

AGENDA ITEM 2**RHONDDA CYNON TAF COUNTY BOROUGH COUNCIL****CABINET****11TH FEBRUARY 2016****THE COUNCIL'S 2016/2017 REVENUE BUDGET****REPORT OF THE GROUP DIRECTOR CORPORATE & FRONTLINE SERVICES****AUTHOR: Chris Lee (01443 424026)****1.0 PURPOSE OF THE REPORT.**

- 1.1 This report provides the Cabinet with information in respect of the 2016/2017 local government settlement, the outcomes of the general budget consultation exercise and feedback from the pre-scrutiny activity undertaken by the Finance & Performance Scrutiny Committee, to assist it with its deliberations, prior to constructing the revenue budget strategy for the financial year ending 31st March 2017, 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 2016/2017 revenue budget strategy, detailed in the attached Discussion Paper 'Appendix A', as the basis of the revenue budget strategy for the financial year ending the 31st March 2017, that it would wish to recommend to Council, subject to consideration of the results of the general budget consultation exercise and feedback from pre scrutiny by the Finance & Performance Scrutiny Committee.

- 2.3 Agree the draft timetable for setting the 2016/2017 revenue budget, reproduced at Appendix A2.
- 2.4 Agree that the Council continues to support the medium term financial strategy aimed at maximising ongoing efficiency in service delivery, targeted service changes and other changes that maintain the financial integrity of the Council whilst still aiming as much as possible to protect jobs and key services.
- 2.5 Request the Group Director Corporate and Frontline Services to update the draft 2016/17 budget strategy to reflect the financial implications of any budget related decisions made by Cabinet prior to Council on the 24th February 2016. As part of this update, any savings achievable in 2016/17 should be used to reduce the level of Transitional Funding (i.e. use of the Medium Term Financial Planning and Service Transformation Reserve) needed to deliver a balanced budget for that year.
- 2.6 Note that the final settlement will not be announced until the 2nd March 2016, that is, after the Council's budget has been set on the basis of the Provisional Settlement. Accordingly, any changes to Welsh Government funding levels in the Final Settlement will be dealt with by means of adjustment to the level of the use of Transitional Funding (details of which will be included in the Council Tax Resolution to be considered by Council on the 10th March 2016).
- 3.0 **BACKGROUND.**
- 3.1 The Council's Senior Leadership Team have now met on many occasions to discuss budget issues and have consolidated their thoughts on the impact of the provisional local government settlement, which had been released by The Minister for Public Services (Leighton Andrews AM), on the 9th December 2015 (see Appendix A3).
- 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 A4) of a high level budget requiring a Council Tax increase of 2.75%. The limited resources available and the expected demand for these resources resulted in an initial budget gap of £14.482M that needs to be dealt with to produce a balanced budget.
- 3.3 At this stage, Cabinet Members are able to take account of consultation feedback (general consultation, Scrutiny and School Budget Forum Feedback) and the views of the Finance & Performance Scrutiny Committee as part of pre-scrutinising the options set out for

Cabinet. The results of these exercises are attached at Appendices B (i to iii) and C respectively.

4.0 THE COUNCIL'S CONSTITUTION

- 4.1** The revenue budget for the financial year ending the 31st March 2017, 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 A1, for Members' information and guidance.
- 4.3** Finally, I have attached a draft timetable for agreeing the 2016/2017 revenue budget strategy, at Appendix A2.

5.0 THE KEY ELEMENTS OF A BALANCED BUDGET STRATEGY FOR 2016/2017

- 5.1** Contained within the discussion paper, reproduced at Appendix A, is what the Senior Leadership Team considers to be the key elements of a balanced revenue budget strategy for 2016/2017.
- 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 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 2016/2017 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.

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. The Council's draft Corporate Plan 2016-2020 sets out that our key purpose is to provide a County Borough that has high aspirations, is confident and promotes opportunity for all.

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 our General Budget Consultation exercise has been to test the appropriateness of our key strategic priorities around the themes of:

- *Economy* – building a strong economy

- *People* – promoting independence and positive lives for everyone
- *Place* – creating neighbourhoods where people are proud to live and work

5.7 Consequently, at Appendix A4 of this report, I have translated the components of the Senior Leadership Team’s recommended approach into an illustrative budget for 2016/2017, 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 A4 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 2016/2017, to 2.75%.

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 £14.482M.

6.2 The Senior Leadership Team holds the collective view that the Council should commit itself to fixing its 2016/2017 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 Senior Leadership’s Team’s recommended strategic approach into a high level budget for 2016/2017 with a Council Tax increase of 2.75% is contained in Appendix A4 to this report.

6.4 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 Senior Leadership Team sees the continuation of a robust

medium-term financial strategy as being vital, if we are to maintain our core public services.

APPENDIX A**RHONDDA CYNON TAF COUNTY BOROUGH COUNCIL****FEBRUARY 2016****A DISCUSSION PAPER PREPARED IN RESPONSE TO THE 2016/2017 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 extract of the Constitution at Appendix A1). Following due consideration of that report, and after having conducted an appropriate budget consultation exercise, it will then be for the Cabinet to determine a strategy and recommend a budget to Council, for final approval. A timetable for this process is attached at Appendix A2.
- 1.2 Prior to determining its preferred budget strategy for the financial year ending the 31st March 2017, the Cabinet must consider:
- The Council's own financial position.
 - The financial and service implications of the Welsh Government's (WG) 2016-2017 local government settlement
 - The Single Integrated Plan - 'Delivering Change'.
 - The Council's Draft 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 2016/2017 Provisional local government settlement from Rhondda Cynon Taf's perspective. Projections of resource levels into the medium term have also been made, an updated Draft Corporate Plan is available, along with an agreed Single Integrated Plan for the County Borough. We also have the results 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 2015/16. A key starting point and important consideration is the annual statement of accounts. At the Council meeting on the 30th of September 2015, I presented the Council's audited accounts, which reported General Fund Balances amounting to £11.001M.
- 2.2 Given the continuing financial pressures the Council is working under, it remains my view, that the Council should hold a minimum of £10M as General Fund Balances, (i.e. its working balance). This level is set given the context of the need for continued strong financial management that is felt to be essential to ensure that the Council maintains financial flexibility and stability going forward.
- 2.3 Members will be aware that in addition to General Fund Reserves, the Council also holds a number of earmarked reserves that are kept under continuous review and are assessed each year by the Wales Audit Office. Members will be aware that included in these Reserves is a Medium Term Financial Planning and Service Transformation Reserve that has successfully supported transitional funding as part of the Council's Medium Term Service Planning arrangements. It has achieved this through helping to smooth the delivery of budget savings over a number of years, whilst still allowing an annual balanced budget to be delivered. The starting point for the Medium Term Financial Planning and Service Transformation Reserve as at the 31st March 2015 is £5.127M. As per paragraph 2.2 above, I consider £10M to be a minimum level of General Fund Balances that this Council should hold. I consider it appropriate to allocate a further £0.500M from General Fund Balances to transitional funding and leave £10.501M as a General Fund Balance pre the year end assessment for 2015/16 that will be undertaken as part of preparing this year's statement of accounts. In addition, in year savings, as at Quarter 2, have added a further £1.075M to the balance available. These savings include senior management costs, part year effects of voluntary early retirements, reductions in events budgets and reductions in Mayoral / Members expenses.

- 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 2016/17 budget strategy at this time equates to **£6.702M**.
- 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 2017. 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 over £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 2016/2017 LOCAL GOVERNMENT SETTLEMENT

- 3.1 On the 9th December 2015, the Minister for Public Services (Leighton Andrews AM) announced the provisional 2016/2017 local government settlement. The Minister’s statement and key data table is attached at Appendix A3.
- 3.2 The “headlines” of the provisional 2016/2017 settlement are as follows:-
- a. The overall reported decrease in Revenue Support Grant (RSG) and Non-Domestic Rates funding for 2016/2017 (of unhypothecated funding) at an all Wales level, is -1.4%.
 - b. The provisional settlement for Rhondda Cynon Taf, shows a decrease of -0.9% which is better than the average of -1.4%. Settlement figures across the twenty two local authorities in Wales range from at best -0.1% to at worst -4.1 (no ‘floor’ protection has been included for 2016/17).

- c. The settlement includes a 'transfer in' of £31.1M of funding previously provided through the Outcome Agreement Grant. The share for Rhondda Cynon Taf is £2.467M.
- d. The settlement includes reference to additional funding for Social Services (£21M at an all Wales level) and Education (£35M at an all Wales level), with the latter linked to a protection requirement of 1.85% for 2016/17.
- e. The settlement contains no indication of future year indicatives i.e. 2017/18 and beyond.
- f. We are still awaiting details on many specific grants. At an all Wales level, 33 out of 44 specific grants have been announced and overall there is a total reduction of approximately 5%.
- g. The Council's General Capital Funding allocation is increased slightly by 0.04% (£0.005M) to £11.159M.

3.3 Given the timing of the UK Government Spending Review, the notification of the Provisional Settlement was delayed until December for this budget round with the Final Settlement not due to be confirmed until the 2nd of March 2016 (notification on the 2nd March 2016 with Welsh Government formal consideration and hopefully approval on the 9th March 2016). As such, budget strategy assumptions will be set on Provisional Settlement figures at this stage, with any adjustments made at Final Settlement stage being dealt with by means of an adjustment to the level of the use of Transitional Funding pre the statutory deadline of the 11th March 2016, plus any such implications factored into the Council Tax resolution for 2016/17.

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 2016/2017. These are:
 - a. *Fire Service Levy* - The Fire Service Levy has increased by £0.057M for 2016/17 (0.53% uplift) which is £0.157M less than the original assumption (2% uplift) used in the budget modelling (notification letter received 23rd December 2015). This reduction reflects changing population levels and a lower than anticipated increase in the fire service levy chargeable for 2016/17.

- b. *Expressions of Interest Exercise 2015/16* – During 2015/16 a further 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 service changes. Employee cost reductions will deliver base budget savings of £1.682M for 2016/17.
- c. *Waste Services* – The agreement of the Residual Waste contract in 2015/16 has delivered net savings projected to be approximately £0.750M in 2016/17.
- d. *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 Children’s Services. Quarterly performance reports have indicated continued success in mitigating risk associated with the costs of Looked After Children, in particular, through a more favourable commissioning mix of placements. A review has concluded that action can be taken to lower the assumptions around 2016/17 pressures within the service, reducing the additional base requirement by £0.600M in 2016/17.
- e. *Miscellaneous Items* - During 2015/16, a number of changes were made operationally that will deliver base budget savings in 2016/17. These include changes in arrangements for the Dog Pound Service and Crematorium services. The total of these changes reduces base budget requirements by £0.025M in 2016/17.

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 2016/17 Base

	£M
Fire Service Levy	0.157
Expressions of Interest Exercise	1.682
Waste Services	0.750
Ongoing Reassessment of Base Budget Pressures	0.600
Miscellaneous Items	0.025
Total Reducation in Base Budget Requirement	3.214

5.0 THE FINANCIAL IMPLICATIONS OF THE 2016/2017 SETTLEMENT FOR RHONDDA CYNON TAF

- 5.1 The settlement indicates that our 2016/2017 RSG and NDR funding will total £353.769M.
- 5.2 In anticipation of the 2016/2017 local government settlement, the Council's service managers have constructed base budget requirements for next financial year. Those initial calculations provided for:-
- Estimated national wage awards, pension costs and National Insurance Contribution increases;
 - Non-pay (i.e. goods and services) inflation, including energy and fuel;
 - Corporate financing requirements and levies;
 - Full year effects of additional burdens imposed on the Council.
- 5.3 The position I reported to Council (16th December 2015) at the Provisional Settlement stage indicated a budget gap of £17.515M. This position assumed a modelled 3% Council Tax increase and an updated tax base. Taking account now of the recent base budget updates summarised in Table 1, the budget gap has now reduced to **£14.301M** (a net reduction of £3.214M).

6.0 DEVELOPING AN EQUITABLE, DELIVERABLE AND BALANCED BUDGET FOR 2016/2017

- 6.1 It will not be easy for us to develop an equitable and deliverable revenue budget strategy given the -0.9% 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.

Council Tax Levels

- 6.5 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 Welsh Governments Council Tax Reduction Scheme (CTRS). For 2015/2016 Members agreed an increase of 3.8%. Mindful of the impact that austerity cuts are having across all of our communities, the proposal is to increase Council Tax in 2016/17 by 2.75%, that is below the 3% modelled in the initial budget gap calculations and more than 1% lower than the increase in 2015/16. Lowering the increase to 2.75% will add £0.181M to the budget gap for 2016/17, hence the updated gap becomes **£14.482M**.
- 6.6 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 £963k (at current tax base levels), but will also cost £239k in additional CTRS requirements. It therefore follows that a 1% increase generates a net additional income of £724k, or stated another way, one quarter of any Council Tax increase is lost to support the increased costs associated with the Welsh Governments CTRS.
- 6.7 Whilst the focus for this report is predominantly on 2016/17 and an initial net “funding gap” of some £14.482M, this gap is projected to rise over the three years to 2018/19 to an estimated £57M if our base budget is not reduced. In relation to next financial year initially, 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 2016/2017.

Schools Budget (ISB)

- 6.8 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 1.85% for 2016/17 as compared to a decrease of -0.9% 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 1.85% uplift plus additional funding for pupil number increases is that the overall schools budget for next year will increase from £141.8M to £144.9M, that is, an increase of £3.1M year on year. This will see our schools treated far more favourably than other Council services whilst at the same time reducing the overall school budget requirement by £2.323M, leaving a remaining overall budget gap for the Council of **£12.159M**. Schools will not be required to contribute to the Council's general efficiency targets.

Dealing With The Remaining Revenue Budget Gap

- 6.9 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 a proven track record 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 2016/17.
- 6.10 Following careful consideration, the following approach is recommended:
- a. *Efficiencies* – The Council has successfully delivered over £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. In total, efficiency savings amounting to £6.350M are being targeted for 2016/17 (in addition to the £1.682M expressions of interest exercise highlighted earlier in paragraph 4.1b).
 - b. *Fees & Charges* - The budget strategy for 2014/15 agreed to increase fees and charges by, on average, 3% above RPI for four years, that is to 2017/18. A report will be presented to Members shortly setting out in detail the general uplift to fees and charges for 2016/17.

