiny Committee. Any amendments to the proposals of the Cabinet to be proposed by Members at Council may not be considered by Council unless notice of the proposed amendment has been given in writing, by fax or via e-mail (with the names of the Proposer and Seconder clearly stated) to the Proper Officer and signed by the Proposer not later than 5:00pm at least 8 clear working days (not including the date of the meeting) before the date of the Council meeting.

(c) Any proposed amendment by a Member of the Council to the proposals of the Cabinet and made in accordance with paragraph 2 (b) above shall only be accepted and submitted to full Council for consideration if in the opinion of the Proper Officer (in consultation with advice sought from the Monitoring Officer and s151 Officer) it is deemed to be legal and within the competence of the Council.

(d) The Council's decision will be publicised and a copy shall be given to the Leader. The notice of decision shall be dated and shall state either that the decision shall be effective immediately (if the Council accepts the Cabinet's proposals without amendment) or (if the Cabinet's proposals are not accepted without amendment), that the Council's decision will become effective on the expiry of 5 working days after the publication of the notice of decision, unless the Leader objects to it in that period.

(e) If the Leader objects to the decision of the Council, he/she shall give written notice to the Chief Executive to that effect, prior to the date upon which the decision is to be effective. The written notification must state the reasons for the objection.

Where such notification is received, the Chief Executive shall convene a further meeting of the Council to reconsider its decision and the decision shall not be effective pending that meeting.

(f) The Council meeting must take place within 21 working days of the receipt of the Leader's written objection. At that Council meeting, the decision of the Council shall be reconsidered in the light of the objection, which shall be available in writing for the Council.

(g) The Council shall, at that meeting, make its final decision on the matter on the basis of a simple majority. The decision shall be made public in accordance with Article 4 and shall be implemented immediately.

(h) All policy and budget reports presented to Council for decision shall subsequently be presented to the next calendar Finance and Performance Scrutiny Committee.

APPENDIX 2

2020/2021 BUDGET AND COUNCIL TAX SETTING TIMETABLE

16th December 2019

Consultation (Phase 1) – End of Budget Consultation Phase 1 (including Council Tax Reduction Scheme)

16th December 2019

Provisional Local Government Settlement - Receipt of provisional settlement figures

15th January 2020

Council Meeting – Report on the Implications of the Provisional Settlement

23rd January 2020

Cabinet Meeting – Consideration of draft Senior Leadership Team budget strategy options and for cabinet to formulate their draft budget strategy, taking into account feedback from Phase 1 of the Budget Consultation process

24th January 2020 to 7th February 2020

Consultation (Phase 2) – Consultation on the Cabinet's draft budget strategy

20th February 2020

Cabinet Meeting – To consider the feedback from the Phase 2 Consultation and to agree the Cabinet's final budget strategy for recommending to Council

25th February 2020

Final Local Government Settlement – Receipt of final settlement figures

4th March 2020

Council Meeting – Cabinet to submit its 2020/21 Budget Strategy and Council Tax levels to Council

Council Decision :

- Approve the 2020/21 Revenue Budget
- Approve the 2020/21 Council Tax (including necessary formal Council Tax Resolution)



Our ref: MA/JJ/5755/19

To:
Leaders of County and County Borough Councils in Wales

Copied to:
Chief Executives and Directors of Finance, County and County Borough Councils in Wales
Chief Executive and Director of Finance, Welsh Local Government Association

16 December 2019

Dear Colleagues

Today I am announcing details of the Provisional Local Government Revenue and Capital Settlements for 2020-21 for county and county borough councils in Wales through a Cabinet Written Statement. This is attached for your information.

This announcement outlines my intention to set local government core revenue funding for 2020-21 at £4.474 billion. I am pleased this means, after adjusting for transfers, overall core funding for local government in 2020-21 will increase by 4.3 per cent on a like-for-like basis compared to the current year. While this does not mean austerity is over and there are, I know significant pressures, I hope that this significant increase can help you support and continue local critical and valued services.

Funding for schools has been a particular consideration of our budget discussions this year. Within this settlement, we have provided funding for additional costs arising from the UK Government's announced changes to employer pension contributions. We have also provided funding for additional costs arising from the 2019/20 teachers' pay deal for the remainder of the academic year and have provided funding beyond this to recognise the future impacts of teachers' pay awards which will come into effect from September 2020. We are also continuing to provide funding for our proposals for new eligibility criteria for free school meals, given the continued rollout of Universal Credit by the UK Government.

I have given careful consideration to the potential of including a funding floor for this settlement. Given that every authority will see an increase of at least 3% over 2019-20 on a like-for-like basis, I have concluded that a funding floor is not necessary in this particular instance. This will also enable us to reset the settlement base and fund authorities according to relative need, and not to make up for the implementation of historic floors.

Canolfan Cyswllt Cyntaf / First Point of Contact Centre:
0300 0604400

Bae Caerdydd • Cardiff Bay
Caerdydd • Cardiff
CF99 1NA

Gohebiaeth.Julie.James@llyw.cymru
Correspondence.Julie.James@gov.Wales

Rydym yn croesawu derbyn gohebiaeth yn Gymraeg. Byddwn yn ateb gohebiaeth a dderbynnir yn Gymraeg yn Gymraeg ac ni fydd gohebu yn Gymraeg yn arwain at oedi.

We welcome receiving correspondence in Welsh. Any correspondence received in Welsh will be answered in Welsh and corresponding in Welsh will not lead to a delay in responding.

The non-hypothecated general capital funding for 2020-21 will be £198 million (including £20 million for public highways refurbishment grant) - an increase of £15 million over that announced in the Final Budget last year. I hope that this additional funding will enable you to respond to the urgent need to decarbonise, in light of the climate emergency declared by the Welsh Government and many councils over the past year.

We have discussed, before, our shared recognition of the need to invest in the supply of housing. Investing in social housing should minimise the pressures on local authority budgets and on homelessness services. Investment in housing can also support the Welsh economy and local economies. I hope that this settlement, capital and revenue, can support you in increasing the scale and pace of housebuilding across Wales.

The draft *Local Government Finance Report* and additional tables containing details of the provisional settlement by individual authority are also being published on the Welsh Government website. These tables include the individual authority allocations of Aggregate External Finance (AEF), comprising Revenue Support Grant (RSG) and redistributed Non-Domestic Rates (NDR). As we have discussed through FSG, we are also providing information on revenue and capital grants which are planned for 2020-21. This information will be further updated for the final settlement.

The delay in the publication of the provisional settlement has enabled us to draw on the latest tax-base figures for 2020-21, meaning that there should be no change between provisional and final settlements as a result of updates to the tax base.

This settlement provides you with the most stable platform I can offer for planning your budgets for the forthcoming financial year. I fully appreciate the pressures local government is facing and am committed to shielding local government from the worst effects of austerity. This is a good settlement that should alleviate some of the pressures that you had been anticipating and offers an opportunity for local government to plan for the future. While I can't guarantee that there will be no changes between the provisional and final settlements, due to the financial uncertainty that comes with a new UK Government, I can assure you that I do not intend on making any significant changes to the methodology or the data underpinning the distribution of this settlement.

My announcement today launches a 7-week period of formal consultation on the provisional local government settlement for 2020-21. I would be grateful if you could ensure your response arrives no later than **Monday, 3 February 2020**. All responses to this consultation should be sent to:

Simon Edwards
Local Government Finance and Workforce Partnerships Division
Welsh Government, Cathays Park, Cardiff, CF10 3NQ.
Or email: LGFPSettlement@gov.wales.

Comments are invited about the effects (whether positive or adverse) the proposed settlement would have on opportunities for people to use the Welsh language and on treating the Welsh language no less favourably than the English language. In addition, we invite comments on whether the proposed settlement could be formulated or revised to have positive effects, or decreased adverse effects, on opportunities for people to use the Welsh language and on treating the Welsh language no less favourably than the English language.

The Welsh Government intends to publish a summary of the responses. Normally, the name and address (or part of the address) of each respondent are published along with the response. If you do not wish to be identified as the author of your response, please ensure you state this explicitly in your response.

Copies of responses may be placed in the Welsh Government's library. If you wish your comments to remain confidential, please make this clear in your reply. This will be considered in light of our obligations under the Freedom of Information Act. The Welsh Government will consider all responses received by the due date before the final determination is made and published.

Local authorities are reminded of the requirement to comply with the general equality duties set out in the Equality Act 2010, and also the specific equality duties where applicable. The equality impacts of budgetary options should be assessed and inform any final decisions.

