



RHONDDA CYNON TAF COUNTY BOROUGH COUNCIL

MUNICIPAL YEAR 2020-2021

COUNCIL

10th MARCH 2021

THE COUNCIL'S 2021/22 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 2021/22 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 2022.

2.0 RECOMMENDATIONS

It is recommended that Members:

- 2.1 Note the written statement from the Minister for Housing and Local Government (Julie James MS) and the table on the 2021/22 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 section 5;
- 2.3 Agree a Council Tax increase for 2021/22 of 2.65%;
- 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 10.3(a) to 10.3(i);

- 2.6 Agree the use of the 'Medium Term Financial Planning & Service Transformation Reserve' as transition funding, totalling £0.711M for 2021/22;
- 2.7 Approve Tables 3 and 4 in Section 13 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 2021/22 at £527.903M, 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 2021.

3.0 BACKGROUND

- 3.1 At the Council meeting on the 25th November 2020, the Council's audited accounts were presented which reported General Fund Balances amounting to £8.709M.
- 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 During the last financial year, 2019/20, our reserves were used to support our residents and businesses in the immediate aftermath of Storm Dennis. Whilst reducing our reserves below what is considered to be the minimum level, it was wholly appropriate that they were used in this way and for this purpose. The Director of Finance and Digital Services is satisfied that plans are in place to replenish General Fund Reserves to the minimum level over the period of our Medium Term Financial Plan (at £0.5M per year for the next 3 years).
- 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 Audit Wales. 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 2020 was £3.563M. 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 £4.330M (additional in year savings to date of £0.767M).

- 3.5 Audit Wales continue 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 Audit Wales 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 2022. This must involve an approach which publicly demonstrates sound financial stewardship; which does not take unnecessary risks; which maximises income generation; continues to deliver (as far as possible, and where available) 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 2021/22. The broad objectives of next year's proposed strategy are to:
- (i) Support the delivery of our key strategic priorities -
 - 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 Audit Wales 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 2021/22 LOCAL GOVERNMENT SETTLEMENT

- 4.1 On the 2nd March 2021, the Minister for Housing and Local Government (Julie James MS) announced the Final 2021/22 Local Government Settlement. The Minister's statement and key data table is attached at Appendix 1.
- 4.2 The "headlines" of the 2021/22 Final Settlement are as follows:-
- a. The overall increase in Revenue Support Grant (RSG) and Non-Domestic Rates (NDR) funding for 2021/22 (of unhypothecated funding) at an all Wales level, after adjusting for transfers is 3.8% (+£172M).

- b. The settlement for Rhondda Cynon Taf, amounts to an increase of **3.8%** which equates to the average all Wales increase. Settlement figures across Wales range from 2.0% to 5.6%.
- c. No 'floor' protection has been included for 2021/22.
- d. The Settlement figures for 2021/22 include transfers into the settlement in respect of the Teachers Pay Grant (£3.981M) and the Coastal Risk Management Programme (not applicable to this Council). The value of the Teachers Pay Grant for this Council is £0.328M. Whilst the part year (2020/21) implications of the Teachers Pay 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 2021/22.
- f. Final figures and indicative estimates are included for specific grants, at an all Wales level. Of particular note, would be the continuation and increase (from £40M to £50M) in the Social Care Workforce Grant. This funds our core base budget. Also included is £206M in respect of extending the Local Government Hardship Fund for 6 months; this provides support to councils for additional costs and income losses due to the pandemic.
- g. The Council's General Capital Funding allocation has increased by £0.087M to £13.764M.

5.0 COUNCIL BASE BUDGET REQUIREMENT 2021/22

- 5.1 In anticipation of the 2021/22 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 any additional burdens imposed on the Council.
- 5.2 The Council's updated budget requirement was reported to Council on the 20th January 2021 alongside the implications of the Provisional Local Government Settlement which was announced on the 22nd December 2020.
- 5.3 After taking into account the updated budget requirement and the provisional settlement increase of 3.8%, in addition to the increased funding in respect

the Social Care Workforce Grant and the Council's updated Tax Base, the Council was faced with a **remaining budget gap of £4.057M**.

- 5.4 It was against this position which the Cabinet have considered their further budget strategy options for 2021/22.
- 5.5 The Final Settlement, as detailed in section 4, resulted in no change from the Provisional Settlement.

6.0 DEVELOPING AN EQUITABLE, DELIVERABLE AND BALANCED BUDGET FOR 2021/22

- 6.1 Notwithstanding the relatively positive settlement from Welsh Government (WG) for 2021/22, it does follow a sustained period of real term reductions to our funding levels and more recently significant storm damage and the pandemic, 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.
- 6.5 Additional costs and income losses which we have incurred during this financial year specifically and directly attributable to the pandemic have been funded by WG, via a claims based Hardship Fund. WG are committed to

continuing this process into 2021/22 and accordingly our core base budget does not include provision for such additional costs. The Final Settlement confirms that WG have set aside funding (£206M) for the first 6 months of 2021/22.

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 2021/22 by 2.65%, that is, less than the 2.85% originally modelled. This proposed increase equates to 51p per week for a person living in a Band A property and 76p 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 2.65% will increase the remaining budget gap by £0.182M.
- 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 £1.157M (at the 2021/22 tax base level), but will also cost £0.247M in additional CTRS requirements. It therefore follows that a 1% increase generates a net additional income of £0.910M, or stated another way, 21% 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 The Schools Budget (ISB) is proposed to be increased to cover, in full, all inflationary and pupil number pressures, including NDR increased costs. Unlike other Council services there is no efficiency target or expectation albeit schools may need to take local action to absorb the financial implications of decisions taken locally.
- 8.3 In overall terms, the proposal sees the Schools Budget (ISB) increase from £161.6M to £163.8M, an increase of £2.2M. Schools are therefore fully funded for 2021/22.

9.0 EFFICIENCY

- 9.1 Council services have for many years now delivered against ambitious efficiency targets, making considerable budget reductions without adversely impacting on front line service provision.
- 9.2 As part of the current year's budget strategy, efficiencies of £6M were identified and delivered albeit it was noted that the ongoing sustainability of delivering efficiencies at this level would need to be considered.
- 9.3 The pandemic has clearly significantly impacted on our normal practises of considering our budget setting on a continuous basis, working across services in identifying efficiencies and budget reduction options and delivering on them early. The focus of our service managers has clearly and appropriately been prioritised on supporting and protecting our residents, businesses and communities.
- 9.4 Notwithstanding this however, our senior finance officers have continued to work alongside service managers and have again identified budget reduction measures which can be delivered without adversely impacting on our front-line services. Indeed, at as the quarter 2 performance report presented to Cabinet on the 17th November 2020, we were able to release £767k of in year base budget reductions.
- 9.5 Whilst at a slightly lower level than previous years, efficiencies have been identified amounting to £4.6M which can be delivered and removed from next year's base budget requirement.

10.0 BUDGET STRATEGY PROPOSALS

- 10.1 This Council has taken a proactive approach to dealing with the budget pressures it continues to face including delivery of 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.
- 10.2 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.
- 10.3 For 2021/22, the following proposals are recommended to Council.
- a. **NDR Local Relief Scheme**

Cabinet last year (13th February 2020) determined to implement a local Business Rate Reduction Scheme for 2020/21. The scheme supplemented the Welsh Government High Street and Retail Rate Relief Scheme by providing a further relief of £300 per qualifying business.

It is proposed that this local relief is continued for 2021/22 and increased to £350 per qualifying business.

The cost of this proposal is **£50k**.

b. Car Park Charges

Our town centres have been significantly impacted by the restrictions placed on retail, leisure and hospitality businesses plus the need to put in place measures to adhere with social distancing and enhanced cleaning and hygiene regimes. In order to encourage visitors to our town centres and to aid the recovery of our valued businesses, it is proposed that we tailor our car parking charges, noting that in all of our town centres other than Pontypridd and Aberdare, parking is already free.

The proposal is that car parking is free after 3pm on Monday to Fridays and free all day (after 10am) on Saturdays.

The cost of this proposal in terms of income foregone is **£160k**.

c. Climate Change and Carbon Reduction

The Council's commitment to responding to climate change and carbon reduction has already been well documented, with the Climate Change Cabinet Steering Group having met regularly since its inaugural meeting in November 2019. The initial work programme set out in December 2019 has been delivered alongside an ambition to be further impactful and a community leader in this area, recognising the wider role that our residents, businesses and partners must play.

In order to support this work, it is proposed that a core base budget is put in place in order that a lead coordination role can be established along with a resource which can commission work from third parties to continue and, where possible increase the pace of our work in this area.

The cost of this proposal is **£100k**.

d. Graduates

Our graduate programme has already provided the opportunity for over 100 graduates to join the Council and develop and progress into middle and senior management roles. It is a key part of our workforce planning strategy and service continuity arrangements, developing our own staff to meet the ongoing and changing needs across our services.

It is proposed that additional resources are set aside to enable a further 6 graduates to be appointed, over and above our existing commitment.

The cost of the proposal is **£200k**.

e. Well-Being Support

The performance and commitment of our staff resources has been exemplary during this period across all of our service areas, demonstrating an outstanding attitude to public service and to the well being of our residents, businesses and communities. This has been set against the backdrop of significant personal challenge for them themselves in terms of the restrictions placed on them and their families and the circumstances in which they have had to perform their responsibilities.

Our staff are without doubt our most valued asset – they are the front face of the Council and represent and uphold our key values as public servants. We recognise the challenges faced by staff and have ensured that we continue to support their welfare and wellbeing. The additional resource proposed will enable us to expand upon the current support programmes we have in place and further develop these programmes across the workforce.

The cost of the proposal is **£50k**.

f. Fees and Charges

A final report on the proposed level of Fees & Charges for 2021/22 was presented to and agreed by Cabinet on the 25th February 2021. The Cabinet's proposals with regard to fees and charges would see a standard increase of 1.7% (CPI), with a number of specific exceptions (noting that at the 25th February meeting, Cabinet determined to also freeze charges for the use of 3G pitches for 2021/22):

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 and then frozen until 2023
School Meals	Freeze (as per decision taken in 2020/21 to hold prices until April 2023)
Bereavement Fees	Freeze
Lido / Rhondda Heritage Park	Freeze
3G Pitches	Freeze

The impact of these draft proposals would cost **£187k**.

g. Public Health and Protection Services – Additional Resources

The Public Health and Protection service has played a key role this year in ensuring the public health and wellbeing of our communities, providing advice and guidance and leading on initiatives such as the Test Trace Protect programme.