- c. *Social Care Transformation Programme* –This Council has always prioritised the needs of the most vulnerable in our communities and continues to do so. During 2015/16 Members will be aware that a programme of change/improvement has been instigated across Social Care Services, linked to the requirements of the Social Services and Wellbeing Act and driven by the leadership’s focus on prevention and early intervention, maximizing independence and reducing dependency where appropriate. This shift from crisis intervention to an approach that is about working with people to find appropriate solutions will ensure that where an intervention is needed, it will be proportionate and timely and will support people who need care and support and carers who need support to achieve their personal outcomes. People (children, adults and carers), their families and their communities are rich assets, and are at the centre of the Social Services and Wellbeing Act. Continuing to work with people, communities and all our partners will be key to delivering well-being and unlocking the potential for creativity which will ensure even more effective use of all of the available resources. As well as delivering better outcomes for individuals this approach has already delivered underspends in the current year that have been reported to Members as part of the quarterly performance reports. This direction of travel will continue in 2016/17 and will include implementing new operating models for Adult and Children’s Services, it will seek to reduce high cost accommodation placements and arrangements and will deliver more efficient and effective services. In financial terms the programme is projected to deliver £2.985M of savings in 2016/17.
- d. *Further Management Cost Savings* – Management cost savings have been actioned in 2015/16 that will feed through to 2016/17 allow a further £0.123M of savings to be included in the budget strategy for 2016/17.
- 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, four service change proposals remain subject to consultation, that is, proposals relating to the Library Service, the Youth Engagement & Participation Service, Supported Bus Routes and Day Nurseries. 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 2016/17 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 2016/17, it is recognised that further in year decisions are necessary to close future year budget gaps. The notion of an annual budget setting process no longer exists and experience from 2015/16 indicates that a proactive and ongoing approach

to identifying and implementing service changes is the right and most effective 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 £6.702M. To address the current budget deficit, it is proposed that an allocation of £2.701M is made from this reserve for 2016/17. Whilst this balances the budget for 2016/17 (subject to any specific variations in Final Revenue Support Grant, other specific grants and / or service change decisions) this would only leave £4.001M in the reserve (subject to the year end assessment of reserves post March 31st 2016). Use of £2.701M of one off funding is £1.695M less than that required for the current year and processes are now well embedded to ensure that savings are achieved in year and this reserve continues to be replenished.

6. 11 In summary, Table 2 lists the proposals recommended to close the remaining budget gap for 2016/17, that will deliver a balanced budget for next year:

Table 2 : Budget Strategy Proposals 2016/17

	£M	£M
Budget Gap		12.159
<i>Strategy Proposals:</i>		
General Efficiencies	(6.350)	
Social Care Transformation Programme	(2.985)	
Management Cost Savings	(0.123)	
		(9.458)
Remaining Budget Gap		2.701
<i>Use of 'One Off' Funding</i>		
Medium Term Financial Planning & Service Transformation Reserve		(2.701)
Total		0.000

Service Priorities

- 6.12 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. The Council's draft Corporate Plan 2016-2020 sets out that our key purpose is to provide a County Borough that has high aspirations, is confident and promotes opportunity for all.
- 6.13 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 our General Budget Consultation exercise (explained further in Section 8) has been to test the appropriateness of our key strategic priorities around the themes of:
- *Economy* – building a strong economy
 - *People* – promoting independence and positive lives for everyone
 - *Place* – creating neighbourhoods where people are proud to live and work
- 6.14 In addition to our revenue base budget requirements, opportunities have also been taken to deliver investment in key strategic areas through one off funding being made available. Council on the 28th of October 2015 agreed an investment programme of nearly £12M and this will have a positive impact in key priority areas. We will continue to review opportunities for further investment during 2016/17, where this can deliver significant benefits for residents and / or support revenue budget savings where 'spend to save' business cases can be demonstrated.

7.0 2016/2017 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 Senior Leadership Team, to ensure consistency and fairness across all service areas.
- 7.2 The 2015/2016 revenue budget and the regular performance monitoring reports are available to the Cabinet, to act as a benchmark to evaluate 2016/2017 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 2015/2016 figures, depending upon Members' decisions and spending priorities, and on the impact of the 2016/2017 local government settlement.

- 7.3 All of our services have recently undertaken a self assessment exercise to support the preparation of delivery plans that will set out key actions for improvement and how progress will be measured. Funding will be a key consideration for these plans and the Senior Leadership Team's budget proposals are intended to underpin these improvements. This will allow the budget to be built "bottom up", on the basis of properly identified service need, within the framework provided by the 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 2016/2017 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 A4 is an outline budget proposal, including efficiency requirements and service provision amendments. This is based on a Council Tax increase of 2.75%.
- 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 potentially further phases of budget reduction and efficiency proposals coming before Cabinet in the coming months to ensure that our base budget is reduced over time to bridge the identified significant medium term budget shortfall – currently estimated to be £57M in the period to 2018/19.

8.0 THE 2016/2017 GENERAL BUDGET STRATEGY CONSULTATION PROCESS

- 8.1 As noted in paragraph 6.10(e), consultation activity, instigated by Cabinet at its meeting on the 10th of November 2015, ran until the 18th of January 2016 in respect of proposals relating to the Library Service, the Youth Engagement and Participation Service, Supported Bus Routes and Day Nurseries. The results of these consultation exercises are being fed back to Cabinet shortly.
- 8.2 As well as consulting on specific service change proposals, the Council has also been keen to consult with the public and other interested stakeholders on its general budget strategy and how services are delivered. As Members are aware, the Council has undertaken a number of public engagement initiatives as part of its 'RCT Together' programme that have increased significantly the opportunities for residents to not only have their say on what

matters to them but also for them to submit ideas and proposals on how services could be delivered differently.

- 8.3 A new approach was adopted for the budget consultation exercise this year, with a budget simulator being used to allow residents to interactively consider budget options. In addition, we also held roadshow events at Pontypridd, Treorchy and Aberdare, and our key stakeholders were engaged including Scrutiny Committee Members, council employees, the School Budget Forum and the Older People's Advisory Group.
- 8.4 The general budget consultation also incorporated the requirements to consult on discretions available locally for the Council Tax Reduction Scheme (which was used to inform the Council's decision on its scheme for 2016/17 that was considered by Council on the 27th January 2016) as well as views on the Council's draft corporate priorities going forward as part of its updated plan for 2016 to 2020.
- 8.5 The general budget consultation ran from the 16th of December 2015 to the 18th of January 2016.
- 8.6 A further enhancement to the budget engagement and consultation process this year was to submit the draft strategy to pre scrutiny so that non executive members were able to examine proposals and help shape their development before Cabinet consider the detail. A request was made at the Finance & Performance Committee on the 6th of January 2016 to have an opportunity to pre-scrutinise budget strategy proposals. This was agreed and the Finance and Performance Scrutiny Committee undertook pre scrutiny of the Budget Strategy proposals and consultation feedback at their meeting on the 27th January 2016.

9.0 CONCLUSIONS

- 9.1 The Minister for Public Services (Leighton Andrews AM) announced the Provisional 2016/2017 local government settlement on the 9th December 2015 and this Council's reduction in resources was set at -0.9%.
- 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 compromising the Council's financial stability, or reducing our General Fund Balances below £10M.
- 9.3 As detailed in the report, the use of such transitional funding would produce a balanced budget for 2016/2017, and the reliance on this one off funding has reduced in comparison to previous years.

- 9.4 There remains the 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 what continues to be an extremely difficult financial climate.

Appendix A1

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 A2

2016/2017 BUDGET AND COUNCIL TAX SETTING TIMETABLE

18th January 2016

Consultation – End of General Budget Consultation (including Council Tax Reduction Scheme and Corporate Plan elements)

27th January 2016

Pre Scrutiny – Draft ‘Chief Officer’ Budget Strategy proposals to be considered by non executive members, through Finance & Performance Scrutiny Committee prior to consideration by Cabinet.

11th February, 2016

Cabinet Meeting – Consideration of draft ‘Chief Officer’ Budget Strategy proposals to allow Cabinet to formulate their budget proposals, taking into account the general budget consultation feedback, and the ‘pre scrutiny’ views from Finance & Performance Scrutiny Committee.

Cabinet Decision required:

Cabinet budget proposals for recommendation to Council to be determined

24th February 2016

Council Meeting – Cabinet to submit proposals to the Council for the 2016/2017 Budget Strategy (figures will be final subject to no changes being made at final settlement stage)

Council Decision required:

Approve the 2016/2017 Revenue Budget.

2nd March 2016

Final Local Government Settlement - Receipt of final settlement figures

10th March 2016

Council Meeting - Cabinet to submit proposals to the Council for the 2016/2017 Council Tax

Council Decision required:

Approve the 2016/2017 Council Tax.

This page is left Blank.

APPENDIX A3



Llywodraeth Cymru
Welsh Government

WRITTEN STATEMENT BY THE WELSH GOVERNMENT

TITLE **Provisional Local Government Settlement 2016-17**

DATE **9 December 2015**

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

Today I am publishing my proposals for Local Government funding in 2016-17, including allocations of core funding for individual Local Authorities.

The late timing of the UK Government's Spending Review has presented significant challenges for the preparation and publication of the Welsh Government Draft Budget and the 2016-17 Local Government Settlement.

I am publishing the Provisional Local Government Revenue and Capital Settlements for 2016-17 the day after the announcement of the Welsh Government's Draft Budget. This is the earliest opportunity which is possible in the circumstances.

The later announcement of this Settlement means that it makes use of the most up-to-date data in the calculations. I intend to keep any revisions between Provisional and Final Settlement to a minimum, affording Local Government a more robust basis from which to start planning their budgets.

I propose to set Local Government revenue funding at £4.099 billion. This represents a decrease of 1.4% (£57 million) compared to 2015-16. This is a considerably better Settlement than Local Government was expecting and is good news for local services in Wales.

Due to the close proximity of the Settlement announcement to the publication of the Draft Budget, I am not yet in a position to release details of capital grants for 2016-17. However, I can confirm that General Capital Grant for 2016-17 remains at £54 million for the fourth year running.

This Government recognises the crucial role Local Authority social services play in improving outcomes for the most vulnerable and we have included an additional £21 million through this year's Revenue Settlement in recognition of this.

Building on our investment in previous years, we have continued our commitment to prioritise funding for schools with an additional £35 million in this year's Settlement.

We have protected the funding for Local Government in Wales over the course of this Assembly term. This means that Local Government in Wales has not been subject to the level of cuts experienced by Councils in England. As a consequence of UK Government decisions, since 2010-11, spending on local services in England has **decreased** by around 10% in cash terms, while in Wales it has **increased** by 2.5%.

For 2016-17, I expect every Authority to take account of all the available funding streams in considering service provision and setting their budgets and Council Tax. Whilst the Revenue Support Grant is the largest single source of funding for Local Authorities, it is not the only one.

In setting council tax levels for 2016-17, I urge Local Authorities to think seriously about the funding challenges they face and to balance this with a consideration of the financial burden on households. We offer considerable flexibility to Authorities in Wales which is not available to their counterparts in England.

I am proud of our commitment to, once again, maintain full entitlements for eligible applicants under the Council Tax Reduction Scheme, and I am supporting Local Government to deliver the scheme in 2016-17 by distributing £244 million within the Settlement. Local Authorities must take account of the scheme when making their decisions about council tax levels.

Transfers and revenue grants

Included within the provisional RSG for 2016-17 is £31.1 million of funding previously provided through the Outcome Agreement Grant. This demonstrates my commitment to offer Local Authorities the maximum amount of flexibility in how they set their budgets.

In total, this means that annual funding of over £190 million has been transferred into the Settlement since the beginning of the 2010 Spending Review.

Alongside the Settlement, I am publishing as much information as possible on other Welsh Government grant schemes planned for 2016-17 in order to assist Local Authorities in preparing their budgets for next year. Included within this is £63 million of funding for the Single Environment Grant. The recent publication of the Draft Budget means that details of some grant schemes, in particular some of the larger schemes, have yet to be agreed. I will include more information with the Final Settlement. My Ministerial colleagues and I are considering whether further flexibility might be offered in relation to certain grant funding for 2016-17 and beyond. Our conclusions will be published as part of the information accompanying the Final Settlement.

Individual Authority allocations

Table 1 sets out the proposed distribution of Aggregate External Finance (comprising Revenue Support Grant and redistributed Non-Domestic Rates) between the 22 Authorities for 2016-17.

This distribution reflects our most up to date assessment of relative need, based on a wealth of information on demographic, physical, economic and social characteristics across Wales.

In line with the Welsh Government Draft Budget, I am unable to provide indications beyond 2016-17.

Conclusion

Today's announcement marks the start of a six-week consultation period which ends on 20 January 2016. After this, I will consider whether further amendments are to be made before making my final determination in early March.

Table 1: 2016-17 Provisional Settlement - Comparison of the 2015-16 AEF (adjusted for transfers) and the 2016-17 Provisional AEF and Distribution of the 2016-17 Council Tax Reduction Schemes funding (distributed within AEF)

Unitary authority	<i>£000s</i>					
	2015-16 AEF (adjusted for transfers)	2016-17 Provisional AEF	% change on 2015-16	Rank	Council Tax Reduction Schemes (distributed within AEF)	Percentage share
Isle of Anglesey	93,841	91,925	-2.0%	17	5,099	2.1%
Gwynedd	169,847	166,990	-1.7%	14	8,884	3.6%
Conwy	152,740	149,429	-2.2%	18	8,938	3.7%
Denbighshire	141,294	139,602	-1.2%	10	9,275	3.8%
Flintshire	187,535	184,743	-1.5%	12	9,762	4.0%
Wrexham	172,036	169,761	-1.3%	11	9,983	4.1%
Powys	175,692	168,488	-4.1%	22	8,082	3.3%
Ceredigion	100,010	96,570	-3.4%	21	4,779	2.0%
Pembrokeshire	161,375	156,932	-2.8%	19	7,090	2.9%
Carmarthenshire	254,306	251,685	-1.0%	8	14,184	5.8%
Swansea	310,525	307,754	-0.9%	5	18,984	7.8%
Neath Port Talbot	206,637	205,567	-0.5%	2	16,041	6.6%
Bridgend	189,561	187,508	-1.1%	9	12,695	5.2%
The Vale Of Glamorgan	153,530	150,443	-2.0%	16	8,893	3.6%
Rhondda Cynon Taf	357,009	353,769	-0.9%	6	22,295	9.1%
Merthyr Tydfil	89,848	89,188	-0.7%	4	5,831	2.4%
Caerphilly	265,723	263,293	-0.9%	7	13,483	5.5%
Blaenau Gwent	110,959	109,252	-1.5%	13	8,391	3.4%
Torfaen	131,538	129,296	-1.7%	15	7,909	3.2%
Monmouthshire	94,379	91,439	-3.1%	20	5,671	2.3%
Newport	210,565	209,133	-0.7%	3	10,270	4.2%
Cardiff	426,860	426,285	-0.1%	1	27,461	11.3%
Total Unitary Authorities	4,155,809	4,099,052	-1.4%		244,000	100.0%

APPENDIX A4

APPENDIX A4**AVAILABLE REVENUE RESOURCES 2016/17 AND PROPOSED USAGE**

	£'000
Total resources available in 2016/2017	452,733
LESS: Total resources available in 2015/2016	456,494
<u>DECREASE</u> in resources available in 2016/2017	- 3,761

	£'000
Allocation of Resources	
Delegated Schools Budget	3,076
Education & Lifelong Learning Services (Other)	- 1,287
Community & Children's Services	- 3,637
Corporate and Front line Services and Chief Executive's Division	- 997
Authority Wide Requirements	1,785
Use of Reserves (Transition Funding)	- 2,701
	- 3,761

This page is left Blank.