Authorities also need to take account of your duties under the Well-being of Future Generations (Wales) Act 2015 and the Welsh language standards in preparing plans for 2020-21.

This provisional settlement provides you with the information you need to plan your budgets for 2020-21 and to consider how best you engage with your local communities in formulating your proposals and making budget decisions.

Yours sincerely

Julie James AC/AM
Y Gweinidog Tai a Llywodraeth Leol
Minister for Housing and Local Government

Welsh Local Government Revenue Settlement 2020-2021

Provisional

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

£'000s

Unitary Auth	2019-20 final Aggregate External Finance* plus floor funding	2020-21 provisional Aggregate External Finance	Percentage difference	Rank
Isle of Anglesey	97,324	101,005	3.8%	18
Gwynedd	179,375	187,579	4.6%	6
Conwy	156,064	161,398	3.4%	21
Denbighshire	145,713	151,932	4.3%	11
Flintshire	192,212	199,386	3.7%	19
Wrexham	178,121	184,296	3.5%	20
Powys	176,940	184,289	4.2%	14
Ceredigion	103,308	107,646	4.2%	13
Pembrokeshire	164,153	172,204	4.9%	3
Carmarthenshire	262,611	274,159	4.4%	10
Swansea	325,697	339,381	4.2%	12
Neath Port Talbot	217,091	226,762	4.5%	8
Bridgend	193,949	203,127	4.7%	5
The Vale of Glamorgan	153,453	161,021	4.9%	2
Rhondda Cynon Taf	372,105	388,666	4.5%	9
Merthyr Tydfil	92,332	96,810	4.8%	4
Caerphilly	272,212	283,367	4.1%	16
Blaenau Gwent	111,727	116,063	3.9%	17
Torfaen	134,373	140,467	4.5%	7
Monmouthshire	94,896	97,760	3.0%	22
Newport	216,443	228,077	5.4%	1
Cardiff	450,512	469,047	4.1%	15
Total unitary authorities	4,290,612	4,474,444	4.3%	

* The published AEF for 2019-20 final Aggregate External Finance is subject to a number of adjustments set out in Table 6

AVAILABLE REVENUE RESOURCES 2020/21 AND PROPOSED USAGE

	£'000
Total resources available in 2020/2021	508,751
LESS: Total resources available in 2019/2020	483,469
<u>INCREASE</u> in resources available in 2020/2021	25,282

	£'000
Allocation of Resources	
Delegated Schools Budget	12,789
Education & Inclusion Services	424
Community & Children's Services	9,344
Prosperity, Development and Frontline Services	(896)
Chief Executive	780
Authority Wide Requirements	2,841
	25,282

PROPOSED REVENUE BUDGET 2020/21

Education & Inclusion Services

Delegated Schools Budgets

	£'000
Net Revenue Budget 2019/20	148,849
Increase	12,789
Proposed Net Revenue Budget 2020/21	161,638

Non Delegated Budgets

	£'000
Net Revenue Budget 2019/20	30,649
Base and Inflationary Pressures	1,125
General Efficiencies	(701)
Proposed Net Revenue Budget 2020/21	31,073

Total Net Revenue Budget 2020/21	192,711
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Community & Children's Services

	£'000
Net Revenue Budget 2019/20	153,264
Base and Inflationary Pressures	13,069
General Efficiencies	(2,675)
Other Cost Reduction Measures	(1,050)
Proposed Net Revenue Budget 2020/21	162,608

Prosperity, Development and Frontline Services

	£'000
Net Revenue Budget 2019/20	56,876
Base and Inflationary Pressures	1,922
General Efficiencies	(1,366)
Other Cost Reduction Measures	(1,452)
Proposed Net Revenue Budget 2020/21	55,980

Chief Executive

	£'000
Net Revenue Budget 2019/20	25,979
Base and Inflationary Pressures	2,077
General Efficiencies	(1,258)
Other Cost Reduction Measures	(39)
Proposed Net Revenue Budget 2020/21	26,759

Authority Wide

	£'000
Net Revenue Budget 2019/20	67,852
Increase	2,841
Proposed Net Revenue Budget 2020/21	70,693

Use of Reserves (Transition Funding)	-804
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**Budget Consultation 2020/21
(Phase 1)**

*Rhondda Cynon Taf County Borough
Council*

January 2020



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EXECUTIVE SUMMARY

- This section provides a summary of the main findings from the Phase 1 Budget Consultation 2020/21.
- The consultation was conducted in-house. The consultation period ran from the 21st November and ended on the 16th December 2019.
- The following methods were used to consult with stakeholders;
 - An online questionnaire
 - A number of Town Centre, Leisure Centre and Library events
 - Promotion through Social media
 - Questions/polls on social media
 - Youth Forum
 - Older Persons Advisory Group Meeting
 - Disability Forum Meeting
 - Finance & Performance Scrutiny Committee
 - Promotion with the Citizen's Panel
 - An email sent to key stakeholders, including Community and Town Councils, Trade Unions, Councillors, Local AM's and MPs
- The results of the budget questionnaire (305 responses) showed that the majority of respondents felt that the Council should protect services at their current level, through a 3% increase in Council Tax (80.8%).
- The majority of respondents (60.9%) would prefer a 3% increase in Council Tax (the current proposed level), with 24.2% stating less than 3% and 11.1% suggesting more than a 3% increase.
- 78% of respondents agreed that the Council should provide sufficient resources to fully cover increased pay costs in our schools.
- Respondents were asked to state which services they would want to protect from an increase in fees and charges in 2020/21, based on the assumption that they would be increased by 1.5% (i.e. the Consumer Price Index (CPI)). The majority of respondents felt that the fees and charges for the following services should be frozen (no increase);
 - Meals on Wheels (53.9%);
 - Bereavement Fees (53.5%);
 - School Meals (53.2%); and
 - Adult Social Care Charges (51.2%).

Those services where the majority of respondents suggested an increase of 1.5% (CPI level) were;

- Leisure Centre Pay and Play (55.4%);
- Leisure Centre Membership (53.9%); and
- Cinema (entrance fee) (51.9%).

- Respondents were provided with a list of Council services and asked to choose which services should be protected and prioritised for any additional resources in 2020/21. Respondents fed back that the majority of services listed be prioritised and protected with the exception of;
 - Music Service (63.5% do not protect); and
 - Cultural, Tourism and Heritage Services (57.7% do not protect).
- The top 5 services that respondents wanted to protect and prioritise were;
 - Children's Social Care Services (93.8%);
 - Schools (90%);
 - Adult Social Care Services (86.9%);
 - Highways, Transport and Street Care Services (81.9%); and
 - Waste and Recycling Services (78.1%).
- Respondents were provided with the following statement and asked whether they thought this was a good strategy.

Each year in balancing our budget and ensuring the effective use of resources, all our service managers are required to contribute toward a council-wide efficiency (savings) target of £6M. This means that all of our services are becoming more efficient, without impacting on front line services.

The majority of respondents thought that this was a good strategy (90.6%) and 91.8% said that we should continue to expect our managers to deliver more efficient services.

- Respondents were asked if they thought the Council should focus on a number of key areas. The majority of respondents agreed with all of the key areas, with the highest response being for Early Intervention and Prevention (88.9%).

	Yes (%)	No (%)	Don't know (%)
Digitalisation	79.2	13.0	7.8
Commercialisation	72.6	17.8	9.6
Early Intervention and Prevention	88.9	5.7	5.4
Independence	80.8	12.0	7.2
Efficient and Effective Organisation	85.0	7.8	7.2

- Respondents were asked if they thought the Council should invest in a number of service areas. The majority of respondents agreed that the Council should invest in all of the areas listed, with the most support for Extra Care/Community Hubs (83.9%) followed by Roads & Transport (80.3%).
- Respondents were provided with the following statement and asked whether they thought the Council should continue with such a strategy.

For a number of years the Council has used one off reserves (£1.1M for 2019/20) to balance its budget alongside delivering savings early in subsequent years to replace these reserves. It does so as part of a medium term financial strategy recognising that managing and balancing our budget is not a one off annual process

The majority of respondents (81.1%) fed back that the Council should continue with this strategy.

