



**RHONDDA CYNON TAF COUNTY BOROUGH COUNCIL**  
**MUNICIPAL YEAR 2019/20**

**FINANCE AND PERFORMANCE  
SCRUTINY COMMITTEE**

**16<sup>th</sup> DECEMBER 2019**

<b>AGENDA ITEM 7</b>
<b>2020/21 Revenue Budget Strategy Consultation and Corporate Plan 2020 – 24 Consultation</b>

**REPORT OF THE DIRECTOR OF FINANCE AND DIGITAL SERVICES**

Author: Paul Griffiths: Service Director – Finance and Improvement Services

**1. PURPOSE OF THE REPORT**

- 1.1 To introduce the presentation on the 2020/21 Revenue Budget Strategy consultation and Corporate Plan 2020 – 24 consultation.

**2. RECOMMENDATION**

It is recommended that Members:

- 2.1 Provide feedback as the Committee considers appropriate as part of the Council's 2020/21 Revenue Budget Strategy consultation process (included as Appendix 1A); and
- 2.2 Consider the proposed Corporate Plan 2020-24 priorities (included as Appendix 1B) and provide feedback as considered appropriate.

**3. BACKGROUND INFORMATION**

- 3.1 The Finance and Performance Scrutiny Committee's Terms of Reference includes taking part in the annual Revenue Budget consultation process.
- 3.2 On the 24<sup>th</sup> September 2019 the Committee received a report titled 'Engagement on the Council's Budget 2020/21' that set out the proposed approach to resident engagement

and consultation in respect of the 2020/21 budget and updated Corporate Plan 2020-2024. The report was acknowledged by the Committee and subsequently reported to and agreed by Cabinet on [17th October 2019](#).

- 3.3 Following the announced delay to the release of the provisional local government settlement, the proposed approach to our budget consultation for 2020/21 was revised to a 2 step process and this was set out in the delegated decision of the Service Director for Democratic Services and Communication ([14th November 2019](#)).
- 3.4 Since this time, phase 1 of the resident engagement process has commenced, on Thursday 21<sup>st</sup> November, and will run to Monday 16<sup>th</sup> December 2019. An on-line questionnaire is available on the Council's website for consultees to feedback their views and can be accessed by clicking [here](#). Members will note that careful consideration has been given to the wording of the questions included in the on-line questionnaire to help ensure it can be understood and completed by a wide range of external stakeholders. This information is also being used to inform other engagement arrangements during phase 1 such as face-to-face events in town centres and with local groups including the Older Persons Advisory Group, Disability Forum and Youth Forum.
- 3.5 Looking ahead, the Provisional Local Government Settlement for 2020/21 will be published by Welsh Government on 16<sup>th</sup> December 2019 and phase 2 of the Council's budget consultation process is anticipated to take place between 24<sup>th</sup> January and 7<sup>th</sup> February 2020.

#### 4. **2020/21 REVENUE BUDGET STRATEGY CONSULTATION AND CORPORATE PLAN 2020-24 CONSULTATION**

- 4.1 As stated in Section 3, the information being used for phase 1 of the consultation process has been compiled with the aim of enabling and encouraging as many people as possible to provide feedback. For the purposes of engagement with Members of the Finance and Performance Scrutiny Committee, this information has been tailored, where considered appropriate to do so, to help facilitate continued effective Member feedback.
- 4.2 The information set out at Appendix 1A and 1B will be verbally presented at the December Scrutiny Committee meeting and Members will be requested to provide responses to the questions included.
- 4.3 For Members information, the Committee's feedback will be incorporated into a Phase 1 Budget Consultation report, alongside the feedback received from all other stakeholders, and will be considered by Cabinet as part of it developing a proposed Revenue Budget Strategy for the 2020/21 financial year.
- 4.4 Further to a draft 2020/21 Revenue Budget Strategy being compiled, this will be subject to pre-scrutiny by the Finance and Performance Scrutiny Committee at its January 2020 meeting. This will enable non-executive members to examine and provide feedback on the proposals, and for these to be considered by Cabinet prior to it recommending a Revenue Budget Strategy to full Council.

## **5. EQUALITY AND DIVERSITY IMPLICATIONS**

- 5.1 The 2020/21 Revenue Budget Strategy Consultation process aims to provide opportunities for all of the Council's stakeholders to get involved in giving their feedback. These channels include on-line, roadshow events and specific engagement for young and older people, and feedback can be provided through mobile phones and tablet devices, and residents without internet access or smart phone/tablet devices can visit a local library to access the online budget simulator or request a hard copy of the budget consultation questionnaire.

## **6. CONSULTATION**

- 6.1 In line with the Terms of Reference of the Finance and Performance Scrutiny Committee, the Committee is a consultee as part of the Council's Revenue Budget Strategy Consultation process. Opportunity is also being taken to seek the Committee's views on the proposed priorities for a new Corporate Plan 2020 – 24.

## **7. FINANCIAL IMPLICATION(S)**

- 7.1 There are no financial implications as a result of the recommendation set out in the report.