PROPOSED REVENUE BUDGET 2016/17**Education & Lifelong Learning Services****Delegated Schools Budgets**

	£'000
Net Revenue Budget 2015/16	141,846
Increase	3,076
Proposed Net Revenue Budget 2016/17	144,922

Non Delegated Budgets

	£'000
Net Revenue Budget 2015/16	32,240
Base and Inflationary Pressures	- 155
General Efficiencies	- 811
Other Cost Reduction Measures	- 321
Proposed Net Revenue Budget 2016/17	30,953

Total Net Revenue Budget 2016/17	175,875
---	----------------

This page is left Blank.

Community & Children's Services

	£'000
Net Revenue Budget 2015/16	137,712
Base and Inflationary Pressures	3,855
General Efficiencies	-2,564
Other Cost Reduction Measures	-4,928
Proposed Net Revenue Budget 2016/17	134,075

This page is left Blank.

Corporate and Front Line Services & Chief Executive's Division

	£'000
Net Revenue Budget 2015/16	72,222
Base and Inflationary Pressures	3,968
General Efficiencies	-2,625
Other Cost Reduction Measures	-2,340
Proposed Net Revenue Budget 2016/17	71,225

This page is left Blank.

Authority Wide

	£'000
Net Revenue Budget 2015/16	72,474
Increase / Decrease	1,785
Proposed Net Revenue Budget 2016/17	74,259

Use of Reserves (Transition Funding)	2,701
---	--------------

This page is left Blank.



STRONG HERITAGE | STRONG FUTURE
RHONDDA CYNON TAF
TREFTADAETH GADARN | DYFODOL SICR



**HAVE
YOUR SAY
DWEUD
EICH
DWEUD**

RCT Budget Challenge

2016/17 Budget Strategy | Consultation:



CONTENTS

		Page
	Executive Summary	
1.	Introduction	7
2.	Background	8
3.	Methodology	9
4.	Budget Simulator Results	11
5.	Town Centre Events Feedback	31
6.	Young Person Engagement Event	36
	Appendix 1 - Young Person Event – Notes from Group Discussions	

FIGURES AND TABLES

Figure / Table	Page
Figure 1 – Number of visits to the Budget Simulator	11
Figure 2 –Age of Budget Simulator respondents	11
Figure 3 – Average change % for Education and Skills	15
Figure 4 – Average change % for Adult Social Care	18
Figure 5 – Average change % for Children’s Services and Wellbeing	20
Figure 6 - Average change % for Frontline Services	22
Figure 7: Average change % for Leisure Culture and Regeneration	25
Figure 8: Average change % for Central Support	27
Table 1: Type of respondent	12
Table 2: The overall budget	12
Table 3: Overall summary of all services	13
Table 4: Services receiving highest % decrease in average budget	14
Table 5: Services receiving lowest % decrease in average budget	14
Table 6: Average change % for Education and Skills	15
Table 7: Average change % for Adult Social Care	17
Table 8: Average change % for Children’s Services and Wellbeing	20
Table 9: Average change % for Frontline Services	22
Table 10: Average change % for Leisure Culture and Regeneration	24
Table 11: Average change % for Central Support	27
Table 12: Average change % for Council Tax	28
Table 13: Service importance (most)	31
Table 14: Service importance (least)	32

EXECUTIVE SUMMARY

- This report presents the findings of General Budget Strategy Consultation for 2016/17
- The Council faces a significant budget gap over the next three years and needs to close an initial budget gap of approximately £20M for 2016/17. The consultation is an essential part of the budget setting process and assists the Cabinet with its deliberations.
- The Council's budget consultation ran from 16th December 2015 to 18th January 2016.
- The methods of consultation included;
 - An online Budget Simulator
 - A number of Town Centre Roadshow events
 - Promotion through Social media, including a Youtube video
 - A Young Person's Budget Engagement Event
 - Older Persons Advisory Group Meeting
 - Promotion with the Citizen's Panel and through the Cwm Taf Engagement Hub.
- The overall average budget was reduced by the 213 respondents who attempted to balance the budget. The average income increased by £538,967 and the average revised expenditure put forward showed a decrease of £11,714,571. However, the above figures include a level of decrease to some services where the Council does not have the ability to decrease the budget, such as spending on schools which is protected by the Welsh Government.
- The top 10 services that received the highest % decrease in average budget were;

Service Item	Original Budget	Average Change %
Support Services	£ 28,011,000	-6.97%
Music	£ 261,000	-6.81%
Cultural Services	£ 929,000	-6.76%
Customer Care	£ 2,297,000	-6.34%
Tourism & Heritage	£ 409,000	-6.08%
Libraries & Adult Learning	£ 2,524,000	-5.96%
Youth Provision	£ 2,325,000	-5.82%
Leisure	£ 4,592,000	-5.77%
Waste (Black bags)	£ 6,494,000	-5.47%
Transport	£ 13,767,000	-5.47%

- The services that received the lowest % decrease in average budget were;

Service Item	Original Budget	Average Change %
Schools	£ 147,216,000	-1.46%
Children's Services	£ 18,981,000	-1.78%
Looked after Children	£ 26,324,000	-2.18%
Highways	£ 7,881,000	-2.56%
Equipment and Adaptations	£ 2,280,000	-3.05%
Public Health	£ 4,960,000	-3.19%
Assessment Care Management	£ 8,085,000	-3.36%
Homecare	£ 20,860,000	-3.36%
Residential & Nursing Services	£ 24,121,000	-3.50%
Housing	£ 986,000	-3.52%

- A 3% increase in Council Tax had been factored in to the budget simulator as it was used for modelling purposes in calculating the budget gap of £20m. Taking this into account the average % change increase in Council tax was reported to be 3.77%.

- The following Town Centre Roadshows took place;

Pontypridd Mill Street - 6th January – 48 people
 Treorchy, Co-op car park – 12th January – 40 people
 Aberdare, Travel House – 13th January – 67 people

- The most important services were found to be Education/schools, followed by Adult Social Care and Refuse and Recycling. People found it difficult to pick services that were not important to them.
- A number of respondents provided comments on levels of Council Tax. There were those who were against any rise;

“no council tax increase, paying too much as it is now.... rather reduce library services”

“freeze Council Tax”

“Council Tax has gone up way over the cost of inflation”

- Whilst others understood the possible need for a rise, and of those, there was a sense that an increase of 3% was the maximum rise that should be considered.

“Council tax under 3%”

“3% fair Council Tax”

“Council Tax - 3% - 5%”

“Council tax 3 - 5%, nearer to 3”

- The engagement approach to the budget was welcomed in the main;
 - “Need more events like this!”*
 - Use of the simulator is welcome*
 - Good thing consulting with residents.*
 - “the information provided was perfect”*
- The Young Person’s Engagement Event was well received and the following schools took part;
 - Treorchy Comprehensive
 - Tonypandy Community School
 - Ferndale Community School
 - Mountain Ash Comprehensive
 - Y Pant Comprehensive
 - Aberdare
 - Porth
 - Maesgwyn Youth Forum
 - Ysgol Gyfun Cymer Rhondda
- The following table shows the results of the exercise on service priorities from the break out groups and some suggestions and ideas for improvement.

	Group 1	Group 2	Group 3	Group 4	Group 5	Group 6
Education	1	1	1	1	2	2
Housing	2	4	Joint 2	4	3	1
Apprenticeships	3	6	Joint 6	5	4	6
Recycling	4	5	Joint 6	6	6	4
Adult Care	5	2	4	Joint 2	1	3
Leisure	6	3	Joint 2	Joint 2	5	5

1. INTRODUCTION

- 1.1 This report presents the findings of General Budget Strategy Consultation for 2016/17, which was undertaken to support the decision making process, required to set the Council's budget for the coming year including:
- 1.2 Section 2 outlines some brief background to the consultation process.
- 1.3 Section 3 details the methodology.
- 1.4 Section 4 provides the results of the online budget simulator exercise.
- 1.5 Section 5 presents the feedback received at the town centre roadshow events and the Older Persons Advisory Group meeting.
- 1.6 Section 6 provides some feedback on the young persons' engagement event.

2. BACKGROUND

- 2.1 For the financial year 2016/17 the Council must decide upon its Budget Strategy and priorities.
- 2.2 The Council faces a significant budget gap over the next three years and needs to close an initial budget gap of approximately £20M for 2016/17 in order to meet the requirement of setting a legally balanced budget.
- 2.3 The consultation is an essential part of the budget setting process and assists the Cabinet with its deliberations, prior to constructing the final revenue budget strategy for the financial year ending 31st March 2017.
- 2.4 The Council has already undertaken thorough spending reviews but has not yet made a final decision. The purpose of the consultation was therefore to seek the views of the residents of Rhondda Cynon Taf.
- 2.5 The consultation process aimed to provide residents with enough information on the Council's budget, including where and how the Council's money is spent, to enable people to more easily understand and take part in the budget engagement
- 2.6 The Council's budget consultation ran from 16th December 2015 to 18th January 2016.

3. METHODOLOGY

3.1 The aims of the consultation were to;

- Inform and raise awareness of the budget setting process and the difficult decisions that need to be made
- Outline the current budget by service area and to ask people to think about which services are the most important to them
- Ask people for views on Council Tax levels
- Increase the levels of engagement on previous years

3.2 The following methods were used to consult with stakeholders;

- An online Budget Simulator
- A number of Town Centre Roadshow events
- Promotion through Social media, including a Youtube video
- A Young Person's Budget Engagement Event
- Older Persons Advisory Group Meeting
- Promotion with the Citizen's Panel and through the Cwm Taf Engagement Hub.

3.3 The Budget Simulator outlined a range of services that the Council provides and their associated budgets and then asked people to make £20m of savings by adjusting the budget for each service, as well as the level of council tax. The simulator allowed respondents to;

- See current Council service spend
- See the consequences of increasing or decreasing funding for each service
- Suggest savings in specific services
- Set a hypothetical legally balanced budget
- Provide comments on the services

3.4 Three town centre Roadshow events took place.

Pontypridd Mill Street - 6th January – 48 people
Treorchy, Co-op car park – 12th January – 40 people
Aberdare, Travel House – 13th January – 67 people

3.5 The events were held in the Council's Environmental Services mobile trailer vehicle and Budget themed banners were used to advertise the event. Members of the public were invited into the trailer to have a discussion with Officers and Members about the Council's budget, priorities and any problems or queries they may have had. Budget boards were designed to create an interactive activity for people to leave comments and ideas and these were noted for this report. Problems were reported back and dealt with by relevant officers.

- 3.6 All comprehensive schools were invited to send up to 5 pupils from their school to take part in a Young Persons' Budget Challenge event. The aim was to engage with young people on how the Council works, the budget challenge and how the Council engages with young people.
- 3.7 Discussions were also held with a meeting of the Older Persons' Advisory Group (OPAG) on the 13th January 2016.
- 3.8 Over 400 people were engaged in the budget setting process.
- 3.9 It should be noted that the consultation was conducted during the service change consultation process on Libraries, Youth Engagement and participation, Supported Bus Routes and Day Nurseries. This separate consultation exercise included detailed business cases on each proposal. A report on the outcomes of this consultation exercise has already been presented to the Council's Cabinet.

4. BUDGET SIMULATOR RESULTS

Responses received

4.1 213 responses were received with submitted budgets. In addition, 1577 people viewed the simulator, whilst not necessarily completing and submitting a budget. The graph below (google analytics) shows the number of visits to the budget simulator site. The the main peaks were on the 17th December, a day after the consultation was launched and the 21st December. 11 sessions were undertaken on the 25th December.