- At the public engagement events respondents were provided with a number of Council investment opportunities and asked to choose their top priorities, using “RCT money”. There were 11 investment boxes to choose from and people were given £1000 (1x £500, 1x £300, 1x £150 and 1x £50) and then asked to distribute the money. The following table shows the results of the engagement exercise;

Investment opportunities	Total
Extra Care & Community Hubs	£35,900
21st Century Schools	£29,150
Roads & Transport	£23,950
Employment	£22,750
Recycling & Environment	£20,900
Play Areas	£20,800
Towns & Regeneration	£17,700
Empty Properties	£13,200
Leisure	£9,500
Events & Arts	£6,200
Flood Alleviation	£5,800
Other	£4,700

- An engagement session was held with members of the OPAG (Older Persons Advisory Group). The general consensus from members of the group was to increase Council Tax and protect services. Comments are found in 5.6 - 5.11 of the report.
- An engagement session was held with the Rhondda Cynon Taf Disability Forum. Comments are found in section 5.13 - 5.17 of the report.
- The Council’s Finance and Performance Scrutiny Committee were consulted with (the minutes of which have not been included in this report) and a link to the consultation was circulated to all members of the School Budget Forum.
- An engagement event was held in Aberdare with young people from the youth forums in RCT. Comments are found in section 6 of the report.
- 3,966 people were engaged in the phase 1 budget consultation.

1. INTRODUCTION

- 1.1 This report presents the findings of the Phase 1 Budget Consultation 2020/21.
- 1.2 Section 2 outlines some brief background to the consultation process.
- 1.3 Section 3 details the methodology.
- 1.4 Section 4 provides the results of the online questionnaire.
- 1.5 Section 5 presents the feedback received at the engagement road show events, the Older Persons Advisory Group and Disability Forum meeting.
- 1.6 Section 6 provides feedback on the young persons' engagement events.
- 1.7 Section 7 provides the results of Social Media polls and some comments.

2. BACKGROUND

- 2.1 The Council undertakes a comprehensive approach to its annual budget consultation, involving a large number of residents and key stakeholders.
- 2.2 The widespread approach we use and the range of views we capture provides senior managers and Cabinet Members with the necessary information they need to set the budget for the year ahead. In addition, we have found that the vast amount of information we collect can also be valuable for service managers to use for their service planning and development.
- 2.3 Following the announcement of the General Election, the Welsh Government budget settlement to Local Government for the 2020/21 financial year was delayed. As a result Rhondda Cynon Taf's 2020/21 Budget Consultation is a phased approach, so that we can ensure residents and stakeholders have as much opportunity as possible to provide views on the budget and to make sure that views are informed by the most up to date and relevant information.
- 2.4 This report presents the findings of phase 1 of the budget consultation, where views were sought on;
 - level of Council Tax increase;

- the resources allocated to our schools;
- fees and charges levels;
- protection and prioritisation of services for additional resources;
- delivering more efficient services;
- Council priorities, investment opportunities and Council reserves;
and
- Council Tax Reduction Scheme.

2.5 Phase 1 started on the 21st November and ended on the 16th December 2019.

2.6 Phase 2 of the consultation will commence in January 2020 and will seek to obtain views on the proposed Budget Strategy for 2020/21.

3. METHODOLOGY

3.1 Phase 1 of the Council's budget consultation ran from 21st November to the 16th December 2019.

3.2 The following methods were used to consult with stakeholders;

- An online questionnaire.
- A number of Town Centre, Leisure Centre and Library events.
- Promotion through Social media.
- Questions/polls on social media.
- Youth Forum.
- Older Persons Advisory Group Meeting.
- Disability Forum Meeting.
- Promotion with the Citizen's Panel.
- An email was sent to key stakeholders, including Community and Town Councils, Trade Unions, Councillors, Local AM's and MPs.

3.3 The following engagement events took place during the consultation;

Tuesday 26th November	Pontypridd Library
Tuesday 26th November	Llantrisant Leisure Centre
Wednesday 27th November	Porth Library
Thursday 28th November	Ferndale Hub
Thursday 28th November	Sobell Leisure Centre
Wednesday 4th December	Treorchy Co-op (with Recycling Team)
Wednesday 4th December	Rhondda Sports Centre
Thursday 5th December	Abercynon Library
Friday 6th December	Aberdare town centre (with recycling team)
Monday 9th December	Porth Morrisons
Monday 9th December	Sobell Leisure Centre
Tuesday 10th December	Hirwaun Library
Wednesday 11th December	Pontypridd town centre (with recycling team)
Thursday 12th December	Llantrisant Leisure Centre
Friday 13th December	Mountain Ash Hub

3.4 At the events, members of the public were invited to have a discussion with Officers and Councillors about the Council's budget, investments and any problems or queries they may have had. A number of budget boxes were used and "RCT money" was used to allow people to choose their investment priorities. Comments and ideas were also noted for this report.

- 3.5 The Council's Finance and Performance Scrutiny Committee were consulted with (the minutes of which have not been included in this report) and a link to the consultation was circulated to all members of the School Budget Forum.
- 3.6 3,966 people were engaged in the phase 1 budget consultation.

4 Questionnaire Results

- 4.1 The following section outlines the results from the budget questionnaire, which received 305 online responses. A selection of comments are provided and the full list of comments will be provided to Cabinet and senior officers to assist with decision making.

Council Tax

- 4.2 The majority of respondents felt that the Council should protect services at their current level through a 3% increase (80.8%).

Table 1: Council Tax preference

	%
Do you think the Council should.....	
Protect Council services at their current level through a 3% increase in Council Tax	80.8%
Reduce service levels to close any budget gap and keep any increase in Council Tax to a minimum	19.2%

A selection of comments can be found below;

Agree to maintain services and increase Council Tax

“A 3% increase is still quite low and is preferable to service closures”

“modest increases above 3% in line with neighbouring authorities would be justifiable to maintain and stabilise existing service levels”

“As a council tax payer I would happily accept an increase if it means that the Council can continue with the services it provides”

“no more than 3% or 4%”

“If a 3% increase enabled services to maintain current level of delivery then I would welcome this”

No increase in Council Tax

“A 3% increase means a tangible loss to my disposable income”

“Council tax is too high already”

“The Council tax can’t keep going up, it’s like another mortgage, people are struggling as it is”.

Neither option

“protect services, but no council tax increase”

“neither, it may only be 3% but we are already one of the highest”

“neither, already paying too much for a reduced service, a reduction of council tax is needed”

“Neither, too many services have already been cut”

Other

“Government needs to fund services better”

“services cannot be cut further, health education and social care are at breaking point already”

4.3 Respondents were also asked what their preferred level of Council Tax increase for next year would be. The results show that the majority of respondents (60.9%) would prefer a 3% increase (the current proposed level), 24.2% stating less than 3%, 11.1% suggesting an increase of more than 3% and 3.8% indicating more than 5%.

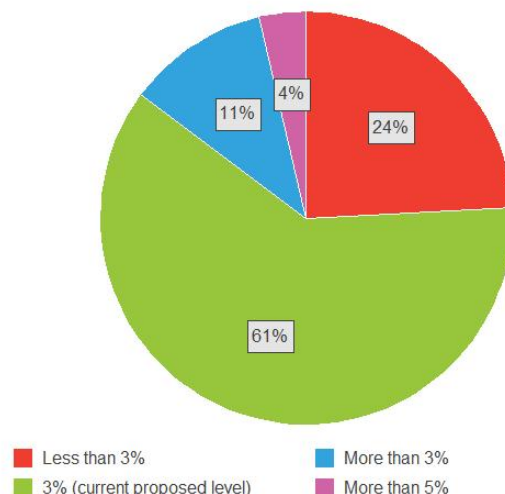


Figure 1 - Preferred level of Council Tax increase

Schools Budget

- 4.4 78% of respondents agreed that the Council should provide sufficient resources to fully cover increased pay costs in our schools.

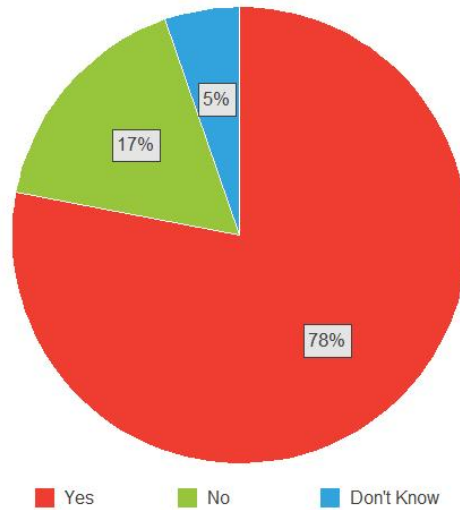


Figure 2 - Agreement with Schools Budget increase

Fees and Charges

- 4.5 Respondents were asked to state which services they would want to protect from an increase in fees and charges in 2020/21, based on the assumption that they would be increased by 1.5% (i.e. the Consumer Price Index (CPI)).