## **8. LEGAL IMPLICATIONS OR LEGISLATION CONSIDERED**

- 8.1 The Council has a statutory duty to consult on the Council Tax Reduction Scheme each year and this requirement has been incorporated into the 2020/21 Revenue Budget Strategy Consultation process.

## **9. LINKS TO CORPORATE AND NATIONAL PRIORITIES AND THE WELL-BEING OF FUTURE GENERATIONS ACT**

- 9.1 The budget setting process impacts on all Council services and, in doing so, contributes to the delivery of the Council's Corporate Plan priorities.

## **10. CONCLUSION**

- 10.1 The 2020/21 Revenue Budget Strategy Consultation process provides opportunities for all of the Council's stakeholders to get involved in giving their feedback. In addition, the Finance and Performance Scrutiny Committee, in line with its Terms of Reference, is a consultee as part of the Council's overall consultation arrangements.
- 10.2 The feedback all stakeholders provide via the consultation process will be incorporated into a Budget Consultation Report and be considered by Cabinet as part of it developing its Revenue Budget Strategy for recommendation to full Council for the 2020/21 financial year.

**LOCAL GOVERNMENT ACT 1972**

**AS AMENDED BY**

**THE LOCAL GOVERNMENT (ACCESS TO INFORMATION) ACT 1985**

**RHONDDA CYNON TAF COUNTY BOROUGH COUNCIL**

**16<sup>th</sup> DECEMBER 2019**

**FINANCE AND PERFORMANCE SCRUTINY COMMITTEE**

**2020/21 Revenue Budget Strategy Consultation and Corporate Plan 2020 – 24  
Consultation**

**REPORT OF THE DIRECTOR OF FINANCE AND DIGITAL SERVICES**

**Item: 7**

Officer to contact: Paul Griffiths

**FINANCE AND PERFORMANCE SCRUTINY COMMITTEE – 2020/21 BUDGET  
CONSULTATION**

PART 1 – COUNCIL BUDGET 2020/21

Council Tax

1. The Council's current modelling assumptions for 2020/21 include a Council Tax increase of 3% and is based on the rationale to help support the continuation of service provision in the context of rising cost pressures and demand for specific services.

NOTE:

- A 3% increase, for example, would add approximately £0.56 per week to a "Band A" property in Rhondda Cynon Taf, and £0.84 per week to a "Band D" property (excluding Community Council and Police precepts)).
- Council Tax increases (average Band D excluding community council precepts and Police and Crime Commissioner)
  - 2018/19: RCT Council Tax increase = +3.3% / All Wales increase = +4.94%
  - 2019/20: RCT Council Tax increase = +3.6% / All Wales increase = +6.16%

**What would be your preferred level of Council Tax increase for next year?**

- Less than 3%
- 3% (current proposed level)
- More than 3%
- More than 5%

**Are there any other comments on Council Tax, for example, the level of council tax versus maintaining or reducing service levels?**

Schools Budget

2. The Council has always sought to maximise the resources we provide to schools especially when viewed against the level of funding which the Council has received in overall terms. Since 2012/13 the overall schools' budget has increased by over 13% as compared to the Council's overall budget having reduced by over 5%. The total schools budget in Rhondda Cynon Taf is £153.5M. The Council is committed to continue

supporting our schools and is proposing an increase in their budget next year, which will fully cover increased pay costs (such as teachers pay awards and pension cost increases).

**Do you agree that the Council should provide sufficient resources to fully cover increased pay costs in our schools?**

Fees and Charges

- Each year the Council is faced with rising cost pressures and increased demand for services. Fees and Charges provide income which can help the Council to continue to provide important services. In overall terms the Council raises approximately £18M a year from fees and charges for services. Each year the level of these charges are reviewed.

When the Council prepares its budget it works on an increase in fees, based on the Consumer Prices Index (CPI)<sup>1</sup>.

Fees and charges for 2020/21 are assumed to increase by 1.5% (CPI), but there is the opportunity to introduce higher, lower or even freeze charges in some areas.

**What are your views on fees and charges levels for next year for the following areas plus any other areas?**

	CPI (increase (1.5%))	Higher than CPI (higher than 1.5% increase)	Freeze (no increase)
School meals			
Leisure Centre Membership			
Leisure Centre Pay and Play			
Summer and Winter Playing Fees (Sports Clubs)			
Parking Charges			
Cinema (entrance fee)			
Pontypridd Lido (entry for adult users)			
Meals on Wheels			
Adult Social Care Charges (non-residential care services)			
Bereavement Fees			

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<sup>1</sup> The Consumer Price Index (CPI) is a measure that examines the weighted average of prices of a basket of consumer goods and services, such as transportation, food, and medical care. It is calculated by taking price changes for each item in the predetermined basket of goods and averaging them.

### Council Service Priorities

4. The Council provides a wide range of important services – which do you think should be most protected and prioritised for additional resources in 2020/21?

