



RHONDDA CYNON TAF COUNTY BOROUGH COUNCIL

MUNICIPAL YEAR 2019-2020

COUNCIL

4th March 2020

THE COUNCIL'S 2020/21 REVENUE BUDGET STRATEGY

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1.0 PURPOSE OF THE REPORT

1.1 This report provides information on the final local government settlement for 2020/21 and sets out the recommendations of the Cabinet with regard to the Council's Revenue Budget and the level of Council Tax for the year ending 31st March 2021.

2.0 RECOMMENDATIONS

It is recommended that Members:

- 2.1 Note the written statement from the Minister for Housing and Local Government (Julie James AM) and the table on the 2020/21 Final local government settlement, reproduced at Appendix 1;
- 2.2 Note the implications for the Council and the remaining budget gap as set out at Table 1;
- 2.3 Agree a Council Tax increase for 2020/21 of 2.85%;
- 2.4 Agree the uplift to the aggregate Schools Budget as detailed at section 8;
- 2.5 Agree the budget strategy proposals as set out at paragraphs 9.3(a) to 9.3(i);
- 2.6 Agree the use of the 'Medium Term Financial Planning & Service Transformation Reserve' as transition funding, totalling £0.800M for 2020/21;
- 2.7 Approve Tables 3 and 4 in Section 12 of the report as the basis of allocating resources to the Individual Schools Budget (ISB), to other Council Services, and to meet its corporate financing requirements; and

- 2.8 Agree the Council's overall budget for 2020/21 at £508.747M, in order to pass the necessary statutory resolutions to set the Council Tax for the forthcoming financial year by the statutory deadline of the 11th March 2020.

3.0 BACKGROUND

- 3.1 At the Council meeting on the 31st July 2019, the Council's audited accounts were presented which reported General Fund Balances amounting to £10.498M.
- 3.2 Given the continuing financial pressures the Council is working under, it remains the view of the Director of Finance and Digital Services (Section 151 Officer) 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.
- 3.3 On the 17th February 2020, an urgent decision was made by the Leader of the Council to allocate £1M from General Reserves to support the immediate recovery requirements arising from the exceptional event, Storm Dennis. On the 21st February 2020, a further £0.500M was released, bringing the remaining level to £8.998M. The level of General Fund reserves will be replenished going forward, as and when external funding is confirmed, as part of future budget strategies (including the need to review service levels), from the reprioritisation of existing plans and / or from any opportunities to release earmarked reserves.
- 3.4 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. 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 was £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).

- 3.5 The Wales Audit Office continues to emphasise that we must remain disciplined at this crucial time, 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.
- 3.6 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.
- 3.7 In the context of this overall financial position, the Cabinet, assisted by the Senior Leadership Team was able to commence initial work on its budget strategy for 2020/21. The broad objectives of next year's proposed strategy are to:
- (i) Support the delivery of our key strategic priorities (as set out in the new Corporate Plan "Making a Difference" 2020-2024):-
 - People – Are independent, healthy and successful
 - Places – Where people are proud to live, work and play
 - Prosperity – Creating the opportunity for people and businesses to: be innovative; be entrepreneurial; and fulfil their potential and prosper.
 - (ii) Retain the support of the Wales Audit Office for the approach the Council has adopted to securing strong financial management;
 - (iii) Continue with the delivery of our key services and protect as many local jobs as possible; and
 - (iv) Take a responsible approach to the level of Council Tax.

4.0 THE 2020/21 LOCAL GOVERNMENT SETTLEMENT

- 4.1 On the 25th February 2020, the Minister for Housing and Local Government (Julie James AM) announced the Final 2020/21 Local Government Settlement. The Minister's statement and key data table is attached at Appendix 1.
- 4.2 The "headlines" of the Final Settlement are as follows:-
- a. The overall increase in Revenue Support Grant (RSG) and Non-Domestic Rates (NDR) funding (unhypothecated funding) for 2020/21 at an all Wales level 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. Final figures 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.

5.0 COUNCIL BASE BUDGET REQUIREMENT 2020/21

- 5.1 In anticipation of the 2020/21 local government settlement, the Council's service managers have constructed the base budget requirements for next financial year. Those initial calculations provided for:-
 - Estimated national wage awards, 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 additional burdens imposed on the Council.
- 5.2 The Council's updated budget requirement was reported to Council on the 15th January 2020 alongside the implications of the Provisional Local Government Settlement which was announced on the 16th December 2019.
- 5.3 After taking into account the updated budget requirement and the provisional settlement increase of 4.5%, in addition to the clarity provided around on-going funding in respect of the Social Care Workforce and Sustainability Pressures Grant, the Teachers Pay Grant and the Teachers Pensions Grant, the Council was faced with a budget gap of £8.702M.

- 5.4 Against this position, budget savings already identified and secured were able to be taken into account which resulted in a remaining budget gap of £1.321M, as shown in Table 1 below.

Table 1 : Budget Gap 2020/21 at Provisional Settlement (as reported to Council, 15th January 2020)

| | £'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 |

- 5.5 It was against this position which the Cabinet have considered their further budget strategy options for 2020/21.

- 5.6 The Final Settlement, as detailed at paragraph 4, resulted in no change from the Provisional Settlement.

6.0 DEVELOPING AN EQUITABLE, DELIVERABLE AND BALANCED BUDGET FOR 2020/21

- 6.1 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.

- 6.2 The Council's overall financial position was set out at Section 3 of the report. 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.

- 6.3 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.

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

7.0 COUNCIL TAX LEVELS

7.1 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 proposal is to increase Council Tax in 2020/21 by 2.85%, that is, less than the 3.00% originally modelled. This proposed increase equates to 53p per week for a person living in a Band A property and 80p per week for a person living in a Band D property (42% of properties in Rhondda Cynon Taf are Band A). Increasing Council Tax by 2.85% will increase the remaining budget gap by £0.132M.

7.2 Members will be aware that the cost of the CTRS is impacted by changes in caseload and by changes to the level of Council Tax. This 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 Welsh Government's CTRS.

8.0 SCHOOLS BUDGET (ISB)

8.1 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.

8.2 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.

8.3 Following the clarity provided through the 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.

8.4 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%.

9.0 BUDGET STRATEGY PROPOSALS

- 9.1 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. It is recommended that this approach is continued.
- 9.2 As a Cabinet we have always been focussed on protecting our front line services and have taken any opportunities to prioritise or reallocate resources to areas of priority.
- 9.3 For 2020/21, the following proposals are recommended to Council.

a. NDR Local Relief Scheme

Cabinet have already consulted upon a proposal to introduce a local discretionary relief scheme for Non Domestic Rates (NDR). The consultation closed on the 24th January and Cabinet have (on the 13th February 2020) determined 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 2020/21 to 2022/23.

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 was presented to and agreed by Cabinet on the 20th February 2020. The Cabinet's proposals with regard to fees and charges would see a standard increase of 1.5% (Consumer Price Index (CPI)), with a number of specific exceptions :

| Area of charge | Proposed increase for 2020/21 |
|---|--|
| Leisure for Life | Nil increase |
| Car Park Charges | Nil increase |
| Summer and Winter Playing Fees (Sports Clubs) | Nil increase |
| School Meals (Primary and Secondary Schools) | £0.05 per meal (and then no increase for 2 years i.e. 2021/22 and 2022/23) |
| Meals on Wheels and Day Centre Meals | £0.10 per meal |
| Pontypridd Lido (entry for adult users) | £0.50 per Adult Swim |

It was also proposed, with regard to the Rhondda Heritage Park, to increase the individual adult entry fee and family ticket for the Welsh Mining Experience (underground tour) by £1.00 (to £7.95 and £20 respectively) and to standardise the non-school entry fee for both adults and children for Santa's Toy Mine to £10.

The impact of these proposals (as compared to all fees and charges being increased by 1.5%) would reduce income by £2k.

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.

- 9.4 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 table 2 below.

Table 2 : 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 | 2 | |
| Home to School Re-tender Savings | - 810 | |
| CTRS | - 350 | |
| Supported Accommodation Savings | - 400 | - 521 |
| Remaining Budget Gap | | 800 |

9.5 *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.