Table 2: Areas to protect from increase

Analysis % Respondents	Total			
		CPI (increase (1.5%))	Higher than CPI (higher than 1.5% increase)	Freeze (no increase)
School meals	301	37.9%	9.0%	53.1%
Leisure Centre Membership	297	53.8%	19.9%	26.3%
Leisure Centre Pay and Play	296	55.4%	20.6%	24.0%
Summer and Winter Playing Fees (Sports Clubs)	297	43.8%	16.8%	39.4%
Parking Charges	298	35.9%	15.8%	48.3%

Cinema (entrance fee)	297	51.9%	24.9%	23.2%
Pontypridd Lido (entry for adult users)	298	47.3%	37.9%	14.8%
Meals on Wheels	297	31.3%	14.8%	53.9%
Adult Social Care Charges (non-residential care services)	299	41.1%	7.7%	51.2%
Bereavement Fees	299	38.1%	8.4%	53.5%

4.6 The table shows that the majority (i.e. 50% or more) of respondents felt that fees and charges for the following services should be frozen (no increase);

- Meals on Wheels (53.9%);
- Bereavement Fees (53.5%);
- School Meals (53.2%); and
- Adult Social Care Charges (51.2%).

Those services with a majority suggesting an increase at 1.5% (i.e. the CPI level) were;

- Leisure Centre Pay and Play (55.4%);
- Leisure Centre Membership (53.9%); and
- Cinema (entrance fee) (51.9%).

It is worth noting that 37.9% of respondents suggested an increase higher than the CPI of 1.5% for the Pontypridd Lido, with only 14.8% suggesting a freeze.

4.7 A selection of comments are provided below;

Overall

“If you freeze some and increase others by more than 1.5%, you are penalising some areas. Increases across the board would seem fairer....”

“some of the above [list of fees] are considered a luxury for low income families, they would not want to pay for those additional, so I recommend that they are increased and costs reduced for essential services”

“Increase costs for those that choose to use facilities.... Services that are non-choice e.g. Bereavement services, should be frozen”

“Where things are essential then CPI seems reasonable, where extras then why not pay more”.

School Meals

“working parents in the Rhondda have been struggling it is important that children get a decent meal”

“school meals might be defined as a social service and therefore more essential than purely entertainment functions”

“school meals are often the only meal”

Leisure

“... Services like leisure memberships have room to increase in price while still competitive with big chains”

“start raising fees on leisure and cinemas, which lets face it are a luxury...”

Parking Charges

“increasing parking charges will further reduce footfall to local towns and businesses...”

Cinema

“If cinema fees were to increase then the cost would be much higher than commercial competitors within the area...”

Pontypridd Lido

“entrance fees for Lido are too low”

“...I would not mind an increase in the current adult fees, as the Lido provides such a vast and dynamic swimming and leisure experience”.

Adult Social Care Charges

“social care fees should be kept as low as possible, since they apply to the most vulnerable of our residents”

“I believe no further increases for vulnerable elderly adults”

Bereavement Fees

“Funeral poverty is resulting in a drain in local Authority purse as more families decline to make arrangements for loved ones....”

Other

“Fees directly involving children and their wellbeing should remain frozen...”

Council Services

- 4.8 Respondents were provided with a list of Council services and asked to choose which services should be protected and prioritised for any additional resources in 2020/21 and those that should not be protected.

Table 3: Council services to be protected and prioritised

	Protect and Prioritise	Do Not Protect
Schools (Current budget £153M)	90.0%	10.0%
School Support Services (£16M)	71.1%	28.9%
Libraries and Adult Learning (£3M)	53.0%	47.0%
Apprenticeship Scheme (£0.2M)	71.5%	28.5%
Youth Provision (£2M)	73.7%	26.3%
Access, Engagement & Inclusion (£10M)	51.8%	48.2%
Adult Social Care Services (£89M)	86.9%	13.1%
Children's Social Care Services (£46M)	93.8%	6.2%
Public Health (£5M)	70.4%	29.6%
Housing (£1M)	62.0%	38.0%
Parks (£5M)	61.2%	38.8%
Highways, Transport and Street care Services (£28M)	81.9%	18.1%
Waste and Recycling Services (£18M)	78.1%	21.9%
Cultural, Tourism and Heritage Services (£2M)	42.3%	57.7%
Regeneration (£1.5M)	59.7%	40.3%
Leisure Services (£4M)	51.1%	48.9%
Music Service (£0.1M)	36.5%	63.5%

- 4.9 The majority of services listed were asked to be prioritised and protected with the exception of;

- Music Service (63.5% do not protect); and
- Cultural, Tourism and Heritage Services (57.7% do not protect).

- 4.10 The top 5 services that respondents wanted to protect and prioritise were;

- Children’s Social Care Services (93.8%);
- Schools (90%);
- Adult Social Care Services (86.9%);
- Highways, Transport and Street care Services (81.9%); and
- Waste and Recycling Services (78.1%).

Efficiencies

4.11 Respondents were provided with the following statement and asked whether they thought this was a good strategy.

Each year in balancing our budget and ensuring the effective use of resources, all our service managers are required to contribute toward a council-wide efficiency (savings) target of £6M. This means that all of our services are becoming more efficient, without impacting on front line services.

The majority of respondents thought this was a good strategy (90.6%) and 91.8% said that we should continue to expect our managers to deliver more efficient services.

4.12 The word cloud/map below provides a simple illustrated snapshot of some of the main efficiency saving comments received.

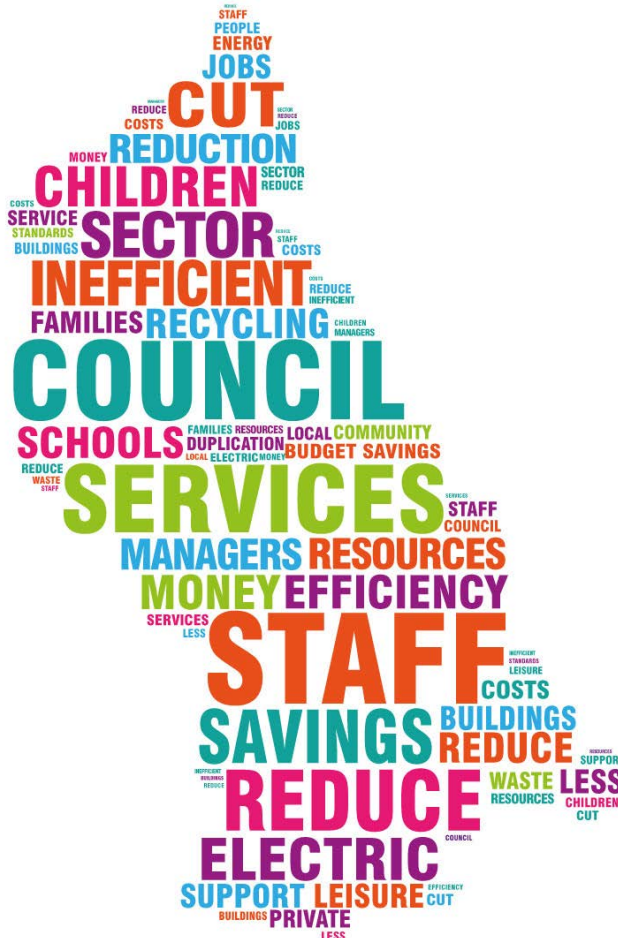


Figure 3 – Efficiency comments

- 4.13 The following comments provide some of the examples of how respondents felt the Council could be more efficient;

Note: A large number of responses were received and will be available to Councillors and Officers as part of the reporting process.

Energy Efficiency

“should become more efficient in regards to where its electric comes from, save money long term...”

“I think that being eco-friendly needs to be a priority”

“maximise opportunities provided by Council’s land and Buildings for local production of electricity and associated cost reduction and income generation”

Senior managers and Councillors

“too many managers and with too high salaries”

“too many high earners within the Council”

Buildings

“reduce number of council buildings”

“more energy efficient buildings”

“reduce the number of Council buildings across RCT”

“reduction in real estate”

Enforcement

“Actively fine residents for putting refuse out all weekend... fines for dog fouling”

Digitalisation/Agile working

“more agile work, less building and travel”

“better use of technology by staff and customers to provide the necessary services”

“offer home workingwhich will cut down on office space dramatically”

“home working to reduce council offices”

“do more online”

“increase mobile working and investment in technology to enable such scenarios”

Difficult for more Efficiency

“I think we’ve cut just about cut all we can in terms of frontline services”

“You can only become so efficient before you’re just making cuts”

Income generation

“look at ways of increasing income”

“Income generation –advertising”

Other

“ask people to opt in for Welsh rather than sending all correspondence in dual languages”

“I would like to see the authority bid for more grant funding”

- 4.14 Respondents were given the opportunity to provide any other comments on the budget and the following is a selection of those received:

Efficiency

“You cannot expect a continuous reduction whether you want to call it sheer cuts or “making it more efficient”

“There is a limit to efficiency savings - too far and the service will become inefficient as there won’t be enough staff to deliver any sort of service”

“Efficiency savings should only be made where they do not have a direct impact on front line services such as adult and child care, health and education”

“General efficiency savings are welcomed (so long as they focus on natural wastage rather than redundancies and closing down services).....”

