

AGENDA ITEM 2**RHONDDA CYNON TAF COUNTY BOROUGH COUNCIL****CABINET****22nd January 2015****THE COUNCIL'S 2015/2016 REVENUE BUDGET****REPORT OF THE GROUP DIRECTOR CORPORATE & FRONTLINE SERVICES****AUTHOR: Chris Lee (01443 424026)****1.0 PURPOSE OF THE REPORT.**

This report provides the Cabinet with information in respect of the 2015/2016 final local government settlement, to assist it with its deliberations, prior to constructing the revenue budget strategy for the financial year ending 31st March 2016, which it will recommend to Council, for approval.

2.0 RECOMMENDATIONS.

It is recommended that the Cabinet:

- 2.1** Note that the procedures relating to revenue budget construction, the budget consultation process, and reporting to Council, are laid down in the "Budget and Policy Framework", contained within the Council's Constitution;
- 2.2** Adopt the draft 2015/2016 revenue budget strategy, detailed in Appendix 1 and exemplified in Appendix 3 of this report, as the basis of the revenue budget strategy for the financial year ending the 31st March 2016, that it would wish to recommend to Council, subject to consideration of the results of the second stage of its budget consultation exercise
- 2.3** Conduct an appropriate second stage of its budget consultation exercise, prior to submitting its final report to Council, noting in particular the measures proposed to close the budget gap and the recommended increase in the level of Council Tax.

- 2.4 Agree the draft timetable for setting the 2015/2016 revenue budget, reproduced at Appendix 8.
- 2.5 Agree that the Council continue to support the medium term financial strategy aimed at maximising ongoing efficiency in service delivery, delivering inescapable and targeted service cuts and other decisions that maintain the financial integrity of the Council whilst still aiming as much as possible to protect jobs and key services.

3.0 **BACKGROUND.**

- 3.1 The Council's Corporate Management Team have now met on many occasions to discuss budget issues and have consolidated their thoughts on the impact of the final local government settlement, which had been released by The Minister for Public Services (Leighton Andrews AM), on the 10th December 2014 (see Appendix 2).
- 3.2 Using the final settlement, I am able to provide Cabinet Members with details of its potential financial effects on Rhondda Cynon Taf and its Council Tax payers, including an exemplification (Appendix 3) of a high level budget requiring a Council Tax increase of 3.8%. The limited resources available and the expected demand for these resources resulted in an initial budget gap of £16.526M that needs to be dealt with to produce a balanced budget.
- 3.3 As a first stage of the consultation process, the Council consultees were able to debate the expected implications of the local government settlement so that they, too, could form an initial view. Importantly, Cabinet Members are then able to take account of the initial consultation feedback, prior to arriving at their own budget proposals. The results of the first phase of the consultation exercise are attached at Appendices 4,5 and 6.
- 3.4 The Cabinet have now had an opportunity to consider, at length, the major service delivery issues facing the Council in the coming financial year, and beyond. These considerations constituted an extremely important challenge to the thinking of the Corporate Management Team, and have enabled it to focus and refine the approach it would ultimately recommend to Cabinet Members.

4.0 **THE COUNCIL'S CONSTITUTION**

- 4.1 The revenue budget for the financial year ending the 31st March 2016, must be conducted in accordance with the "Budget and Policy Framework" (contained in the Council's Constitution), which was agreed by Members in May 2002.

- 4.2 Under these arrangements, it is for the Council's "respective Chief Officers" to report to Cabinet, and for the Cabinet to then recommend a budget to Council, after having conducted an appropriate budget consultation exercise. I have reproduced the relevant sections of the Constitution at Appendix 7, for Members' information and guidance.
- 4.3 Finally, I have attached a draft timetable for agreeing the 2015/2016 revenue budget strategy, at Appendix 8.

5.0 THE KEY ELEMENTS OF A BALANCED BUDGET STRATEGY FOR 2015/2016

- 5.1 Contained within the discussion paper, reproduced at Appendix 1, is what the Corporate Management Team considers to be the key elements of a balanced revenue budget strategy for 2015/2016.
- 5.2 Nevertheless, it may be helpful, at this juncture, if I were to summarise the main "building blocks" of that proposed strategy, as follows:
- a) Maintain the Council's financial stability, whilst targeting any available funding, in an efficient and effective manner, towards the key services required by our residents;
 - b) Look to protect key services and jobs wherever possible;
 - c) Review all areas of service provision, including eligibility to those services and charging policies in place;
 - d) Take maximum advantage of all new funding opportunities made available by the Welsh Government;
 - e) "Top slice" appropriate necessary sums to fund corporate budgets;
 - f) Fully allocate any sums "earmarked" for specific services which are demonstrably the direct result of legislative changes included in the 2015/2016 Local Government Settlement, in strict accordance with the guidance issued by the Welsh Government;
 - g) Allocate to our Service Groups, initially, an adequate allowance for (inflationary) movements in employee costs;
 - h) To continue to deploy our procurement strategy to offset the impact of certain supplies and services' inflation, in the coming financial year;

- i) Actively pursue efficiency in all areas of the Council;
- j) Provide comprehensive support to help achieve efficiency requirements in all areas of service, including our schools;

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

5.4 Key Priorities

5.5 Even within this 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. Above all we want to make Rhondda Cynon Taf a safer, healthier and wealthier place to live, work and learn.

5.6 However, we must deliver our objectives within the parameters of next year's local government settlement. For next year and into the medium term any available resources should be targeted at key service areas. Part of the first stage General Budget Consultation exercise has been to test the appropriateness of our key strategic priorities (our Wales Programme for Improvement (WPI) priorities). Feedback has been clear that these should remain our priorities, acknowledging the limited resources available.

5.7 Consequently, at Appendix 3 of this report, I have translated the components of the Corporate Management Team's recommended approach into an illustrative budget for 2015/2016, which I believe could meet the Cabinet's requirements.

5.8 Council Tax Levels

5.9 As is the case every year, the Cabinet must balance its stated intention to deliver fair and equitable services throughout the County borough as well as improvements to the services the Council provides, with the need to minimise the tax burden on local residents. Appendix 3 illustrates how the Cabinet could devise a balanced revenue budget, which will meet all of the basic requirements of its preferred strategy **and** set the Council Tax increase for 2015/2016, to 3.8%.

- 5.10** The next step is to embark on the second stage of the consultation process, which will involve gathering feedback on the Cabinet's initial strategy, prior to it making its final recommendations to the Council.

6.0 CONCLUSIONS

- 6.1** Whilst the Council's present financial position could be described as "stable", the Authority's General Reserves need to remain at the minimum acceptable level of £10M even after bridging the initial budget gap of £16.526M.
- 6.2** The Corporate Management Team holds the collective view that the Council should commit itself to fixing its 2015/2016 revenue spending and, as a consequence, the Council Tax levied next year, at a level which balances the desire for fair and equitable service provision, with the need to recognise the impact that excessive tax burdens can have on local households.
- 6.3** A translation of the Corporate Management Team's recommended strategic approach into a high level budget for 2015/2016 with a Council Tax increase of 3.8% is contained in Appendix 3 to this report.
- 6.4** Once the Cabinet has agreed its "initial" 2015/2016 budget proposals, the second stage of the Council's budget consultation exercise should start, so that feedback from the consultees can be considered, prior to Cabinet submitting its final report to Council.
- 6.5** Given that the financial resources currently available to the Council are finite and that future local government settlements will continue to present extremely challenging funding issues for local authorities in Wales, the Corporate Management Team sees the continuation of a robust medium-term financial strategy as being vital, if we are to maintain our core public services.

APPENDIX 1**RHONDDA CYNON TAF COUNTY BOROUGH COUNCIL****JANUARY 2015****A DISCUSSION PAPER PREPARED BY THE CORPORATE MANAGEMENT
TEAM (CMT) IN RESPONSE TO THE 2015/2016 LOCAL GOVERNMENT
SETTLEMENT****AUTHOR: CHRIS LEE - GROUP DIRECTOR, CORPORATE AND FRONTLINE
SERVICES (01443) 424088****1.0 BACKGROUND**

- 1.1 The Constitution sets out the procedure, which must be adhered to when setting the Council's annual revenue budget. It is a specific requirement of the Constitution that the Council's Chief Officers first report to the Cabinet, to advise Members on the issues involved (see Appendix 7). Following due consideration of that report, and after having conducted an appropriate budget consultation exercise (Stage 1 and Stage 2), it will then be for the Cabinet to determine a strategy and recommend a budget to Council, for final approval. A timetable for this process is attached at Appendix 8.
- 1.2 Prior to determining its preferred budget strategy for the financial year ending the 31st March 2016, the Cabinet must consider:
- The Council's own financial position.
 - The financial and service implications of the Welsh Government's (WG) 2015-2016 local government settlement, and the indications of support from WG in future years.
 - The Single Integrated Plan - 'Delivering Change'.
 - The Council's Corporate Plan.
 - The level of demand and the statutory basis for delivery of services.
 - The results of the General Budget Strategy consultation exercise.
- 1.3 If Members are to arrive at the best possible outcome for our residents, it will be important that an appropriate weighting is given to each of the six key determinants in paragraph 1.2 above, so that relative resourcing and spending priorities can be properly determined.

- 1.4 Accurate and up-to-date information is readily available in respect of the Council's own financial position, and officers have now analysed the 2015/2016 final local government settlement from Rhondda Cynon Taf's perspective. Information is also available in respect of available financial resources into the medium term. There is an updated Corporate Plan, we also have an agreed Single Integrated Plan for the County Borough, plus we have the results of the first stage of our 'General Budget Strategy' consultation exercise available. Members also receive comprehensive updates on the Council's financial and operational performance on a quarterly basis.

2.0 THE COUNCIL'S FINANCIAL POSITION

- 2.1 Members have continued to receive regular updates on the financial position and projections for this Council during 2014/15. A key starting point and important consideration is the annual statement of accounts. At the Council meeting on the 24th of September last year, I presented the Council's audited accounts, which reported General Fund Balances amounting to £10.282M.
- 2.2 Given the continuing financial pressures the Council is working under, the continuing growth in the quantum of our budget and the potential risks that lie ahead, it remains my view, as per my predecessor, that the Council should hold a minimum of £10M as General Fund Balances, (i.e. its working balance). This is at a level we have held for some years, although this minimum is set in the context of the need for continued strong financial management that is felt to be essential to ensure that the Council maintains financial flexibility and stability going forward.
- 2.3 Members will be aware that in addition to General Fund Reserves, the Council also holds a number of earmarked reserves that are kept under continuous review and are assessed each year by the Wales Audit Office. Members will be aware that included in these Reserves is a Medium Term Financial Planning and Service Transformation Reserve that has successfully supported transitional funding as part of the Council's Medium Term Service Planning arrangements. It has achieved this through helping to smooth the delivery of budget savings over a number of years, whilst still allowing an annual balanced budget to be delivered. The starting point for the Medium Term Financial Planning and Service Transformation Reserve as at the 31st March 2014 is £6.8M. Further draw down from this reserve was actioned during 2014/15 and opportunities also exist to replenish this reserve as follows:
- At the 25th June 2014 Council, Members agreed an additional allocation from the reserve of £1.2M to 'rebalance' the budget strategy for 2014/15 following the Judicial Review judgement in respect of how nursery education is funded by the Council.

- Members have been informed through the quarterly performance monitoring framework that decisions taken in year during 2014/15 have resulted in savings being generated that can now provide one off cash benefit to the transitional funding reserve as well as a positive base budget impact in 2015/16. The latest estimate of this 2014/15 benefit (Quarter 2 performance report, reported to Cabinet on the 20th November) equates to £1.3M.
 - As per paragraph 2.2 above, I consider £10M to be a minimum level of General Fund Balances that this Council should hold and as at the 31st March 2014, that level equated to £10.282M. I therefore consider it appropriate to allocate a further £0.200M from General Fund Reserves to transitional funding and leave £10.082M as a General Fund Balance pre the year end assessment for 2014/15 that will be undertaken as part of preparing this year's statement of accounts at financial year end.
- 2.4 The net effect of actions proposed above would mean that the Medium Term Financial Planning and Service Transformation Reserve available to support the 2015/16 budget strategy at this time equates to **£7.1M**.
- 2.5 The Wales Audit Office continues to emphasise that we must remain disciplined at this crucial time, if we are to maintain our long-term goal of driving forward continuous improvement of key services, though this becomes increasingly harder to achieve with such severe financial pressures.
- 2.6 I believe the Wales Audit Office assessment is an accurate one and it is important that Members continue to take their fiduciary duty extremely seriously. The challenge, therefore, is to construct a prudent, equitable and fair revenue budget for the financial year ending the 31st March 2016. This must involve an approach which publicly demonstrates sound financial stewardship; which does not take unnecessary risks; which maximises income generation; and which delivers the services that are needed and we can afford, as well as protecting as many jobs as possible.
- 2.7 For many years we have incorporated the key principle of continuing to deliver significant levels of efficiency savings which have protected jobs and services. This has meant the removal of an "efficiency" sum of almost £70M from our base budget. Whilst efficiencies will still be delivered, the level that can be implemented without impacting on front line services has to be set realistically into the medium term.

3.0 THE 2015/2016 LOCAL GOVERNMENT SETTLEMENT

3.1 On the 10th December 2014, the Minister for Public Services (Leighton Andrews AM) announced the 2015/2016 local government settlement. The Minister's statement and key tables are attached at Appendix 2.