9.6 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 £0.800M is made from this reserve for 2020/21. This would facilitate a balanced budget for 2020/21 and would leave £3.563M in the reserve (subject to the year-end assessment of reserves). 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 | | 800 |
| Use of Transition Funding | - | 800 |
| Remaining Budget Gap | | - |

9.7 The above provides a robust and balanced budget strategy for financial year 2020/21 which is now recommended to Council.

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.

10.2 The Council's Corporate Plan 2016-2020 set out our key purpose to provide a County Borough that has high aspirations, is confident and promotes opportunity for all. This has been reinforced in our new proposed Corporate Plan "Making a Difference" 2020-2024 which is being considered alongside this budget strategy.

10.3 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 the early identification of opportunities to deliver savings. 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.

10.4 A report setting out the updated capital programme for 2020/21 to 2022/23 will be reported for Members consideration alongside this revenue budget strategy.

11.0 THE 2020/21 BUDGET STRATEGY CONSULTATION PROCESS

11.1 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.

11.2 The approach to budget consultation for 2020/21 was 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.

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 agreed a draft budget strategy, and in light of the provisional local government settlement, then this draft strategy was consulted upon as part of Phase 2.

11.3 The Phase 1 Consultation report was considered by Cabinet on the 23rd January 2020 alongside the initial budget proposals which were then consulted upon as part of Phase 2.

11.4 The Phase 2 Consultation report is now attached at Appendix 2. The phase 2 consultation process ran from the 24th January 2020 to the 7th February 2020 and included :

- An online questionnaire
- Three youth events held at local schools
 - Y Pant
 - Treorchy
 - Aberdare
- Promotion through Social media
- Three public 'drop-in' events, open to the wider community
 - Canolfan Pennar (Mountain Ash Hub)
 - Pontypridd Town Centre
 - Rhondda Sports Centre, Ystrad
- Older Persons Advisory Group Meeting
- Disability Forum Meeting
- Promotion with key stakeholders, including Elected Members, local AMs, MPs, Community & Town Councils, Trade Unions

11.5 In addition, specific consultation activity was undertaken with the School Budget Forum and minutes of this meeting are attached at Appendix 3.

11.6 The Finance and Performance Scrutiny Committee have also been engaged throughout the consultation process, initially discussing the proposed approach in September 2019. They were then consulted with as part of Phase 1 (16th December 2019) and had the opportunity to pre-scrutinise the draft budget strategy proposals as part of Phase 2 (29th January 2020). The minutes of the latest meeting are attached at Appendix 4 (currently draft).

12.0 THE 2020/21 MACRO REVENUE BUDGET

12.1 In arriving at a strategy for 2020/21, the Cabinet has taken into consideration its key commitments, its views on service delivery and relevant charges for services and the need to minimise the tax burden on local residents. Consequently, and after careful deliberation, the Cabinet has concluded that it can now propose a balanced revenue budget which will meet all of the fundamental requirements of its preferred strategy **and** minimise the Council Tax increase for next year.

12.2 Table 3 below illustrates how the revenue resources available to the Council could be utilised, with a Council Tax increase of 2.85%:

Table 3: Proposed Resources in 2020/21

| | £M |
|---|----------------|
| 2020/21 Net Revenue Spending | 508.747 |
| LESS: Revenue Support Grant (RSG) & Redistributed Non Domestic Rates (NDR) | 388.666 |
| LESS: Social Services and Children's Services Specific Grants | 3.400 |
| Sub total | 116.681 |
| LESS: Release of Earmarked Reserves | 0.800 |
| To be met from Council Taxpayers | 115.881 |

12.3 Table 4 below, shows the overall effect on services of applying the principles of the Cabinet's recommended outline 2020/21 budget strategy.

Table 4: Application of the 2020/21 Outline Budget Strategy

| BUDGET REQUIREMENTS | 2019/20 | 2020/21 | Increase/ (Decrease) |
|--|----------------|----------------|---------------------------------|
| | £M | £M | £M |
| <u>Corporate Requirements</u> | | | |
| Capital Financing | 18.917 | 19.713 | 0.796 |
| Levies | 11.930 | 12.438 | 0.508 |
| Council Tax Reduction Scheme | 24.336 | 24.680 | 0.344 |
| Miscellaneous | 12.669 | 13.862 | 1.193 |
| | 67.852 | 70.693 | 2.841 |
| <u>Individual School Budgets (ISB)</u> | | | |
| Individual School Budgets | 148.849 | 161.638 | 12.789 |
| | | | |
| <u>Other Council Services</u> | | | |
| Community & Children's Services | 153.264 | 162.604 | 9.340 |
| Prosperity, Development and Frontline Services | 56.876 | 55.980 | (0.896) |
| Chief Executive's | 25.979 | 26.759 | 0.780 |
| Education & Inclusion Services | 30.649 | 31.073 | 0.424 |
| Net Revenue Spending | 483.469 | 508.747 | 25.278 |

13.0 SPECIFIC GRANTS

- 13.1 For next year, the Welsh Government is to provide over £1,002M in Specific Revenue Grants to Welsh Local Authorities.
- 13.2 Whilst specific grants dilute local accountability, such funding does enable us to undertake projects and deliver services that otherwise may not have been possible. Whilst we will continue to make representation for such funding to be transferred into the Revenue Support Grant, until they do so then specific grants will continue to supplement our base revenue budget.
- 13.3 By their nature, specific grants are often directed toward specific spend areas or policy objectives and are not certain in terms of their ongoing continuation nor value, presenting uncertainty in terms of forward planning.
- 13.4 The allocation of specific grants, however, remains a key feature of the annual local government settlement, albeit there is a commitment to reduce such hypothecation. There are also a number of specific grants which have been introduced to deal with recurring cost pressures (eg Social Care Workforce and Sustainability Pressures Grant) and it is important that we seek to ensure their continuation beyond 2020/21.

14.0 EQUALITY AND DIVERSITY IMPLICATIONS

14.1 In developing the recommended 2020/21 Revenue Budget Strategy, an Equality Impact Assessment (EIA) 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.

15.0 CONSULTATION

15.1 Consultation and engagement has been undertaken as part of formulating the recommended 2020/21 Revenue Budget Strategy, the results from which are set out in Section 11 of the report.

16.0 FINANCIAL IMPLICATION(S)

16.1 The financial implications of the recommendations are set out in the main body of the Report.

17.0 LEGAL IMPLICATIONS OR LEGISLATION CONSIDERED

17.1 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 recommended 2020/21 Revenue Budget Strategy and its reporting to full Council ensures compliance with these legal duties.

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

18.1 The recommended 2020/21 Revenue Budget Strategy has been formulated to support the delivery of the Council's strategic priorities, as set out within the Corporate Plan 2016 – 2020, and the new Corporate Plan "Making a Difference" 2020 – 2024. These documents are aligned to the goals and principles included within the Well-Being of Future Generations Act.

19.0 CONCLUSIONS

19.1 The Council's overall financial position remains sound, with the level of General Reserves maintained at above £10M, before the urgent allocation of £1.500M to support the immediate recovery requirements arising from Storm Dennis, with clear plans to replenish.

19.2 On the 25th February 2020, the Minister for Housing and Local Government (Julie James AM) announced the Final 2020/21 Local Government Settlement which showed this Council's increase in resources was set at 4.5%.

- 19.3 The Cabinet's proposals properly address the corporate financial requirements of the Council and allocate an adequate financial uplift to the Individual Schools Budget. The remaining resources available are allocated to fund all other services and to support our key priorities in 2020/21.
- 19.4 The Cabinet has recommended setting the 2020/21 revenue spending and budget at £508.747M which will require a Council Tax increase of 2.85% for the financial year ending the 31st March 2021.
- 19.5 The Council to date has been able to deliver year on year balanced budgets alongside an investment programme supporting key priorities. The challenge does remain for positive and proactive management from the Senior Leadership Team and clear direction from Members to produce a robust and financially sustainable budget into the medium term in what continues to be a challenging financial climate.

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



Llywodraeth Cymru
Welsh Government

Our ref: MA/JJ/0597/20

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

25 February 2020

Dear Colleagues

Today I am announcing details of the Final 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 confirms my intention to set local government core revenue funding for 2020-21 at £4.474 billion. 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.

The responses to the consultation on the provisional settlement have been carefully considered before determining the final settlement. The responses did not identify any matters which required a change of approach for the final settlement.