The additional investment proposed in the service will enable additional resources to be employed, further strengthening the team and providing future resilience for the service.

The cost of the proposal is **£200k**.

h. Flood Prevention Support

Our communities continue to recover from the exceptional storm events during last winter, including Storm Dennis. Significant recovery work is ongoing across the County Borough to the infrastructure damaged.

Over 1,000 homes and 400 businesses were flooded during Storm Dennis. It is proposed that alongside all other support being provided, that an advisory role is put in place to ensure that our residents and businesses are supported in protecting themselves as far as possible from any storm damage, including for example insurance availability and physical property protection opportunities.

The cost of this proposal is **£50k**.

i. Overgrowth Team

Our local environment remains a key priority of the Council, keeping our physical places clean, removing eyesores and ensuring that our natural resources are appropriately maintained. We already have a number of teams who are responsible for ensuring that our overgrowth is effectively maintained and it is proposed that an additional team is put in place to further enhance this work.

The cost of this proposal is **£75k**.

10.4 The implications of the above strategy proposals, including the proposed reduction in the level of Council Tax increase and the delivery of efficiencies, on the remaining budget gap position is shown in table 1.

Table 1 : Budget Strategy Proposals 2021/22

	£'000	£'000
Remaining Budget Gap		4,057
Council Tax at 2.65%	182	
Efficiencies	- 4,600	
NDR Discretionary Relief	50	
Fees and Charges	187	
Car Park Charges	160	
Climate Change and Carbon Reduction	100	
Graduates	200	
Well being Support	50	
Public Health and Protection - Additional Resources	200	
Flood Prevention Support	50	
Overtgrowth Team	75	- 3,346
Remaining Budget Gap		711

- 10.5 *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.
- 10.6 As previously referenced the reserve currently stands at £4.330M, having been replenished during this year (2020/21) by £0.767M to quarter 2. Accordingly, to address the remaining budget gap, it is proposed that an allocation of £0.711M is made from this reserve for 2021/22. This would facilitate a balanced budget for 2020/21 and would leave £3.619M 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.

Table 2 : Budget Strategy Proposals 2021/22 – Balancing the Budget

	£'000
Remaining Budget Gap	711
Use of Transition Funding	- 711
Remaining Budget Gap	-

- 10.7 The above provides a robust and balanced budget strategy for financial year 2021/22 which is now recommended to Council.

11.0 SERVICE PRIORITIES

- 11.1 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.
- 11.2 The Council's Corporate Plan 2020-2024 sets out that our key purpose is to provide strong community leadership and create the environment for people and businesses to be independent, healthy and prosperous.
- 11.3 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 £107M (over and above the normal Capital Programme) in areas supporting key Corporate Plan priorities since October 2015, the latest investment (£11.8M) being agreed by Council in March 2020.
- 11.4 A report setting out the updated capital programme for 2021/22 to 2023/24 will be reported for Members consideration alongside this revenue budget strategy.

12.0 THE 2021/22 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 approach to budget consultation for 2021/22 was set out in the Cabinet report dated 13th October 2020. 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 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.
- 12.3 The Phase 1 Consultation report was considered by Cabinet on the 28th January 2021 alongside the initial budget proposals which were then consulted upon as part of Phase 2.
- 12.4 The Phase 2 Consultation report is now attached at Appendix 2. The phase 2 consultation process ran from the 29th January 2021 to the 12th February 2021 and included:

- On-line questionnaire;
- The option to attend an online Zoom public meeting;
- Young persons engagement including via Instagram and a presentation and survey sent to 3 colleges, 2 schools and members of the Youth Forum;
- Promotion through social media;
- Correspondence with the Disability Forum;
- On-line Zoom meetings with:
 - Older Persons Advisory Group (3rd February 2021);
 - School Budget Forum (4th February 2021);
 - The Council's Finance and Performance Scrutiny Committee (4th February 2021); and
 - Community Liaison Community (5th February 2021).

12.5 With regard to the consultation activity undertaken with the Finance & Performance Scrutiny Committee and the School Budget Forum, the extracts of the minutes from these meetings are attached at Appendix 3 and Appendix 4 respectively.

13.0 THE 2021/22 MACRO REVENUE BUDGET

13.1 In arriving at a strategy for 2021/22, 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.

13.2 Table 3 below illustrates how the revenue resources available to the Council could be utilised, with a Council Tax increase of 2.65%:

Table 3: Proposed Resources in 2021/22

	£M
2021/22 Net Revenue Spending	527.903
LESS: Revenue Support Grant & NDR Contribution	404.375
LESS: Social Care Workforce Grant	4.075
Sub total	119.453
LESS: Release of Earmarked Reserves	0.711
To be met from Council Taxpayers	118.742

- 13.3 Table 4 below, shows the overall effect on services of applying the principles of the Cabinet's recommended outline 2021/22 budget strategy.

Table 4: Application of the 2021/22 Outline Budget Strategy

BUDGET REQUIREMENTS	2020/21	2021/22	Increase/ (Decrease)
	£M	£M	£M
<u>Corporate Requirements</u>			
Capital Financing	19.713	19.950	0.237
Levies	12.438	12.862	0.424
Council Tax Reduction Scheme	24.680	25.334	0.654
Miscellaneous	13.641	14.429	0.788
	70.472	72.575	2.103
<u>Individual School Budgets (ISB)</u>			
Individual School Budgets	161.578	163.784	2.206
<u>Other Council Services</u>			
Community & Children's Services	162.681	171.372	8.691
Prosperity, Development and Frontline Services	55.928	60.955	5.027
Chief Executive's	27.039	26.809	(0.230)
Education & Inclusion Services	31.049	32.408	1.359
Net Revenue Spending	508.747	527.903	19.156

14.0 SPECIFIC GRANTS

- 14.1 For next year, the Welsh Government is to provide over £1BN in Specific Revenue Grants to Welsh Local Authorities.
- 14.2 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.
- 14.3 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.
- 14.4 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 Grant) and it is important that we seek to ensure their continuation beyond 2021/22.

15.0 EQUALITY AND DIVERSITY IMPLICATIONS

15.1 In developing the recommended 2021/22 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.

16.0 CONSULTATION

16.1 Consultation and engagement has been undertaken as part of formulating the recommended 2021/22 Revenue Budget Strategy, the results from which are set out in Section 12 of the report.

17.0 FINANCIAL IMPLICATION(S)

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

18.0 LEGAL IMPLICATIONS OR LEGISLATION CONSIDERED

18.1 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 2021/22 Revenue Budget Strategy and its reporting to full Council ensures compliance with these legal duties.

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

19.1 The recommended 2021/22 Revenue Budget Strategy has been formulated to support the delivery of the Council's strategic priorities, as set out within the Corporate Plan "Making a Difference" 2020 – 2024. The plan is aligned to the goals and principles included within the Well-Being of Future Generations (Wales) Act.

20.0 CONCLUSIONS

- 20.1 The Council's overall financial position remains sound, with a clear plan in place to replenish the level of General Reserves to the recommended minimum level of £10M.
- 20.2 On the 2nd March 2021, the Minister for Housing and Local Government (Julie James MS) announced the Final 2021/22 Local Government Settlement which showed this Council's increase in resources was set at 3.8%.
- 20.3 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 2021/22.
- 20.4 The Cabinet has recommended setting the 2021/22 revenue spending and budget at £527.903M which will require a Council Tax increase of 2.65% for the financial year ending the 31st March 2022.
- 20.5 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.



Llywodraeth Cymru
Welsh Government

WRITTEN STATEMENT BY THE WELSH GOVERNMENT

TITLE **Final Local Government Settlement 2021-22**

DATE **2 March 2021**

BY **Julie James MS, Minister for Housing and Local Government**

Following today's announcement of the Welsh Government's Final Budget, I am publishing details of the core funding allocations for unitary authorities for the forthcoming financial year through the Final Local Government Revenue and Capital Settlements for 2021-22 (the Settlement).

In preparing the final Settlement, I have given careful consideration to the responses I received to the consultation on the provisional settlement, which closed on 9 February. The responses did not identify any matters which required a change of approach for the final Settlement. For 2021-22 local authorities will receive £4.65 billion from the Welsh Government in core revenue funding and non-domestic rates to spend on delivering key services. Adjusting for transfers, the core revenue funding for local government in 2021-22 will increase by 3.8% on a like-for-like basis compared to 2020-21.

In addition to this, I am publishing information on revenue and capital grants planned for 2021-22. These amount to over £1 billion for revenue and over £760 million for capital, with further grants to support local authorities through the pressures faced by the Coronavirus pandemic. We are providing these grant values to enable local authorities to plan their budgets efficiently.

I have allocated all available funding into the provisional settlement to give as much early certainty as I could to authorities. I have no further funding currently available. I am not therefore providing for a funding floor since any floor which would be put in place would have to redistribute funding.

As set out in today's budget, the Welsh Government's funding priorities continue to be health and local government services. This is undoubtedly a good Settlement for local government; however, I am aware a second good settlement in as many years does not make up for 10 years of the UK government's austerity agenda.

I know local government has been facing significant pressures, particularly arising from the COVID-19 pandemic. As part of the budget, the Finance Minister announced that we have extended the Local Government Hardship Fund for 6 months, with £206m to support councils with ongoing additional costs and loss of income due to the pandemic.

In setting the overall Settlement at this level the Government has responded to the negative impact of the pandemic on Non Domestic Rate (NDR) collection and the freeze of the NDR multiplier by a compensating rise in the revenue support grant element of the Settlement.

Attached to this statement is a summary table setting out the Settlement allocations by authority. The allocations are derived using the formula developed and agreed in partnership with local government. As a result of the formula and related data, the table shows the range of the funding allocations, from a 2.0% increase over the 2020-21 settlement to a 5.6% increase.