3.2 The "headlines" of the final 2015/2016 settlement are as follows:-

- a. The overall reported decrease in Revenue Support Grant (RSG) and Non-Domestic Rates funding for 2015/2016 (of unhypothecated funding) at an all Wales level, is -3.4%. Closer inspection of the settlement details reveals that the decrease excludes the impact of the additional Local Government Borrowing Initiative (LGBI) for the 21st Century schools programme totalling at an all Wales level, £4.5M. The impact of this adjustment is that the overall funding reduction at an all Wales level is actually -3.5%.
- b. The settlement for Rhondda Cynon Taf, shows a reported decrease of -3.6% which is worse than the average reported of -3.4%. As detailed above, the reported decrease should be adjusted for the 21st Century schools LGBI, resulting in an actual funding decrease for this Council of **-3.7%** in 2015/16. 'Reported' settlements across the twenty two local authorities in Wales range from at best -2.4% to at worst -4.5%, the latter of which has been held at this level through a damping / floor adjustment applied by Welsh Government.
- c. The Settlement includes a number of stated 'transfers in'. For this Council, these equate to:
 - LGBI 21st Century Schools - £0.936M
 - Integrated Family Support Services - £0.280M
 - Autistic Spectrum Disorder - £0.040M
- d. The Settlement includes a number of stated 'transfers out'. For this Council, these equate to:
 - Student Finance Wales - £0.198M
 - Feed Safety Controls - £0.039M
 - National Adoption Service - £0.022M
- e. The Final settlement now contains details of our share of Outcome Agreement grant for next year (this was not included at Provisional settlement stage). The amount available for 2015/16 (subject to appropriate performance targets being achieved) totals £2.467M, which is a reduction of £0.037M compared with 2014/15.

- f. The settlement contains no indication of future year indicatives i.e. 2016/17 and beyond.
 - g. We are still awaiting details on many specific grants. At an all Wales level many grants are reducing, some significantly and some are being replaced altogether by other grants (at a lower value). Some grants are ending altogether most notably the Intermediate Care Fund (at £35M all Wales).
 - h. The Council's General Capital Funding allocation is reduced by 0.3% (£0.040M) to £11.154M.
- 3.3 The overall impact of the Final settlement, compared with Provisional, is that funding available to the Council has increased by some £0.269M.

4.0 RECENT BASE BUDGET UPDATES

- 4.1 Budget assumptions used in compiling the "Base Budget" for the Council are constantly being reviewed and updated. In recent weeks a number of adjustments have been identified that will impact on the estimated budget requirement for 2015/2016. These are:
- a. *Fire Service Levy* - The Fire Service Levy has reduced by £0.428M from the original assumption used in the budget modelling. This reduction reflects changing population levels and a general reduction in the fire service levy chargeable for 2015/16.
 - b. *Senior Management Structure* – As per the Council report on the 29th October 2014, changes to the Senior Management structure agreed will result in a further £0.723M base budget saving in 2015/16.
 - c. *Expressions of Interest Exercise 2014/15* – During 2014/15 a comprehensive exercise was undertaken inviting expressions of interest from staff who wished to consider opportunities for voluntary retirement / redundancy, reduced hours and flexible retirement. As a result, services have been able to restructure teams and deliver efficiencies. These are in addition to the base efficiency targets and any reductions linked to the implementation of agreed services changes. Employee cost reductions achieved will deliver base budget savings of £1.925M for 2015/16.
 - d. *Changes agreed to the delivery of One4all Services across the County Borough* – As per the Cabinet decision on the 20th November 2014, changes in the One4all Service will deliver savings of £0.245M in 2015/16.

- e. *Ongoing reassessment of base budget pressures* – As part of updating the base budget assumptions over recent weeks, changes have been made in cost and risk calculations and in particular, this has resulted in lower estimated cost pressures within Social Care Services. A review has concluded that action can be taken to lower the assumptions around 2015/16 demographic pressures within Adult Social Care. This will reduce the additional base requirement by £1M in 2015/16. In addition, the service is reviewing the requirements of the Social Care and Wellbeing Act and will, during 2015/16, set out plans for service transformation linked to these new requirements.
- f. *Council Tax Reduction Scheme (CTRS) Requirements* – CTRS as Members are aware was introduced in 2013/14 as a replacement for Council Tax Benefit. Based on caseload and spend during 2014/15, it is considered appropriate to lower the budget for this scheme by £0.500M in 2015/16. It should be noted that the cost of supporting CTRS, even after this reduction is in excess of the Welsh Government funding level included in the settlement which has been fixed in cash terms since 2013/14 (in 2014/15 whilst the amount identified within the settlement totalled £21.960M, the actual projected spend for the Council this year is estimated to be £22.985M).
- g. *Capital Charges* – Capital Charges represent the revenue cost implications of the costs of borrowing that we are required to undertake to fund investment in infrastructure, such as our schools and roads. I recently presented the Treasury Management Mid-Year Review report to Council (10th December 2014) which documented the robust processes we have in place. As part of our ongoing assessment of capital charge requirements, including views on likely borrowing rate changes, we are able to reduce the budget allowance by £0.500M for 2015/16.
- h. *Miscellaneous Items* - During 2014/15, a number of decisions have been taken operationally that will deliver base budget savings in 2015/16. These include restrictions on provision of buffets, removal of the council newspaper and forgoing of increases in Members allowances. In addition, following another successful Nos Galan event in December 2014, the Chair of the Organising Committee has written to me indicating that a further reduction in the core budget for this event is possible for 2015/16 (over and above that agreed previously). The total of these decisions reduces base budget requirements by £0.137M in 2015/16.

4.2 In summary, the measures listed above in 4.1 are shown in Table 1 below: ,

Table 1: Recent Base Budget Updates Impacting on the 2015/16 Base

	£M
Fire Service Levy	0.428
Senior Management Structure	0.723
Expressions of Interest Exercise 2014/15	1.925
Changes to the Delivery of One4all Services	0.245
Ongoing Reassessment of Base Budget Pressures	1.000
Council Tax Reduction Scheme	0.500
Capital Charges	0.500
Miscellaneous Items	0.137
Total Reduction in Base Budget Requirement	5.458

5.0 THE FINANCIAL IMPLICATIONS OF THE 2015/2016 SETTLEMENT FOR RHONDDA CYNON TAF

5.1 The settlement indicates that our 2015/2016 RSG and NDR funding will total £354.675M.

5.2 In anticipation of the 2015/2016 local government settlement, the Council's service managers have constructed base budget requirements for next financial year. Those initial calculations provided for:-

- National wage awards and pension costs (the former based on the recently agreed 2 year deal running from January 2015);
- Non-pay (i.e. goods and services) inflation, including energy;
- Corporate financing requirements and levies;
- Full year effects of additional burdens imposed on the Council.

5.3 The position I reported to Council at the Provisional Settlement stage indicated a budget gap of £22.646M (Council 29th October 2014). Taking account now of the final settlement and assuming a 3.8% Council Tax increase (0.3% higher than that used in the initial budget gap projections and discussed below in 6.12), an increased tax base, plus updates reflected to date in this report, this budget gap has now reduced to **£16.526M** (a net reduction of £6.120M¹).

¹ £6.120M = £0.269M (settlement)+£5.458M (Table 1)+£0.783M (Council tax and Council Tax Base)-£0.390M (pay award implication)

6.0 DEVELOPING AN EQUITABLE, DELIVERABLE AND BALANCED BUDGET FOR 2015/2016

- 6.1 It will not be easy for us to develop an equitable and deliverable revenue budget strategy given the -3.7% cut in funding from the Welsh Government and the significant pressure 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 if at all possible protects as many key services and safeguards as many jobs as we can.
- 6.2 I touched upon the Council's overall financial position in Section 2 of the report. In my view, it is vital that we continue with the strategy adopted thus far 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 After setting aside appropriate sums for corporate financial requirements, Members can then fully assess the issues and opportunities for the budget as a whole.
- 6.5 The initial net budget position following on from the above is a "funding gap" of some £16.526M. It is also estimated that the gap will rise over the three years to 2017/18 to an estimated £56M² if our base budget is not reduced. It is proposed that this exercise is dealt with in two parts – firstly, setting the schools budget, and secondly assessing the options for filling any remaining gap for 2015/2016.

² £62M at Provisional Settlement (29th October 2014 Council) less £6.120M as per paragraph 5.3

Schools Budget (ISB)

- 6.6 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. The Council also has to give due regard to the direction by Welsh Government to protect Schools by requiring a funding increase of 0.6% for 2015/16 as compared to a decrease of -3.7% faced by the Council as a whole. This protection is applied in full against the initial school budget base requirements where full costs of pay inflation and other running costs have initially been assumed. The result of providing a 0.6% uplift, adjusted for items such as pupil number changes and changes in employee cost requirements is that the overall schools 'requirement' reduces by £2.554M, leaving a remaining overall gap for the Council of **£13.972M**. Schools will not be required to contribute to the Council's general efficiency targets and whilst the budget 'requirement' is lowered, the actual change in the school budget year on year (2014/15 to 2015/16) equates to an increase of £0.963M.

Dealing With The Remaining Revenue Budget Gap

- 6.7 This Council has taken a proactive approach to dealing with the austerity cuts it has faced in recent years. The planned approach to identify robust business cases for service change has proved effective and has meant that budgetary control has remained effective in year. This approach I believe is still the right one and we will again adopt a similar strategy for 2015/16.
- 6.8 Following careful consideration, the following approach is recommended:
- a. *Efficiencies* – The Council has successfully delivered almost £70m in efficiency savings over the last 10 years or so. Whilst the generation of efficiency savings becomes increasingly difficult over time, new technology, collaboration and new ways of working are examples of where such gains can still be delivered. As in previous years, services have been tasked with identifying 'general' base efficiency savings. Originally this target was set at £4M for 2015/16, but extensive work across services has allowed for this target to be exceeded, in part by bringing work planned for 2016/17 forward to 2015/16, and plans are now in place to deliver £5M of savings in 2015/16. In addition to 'general' base efficiency, service reviews have also been undertaken across a range of services which will deliver savings in 2015/16. These are classed as 'efficiency savings' not 'service cuts', given that they represent no visible front line / customer impact. Prudently, it is assumed that each of the proposals have a part year impact for 2015/16.

The service review efficiency areas are:

- I. **Marketing and Tourism** – A service review has identified an opportunity for cost savings. Service redesign, including bringing together the functions of tourism and marketing will deliver economies of scale and a more effective service.

If agreed, this proposal would deliver savings of £0.113M in 2015/16 (full year impact £0.150M).

- II. **Special Education** – A staffing restructure to reflect the changing needs of pupils and schools will be undertaken. Staff resources will be deployed more effectively to become more efficient, along with a review of charges to schools for the provision of placements or alternative education outside of mainstream schools.

If agreed, this proposal would deliver savings of £0.357M in 2015/16 (full year impact £0.476M).

- III. **Corporate Finance** – A service review has identified a number of opportunities to restructure areas of the service to deliver more focussed and integrated services. It will include the merger of performance and finance teams, restructuring of payroll services, the removal of the service improvement function, a transfer of the Council's Insurance function to Legal Services (to provide economies of co-location) and the centralisation of the mail room function to Ty Elai. The front line functions within the service will not be adversely affected by the proposal.

If agreed, this proposal would deliver savings of £0.415M in 2015/16 (full year impact £0.553M).

- IV. **Adult Education** – Delivery of the 'Bridges into Work' European Social Fund programme finished on 31st December 2014 with project closure to be completed by 31st March 2015. No extension to this programme has been granted therefore the match funding previously committed from council budgets is no longer required. Any new initiatives would have to be funded via alternative sources of external funding.

If agreed, this proposal would deliver savings of £0.045M in 2015/16 (full year impact £0.060M).

- V. **Sports Development** – Sports Development promotes and facilitates community participation in sport. For 2014/15, gross expenditure for the Service is £1.187M with income estimated at £0.947M of which £0.786M is delivered through grant funding from Sport Wales, Public Health Wales NHS Trust & Cwm Taf Local Health Board and other grant bodies.

The proposal is to reduce the net budget through service restructuring, mindful of avoiding any changes which could impact on specific grants receivable and used by the service.

If agreed, this proposal would deliver savings of £0.150M in 2015/16 (full year impact £0.200M).

- VI. **Business Support** – The savings will be achieved through restructuring and reduction of non pay budgets in the business support functions within Education and Environmental Services.

If agreed, this proposal would deliver savings of £0.050M in 2015/16 (full year impact £0.066M).

- VII. **Highways Maintenance** - The service undertakes a range of highway maintenance activities as well as providing a construction service for capital highway projects and any highway construction works for other Council services. A service review has been undertaken based on future budget projections and workforce capacity and efficiencies and cost savings are deliverable without the need to impact on current maintenance service levels.

If agreed, this proposal would deliver savings of £0.150M in 2015/16 (full year impact £0.200M).

Specific service reviews are projected to deliver £1.280M in 2015/16 (full year impact £1.705M). In total therefore, efficiency savings amounting to £6.280M are being targeted for 2015/16 (in addition to the £1.925M expressions of interest exercise highlighted earlier in paragraph 4.1c).

b. *Staff Panel Ideas* – In June of last year, the Leader of the Council, established the Staff Panel. The panel included staff members from across a range of services, Trade Union representatives, councillors and appropriate support staff. The Panel has proved to be an extremely valuable resource for assessing the savings ideas submitted by staff (over 400 received to date) and in working these up to deliverable proposals. The panel is due to meet shortly to agree recommendations for savings that if agreed, will have an impact in 2015/16. Once considered, a report will be prepared and presented to Cabinet for approval.

c. *Fees & Charges* -

The budget strategy for 2014/15 agreed to increase fees and charges by, on average, 3% above RPI for three years, that is to 2016/17. Over and above the general increase, a review has also been undertaken on the introduction of charges for any services currently delivered free and whether there are any areas where specific fee levels should be set. In this respect, two specific proposals are highlighted:

I. Parks Fees & Charges

Consultation on the introduction of charges for use of bowling greens, cricket grounds and rugby / football pitches concluded on the 16th December 2014. A report will be considered by Cabinet shortly.