I have given careful consideration to the potential of including a funding floor for this settlement but, as discussed at the Finance Sub Group meeting on 5 February, given the uncertainty surrounding this year's budget, we decided to allocate all available funding at the provisional stage. Given, also, that through this settlement every authority will see an increase of at least 3% over 2019-20 on a like-for-like basis, I have decided not to include a funding floor in this instance.

The non-hypothecated general capital funding for 2020-21 will remain at £198 million (including £20 million for public highways refurbishment grant). I hope that this 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.

Canolfan Cyswllt Cyntaf / First Point of Contact Centre:
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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 final *Local Government Finance Report* and additional tables containing details of the final settlement by individual authority are also being published on the Welsh Government website. In addition to the information published alongside the provisional settlement, my officials have been working closely with the Distribution Sub Group (DSG) to produce a table that seeks to explain the variance by looking at the components of change within the model. This will be published alongside the final settlement.

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 final settlement provides you with the information you need to plan your budgets and services for 2020-21 as part of your medium term financial plans.

We will continue our positive engagement with local government on all matters finance-related through the Finance Sub Group.

The Government will now proceed to lay the Local Government Finance Report No 1 for 2020-21 for debate in the Senedd on 3 March 2020.

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

Final

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

£'000s

| Unitary Authority | 2019-20 final Aggregate External Finance* plus floor funding | 2020-21 Final 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% | |



Budget Consultation 2020/21 (Phase 2)

*Rhondda Cynon Taf County Borough
Council*

February 2020



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EXECUTIVE SUMMARY

- This section provides a summary of the main findings from the Phase 2 Budget Consultation 2020/21.
- The consultation was conducted in-house. The consultation period ran from the 24th January and ended on the 7th February 2020.
- The following methods were used to consult with stakeholders;
 - An online questionnaire
 - A number of Engagement Events
 - Promotion through social media
 - Older Persons Advisory Group Meeting
 - Disability Forum Meeting
 - An easy read booklet and questionnaire
 - Meetings in 3 comprehensive schools
 - Finance & Performance Scrutiny Committee
 - School Budget Forum
 - 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
- 402 people were engaged in the phase 2 budget consultation. Overall (including Phase 1) over 4000 people engaged on the Council's budget.
- The Council is proposing that Council Tax be increased by 2.85% for next year. The majority of respondents felt that this was reasonable (78%).
- 92% of respondents agreed that the Council should fully fund our schools for next year.
- 87% of respondents agreed with the Council's approach to efficiency savings and that the Council should continue with the approach next year.
- 79% of respondents agreed with the approach to fees and charges.
- 90% of respondents agreed with the approach of borrowing to enable investment.
- 88% of respondents agreed with the additional investment of £250,000 for youth engagement.
- 85% of respondents agreed with the investment in paddling pools.
- 76% of respondents agreed with the investment and approach proposed for the Muni Arts Centre.
- 90% of respondents agreed with the use of reserve funding.

1. INTRODUCTION

- 1.1 This report presents the findings of the Phase 2 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 questionnaire.
- 1.5 Section 5 presents the feedback received at the Older Persons Advisory Group meeting and Disability Forum meeting.
- 1.6 Section 6 provides feedback on the young persons' engagement.

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.
- 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 2** of the budget consultation, which asked for views on the draft budget strategy for 2020/21.
- 2.5 Phase 2 started on the 24th January and ended on the 7th February 2020.

3. METHODOLOGY

3.1 This section provides a summary of the main findings from the Phase 2 Budget Consultation 2020/21. The consultation was conducted in-house.

3.2 The consultation period ran from the 24th January and ended on the 7th February 2020.

3.3 The following methods were used to consult with stakeholders;

- An online questionnaire
- A number of Engagement Events
- Promotion through social media
- Older Persons Advisory Group Meeting
- Disability Forum Meeting
- An easy read booklet and questionnaire
- Meetings in 3 comprehensive schools
- School Budget Forum
- 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

Note: Views from the School Budget Forum and the Finance and Performance Scrutiny Committee have been recorded separately in the respective minutes of those meetings.

3.4 The following engagement events took place during the consultation;

Rhondda Cynon Taf
Budget Consultation - Phase 2
2020/21

Public consultation events

Canolfan Pennar (Mountain Ash Hub)
January 31 (11am-1pm)

Rhondda Sports Centre, Ystrad
February 3 (5pm-7pm)

Pontypridd Town Centre
February 5 (10am-1pm)

HAVE YOUR DWEUD SAY EICH DWEUD

RHONDDA CYNON TAF

- 3.5 At the events, members of the public were invited to have a discussion with Officers about the Council's budget, investments and any queries they may have had, as well as being asked to fill in the survey on electronic tablets or paper hardcopies.
- 3.6 402 people were engaged in the phase 2 budget consultation. Overall (including Phase 1) over 4000 people engaged on the Council's budget.

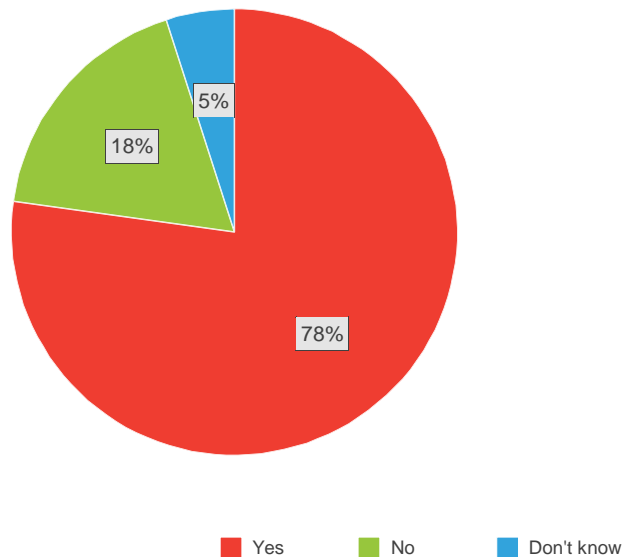
4 Questionnaire Results

- 4.1 The following section outlines the results from the phase 2 budget consultation questionnaire, which received 268 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 Council is proposing that Council Tax be increased by 2.85% for next year. **The majority of respondents felt that this increase was reasonable (78%).**

Do you agree that a Council Tax increase of 2.85% is reasonable?



Note: Where figures do not add up to 100% this is due to rounding.

- 4.3 Comments were mainly positive and included;

“support a low increase of 2.85%”

“Below 3% is good”

“excellent to see it kept below 5%”

- 4.4 One of the reasons the increase was seen as reasonable was the low increase in comparison to the rest of Wales.

“lowest Council tax in Wales”

“seems better than most I’ve seen”

“seems very fair and less than Conwy who are suggesting 7%”

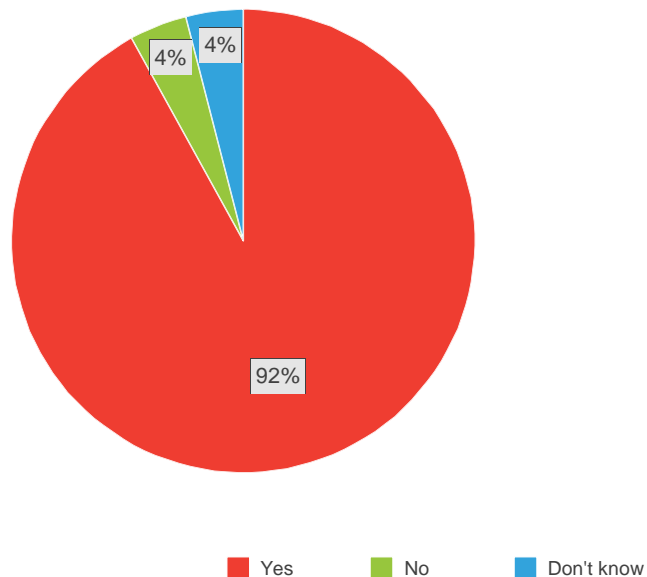
- 4.5 There were some concerns that any increase would impact on some people’s finances.