Further details on the Settlement will be sent to all local authorities and published on the Welsh Government's website:

<https://gov.wales/local-government-revenue-and-capital-settlement-2021-2022>

General capital funding for 2021-22 will be set at £198 million. This includes £20 million for the public highways refurbishment grant and a continuation of an additional £35m provided for in the budget for 2020-2021. This will help enable authorities to continue to respond to our joint priorities of decarbonisation, the climate emergency and economic recovery following Covid-19.

I know that authorities will have already made tough choices in setting their budgets. The setting of budgets, and in turn council tax, is the responsibility of each local authority and authorities will need to take account of the full range of sources of funding available to them, as well as the pressures they face, in setting their budgets for the coming year.

The motion for the Senedd to approve the Local Government Finance Report (No.1) for 2021-22 is scheduled for debate on 9 March 2021.

Summary Table

2021-22 final settlement – comparison of 2020-21 AEF (adjusted for transfers) and 2021-22 final AEF, and distribution of the 2020-21 Council Tax Reduction Schemes funding (distributed within AEF) (£000s)

Unitary authority	2020-21 adjusted AEF ¹	2021-22 final AEF ²	% change on adjusted 2020-21 AEF	Rank	Council Tax Reduction Schemes (within AEF)
Isle of Anglesey	101,369	104,825	3.4%	18	5,186
Gwynedd	188,409	194,793	3.4%	19	8,541
Conwy	161,181	166,906	3.6%	17	9,138
Denbighshire	153,089	158,632	3.6%	16	8,920
Flintshire	199,267	206,778	3.8%	14	9,609
Wrexham	184,569	188,856	2.3%	21	9,062
Powys	184,554	191,897	4.0%	8	8,775
Ceredigion	107,545	109,658	2.0%	22	5,122
Pembrokeshire	172,502	179,387	4.0%	7	8,187
Carmarthenshire	274,355	284,820	3.8%	13	13,996
Swansea	339,445	352,642	3.9%	10	19,264
Neath Port Talbot	227,198	236,680	4.2%	6	15,977
Bridgend	203,540	212,192	4.3%	5	13,088
The Vale Of Glamorgan	160,455	168,316	4.9%	2	9,062
Rhondda Cynon Taf	389,403	404,375	3.8%	11	21,936
Merthyr Tydfil	96,973	101,476	4.6%	3	5,595
Caerphilly	283,708	292,367	3.1%	20	12,372
Blaenau Gwent	116,112	120,361	3.7%	15	8,067
Torfaen	140,308	146,340	4.3%	4	8,331
Monmouthshire	97,673	101,483	3.9%	9	5,753
Newport	228,000	240,796	5.6%	1	10,083
Cardiff	469,913	487,913	3.8%	12	27,934
All Unitary Authorities	4,479,570	4,651,494	3.8%		244,000

Note: Total may not sum correctly due to rounding

1. 2020-21 AEF adjusted transfers of £5.127m (at 2020-21 prices) into the Settlement
2. The 2021-22 final AEF is unchanged from provisional settlement.



Budget Consultation 2021/22 (Phase 2)

*Rhondda Cynon Taf County Borough
Council*

February 2021



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EXECUTIVE SUMMARY

- This section provides a summary of the main findings from the Phase 2 Budget Consultation 2021/22.
- The consultation was conducted in-house. The consultation period ran from the 29th January and ended on the 12th February 2021.
- The 'digital by default' approach included the following methods to consult with a range of stakeholders:
 - An online questionnaire;
 - The option to attend a Public Zoom meeting;
 - Promotion through social media;
 - A Facebook Takeover event;
 - An online Older Persons Advisory Group Meeting (OPAG);
 - Correspondence with the Disability Forum;
 - Presentation and Survey sent to 3 Colleges, 2 Schools and members of the Youth Forum;
 - Series of polls via the Youth Engagement and Participation Service Instagram page;
 - Finance & Performance Scrutiny Committee virtual meeting;
 - Community Liaison Committee virtual meeting;
 - School Budget Forum virtual meeting;
 - Promotion with the Citizen's Panel; and
 - An email sent to key stakeholders, including Community and Town Councils, Trade Unions, Councillors, Local Members of the Senedd and Members of Parliament.
- The Council provided a number of alternatives to online engagement, as it is important to continue to consider hard to reach groups, those having reduced or no access to the Internet and those who prefer to engage through traditional methods.
- The majority of respondents felt that the proposed 2.65% increase in Council Tax was reasonable (76%).
- 81% of respondents agreed with the proposals for the delivery of efficiency savings for next year.
- 87% of respondents agreed with the proposals for fees and charges.
- 87% of respondents agreed with the proposed additional investment of £50K in the Local Business Rate Reduction Scheme.
- 83% of respondents agreed with the proposed £160K investment in car parking.

- 79% of respondents agreed with proposed £100K investment to support the ongoing work on climate change and carbon reduction.
- 70% of respondents agreed with the proposed £200K investment in the graduate programme.
- 81% of respondents agreed with the proposed £50K investment in well-being support for Council staff.
- 86% of respondents agreed with the proposed £200K investment to provide additional resources to Public Health and Protection Services.
- 91% of respondents agreed with the proposed £50K investment to support flood prevention.
- 82% of respondents agreed with the proposed £75K investment in an Overgrowth Team.
- 90% of respondents agreed with the use of £0.709M in transitional funding to address the remaining budget gap.
- 338 people were engaged in the phase 2 budget consultation.
- Overall (including Phase 1) almost 1,500 people were engaged in the Council's budget setting process.

1. INTRODUCTION

- 1.1 This report presents the findings of the Phase 2 Budget Consultation 2021/22.
- 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 and the feedback received from the Older Persons Advisory Group and Disability Forum.
- 1.5 Section 5 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 Rhondda Cynon Taf's 2021/22 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 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.
- 2.5 The Phase 1 Consultation report was available to support the preparation of the budget strategy proposals and was presented to Cabinet on the 28th January 2021, where a draft budget strategy was agreed.
- 2.6 This report presents the findings of **phase 2** of the budget consultation, which asked for views on the draft budget strategy for 2021/22.
- 2.7 Phase 2 started on the 29th January and ended on the 12th February 2021.

3. METHODOLOGY

- 3.1 This section provides a summary of the main findings from the Phase 2 Budget Consultation 2021/22. The consultation was conducted in-house.
- 3.2 The consultation period ran from the 29th January and ended on the 12th February 2021.
- 3.3 The 'digital by default' approach included the following methods to consult with a range of stakeholders:
- An online questionnaire;
 - The option to attend a Public Zoom meeting;
 - Promotion through social media;
 - A Facebook Takeover event;
 - An online Older Persons Advisory Group Meeting (OPAG);
 - Correspondence with the Disability Forum;
 - Presentation and Survey sent to 3 Colleges, 2 Schools and members of the Youth Forum;
 - Young Person engagement via the Youth Engagement and Participation Service Instagram polls;
 - Finance & Performance Scrutiny Committee virtual meeting;
 - Community Liaison Committee virtual meeting;
 - School Budget Forum virtual meeting;
 - Promotion with the Citizen's Panel; and
 - An email sent to key stakeholders, including Community and Town Councils, Trade Unions, Councillors, Local Members of the Senedd and Members of Parliament.

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

- 3.4 The Council provided a number of alternatives to online engagement, as it is important to continue to consider hard to reach groups, those having reduced or no access to the Internet and those who prefer to engage through traditional methods. This included:
- A telephone consultation option working with the Council's Contact Centre. The Contact Centre number was made available for people to discuss their views or as a minimum to request consultation materials.
 - Individual call backs were offered if required.
 - Paper surveys and information available on request.
 - Consultation freepost address for postal responses.
- 3.5 The Team designed an Easy Read/Plan English Document in paper format and online, to simplify some of the consultation materials.

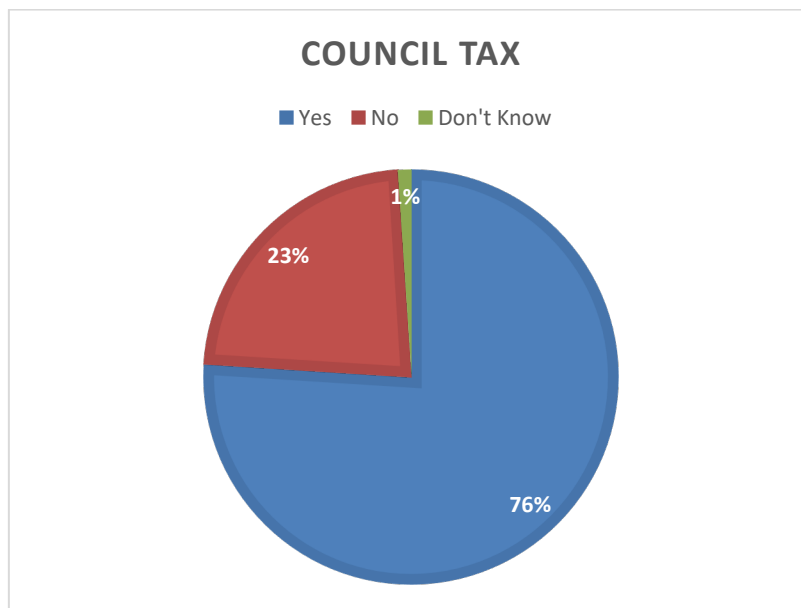
- 3.6 338 people were engaged in the phase 2 budget consultation. Overall (including Phase 1) almost 1,500 people were engaged in the Council's budget setting process.

4. Consultation Findings

- 4.1 The following section outlines the results from the phase 2 budget consultation questionnaire (236 responses) and the feedback received from the Older Persons Advisory Group and Disability Forum members. 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 2.65% for next year. **The majority of respondents felt that the increase was reasonable (76%).**



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

- 4.3 The comments on Council Tax, included those who thought the increase of 2.65% was reasonable:

"A very reasonable increase."

"Considering the bad year, it's very reasonable".

"Satisfied with the increase to maintain services".

“While any rise will have some people objecting, I’m happy to support this as it’s modest and lower than first planned.”