Staff/Employment

“Job cuts in local authorities are not the way forward. We need to maintain an effective working local authority that we can all be proud of”

“Offer homeworking/agile working to all members of staff, which will cut down office space dramatically.”

“More opportunities should be given to more people leaving school and commencing full time employment. Such as more apprenticeship post and more graduate posts being created”

Social Care

“The council could release pressure on its social care budgets if they develop "Council social care apprenticeships" and create opportunities for young people to get a foothold onto employment or step-up to further education in social care, particularly those without good parental guidance or from poorer households that may not have any direction.”

“More local access/services/support for Families/Children/Adults of all ages, with Long-Term health/wellbeing/learning Difficulties & Disabilities”

Schools

“I think that schools should be a priority for the Council.”

“More money for schools and social care”

Positive

“Compared to other councils the services in RCT are fairly good

“It has been good to see investment made in areas such as Taff Vale even though Council budgets are reducing”

“The public events are helpful to understand things better”

“Generally, I think you do an amazing job trying to balance the books, protect vital services and keep everyone happy. My experience as a householder of recycling is excellent (RCT is way ahead of many English counties where we have friends).”

“Good to see the council managing the budget better than most”

Other

“More investment in regeneration projects”

“Lobby for more funding”

“investment into leisure and sport to ensure people can be active/healthy and accessible opportunities in leisure facilities and playing fields/3gs for clubs and community groups”

“Look at ways to generate more income”

“We need to look economic growth. Reignite the business club. Stimulate future business startup appetite in RCT in schools.”

The Council’s Priorities

4.15 The Council focuses on five key areas to maximise resources and deliver improved services.

- **Digitalisation** – taking the opportunity new technology provides to deliver better services for residents, visitors, businesses and how we operate internally
- **Commercialisation** – utilising our scale and expertise to deliver services for other organisations and customers and thereby generate income
- **Early Intervention and Prevention** – investing in preventative services to deliver savings in the medium term.
- **Independence** – reshaping our services for vulnerable residents to ensure that we promote independence and deliver first class care services.
- **Efficient and Effective Organisation** – challenging our ongoing service delivery and driving out further efficiencies through for example, a reduction in administration costs and reducing property costs linked to new ways of working, for example through agile working.

4.16 Respondents were asked if they thought the Council should focus on these key areas. As you can see in the table and figure below, the majority of respondents agreed with all of the key areas, with the highest response being for Early Intervention and Prevention (88.9%).

Table 4: Key areas of focus

	Yes (%)	No (%)	DK (%)
Digitalisation	79.2	13.0	7.8
Commercialisation	72.6	17.8	9.6
Early Intervention and Prevention	88.9	5.7	5.4
Independence	80.8	12.0	7.2
Efficient and Effective Organisation	85.0	7.8	7.2

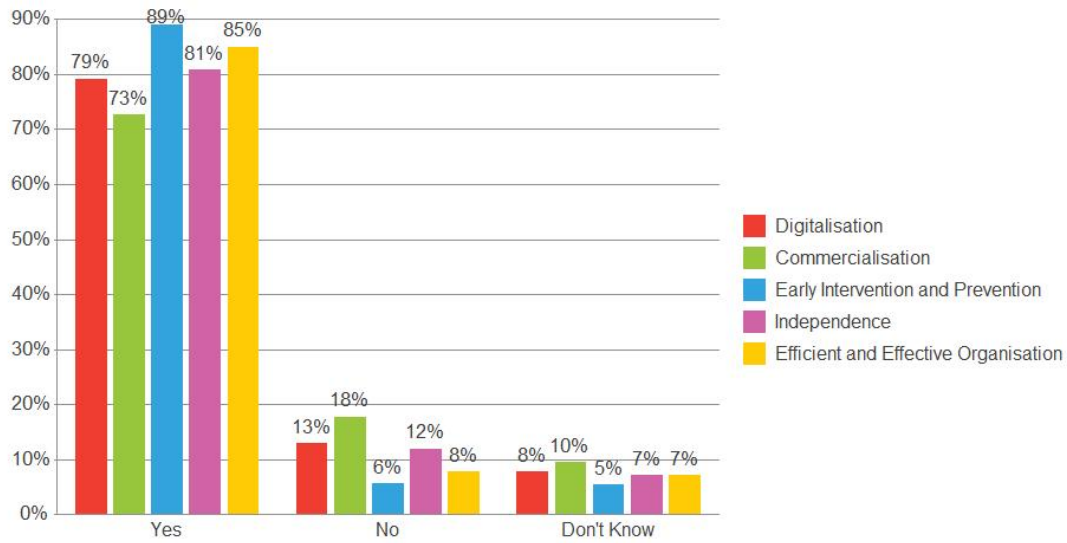


Figure 4 - Agreement with focus on 5 key areas

Council Investment Opportunities

4.17 Respondents were asked if they thought the Council should invest in a number of service areas. As you can see the majority of respondents agreed that the Council should invest in all of the areas suggested, with the most support for Extra Care/Community Hubs (83.9%), followed by Roads & Transport (80.3%).

Table 5: Areas of Investment

Analysis % Respondents			
	Yes	No	Don't Know
21st Century Schools (new and remodelled schools)	72.5%	18.0%	9.5%
Roads & Transport (repairs and resurfacing and major projects such as A4119 dualling, Llanharan bypass and Mountain Ash Cross Valley link)	80.3%	15.2%	4.5%
Recycling & the Environment (improving recycling performance)	76.5%	19.7%	3.8%
Town Centres & Regeneration (improving the town centres eg. Llys Cadwyn, Pontypridd)	71.6%	22.9%	5.5%
Empty Properties (Grant to bring properties back into use)	76.0%	18.1%	5.9%
Leisure (improvements to facilities)	54.3%	36.4%	9.3%
Play Areas and Parks (upgrading the equipment and standard)	68.2%	25.4%	6.4%
Extra Care/Community Hubs (focus on independence for older people)	83.9%	10.6%	5.5%
Employment (apprenticeships and graduate placements)	74.4%	18.4%	7.2%
Events/Arts (investment in attractions and theatres)	47.9%	41.2%	10.9%

Flood Alleviation (investing in flood prevention schemes)	70.2%	21.1%	8.7%
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4.18 The word cloud/map below provides a simple illustrated snapshot of some of the main investment comments received.



Figure 5 – Investment comments

4.19 The following are a selection of comments received on the Council’s investment areas;

21st Century Schools

“Remodelling of old school buildings is necessary but I don’t believe the formation of large through schools will benefit the pupils living in areas of deprivation.”

“The school building is not important it is the level of teaching that matters.”

Roads & Transport

“Transport, there needs to be planning for cycle paths in every new road project. It is ridiculous to improve roads without adding safe cycle routes”

“Given the need to get more private cars off the roads the transport expenditure should be focussed on improving public transport, particularly in the evenings and at weekends (including public holidays)”

Recycling & the Environment

“I think we are doing enough at present in regards to recycling in RCT and continue at this level without an increase in investment”

“Look at circular economy for waste management. Is there anything you can reclaim and resell?”

“Must invest in areas of council activity which support climate change adaptation and Net Zero commitments”

Town Centres & Regeneration

“Town centres have become a thing of the past, everything is done online and I feel no matter what is done, numbers will not rise to a significant level to justify money being used”

“Regeneration on towns on a need basis. Get in get each town clean tidy and nice to visit.”

Empty Properties

“Tackling empty buildings needs to be considered”

“Maybe incentives for empty shops and 'start up' businesses”

Leisure

“playing field improvements and 3g usage over weekends”

“Green playing fields and changing facilities must meet minimum standards to help community groups promote leisure activities”

Extra Care/Community Hubs

*“Extra Care/community Hubs - shouldn't be focused on just, independence for older people (ONLY) *It should be Independence for ALL AGES**”*

Employment

“More jobs need creating in the valleys so that so many people don't need to be leaving to go out of the valleys on a daily basis, causing endless traffic and air pollution”

“more apprenticeships and work experience opportunities”

“Small business and start up grant provision would be good”

Events/Arts

“Leisure Arts investment should be tied to ability to generate income - people expect a certain standard of provision and may pay more if this standard is exceeded.”