“this will put added financial stress on families already trying to keep their finances stable”

Schools Budget

- 4.6 The Council’s budget strategy aims to protect schools by ensuring they have the money they need to fund their increased costs for next year. In overall terms, the proposal sees the Schools Budget increase from £148.9M to £161.6M, an increase of £12.7M, or 8.5%.

Agreement with School Funding



- 4.7 **92% of respondents agreed that the Council should fully fund our schools for next year.**

Comments included;

“Children are our future and very important to protect school budgets”

“Pleased to see schools getting a proper increase and that they are being given priority by the council”

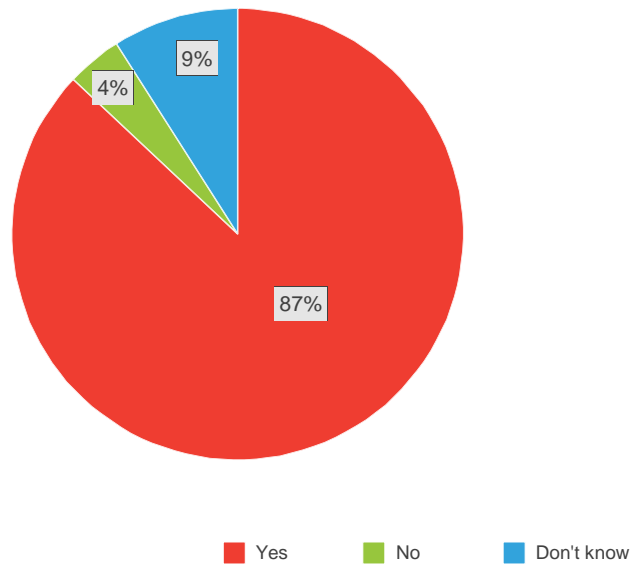
“Our schools are teaching our future generations, I would expect sufficient resources to be provided on the basis of being confident that the resources are administered properly”

“Education should always be a top priority to give children the best possible chance in life”

Efficiencies

- 4.8 Respondents were asked if they agreed with the Council’s approach to efficiency savings and if the Council should continue with the approach next year.

Agreement with Efficiencies Approach



87% of respondents agreed and comments on the importance of this approach included;

“Efficiency savings are important - getting the right balance is important.”

“Make savings wherever possible.”

- 4.9 Some of the respondents stressed that this must not impact upon frontline services;

“Yes agree as long as do not impact on services”

“Efficiencies are important, and it is welcomed that the Council will not impact front line services.”

“But services should not be cut.”

4.10 As in phase 1 of the consultation some suggestions for efficiencies were made;

“Need to look at procurement and if more can be saved”

“There should be more focus on process, online work where possible, reduced bin collections etc.”

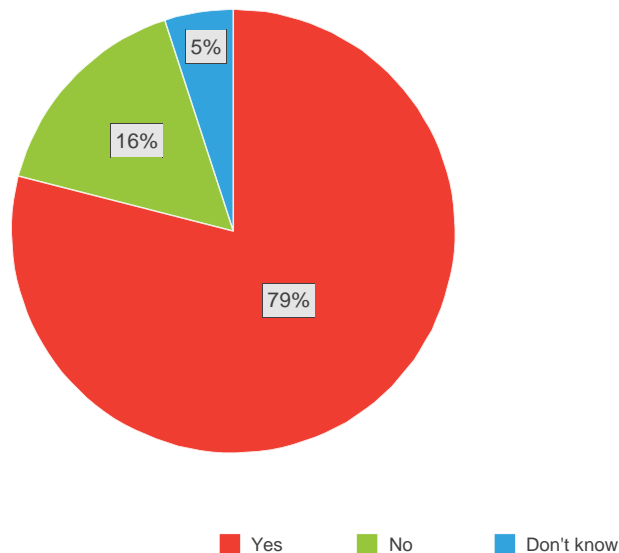
Fees and Charges

4.11 A standard increase of 1.5% (Consumer Prices Index) is proposed on all fees and charges 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 <i>and then freeze for 2 years</i> |
| Lido | 50p Adult Swim |

79% of respondents agreed with this approach to fees and charges.

Agreement with Fees and Charges Approach



4.12 The following are a selection of the comments received;

“These increases seem sensible.”

“Most definitely”

“These increases are fair and affordable to the majority of people, well done once again no increases In Leisure for life and car park charges”

“If you increase a small amount overall I think the Council will be able to keep more services.”

“Seems fair”

“Very pleased to see the charges are being fair”

4.13 There were some calls to increase the charges at the Lido and Leisure services;

“Possibly could charge more for the Lido due to its popularity”

“The Lido could charge a small fee for children, people are willing to contribute to activities.”

4.14 There were some concerns about the 5p per meal increase for school meals and the meals on wheels 10p per meal increase.

“School meals should not be increased. Services like the Lido should be increased more to cover this”

4.15 Some of these comments relate to the previous section (4.14) with suggestions for increased fees to other services instead of meals on wheels and school meals;

“I’d rather pay an extra 10p per day parking than charge an elderly person more.”

4.16 There were though comments in support of school meal increases, especially with the proposal to freeze the charge in the 2 years following 2020/21.

“5p dinner increase seems very fair if they are frozen for 2 years”

“Good to see school dinners only up 5p and then frozen”

“Pleased to see school dinners up only 5p over 2 years”

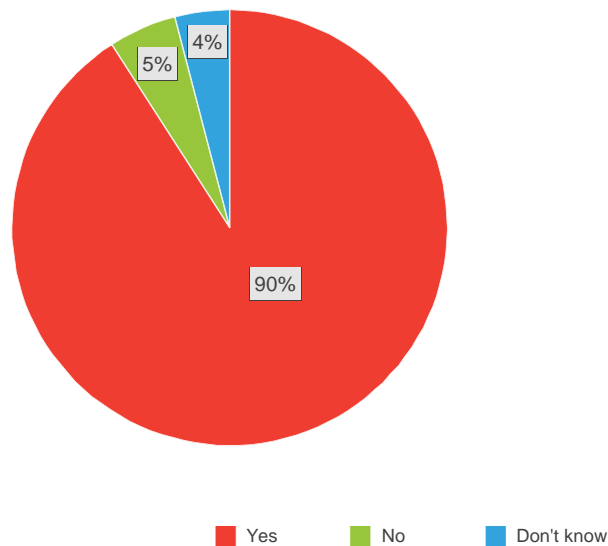
Council Investment

- 4.17 It is proposed to set aside £500k of the Council’s revenue resource to enable further investment in the following areas, through the use of prudential borrowing powers (£7.5M of capital resource, long term infrastructure).

| |
|---|
| 21st Century Schools (new and remodelled schools) |
| Roads & Transport (repairs and resurfacing and major projects such as A4119 dualling, Llanharan bypass and Mountain Ash Cross Valley link) |
| Recycling & the Environment (improving recycling performance) |
| Town Centres & Regeneration (improving the town centres eg. Llys Cadwyn, Pontypridd) |
| Empty Properties (Grant to bring properties back into use) |
| Leisure (improvements to facilities) |
| Play Areas and Parks (upgrading the equipment and standard) |
| Extra Care/Community Hubs (focus on independence for older people) |
| Employment (apprenticeships and graduate placements) |
| Events/Arts (investment in attractions and theatres) |
| Flood Alleviation (investing in flood prevention schemes) |

4.18 90% of respondents agreed with this approach to investment

Agreement with Borrowing to Invest



Note: Where figures do not add up to 100% this is due to rounding.

The following are a selection of comments received;

“Borrowing to invest is a sensible strategy - one I support.”

“Good to see the amount of investment in RCT”

“These are all key priority areas and any extra funding is welcomed.”

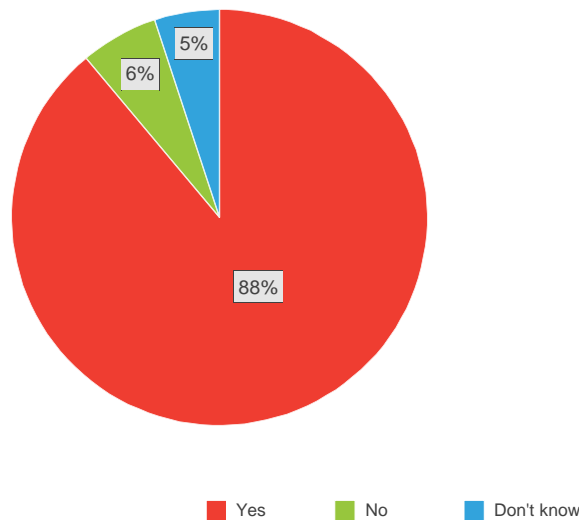
“It has been evident that investments have been made into areas at times of austerity. It is good to see the Council not just sitting back but being more forward thinking”

Youth Engagement

- 4.19 An additional revenue investment of £250K is proposed for youth engagement which amounts to an increase of 13% to the current budget for the service.