II. Trade Waste

The Councils Trade Waste charges are currently some way below the levels charged by other councils in Wales and do not provide an appropriate incentive for businesses to recycle. The Council's strategy in this regard is to work with businesses to encourage increased recycling levels, with a charging structure which would make it cheaper for them if they do so. Increasing their recycling levels would enable businesses to have their bins removed and change to a more cost effective bag collection system for residual waste materials where they would pay for bags and only put the bags out for collection when they need to.

The proposed increases in **trade waste** charges are shown in the following table.

	CURRENT CHARGE £	PROPOSED CHARGE £
Trade Waste Bags (Cost Per Bag)	1.30	1.75
240L Bin	3.40	8.20
660L Bin	9.95	18.70
1100L Bin	15.25	29.00
Trade Recycling Bags (Cost Per Bag)	0.30	0.35
Food Recycling:		
240L Bin	N/A	7.00
Nappy Collections & Incontinence Pads:		
240L Bin	N/A	7.00

The proposed level of charges would bring us to a level more comparable with other councils and would remain favourable compared with private sector comparators. The proposal would increase income levels by £0.200M in 2015/16.

A report will be presented to Members shortly setting out in detail the general uplift to fees and charges for 2015/16

- d. *Capital Programme Considerations* – Whilst the majority of the Council's Capital Programme is funded via the Welsh Government's general capital grant, capital receipts and specific grants, there is an element of direct revenue funding support into the programme that for 2014/15 equates to £2.2M. As part of assessing the revenue budget position, the sustainability of this level of Direct Revenue Financing has to be reviewed. Alongside this it is also appropriate to consider the ongoing infrastructure needs we face into the medium term, which we have sought to target in recent years through additional funding, particularly for investment in our roads. It is proposed therefore that as part of the revenue budget strategy for 2015/16, a net reduction in revenue funding is actioned of £0.900M. This equates to a £1M reduction in revenue funding of existing programme elements, offset by a further investment of £0.100M revenue to support prudential borrowing and investment in our infrastructure. The detailed analysis and implication of this net reduction will be part of the updated three year capital programme that will be reported to Council in March.
- e. *Service Changes / Cuts*– Service changes have been agreed and implemented throughout the year as part of the Council's proactive approach to the financial challenges faced over the medium term.

Currently, two service change proposals remain subject to consultation, that is, the funding for Nursery Education and changes to the Music Service. Until such time that Cabinet review the outcomes of the consultation and the decisions it wishes to take with regards to these proposals, no impact can be considered as part of this budget strategy. In terms of further proposals, these will continue to be developed during 2015/16 and will be reported to Members for consideration as appropriate.

- f. *Medium Term Financial Planning and Service Transformation Reserve (Transitional Funding)* – Whilst significant service changes and cost reduction measures are already in place for 2015/16, it is recognised that further in year decisions are necessary to close future year budget gaps. The notion of an annual budget setting process has clearly been assigned to the past and experience from 2014/15 indicates that a proactive and ongoing approach to identifying and implementing service changes is the right and only approach to take. In doing so, we are able to replenish transitional funding in year and secure base budget savings in the following year. As previously indicated, we have a “Medium Term Financial Planning and Service Transformation Reserve” that provides the tool, albeit short term and one off in nature, for such an approach and this equates currently to £7.1M. To balance the 2015/16 budget, it is proposed that an allocation of £6.592M is made from this reserve for 2015/16. Whilst this balances the budget for 2015/16, this would only leave £0.508M in the reserve (subject to the year end assessment of reserves post March 31st 2015).

A consequence of using one off funding at this level in 2015/16 is that £6.592M would immediately add to the budget gap in 2016/17. There would therefore be an urgent need to replenish this reserve next year through further service change decisions. It is recognised that further reductions in service levels and standards require difficult decisions to be taken, but the alternative, that is, not taking in year decisions would result in very limited flexibility for our medium term financial strategy and threaten our overall financial stability.

6. 9 In summary, Table 2 lists the proposals recommended to close the remaining budget gap for 2015/16, that will deliver a balanced budget for next year:

Table 2 : Budget Strategy Proposals 2015/16

	£M	£M
Budget Gap		13.972
Strategy Proposals:		
General Efficiency Target	(5.000)	
Service Specific Efficiency Reviews	(1.280)	
Trade Waste Charges	(0.200)	
Capital Programme	(0.900)	
		(7.380)
Remaining Budget Gap		6.592
Use of 'one off' funding:		
Medium Term Financial Planning and Service Transformation Reserve		(6.592)
Total		0.000

Service Priorities

- 6.10 Even within this 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. Above all we want to make Rhondda Cynon Taf a safer, healthier and wealthier place to live, work and learn.
- 6.11 However, we must deliver our objectives within the parameters of next year's local government settlement. For next year and into the medium term any available resources should be targeted at key service areas. Part of the first stage General Budget Consultation exercise has been to test the appropriateness of our key strategic priorities (our Wales Programme for Improvement (WPI) priorities). Feedback has been clear that these should remain our priorities, acknowledging the limited resources available.

Council Tax Levels

- 6.12 This Council has always acted reasonably when setting its Council Tax, balancing the impact upon services and the ability of the public to pay acknowledging that those eligible, will receive support through the Local Council Tax Reduction Scheme (CTRS). For 2014/2015 Members agreed an increase of 4.5%. Mindful of the impact that austerity cuts are having across all of our communities, the proposal is to increase Council Tax in 2015/16 by 3.8%.
- 6.13 Members will be aware that the costs of the CTRS associated with increases in Council Tax levels and changes in caseload impact 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 £915k (at current tax

base levels), but will also cost £229k in additional CTRS payments to individuals. It therefore follows that a 1% increase generates a net additional income of £686k, or stated another way, one quarter of any Council Tax increase is lost to support the increased costs associated with the Welsh Governments CTRS.

7.0 2015/2016 SERVICE GROUP BUDGETS

- 7.1 The Council adopts a comprehensive budget challenge process involving senior managers from each Service Group, with a subsequent detailed review and assessment being conducted by the Corporate Management Team, to ensure consistency and fairness across all service areas.
- 7.2 The 2014/2015 revenue budget and the regular performance monitoring reports are available to the Cabinet, to act as a benchmark to evaluate 2015/2016 service delivery options, and service change proposals. It is, of course, important to appreciate that the current year's figures are for information purposes only and are not meant to represent a base service requirement, or target. Indeed, budget provisions for next year could be more, or less, than the 2014/2015 figures, depending upon Members' decisions and spending priorities, and on the impact of the 2015/2016 local government settlement.
- 7.3 The 2015/16 Budget Strategy will also need to reflect the changes structurally to the Council following the Senior Management Changes agreed on the 29th October 2014. Essentially the four group structure has been reduced to three and budgets have been disaggregated as appropriate and cash limits for the new service groups prepared.
- 7.4 All of our services have comprehensive annually updated Business Plans, which facilitates a base review and an even greater degree of sophistication in the Council's budget prioritisation process. These Business Plans form an integral part of the Service Groups' and Corporate Management Team's deliberations, albeit the sum total of the aspirations for increased funding contained within them will have to be tailored to fit the Council's available financial resources. In this way, the Council's overall budget will be built "bottom up", on the basis of properly identified service need, within the framework provided by the Single Integrated Plan and our own Corporate Plan.
- 7.5 Members will, of course, be keen to demonstrate that the Council is properly discharging all its statutory obligations, but with funding at a premium, will also wish to ensure that our services are being delivered in the most economic, efficient, and effective manner. The basic principle which should, therefore, underpin the construction of the 2015/2016 budget, is that Members will look to target adequate funding towards the delivery of our key services whilst, at the same time, ensuring that the resultant Council Tax

levied next year is reasonable and can be justified to our residents. Attached at Appendix 3 is an outline budget proposal, including efficiency requirements and service provision amendments. This is based on a Council Tax increase of 3.8%.

- 7.6 Members will also be aware that given the extremely challenging financial outlook for the Council, all areas of service are being reviewed. As referenced earlier, this will result in further phases of budget reduction proposals coming before Cabinet in the coming months to ensure that our base budget is reduced over time to bridge the identified significant budget shortfall – currently estimated to be £46M in the period to 2017/18.

8.0 THE 2015/2016 GENERAL BUDGET STRATEGY CONSULTATION PROCESS

- 8.1 As indicated previously, we have a number of consultation exercises ongoing for specific proposals and therefore our approach again has been to target our General Budget Strategy Consultation on strategic service priorities, Council Tax levels and the discretions applicable in the Council's Council Tax Reduction Scheme design.

- 8.2 The consultation process for 2015/2016 is again in two stages, allowing consultees an opportunity to comment on the 2015/2016 local government settlement, as it affects Rhondda Cynon Taf, prior to Cabinet considering its initial budget strategy. The results of this first stage consultation are attached at Appendices 4, 5 and 6.

- 8.3 After the Cabinet has reflected on the local government settlement, and taken into account the feedback from the first stage of the Council's consultation exercise, it can formulate its initial 2015/2016 revenue budget strategy. That initial strategy can then be released, immediately, to all the consultees, for further consideration (i.e. Stage II).

- 8.4 Finally, Cabinet will consider the results of the second stage of the consultation exercise, prior to it recommending a revenue budget to the Council, in accordance with our Constitution.

9.0 CONCLUSIONS

- 9.1 The Minister for Public Services (Leighton Andrews AM) announced the 2015/2016 local government settlement on the 10th December 2014 and this Council's reduction in resources was set at -3.7%.

- 9.2 Whilst the Council's overall financial position remains sound, its level of General Fund Balances are not excessive. The Council must, therefore, retain its focus on holding a minimum level of General Fund Balances of

£10M, in order to mitigate any risk of future budget instability. There is though the opportunity to pragmatically use the Medium Term Financial Planning and Service Transformation Reserve as transitional funding without prejudicing the Councils financial stability, or reducing our General Fund Balances below £10M.

- 9.3 Though as detailed in the report, whilst the use of such transitional funding would produce a balanced budget for 2015/2016, it is not a sustainable strategy. Significant and very difficult decisions will need to be made by Members over the next year or so to ensure the Council still delivers its core services into the future.
- 9.4 There will be a need for positive and proactive management from senior officers and clear direction from Cabinet to produce a financially sustainable budget into the medium term in this extremely difficult financial climate.



Llywodraeth Cymru
Welsh Government

**WRITTEN STATEMENT
BY
THE WELSH GOVERNMENT**

TITLE **Final Local Government Revenue and Capital Settlements
for 2015-16**

DATE **10 December 2014**

BY **Leighton Andrews AM, Minister for Public Services**

Today I am publishing details of the Final Revenue and Capital Settlements for Local Government funding in 2015-16. They include allocations of core funding for individual Local Authorities.

In preparing the Final Settlement, I have given careful consideration to the responses I received to the consultation on the Provisional Settlement. I am confident it provides a robust basis for Local Authority financial planning for the coming financial year.

For next year, I am setting Local Government revenue funding at £4.125 billion. This is slightly higher than I announced in the Provisional Settlement.

The total represents a decrease of 3.4% (£145 million) compared with 2014-15, after adjusting for transfers.

As I announced in the Provisional Settlement, to limit the change for any individual authority, I will again apply a damping mechanism so that no Authority will see a reduction of more than 4.5% in its core provision compared to 2014-15. Whilst the unhypothecated Settlement is the largest single source of funding available to authorities, it is not the only one. Authorities must take account of all the income streams available to them in setting their budgets and making decisions about service provision for 2015-16.

Alongside the Settlement, I am publishing the latest information on Welsh Government grant schemes planned for 2015-16. This provides Local Authorities with a comprehensive picture of the funding from the Welsh Government for 2015-16, allowing them to budget effectively.

Table 1 sets out the final distribution of Aggregate External Finance between the 22 Authorities for 2015-16.

In the absence of information regarding the UK Government's spending plans, I am unable to provide indications beyond 2015-16.

The motion for the National Assembly for Wales to approve the Local Government Finance Report for 2015-16 is scheduled for debate on 13 January 2015.