Flood Alleviation

“If flood prevention was more prominent would likely save in long term against home/business owners claiming due to damages etc.”

“With regards to flood alleviation ... more emphasis should be put on house building companies to contribute more to such schemes.”

Other

“Good to see so much investment in RCT”

“I consider those chosen are necessities which should be prioritised for investment first given the financial difficulties.”

“Would like to see more money in youth services”

Council Reserves

- 4.20 Respondents were provided with the following statement and asked if they thought that the Council should continue with such a strategy.

For a number of years the Council has used one off reserves (£1.1M for 2019/20) to balance its budget alongside delivering savings early in subsequent years to replace these reserves. It does so as part of a medium term financial strategy recognising that managing and balancing our budget is not a one off annual process

The majority of respondents (81.1%) think the Council should continue with this strategy.

5. ENGAGEMENT EVENTS

- 5.1 This section outlines the results of the face to face consultation discussions held in the town centres, leisure centres and libraries along with feedback received from the older person's advisory group (OPAG) and Disability Forum meetings.
- 5.2 A large number of engagement events were held across Rhondda Cynon Taf, the details of which are provided in the methodology.
- 5.3 The engagement events and meetings form part of the Council's ongoing approach to face to face resident engagement.

Council Investment Areas

- 5.4 Respondents were provided with a number of Council investment opportunities and asked to choose their top priorities, using "RCT money". There were 11 investment boxes to choose from and people were given £1000 (1x £500, 1x £300, 1x £150 and 1x £50) and then asked to distribute the money.
- 5.5 The following table shows the results of the engagement exercise;

Table 6: Engagement exercise priorities

Investment opportunities	Total
Extra Care & Community Hubs	£35,900
21st Century Schools	£29,150
Roads & Transport	£23,950
Employment	£22,750
Recycling & Environment	£20,900
Play Areas	£20,800
Towns & Regeneration	£17,700
Empty Properties	£13,200
Leisure	£9,500
Events & Arts	£6,200
Flood Alleviation	£5,800
Other	£4,700

A selection of the comments received are shown below;

21st Century Schools

"Schools is most important to me"

"Schools always need money."

"Schools / education is really important."

Roads & Transport

"Roads & Transport - there are a lot more cars on the road now."

"Roads and transport box should be divided into roads and another. Public transport to improve roads need to get people to use public transport."

"Roads need investment, topography, weather affects roads, bring them up to standard"

"Roads always need improving"

Recycling & the Environment

"Recycling & Environment - Pontyclun pretty lucky around here - good recycling / rubbish"

"Recycling - Llantwit Fardre - opening times restricted not helpful went to pick up recycling bags and closed in day"

"Recycling - environmental needs to be a separate box, climate change affects everything"

"Recycling is important to us - hope this touches on flooding and investment would improve this."

"Recycling is good here!"

"Pretty good recycling"

"Dog mess is a big issue in lane by my house I report it to Council and they are good at responding"

"Invest much more in protecting the environment and educating the people how to do so. Focus on - recycling, reducing carbon footprint and sustainability."

"Pest Control should be free and not have to pay £28"

"Recycling - this is important"

"Keeping streets clean will help with flooding"

Town Centres & Regeneration

"If Town centres were regenerated, you wouldn't have big retail parks and would have more green spaces which would also be good for environment."

"Towns & Regeneration - Aberdare needs shops"

"Aberdare - Car parks now cheaper is brilliant - noticed an increase in cars in parks"

"Towns - nothing to draw me to Porth - lots of pound shops, mostly go to Talbot Green - parking is important."

"Towns - need a variety of shops - older people will miss out as there's nothing to do here. Big name shops closing so affects smaller shops."

"Treorchy good town centre"

"Aberdare needs more done"

"Town centre - too many empty shops / up for sale as businesses leaving. Council reduce business rates"

Empty Properties

"Council tax - empty properties, If it were my house, it's my money, I should be able to do with what I want."

"Empty properties important, little space to build new. Turn empty pubs into flats"

"It depends on circumstances (empty properties), e.g. if a parent dies and then you need to clean the house and try to sell it, which could take up to a year..."

"We've got 2 empty properties, had leaflets through our door about this and it's pushing us to do something so it's good"

"Ferndale - Council could do more about empty properties in the area."

"Empty properties - housing and affordable housing is a problem. I agree with tax for empty properties."

“Empty Properties - should have a limit of 10 years whereby after that, the council buys it and takes over. There should be standards.”

“Empty properties - if a property is empty for more than 5 years it should be bought back by the Council so it won't be empty anymore.”

Leisure

“Leisure has too much funding already”

“Leisure is really important to help keep people healthy”

Play Areas and Parks

“Children play area don't need as many outside activities but think inside activities to keep entertained.”

“Parks important especially for young people”

“Play areas - Better lighting needed in children's' parks - in winter when dark early you can't go there”

“Play areas very important for the children”

Extra Care/Community Hubs

“Extra care - this is important as you've got to think about the future”

“Extra care - good idea. I'm an ex NHS employee and know a lot of people struggle especially with mental health so these are good to socialise and support people without relying on NHS.”

“Extra care should stay local”

“Extra Care & Community Hubs - we use Cynon linc and this is good”

“Extra care is important for me as I get older”

Employment

“Employment - Metro - updated services - hopefully this will help jobs. Not a lot of jobs in Rhondda.”

“All for apprenticeships”

“Employment - having 2 grandchildren, this is important.”

Events/Arts

“Use Park and Dare it is a good cheap day out, with shows, school concerts and pantomimes.”

“Events - Seems to be more happening in Coliseum Aberdare, more needed in Parc & Dare.”

“Parc and Dare needs a bit of tidying up. Pricey”

Other

“money should be spent on libraries”

“Community libraries in smaller areas need money.”

“Free school meals for all low income households not just those unemployed for primary and secondary.”

“something for teenagers to get them out off the street”

“Homelessness + housing support is currently inadequate”

Older Person Advisory Group (OPAG)

- 5.6 An engagement session was held with members of the OPAG reflecting the questions asked in the online questionnaire.

The general consensus from all members of the OPAG was to increase Council Tax and protect services.

“It always go up and people expect it to go up about 4%”

“3% is about right. Pembrokeshire went up 12%”

“3.6% was quite reasonable no need to reduce that, same as last year”

“Not getting council tax from empty properties.”

- 5.7 Views on the School Budget included;

“That’s our future, you can’t deprive the future.”

“Some buildings need refurbishing”

“Encourage teachers to come in from other areas”

5.8 A number of Fees and Charges were discussed;

School meals

“Everything goes up and as long as it’s nutritious”

“If you have a few children it can be difficult, we do fundraising with the schools.”

Leisure:

“Not everybody can commit to a month, so it can be expensive to pay as you go”

Sports clubs

“Small clubs can they afford it? A lot of money for the kids clubs. Could freeze this one.”

Lido

“Not expensive for swimming.”

5.9 Protect and Prioritise

Very difficult to go through the list, I don’t want to protect music, but there will be those that do. All should be protected.

“Schools and libraries are a priority.”

“Youth provision”.

5.10 Efficiencies

“Normally means saving money, make everything going online, that this is not good for older people. Good strategy but must still consider with older people.”

“Can contribute to isolation.”

5.11 Council’s Priorities

“Roads – think there is waste of money in filling pot holes, should do the whole road.”

“Invest in all of them.”

“Money seems to be going to some areas more than others, people are saying, but they say the same in different areas.”

Disability Forum

5.12 An engagement session was held with the Rhondda Cynon Taf Disability Forum where a presentation was given and a general discussion held around the questions in the online questionnaire. A selection of the comments are shown below.

5.13 Council Tax

“Reshaping some of the services may make them better”.

“If increased, hope that it makes a difference to services.”

“Services are especially important for vulnerable people with mental health problems.”

“% increase will depend on pensions and allowances”.

“Councillor expenses are good value for money if they are doing a good job.”

“Increase makes sense if performance is good, if not there should not be an increase in council tax.”

“3% better than what has been suggested in Pembrokeshire”

5.14 Schools Budget

“What is cut because of the increase to schools?”

“What are the pension costs?”

“What happens to Special Needs Schools?”