88% of respondents agreed with the additional investment of £250,000 for youth engagement.

Agree to additional investment in Youth Engagement



Note: Where figures do not add up to 100% this is due to rounding.

“Young people need investment. Investment in youth services are a priority for our family”

“Youth engagement is vitally important, particularly if children are struggling at school. I welcome the investment.”

“Youth investment should be the highest priority”

“Everybody will be happy with this proposal especially the young people”

- 4.20 There were a number of positive comments about the current service;

“The service is good as my children attend but the extra investment is welcomed”

“This is welcomed however the youth service is good I have family members that have used it”

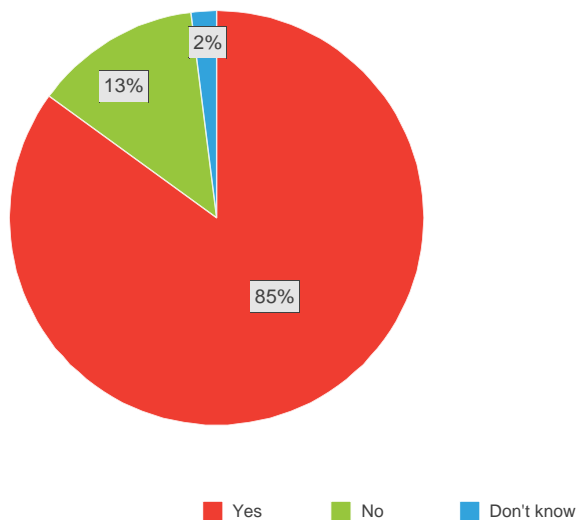
“Welcome to add to a really good service that’s making a difference”

Paddling Pools

4.21 The council is proposing to work with community groups and put in place a package of bespoke support that will enable paddling pools to open throughout the summer holiday period going forward. £50k is proposed to be included within the budget strategy for this purpose.

85% of respondents agreed with the investment in paddling pools.

Agree with additional investment in Paddling Pools



“I welcome this investment. Paddling pools were once essential services during the summer, and it is very positive to see them back in use.”

“A great suggestion will be well supported”

“Really important to get the paddling pools back open”

“....Any investment in this budget would be very welcome”

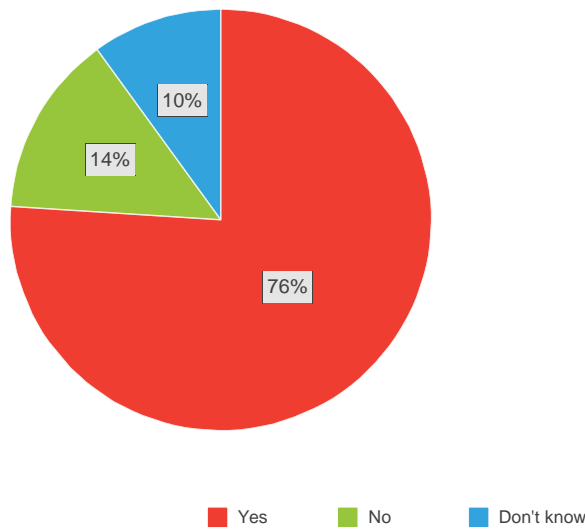
“Wholeheartedly agree with this. Paddling pools should remain open during the summer season and be upgraded as and when necessary.....”

Muni Arts Centre

4.22 The Council has been working in partnership to secure a long term sustainable future for the Muni Arts Centre and are developing an ambitious redevelopment of the Centre. Whilst these plans are being completed, it is proposed to re-open the Centre from the summer of 2020 and the Council will support its partner through a revenue contribution of £105k for 2020/21.

76% of respondents agree with this investment.

Agree to additional investment in Muni Arts Centre



“Again, this is positive. The Muni was a vital part of Pontypridd and it is wonderful to see it back up and running.”

“Great local venue so pleased it’s being reopened”

“Good to see Council working in partnership to keep Muni open”

“The Muni is a stunning building and deserves to have investment ploughed into it. On completion, I believe it will have a huge impact on visitor attraction to Pontypridd”

4.23 Some of the respondents were supportive with certain caveats;

“Providing the partner is putting into the budget and has a comprehensive long term business plan. The building needs utilising to its maximum potential.”

“This would be a good investment if people use the facilities”

“This would depend on whether the long term plans show a profitable or at least breaking even Arts Centre”

“It depends how well the building is managed”

Council Reserves

- 4.24 After taking account of the above and other budget requirements the remaining budget gap is £0.804M. The Council has set aside a reserve of one-off funding to support balancing the annual budget. It is proposed that an allocation of £0.804M is made from this funding for 2020/21. This would provide a balanced budget for 2020/21 and would leave £3.6M in the reserve fund.

90% of respondents agree with the use of this reserve funding.

“Any budget that seeks to make investment and maintain current service levels is welcome. Hopefully the Council can continue to make decisions like this in the future.”

“Doing this will keep the Council Tax at 2.85 percent well done I’m sure all the Council tax payers will agree with the decision taken”

“Makes sense to use some of this money”

“But long term it is not sustainable.”

Other Comments

- 4.25 A number of further positive comments were made on the budget strategy;

“Overall I think this is a good program of investment and look forward to seeing it implemented”

“Seems very positive with no cuts to services”

“Pleased to see new investments and no cuts”

- 4.26 There were some calls for more investment in social care;

“I am disappointed not to see more focus on social care, which is a huge issue for everyone, whether they want to admit it or not.”

“more investment needed in social care”

5. Disability Forum & OPAG Feedback

Disability Forum

- 5.1 A presentation was made and a discussion was held with the Disability Forum. Easy read versions of the information and questions were also provided to the group.
- 5.2 Overall the group thought the proposed increase in Council Tax was fair.
“2.85% is a fair increase”

Schools Budget

- 5.3 The importance of funding for schools was expressed;
“Got to educate the youngsters”
“keep them safe and secure in the school buildings”
“any increase in Council funding is a good bonus”.

Efficiencies

- 5.4 There was support for continued efficiencies.
“Yes if you can, back office efficiencies very sensible and tangible thing to do, as long as there are no staff losses on the frontline”

Fees and Charges

- 5.5 General agreement on the approach to fees and charges.
“increase in costs is fair, due to inflation and other costs going up”
“I do think this is fair”

School meals were discussed and the need to ensure that the quality of the food doesn't go down.

Investments

- 5.6 The investment discussion focused on the need for play areas and facilities to be made accessible for people with physical disabilities and for sensory uses. There was also debate on town centres and accessibility and the suggestion that the group could investigate the possibility of a town centre accessibility grant *“to enable businesses to make their businesses and shops more accessible”.*

Youth Engagement

- 5.7 Forum Members agreed with the investment proposed for youth engagement.

“Yes agree with this”

“The spend here is worthwhile”

Paddling Pools

- 5.8 The investment in paddling pools was welcomed as long as they will be used.

“If they are being used then spend the money”

Muni Arts Centre

- 5.9 There was universal agreement on the funding proposed for the Muni Arts Centre;

“I think it should be reopened, it is one of the main things in Pontypridd”

“Will help with the wellbeing of disabled people when open, it is accessible for parking and in a good location for service users”

Use of Council Reserves

- 5.10 There was limited feedback provided on using the Council reserves, but the comment noted was in favour;

“You should still have enough reserves after this for the next 3 to 4 years”

OPAG (Older Persons Advisory Group)

- 5.11 A presentation and discussion was held with members of the Older Persons Advisory Group and members were asked to promote the consultation with their Forum members.

Council Tax

- 5.12 The group agreed that a rise in Council Tax of 2.85% was reasonable.

“Yes agreed we said 3% in phase 1”

Schools Budget

- 5.13 The increase in funding for schools was welcomed.