[Words – 293]

Table 1: 2015-16 Final Settlement - Comparison of the 2014-15 AEF (adjusted for transfers and tax base) and the 2015-16 Final AEF and Distribution of the 2015-16 Council Tax Reduction Schemes funding (distributed within AEF)

Unitary authority	£000s		Rank	% change on 2014-15	2015-16 Final AEF	Council Tax Reduction Schemes (distributed within AEF)	Percentage share
	2014-15 AEF (adjusted for transfers)	2015-16 Final AEF					
Isle of Anglesey	96,709	92,966	16	-3.9%		5,228	2.1%
Gwynedd	175,271	168,312	17	-4.0%		8,899	3.6%
Conwy	158,174	151,343	20	-4.3%		8,911	3.7%
Denbighshire	145,441	140,139	14	-3.6%		9,243	3.8%
Flintshire	193,052	186,419	11	-3.4%		9,958	4.1%
Wrexham	175,491	170,513	5	-2.8%		10,035	4.1%
Powys	182,395	174,316	21	-4.4%		8,068	3.3%
Ceredigion	103,889	99,256	22	-4.5%		4,732	1.9%
Pembrokeshire	167,074	160,045	18	-4.2%		7,192	2.9%
Carmarthenshire	261,129	252,481	7	-3.3%		14,244	5.8%
Swansea	318,314	307,634	9	-3.4%		18,981	7.8%
Neath Port Talbot	210,068	205,077	1	-2.4%		15,644	6.4%
Bridgend	194,983	188,409	10	-3.4%		12,577	5.2%
The Vale Of Glamorgan	157,920	152,481	12	-3.4%		8,957	3.7%
Rhondda Cynon Taf	367,910	354,675	13	-3.6%		22,161	9.1%
Merthyr Tydfil	91,600	89,288	2	-2.5%		5,872	2.4%
Caerphilly	272,808	263,692	8	-3.3%		13,436	5.5%
Blaenau Gwent	113,345	110,204	4	-2.8%		8,440	3.5%
Torfaen	135,517	130,545	15	-3.7%		7,984	3.3%
Monmouthshire	97,766	93,557	19	-4.3%		5,902	2.4%
Newport	214,685	209,254	3	-2.5%		10,177	4.2%
Cardiff	436,620	424,104	6	-2.9%		27,360	11.2%
Total Unitary Authorities	4,270,161	4,124,709		-3.4%		244,000	100.0%

APPENDIX 3**AVAILABLE REVENUE RESOURCES 2015/16 AND PROPOSED USAGE**

	£'000
Total resources available in 2015/2016	452,098
LESS: Total resources available in 2014/2015	466,779
<u>DECREASE</u> in resources available in 2015/2016	-14,681

	£'000
Allocation of Resources	
Delegated Schools Budget	963
Education & Lifelong Learning Services (Other)	-1,985
Community & Children's Services	-3,460
Corporate and Front line Services and Chief Executive's Division	-3,551
Authority Wide Requirements	-56
Use of Reserves (Transition Funding)	-6,592
	-14,681

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PROPOSED REVENUE BUDGET 2015/16**Education & Lifelong Learning Services****Delegated Schools Budgets**

	£'000
Net Revenue Budget 2014/15	141,755
Increase	963
Proposed Net Revenue Budget 2015/16	142,718

Non Delegated Budgets

	£'000
Net Revenue Budget 2014/15	35,462
Base and Inflationary Pressures	916
General Efficiencies	-695
Other Cost Reduction Measures	-2206
Proposed Net Revenue Budget 2015/16	33,477

Total Net Revenue Budget 2015/16	176,195
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PROPOSED REVENUE BUDGET 2015/16**Community & Children's Services**

	£'000
Net Revenue Budget 2014/15	141,990
Base and Inflationary Pressures	4,269
General Efficiencies	-2,099
Other Cost Reduction Measures	-5,630
Proposed Net Revenue Budget 2015/16	138,530

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PROPOSED REVENUE BUDGET 2015/16**Corporate and Front Line Services & Chief Executive's Division**

	£'000
Net Revenue Budget 2014/15	76,670
Base and Inflationary Pressures	3,670
General Efficiencies	-2,205
Other Cost Reduction Measures	-5,016
Proposed Net Revenue Budget 2015/16	73,119

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PROPOSED REVENUE BUDGET 2015/16**Authority Wide**

	£'000
Net Revenue Budget 2014/15	70,902
Increase / Decrease	-56
Proposed Net Revenue Budget 2015/16	70,846

Use of Reserves (Transition Funding)	-6,592
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APPENDIX 4



2015/16 General Budget Strategy | Consultation:

*Rhondda Cynon Taf County Borough Council
Consultation Team / Financial Services
December 2014*

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EXECUTIVE SUMMARY

- This section outlines a summary of the main points raised in the consultation.
- For the financial year 2015/16 the County Borough Council must decide upon its Budget Strategy and priorities. The purpose of the consultation was to seek views on the following areas:
 - 1 – Council Priorities
 - 2 – Council Tax Levels
 - 3 – Budget Saving Ideas
 - 4 – Council Tax Reduction Scheme
- The consultation has been conducted in-house. An online survey was designed and placed on the Council's website from the 10th November until the 17th December.
- The priority area with the highest percentage of respondents in agreement (agree and strongly agree) that it had made sufficient improvements was keeping Rhondda Cynon Taf clean and 'green' (55.0% of responses), followed by, Keeping all children and young people safe (51.1%).
- Those respondents who disagreed that sufficient improvements had been made were asked to identify where they thought improvements needed to be made in 2015. The main suggestions were centred on community safety, education and a reduction in the amount of management and administration.
- 68.9% of respondents suggested that there were other priorities that the Council should have in 2015 and they included comments under the following themes; education and youth services, social services (particularly for older people), leisure and healthy lifestyles and environmental services. The majority of comments focused on the need for the Council to try new ways of working and be more innovative in delivering services.
- 52.7% of respondents agreed that given the significant reductions in funding the Council is facing, that a priority for 2015 should be managing a programme of service changes and cuts to reduce expenditure
- 40.7% of respondents said their preferred level of council tax increase would be under 3% for the next financial year. 31.9% suggested an increase of 0%, whilst 21.0% preferred an increase of between 3 and 5%.

- The suggested budget saving ideas were centred on new ways of working, as well as ideas to cut costs. The ideas included looking at staff wages, back office costs and cutting down on management and administration.
- Income generation ideas included increasing charges, more enforcement and fines and electricity generation. The detail of all suggestions for budget savings and income generation are found in the main report.
- Respondents were asked if the 4 week period of continued Council Tax Reduction Scheme support was reasonable when someone returns to work. 63.5% of respondents thought that this was fair.
- Respondents were asked if they thought it would be reasonable for the Council to continue to totally disregard income from War Disablement and War Widow's Pensions when assessing entitlement to the Council Tax Reduction Scheme. 52.7% of respondents thought it was reasonable
- Respondents were asked if 3 months was a reasonable period to backdate claims for working age and pensioner claimants. 69.5% agreed that it was reasonable.
- The Cabinet will review the feedback received from this initial general budget strategy consultation and then, with the Council's Corporate Management Team, use this and the data in the Medium Term Financial Plan to produce a draft budget strategy that can be used to consult upon during late January / early February 2015.

1. INTRODUCTION

- 1.1 This report presents the findings of the first stage General Budget Strategy Consultation for 2015/16, including;
- 2015 Council Priorities
 - Council Tax Levels
 - Budget Saving Ideas
 - Council Tax Reduction Scheme
- 1.2 Section 2 briefly outlines the background to the budget setting process
- 1.3 Section 3 details the methodology used.
- 1.4 Section 4 outlines the facts around the Council's budget and headlines of the Provisional 2015/2016 Local Government Settlement and outlines the Local Council Tax Reduction Scheme.
- 1.5 Section 5 presents the consultation results.

2. BACKGROUND

2.1 For the financial year 2015/16 the County Borough Council must decide upon its Budget Strategy and priorities. The following section outlines some of the background to the budget setting process.

2.2 Against the backdrop of significant funding cuts, the Council must maintain its focus on robust financial management and stability, indeed, our very survival will depend on it. A key ingredient of this is the responsible approach taken to how we address the development of our annual budgets. Therefore, even allowing for the difficulties described earlier, we still, as in previous years, need to set parameters for producing the 2015/2016 budget and these are:-

a) Maintain the Council's financial stability, whilst targeting any available funding, in an efficient and effective manner, towards the key services required by our residents;

b) Look to protect those key services and jobs wherever possible;

c) Review **all** areas of service provision, including eligibility to those services and charging policies in place;

d) Take maximum advantage of all new funding opportunities made available by the Welsh Government and others where it is in the best interests of the Council;

e) "Top slice" appropriate necessary sums to fund corporate budgets;

f) Fully allocate any sums "earmarked" for specific services which are demonstrably the direct result of legislative changes included in the 2015/2016 Local Government Settlement, in strict accordance with the guidance issued by the Welsh Government;

g) Allocate to our Service Groups, initially, an adequate allowance for (inflationary) movements in employee costs;

h) Continue to deploy our procurement strategy to offset the impact of certain supplies and services' inflation, in the coming financial year;

i) Actively pursue efficiency in all areas of the Council;

j) Provide comprehensive support to help achieve efficiency requirements in all areas of service, including our schools.

- 2.3 This outline strategy will provide an effective and pragmatic framework for the delivery of a fair and equitable Council budget.

The Individual Schools Budget (ISB)

- 2.4 It will be particularly important how the Council responds to School budgets, including the direction from Welsh Government to protect schools by requiring an increase of 0.6% for 2015/2016. This needs to be set in context against the overall decrease provided to this Council (at Provisional Settlement stage) of -3.8%. School budgets currently account for approximately a third of the Council's overall budget.

Council Tax Levels

- 2.5 As is the case every year in respect of Council Tax levels, the Council will have due regard to the level of increase and the ability of residents to pay, but it also has to balance this against the need to fund important services. This is particularly important when viewed against significant cuts in revenue funding made available from Welsh Government.
- 2.6 The Local Council Tax Reduction Scheme (CTRS), a replacement for Council Tax Benefit, which was introduced in 2013/14, will continue on the same basis into 2015/16. The same basis in this case being, full entitlement for all eligible claimants within a national framework, and at the same level of funding as that provided in 2014/15. Costs therefore associated with Council Tax uplifts and increased caseloads remain a risk that the Council must fund. To illustrate the cost implications further, a 1% increase in Council Tax will generate an additional income for the Council of £865k (at current tax base levels), but will also cost £226k in additional CTRS requirements. It therefore follows that a 1% increase generates a net additional income of £639k, or stated another way, one quarter of any Council Tax increase is lost to support the increased costs associated with the Welsh Government's CTRS.

3. METHODOLOGY

3.1 The purpose of the consultation was to seek views on the following areas:

- 1 – Council Priorities
- 2 – Council Tax Levels
- 3 – Budget Saving Ideas
- 4 – Council Tax Reduction Scheme

3.2 The consultation has been conducted in-house. An online survey was designed and placed on the Council's website from 10th November 2014 until the 17th December 2014. A Web logo box advertising the budget challenge was also placed on the homepage of the Council's website.

3.3 The survey was also promoted at a number of Service Change Engagement Sessions, as follows;

- Monday 10th November – 4pm-7pm – Trerhondda Chapel, Ferndale
- Monday 17th November – 4pm-7pm – Sobell Leisure Centre, Aberdare
- Thursday 20th November – 4pm-7pm – Tonyrefail Leisure Centre
- Wednesday 3rd December – 4pm-7pm – Cynon Valley Indoor Bowls, Mountain Ash
- Thursday 4th December – 4pm-7pm – Training room 2, YMCA Pontypridd
- Wednesday 10th December – 4pm-7pm – Rehearsal room, Coleg y Cymoedd, Rhondda

3.4 The general budget situation was discussed as part of the local engagement events.

3.5 A presentation was made at the School Budget Forum on 2nd December 2014 and at the following Scrutiny Committee meetings;

- Environmental Services Scrutiny Committee – 1st Dec 2014
- Community & Children's Services Scrutiny Committee – 15th Dec 2014
- Education & Lifelong Learning Scrutiny Committee – 11th Dec 2014
- Corporate Services Scrutiny Committee – 3rd Dec 2014
- Overview & Scrutiny Committee – 17th Dec 2014

3.6 A presentation was made to the Older Persons Advisory Group on the 26th November, 2014. A discussion was held and paper questionnaires were distributed to members of the group.

3.7 102 responses to the consultation were received. 27 paper copies were completed by OPAG Members and at the Local Engagement

Events. 75 were completed online. All responses have been analysed together.

- 3.8 In addition a number of sessions were held with young people via School Councils. The young people were given the opportunity to provide views on general service and priorities, as part of a wider discussion on service change proposals.
- 3.9 The 2015/16 Budget Challenge Consultation school sessions were held throughout November and December 2014 and included 6 focus groups of pupils with the School Councils at the following schools:
- Ysgol Gyfun Gymraeg Llanhari;
 - Treorchy Comprehensive School;
 - Ysgol Gynradd Gymraeg Aberdar;
 - St John Baptist CIW High School;
 - Maesybryn Primary School;
 - Cŵm Clydach Primary School.
- 3.10 This report presents the survey results for the Council Improvement Priorities, Council Tax Levels, budget saving ideas and Local Council Tax Reduction Scheme. The results from the School Council sessions are also provided. The School Budget forum feedback is being reported back separately as is the scrutiny feedback.
- 3.11 It should be noted that the general budget strategy survey conducted here was undertaken alongside a specific service change consultation process on Funding for the Council's Music service, Funding for Nursery Education and charging for the use of Sports Pitches.