5.15 Fees and Charges

“Freeze where possible. Increase in leisure impacts on healthy lifestyles, the same for sports club fees, due to its impact on members. It should be access for all.”

“Freeze school meals”

“Adult social care gone up anyway, linked to NHS”

“Would freeze most as any increase would have an impact due to the poverty levels in the areas.”

Council Service Priorities

“Highways and footpaths should be prioritised for accessibility and safety, including crossings.”

5.16 Efficiencies

“Yes, general agreement, should be more prominent. Hold to account for the services they deliver.”

“Public views important to report issues and to hold the Council accountable.”

“Feedback on the consultation important.”

5.17 Investments

“Attract tourism for disabled people, there is a big opportunity here.”

“Roads a big yes, reduce congestion, will ultimately help everyone.”

“Cycle routes important to reduce congestion.”

6. YOUNG PERSON ENGAGEMENT

6.1 An engagement event was held in Aberdare with young people from the youth forums across RCT.

6.2 **Feedback**

The following section outlines some of the feedback received.

6.3 Similar to the other engagement activities with members of the public, the young people were provided with a number of Council investment opportunities and asked to choose their top priorities, using “RCT money”. There were 11 investment boxes to choose from and young people were given £1000 (1x £500, 1x £300, 1x £150 and 1x £50) and then asked to distribute the money. Their priorities were as follows:

Table 7: Youth engagement priorities

Investment opportunities	Total
Recycling & Environment	£4,000
Employment	£2,800
Towns & Regeneration	£2,450
Extra Care & Community Hubs	£1,800
Play Areas	£1,600
Other	£1,550
Roads & Transport	£1,400
Empty Properties	£1,150
Events & Arts	£1,000
Leisure	£1,050
21st Century Schools	£800
Flood Alleviation	£400

6.4 As can be seen in the table above, the investment opportunities receiving the majority of money were recycling & environment, employment and towns and regeneration.

6.5 Following this exercise, the young people took part in a discussion with the consultation officers present asking what their priorities were, which boxes they had put their money in and why? A selection of the comments can be found below:

What is your priority?

“Play areas and parks because I don’t think there are enough of them. I put £500 in the box.”

“£300 in recycling because black bags aren’t collected as much as they should be and more bins.”

“£50 in flood alleviation.”

“£500 in town centres, I’d like to see more of what they’re doing in Ponty, Treorchy was shortlisted as one of the best towns.”

“£300 in transport and roads”

“£150 in unemployment”

“£50 on environment as we need more bins”

“£500 on town centres.”

“£300 on leisure as there’s not much for young people. This forum – not many people know about it, it needs to be advertised more for young people.”

“£150 on parks for youth.”

“£50 unemployment as there’s not much around here, build up town centres, encourage people to come here.”

“£500 on roads. It’s good to see connections and links to make people less reliant on cars.”

“£300 on the environment because of much of the same reason.”

“£150 on extra care because we need more for old people.”

“£50 for employment to try and improve employment areas for modern jobs.”

- 6.6 ‘Other’ was the sixth highest priority with £1,550 in the box. The young people discussed why they had put their money in ‘Other’ and also went on to further discuss some of the other investment areas:

Other

“I didn’t know what to choose, I don’t like being limited with choices.”

“Travel.”

“Sexual health awareness and relationship in schools, it’s not LGBT inclusive, we need more pastoral care.”

“Play grounds and parks, it’s all well having them but they are unattended, invest in upkeep and maintenance.”

“Girl guiding & cadets are severely underfunded. There are enough organisations they just have to be supported more.”

“Buildings are run down and they aren’t doing anything with them, bring them back into use, i.e Co-op in Tonypany”

“Free transport for young people, especially for education. Education should be free and free to get to.”

“Young people miss out on a lot of opportunities as it’s expensive to get there. Places aren’t easy to get to.”

“Improve transport and bring it back into the community.”

“Students would like to use the gym/leisure out of summer holidays to keep fit, not just in the summer holidays.”

7. Social Media Feedback

7.1 The Council provided some questions, via a poll, for social media users on the Council's Twitter and Facebook pages, providing an additional method for people to engage with the budget consultation process.

7.2 The following results were received;

Poll 1 - Do you think the Council should: Protect Council services at current level through 3% increase in Council Tax? Or Reduce service levels to close budget gap and keep increase in Council Tax to a minimum?

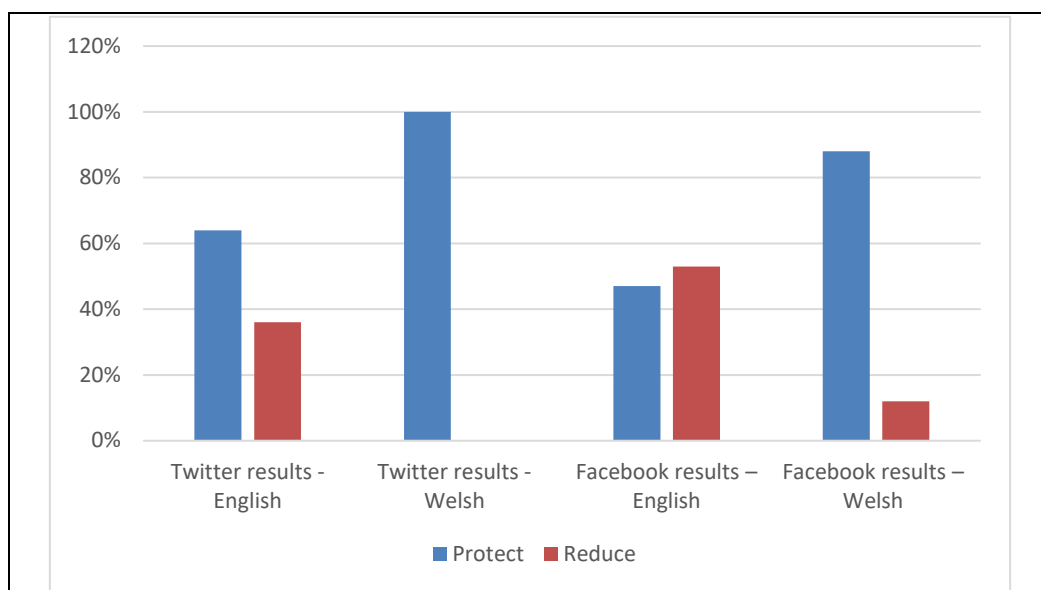


Figure 6 – Social media poll 1 results

7.3 Poll 2 - To ensure the Council can continue to maintain & improve services in the face of continued cuts to public sector funding we are focusing on the areas: Early Intervention and Prevention, Digitalisation, Independence, Efficiency, Commercialisation. Do you agree with this approach?

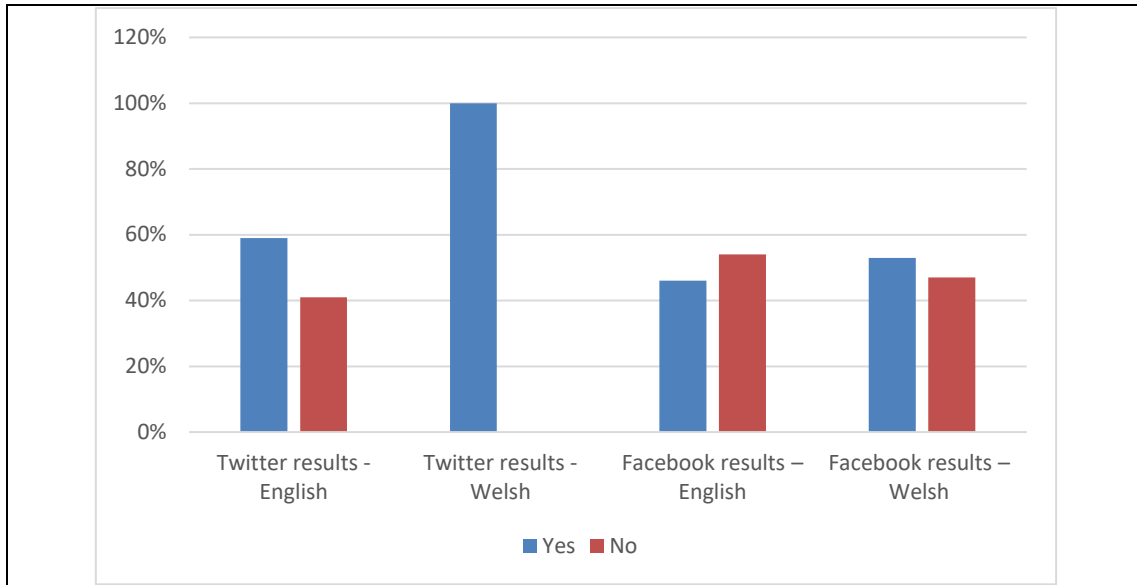


Figure 7 – Social media poll 2 results

PHASE 1 BUDGET CONSULTATION (2020/21) - PRE-SCRUTINY OUTCOMES

RHONDDA CYNON TAF COUNCIL FINANCE AND PERFORMANCE SCRUTINY COMMITTEE

Minutes of the meeting of the Finance and Performance Scrutiny Committee held on Monday, 16 December 2019 at 5.00 pm at the Council Chambers, The Pavilions, Cambrian Park, Clydach Vale, Tonypany, CF40 2XX.