- 4.4 There were some suggestions that the increase should be higher than 2.65%;

“Would not object to the initial 2.85%”

“I would prefer it slightly higher.”

“I would be happy for a higher increase”.

- 4.5 And there were those who were against any increase or would prefer a lower increase, mainly due to the financial impact of the current pandemic.

“due to current crisis, I don’t believe the council should increase the council tax”.

- 4.6 OPAG members overall agreed with the proposed Council Tax level of 2.65%.

“I agree, we know it has to go up, due to the responsibilities the Council has.”

“Very reasonable. If the Council can do this without cutting vital services, then that is brilliant.”

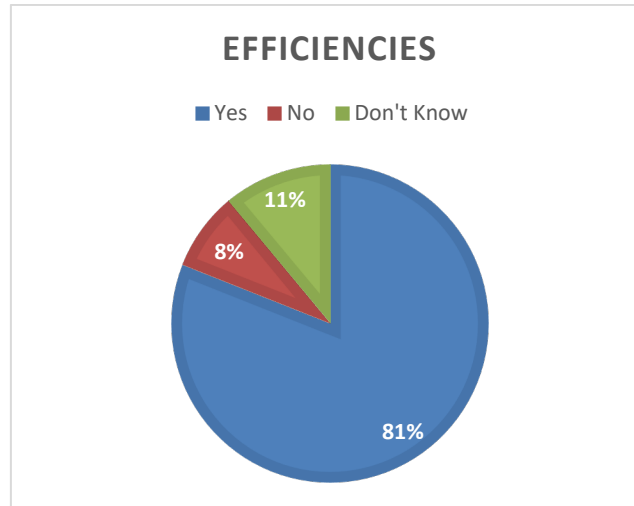
- 4.7 Disability Forum member responses on council tax levels included:

“There’s no need to increase anything for anything COVID-19 related. The Government can do this and has enough money to fund this by reducing pensions.....”

“I agree with a Council tax increase of 2.65% for this.”

Efficiencies

- 4.8 The Council's budget strategy has identified efficiency savings amounting to £4.6M for 2021/22 that will not impact on frontline services.



81% of respondents agreed with the proposals for the delivery of efficiency savings for next year..

Comments included:

"...it's really good to see the Council continue to look to the way it operates to make savings instead of making residents pay."

"The council will need to keep making efficiency savings".

"It must be difficult to make these efficiency's year on year".

- 4.9 A number of the respondents were happy with the level of efficiencies identified, but stressed that this must not be outright cuts to services:

"If these efficiencies are truly efficiencies and not just cuts, then, yes..."

"If these are indeed measures which don't affect services then they are welcome."

Budget Strategy Proposals

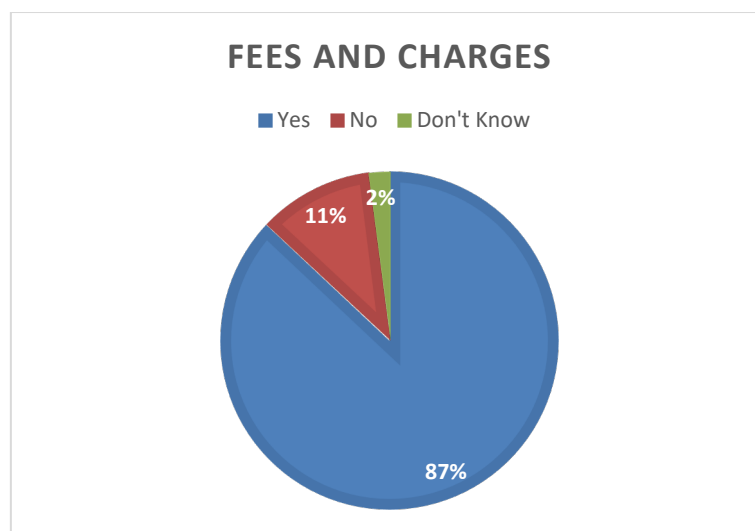
Fees and Charges

- 4.10 A standard increase of 1.7% (in line with the 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 and then frozen until 2023
School Meals	Freeze (as per decision taken in 2020/21 to hold prices until April 2023)
Bereavement Fees	Freeze
Lido / Rhondda Heritage Park	Freeze

The impact of these draft proposals would cost **£185k** more than if the Council increased all fees and charges by 1.7%.

87% of respondents agreed with the proposals for fees and charges.



- 4.11 Overall the approach to fees and charges was welcomed:

“Excellent thank you”.

“People expect some increase”.

“Freezing these fees is good”.

“Very pleased to see so many price freezes”.

- 4.12 There were some concerns about the 10p per meal proposed for meals on wheels and day centre meals:

“Meals on wheels and day centre meals should not be increased. The individuals relying on these meals are already struggling. I would much rather the elderly get fed and not be put in hardship and pay an extra 10p to park.”

- 4.13 Some of the comments suggested that the fees for the Lido and Heritage Park should be increased:

“I think the Lido could be increased.”

“Charges for the Lido & Heritage Park should be increased. These are optional non-statutory services, and those using them should be paying for their upkeep by paying higher fees at the very least in line with inflation.”

“Lido fees can definitely go up; residents will happily pay more as the charges are so low and they want to see it open for years to come”.

“Agree with all of them apart from Lido and Heritage park. I can’t see no reason for not putting the prices up unless they had gone up a bit before they were closed due to the pandemic.” (Disability Forum)

- 4.14 The OPAG were generally supportive of the approach.

“Looks ok to me.”

“I can’t see any problem with them.”

Members questioned the meal charges:

“Strange figure for meals on wheels, could it be rounded bit odd.”

“Doesn’t make sense to stick a 5p on the end, as most older people would use cash for meals on wheels”.

The Lido increase of 50 pence was discussed:

“The Lido was shut last year due to COVID, this although not the Council’s fault, seems unfair.”

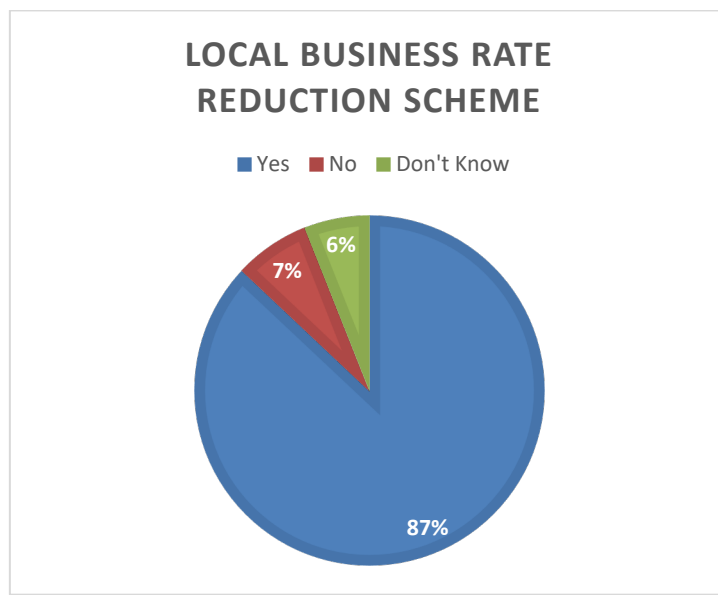
OPAG members were happy that the Council was planning to freeze services that encourage people to get outside.

Local Business Rate Reduction Scheme

- 4.15 Cabinet last year (13th February 2020) determined to implement a local Business Rate Reduction Scheme for 2020/21. The scheme supplemented the Welsh Government High Street and Retail Rate Relief Scheme by providing a further relief of £300 per qualifying business.

An additional investment of £50K is proposed so this local relief can be continued for 2021/22 and increased to £350 per qualifying business.

87% of respondents agreed with the proposed additional investment.



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

The comments were overwhelmingly positive and included:

“Businesses needs all the help available”.

“Businesses have really suffered this year, directly or indirectly, and any additional support and help will make the effort of the owners and staff members just feel that little more valued.”

“I would welcome any strategy available to help Local Businesses as in my area they have suffered greatly and cannot compete with the larger retail businesses that have been springing up everywhere....”

“This is good news for businesses”.

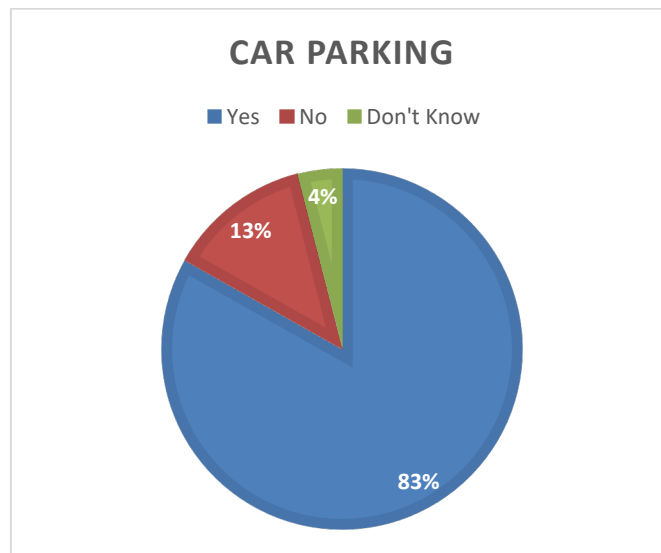
“Definitely, small business needs all the support they can get.” (OPAG)

Car Parking

- 4.16 The Council's town centres have been significantly impacted by the restrictions placed on retail, leisure and hospitality businesses plus the need to put in place measures to adhere with social distancing and enhanced cleaning and hygiene regimes. In order to encourage visitors to the town centres and to aid the recovery of our valued businesses, it is proposed that we tailor car parking charges, noting that in all town centres other than Pontypridd and Aberdare, parking is already free.

The proposal is that car parking is free after 3pm on Monday to Fridays and free all day (after 10am) on Saturdays. The cost of this proposal in terms of income foregone is **£160k**.

83% of respondents agreed with the proposed investment in car parking.



- 4.17 Those in agreement with this investment included:

"I think longer term plans need to reduce the need for car use. Offering free parking after 3:00 seems a reasonable suggestion".