4 THE FACTS

- 4.1 On the 8th October 2014, the Minister for Public Services (Leighton Andrews AM) announced the Provisional 2015/2016 Local Government Settlement.
- 4.2 The “headlines” of the provisional 2015/2016 settlement are as follows:-
- a. The overall reported decrease in Revenue Support Grant (RSG) and Non-Domestic Rates funding for 2015/2016 (of unhypothecated funding) at an all Wales level, is -3.4%. Closer inspection of the settlement details reveals that the decrease excludes the impact of the additional Local Government Borrowing Initiative (LGBI) for the 21st Century schools programme totalling at an all Wales level, £4.5M. The impact of this adjustment is that the overall funding reduction at an all Wales level is actually -3.5%.
 - b. The provisional settlement for Rhondda Cynon Taf, shows a reported decrease of -3.7% which is worse than the average reported of -3.4%. As detailed above, the reported decrease should be adjusted for the 21st Century schools LGBI, resulting in an actual funding decrease for this Council of **-3.8%** in 2015/16. ‘Reported’ settlements across the twenty two local authorities in Wales range from at best -2.4% to at worst -4.5%, the later of which has been held at this level through a damping / floor adjustment applied by Welsh Government. This adjustment ensures that no Council receives a reduction in funding greater than -4.5%. The ‘floor’ has protected three Councils – Ceredigion, Monmouth and Powys. This Council’s contribution to the floor is £0.262M.
 - c. The Settlement includes a number of stated ‘transfers in’. For this Council, these equate to:
 - LGBI 21st Century Schools - £0.936M
 - Integrated Family Support Services - £0.280M
 - Autistic Spectrum Disorder - £0.040M
 - d. The Settlement includes a number of stated ‘transfers out’. For this Council, these equate to:
 - Student Finance Wales - £0.198M
 - Feed Safety Controls - £0.039M
 - National Adoption Service - £0.022M
 - e. The settlement does not contain any details on our share of Outcome Agreement grant for next year (it is only included as part of the all Wales grant totals). We have assumed the continuation of this at £2.5M in our funding base and are

urgently seeking confirmation of arrangements for 2015/16.

- f. The settlement contains no indication of future year indicatives i.e. 2016/17 and beyond.
- g. We are still awaiting details on many specific grants. At an all Wales level many grants are reducing, some significantly and some are being replaced altogether by other grants (at a lower value). Some grants are ending altogether most notably the Intermediate Care Fund (at £35M all Wales).
- h. The Council's General Capital Funding allocation is reduced by 0.3% (£0.039M) to £11.155M.

LOCAL COUNCIL TAX REDUCTION SCHEME

What is Council Tax?

- 4.3 Council Tax is a local tax set by the Council based on the valuation band of your property. Your home is placed in one of eight valuation bands based on its value at 1st April 2003. The Council is responsible for collecting Council Tax and this money funds about 19% of the net cost of local council services, including refuse collection, social services, environmental health and education. Some of the money collected funds police, fire and public transport services. Existing Council Tax discounts and exemptions, such as the 25% single person's discount and the exemption for people who are severely mentally impaired and live on their own will not change as part of any current welfare reform changes.

What is the Council Tax Reduction Scheme (CTRS)?

- 4.4 Under the UK Government's welfare reform changes, Council Tax Benefit was abolished on 1st April 2013 and was replaced with a national Council Tax Reduction Scheme (CTRS) by Welsh Government. At the same time the UK Government reduced funding for this new scheme by 10%. This changes the way that funds will be provided, so that councils now have a fixed/cash limited budget to fund CTRS (in contrast to the current arrangements which sees funding increase/decrease as demand rises/falls).
- 4.5 The new CTRS is a national scheme in Wales as the main regulations for its operation are set by the Welsh Government (WG), whilst councils have limited discretion to vary the national scheme in certain areas.
- 4.6 CTRS is paid to low income households to help them meet the cost of their Council Tax bills. In a number of cases it is possible to receive

100% support, for example, if the liable person is in receipt of Income Support or Pension Credit.

- 4.7 Rhondda Cynon Taf has nearly 28,000 households who currently receive CTRS support and of these 21,100 do not currently have to pay any Council Tax. This year (2014/15), it is estimated that approximately £23 million will be spent by the Council on CTRS.
- 4.8 Councils are required to adopt a scheme by 31st January each year including any local discretions within the CTR Scheme. The Council is therefore seeking views on the discretions it proposes to adopt for the scheme for (2015/16).

5 CONSULTATION RESULTS

5.1 This section outlines the responses to the online survey, including those responses received at the local engagement events.

Part 1 – Council Priorities

5.2 Respondents were provided with a list of current council priority areas that were targeted for improvement in 2014 and they were then asked if they agreed or disagreed that the Council had made sufficient improvements in these priorities in 2014.

PRIORITIES	Strongly Agree	Agree	Neither Agree nor Disagree	Disagree	Strongly Disagree	
	%	%	%	%	%	%
Protecting people from harm and tackling antisocial behaviour	23.2	23.2	32.6	15.8	5.3	100.0
Providing a top quality education for all - "Every School a Great School"	29.5	18.9	26.3	15.8	9.5	100.0
Keeping all children and young people safe	20.2	30.9	34.0	9.6	5.3	100.0
Supporting vulnerable adults and older people to live independently	19.6	28.3	30.4	15.2	6.5	100.0
Regenerating our communities	19.8	20.9	29.7	19.8	9.9	100.0
Keeping Rhondda Cynon Taf clean and 'green'	17.6	37.4	25.3	14.3	5.5	100.0
Making best use of our budget	27.4	14.7	14.7	21.1	22.1	100.0

Figure 1- Council Priorities

5.3 The Council priority improvement area with the highest percentage of respondents in agreement (agree and strongly agree) that it had made sufficient improvements was keeping Rhondda Cynon Taf clean and 'green' (55.0%), followed by;

- Keeping all children and young people safe (51.1%)
- Providing a top quality education for all – “Every Schools a Great School (48.4%)
- Supporting vulnerable adults and older people to live independently (47.9%)
- Protecting people from harm and tackling anti-social behaviour (46.4%)
- Making best use of our budget (42.1%)
- Regenerating Our Communities (40.7%)

5.4 Those respondents who disagreed that sufficient improvements had been made were asked to identify where they thought improvements needed to be made in 2015. The following summarises a number of the responses received under the main themes of the responses;

Community Safety

“I have seen no particular improvements in tackling antisocial behavior. In fact, due to a number of cuts to services, I believe that the level of disillusioned youngsters is increasing and in my opinion the vast majority of people do not enjoy living in this county as a result of failing to create a happy and encouraging atmosphere.”

“Our Council are becoming too involved with police matters, we should urge our Police to do the job that they are paid to do, oue PCSO should be showing themselves in the evenings, on a Saturday night, not walking around the village 2pm in the afternoon.”

“Problems with antisocial behaviour. Those responsible live in council accommodation, council unwilling to help and blame police who in turn the council. We the residents of the estate have to tolerate bad language, abusive behaviour, drinking on the streets, off road biking, damage to cars and intimidation. Not very good when one family is mostly responsible.”

Education

“Ensure that all schools have more 'after school' clubs to keep children in school longer and off the streets until parents or guardians collect them.”

“By cutting music services - keeping children safe is questionable, if children do not have extra-curricular activities such as orchestra, they will only have the streets and that is where they are unsafe.”

Enforcement

"Fine people for leaving dog mess ON THE STREET outside YGG Tonyrefail. Small children are coming out of the school gates and having to be carried in order to avoid the mess."

Management/Admin/Finance

"Better management and transparency of all financial affairs."

"Need to look at savings from within the corporate area - travel, administration costs, marketing etc rather than just increasing council tax for the hard working people of RCT."

"Streamline management at all levels. Reduce salaries of senior management."

Regeneration/More investment

"Better roads, Play areas and more investment in school buildings"

"See if RCT can get EEC grants to assist in shortfalls"

"Services and facilities shutting for good contradicts the idea of regenerating an area"

Wasting Money

"Due to the budget cuts that have been proposed and imposed I feel that the council has not taken any consideration of its residents views. It still wastes money on things such as the children's sickness leaflet that has been withdrawn now. I am aware that this was a collaboration of a number of councils but the input the council had in it must have cost money, a waste of money!"

"..... There is still far too much money wasted on printed documents, like the latest education document about 21st century education, I understand that all printing was to be done in house but this document was printed externally costing a lot more than printing in house".

Other

"In providing services in hours that people need them e.g. no good a sports centre being 8-5"

"We must cut the cloth to suit clothes so to speak...."

"More information supplied to people e.g. local forum"

"I believe that the Council priorities are appropriate and that the focus needs to remain on those priorities. Improvements in efficiency and the best use of reserves should be central to all service areas."

"Needless to say all above are desirable and will need to be evaluated with regard to the budget challenge. Given we all have different priorities the consultations taking place will no doubt focus minds"

"The community need more of a voice"

- 5.5 68.9% of respondents suggested that there were other priorities the Council should have in 2015 and they included the following;

Education/Youth Services

"I think the focus should change from keeping people "safe" to education as education is key to improving people's attitudes in general."

"More things for children"

Social Services (Older People)

"Elderly care"

"ensuring no further cuts to well being of elderly"

"Helping older people to stay in their own homes"

"In particular as regards older people then it should not be only assisting to live independently but to ensure that that does not result in a feeling of isolation and loneliness. In other words attempts should be made to ensure that they have good access to community facilities so that they do not become confined totally to their own homes."

Leisure/Healthy Living

"Ensure sports centre keep open, health & wellbeing"

"Getting people fit and healthy and keeping them that way."

Related to Nursery Education/Music Service Change Consultations

"Full time education for all three year olds"

"Making nursing provision full time and continue to fund music in schools."

“Making sure that the education of our three year olds remains full time”

“To keep the music services running and make sure it is properly funded.”

“Supporting RCT Music services”

Innovation /New ways of working

“Innovation. Use Innovation to drive the service forward. Have your staff got the skills to work in the new environment”

“LOOKING AT STAFF REATRUCTURING BEFORE CUTTING SERVICES. Clarity in what the council does, let us see where money is being spent and how much income comes in. Engage the public, especially the youth by being clear about what the council does. The use of facebook and Twitter to keep residents informed is key to this. Also, make the language used easier for people to understand and digest.”

“Making the back office functions as lean as possible. Review internal structure with more speed and vigour. Review IT systems and their financial benefit to the business.”

“Redesigning services and improving co-production and a focus on preventative services.”

“Reorganisation of council structures to ensure best Value for Money. Be more accountable and transparent to the Tax Payer Reorganisation of Local Government - ensure best outcomes for prospective merger with Merthyr? for the residents of RCT”

“Working SMARTER across all sectors of the economy. Co-production of re-shaped services. Better engagement by local councillors in their local constituencies to keep people informed of impacts of cuts and seek ideas in person. Know your electorate!”

Library Services

“Maintaining the reduced Library service”

Environmental Services

“Pavements”

“Please do not cut the rubbish collections further to below a general waste collection of every two weeks and recycling every week.” If you are now to prevent people from putting out additional black bags AND

put the Council Tax rate up you should not cut this vital service further. it will encourage vermin as people will discard waste hap-hazardly and it will encourage fly tipping all of which will cost the council to rectify.

“Encourage further residents to join recycling and food waste recycling as there are still a lot of people where I live still not participating. Stop council staff blowing leaves, please, it is unnecessary and ineffectual as the wind will just blow them right back. Cut down the number of times council staff litter pick. Turn off street lamps in residential areas in the night.”

“Potholes and general road upkeep. No more cuts to health services. Keep the parks open.”

Town Centres

“town centre enhancement”

“town centre investment”

Other

“keeping services running not closing”

“Lower the council tax. It’s far high for an area that is deprived of local employment. Old people. And what am I paying council for?”

“Maintain focus on 2014 priorities”

- 5.6 52.7% of respondents agreed that given the significant reductions in funding the Council is facing, that a priority for 2015 should be managing a programme of service changes and cuts to reduce expenditure

Part 2 – Council Tax levels

- 5.7 Respondents were asked what their preferred council tax increase would be for the next financial year.

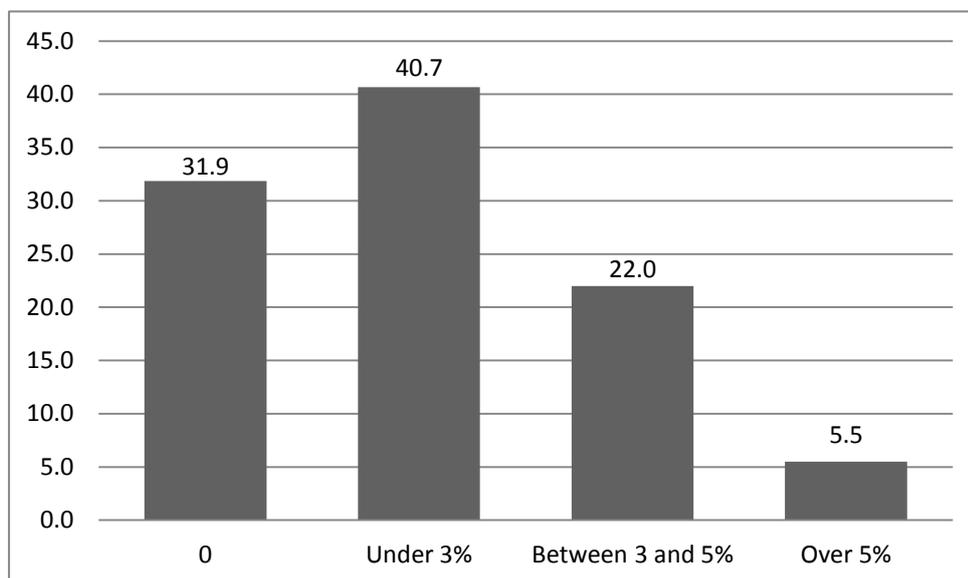


Figure 2 – Preferred Council Tax Increase

- 5.8 40.7% of respondents said their preferred council tax increase would be under 3% in the next financial year. 31.9% suggested an increase of 0% whilst 22.0% preferred an increase of between 3 and 5%.
- 5.9 The following comments were received from OPAG on the discussion surrounding council tax increases.

“If it has to happen, so be it!”

“We appreciate the big problem you have, do keep the rate and cut the service or maintain service and raise the rate!?! My income has gone down £60 per week over the last couple of years – people are struggling!”

“I have a 25% reduction for single occupancy but one week’s pension a month goes to paying my Council Tax.”