“Yes agreed they are our future, we have to look after the kids”

Fees and Charges

- 5.14 The discussions on fees and charges revolved around the increase to the Lido charge of 50p for adults.

“We need a weekly or monthly charge.

“Have you thought about an over 60’s discount”

“Only local pool in Pontypridd, which would be free, but we like to support the Lido”

“Put everything up but not the lido”

Youth Engagement

- 5.15 There was support for the additional investment in youth services and the suggestion that Forums could work more on intergenerational projects.

“Agree with it, but be good to consider some intergenerational work to equip young people for the future”

Paddling Pools

- 5.16 There was also support for the paddling pools investment and suggestions for some investment in splash pools.

“Always good for the kids”

“Splash parks as well” (Aberdare and Pontypridd)

Muni Arts Centre

- 5.17 The Group has used the centre in the past for Forum meetings and welcomed the investment.

“A major building, a focus - central meeting point”

“We will use again as a group”

Reserves

- 5.18 There was support for the use of reserves to address the remaining budget gap.

6. YOUNG PERSON ENGAGEMENT

6.1 The following section outlines some of the feedback received from the 3 schools that we engaged with;

- Treorchy Comprehensive School
- Y Pant Comprehensive School
- Aberdare Community School

The approach we took with the schools, was to meet with a small group at each school (between 5 and 8 young people) and hold a focus group to enable discussions around the consultation questions in the main survey. Each focus group lasted around one hour and was delivered by an officer from the Consultation team and Cabinet office, along with a Finance officer for support.

Officers met prior to the focus groups and decided to adapt the survey questions to assist the focus group discussions.

Fees and Charges

Please pick 3 services to freeze the cost of and 3 services to increase the cost of.

6.2 We started with an ice breaker question from the survey and decided to give young people a choice of 3 services to freeze the cost of and 3 to increase the cost of. The services in question can be seen below:

Leisure centre / gym membership
Car parking
Sport field costs to clubs / teams
Meals on Wheels (MOW)
School dinners
Lido entry fee

We gave the young people a few minutes to read over some information and to work out which 3 they would choose to freeze and why.

Comments and reasons for choosing the options above:

“Freeze MOW, school dinners and sports field costs. MOW are essential – if you increase this, what is the effect? Sports are expensive anyway, teams aren’t going to be able to pay that extra year on year.”

“Freeze leisure centre / gym membership, MOW and school dinners. A lot of people rely on MOW and school dinners. Leisure centres – not enough people use it... it would sway people even more if the cost went up.”

“Same as above (Freeze leisure centre / gym membership, MOW and school dinners)”

“Freeze School dinners, MOW and Lido because it’s such a large increase. A lot of people go to the Lido as it’s more accessible even if it’s just in the summer.”

“Freeze Sports, MOW and School dinners. MOW will impact on more people.”

“In regards to sports fields, I’d try to keep costs low to enable clubs to keep using them and encourage a greater number to use.”

“I know a lot more people who would go to a leisure centre rather than sports and would be more useful for young people to have cheaper gym than sports fields.”

“I’d freeze school dinners because it’s the only proper meal young people get in a day – it’s vital.”

“Meals on wheels are for people in a vulnerable position. It’s important.”

“Sports clubs are a bit inclusive, it puts people off if they aren’t good enough. If you go to the gym, there’s nothing stopping you. It’s already overpriced, but if leisure centre prices are increased, it would discourage people from going.”

“Sports fields gives people the opportunity to exercise and keep fit... any increases are going to kill off sports fields.”

“MOW – not just food, company, loneliness – very often it’s the only contact people get in a day.”

“Sports fields are a community, young kids can get involved in.!”

“MOW – give back to elderly, it’s about company and social isolation, one hot meal and the ability to talk to someone.”

“School dinners helps people less well off. One choice of meal per day.”

Lido and car parking were areas that were not chosen to be frozen.

Comments included:

“Lido isn’t a necessity; people won’t go there regularly anyway, it’s not as important as the others, like food.”

“There are swimming pools in leisure centres.”

“Lido is more seasonal, 50p won’t affect your life every now and then, increasing prices will help the local economy.”

“Car parking, if we increase prices, people are more likely to use public transport.”

“The increases of 1.5% only work out around 3p more which is not going to break the bank.”

“Encourage use of public transport over car parking, encourage this.”

“Public transport should be improved. Discussions on South Wales Metro will start things off, bans on travelling and congestion charges like private cars in Bristol.”

“With the Lido – people come all round to go there, if people can afford transport to get there etc., they can afford an increase.”

Investments

Borrowing for Investment in our Infrastructure

- 6.3 The second question was about Council investments. We explained to the groups that the Council doesn’t have enough money in the bank to improve all of these services previously identified as priority areas, however the Council can borrow money over a longer term with a low interest loan to make these improvements.

Young people were asked whether or not they agreed that the Council should borrow money to invest into these areas and what their comments were to support their answers.

| |
|---|
| 21st Century Schools (new and remodelled schools) |
| Roads & Transport (repairs and resurfacing and major projects) |
| Recycling & the Environment (improving recycling performance) |
| Town Centres & Regeneration (improving the town centres) |
| Empty Properties (Grant to bring properties back into use) |
| Leisure (improvements to facilities) |
| Play Areas and Parks (upgrading the equipment and standard) |
| Extra Care/Community Hubs (focus on independence for older people) |
| Employment (apprenticeships and graduate placements) |
| Events/Arts (investment in attractions and theatres) |
| Flood Alleviation (investing in flood prevention schemes) |

**Do
you**

agree that the Council should be doing this?

“We should borrow as the longer you leave it, more of a problem it will be. If we keep improving, services will be better and will have an effect.”

“You’ve got to invest money in a lot of things, if you improve town centres, it would improve other things.”

“Is there a worry about paying back interest?”

“It’s safer to do it now before interest levels go up.”

“Town centres are good to invest into especially as Treorchy won town of the year, people are more likely to visit.”

“I’d agree, if it’s been done already, it should continue to be done. The valleys’ towns need to be invested in.”

“In the long term, it would be worth it. If you look at this school (Y Pant) in comparison to the last one, it’s a lot nicer. More roads, less congestion. Recycling & environment – cut down on waste. In the valleys, there are lots of run down towns that need to be built back up again. Parks, leisure, extra care, employment & apprenticeships is important, a good alternative to university - could reduce student debts. Arts is a good investment, bring people in. Flood prevention – never nice to be flooded.”

“If it’s been done previously to improve facilities, it’s more likely to be a positive and could lead to a better sense of community if we had more funding, people are more likely to use services if they are better.”

“Apprenticeships – a lot of people think they are limited to manual jobs. University isn’t always the right option for them. If there were more apprenticeships in the fields they wanted to go into, they’d be more likely to go into them.”

“Businesses would be booming if more money went into town centres & regen.”

“I would be in favour of the loan, but there is a risk. We need to be looking at what we can do.”

“Seems like a good idea – if you’re already in debt, you don’t use your own money. If you have a plan with contingencies, then it seems like a good idea!”

Youth Engagement

- 6.4 We went on to discuss other elements of the budget survey, specifically youth engagement.

We know the importance of engaging with young people and highly value their input. The Council is proposing to increase the budget to increase engagement and participation of young people.

Do you support this? - Comments – What would you like to see from this?

“Social media – you can find it yourself, you’re more likely to take part.”

“More focus groups with young people, but would like more feedback.”

“Run by young people / students, get young people more involved in consultations.”

“I’d like to see what you could do with TikTok.”

“Do more things like this.”

“This is better because we’re talking through, bouncing ideas – I thought I wouldn’t have an opinion but I have loads.”

“Youth Engagement: No, as the money to pay for it has got to come from somewhere and the other services are more important.”

“Funding towards youth engagement should increase, as many of the R.C.T initiatives put forward for young people provide vital opportunities that people may not normally be able to experience. Schemes such as YEPS and the youth forums make young people feel listened to. It also can serve as a way for young people to escape any negatives faced within their own personal situations.”

“Yes - It is vitally important to engage with young people in this local authority area. Their opinions must be taken into consideration on a whole range of things from public spending to new local authority initiatives. Furthermore, with the introduction of Welsh Assembly votes at 16 in Wales the need for increased youth political engagement and participation has never been greater. Young people could be going to the polls in 2021 with very little ideas about political parties including what they represent and politics in general. This needs to be drastically changed in order to vindicate the decision to give the vote to such a young age demographic.”