	<b>Protect and Prioritise</b>	<b>Do Not Protect</b>
Schools		
School Support Services		
Libraries and Adult Learning		
Apprenticeship Scheme		
Youth Provision		
Access, Engagement & Inclusion		
Adult Social Care Services		
Children's Social Care Services		
Public Health		
Housing		
Parks		
Highways, Transport and Streetcare Services		
Waste and Recycling Services		
Cultural, Tourism and Heritage Services		
Regeneration		
Leisure Services		
Music Service		

### Efficiencies

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

- **Do you think this is a good strategy?**
- **Do you think we should continue to expect our managers to deliver more efficient services?**
- **Are there any specific areas which you think the council should consider becoming more efficient / any examples not being efficient?**

6. **Any other general comments on the Council's budget?**

## PART 2 – THE COUNCIL’S PRIORITIES

### The Council's Priorities

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

**Do you think that the Council should focus on these areas?**

### Council Investment Opportunities

2. Despite reductions to public sector funding, the Council's prudent approach to financial management has ensured significant investment can still take place in priority areas.

**Do you think the Council should invest in these areas?**

	Yes	No	Don't Know
21 <sup>st</sup> 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)			

**Any further comments investment opportunities?**

**Council Reserves**

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

**Do you think the council should continue with such a strategy?**

**PART 3 – COUNCIL TAX REDUCTION SCHEME**

**Council Tax Reduction Scheme**

1. Welsh Government are responsible for providing a Council Tax Reduction Scheme (CTR scheme) which provides financial support to low income households across Wales in the form of a reduced council tax bill. In Rhondda Cynon Taf around 25,000 households benefit from the CTR scheme, with approximately 16,000 receiving 100% Council Tax support i.e. these households pay no council tax.

The Welsh Government's regulations allow the Council discretion to vary the CTR Scheme in the following areas, with the additional costs of doing so falling on the Council:

### **A. Extended Payments**

The CTR Scheme gives the Council the ability to increase the period of paying CTR support for a further 4 weeks to people who return to work (provided they have been in receipt of a relevant qualifying benefit for at least 26 weeks). The CTR Scheme adopted by the Council for 2019/20 did not increase this standard period. The estimated amount of CTRS paid in relation to extended payments by the Council for 2019/20 is **£15,000**.

**Do you think that 4 weeks is a reasonable period to continue paying Council Tax Reduction when someone returns to work?**

### **B. Disregard War Disablement Pensions/War Widow's Pensions income**

Under the national CTR Scheme, the Council can exclude part, or the whole amount of War Disablement Pensions and War Widow's Pensions when calculating CTR Scheme entitlement. The CTR Scheme adopted by the Council for 2019/20 excluded all of this type of income from assessments. This means that some people receiving War Disablement Pensions and War Widow's Pensions received higher Council Tax relief than if it had been included in our calculations. The estimated additional cost to the Council of excluding all of the income for War Disablement & War Widow's Pensions for 2019/20 is **£25,000**.

**Do you think that it is reasonable for the Council to continue to totally exclude War Disablement and War Widow's Pensions income when assessing entitlement to CTR Scheme?**

### **C. Backdating Claims**

The existing CTR Scheme regulations specify that the standard period that a claim can be backdated is 3 months, with the Council having the discretion to backdate the claim for a longer period if it wishes. The CTR Scheme adopted by the Council for 2019/20 extended the period of backdating to 6 months (from 3 months). The estimated cost to the Council of backdating claims for 2019/20 is **£3,250**.

**Do you think that 6 months is a reasonable period to backdate claims for working age and pensioners?**

**ANY OTHER COMMENTS - Are there any other general comments with regard to the Council Tax Reduction Scheme?**

**FINANCE AND PERFORMANCE SCRUTINY COMMITTEE – CORPORATE PLAN 2020 –  
24 CONSULTATION**

Having listened to initial feedback from residents about what matters to them, alongside carefully reviewing our progress since 2016 and making sure we meet our legal obligations to the Welsh Government, we are proposing the following three priorities:

PROPOSED PRIORITY - Ensuring PEOPLE are independent, healthy and successful

**This may include...**

- Helping our more vulnerable residents to have a good quality of life
- Encouraging our residents to be more active and healthy
- Working with health services to provide support for residents with complex needs
- Collaborating to meet the specific needs of children and young people

PROPOSED PRIORITY – Creating PLACES where people are proud to live, work and play

**This may include...**

- Keeping our streets clean and reducing our impact on the environment
- Improving movement and air quality throughout the County Borough
- Making the most of our natural resources and green spaces
- Ensuring the County Borough is one of the safest places in Wales, with high levels of community cohesion and where residents feel safe

PROPOSED PRIORITY – Enabling PROSPERITY creating the opportunity for people and businesses

This may include...

- Making our town centres great places to live, work and socialise
- Capitalising upon major regeneration projects across RCT and South Wales
- Ensuring our residents have the skills and qualifications to achieve their career aspirations

**What are your views on these priorities and ideas about anything else that would make a difference to the people and communities of Rhondda Cynon Taf?**

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