Part 3 – Budget Saving Ideas

- 5.10 Respondents to the survey were asked to identify service areas where they believed savings could be made and in addition how savings could be made in the service area suggested. The following table lists a selection of the 66 responses received under a number of themes;

Service Area	How could savings be made in this area?
WORKING IN PARTNERSHIP	
tackling poverty - providing services in partnership with the third sector	<i>"We feel that much of the support required by people who are facing poverty, cuts to welfare, unemployment and other issues can be met by working in partnership with third sector. Many third sector organisations have direct involvement with local people who are often those from protected characteristic (equality) groups and those that are 'seldom heard' and can support wider citizen involvement and co-production in service design, development, implementation and review. This approach does require continued investment in independent, third sector services and organisations, however those services can often achieve improved outcomes for individuals at the same or less cost than local authority services in many circumstances."</i>
SOCIAL SERVICES	
Social Services and IT	<i>"RCTCBC is awash with never ending projects that are costing millions of pounds a year to rumble on. A prime example is within Social Services. Their current IT system was due to be fully replaced by ICS (Children's Services) and UAP (Adult Services), which had been developed in a consortium with 5 other authorities, by 2007/08."</i>
Social Services	<i>"look at what people need compared to what we provide now"</i>
Cutting Costs/Saving Money/New ways of working	
Phones	<i>"cutting mobile phone use, use email from smart phones as alternative"</i>
Management salaries	<i>"Remove layers of management and reduce the salaries of the remainder"</i>
Flatter organisations/departments will make decision	<i>"Less managers, supervisors. Give staff more freedom to make decisions"</i>

making better.	
Wages and staffing levels are unnecessarily high compared to the private sector.	<i>"..... All full time Council employees should be required to work a minimum 40 hour week not including breaks for their current salaries to bring them in line with the majority of private sector employees. This alone would provide savings over and above those the council needs to make and could result in a council tax rebate"</i>
Providing extra income and making savings.	<i>"1. Turning waste ground into allotments. This would provide extra income for the council. 2. Stop providing free food and drink for meetings. 3. Reduce first class travel. 4. Cut mileage payments."</i>
Back office things	<i>"Cut number of staff"</i>
Corporate Services / councillors / legal / HR / payroll / events / adult education	<i>"Reduce numbers of councillors down to 5 (make them non-political) Job cuts in above areas Salary caps in above areas Reduced redundancy enhancements in above areas"</i>
Costbusters	<i>"Create a costbusters team so that the whole council looks at cost savings"</i>
Management	<i>"Cut the levels of bureaucracy within the Council - force the Chief Executive and the senior management to take pay cuts so they earn less than the Prime minister. Stop the handing out of work phones etc, travel expenses scrapped for Councillors, begin to work towards creating 1 national council - Birmingham (1 Council) + Wales - 3 people each - 22 Councils4"</i>
Council wide	<i>"Reduce in spending on energy, water, stationary and other 'consumables'. When at home everyone tries to reduce energy etc because we pay the bills but this seems not to be case when people go to work because the council / company will pay the bill. Invest in resource efficiency and renewable energy. Set every manger energy reduction targets."</i>
anything that causes the top of the council to spend money on 'schmoozing' i.e. banquets	<i>"by not having them I'm sure money is wasted on rubbish like Christmas lighting as well"</i>
Beaurocracy, consultations administration marketing	<i>"Less costly consultation. Reduce spends on advertising and marketing. Reduce the many levels of management"</i>
Council tax wages	<i>"It is annoying to see council workers on outside jobs doing nothing or very little when people in private industry have to work every hour of the shift they get paid for and meet targets."</i>

LEISURE	
close SOME leisure centres in the late evenings to save electricity and other costs	<i>"closing SOME leisure centres in evenings would save electricity and other costs. Also you could have the staff employed in schools (after school clubs) encouraging children to get fit"</i>
Leisure	<i>"Get rid of more managers, we are still too many for the closures we have had. Solar panels to more buildings as a saving....."</i>
ENVIRONMENTAL SERVICES	
Refuse collection and street lighting	<i>"General refuse bins emptied either 3 or 4 weeks , saves money but also encourages people to recycle more Street lighting to be switched off after a certain time e.g. 2300hrs"</i>
Street lighting, stop council staff blowing leaves, reduce litter picking	<i>"Encourage further residents to join recycling and food waste recycling as there are still a lot of people where I live still not participating. Stop council staff blowing leaves, please, it is unnecessary and ineffectual as the wind will just blow them right back. Cut down the number of times council staff litter pick. Turn off street lamps in residential areas in the night."</i>
Car park attendants, roads, schools	<i>"Roads - there are always works being undertaken which are unnecessary. The super school is already a drain on resources."</i>
OTHER	
HQ staff, merging recycling and waste management with another council.	<i>"Allowing the community to run their own libraries with the resources that are already available. Merging the recycling centres with another council and merging duplication"</i>
better use of existing buildings, more talks with sympathetic Community Councils ask all your staff .	<i>"your advice centre at Pontypridd, your housing advice centre, be merged, your indoor bowls should be more utilised, your household collections, should be better utilised,"</i>
	<i>"Consider less investment in paper newsletter - majority is out of date when and if received. cut back on non statutory services Signage on council vans consider charging small percentage for social services . youth programmes most people receive additional benefits stop free bus trips and days out for carers - they receive</i>

an allowance and many could pay for this trips themselves charge for disabled spaces - most receive a mobility car and have tax, insurance and sercing included”

5.11 Respondents were asked to identify service areas where they believed income could be generated and in addition how they thought that the income could be generated in the service area suggested. The following table lists a selection of the 50 responses received under a number of themes;

Service Area	How do you think income could be generated in this area?
LEISURE	
More use of sports centres	<i>“by increasing opening hours to that of private health clubs”</i>
Leisure	<i>“Make sure the leisure facilities are used by decreasing prices to the working public. Some income is better than none”</i>
force all customers of leisure centres to have direct debits to ensure money comes in	<i>“direct debits for all customers of leisure centres like private gyms”</i>
Private clubs could use sports halls	<i>“To use private club / sports clubs to run session on a pay as you go which could be linked to social media sites”</i>
Leisure	<i>“Small increases in costs could help”</i>
leisure services	<i>“increase charges and stop free services”</i>
Leisure Centres	<i>“Partner with healthcare providers to prescribe exercise and sport regimes to tackle health issues. Charge the providers a lot, and the patients a little.”</i>
Environmental Services	
Environmental services	<i>“The system in place to fine residents for leaving bins out or having extra bags is not enforced with enough rigour at the moment. Additionally introduction of a fine for non recycling.”</i>
Roads	<i>“Charge utility companies for work they do in terms of digging up roads etc.”</i>
All departments where you allow innovation (have RCT got the skills?)	<i>“Recycling - charge for green waste Leisure - instead of expensive large 1980's Leisure centres. State of the art gyms in all communities at affordable prices. Get the schools to run halls etc Dual Use and professional management. Think</i>

	<i>outside the box (if you were running these facilities today how would you do this?</i>
Refuse	<i>"Selling furniture and other waste products"</i>
sell the logs from trees felled in the parks.	<i>"One ton of logs sells for around £85, it's not rocket science!"</i>
Increased take up of recycling. Hiring of council premises for meetings/parties etc.	<i>"Door to door communication with residents explaining about the recycling service (in the evening as many people work during the day). Further advertising in local shops and businesses, Diary (community newsletter) for hiring council premises including those suitable for meetings, holding educational events and seminars and the hiring of community halls for children's parties."</i>
Enforcement	
Recycling, dog fouling - more needs to be done on prosecuting.	<i>"Fining those culpable of not recycling property. Has every household been given food recycling bins, I don't believe they have. Being more rigorous at prosecuting dog owners who allow their dogs to foul and don't pick up their mess, especially near schools and playing areas."</i>
rubbish collection	<i>"fine more people who don't recycle or fly tip"</i>
Electricity Generation	
Electricity generation from wind/ solar PV farms	<i>"Why doesn't RCT invest in these money making areas, a lot more profitable than investing in Iceland."</i>
All council	<i>"large numbers of solar panels being installed on houses by RCT homes. Council needs to invest in solar panels on all their suitable buildings. Energy companies pay for every kilowatt of energy produced for 20 years, plus savings on electricity bills. Guaranteed income for 20 years, once the cost of the panels have been paid for."</i>
	<i>"Fix solar panels to council owned properties"</i>
Put Up Council Tax	
	<i>"Put council tax up by say 7% if it will save jobs and money"</i>
Schools/Nursery	
Nursery care	<i>"Get parents to pay a little money each week and provide lunches for their children so young children can go to school from the age of 3 full-time - most</i>

	<i>parents want to go to work but will be unable if their children are only part time."</i>
Schooling	<i>"Don't just cut budgeting so 3 year olds to attend school full time. Parents maybe be willing to pay for them to attend the afternoon. So if they go part time from 9-12 I would be willing to pay £5 to keep them there the rest of the school day so I can work if it's not too expensive a lot of parent may opt for this rather than not have the option"</i>
Music Charges	
RCT Music Services	<i>"Possibly asking for weekly subs from pupils to help subsidise the Music Services"</i>
Charge Other Councils	
Charge other local authorities to take over services such as Payroll / elections / legal services.	<i>"Share back office services and charge to run services where you can / Hire out Council Buildings"</i>
OTHER	
	<i>"Any plans to increase charges must be balanced against the pressures on individuals and families at the moment. Often those whose income is just above the threshold for receiving benefits such as Council Tax Support and for paying for services face in-work poverty and struggle to make ends meet. Any plans to increase charges for any service should be carefully considered in terms of the potential impacts on each protected characteristic group and sub-groups and with a view to tapering the increased or introduced charges so that those just above the charging threshold do not pay the full charge. Simultaneously it is important to provide a mechanism for people who are assessed as needing to pay charges, due to their income, to provide proof of their income and expenditure for consideration in assessing charges."</i>

<p>The council could run more community classes, which in turn would generate money.</p>	<p><i>“By introducing council run community evening/weekend and weekday classes, would not only alleviate crime, but would also give income to the council, the community, and could also give a lot of people in deprived areas, a feel of self purpose. Even though a lot of council run venues have been closed or scrapped, I feel that there are money other venues available, in various communities, which could possible increase revenue to the communities and also the council if used in the proper manner.....”</i></p>
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Part 4 – Council Tax Reduction Scheme

5.12 The CTR Scheme gives the Council the ability to increase the period of paying CTR Scheme support beyond the standard period of 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 2014/15 did not increase this standard period. The estimated amount of CTRS paid in relation to extended payments by the Council in 2014/15 is £37,000.

5.13 Respondents were asked if the 4 week period of continued Council Tax support was reasonable when someone returns to work. 63.5% of respondents thought that this was reasonable.

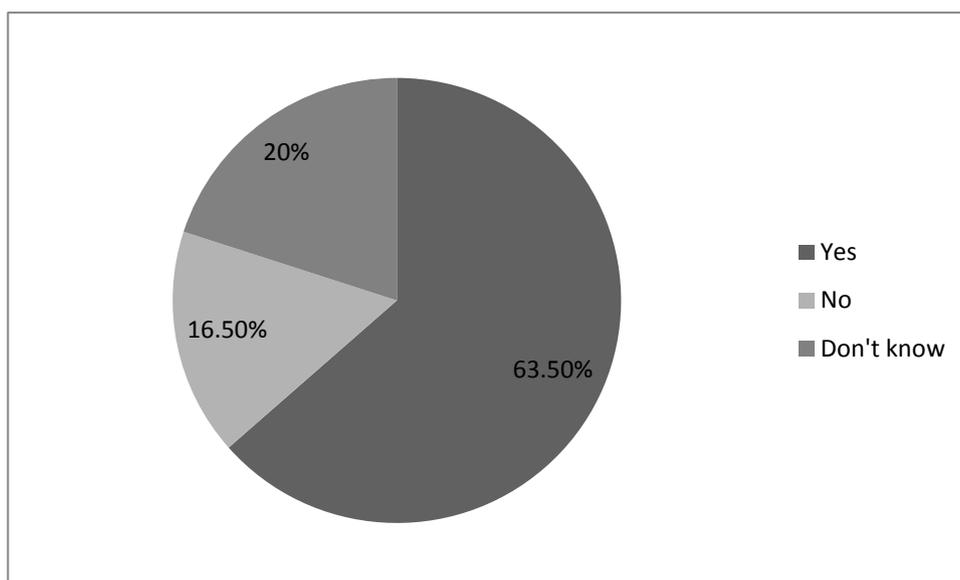


Figure 3 – CTRS 4 week period

5.14 Disregard War Disablement Pensions/War Widow's Pensions income

Under the national CTR Scheme, the Council has discretion to to disregard part, or the whole amount of War Disablement Pensions and War Widow's Pensions when calculating entitlement. The CTR Scheme adopted by the Council for 2014/15 disregarded all of this income from an assessment. The estimated additional cost to the Council of disregarding all of the income for War Disablement & War Widow's Pensions in 2014/15 is £38,000.