Paddling Pools

- 6.5 **Do you think the Council should set aside money every year to support groups to open paddling pools throughout the summer holidays?**

“Definitely”

“Initially yes, but then they should become self-funded / independent.”

“I don’t feel the Council should prop up organisations that aren’t profitable.”

“Businesses need to survive on their own going forward.”

“I found the paddling pool essential for my family in the summer.”

“As long as it’s safe, trained life guards, proper upkeep etc ”

“It’s something that is so good for the community.”

“Volunteers run them – paddling pool is a real asset.”

“Funding shouldn’t be set aside as I don’t believe it would be used by many people. The funding should go towards other initiatives that would have more engagement.”

Supporting the Muni Arts Centre

6.6 Do you agree with the Council’s plan to contribute towards supporting the re-opening of the Muni Arts Centre?

“Same idea as pool, important in community, can’t completely rely on Council.”

“Needs to be self-sufficient, needs start from Council but needs to become independent.”

“They have to manage in a way that they will eventually be able to run it alone.”

“I agree with the plan as places like that can serve as good tourism opportunities, which can really boost the local economy for areas that need extra money. It could improve the arts scene in R.C.T and serve as a way to broaden the communities’ horizons.”

“Yes - As someone who has taken an active role in school productions which used to occur at the Muni in Pontypridd, I would be one of the first to sing the praises of the facilities available there...”

“Live music (we’d like to see).”

“The content at the Coliseum etc. doesn’t attract me... comedians and comedies would appeal to me over musicals – maybe they could be advertised more?!”

Schools Budget

6.7 Do you agree that the Council should fully fund our schools for next year?

“Schools budget needs to increase.”

“Yes - As someone who is a key believer in the educational process, I feel that any additional investment into schooling in our local authority area would be worth its weight in proverbial gold as any investment that you put in almost directly corresponds with the quality of education that pupils receive. As with additional funding schools will be able to cover existing budget shortfalls, increase educational provision in lessons and provide more extracurricular opportunities for students. All of this will serve to increase both pupils enjoyment of the educational process and the quality of education that they receive from it. Allowing Welsh pupils to achieve their full potential and become some of the best students across the United Kingdom.”

“This is important for us.”

“Teachers sometimes have to buy resources for their lessons.”

“School buildings need modernising in other areas.”

Other comments

6.8 We ended the session by asking the young people if they had any other comments. The comments were mainly in relation to the focus group sessions. The sessions were very well received with most of the young people keen to take part in future consultations in this format, to express their views.

“Will you be doing more of these (engagement sessions)?”

“This method really works, more of a discussion.”

“Bouncing ideas off each other.”

“More of these types of consultations.”

“Different groups of people.”

“I'd be happy to help with future activities, so long as they don't conflict with my A-Level revision.”

“Happy to take part again.”

School Budget Forum Meeting 28th January 2020

The Council's Draft 2020/2021 Revenue Budget Strategy

Extract from minutes

The School Budget Forum received a presentation from the Service Director – Finance and Improvement Services advising Forum Members of the following:

- 2020/21 Draft Revenue Budget Strategy;
- Council's Current Financial Position (2019/2020);
- Phase 1 Budget Consultation – Headlines; and
- Provisional Local Government Settlement 2020/2021 – Headlines and Implications for RCT.

Following the overview, the Service Director referred the School Budget Forum to the 'Phase 2 Budget Consultation' section of the presentation and indicated that the views of the Forum would now be sought on Cabinet's draft revenue budget strategy for 2020/21.

In terms of Council Tax, Forum Members agreed that 2.85% is a reasonable increase for the 2020/21 financial year.

In respect of schools, the Service Director advised that the draft budget strategy aims to protect schools and the proposal would result in the school budget increasing from £148.9M to £161.6M for 2020/21, an increase of £12.7M (or 8.5%) and mean that schools will be fully funded for the forthcoming year. Discussions ensued and Forum Members agreed that the School Budget increase is a welcomed proposal. However, Forum Members sought confirmation that all schools would receive an 8.5% increase and also clarification around the wording 'fully funded' to ensure an accurate message can be conveyed locally within the context of continual pressures on schools to deliver results. The Head of Finance – Education and Financial Reporting confirmed that the 8.5% increase related to the total school budget and a number of factors at an individual school level will impact on the actual increase received per school, for example, changes in pupil numbers. The Head of Finance went on to provide clarity around 'fully funded' whereby the proposed overall funding level would cover inflationary increases to existing pay and non-pay expenditure areas and increases in pension costs and specific budget areas. The Chief Executive added that the Council recognises the challenging environment schools operate within and emphasised that the Council's proposed budget strategy prioritises and protects school funding levels compared to other Council services, and is the continuation of a strategy that has been applied within Rhondda Cynon Taf for a number of years.

With regard to efficiency savings, Forum Members agreed with the proposed approach and supported the principle for the Council to continue to become more efficient in future years.

For the area of fees and charges, Forum Members sought clarity on the rationale to increase school meal prices for 2020/21 and then introduce a price freeze for the next

2 years. The Council's Leader fed back that the proposed strategy seeks to partly mitigate the risk of food price increases for the 2020/21 financial year and the Council then committing to covering further risks in this regard for financial years 2021/22 and 2022/23 through a price freeze, with this approach continuing to provide on-going price certainty for families during this period.

In terms of the Council borrowing to invest in its infrastructure, Forum Members agreed with this approach.

In respect of other budget strategy proposals, Forum Members welcomed the proposal to invest an additional £250k in youth engagement and also agreed with the £50k proposed investment for paddling pools. Discussions continued and Forum Members queried whether the investment in the Muni Arts Centre (Pontypridd) would have a negative impact on the Park & Dare theatre and the Aberdare Coliseum. The Council's Leader fed back that the programmes across each venue would be planned and complementary to ensure no negative impact, and following consideration, Forum Members agreed with the Council's investment in respect of the Muni Arts Centre.

The Service Director went on to advise Forum Members that after taking into account the other budget strategy proposals, the remaining budget gap amounted to £0.804M. The Service Director indicated that it is proposed for an allocation of £0.804M to be made from a one-off funding reserve set aside for this purpose and would enable a balanced budget to be set for the 2020/21 financial year. The Service Director added that this approach would leave £3.6M in the reserve and Forum Members agreed with the Council's use of this reserve to support balancing the annual budget.

The Service Director informed Forum Members that the views of the School Budget Forum would be fed back to Cabinet at its meeting in February 2020 and incorporated into the Revenue Budget Strategy report presented to full Council in March 2020.

The Chair thanked School Budget Forum members and officers for their comments, and spoke of the challenging position the Council is facing to set a balanced budget for 2020/21 and at the same time continue to invest in key priority areas such as schools.

RHONDDA CYNON TAF COUNCIL FINANCE AND PERFORMANCE SCRUTINY COMMITTEE

Minutes of the meeting of the Finance and Performance Scrutiny Committee held on Wednesday, 29 January 2020 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 M Powell (Chair)

| | |
|-----------------------|-----------------------|
| Councillor G Thomas | Councillor G Holmes |
| Councillor S Bradwick | Councillor R Yeo |
| Councillor W Lewis | Councillor J Williams |
| Councillor T Williams | Councillor J Cullwick |
| Councillor G Caple | Councillor A Fox |

Officers in attendance:-

Mr A Wilkins, Director of Legal Services
Mr P Griffiths, Service Director – Finance and Improvement Services
Ms S Davies, Head of Finance – Education and Financial Reporting
Mrs Sarah Handy, Graduate Scrutiny Officer

County Borough Councillors in attendance:-

Councillor M Adams, Chair of the Overview and Scrutiny Committee
Councillor M Norris, Cabinet Member for Corporate Services

40 Declaration of Interest

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

41 Apologies

Apologies of absence were received from County Borough Councillors M. Diamond, A. Davies-Jones and S. Rees-Owen.