"Hopefully this will help encourage people into town instead of retail parks".

"Funds from parking up to 3pm Monday to Friday as proposed will cover over a period of time the lost income. Why are Pontypridd & Aberdare not free parking??"

- 4.18 Some of the respondents suggested that free parking would need to be brought in alongside other investment, to make the town centres more appealing;

“Would rather investment in town centre as nothing to shop for if shops keep closing”.

“I do not think this will encourage people in given the risk of the Pandemic and how used to shopping online everybody is. I do not think free parking would be enough. There needs to be enticing shops, Pontypridd for example needs to attract a better range of shops and cafe's.....”

“I'm not sure that car parking is what is stopping people attending town centres but if evidence points to that then yes, I would agree. I believe it's the content of the town centres is what has led to a reduction in footfall even before the pandemic.”

- 4.19 Some of the respondents questioned the timing of the proposed free parking and thought it should be earlier:

“3pm is too late in the day.”

Timing was also mentioned in the virtual OPAG meeting:

“If you do after 3pm, little open, should be earlier maybe from lunch time instead of 3pm.”

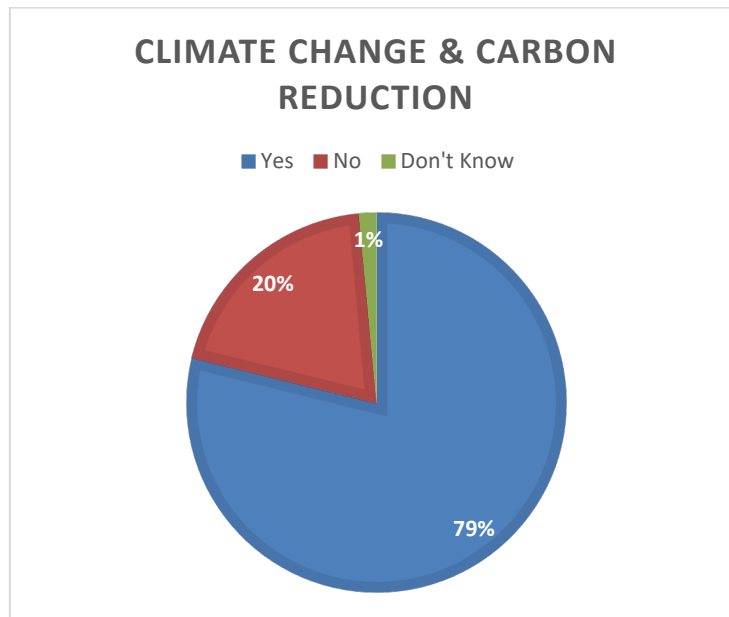
“Good after 10am, as people working in town will not fill the spaces.”

Climate Change and Carbon Reduction

- 4.20 The Council's commitment to responding to climate change and carbon reduction has already been well documented, with the Climate Change Cabinet Steering Group having met regularly since its inaugural meeting in November 2019. The initial work programme set out in December 2019 has been delivered alongside an ambition to be further impactful and a community leader in this area, recognising the wider role that our residents, businesses and partners must play.

In order to support this work, it is proposed that a core base budget is put in place in order that a lead coordination role can be established along with a resource which can commission work from third parties to continue and, where possible increase the pace of our work in this area. The cost of this proposal is **£100k**.

79% of respondents agreed with this proposed investment.



- 4.21 There was widescale support for this proposal:

“More money should be invested in this”.

“The amount invested needs to be higher - this is a major issue and needs strong input and support.”

“This investment needs to be higher. I think we are already directly witnessing the impacts of climate change in RCT as we have already seen with the devastating impact of flooding throughout 2020.....”

“This needs to be agreed as we do face a real climate emergency”.

“Yes, agree and we need to show an example to other local authorities.”
(OPAG).

- 4.22 Although some of the respondents suggested that the Council should utilise existing resources to take this forward:

“utilise current employees & diversify their roles”.

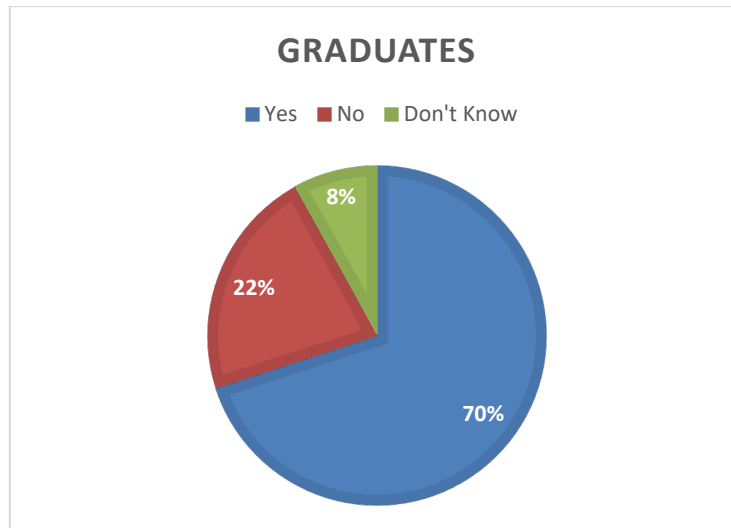
“If this involves using consultants, then No. If it’s to tackle and combat climate change then Yes.” (Disability Forum Member).

Graduates

- 4.23 The Councils’ graduate programme has already provided the opportunity for over 100 graduates to join the Council and develop and progress into middle and senior management roles. It is a key part of the workforce planning strategy and service continuity arrangements, developing our own staff to meet the ongoing and changing needs across our services.

It is proposed that additional resources are set aside to enable a further 6 graduates to be appointed, over and above our existing commitment. The cost of the proposal is **£200k**.

70% of respondents agreed with this proposed investment.



Comments in support of the proposal included:

“Good to see the Council supporting people and giving opportunities”.

“There needs to be jobs for our younger people.”

“Important to provide opportunities for apprenticeships and graduates”.

“Totally support this.” “Think it’s great.” (OPAG)

“Yes if they are required, if they are value for money. If they are doing something” (Disability Forum Member).

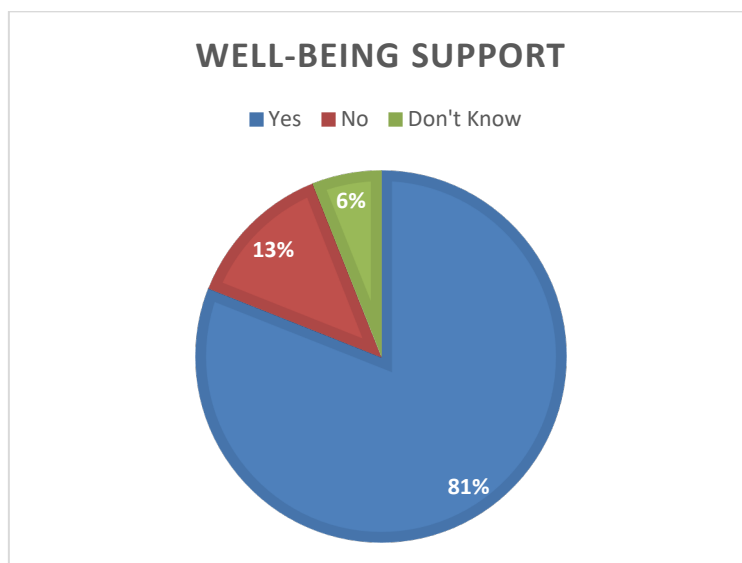
- 4.24 There were some suggestions that existing staff could be utilised and trained up to undertake the roles.

“Promote & train from within, recruit base level employees from job centre”.

Well-Being Support

- 4.25 The Council staff are without doubt our most valued asset – they are the front face of the Council and represent and uphold our key values as public servants. We recognise the challenges faced by staff and have ensured that we continue to support their welfare and wellbeing. An additional resource of **£50k** is proposed to enable us to expand upon the current support programmes we have in place and further develop these programmes across the workforce.

81% of respondents agreed with this proposed investment.



- 4.26 The majority of comments were in support of this proposal:

“This is badly needed.”

“It’s important to look after the staff”.

“Counselling is a key demand from employees so if this investment is in that area of support then I fully support that move”.

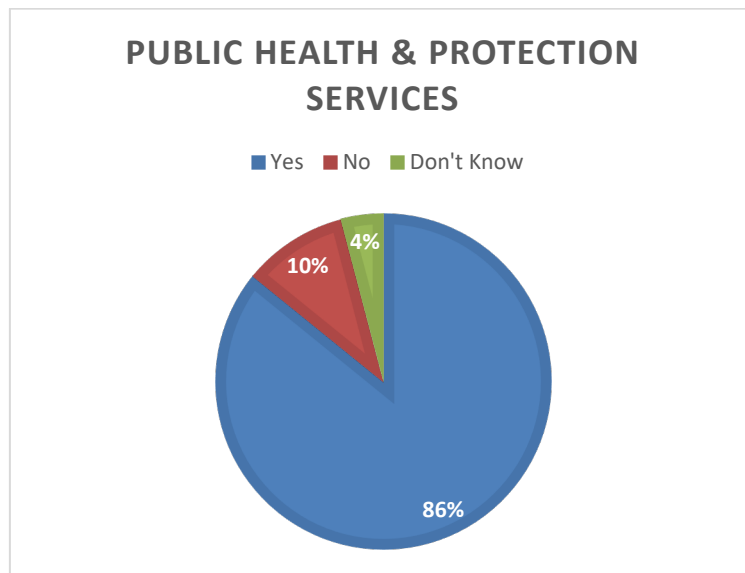
“Staff support in these uncertain times are well received.”

Public Health and Protection Services – Additional Resources

4.27 The Public Health and Protection service has played a key role this year in ensuring the public health and wellbeing of our communities, providing advice and guidance and leading on initiatives such as the Test Trace Protect programme.

The additional investment proposed in the service will enable additional resources to be employed, further strengthening the team and providing future resilience for the service. The cost of the proposal is **£200k**.

86% of respondents agreed with this proposed investment.



The majority of comments were in support of this proposal:

“We have to be ready for future situations.”