Respondents were asked if they thought it would be reasonable for the Council to continue to totally disregard War Disablement and War Widow's Pensions income when assessing entitlement to the Council Tax Reduction Scheme. 52.7% of respondents thought it was reasonable

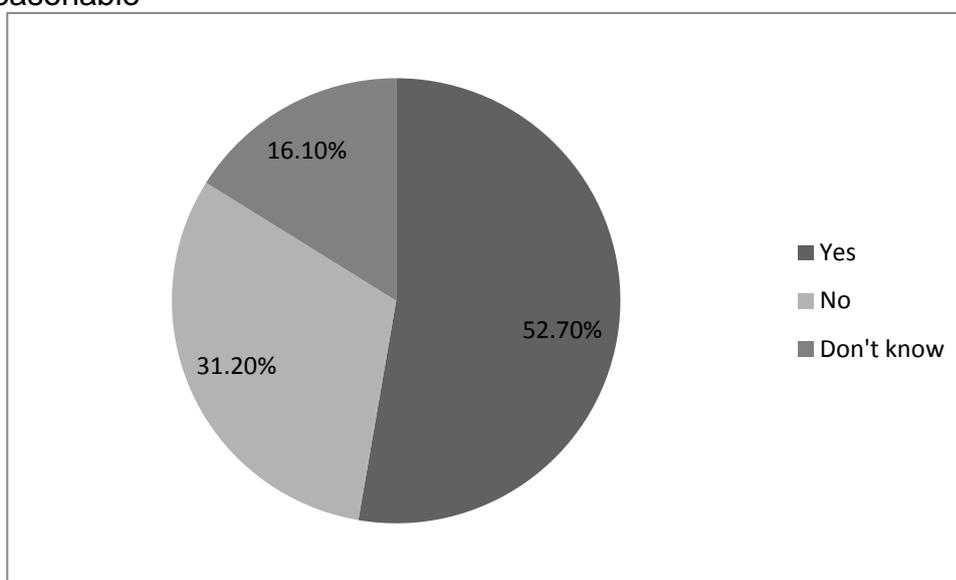


Figure 4 – CTRS Disregard

5.15 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 working age and pensioner claimants for a longer period if it wishes. The CTR scheme adopted by the Council for 2014/15 applied the period of backdating to the statutory 3 month period. The estimated cost to the Council of backdating claims in 2014/15 is £7,000.

5.16 Respondents were asked if 3 months was a reasonable period to backdate claims for working age and pensioner claimants. As shown in figure 5, 69.5% agreed that it was reasonable.

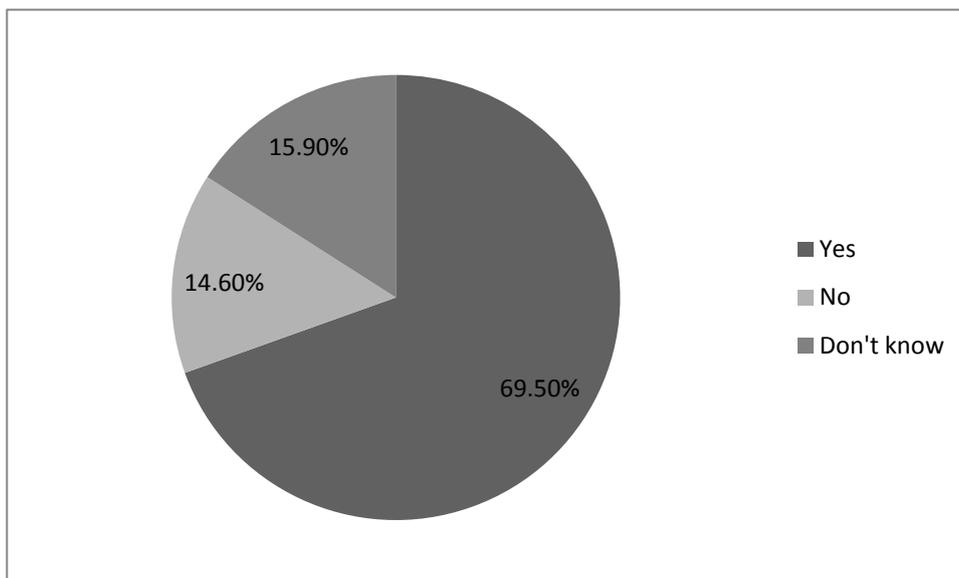


Figure 5 – CTRS Backdating Claims

5.17 Respondents were asked if they had any other general comments with regard to the Council Tax Reduction Scheme?

Respondents made the following comments:

<i>concentrate on doing up old houses and not building new</i>
<i>Only need to meet legal requirements surely!!!</i>
<i>Why any reductions?</i>
<i>If people own more than one home and don't pay full council tax on subsequent properties, this should stop. Property lying empty for more than 3 months should be paying council tax in full, to avoid them being vacant for extended periods.</i>
<i>The household waste system, regarding the charges for black bags, and fees for collection of large items would I feel encourage more people to fly tip.....</i>
<i>Yes, if someone isn't working they should get a reduction unlike now.</i>
<i>Why is this not offered? I returned to work after being in full time education, I had 2 months before finding work where I funded myself and did not claim benefits. In the first week I lost free school meals and was hit with a £140 a month bill. People on benefits are far better off than I am working.</i>
<i>Look at who is eligible. If people are able to afford to go out drinking they can afford to pay council tax</i>
<i>No but this should come from general government</i>
<i>I think more pressure should be put on the owners of empty property, also I think that after 6 months our Council should charge owners full rates.</i>
<i>These are very specific questions and seeking public approval without the wider context being explained and an impact assessment on individuals.</i>

<i>every one should pay the same or it is not equal and others have to pay more to support the system</i>
<i>Do not know enough about the CTRS to make further comment</i>
<i>More red tape. Holding back prosperity.</i>
<i>Should be based on number of wage earners - not building</i>
<i>Depends on the circumstances of each individual case.</i>
<i>Don't understand as we don't get a reduction.</i>
<i>Council Tax arrears - are these being actively pursued in order to reduce them.</i>
<i>These are such small amounts they are IRRELEVANT to the bigger picture</i>
<i>Council Tax should not be increased for the minority because the majority many not pay all or receive a reduction.</i>

Respondent Profile

5.18 50.6% of respondents were female, 49.4% were male.

Gender	
49.4%	Male
50.6%	Female

Figure 6 - Gender

5.19 The majority of those responding were aged 35-44 (28.6%).

Age	
2.4%	16-24
10.7%	25-34
28.6%	35-44
19.0%	45-54
15.5%	55-64
23.8%	65+

Figure 7 - Age

5.20 98% of respondents were White British, English or Welsh.

5.21 20.5% of respondents said that they had a disability (*The definition of disability as defined under the Disability Discrimination Act is a 'physical or mental impairment which has a substantial and long term adverse affect on ability to carry out normal day to day activities'*).

Part 5 – School Council Consultation

- 5.22 This section outlines the findings of a number of youth engagement events with School Councils, which were held to discuss a number of service change proposals, but also asked about the wider budget challenge and services generally.
- 5.23 The school sessions were held throughout November and December 2014 and included 6 focus groups of pupils at the following schools:
- Ysgol Gyfun Gymraeg Llanhari;
 - Treorchy Comprehensive School;
 - Ysgol Gynradd Gymraeg Aberdar;
 - St John Baptist CIW High School;
 - Maesybryn Primary School;
 - Cŵm Clydach Primary School.
- 5.24 Sessions were held during lesson time at each school. A total of **91** pupils took part, 17 from Llanhari and 19 from Treorchy, 11 from Ysgol Aberdar, 12 from St John Baptist, 17 from Maesybryn and 15 from Cwm Clydach. The pupils ranged from age 7-11 years old (**n=43**) and 12-18 years old (**n=48**). Pupils ranged from key stage 2 (Primary Juniors) up to and including key stage 5 (6th Form).

Results

5.25 What services do the council provide?

In order for the participants to get an understanding of what the council does, they were asked to write on post it notes, what services they think the council provides.

Results were varied, however, encompassed many different services that the participants would see on a daily basis, such as:

Transport, schools, street lighting, refuse and recycling, community buildings, libraries, grass cutting, leisure centres, social care etc.

What services would you change?

The participants were then asked “what would they change or cut if they were making decisions on the Council’s budget?”

Responses included:

- Less grass cutting
- Reduce councillor expenses

- Turn street lights off at night
 - Less free parking
 - Less libraries
 - Cutting benefits to the unemployed
 - Less road maintenance
 - Spend less on redoing buildings
-



**SCHOOLS BUDGET FORUM
 TUESDAY, 2nd DECEMBER 2014
 COUNCIL CHAMBERS, CLYDACH**

MINUTES

PRESENT:

Councillor E Hanagan
 Councillor G Hopkins
 Councillor M Webber
 Andy Henderson (Ysgol Hen Felin)
 David Davies (YGG Aberdar)
 Duan Evans (Pont Sion Norton)
 Elaine Keeble (Tonyrefail School)
 Hywel Price (Ysgol Gyfun Rhydywaun)
 Jonathan Davies (Penygawsi Primary School)
 Lisa Bailey (Tonysguboriau Primary)
 Mark Powell (Y Pant Comprehensive)
 Paul Morgan (Pengeulan Primary)
 Rhian Ellis (YG Cymer)
 Rhian Rees (Pontrhondda Primary)
 Sue Davies (Aberdare Community School)
 Susan Allan (Ynyscynon Early Years Centre)

IN ATTENDANCE:

Chris Bradshaw (Director of Education and Lifelong Learning)
 Barrie Davies (Director Of Financial Services)
 Catrin Edwards (Head of Service Transformation)
 Steve Mithan (Education Group Accountant)
 Claire Jones (NUT Representative)
 Mark Cleverley (NUT Representative)

APOLOGY FOR ABSENCE:

Simon Phillips (Llwyncrwn Primary)

No.	Discussion/Action	Action	By who
1.	Welcome and Apologies Apologies for absence and introductions from Forum attendees were received.		
2.	Minutes of previous meeting The minutes of the meeting held on 16th July 2014 were received and		

No.	Discussion/Action	Action	By who
	agreed as an accurate record.		
3.	General Budget Consultation		
	<p>The Director of Financial Services presented to the Forum the Stage 1 General Budget Strategy Consultation Exercise 2015/16.</p> <ul style="list-style-type: none"> • General budget strategy consultation will be focussed on 3 key areas: <ul style="list-style-type: none"> – Services & Priorities – Council Tax Levels – Council Tax Reduction Scheme (CTRS) – • Links to other consultation activity • This does not include consultation activity in respect of specific Service Change Proposals – <u>these will be reported separately as appropriate</u> • Who we are consulting with this year: <ul style="list-style-type: none"> – Scrutiny Committees – Schools Budget Forum – Older Persons Advisory Group – Public via online / hard copy questionnaires, ‘drop in’ sessions – School Councils <p><u>Local Context</u></p> <ul style="list-style-type: none"> • 2014/15 budget was put into context as to how the Council’s budget is funded, and how that funding is spent across the authority. <p><u>Budget Timetable</u></p> <ul style="list-style-type: none"> • August to December – Services consider their budget requirements for the following year • 8th October 2014 – Provisional settlement figures released by Welsh Government • 10th December 2014 – Final settlement figures expected from Welsh Government • November to February – options for next year’s budget to be considered, including consultation processes to be undertaken • March 2015 – Council sets budget and Council Tax levels for 2015/16 <p><u>Provisional Settlement Details</u></p> <ul style="list-style-type: none"> • Average cash reduction across Wales -3.5% (after adjustments) for 2015/16 • Reduction for Rhondda Cynon Taf -3.8% • Cost of ‘floor’ protection for the Council £0.262M • No information was provided on future year settlements • ‘Transfers in’ identified: <ul style="list-style-type: none"> – Financing 21st Century Schools – Integrated Family Support Services – Autism Spectrum Disorder • ‘Transfers out’ identified: <ul style="list-style-type: none"> - Student Finance - Animal Feed Control - National Adoption Services • Many specific grant details are still to be confirmed. • Capital funding cut of -0.3% in 2015/16. <p><u>Development of an Equitable Budget Strategy</u></p>	Noted	Forum

No.	Discussion/Action	Action	By who
	<ul style="list-style-type: none"> • Key parameters must be set: <ul style="list-style-type: none"> – Financial stability – Protection of key services / jobs where possible – Review of all service areas, including eligibility to services and charging arrangements – Funding for legislative changes, corporate requirements and inflation – Pursue all opportunities for efficiency – Take maximum advantage of external funding opportunities (where in the best interests of the Council). • Individual Schools Budget <ul style="list-style-type: none"> – Direction from Welsh Government to increase schools budget by 0.6% in 2015/16 • Council Tax Levels <ul style="list-style-type: none"> – Key strategy consideration – Council Tax Reduction Scheme (CTRS) continuing in 2015/16 <ul style="list-style-type: none"> • No increase in funding for 2015/16 • Will impact on available income for Council through any agreed increases – 1% increase in Council Tax will cost £0.235M in additional CTRS <p><u>Preliminary Assessment of Budget Gap 2015/16</u></p> <ul style="list-style-type: none"> • Decrease of -3.8% in funding gives an estimated budget gap of £22.6M in 2015/16 • Funding cut at a time of increasing costs <ul style="list-style-type: none"> – Inflation – Demographics – Statutory requirements • Medium Term Financial Planning assessment is a funding gap of £62.3M by 2017/18 <p><u>Services & Improvement Priorities</u></p> <ul style="list-style-type: none"> • Following a review with residents of the County Borough, the Council agreed seven improvement priority areas for 2014/15: <ul style="list-style-type: none"> – Protecting people from harm and tackling antisocial behaviour – Keeping children & young people safe – Supporting vulnerable adults and older people to live independently – Providing a top quality education for all – Regenerating our communities – Keeping Rhondda Cynon Taf clean and 'green' – Making best use of our budget <p><u>Local Council Tax Reduction Scheme (CTRS)</u></p> <ul style="list-style-type: none"> • Scheme implemented 1st of April 2013 to replace Council Tax benefit • CTRS is a national scheme in Wales with limited discretion to vary the scheme in 3 areas locally <ul style="list-style-type: none"> – Extended payments – Disregard War Disablement Pensions / War Widows Pensions Income – Backdating claims • Councils must adopt their CTRS by 31st of January each year <p>An opportunity to comment on service priority areas, council tax levels and discretionary elements of CTRS was given to the Forum. No specific</p>		