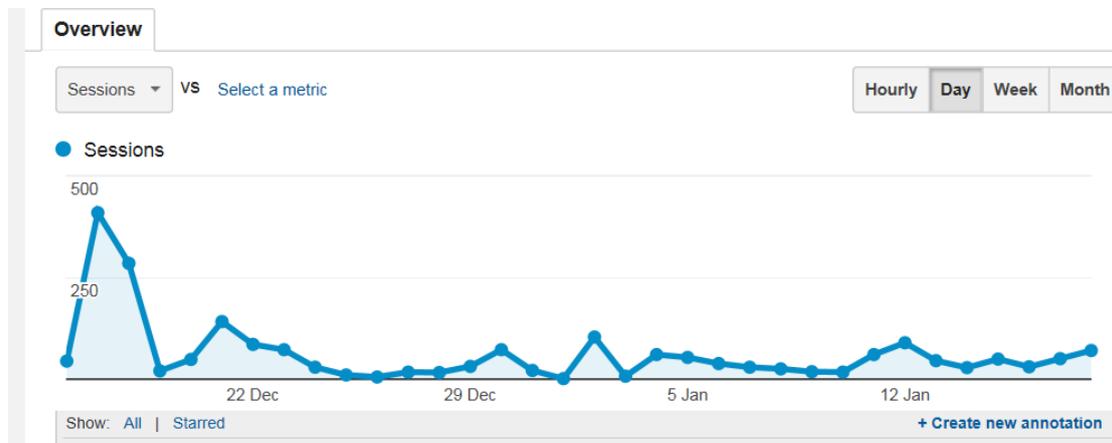


Figure 1 – Number of visits to the Budget Simulator

Demographics

4.2 The graph below shows the age of respondents to the simulator.

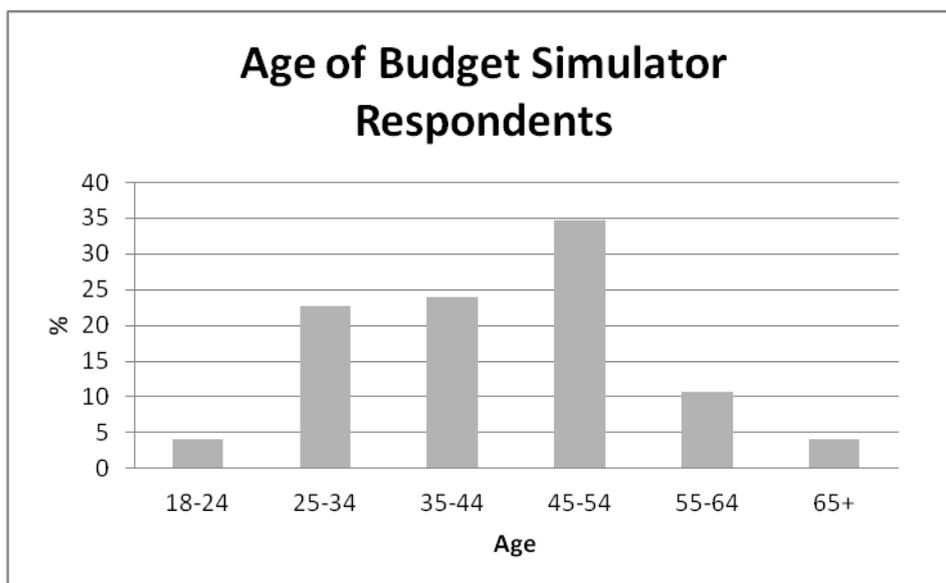


Figure 2 –Age of Budget Simulator respondents

Type of Respondent

- 4.3 The following table shows that the majority of people who took part in the simulator exercise were residents.

Table 1: Type of respondent

	%
A Local Business	7.5
A Resident	52.0
Voluntary/Community Groups	6.5
Employee	34.0

Note: A number of respondents stated that they were more than one or all of the above

Budget Simulator ResultsThe Overall Budget

- 4.4 As can be seen below the overall average budget was reduced by the 213 respondents who attempted to balance the budget. The average income increased by £538,967 and the average revised expenditure put forward showed a decrease of £11,714,571.

Table 2: The overall budget

	£
Average Increase in Council Tax	538,967
Average Decrease in Expenditure	11,714,571
Average Budget Reduction	12,253,538

- 4.5 However, the above figures include a level of decrease to some services where the Council does not have the ability to decrease the budget, such as spending on schools which is protected by the Welsh Government, meaning a decrease would result in the Council not being compliant with Welsh Government requirements.

Overall Summary of Services

4.6 The table below shows the average percentage change of all service areas included in the simulator. All service areas received a reduction in their budget. A summary of the services with the highest and lowest decrease are shown on the next page.

Table 3: Overall summary of all services

Service Item	Average Change %
Education and Skills (Expenditure)	-1.94%
Schools (Total Budget £147,216,000)	-1.46%
School Support Services (Total Budget £12,934,000)	-4.04%
Libraries & Adult Learning (Total Budget £2,524,000)	-5.96%
Apprenticeship Scheme (Total Budget £258,000)	-4.18%
Youth Provision (Total Budget £2,325,000)	-5.82%
Access, Engagement & Inclusion (Total £8,826,000)	-4.79%
Adult Social Care (Expenditure)	-3.51%
Assessment Care Management (Total Budget £8,085,000)	-3.36%
Residential & Nursing Services (Total Budget £24,121,000)	-3.50%
Supported Accommodation (Total Budget £8,977,000)	-3.85%
Homecare (Total Budget £20,860,000)	-3.36%
Day Care Services (Total Budget £7,180,000)	-3.83%
Equipment and Adaptations (Total Budget £2,280,000)	-3.05%
Care Support & Other Services (Total Budget £5,188,000)	-3.64%
Children's Services and Wellbeing (Expenditure)	-2.44%
Children's Services (Total Budget £18,981,000)	-1.78%
Looked after Children (Total Budget £26,324,000)	-2.18%
Public Health (Total Budget £4,960,000)	-3.19%
Housing (Total Budget £986,000)	-3.52%
Parks (Total Budget £5,179,000)	-5.26%
Frontline Services (Expenditure)	-4.53%
Highways (Total Budget £7,881,000)	-2.56%
Streetcare (Total Budget £3,585,000)	-4.15%
Recycling (Total Budget £6,573,000)	-3.57%
Waste (Black bags) (Total Budget £6,494,000)	-5.47%
Transport (Total Budget £13,767,000)	-5.47%
Customer Care (Total Budget £2,297,000)	-6.34%
Leisure, Culture and Regeneration (Expenditure)	-5.68%
Tourism & Heritage (Total Budget £409,000)	-6.08%
Cultural Services (Total Budget £929,000)	-6.76%
Planning (Total Budget £514,000)	-4.77%
Regeneration (Total Budget £1,504,000)	-4.72%
Leisure (Total Budget £4,592,000)	-5.77%

Music (Total Budget £261,000)	-6.81%
Central Support (Expenditure)	-6.97%
Support Services (Total Budget £28,011,000)	-6.97%

4.7 The **top 10 services** that received the highest % decrease in average budget were;

Table 4: Services receiving highest % decrease in average budget

Service Item	Original Budget	Average Change %
Support Services	£ 28,011,000	-6.97%
Music	£ 261,000	-6.81%
Cultural Services	£ 929,000	-6.76%
Customer Care	£ 2,297,000	-6.34%
Tourism & Heritage	£ 409,000	-6.08%
Libraries & Adult Learning	£ 2,524,000	-5.96%
Youth Provision	£ 2,325,000	-5.82%
Leisure	£ 4,592,000	-5.77%
Waste (Black bags)	£ 6,494,000	-5.47%
Transport	£ 13,767,000	-5.47%

4.8 The services that received the lowest % decrease in average budget were;

Table 5: Services receiving lowest % decrease in average budget

Service Item	Original Budget	Average Change %
Schools	£ 147,216,000	-1.46%
Children's Services	£ 18,981,000	-1.78%
Looked after Children	£ 26,324,000	-2.18%
Highways	£ 7,881,000	-2.56%
Equipment and Adaptations	£ 2,280,000	-3.05%
Public Health	£ 4,960,000	-3.19%
Assessment Care Management	£ 8,085,000	-3.36%
Homecare	£ 20,860,000	-3.36%
Residential & Nursing Services	£ 24,121,000	-3.50%
Housing	£ 986,000	-3.52%

Analysis by Service Groups

Education and Skills

4.9 The education and skills budget was reduced on average by -1.94%, the reductions vary from -5.96% for Libraries and Adult Learning to -1.46% for schools.

Table 6: Average change % for Education and Skills

Service Item	Average Change %
Education and Skills (Expenditure)	-1.94%
Schools (Total Budget £147,216,000)	-1.46%
School Support Services (Total Budget £12,934,000)	-4.04%
Libraries & Adult Learning (Total Budget £2,524,000)	-5.96%
Apprenticeship Scheme (Total Budget £258,000)	-4.18%
Youth Provision (Total Budget £2,325,000)	-5.82%
Access, Engagement & Inclusion (Total £8,826,000)	-4.79%

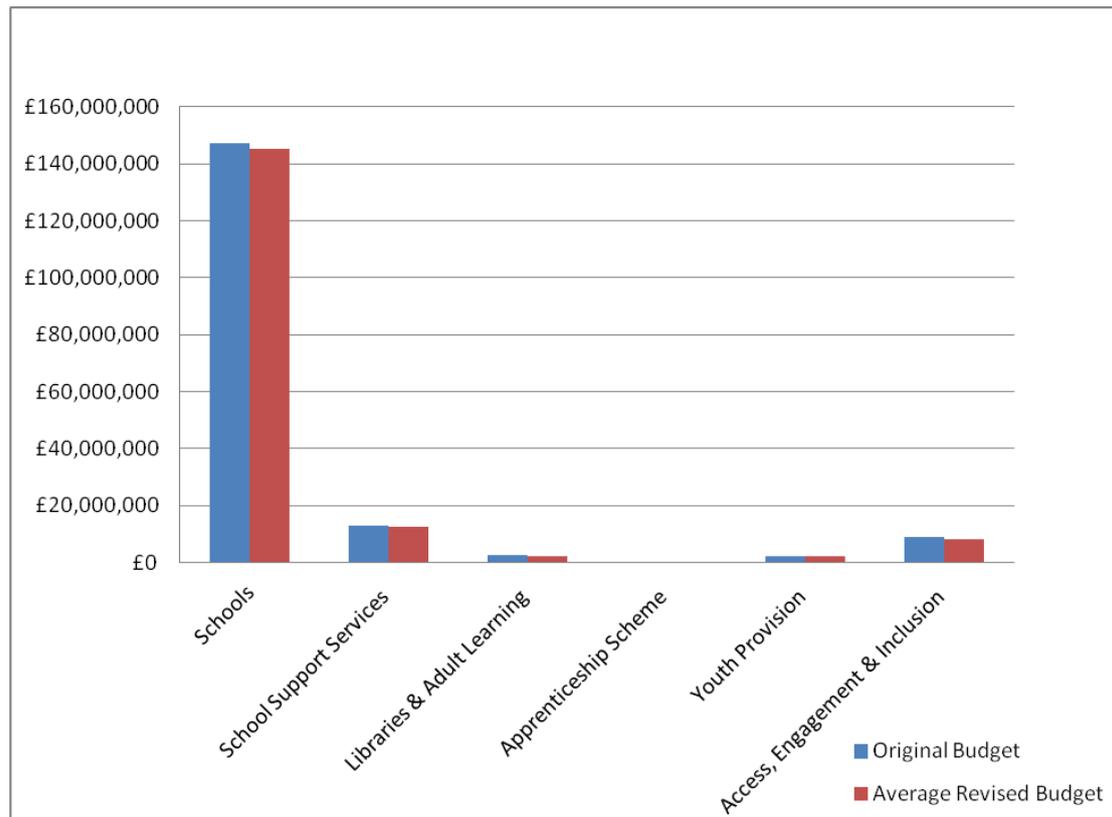


Figure 3 – Average change % for Education and Skills

Education and Skills Comments

- 4.10 Some of the respondents felt that education should not be exempt from a reduced budget;

“Too much is spent on Education already in my opinion wasted on child minding for parents. Parents should be responsible for their own children getting to school....”

“Surely the areas of greatest expenditure and the largest budgets should be able to bear some reduction and be able to maintain the present service by increased efficiency and better working practices. reducing the schools budget by less than 5% would still achieve significant savings”

“Schools spend should be principally linked to birth rate and I am not clear that an increase is expected in the next few years.”

“Reluctantly I also feel there could be savings in some other areas here.”

“I do not believe schools should be protected.”

- 4.11 Whilst others supported a protection for school budgets and thought that education was a priority;

“Need to protect schools. Also Apprenticeship Scheme very important. Have to make cuts in other areas to achieve this.”

“Childrens education should be top priority no matter how much over budget we are reduce the number of staff in rct council that are doing jobs that are not needed”

“Schools funding should be protected if possible”

Specific Services - Libraries

“Keep the library service as it is - the service has already faced extensive cuts in recent years.”

“libraries - I use them often and I can not see a reason why they need more than 2 staff working at a time on the desk.....”

“the mobile and housebound libraries should continue but why not integrate the council libraries with the large libraries contained within university of south wales and coleg y cymoedd? A lot of the people who use the libraries are over 60 so would have free bus passes to

attend the university or college libraries. for school children, a university or college library would prepare them for their futures.”

Other Comments

- 4.12 Below are a selection of other comments reported for the Education and Skills group.

“My reductions here are what I think we could get by without until we are "out of the hole". People need to understand that these will only be short term and will be increased again in future. Also, people should prefer this to more unnecessary job losses.”

“Huge amounts of waste within service area. Better use of schools as community assets with income generating streams.”

Adult Social Care

- 4.13 The Adult Social Care budget was reduced on average by -3.51%, the reductions vary from -3.85% for Supported Accommodation to -3.05% for equipment and adaptations.

Table 7: Average change % for Adult Social Care

Service Item	Average Change %
Adult Social Care (Expenditure)	-3.51%
Assessment Care Management (Total Budget £8,085,000)	-3.36%
Residential & Nursing Services (Total Budget £24,121,000)	-3.50%
Supported Accommodation (Total Budget £8,977,000)	-3.85%
Homecare (Total Budget £20,860,000)	-3.36%
Day Care Services (Total Budget £7,180,000)	-3.83%
Equipment and Adaptations (Total Budget £2,280,000)	-3.05%
Care Support & Other Services (Total Budget £5,188,000)	-3.64%

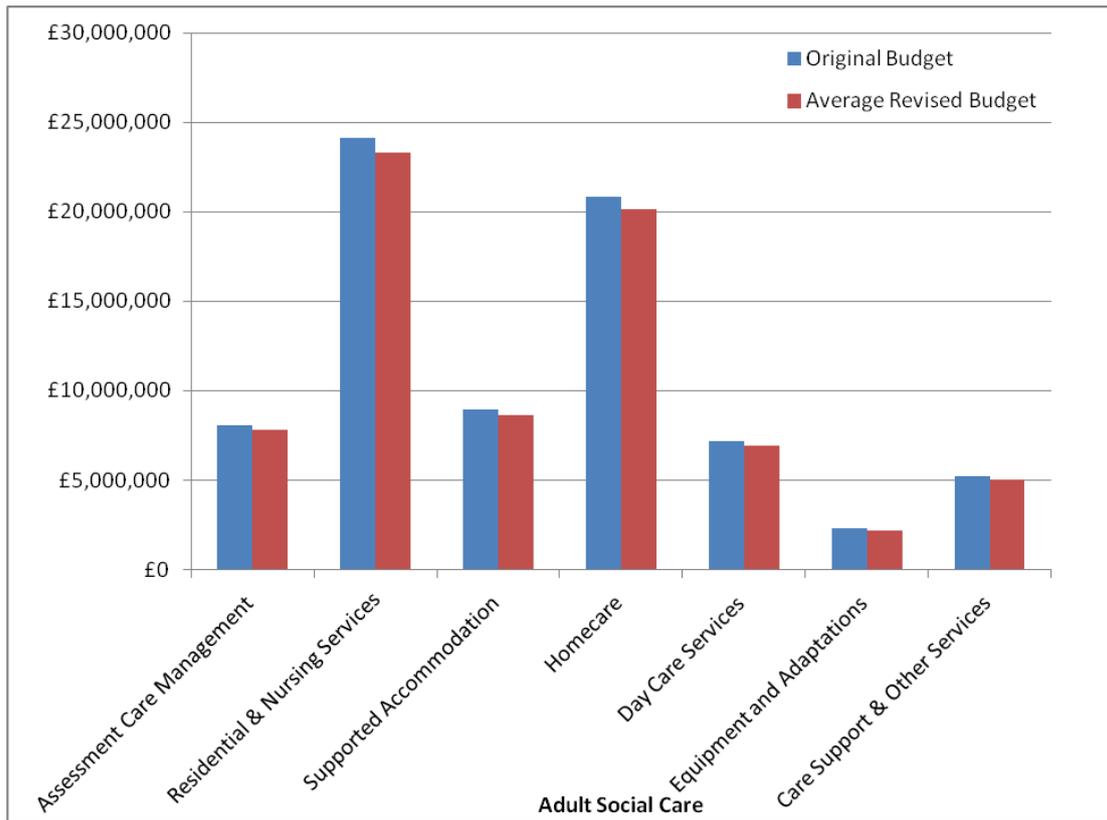


Figure 4 – Average change % for Adult Social Care

Adult and Social Care comments

- 4.14 The following are a selection of the comments received under a number of themes/services.