“Absolutely vital, probably for a good few years to come.”

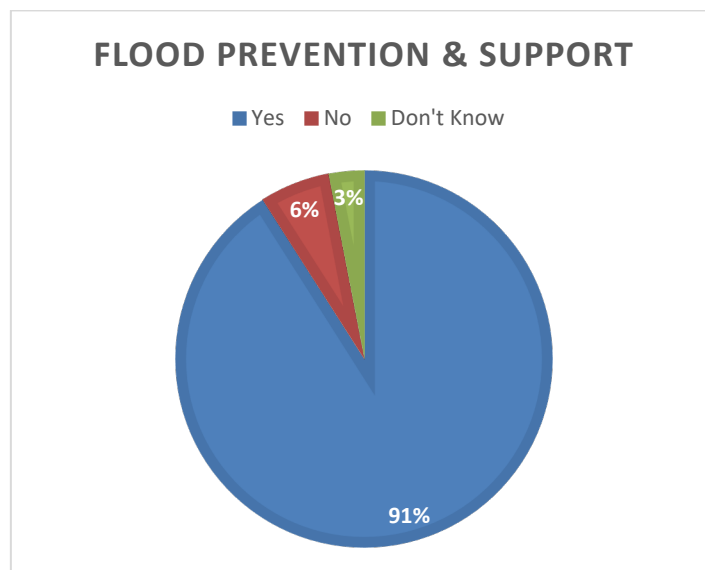
“With COVID-19 this last year this extra £200k will be needed”.

“Seems a good investment.”

Flood Prevention Support

4.28 Over 1,000 homes and 400 businesses were flooded during Storm Dennis. It is proposed that alongside all other support being provided, that an advisory role is put in place to ensure that our residents and businesses are supported in protecting themselves as far as possible from any storm damage, including for example insurance availability and physical property protection opportunities. The cost of this proposal is **£50k**.

91% of respondents agreed with this proposed investment.



4.29 Most of the comments were in support of the proposal:

"This is vital, and the urgency is of the utmost importance."

"It needs to happen for communities devastated by these floods. More investment needs to be put into this area to prevent further reoccurrence".

"So many homes have been devastated so this is needed".

"Vital - likely to see more damage from flooding over the coming months & years so money must be found."

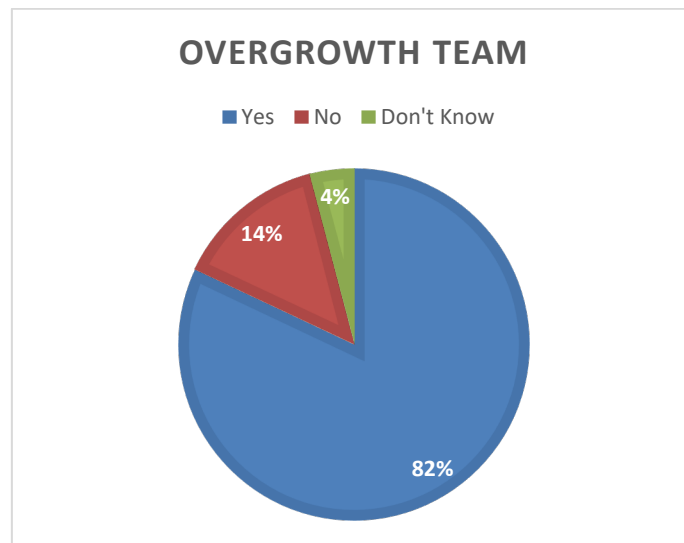
"I agree with the £50k." (Disability Forum Member)

OPAG members supported the funding proposal and suggested it may need an even larger investment.

Overgrowth Team

- 4.30 Our local environment remains a key priority of the Council, keeping our physical places clean, removing eyesores and ensuring that our natural resources are appropriately maintained. We already have a number of teams who are responsible for ensuring that our overgrowth is effectively maintained, and it is proposed that an additional team is put in place to further enhance this work. The cost of this proposal is **£75k**.

82% of respondents agreed with this proposed investment.



- 4.31 Comments in support of this proposal included:

“Really important as more residents have been walking/visiting the countryside in RCT”

“Investment needs to be higher, with more teams being put in place. I would also like to see council organise more local litter-picking events, so the community can take joint ownership of improving and maintaining our local environment.....”

Although some of the respondents suggested that the Council should utilise existing resources/staff:

“This should already be part of what we pay for”.

“make better use of current resources”.

- 4.32 OPAG members agreed with the proposal and asked if there was any scope to use volunteers to help the Council.

- 4.33 A number of comments mentioned leaving the grass verges overgrown:

“.... People don't want to see aggressive over mowing of grass verges etc obliterating any chance for biodiversity. I hope this money can be invested in managing council land better to attract more biodiversity which could go hand in hand with the climate change commitment and making our towns more attractive to investment.....”

“The slightly overgrown and wild verges added much needed colour last spring and I'd like to see these continue”.

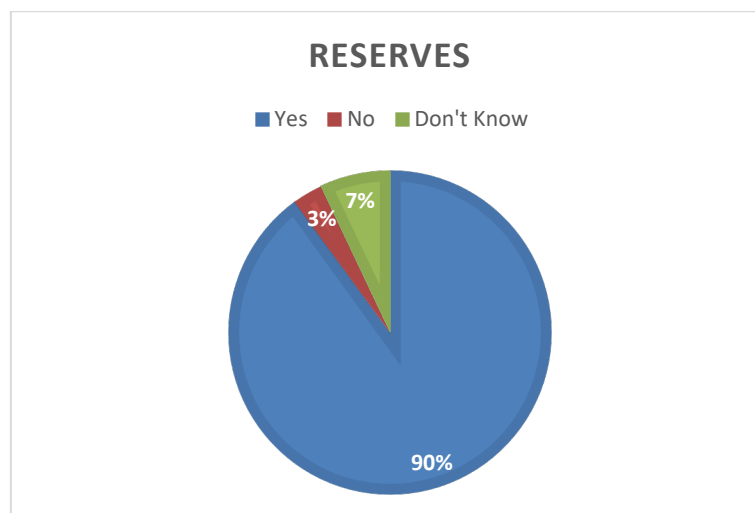
“Overgrowth of plants I'm assuming needs to be managed long term and replaced with more sustainable planting”.

“i would like to see improvements as regards to the roadside verges. i think it would be viable for the council to consider a less and later mow routine and the end of weed killers/pesticides..the restoration of native wildflowers to these areas would be a welcome addition to all, if careful consideration is applied further savings could be achieved.”

Use of Council Reserves

4.34 After taking account of the above proposals, proposed level of Council Tax, the delivery of efficiencies and other budget requirements the remaining budget gap is £0.709M. It is proposed that an allocation of £0.709M is made from the Transitional Funding reserve (i.e. a specific reserve set aside for this purpose) for 2021/22. This would facilitate a balanced budget for 2021/22 and would leave £3.621M in the Transitional Funding.

90% of respondents agreed with the use of this transitional funding.



Comments included:

“Replenishment is essential could this figure be increased”.

“I'd encourage greater use of these reserves to better protect your residents and businesses from increases at such a difficult time....”

“Must keep reserves for emergencies like that big storm last year”.

Other Comments

- 4.35 A number of further comments were made on the proposed budget strategy and these included:

Positive;

“I think in general they are doing a good job”.

“The budget looks like a well thought out and sound financial budget”.

“It seems fair given the various constraints the council operates under.”

“Welcome the engagement”.

- 4.36 There were a number of comments that mentioned the need for services to assist with the aftermath of the pandemic:

“You've a difficult task this year, and I don't envy you the job. I do, however, hope that every resident's needs, regardless of level of education, health, wealth, background, or any other identifying characteristic will be taken into account as, more than ever, we face a difficult time emotionally, mentally and psychologically which no one is immune to.”

“The council needs to invest in services that will help residents with their personal resilience and mental health and wellbeing after what has been and continues to be a very traumatic event”.

- 4.37 The move to remote working was seen as a positive and something that the Council should continue with post COVID, with potential savings through optimising the use of buildings and also generating income from further rationalisation of buildings.

“Maybe sell council offices and encourage staff to desk share or work from home”.

“I think that the council could save money by getting rid of a number of buildings. The staff that are struggling and need to be in the office, given an office space when the pandemic is over, and it is safe to do so. As

things are unlikely to ever return to the way they were before, there will be no need to have all the office space...

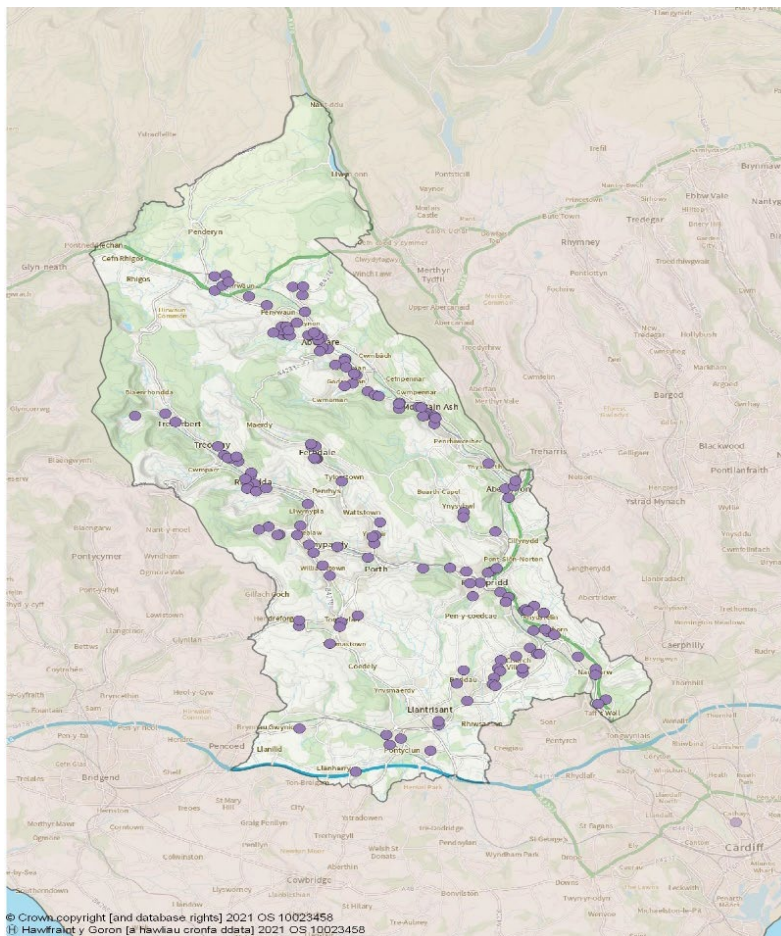
About You

4.38 The majority of respondents to the survey were residents (89.2%).

Base	100.0%
Are you responding as?	
a local resident	89.2%
a local business	4.1%
an employee of the Council	25.2%
a member of a voluntary / community group	5.4%
other	0.5%

Note: This was a multiple response question.