No.	Discussion/Action	Action	By who
	comments were made.		
4.	<p>Any other comments?</p> <p>The Director of Education & Lifelong Learning informed the Forum that Welsh Government will make an in year reduction to education grants of £1.6m across the Central South Consortium (CSC) in 2014/15. The RCT reduction is £500k, which will be met from centrally retained budgets and not passed on to schools.</p> <p>The Director of Education & Lifelong Learning advised that a 15% reduction is expected to 2015/16 grants such as School Effectiveness, Welsh in Education and the Foundation Phase Grants , a 7% reduction is expected for Post 16 funding, whilst PDG funding is to increase by £100 per pupil plus £300 for nursery aged pupils.</p> <p>Even after applying the +0.6% protection (subject to a Cabinet decision), when set in context against a 2.3% increase in Teachers Pension, pay award and other inflationary pressures, there will be an impact on school budgets.</p> <p>A school member asked how the affect on schools could be mitigated. The Director of Education & Lifelong Learning advised that the five local authorities of Central South are considering options to significantly reduce the grants retained to provided support to schools. Various Forum members then commented on the role of CSC and its working relationship with schools within RCT.</p> <p>The Director of Education & Lifelong Learning discussed the possibility for modelling of school budgets to be explored. School members were in favour of this, and the Director of Financial Services agreed that modelling could be explored, with a caveat that clearly any information provided could only be for modelling purposes, as Council will not agree the Council budget until early March. The Head of Service Transformation added that as pupil numbers are not collected until January PLASC date, models produced could only be based on September actuals. School Members were also informed that if average salary budgets increase in 2015/16 due to pay award, reductions will be needed in other parts of the formula funding.</p> <p>Councillor M. Webber asked if the budget consultation presentation could be made available to Forum members. The Director of Financial Services agreed to this request.</p>	<p>Modelling of School budgets to be explored and provided to schools in January</p> <p>Budget consultation to be forwarded to forum members</p>	<p>Education Finance Team</p> <p>Education Finance Team</p>
5.	<p>Next Meeting Date to be arranged for January 2015.</p>		

APPENDIX 6**RHONDDA CYNON TAF COUNTY BOROUGH COUNCIL****GENERAL BUDGET CONSULTATION FOR 2015/16 - FEEDBACK FROM THE 4 SERVICE SCRUTINY COMMITTEES AND THE OVERVIEW & SCRUTINY COMMITTEE**

At the meeting held on 17th December 2014, the Overview and Scrutiny Committee considered the comments provided by each of the 4 Service Scrutiny Committees, which are contained within Appendices A - D of this report:

- Appendix A Environmental Services Scrutiny Committee
- Appendix B Corporate Services Scrutiny Committee
- Appendix C Education & Lifelong Learning Services Scrutiny Committee
- Appendix D Community & Children's Services Scrutiny Committee

For the benefit of those Members who had not already taken part in the budget consultation process, the Director of Financial Services provided the Committee with an overview of the consultation process which had considered the provisional settlement for 2015/16, the budget gap, service improvement priorities, Council Tax levels and the Local Council Tax Reduction Scheme. The additional comments of the Overview and Scrutiny Committee are set out below:

- A Member wished to reiterate a point which he had made at the Education & Lifelong Service Scrutiny Committee stating that in his opinion the use of reserves to bridge the budget gap did nothing to address the real financial situation but only served to delay the inevitable.
- Similarly, another Member referred to comments which he had made at the Corporate Services Scrutiny Committee highlighting his concern in relation to the current budget and service change consultations and suggesting that the process should be combined. He emphasised his view that if the Council is to protect Education and services to vulnerable adults and children, there will be insufficient funds to deliver on the remaining priorities. This view was endorsed by another Member who also queried whether the public fully understood the position when being asked for their views in relation to Council Tax. The Director of Financial Services explained that participants were provided with a level of context to help their understanding in relation to the to the Council Tax options. The Committee stressed the need to ensure that the public were fully informed in relation to how local government is funded and the relatively small proportion which is generation through Council Tax.
- In response to a query to the Director of Financial Services explained that the figures set out in the pie chart depicting spend for 2014/15 were 'net' figures (net of income from fees and charges).

- Members were in agreement that the current discretions in relation to the Local Council Tax Reduction Scheme should remain.

In conclusion, the Overview & Scrutiny Committee resolved that the feedback from the 4 service scrutiny committees along with the additional comments of the Committee be provided to the Cabinet in respect of the General Budget Consultation process.

Appendix A

Environmental Services Scrutiny Committee 1st December 2014

1. Service & Improvement Priorities

Members of the Environmental Services Scrutiny Committee agreed that focus should continue to be on the seven improvement priority areas as set out for 2014-15 and felt these priorities should not be changed for the forthcoming year.

2. Budget Consultation 2015-16 -What are your views on Council Tax levels for 2015-16?

Members commented that the position was “grim” and asked for clarification on the Local Council Tax Reduction Scheme which the Director of Financial Services duly provided. Members were in agreement that the CTRS was a sensible scheme which will assist many residents.

One Member referred to the 1% increase in Council tax costing £0.235m in additional CTRS and asked whether the ratio is likely to change for the following year. The Director of Financial Services explained that there are currently no plans to change the national scheme (in Wales) and confirmed that all Local Authorities adopt the national scheme, with local discretions. Discussions centred on the impact of more people requiring CTRS support in the future.

3. Local Council Tax Reduction Scheme

Members were content that the four week period of Council Tax Reduction was a reasonable period for those going back to work and were satisfied that the council continues to totally disregard the War Disablement Pensions/War Widows Pensions Income and with the discretion with regard to backdating.

4. Any Other Comments?

One member of the Committee queried whether other forums and groups should be identified and included in the consultation process. The Director of Financial Services confirmed that the process is refined each year and this year has seen the general budget consultation process opened up to more groups and forums and extended in duration as compared to last year. Another Member commented on the school councils which had been invited to join the consultation process.

Appendix B

Corporate Services Scrutiny Committee –3rd December 2014

1. Service & Improvement Priorities

A Member commented that he hoped that Children's Services would be prioritised.

A Member suggested that there was a disconnect in that if Adult and Children's Care Services and Education are afforded any protection, given their sizeable portion of the available budget a decline in the other service areas would be unavoidable. He questioned whether there was a need for a more honest approach in dealing with the harsh reality of the budget situation.

The Chairman commented that in an ideal world those listed priorities were reasonable but the three main priorities had to be Adult Social Care, Children's Services and Education.

A Member voiced his concern that the Council was in danger of raising expectations without the finance to deliver.

The Director of Financial Services explained that the seven priorities all have detailed action plans sitting below, the detail of which would have regard to resources available.

2. Budget Consultation 2015/16 – What are your views on Council Tax levels for 2015/16?

A Member explained that whilst last year he was of the opinion that Council Tax levels should rise to help retain services, his view had now changed and he hoped that a rise in Council Tax would be kept to a reasonable level. He felt that the public would be disillusioned with another large rise in Council Tax when services were being cut.

A Member commented that if people wanted to keep services they would have to pay.

A Member pointed out that he was meeting people in his community every day who were commenting that they had not received a pay rise for 3,4 or even 5 years and yet the level of Council Tax was increasing year on year. They also argue that in England the rate has been frozen. He explained that whilst in the past he had been able to argue that Council Tax levels in Wales were 20% lower than in England he was not sure if this was still the case given that they had now had a 3 year Council Tax freeze. He commented that he would like to see a comparison undertaken on equal properties and if rates were now higher in Rhondda Cynon Taf it would be difficult to justify further increases.

A Member pointed to the potential complications should there be local authority mergers with regard to different levels of Council Tax.

A Member commented that in his opinion, any rise had to be below 5%.

A Member pointed out that any rise in the police precept would be an additional burden for residents.

3. **Local Council Tax Reduction Scheme – Views on the Council’s Discretionary decisions that may be added to the National Council Tax Reduction Scheme.**

Members were in agreement that the current discretions should remain.

4. **Any other Comments?**

There were no further comments.

Appendix C

Education & Lifelong Learning Scrutiny Committee –11th December 2014

1. Service & Improvement Priorities

One Member of the Committee commented that although all of the priorities listed were plausible, he queried whether the Authority would be forced to do something more radical due to the current financial climate.

One Member commented that the surplus places in schools were a further drain on resources.

Members were satisfied with the seven priority areas for 2014/15.

2. Budget Consultation 2015/16 – What are your views on Council Tax levels for 2015/16?

Some Members felt that an increase in Council Tax would clearly not bridge the budget gap and nor would it save services and they considered that services would need to be cut, some completely.

One Member commented that 1% equates to £900,000 (excluding CTRS impact) based on existing housing stock and queried the impact of increased housing development taking place across the County Borough. The Director of Financial Services confirmed that an element of growth to the tax base had been factored in to the budget calculations.

Members agreed that the Council should raise the Council Tax in order to maintain as many services as possible.

3 Local Council Tax Reduction Scheme – Views on the Councils Discretionary decisions that may be added to the National Council Tax Reduction Scheme.

One Member commented that the extended payments for a further four weeks after returning to work was sensible considering that most people are paid monthly, enabling some 'catch up' time.

All Members were satisfied with the Local Council Tax Reduction Scheme (CTRS)

4 Any other Comments?

There were no additional comments to report.

Appendix D

Community & Children's Services Scrutiny Committee – 15th December 2014

1. Service & Improvement Priorities

A Member agreed that the seven listed priorities were the right priorities to focus on and added that he would like to see more if it were not for the financial situation of the Council.

A Member agreed with this statement but expressed his concerns that the last priority, 'making best use of our budget' would be the most difficult in terms of convincing the public that the right approach was being taken.

2. Budget Consultation 2015/16 – What are your views on Council Tax levels for 2015/16?

A Member commented that the Council would be criticised whatever the level of increase decided upon.

Another Member felt that it needed to be pitched at an affordable level pointing out that Council staff had received a 1% pay rise. He also pointed out that increasing the Council Tax level too much would increase the number of defaulters. He suggested that a rise between 3.5% - 4% would be the most that would be accepted.

A Member asked whether there was any information available on the levels being set by other authorities. The Director of Financial Services reported that this information was not available at this stage.

3. Local Council Tax Reduction Scheme – Views on the Council's Discretionary decisions that may be added to the National Council Tax Reduction Scheme.

Members were in agreement that the current discretions should remain.

4. Any other Comments?

In response to a query, the Director of Financial Services explained that the scrutiny committees' views would be reported to Cabinet as part of the production of their draft budget strategy which would then be consulted upon (stage 2).

APPENDIX 7

BUDGET AND POLICY FRAMEWORK PROCEDURE RULES

1. The Framework for Executive Decisions

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

2. Process for Developing the Framework

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

(b) The Council will consider the proposals of the Cabinet and may adopt them, amend them, refer them back to the Cabinet for further consideration, or substitute its own proposals in their place. In considering the matter, the Council shall have before it the Executive's proposals and any related report from the Overview and Scrutiny Committee.

Any amendments to the proposals of the Cabinet to be proposed by members at Council may not be considered by Council unless notice of the proposed amendment has been given to the proper officer in writing and signed by the proposer and seconder not later than 5:00pm at least 8 calendar days (not including the date of the meeting) before the date of the Council meeting.

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

(d) The Council's decision will be publicised and a copy shall be given to the Leader. The notice of decision shall be dated and shall state either that the decision shall be effective immediately (if the Council accepts the Cabinet's proposals without amendment) or (if the Cabinet's proposals are not accepted without amendment), that the Council's decision will become

effective on the expiry of 5 working days after the publication of the notice of decision, unless the Leader objects to it in that period.

(e) If the Leader objects to the decision of the Council, he/she shall give written notice to the Chief Executive to that effect, prior to the date upon which the decision is to be effective. The written notification must state the reasons for the objection. Where such notification is received, the Chief Executive shall convene a further meeting of the Council to reconsider its decision and the decision shall not be effective pending that meeting.

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

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

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

APPENDIX 8

2015/2016 BUDGET AND COUNCIL TAX SETTING TIMETABLE

22nd January 2015

Cabinet Meeting – Consideration of reports from “respective Chief Officers” to allow Cabinet to formulate their budget proposals, taking into account the consultation (Stage 1) feedback, and views of Scrutiny Committees.

Cabinet Decision required:

- i. Cabinet budget proposals for recommendation to Council to be determined, subject to the results of the consultation exercise.
- ii. Authorisation to take undertake Stage 2 of the consultation process.

23rd January 2015

Consultation Exercise: Stage 2 - The Cabinet’s draft budget proposals for the Council’s 2015/2016 Budget and the Council Tax increase to be used, for consultation purposes.

12th February, 2015

Cabinet Meeting – Determination of the Cabinet’s final budget proposals to Council, after having taken into account the responses from Stage 2 of the Consultation Process.

Cabinet Decision required:

Cabinet agree budget proposals for recommendation to Council.

4th March 2015

Council Meeting – Cabinet to submit final proposals to the Council for the 2015/2016 Budget and the Council’s Council Tax increase, following consideration of the results of Stage 2 of the consultation exercise.

Council Decision required:

Approve the 2015/2016 Revenue Budget.

Approve the 2015/2016 Council Tax increase.