Older People

“Keep the adult social care service for the elderly as it is - It is morally wrong to consider reducing the budget for the older generation, and those who really need help and care.”

“Elderly support is vital as the generation now as shown in lots of statistics proves they are living to a lot longer age and this must be factored in to the budget or there will be a shortfall for our future elderly”

“With an ageing population this area needs far better linkage to the health service provision”

Adaptations

“Many people can afford to purchase aids and adaptations and some days care services are underused”

“Equipment and other services can be taken out of their SLA or similar benefits as that is what it is for”

“Many people in receipt of disability benefits are far better off than people in work on small wages, so all equipment and adaptations should be costed and a fee charged for them based on a person's actual total income.....”

Homecare

“Re-negotiate service level agreements for Homecare services to recoup the 5% reduction in budget”

“Homecare - stop using agency providers in-house homecare provide a better service because they are not a for profit service. If you have good qualified staff going in to a client it will reduce the need on the NHS and other professionals.”

Day Centre

“Day Centre - this helps people not feel so alone in the community and supports our other services”

Savings/Financial

“Impossible to meet saving requirement without reducing expenditure in this group”

“Reduce the amount of subsidies to those who can afford to pay for the care they are currently receiving”

“Small cuts to large service areas are more sustainable than massive cuts to smaller services areas.”

“There must be opportunities to save money on administrative and support staff without impacting on the overall standard of care, furthermore better evaluation of peoples' needs, and reusing redundant equipment would lead to greater savings”

Children's Services and Wellbeing

4.15 The Children's Services and Wellbeing budget was reduced on average by -2.44%, the reductions vary from -5.26% for Parks to -1.78% for Children's Services.

Table 8: Average change % for Children's Services and Wellbeing

Service Item	Average Change %
Children's Services and Wellbeing (Expenditure)	-2.44%
Children's Services (Total Budget £18,981,000)	-1.78%
Looked after Children (Total Budget £26,324,000)	-2.18%
Public Health (Total Budget £4,960,000)	-3.19%
Housing (Total Budget £986,000)	-3.52%
Parks (Total Budget £5,179,000)	-5.26%

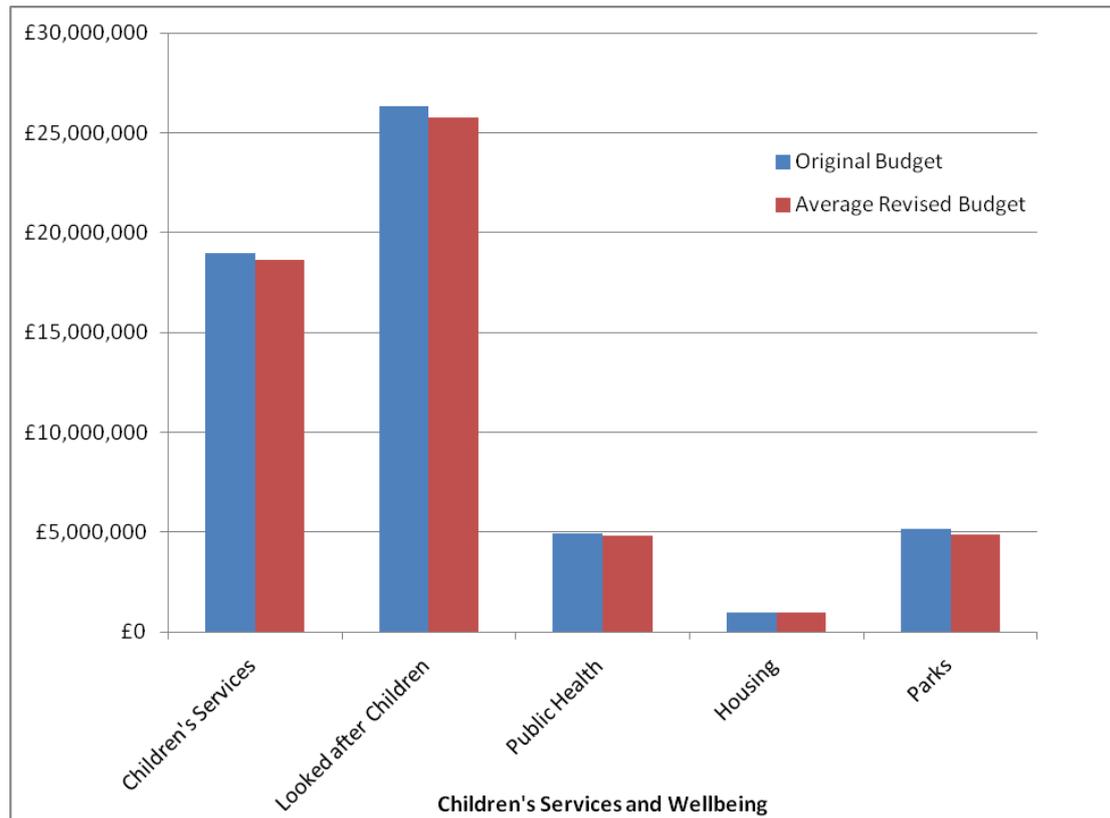


Figure 5 – Average change % for Children's Services and Wellbeing

Children's Services and Wellbeing comments

4.16 The following are a selection of the comments received under a number of themes/services.

Protect Children's services

"Keep the Children's services and well-being and for looked after children as is. It is the children who really need care from the Council, and it would have to reduce a large amount of the budget being spent on these children."

"Minimal reductions should be made in this division to safeguard children"

"We are talking about children at an age where they are able to be moulded in the correct setting to go on in later life to be an asset to our communities and their care is paramount at these early stages"

"As children are our future we should be spending the majority of the money on them and ensuring they have the best possible start in life"

Link with the Voluntary Sector

"....again reluctant cuts here – tough choices, but this is an area where social enterprises/co-production approaches could work"

"Using TAF and other voluntary sector services to undertake emerging needs more effectively, particularly with notification from MASH should ultimately protect some families from reaching the need for the child to become LAC."

Parks

"parks - out source services"

"Reduce parks or empower local people to support these services"

"Get park volunteers to help out"

"A review of the current level of grass cutting at the parks needs to be undertaken"

"Parks - I understand that we myself included would like them maintained with the grass being cut more frequently but in this current climate it is something that can be put to one side."

Frontline Services

4.17 The Frontline Services budget was reduced on average by -4.53%, the reductions vary from -6.34% for Customer Care to -2.56% for Highways.

Table 9: Average change % for Frontline Services

Service Item	Average Change %
Frontline Services (Expenditure)	-4.53%
Highways (Total Budget £7,881,000)	-2.56%
Streetcare (Total Budget £3,585,000)	-4.15%
Recycling (Total Budget £6,573,000)	-3.57%
Waste (Black bags) (Total Budget £6,494,000)	-5.47%
Transport (Total Budget £13,767,000)	-5.47%
Customer Care (Total Budget £2,297,000)	-6.34%

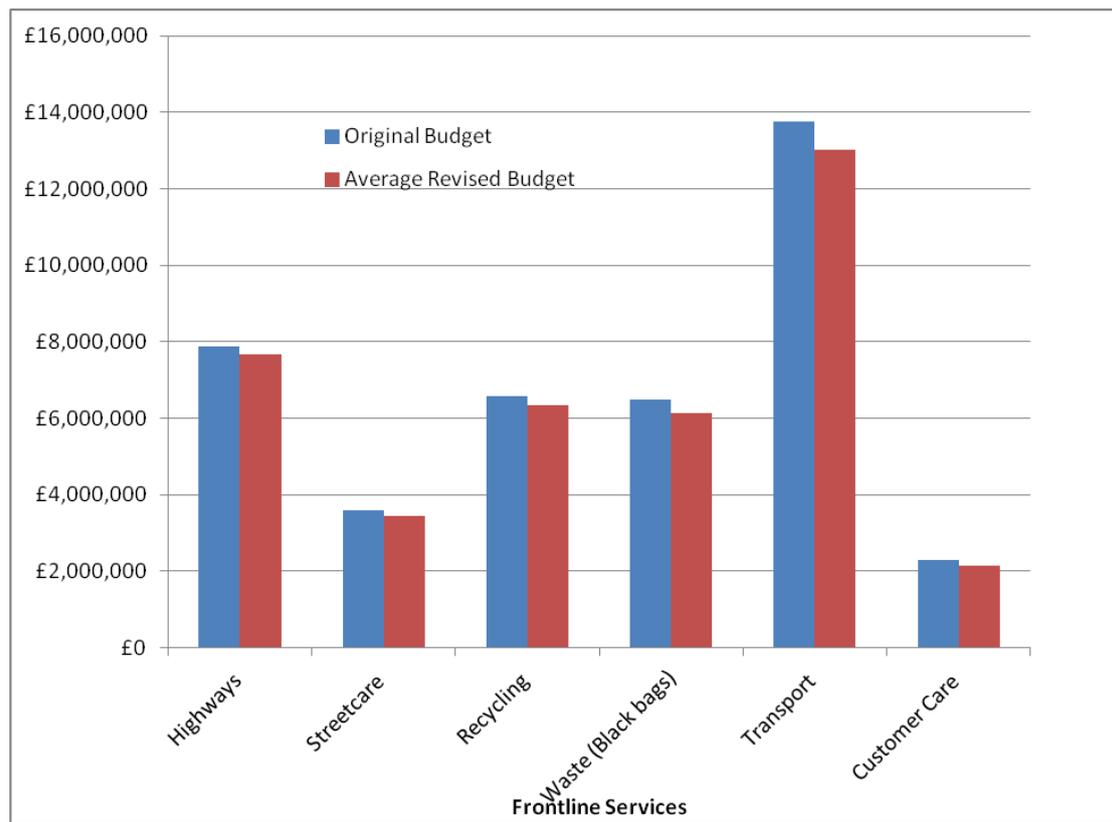


Figure 6 - Average change % for Frontline Services

Frontline Services comments

- 4.18 The following are a selection of the comments received under a number of themes/services.

Recycling

“Recycling should now be quite well embedded, necessitating less cost as a consequence.”

“I fully support recycling as much as possible to make RCT a greener place.....”

Personal Responsibility/Enforcement

“Residents have to be more responsible for their behaviour and stop littering/start recycling more or be fined. Enough advertising has been done.”

“people who just use their rubbish bins and do not recycle should be fined or people who recycle should get lower council tax”

“..... The only thing would be helpful would be fining more dog owners who do not pick up the mess left behind and people parking on yellow lines.”

“Impose fines for non recycling and additional waste.”

Roads

“Need better roads as they poor.”

“More money needs to be spent on the roads.”

Public Transport/Buses

“transport - this service should only take place if there is a surplus in the budget”

“.....If the bus routes need to be subsidised they shouldn't run.....”

Customer care

“Customer care should be mainly about common sense and courtesy, not requiring any spend.”

“You could centralise customer care and have one base to go instead of many locations plus you could train receptionists on front desks as

customer carers and provide them with the same tools as customer care staff so you are saving money that way!"

Other

"All these services are vitally important to a smooth service and this keeps everyones environment clean and healthy"

"streetcare - out source"

"Although there are some important areas above, they could still be massively reduced in the short term. Things like recycling awareness can be picked up when funding improves."

Leisure Culture and Regeneration

- 4.19 The Leisure, Culture and Regeneration budget was reduced on average by -5.68%, the reductions vary from -6.81% for Music to -4.72% for Regeneration.