4.39 The following map shows the postcodes of those people who responded to the survey.



5. YOUNG PERSON ENGAGEMENT

- 5.1 As part of our engagement with Young People we utilised the Youth Engagement and Participation Service Instagram page to promote the consultation and ran a series of poll questions over the course of a week. The questions were based on the information in the full survey and asked young people whether they agreed or not with the proposals.
- 5.2 The posts were spread over 5 days and asked Young People whether they agreed or disagreed with the proposals on Council Tax levels, Fees and Charges, Efficiency savings and 5 areas of investment. These were Public Health and Protection Services, the Council's Graduate Scheme, Climate Change, Flood Prevention Support and Car Parking.
- 5.3 The table below shows the results of these polls:

Day / Topic	Question	Yes	No
1 – Council Tax Levels	Do you think a Council Tax increase of 2.65% is fair?	10	16
2 – Efficiency Savings	Should the Council continue to look at ways of saving money?	19	2
3 – Fees and Charges	Do you agree with these proposals?	8	2
4 – Investments: Graduate Scheme / Public Health and Protection	Do you think these investments are a good use of Council money?	13	2
5 – Investments: Car Parking / Flood Prevention Support / Climate Change	Do you think these investments are a good use of Council money?	2	0

- 5.4 We also created a PowerPoint presentation and shared this with the schools and colleges that had taken part in Phase 1 of the consultation. We engaged with Coleg Y Cymoedd groups from Rhondda, Aberdare and Treforest campuses along with Y Pant and St John Baptist Church In Wales High School. A tailored version of the survey was also created and this link was shared with the schools / colleges. They were asked to share the information with their groups and invite them to take part. We also shared these materials with members of the Youth Forum.
- 5.5 The table below shows the results for the questions based on Council Tax levels, Efficiency savings and Fees and Charges:

Question	Yes	No	Don't Know
Do you agree that 2.65% is a reasonable increase in Council Tax?	2	1	3
Do you agree with the approach to efficiency savings for next year?	3	-	2
Do you agree with the Council's approach to fees and charges?	1	2	2

Comments:

“The costs for the meals on wheels program should be frozen and the minor cost increase proposed should instead be levied on car parking charges.”

- 5.6 We also provided information about a range of budget investment proposals and asked whether young people agreed with these. The table below shows the results:

Proposed Investment Area	Yes	No	Don't Know
Local Business Rate Reduction Scheme	3	-	2
Car Park charges	2	-	3
Climate Change and Carbon Reduction	3	1	2
Graduate scheme	2	-	3
Well-Being support for staff	1	1	3
Public Health and Protection Services – Additional Resources	3	-	2
Flood Prevention Support	3	-	2
Overgrowth Team	2	-	3

Comments:

“More money should be invested in Well being for staff, more for climate change and a little less for the Overgrowth team.”



APPENDIX 3

RHONDDA CYNON TAF COUNCIL FINANCE AND PERFORMANCE SCRUTINY COMMITTEE

Minutes of the meeting of the Finance and Performance Scrutiny Committee held virtually on
Thursday, 4 February 2021 at 5.00 pm

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

Councillor M Powell (Chair)
Councillor G Thomas Councillor S Bradwick
Councillor R Yeo Councillor S. Rees-Owen
Councillor J Williams Councillor T Williams
Councillor J Cullwick Councillor A Fox
Councillor T Williams Councillor W Owen
Councillor J Edwards Councillor S Rees

Co-Opted Members

Mr Jeff Fish

Officers in attendance

Mr Paul Griffiths – Service Director – Finance and Improvement Services
Ms Stephanie Davies – Head of Finance – Education and Financial Reporting
Mr Christian Hanagan – Service Director Democratic Services and Communication
Mr Andy Wilkins – Director of Legal Services
Ms Julia Nicholls – Principal Democratic Services Officer
Mrs Sarah Daniel – Senior Democratic Services Officer

Apologies

Councillor M Adams
Councillor G Caple

30 Declaration of Interest

Cllr S Bradwick declared a personal interest in item 3 as Chair of Governors of Aberdare Community School. He further declared a personal interest as the levy for the South Wales Fire and Rescue Authority was mentioned during the meeting and Cllr Bradwick is a member of the Board which sets this budget.

Extract from minutes

THE COUNCIL'S DRAFT 2021/22 REVENUE BUDGET STRATEGY

With the aid of a PowerPoint presentation the Service Director – Finance and

Improvement Services provided Members with an overview of the:

- The Council's current financial position (2020/21);
- Feedback from phase 1 of the Budget Consultation process that ran from 26 October to 7 December 2020;
- The provisional Local Government Settlement for 2021/ 22; and
- Cabinet's proposed Budget Strategy 2021/22 – which included proposals around Council Tax, School Budgets, Efficiencies, Fees and Charges, Targeted Investment and Use of Reserves.

The Chairman thanked the Officer and the following questions were raised.

The Co-opted Member referred to the legislative changes that will come into effect in 2021/22 in respect of Additional Learning Needs (ALN) and requested clarity on whether the anticipated additional costs would relate to the Council or Schools. The Service Director fed back that the proposed Budget Strategy builds in additional resources for the forthcoming year to support the preparation and implementation of the changes that come into force from September 2021. The Service Director added that this budget is proposed to be allocated to the Education and Inclusion Services Directorate within the Council and that the Council and Schools will continue to work together to plan and assess resource requirements on an on-going basis.

The Co-opted Member also referred to ALN virements and asked if this was in relation to the recently announced Transformation Grant funding of up to £1,000 from Central South Consortium or if this was additional funding from another source. The Service Director fed back that specific grants received by schools would sit outside the Cabinet's budget strategy proposals and the Head of Finance – Education and Financial Reporting added that Schools had been informed that they can access different grants for this area if specific training or activities are undertaken.

A Member referred to the General Fund Balances which currently stood at £8.709M, with plans to replenish to £10M over the next 3 years, and stated that this was a good idea and requested clarity on whether this was a set requirement from the external auditor.

The Service Director fed back that the plan to replenish General Fund balances to £10M over the next 3 years was a Council led decision as part of its Medium Term Financial Planning arrangements. The Service Director went on to indicate that the Council's Section 151 Officer keeps this position under on-going review and takes into account a number of factors in determining the minimum level of general fund balances to be maintained, including, the Council's financial position and financial environment it is operating within. The Service Director added that the Council provides on-going updates to Audit Wales, the Council's external auditor, in this regard.

The Chairman referred to waste management costs increasing and asked the Service Director to explain why this was.

The Service Director fed back that waste management costs had increased throughout the pandemic due to more people working from / staying at home resulting in more residential kerbside collection. The Service Director added that

there has also been a change in the composition of waste collected and this was resulting in an increase in the volume of residual waste. The Service Director went on to indicate that the Council's Waste Management Service had recommenced engaging with residents, where safe to do so and observing social distancing requirements, to promote the importance of recycling.

A Member stated that this was also discussed at a recent Public Service Delivery, Communities and Prosperity Scrutiny Committee.

A Member referred to page 15 of the Phase 1 Budget Consultation report, which set out feedback from respondents on which Council Services to protect and prioritise, and was disappointed to note that the bottom three services were 'Cultural, Tourism and Heritage Services', 'Music Services' and 'Leisure Services'. The Member stated that it was very important to remember that without these services throughout the lockdown periods many people would have struggled further and felt they provided an invaluable service and hoped there will be a level of protection built into the budget strategy for these areas. The Chairman supported these comments.

Feedback on the Cabinet's proposals for Council Tax:

A Member referred to the Council Tax increase proposal of 2.65% which was lower than the originally modelled Council Tax increase of 2.85%. The Member raised concerns of litter throughout the County Borough and stated that there was a need to improve the cleanliness of villages and towns, and indicated that if the Council Tax was increased to the originally proposed 2.85%, the extra funding raised could go towards street cleansing.

A Member fed back that officers from the Council's Streetcare Service were re-purposed for a temporary period during the pandemic to aid the delivery of other immediate priorities and indicated that these officers have now returned to their streetcare roles that focus on maintaining the cleanliness of the County Borough.

Two members agreed with the proposal of a 2.65% increase in Council Tax and fed back that it should not be increased any higher due to the impact the global pandemic has, and is continuing to have, on residents in terms of employment and reduced pay where individuals have been furloughed. The Members added that they anticipated the proposed Council Tax increase would be favourable when compared to Council Tax increases proposed by other local authorities across Wales.

The Service Director advised the Committee that the existing Street Cleansing budget was approximately £2.5 million and the proposed budget strategy includes specific additional investment in this area to further enhance the Council's Overgrowth Team.

Feedback on the Cabinet's proposal for the Schools Budget

The Co-opted Member expressed concern on the requirement for efficiency planning for decisions taken locally by schools. The Service Director advised that the proposed schools increase built into the Budget Strategy covers all inflationary pressures, pupil number changes and Non-Domestic Rate increased costs, and indicated that where schools make local decisions, for example, changes to the staffing establishment, delivery of specific projects, the financial

impacts would be the responsibility of schools to manage and fund.

The Co-opted Member referred to the increase in budget of £2.2million for schools and asked how this equates in percentage terms.