Extract from minutes

The Council's Draft 2020/21 Revenue Budget Strategy

With the aid of a PowerPoint presentation the Service Director – Finance and Improvement Services provided Members with an overview of the:

- 2020/21 Draft Revenue Budget Strategy;
- Council's Current Financial Position (2019/2020);
- Phase 1 Budget Consultation – Headlines;
- Provisional Local Government Settlement 2020/2021 – Headlines and Implications for RCT; and
- Phase 2 Budget Consultation.

The Service Director indicated that the overview provided the opportunity for the Committee to pre-scrutinise the draft Revenue Budget Strategy proposals for 2020/21 and also that the views of the Committee would be fed back to Cabinet at its meeting in February 2020 and incorporated into the Revenue Budget Strategy report presented to full Council in March 2020.

Members noted the overview and discussions ensued.

The Vice Chair referred Members to page 61 of the report and queried if the RCT rate of inflation differed from the Consumer Price Index (CPI) rate of inflation. The Service Director indicated that there is not an all-encompassing RCT rate of inflation and explained that the Council uses the CPI rate as a 'starting point' and the budget setting process takes account of local inflationary factors that impact on the cost of service delivery in Rhondda Cynon Taf, for example, changes in energy and food costs.

A further query was raised by Councillor Cullwick in respect of the increase in Welsh Government's Social Care Workforce and Sustainability Pressures Grant from £30Million to £40Million at an all Wales level for 2020/21. The Service Director confirmed that this funding is used to fund the Council's core base budget and the indicative allocation to the Council was £3.4Million.

Discussions continued and the following Budget Consultation questions were put to Members in order to obtain the Committee's feedback.

In respect of Council Tax, Members were asked whether they agreed with the increase of 2.85% for the next financial year. Overall, the majority of Members agreed with this increase; however, the Chair queried the difference between the majority of respondents in the Phase 1 consultation process agreeing to a 3% increase and the Council's proposal to increase by 2.85%. The Service Director fed back that overall 85% of respondents in the phase 1 consultation process supported a 3% or less increase and the draft strategy has taken this information into account together with the better than anticipated provisional settlement level from Welsh Government in proposing a lower Council Tax level.

Discussions ensued and Councillor Cullwick queried whether the United Kingdom General Election in December 2019 had impacted on the information included within the phase 1 budget consultation process or

information fed back by respondents. The Director of Legal Services fed back that the Council's phase 1 consultation process provided opportunity for consultees to feedback their views on the key strategic building blocks of the Council's budget for 2020/21 and noted that it commenced on 21st November 2019, prior to the United Kingdom General Election result, and closed on the 16th December 2019, the same day as the provisional local settlement was published by Welsh Government. The Director added that the phase 2 process takes account of the provisional local government settlement information as part of seeking feedback on Cabinet's draft revenue budget strategy for 2020/21.

In respect of Schools Budget, Members supported the proposal for the Council to fully fund schools for the next financial year.

With regard to efficiency savings, Members supported the proposed approach and agreed that the Council should continue to become more efficient going forward in future years. Councillor Yeo emphasised that there remain opportunities for the Council to become more efficient, for example, through the roll-out of agile working. The Vice Chair agreed that the Council needs to be as efficient as possible, stressed that the Council needs to define the word "efficiencies" as part of its consultation process and ensure that efficiency savings are carefully planned prior to implementation. The Service Director informed Members that the Council recognises the on-going delivery of efficiency savings at the level built into the 2020/21 draft budget strategy and also the levels delivered in previous years is becoming increasingly difficult to achieve, and added that clarity on what the Council defines as 'efficiency' is included within the consultation documentation i.e. budget savings that do not impact on frontline services. The Service Director went on to confirm that prior to efficiency savings being built into the Council's draft budget, they are robustly reviewed to ensure that they are deliverable and Members can monitor the Council's financial performance in-year as part of quarterly performance reports presented to the Finance and Performance Scrutiny Committee.

Councillor Cullwick sought clarity on the involvement of staff in respect of efficiency savings. The Service Director fed back that staff are encouraged to identify budget savings opportunities and, where relevant, are involved and supported as part of implementing budget saving measures.

In terms of the proposed treatment of fees and charges, Members agreed with the standard approach of a 1.5% increase together with the proposed specific exceptions. The Chair sought clarity on the £0.50 increase at the Pontypridd Lido and whether this also related to the use of the facility for children under 16. The Service Director feedback that the £0.50 increase related to the adult entry price only and that children under 16 will remain free of charge.

In the absence of Mr Fish, the Voting Elected Parent/Governor

Representative, the Chair put forward questions that Mr Fish had provided to the Chair prior to the meeting. Mr Fish requested that whilst the proposal to increase the School Budget by 8.5% for the forthcoming year is welcomed, assurance was sought that all schools would receive this level of increase without any subsequent efficiency saving requirement. The Head of Finance - Education and Financial Reporting advised Members that the 8.5% increase relates to the total school budget as a whole and a number of factors at an individual school level will impact on the increase received per school, for example, changes in pupil numbers. The Head of Finance added the requirement for a School to deliver an efficiency saving will depend on each individual school's spending plans for 2020/21, including its staffing requirement.

A further question was put forward from Mr Fish seeking clarity around the £0.05 increase in school meals and then the price frozen for 2 years compared to other fees and charges being frozen in 2020/21. The Service Director - Finance and Improvement Services provided context for Members in that school meal prices had been frozen for 3 of the last 5 years and the cumulative percentage increase over this period equated to just over 6%.

Discussions continued in respect of the Council borrowing to invest in its infrastructure. The Chair sought clarification as to the borrowing percentage (interest rate) that the Council would use and the Head of Finance - Education and Financial Reporting advised Members that the percentage would only be known at the point in time when the Council needs the investment. The Chair also sought clarity on the length of the repayment period for borrowing purposes and the Head of Finance advised that the repayment period would follow the expected life of the asset(s) acquired / enhanced.

In respect of other budget strategy proposals, Members agreed with the additional £250k investment in youth engagement and with the £50k investment in respect of paddling pools. Members also agreed with the Council's investment in the Muni Arts Centre; however, the Chair queried what the £105k would be spent on. The Service Director informed Members that the investment would support operational costs to enable the Centre to be re-opened in 2020. The Vice Chair praised the progress that has been made in respect of the Muni Arts Centre and emphasised that investment in the Arts is welcomed, particularly in light of the impact of austerity over a number of years.

The Service Director also informed Members that other budget strategy elements proposed related to:

- Local NDR Relief Scheme;
- Home to School Transport (Procurement efficiencies);
- Council Tax Reduction Scheme; and,
- Supported Accommodation Strategy.

The Service Director went on to advise Members that after taking into account all of the other budget strategy proposals, the remaining budget gap amounts to £0.804M. The Service Director indicated that the Council has set aside a reserve of one-off funding to support balancing the annual budget and it is proposed that an allocation of £0.804M is made from this funding for 2020/21. The Service Director added that this proposal would provide a balanced budget for 2020/21 and would leave £3.6M in the reserve fund. Members agreed with the Council's use of the reserve fund as part of setting a balanced 2020/21 revenue budget strategy.

Members were then asked to provide any additional comments in respect of the proposed budget strategy:

- Councillor Yeo praised the budget strategy, particularly in light of the Council's investment in adult services.
- Councillor Cullwick queried whether an opposition party could put forward a different proposed budget strategy and the Service Director advised that alternative suggestions would be welcomed.
- Councillor Lewis sought clarification as to the methods being used by the Council to engage the public in the consultation process. The Service Director advised Members that a comprehensive approach is taken that includes: an on-line questionnaire; face to face 'public drop in events'; engaging with the Older Persons Advisory Group, Disability Forum, Young Persons engagement and the School Budget Forum; and promotion through social media. Councillor Lewis also sought clarity around how the results of the consultation are being fed back to the public. The Service Director informed Members that the results are fed back to specific groups as part of phase 2 of the consultation process and the full consultation report is available on the Council's website.

In conclusion, the Service Director stated that the views of Members of the Committee would be fed back to Cabinet at its meeting in February 2020 and would be presented to full Council in March 2020.

The Chair thanked the Service Director for the presentation.

Following a discussion, Members **RESOLVED**;

1. That the views expressed by the Members, as set out in the body of the minutes, are fed back to Cabinet in respect of their budget strategy proposals.

This meeting closed at 7.25 pm

**CLLR M. POWELL
CHAIR.**