Table 10: Average change % for Leisure Culture and Regeneration

Service Item	Average Change %
Leisure, Culture and Regeneration (Expenditure)	-5.68%
Tourism & Heritage (Total Budget £409,000)	-6.08%
Cultural Services (Total Budget £929,000)	-6.76%
Planning (Total Budget £514,000)	-4.77%
Regeneration (Total Budget £1,504,000)	-4.72%
Leisure (Total Budget £4,592,000)	-5.77%
Music (Total Budget £261,000)	-6.81%

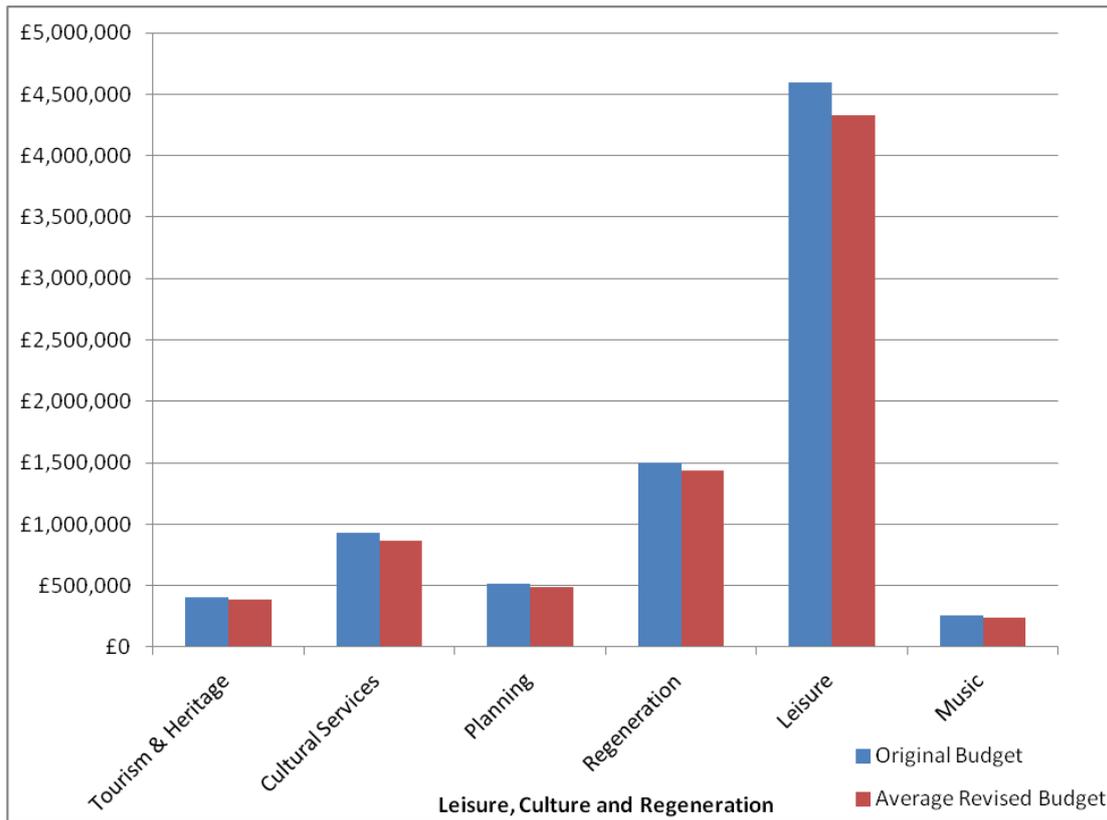


Figure 7: Average change % for Leisure Culture and Regeneration

Leisure Culture and Regeneration comments

4.20 The following are a selection of the comments received under a number of themes/services.

Non- Essential Services

“reluctantly some cuts here as hugely desirable but not absolutely vital services.”

“People can wait for planning applications, time is free. As for the rest, I see these as luxuries to the county borough and would again rather cut these than see wider job losses.”

“Luxury services that are better provided by the private sector, where the knowledge and expertise are”

“These are all extra activities and leisure opportunities none of them are essential to daily living. We can do without these to substitute the necessary”

“Optional services like leisure, music etc should be removed or outsourced in order to save front line services.”

Voluntary Sector/Community Ownership

“I don't have any problems with leisure, culture etc. but with the kind of cuts needed maybe it is time that responsibility went to the community instead of the council. Residents take these things for granted. They will be more likely to use and support local theatres etc. if they knew not doing so would close them down.”

Leisure

“Private leisure centres can be provided. Other cuts need to balance budget.”

“Opportunities to Leisure Centre opening hours should be investigated by means of self sustaining services.”

Regeneration

“regeneration is the way forward as this will give people new ideas on improving each hard decision that has to be made”

“Recent Town Centre Regeneration Schemes do not appear to have brought significant benefit.”

“Regeneration and planning should be a priority. Invest money in the area for new businesses. You will be rewarded with less empty shops, more council tax etc”

Suggestions

Leisure –

“Instead of offering taster sessions what about reducing the membership fee to people to encourage extra membership? That would generate more income with extra people coming through the doors.”

“I currently use the leisure centres but you can spend a lot of the time queuing at reception (I have a more card but need to queue for classes) (very slow service). This will put people off attending.”

“Also sometimes the reception will not know the location of the class this will again put people off attending. I will say that the staff at the centres are nearly all very friendly and helpful to all the customers.”

“Increase opening hours of leisure centres. Open earlier/later to allow those that work during the day the opportunity to attend gyms/pools etc.”

Central Support

4.21 The central support service (services that support all other services and including Finance, HR, ICT and procurement) was the service that received the largest % decrease from respondents.

Table 11: Average change % for Central Support

Service Item	Average Change %
Support Services (Total Budget £28,011,000)	-6.97%

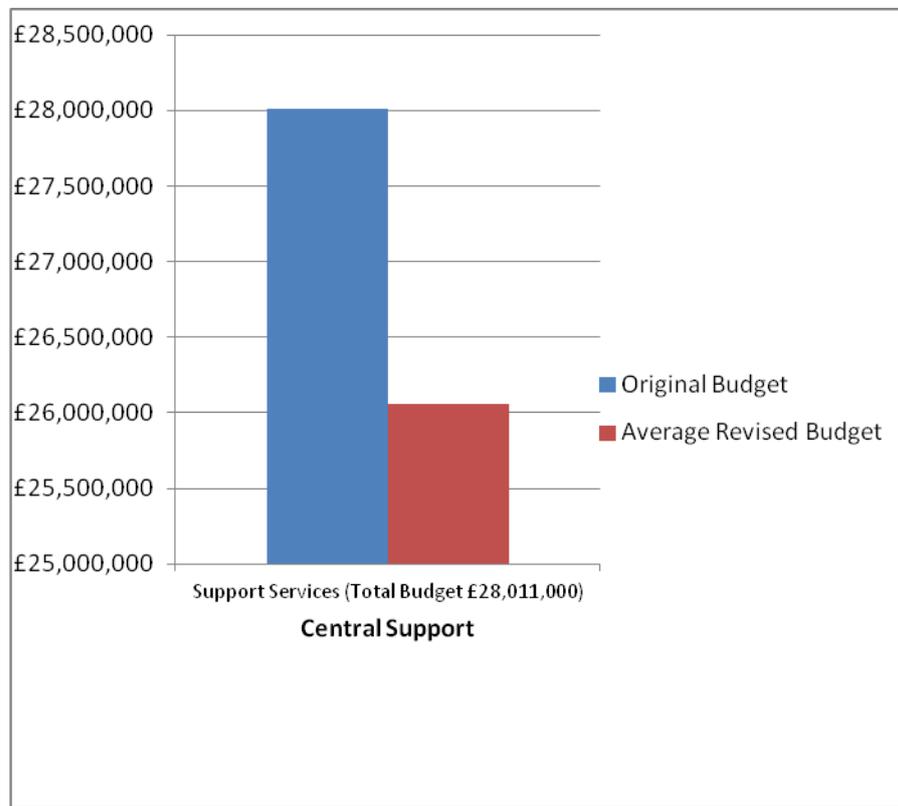


Figure 8: Average change % for Central Support

Comments

4.22 Comments in support of a reduction in central support included;

“big opportunities to save here”

“outsource support services, this will give best value.”

“Restructure the full office based departments to reduce the number of positions covering the same role within different departments and share the work loads.”

“Take a fresh look at procurement.”

“Create better ways to work, protect front line services more than back room services”.

“The council should review all of these functions and consider smarter working to lower costs, The training programmes should provide skills that are necessary to do the job only, Consider reducing the stationery budget. Don't use as much printer paper and toner, etc”

“Seems almost impossible to balance the budget without sweeping cuts to services. had no idea how many services would need to be cut”

Council Tax

- 4.23 A 3% increase in Council Tax had been factored in to the budget simulator as it was used for modelling purposes in calculating the budget gap of £20m. Taking this into account the average % change increase in Council tax was reported to be 3.77%.

Table 12: Average change % for Council Tax

Service Item	Average Change %
Council Tax (Income)	0.77%
Council Tax	0.77%

Comments on Council Tax

- 4.24 Comments that agreed with an increase of around 3% or more, included;

“A 2% increase over the 3% would be acceptable to me as long as the extra spend was used in the correct areas.”

“I think Council tax increase of around 3% is ok”

“Please limit any increase to the 3%”

“3% increase should be the max”

“Happy to support an increase of 2% to 3%”

- 4.25 A number of comments suggested that there should be no increase or a small increase, as people are struggling in the current financial climate;

“leave it as it is, as people are still struggling”

“council tax must remain the same, families are struggling to pay this already and with services being reduced it will not be fair to increase tax”

“a slight increase is acceptable”

“a 50p a week rise to band A council tax will see an extra £24.00 a year increase, this would be ok if this then froze for the next few years, families are already struggling and this could have a huge impact on them.”

“I work full time and find the tax very high now, so if it would rise again I would find it difficult to deal with. And we have a lot of people in RCT who are struggling at the moment so a rise would be an impact on other RCT services.”

- 4.26 Some stated that they would prefer a council tax rise to any loss in services;

“I'd rather pay more council tax to maintain necessary services than lose them.”

“An increase of 5% will help protect services”

“An increase of 4% is just about ok if it helps protect services from cuts.”

Overall Comments

- 4.27 The simulator included a question that asked for overall comments. The responses were mainly in relation to ideas for savings and ways that the Council could save money, they included the following;

“Save money on heating costs throughout RCT by turning off heating in Council Offices.”

“It is all bad news!. How could it be anything else although surely the services with the largest budgets should be in a position to implement efficiency savings to some extent and the priority should be to maintain

at least some service and staff expertise in all areas until such time as the budgetary constraints ease, if they ever do”

“With a cut in the number and pay of directors, senior staff and cut out any outside organisations undertaking reviews,”

“The protected budgets tend to be the biggest ones. It is time for all budgets to be reviewed. Some service areas have been hit repeatedly whilst others are able to withstand without any reductions. A small cut on a big budget has less impact than a big cut on a small service. We need to attract more businesses and be business friendly. Tourism is an area that is being massively under promoted.”

“I think recycling is good in RCT so don't cut that.....Maybe cut back office costs more and try to protect frontline things like road repairs, parks and street cleaning”

“We should to further pool resources with other local authorities, this is already being successful in teams across Merthyr and RCT.”

“We should seek a much larger slice of the pie from health to contribute to adult care, which should be seen as a health need, preventing people going into hospital. We should be fighting this out with the LHB and Welsh Government, as their budgets seem to be protected, and the local authority are doing the work.”

5. TOWN CENTRE EVENT RESULTS

- 5.1 This section outlines the results of the consultation discussions held in the town centres along with feedback received from the OPAG meeting.
- 5.2 Three town centre Roadshow events took place in January 2016. The Consultation officers, along with Cabinet members, Finance officers and Service / Group Directors attended the events which were held in the Council's Environmental Services mobile trailer vehicle.
- 5.3 Attendance:

Pontypridd Mill Street - 6th January – 48 people
 Treorchy, Co-op car park – 12th January – 40 people
 Aberdare, Travel House – 13th January – 67 people

Service Priorities

- 5.4 The following tables show the results of the board exercise at the roadshow events. People were asked what services were most important to them. The counts represent the number of people that said that service was the most/least important to them. The majority of people found it difficult to suggest services that were not important, as can be seen by the low number of response in table 14.

Table 13: Service importance (most)

Most Important Services	Pontypridd	Treorchy	Aberdare	Total
Education/schools	1	3	13	17
Adult Social Care	1		8	9
Refuse/Recycling	1	2	6	9
Public Health/housing	1		4	5
Libraries	1	3	1	5
Streetcare	3	1	1	5
Children's Services			4	4
Parks	2			2
Regeneration/planning	1	1		2
Economy/jobs			2	2
Highways			2	2
Apprenticeship Scheme	1			1
Streetlights	1			1
LACs	1			1

Day Centres	1			1
Food Waste	1			1
Parking	1			1
Enforcement	1			1
Leisure	1			1
Public Transport/buses		1		1
Heritage			1	1
Music			1	1

Table 14: Service importance (least)

Least Important	Total of all Roadshows
Youth provision	1
Town twinning	1
Libraries	1
Planning & Regeneration	1
Music & Arts	1
Parks	1

Council Tax

- 5.5 A number of respondents provided comments on levels of Council Tax. There were those who were against any rise;

“no council tax increase, paying too much as it is now.... rather reduce library services”

“freeze Council Tax”

“Council Tax has gone up way over the cost of inflation”

- 5.6 Whilst others understood the need for a rise.

“If they have to put it up ok, due to Central Government”

“rather no increase, but I guess that is asking too much in todays financial climate”

- 5.7 There was a sense that an increase of 3% was the maximum that should be considered.

“Council tax under 3%”

“3% fair Council Tax”

“Council Tax - 3% - 5%”

“Council tax 3 - 5%, nearer to 3”

- 5.8 All members of the OPAG group agreed that a 3% rise was *“the best we could hope for in the present climate”*

Comments

- 5.9 There were some positive comments about Council services, especially with regard to the current financial situation;

- *Recycling is good*
- *Looking tidier around the place*
- *Pleased with Council services*
- *Because of the climate, the council is doing its best. Happy with recycling. Against kerbside sorting.*
- *Street lighting improved*
- *Doing well under the circumstances*
- *You do well in these times.*

and the approach taken to consult on the budget.

- *“Need more events like this!”*
- *Use of the simulator is welcome*
- *Good thing consulting with residents.*
- *“the information provided was perfect” (OPAG)*

Comments - Important Services

- 5.10 As well as commented on service priorities on the boards at the town centre events, the following are a selection of the comments received on the perceived importance of Council services.

Public Transport/Buses

“bus services are very important, bus passes are Welsh government – if they stop bus passes, then people will be isolated / make cuts to expenses”

Older People/Vulnerable

“Important to live in own home independently.”

“Children who are neglected. Elderly people who are vulnerable.”

Libraries

“Been to the library - very important.”

“I use the library - this is important to me.”

“considers Rhydyfelin Library both old and new too small - computers not functioning properly + more books needed.”

“Libraries very important to community.”

Recycling

“Don't cut recycling - I put a small black bag once every 3 months. I use my black bag for the cats waste.”

“Street cleaning, recycling bags more readily available”

“Recycling - could make it easier for people to understand what can be recycled.”

Town Centres/Regeneration

“To improve town centres, reduce business rates”.

Highways/Roads

“Highways - roads important”

“Roads are important.”

“Quality of the road surfaces.”

Youth Services

“YEPS - provision should be maintained.”

Education

“Education is important. Local economy - employment vitally important.”