**County Borough Councillors - Finance and Performance Scrutiny Committee
Members in attendance:-**

Councillor G Thomas Councillor S Bradwick
Councillor R Yeo Councillor J Williams
Councillor J Cullwick Councillor G Caple

Officers in attendance:-

Mr P Griffiths, Service Director – Finance & Improvement Services
Mr A Wilkins, Director of Legal Services
Mr S Gale, Director of Prosperity & Development
Mr T Jones, Service Director – ICT & Digital Services

County Borough Councillors in attendance:-

Councillor M Adams, Chair of the Overview and Scrutiny Committee
Councillor R Bevan, Cabinet Member for Enterprise Development & Housing

Others:-

Mr J. Fish, Voting Elected Parent / Governor Representative

30 Welcome

The Vice Chair welcomed Members to the meeting of the Finance and Performance Scrutiny Committee and thanked everyone for attending.

31 Declaration of Interest

In accordance with the Council's Code of Conduct, there were no declarations made pertaining to the agenda.

32 Apologies

Apologies of absence were received from County Borough Councillors M. Powell, M. Diamond, A. Davies-Jones, G. Holmes, W. Lewis, S. Rees-Owen, A. Fox and T. Williams.

33 Minutes

It was **RESOLVED** to approve the minutes of the 4th of November 2019 as an accurate reflection of the meeting, subject to the following amendments:-

- Item 24, page 7 to be amended as follows; “Councillor Thomas commented that the greater proportion of areas in the Cynon Valley are not being charged CIL”.

Extract from Minutes

With the aid of a PowerPoint presentation, the Service Director – Finance & Improvement Services provided Members with an overview of the 2020/21 Revenue Budget Strategy Consultation and updated Committee on the following areas:

- Approach for 2020/21
- Consultation
 - Council Budget 2020/21
 - The Council’s Priorities
 - Council Tax Reduction Scheme
 - Draft Corporate Plan 2020 – 24
- Budget Setting Timetable

Following the update, the Service Director indicated that the overview intended to assist Members in formulating their responses to a number of questions to be posed to the Committee, in line with its Terms of Reference and as a consultee as part of the 2020/21 Revenue Budget Strategy Consultation process. The Service Director added that the feedback provided by Members would be presented to Cabinet alongside the feedback from all other consultees as part of Cabinet agreeing a proposed Budget Strategy for 2020/21.

The Service Director sought feedback from the Committee on a number of areas and the views of Members are noted below.

With regard to Question 1 on Council Tax, Members supported a less than 3% increase to help support the continuation of service provision in the context of rising cost pressures and demand for specific services. Members also commented that in setting the level of Council Tax for 2020/21 regard should be given to the level of funding the Council is anticipated to receive via the local government settlement from Welsh Government.

In respect of Question 2 on Schools Budget, Committee Members agreed that the Council should provide sufficient resources to fully cover increased pay costs in schools throughout RCT. However, a member of the Committee highlighted that other cost pressures, over and above pay costs, should also be fully funded. An elected Member fed back that the same question should also be included as part of the consultation process for Community and Children’s Services and not just in respect of schools.

For question 3 covering fees and charges, the following points were fed back:

- A number of Members considered that school meal prices should be frozen and all other areas should be increased by 1.5%, and highlighted their continued support for the promotion of free school meals;
- A Member cautioned against increasing the charges for Town Centre Car Parking and it was fed back that there should be no increase to the cost of a resident car parking permit;
- A Member cautioned against increasing the fees for Meals on Wheels and noted that the Council needs to encourage more residents to use this service;
- A Member felt that the Council should consider increasing the level of charges for tourist attractions as charges seem to be lower in comparison to other areas of Wales; and
- A number of Members considered that charges for the bulky waste collection service and pest control service should be frozen.

Following Member feedback, the Service Director provided further information on specific areas. In respect free school meals, the Service Director informed Members that transitional / protection arrangements have come into force across Wales in 2019 that mean all eligible children entitled to free school meals will retain their entitlement for a set period even if their circumstances change and no longer meet the eligibility criteria. Members indicated that they were not aware of these changes and requested further information. In respect of car parking charges, the Service Director fed back that charges are only applied in Aberdare and Pontypridd Town Centres, with different charges for short and long stay, and have been frozen for a number of years.

With regard to Question 4, Council Service priorities, Committee Members agreed that all Council services are essential and should be protected as part of the 2020/21 budget setting process.

For Question 5, delivery of efficiencies, Members agreed that setting a Council wide efficiency saving target was a good approach and that managers should be supported to deliver even more efficient services, where possible. However, Members considered that the year-on-year delivery of efficiency savings is becoming more difficult to achieve without impacting on frontline services and highlighted the importance of protecting staff as part of any future budget savings proposals. A Member also highlighted that exploiting more digital working could provide opportunities for the Council to deliver better and more efficient services.

At this point, the Service Director asked Members if there was any other general comments they would like to provide on the Council's budget, as part of Question 6. Members noted that they had no further points to feedback at this point and requested the Service Director to continue with the presentation.

Discussions continued in respect of the Council's priorities for the 2020/21 budget setting process. Members were informed that the Council focuses on five key areas to maximise resources and deliver improved services (i.e. Digitalisation; Commercialisation; Early Intervention and Prevention; Independence; and Efficient and Effective Organisation). Members were asked whether the Council should continue to focus on these areas and Members were supportive of this strategy going forward.

In respect of investment opportunities, Members were asked whether the Council should continue to invest in the priority areas listed. An elected Member raised concerns in respect of improving recycling performance and noted that Social Landlords are not engaging with the local authority. The Member emphasised that Social Landlords need to work with the Council in order to improve recycling rates across the County Borough.

A member of the Committee sought clarification in respect of the Council's investment in flood prevention schemes and sought clarity on the extent of involvement of National Resources Wales. It was noted that the flood alleviation schemes referred to are primarily Council funded projects and the Council will engage with Natural Resources Wales, as deemed appropriate, on a scheme by scheme basis.

In respect of Council reserves, Members were informed that the Council has used one off reserves (£1.1M for 2019/20) to balance its budget alongside delivering savings early in subsequent years to replenish these reserves. The Service Director added that this approach is part of a medium term financial strategy recognising that managing and balancing the revenue budget is not a one-off annual process. Members were asked whether the Council should continue with this strategy and Members agreed on the use of this strategy going forward.

With specific regard to the questions around the Council Tax Reduction Scheme, the following responses were fed back by Members:

- Do you think that 4 weeks is a reasonable period to continue paying Council Tax Reduction when someone returns to work?
 - Members agreed that 4 weeks is a reasonable period to continue paying Council Tax Reduction when someone returns to work.
- Do you think that it is reasonable for the Council to continue to totally exclude War Disablement and War Widow's Pensions income when assessing entitlement to CTR scheme?
 - Members were supportive of these elements continuing to be excluded.
- Do you think that 6 months is a reasonable period to backdate claims for working age and pensioners?
 - Members fed back their agreement that 6 months is reasonable.

Discussions ensued in respect of the Council's Draft Corporate Plan 2020-24. Members were informed that three priorities are being proposed (People, Place and Prosperity) and Members were provided with the opportunity to provide their views on these priorities and ideas about anything else that would make a difference to the people and communities of Rhondda Cynon Taf. Committee Members confirmed their agreement with the proposed priorities as set out in the draft Corporate Plan 2020-24.

In conclusion, the Service Director – Finance & Improvement Services informed Members that the Committee's feedback will be considered by Cabinet as part of it agreeing a draft Revenue Budget Strategy for 2020/21 and that the Finance and Performance Scrutiny Committee will have opportunity to further scrutinise and comment upon the 2020/21 draft Revenue Budget Strategy at its January 2020 meeting.

Following discussion, it was **RESOLVED** that the views of Members as outlined above be fed into the consultation process.