The Service Director fed back that this equated to a 1.35% increase and went on to provide further context to the Committee on the Council viewing schools as a key priority and its long-term commitment to protect this sector as much as possible. The Service Director added that between financial years 2012/13 to 2020/21 the Schools budget had increased, in cumulative terms, by 22% compared to non-schools budgets reducing by 1% over the same period, and also noted that over this time there has been a requirement for efficiency planning at an individual school level.

Some Members added that the proposed increase for schools was less than in previous years and should there be the requirement for schools to deliver efficiency savings as a result of local decisions made, this will be challenging.

The Head of Finance – Education and Financial Reporting advised that efficiency savings may need to take place where individual schools have a historical deficit, with this work being supported through a deficit recovery plan being put in place for these schools covering a 3 to 5 year period.

Another Member shared the concern on the proposed increase compared to previous years and requested clarity on the extent of work undertaken with Headteachers to support schools in their recovery from the Covid-19 pandemic including children catching up.

The Service Director advised that the Council's Finance staff continue to work closely with all schools as part of in-year budget monitoring arrangements and, with regard to Covid-19, specific work is on-going with schools to identify and claim for additional costs incurred in the current year via the Welsh Government's Hardship Fund. The Service Director added that the Council and Schools also positively engage as part of the Rhondda Cynon Taf School Budget Forum, where key issues such as the challenge of supporting children catching up are considered. In this regard, the Head of Finance – Education and Financial Reporting advised Members that specific grant funding has been made available to schools for both 2020/21 and 2021/22, and, more recently there had been an addition to the grant for learners in exam years. The Head of Finance added that schools had already been informed of their allocation.

A Member asked if further clarification on this matter could be shared at a future meeting as this was still a major concern for many Members.

A Member commented that school staff and parents should be praised for their recent efforts in ensuring children still had access to learning whilst schools were closed. He added that officers need to be mindful of the impact on children not being in school and there will need to be funding available for a catch-up programme for all learners.

Another Member commented that we need to ensure children can catch-up as they could be at a disadvantage, for example, if their parents are working from home and the challenges of home-schooling at the same time as working. The Member added there needs to be a provision to get the children back to where they need to be.

The Cabinet Member for Corporate Services stated that at the School Budget Forum meeting on the 4th February 2021, this information had been presented to Head teachers and, overall, the £2.2 million uplift in their funding was welcomed. He added that they do have concerns around catch-up and it is currently being discussed at a national level.

The Chairman referred to the consultation document and indicated that it would have been useful for demographic information on respondents to be included within the document.

The Chairman also referred to the need to convey to residents the level of funding the Council receives from Welsh Government compared to the amount it raises from Council Tax and to provide information on where and how the Council spends the funding it receives.

The Chairman also requested for the breakdown of Council Tax by community area to be followed up.

Feedback on the Cabinet's proposal for Efficiencies:

A Member fed back that over the past 10 years the Council has identified and delivered significant levels of efficiency savings and this has been an important tool in helping to minimise Council Tax increases and protect frontline services during a challenging financial climate. The Member also fed back that there is likely to be a limit to the level of efficiency savings the Council can continue to deliver into the future and expressed his opinion that it is a misplaced perception that local government is inefficient. The Member went on to note that Adult and Community Services have and are continuing to face significant pressures, particularly during the Covid-19 pandemic.

Feedback on the Cabinet's proposals for Fees and Charges:

A Member asked how many meals are produced per week by the Meals on Wheels Service. The Service Director responded that a few hundred per day but would request up-to-date information from the Service and circulate to Committee Members.

A Member asked whether the proposed increase in the Day Centre meal price was linked to the Centres being closed and resulting income lost during the pandemic. The Service Director fed back that proposed price levels are based on setting an affordable and competitive price that contributes to the cost of maintaining and, where possible, improving services, and also having regard to estimated costs and level of inflation for the year ahead. The Service Director added that where the Council has lost income as a result of Covid-19, this is currently reclaimed via the Welsh Government's Hardship Fund.

A Member asked how much revenue the 10p proposed increase for Meals on Wheels and Day Centre meals would generate. The Service Director fed back that it would be approximately £4k in respect of Meals on Wheels and approximately £2.5k for Day Centres.

A Member asked what income would be generated if the Council increased car parking charges by 1.7% instead of applying a freeze. The Service Director fed back that this would generate approximately £11k of income and the Member indicated that he would favour the charges being raised on car parking rather

than raising the cost of Meals on Wheels and Day Centre meals.

A Member asked how the Meals on Wheels charges compared to other local authorities in Wales. The Service Director fed back that the Council's charge is competitive compared to other local authority based provision, with prices ranging from £3.30 to £5.65 across Wales.

The Chairman stated that it was not always helpful to compare with other local authorities as each area has a different demographic, adding that Rhondda Cynon Taf was a socially deprived area. He stated that he would like to see if there had been a decrease in the uptake of the meals due to the increase.

A Member stated he could not support increasing the car parking charges as he believed it would be of detriment to the villages and towns as it would deter residents from visiting if they had to pay increased costs to park. The Service Director fed back that Pontypridd and Aberdare were chargeable car parks, with car parking already free in all other areas of the County Borough.

Another three members agreed that they could not support increasing car parking charges on the basis of it discouraging residents from shopping locally and potentially encouraging visits to out-of-town shopping centres where free car parking was provided. The Members fed back that encouraging residents back into local communities and not internet shopping should be prioritised as local jobs depended on it. One Member added that he would like to see the car parking charges abolished altogether.

A Member asked how much revenue the Authority generates through car parking charges at Pontypridd and Aberdare. The Service Director advised that the income budget was £640k and indicated that he would make enquiries on the breakdown between Pontypridd and Aberdare.

Feedback on the Cabinet's proposals on Additional Investment:

Two members commented on the Public Health and Protection Services and the Overgrowth Team, and stated that they do a brilliant job and they have faced an immense challenge during the pandemic; both Members fully supported the investment in these areas.

As there were no other comments on the presentation the Service Director thanked the Committee for their time and indicated that the feedback provided would form part of the report to Cabinet on 25th February 2021.

This meeting closed at 19:24

**Cllr M Powell
Chairman.**

SCHOOL BUDGET FORUM MEETING 4TH FEBRUARY 2021

THE COUNCIL'S DRAFT 2021/2022 REVENUE BUDGET STRATEGY

Extract from minutes

The Service Director - Finance and Improvement Services provided Forum Members with a PowerPoint presentation which provided an overview of:

- The 2021/22 Draft Revenue Budget Strategy;
- The Council's current financial position (2020/21);
- Details of the budget consultation (phase 1); and
- The headlines and implications for the Council in respect of the provisional Local Government Settlement 2021/22.

The Service Director concluded the presentation with the Cabinet's proposed budget strategy for 2021/22 and requested feedback from Forum Members.

Council Tax

Forum Members were advised that the Cabinet were proposing Council Tax be increased by 2.65% for 2021/22 (lower than the originally modelled Council Tax increase of 2.85%) at a cost of £182k to the Council.

Members commented positively on the proposed Council Tax level, noting that the level proposed would likely be one of the lowest in Wales.

Schools Budget

The Service Director informed Forum Members that the proposal would see the Schools Budget increase from £161.6M to £163.8M, an increase of £2.2M. He added that the increase would cover, in full, all inflationary and pupil number pressures, including NDR increased costs.

Members welcomed the proposal to cover inflationary and pupil number pressures and NDR increased costs.

Efficiencies

The Service Director informed Members that for 2021/22, efficiencies totalling £4.6M had been identified for incorporation into the proposed strategy that would not impact on frontline services.

Forum Members spoke of the efficiencies identified and considered it a positive that the proposed savings would not impact on front-line services. The Service Director commented on the areas where such efficiencies had been secured, that included savings through the transformational changes implemented during the pandemic such as maximising use of digital technology to reduce consumable expenditure and home working that is reducing staff travel and premises related costs.

A Forum Member commented on the difficulties of achieving such efficiency levels year-on-year and paid tribute to the work of staff and the Senior Leadership Team in this regard.

Fees & Charges

Forum Members were advised that a standard increase of 1.7% (in line with the forecasted Consumer Prices Index) was proposed on all fees and charges with a number of specific exceptions, which the Service Director highlighted within his presentation. He added that the proposals would cost the Council £185k more than if the Council increased all fees and charges by 1.7%.

Forum Members welcomed the freeze in charges on school meals and also commented on the importance of free school meals to the families that they support. Forum Members spoke of the importance of leisure facilities and the need to promote recreation and exercise for all residents in the County Borough following the pandemic and the health and mental health benefits such facilities provide; therefore freezing the prices in this area to help ensure such facilities were accessible was another positive measure.

Proposed Targeted Additional Investment

A Forum Member queried whether any additional investment had been received from Welsh Government in respect of flood prevention support. The Service Director advised that the Welsh Government provided funding through its Emergency Financial Assistance Scheme to support the Council in its immediate response to Storm Dennis and work is on-going with Welsh Government to secure further funding to support a medium to long term programme of repairs to the Council's infra-structure, including flood prevention schemes. The Service Director added that with specific regard to the flood prevention support investment of £50k included in the proposed budget strategy, this related to putting in place an advisory role to help ensure residents and businesses are supported in protecting themselves from future storm damage.

A Forum Member also highlighted that the Council's on-going work in improving playgrounds and parks facilities was important, and more so during the pandemic, giving young people good quality areas to play that helps promote both health and wellbeing benefits.

Use of Reserves

The Service Director advised that after taking account of the implications of Cabinet's budget strategy proposals, the remaining budget gap would be £0.709M. The Service Director informed Forum Members that it is proposed for an allocation of £0.709M be made from the Council's Transitional Funding which would leave a remaining balance of £3.621M.

Members discussed the need to utilise the Transitional Funding reserve to close the budget gap and spoke of the importance of the Transitional Fund going forward and commented on the prudent work of the Council in being able to maintain this funding at an appropriate level on an on-going basis.

The Chair thanked Members for their contribution to the meeting and the Service Director closed the presentation by advising of the timeline for setting the Council's 2021/22 Revenue Budget and noted that the feedback of Forum Members would form part of the report to Cabinet at its meeting on 25th February 2021.