Social Care

“Continue to support social care. Education is important - support for breakfast clubs. Vulnerable children are important.”

“Shouldn't be closing nursing / residential houses. Social care a priority, shouldn't be using private sector.”

Other comments

- 5.11 The following are a selection of other comments received from the town centre roadshows and the OPAG meeting;

“Carers / Social Services and Schools & Nurseries – everything's cut to the bone anyway / We should keep our libraries and bus services”

“Help Pontypridd thrive / buses and transport / more for the young people to do / don't close vital activity centres”

“Don't need a headteacher in each small school - cut headteachers as they are administrators”

“People in council houses should cut their own grass & look after their maintenance.”

“Community Services and Education should be the main priority.”

“Dog fouling is a problem”

“Council should look at town centres to regenerate - Merthyr gets it all”

“Council management structure could be looked at. Increase income from opportunities to sell services + expertise. Parking fees in town centres putting people off coming in.”

6. YOUNG PERSON ENGAGEMENT EVENT

6.1 All comprehensive schools were invited to send up to 5 pupils from their school to take part in a morning session to discuss how the Council works, the budget challenge and how the Council engages with young people.

6.2 The following schools sent representatives;

- Treorchy Comprehensive
- Tonypandy Community School
- Ferndale Community School
- Mountain Ash Comprehensive
- Y Pant Comprehensive
- Aberdare
- Porth
- Maesgwyn Youth Forum
- Ysgol Gyfun Cymer Rhondda

6.3 The event included short presentations, an interactive key pad question and answer session and a number of facilitated group discussions.

Feedback

6.4 The following section outlines some of the feedback received at one of the break out groups that included pupils from Maes Gwyn School. Appendix 1 provides a summary of the results from all of the groups.

Session One - Service priorities:

Priority order for service areas -

1. Schools
2. Housing
3. Apprenticeships
4. Recycling
5. Adult Care
6. Leisure

- **Schools** are very important and need education to get a job. Some schools give extra help for students who have problems and this really must be provided when it is needed.
- **Housing**, without it people would be living on the streets and with no support. The Council needs to keep a handle on rents to make sure they are fair for everyone. Veterans should get priority housing before immigrants.
- **Apprenticeships** help people to 'get onto their feet', because sometimes they are not very good in school but are really good at other

things that they could do in a job. They could learn on the job as an apprentice and the council should make sure they get fair pay.

- **Recycling** in RCT is a good system with the recycle bags every week and the green bins once a fortnight, it works well. In other areas they use trolley blocks which are no good. It is important to keep our area tidy and recycle what we don't want.
- **Adults** sometimes need extra help, with equipment in their homes that make their life easier e.g. a stairlift is very important for some people to be able to get up their stairs. We must look after people who need a bit of extra help.
- **Leisure** activities helps to keep kids of trouble. Being active as in leisure centres helps to keep people healthy which is less of a strain on healthcare.

Session Two – Engagement:

What does the Council do well, not so well and what can it do better?

Does well:

- Special Schools are run well because there is more staff. The Head teacher (Maes Gwyn) does what benefits the school with his budget and everyone is happy at the school.
- The Miskin Project is really good, really enjoyed the experiences there.
- Music therapy in school is brilliant “I had music therapy to help me cope with anger issues and it is really good”

Not so well:

- The Viewpoint survey is too rushed and there are too many questions.
- Less youth services means more problems for young people, they need things to do and places to go “I understand what it's like to go off the rails and I needed help from youth workers”

Could do better:

- More involvement from the police e.g. with drink and drugs and young people.
- More people working with young people and less managers.
- More interactive events like this, really like the voting clickers.
- More fun!
- A chance to speak and be involved in decisions.
- More realistic videos, not just NICE ones, they need to be REAL.
- People with experience are listened to much better e.g. bring people into schools with the personal experience to talk about what they are saying.

6.5 The following table shows the results of the exercise on service priorities from the break out groups and some suggestions and ideas for improvement.

Table 15: Priority order for service areas from young people's groups

	Group 1	Group 2	Group 3	Group 4	Group 5	Group 6
Education	1	1	1	1	2	2
Housing	2	4	Joint 2	4	3	1
Apprenticeships	3	6	Joint 6	5	4	6
Recycling	4	5	Joint 6	6	6	4
Adult Care	5	2	4	Joint 2	1	3
Leisure	6	3	Joint 2	Joint 2	5	5

Ideas for improvements:

- Competition in schools for recycling – prize/recognition
- Could do more in schools for recycling e.g. colour coded bins
- Schools more open to the community
- Gyms in schools that the community can use too
- Equipment for disabled people – to live, participate – very important
- Need more options in schools, not just academic – for students to progress in the best way for THEM
- Young people should be encouraged to be more active, leisure activities help
- Councils should have more control over school budgets – but some schools work better managing their own budgets

6.6 The young people were asked what they thought the Council does well, in terms of engagement with them.

Well:

Engage with young people at events like this

Some councillors go into schools which is really good – but many schools don't have these visits

Youth workers help young people not to go off the rails

Not well:

Young people receive little feedback following consultations. This makes them feel as if they are not being listened to properly

Nothing has come out to young people following the Viewpoint survey or indication that there will be

Don't advertise enough about what is being done well or providing

Social media – much too difficult in the Council, really needs sorting out

Council don't reach out to young people, they talk AT and not WITH

Young people don't feel their opinions are valued

Pupil Voice is not consistent

Suggestions for improvements:

More control over things that affect young people

Council needs to involve young people more and have previously been ignored
 Need to challenge perceptions of young people
 Schools' own questionnaires – sometimes good but sometimes not relevant or reliable
 'Life isn't like butterflies and rainbows'
 Cabinet for young people from the schools, so could be a younger version of the council cabinet with a process for election
 Do more events for young people – interactive
 More effective means of engagement for young people to get involved in current issues/discussions
 Social media needs to be much more accessible and used widely
 Specific website on the Council's for young people e.g. with quality and short information and not loads, as won't read it otherwise
 School surgeries for councillors

- 6.7 The final part of the session allowed the young people to ask questions of the Cabinet Member chairing the event. Questions and answers included the following;

Q. If the council can't agree on where and what to cut, what will they do?

A. Council don't have a choice and will have to make the cuts

Q. Is council tax going up?

A. Out of every £5 the council spends, only £1 is raised from council tax and the council does not want to increase council tax too much as they are aware of current circumstances within RCT

Q. How do young people find out about ALL the cuts that are being made and not just the ones the council THINKS affect young people, because they all do?

A. Recognise that when services changes happens the council needs to feedback more generally and will now feedback and explain to young people how the budget is balanced

Other comments:

- Young people are affected by crime more than adults
- Understand that it is the government who imposes the cuts and not the council, but the council has to make them
- Council doesn't do enough to explain to their own staff either
- Young people – “thanks for today, I enjoyed it”

Appendix 1 - Young Person Event – Notes from Group Discussions

Group 1

- Schools are more important
- Housing (veterans in particular)
- Apprenticeships – fair pay
- Recycling (if not, rubbish would be everywhere)
- Adult Social Services
- Leisure

Group 2

- Education (schools) – Treorchy school is so big
- Adult Social Care – Health & wellbeing, using facilities to keep them at home
- Leisure – brings communities together
- Housing – prevents homelessness & poverty
- Recycling – global issue
- Apprenticeships – pathways into employment

Should schools open in the night to be used for other things like courses etc? All round answer = Yes

Group 3

- Education – if we're education we have a chance to survive
- Leisure / housing – Homelessness & Healthy – smashing (You could put gyms in schools, knock on effect on social care)
- Adult & social care – Adult SC helped older people to adapt their homes
- Recycling / Apprenticeships – Without recycling, we don't have anywhere to live. Education is geared to send everyone to university. 98% of school is going to university

Group 4

- Schools
- Social care for adults – important to look after people
- Leisure – Leisure is important to other people
- Housing – Want everyone to have a safe place to live. Housing is more important because you can't recycle without a house.
- Apprenticeships – Without housing, you don't have a chance to go on an apprenticeship.
- Recycling – Too much is put into recycling. Young people are more interested in persuading younger people to do this and get involved

Group 5

- Employment should come first before anything
- What is the point in education is you can't get a job?
- Adult social care – must be protected and prioritised

- Schools – Everyone needs an education to advance in life. Cutting schools budget within schools
- Housing – direct links to adult social care – they need to be able to get somewhere safe to live
- Apprenticeships scheme – firsthand experience – not everyone can get into university.
- Leisure – Young people and adults use it, using a trust people keep jobs but nothing gets cut
- Recycling – More important to save jobs. Send over to private company.

Group 6

- Housing – no house, no chance to learn
- Schools – Need an education
- Adult Social care – need to take care of community
- Leisure – You don't need to go to LC – you could potentially go outside
- Apprenticeships
- Recycling – Make sure streets are free from rubbish

Youth Participation

Group 1

Positive

- Instead of 4 activities after school – there are now 2
- They consulted us about the cuts

Negative

- We are being consulted quite a lot
- We don't get enough feedback, we are feeling like we haven't been listened to
- We feel we should choose what cuts we get

Group 2

- The Council needs to involve YP more
- We are asked what we want from Council and we tell them, then we are ignored
- Lots of negativity around the Council at the moment
- Youth Council should be set up among all schools in RCT

Group 3

- The questionnaires like viewpoint aren't all that reliable
- Would feel more enthusiastic about engaging if some councillors visited us on a non-formal level
- Advertise YP events and services more, we'd support them more (Social media, Instagram)
- Survey questions need to be relevant

Group 4

- The Council aren't reaching out to us
- We'd be interested in a non-formal setting
- If you have events on a Saturday, no-one would turn up.
- Set-up a shadow Council for young people but less formal.

Group 5

- The Council does a brilliant job
- The youth staff aren't promoted enough within schools
- The representatives from each school should come together and do this
- Councillors should visit schools and get more involved
- You're telling me but you're not listening
- Feedback after consultation

Group 6

- Online surveys don't work well in our school
- We don't feel we are engaged with enough (Mt Ash)
- Ferndale – Councillors come in regularly to speak to us and we get to meet with Councillors
- We would like a Facebook page set up so we can see what's going on with events etc
- We would like to know what the Council do
- Need to look at what facilities we have and utilise them more

Group 7

- Viewpoint Q – answers are rushed as there are too many questions
- Special schools run well with more staff – the Head's of special schools know more about what the schools need than councillors
- The Miskin Project
- Music helps me to speak and get it out
- More involvement with the police about drugs and alcohol
- More events like this

Council Tax

- If you need to save £20m, would you look at increasing council tax?
Treorchy would suffer
- More needs to be done about crimes such as theft.
- How do you find out about other cuts that are being made?
- Thank you for today, it's been educational for me – you can only work with what you're given

APPENDIX Bii

This page is left Blank.

RHONDDA CYNON TAF COUNTY BOROUGH COUNCIL

FINANCE & PERFORMANCE SCRUTINY COMMITTEE

Minutes of the special meeting of the Finance & Performance Scrutiny Committee held at the County Borough Council Offices, The Pavilions, Cambrian Park, Clydach Vale on Wednesday, 6th January 2016 at 5 pm.

Present:

County Borough Councillor M A Norris – in the Chair

County Borough Councillors

(Mrs) J Bonetto	S Bradwick	S Evans
P Griffiths	(Mrs) S Jones	(Mrs) C Leyshon
(Mrs) S Rees	G Smith	R W Smith
(Mrs) J S Ward	P Wasley	C J Willis
R A Yeo		

Members In Attendance

County Borough Councillors

M Adams
S Carter
P Jarman
M Weaver

Co-opted Members in Attendance

Mr R Hull – Chair of the Audit Committee
Mr J Fish – Parent Governor
Mr J Horton – Parent Governor
Mr M Cleverley – Representing NASUWT and Teachers' Panel

Officers in Attendance

Mr C Lee – Group Director, Corporate and Frontline Services
Mr PJ Lucas – Director of Legal & Democratic Services
Mrs A Edwards – Scrutiny Support Officer

43. APOLOGIES FOR ABSENCE

Apologies for absence were received from County Borough Councillors G R Davies, and E Webster.

44. DECLARATIONS OF INTEREST

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

45. THE COUNCIL'S 2016/17 REVENUE BUDGET – THE PROVISIONAL SETTLEMENT: CONSULTATION

The Group Director, Corporate and Frontline Services explained that due to changes to the scrutiny framework and also the delay in the Welsh Government announcing the provisional budget settlement for 2016/17 a different approach had been taken to the consultation process this year. Changes have also been made to the way in which the Council is consulting with the general public and as part of the on-online consultation process this year a budget simulator has been introduced. In addition to this, a number of public road shows are taking place as well as the usual consultation with the Schools' Budget Forum.

The Group Director reported that whilst the report under consideration had already gone before Council in December, today's meeting was intended to provide Members with the opportunity to comment on what could be the basis of a proposed strategy, with these comments/views then being reported back to Cabinet. These will then be considered alongside all the feedback from the public consultation process which is running until the 18th January 2016 and help form the final proposals. The Group Director also informed Members that alongside the Budget Simulator, the public were also being asked for their views on the draft Corporate Plan and the Council Tax Reduction Scheme and he explained that with regard to the latter he would welcome Members' views later in the meeting.

The Group Director outlined the key points of the provisional settlement and also pointed out that the Council is still awaiting the details with regard to many specific grants. He also pointed out that the settlement contains no indication of future years' budgets. He explained that whilst the budget settlement was better than anticipated, there remained a funding gap at the provisional settlement stage of £17.515M (excluding proposals subject to public consultation exercises which were agreed at Cabinet on 10th November 2015.)

The Group Director reported that of particular importance will be the Council's response to the direction from the Welsh Government to protect schools by requiring an increase in their budget of 1.85% for 2016/17 against the backdrop of an overall decrease in the Council's settlement of -0.9%. Also of importance is the Council Tax levels.

Following the presentation of his report, the Group Director, Corporate and Frontline Services welcomed Members' comments.

A Member questioned how much money is held in schools' reserves.

The Group Director reported that he did not have the details to hand. However, he reported that of a total budget of around £140M, just under a third goes to schools. He explained that some schools are in deficit whereas others are holding reserves but these levels are monitored.

A Member voiced his concern that the portrayal of the Welsh Government's Local Government Settlement to those outside of the Council was misleading. He explained that the protection being afforded to the schools' budgets and the need to give protection to social services would again have a dramatic affect on other service areas. He reported that there had been a 23% drop in non-school expenditure in the last 4 years but he feared that this message is not coming across to the public.

A co-opted Member agreed that there would be a knock on effect as a result of the protection being afforded to schools.

The Group Director explained that the reality was actually worse given that there are other budget areas which cannot be reduced such as levies.

A Member felt that whilst the Council does well in controlling its budget, he felt that in relation to Council Tax any increase should be kept around 1% or less. He did not feel that a rise of 3% or more could be justified in the current climate.

The Chairman sympathised with this view but also reminded the Committee of the previous comments made in relation to the impact of the settlement on non schools budgets.

A Member warned that if services are continually reduced there is a point at which they breakdown. He also questioned whether the public would be prepared to accept a rise in Council Tax.

A co-opted Member pointed out that whilst schools would be afforded some protection he questioned whether the forthcoming increase in National Insurance contributions would negate this.

The Group Director, Corporate and Frontline Services explained that the increase in National Insurance contributions would impact on all Council ServicesThe Group Director reported that the total increased cost to the Council as a result of NI changes would be in the region of £5m.

A Member pointed out that the increase in employee National Insurance contributions was also a factor to be mindful of when considering a rise in Council Tax.

A co-opted Member raised the issue of the use of reserves, in particular at a time when local government re-organisation is planned.

The Group Director, Corporate and Frontline Services reported that the Council had a track record of making use of Reserves in a controlled way and had been pro-active in setting aside funds via the Transformation Fund. He pointed out that this year it was intended to use £4m to support the Revenue budget. However, he acknowledged that there could be a point in time when this would not be possible. He also reminded the Committee that the use of Reserves only provided a short term fix.

The Director of Legal & Democratic Services informed the Committee that the Draft Local Government (Wales) Bill which was out for consultation had directions for the disposal of assets.

A Member asked what the total worth of the 44 specific grants was.

The Group Director reported that he would obtain this figure but that at an all Wales level it was in excess of £700m. He added that there is concern around the lack of information in respect of some of the specific grants, in particular the Education Maintenance Grant, the details of which have not yet been released.

A Member commented that in some cases the Council might have to reduce a service to such an extent that it might be better to support the community in addressing the issue. He felt that the Council needed to examine different ways of delivering services.

The Group Director agreed pointing to the RCT Together initiative.

A Member suggested that despite the difficult climate there is a need to encourage a more positive attitude in communities to enable them to do more for themselves.

The Group Director, Corporate and Frontline Services reported that it was not intended to run the usual stage 2 of the budget process this year. He reported that the greater use of the website had been very encouraging with consultation due to close on 18th January 2016. He reported that to date 154 residents had completed the budget simulator exercise and 3 road shows were being held; one had taken place that morning in Pontypridd and it was planned to hold one held in Tonypany and one in Aberdare the following week. He explained that the process was particularly challenging this year due to the lateness of the final settlement which is due on 2 March 2016 when local authorities have a duty to set their Council Tax by midnight of the 10th March. In addition to this, the Welsh Assembly are not due to vote on their budget proposals until 9th March 2016. It was therefore too tight a timescale to obtain Members' views in the usual way given that full Council would need to meet on either 9th or 10th of March to agree its Council Tax.

A Member commented that she was not confident that the Assembly would agree its budget on the 9th March. She pointed out that whilst authorities in England had their own financial problems, they at least had a 4 year indication in relation to their budgets to enable forward planning. Whilst appreciating the tight timeframes she suggested that finance officers would have 'option' papers prepared in readiness which could be shared with Members.

The Member also referred to paragraph 5.9 of the report which referred to the Cabinet proposals already under consultation. She referenced recent media publications in relation to the amount of money owed to Councils as a result of outstanding library fines and questioned why this information had not been

included in the Cabinet report proposing further changes to the Library Service.

The Chairman agreed that this was a legitimate concern and the Group Director, Corporate and Frontline Services reported that he would ensure that a response would be provided to Members.

The Chairman also commented that he was pleased that the changes to the scrutiny framework had streamlined the budget consultation process and he also welcomed that the fact that the public were being given more opportunity to engage. However, he felt that the Finance & Performance Scrutiny Committee should be granted the opportunity to undertake pre-scrutiny of revenue budget proposals thus enabling the Committee's recommendations to go before Cabinet whilst they are considering their options and whilst he appreciated the tight timeframe he felt that this should pre-scrutiny role should begin with the 2016/17 Revenue Budget.

A Member commented on her concern that she was unable to respond positively to an elderly and infirm constituent who had requested her help in attending a consultation road show as councillors had been prevented from attending these events.

The Group Director reported that subject to the agreement of the individual concerned, he would contact the Consultation Team to make provision for the gentleman.

A Co-opted Member reported that he felt that the budget simulator was a very useful resource. He suggested that it would be further improved if it indicated the total amount of Council Tax revenue which could be raised as well as the additional amount for every extra 1% change.

The Co-opted Member also pointed out that the Council's biggest cost lay in its workforce. He suggested that the budget was manageable albeit with a reduction in services but pointed out that whilst it was not a pleasant situation it needed to be understood that the workforce would need to be reduced. He suggested that delaying the difficult decisions would make it harder for the future.

The Group Director informed the Committee that the Council had already lost over 1000 employees in recent years .

The Chairman agreed that it would be a challenging future but pointed out that the Council was already working toward re-modelling its services and workforce.

The Co-opted Member suggested that the right message needed to be portrayed to the public otherwise they will see their services reduce but with no apparent change to staff levels.

The Group Director reported that whilst there had already been significant downsizing, managing costs is also important.

A Member referred to the powerful message which came across in a video made by the Council Leader for a recent local government event and asked if this was available on the Council's website.

The Group Director reported that it was available on YouTube and he was aware that there is another short video is now available on the website.

A Member pointed out that many of the people taking voluntary redundancy or voluntary early retirement were low paid workers such as carers and she felt that this was a sad situation.

A Member commented that the additional £700k generated for each 1% increase in Council Tax would not make a great deal of difference to the budget situation and he would prefer to see any increase kept below 3%. He explained that the public did not understand or did not want to understand that the financial situation faced by the Council and there is a need to make people aware of the reduction in staff numbers, not by way of a celebration but to ensure that the public understands that the Council is taking action.

Another Member agreed with this sentiment and suggested that more information should go out to the general public to inform them of the situation.

A Member pointed out that those care workers having to leave the Council's employment were then being employed by the private sector on much reduced terms and conditions and she expressed her concern that people's worth being undermined.

A Member commented that the Council could not only look to cut services but needed to consider its office functions and re-modelling of services. There has to be a change in the way the Council delivers public services.

A Co-opted Member reported that a neighbouring authority had undertaken a voluntary agreement with its work force to reduce their working week by one hour for a set period and he commented that he had not heard this suggestion put forward by Rhondda Cynon Taf. Whilst he had no real wish to suggest this action he pointed out that staff may prefer to lose one hour a week than lose their jobs.

The Chairman pointed out that whilst this issue had not been discussed as an option across the Council various services had introduced changes.

The Group Director also reported that new employees to the Council were being employed on a 35 hour per week contract. He appreciated that this would take some time to move through the organisation.

The Chairman of the Health & Wellbeing Scrutiny Committee remarked that the in relation to social care, the implementation of the Social Services and

Wellbeing (Wales) Act will push Councils to outsourcing services but he explained that there will be a problem in managing people's perception of public services.

His vice Chair added that in her opinion there is a significant problem on the horizon with the growing elderly population. When asked by a co-opted Member whether any of the financial burden could be passed to the Health Board she suggested that there could be an argument made for shared budgets.

The Chairman of the Health & Wellbeing Committee added his concern regarding primary health care suggesting that the University Health Board was struggling with other priorities.

A Member questioned whether the re-organisation of local government is the best way of delivering services to the public at a time of financial constraint.

In conclusion, the Group Director Corporate and Frontline Services asked for Members' comments in relation to the three areas where the Council has some discretionary powers with regard to the Council Tax Reduction Scheme ie, extended payments, the disregard of War Disablement Pensions / War Widows Pensions income and the backdating of claims. He explained that removing the current discretions would produce additional income of £31k, £36k and around £10k respectively per year.

The Chairman of the Health and Wellbeing Scrutiny Committee informed the Group Director of the work undertaken by his Committee regarding anomalies in respect of Social Care Charging Policies in response to the Royal British Legion's campaign 'Insult to Injury' and it was agreed that the Scrutiny Support Officer would provide him with the details.

Given the sums of money involved the Committee was of a view that the current discretions in relation to the Council Tax Reduction Scheme should remain.

Following discussion it was **RESOLVED:**

- (i) that the comments of Members be passed to the Cabinet to inform the preparation of the 2016/17 Revenue Budget proposals;
- (ii) that the Finance & Performance Scrutiny Committee is of the opinion that the current discretions in relation to the Council Tax Reduction Scheme should remain;
- (iii) to undertake pre-scrutiny of the 2016/17 Revenue Budget Strategy at the next meeting of the Committee scheduled for 27th January 2016.

M A Norris
Chairman

The meeting closed at 6.20 pm.

Appendix B iii



**SCHOOLS BUDGET FORUM
 TUESDAY 12TH JANUARY, 2016
 COUNCIL CHAMBERS, CLYDACH**

MINUTES

PRESENT:	<p>Councillor A Morgan Councillor E Hanagan Councillor M Webber Councillor G Hopkins Craig Spanswick (Ysgol Gyfun y Cymer) David Jenkins (Ysgol Ty Coch) Elaine Keeble (Tonyrefail Secondary School) Paul Morgan (Pengeulan Primary) Rhian Rees (Pontrhondda Primary) Simon Phillips (Llwynocrwn Primary) Mark Cleverley (NASUWT Representative)</p>
IN ATTENDANCE:	<p>Chris Bradshaw (Chief Executive) Barrie Davies (Director of Financial Services) Catrin Edwards (Head of Service Transformation) Stephanie Davies (Head of Education & Financial Reporting) Christian Hanagan (Service Director, Cabinet & Public Relations) Emma Wilkins (Cabinet Business Officer)</p>
APOLOGY FOR ABSENCE:	<p>Rhian Ellis (Ysgol Gyfun y Cymer) Sue Davies (Aberdare Community School) Lisa Bailey (Tonysguboriau Primary) Andy Henderson (Ysgol Hen Felin) David Davies (YGG Aberdar) Mark Powell (Y Pant Comprehensive) Lisa Bailey (Ysgol Gyfun Rhydywaun)</p> <p>Liz Randall (LMS Senior Accountant) Steve Mithan (Group Accountant – Education and Lifelong Learning) Clare Jones (NUT Representative) Esther Thomas (Temporary Director of Education & Lifelong Learning)</p>

No.	Discussion/Action	Action	By who
1.	<p>Welcome and Apologies Apologies for absence from Forum attendees were received.</p> <p>For the benefit of new members introductions around the table were made.</p>		
2	<p>Declarations of Interest In accordance with the Code of Conduct there were no declarations of interest made pertaining to the agenda.</p>		
3.	<p>Minutes of previous meeting</p> <p>The minutes of the meeting held on 9th November 2015 were received and agreed as an accurate record.</p>	Approved	Forum
4	<p>Matters Arising Minute 5 – School Crossing Patrols CB advised that the transfer of this budget to schools was not being taken forward by the Authority for next financial year.</p>	Noted	Forum
5.	<p>General Budget Update</p> <p>Members of the Forum received a presentation from BD on 2016/17 Revenue Budget Strategy Consultation.</p> <p>BD provided context around the budget strategy consultation and the current approach being taken forward by the Council, including a budget simulator on the Council website, town centre engagement road shows, and an engagement event with young people as well as OPAG. The consultation would close on the 18th January, 2016.</p> <p>The Presentation continued by advising of the Provisional local Government Settlement of -0.9% reduction in resources, the 1.85% School Protection as well as outlining the implications and budget pressures facing the Authority with a proposed initial £19.6M funding gap. This initial budget gap reduced to £17.5M after taking into consideration the implications of decisions already made.</p> <p>The On line simulator including a scene setting video were referenced which Forum members were encouraged to complete on line.</p> <p>To gain the Forum's views as part of the consultation process, BD presented the following questions to the Forum:</p> <p>1. Council Tax Levels – The Council are currently</p>	<p>Noted</p> <p>Electronic Version of PowerPoint Presentation & the link to the Budget Simulator to be circulated.</p> <p>Members comments taken forward as part of the Budget Consultation</p>	<p>Forum</p> <p>EW</p> <p>BD</p>

	<p>modelling CT on a 3% increase, what are Members views of this proposal?</p> <ul style="list-style-type: none"> • Fair and Reasonable amount proposed • 3% rise is anticipated to be at the low end of the spectrum in comparison to the other 21 Authorities proposals, although it is still a rise for the residents of the Borough. • Clarification was sought on whether low income families paid a reduced rate for CT - BD confirmed the Council Tax Reduction Scheme was a means tested benefit which applies to Council Tax. <p>2. Treatment of Schools – modelling undertaken is based on supporting the Welsh Governments 1.85% protection to Schools, over and above pupil number increases.</p> <ul style="list-style-type: none"> • Clarification that not all authorities adhere to the Welsh Governments advised protection. • Also noted that the Council continues to support school redundancy costs. • Forum member was grateful for the continuation of the protection and appreciate the support provided by the Authority going forward and in previous years. <p>3. Service Changes & Efficiency – BD advised of the identified £6m savings through general efficiencies plus other efficiency measures (eg management structure changes) and outlined the process with regard to specific service change reviews taken and those still out to consultation</p> <ul style="list-style-type: none"> • Appreciate the difficult decisions that need to be taken by the Authority. • The Budget simulator is a good illustration to the public of why such service changes need to be taken. • Officers commented on the importance of the consultation process during service changes and outlined a number of changes to proposals which had been made after consultation. <p>4. Service Priorities – the Council priorities are set through the Council’s Corporate Plan. Do you agree with the investment into these priorities?</p> <ul style="list-style-type: none"> • Officers advised of the long term investments ‘Invest to Save’ options taken forward by the Authority in respect of Street Lighting and Leisure Services. • School Investments – opening new schools and refurbishments of existing schools across the Authority, investing in the young people who are the future. 		
--	--	--	--

	<ul style="list-style-type: none"> • Clear that the Authority have a clear, focused and strategic approach, which is reassuring and should be commended – Not everyone will appreciate the difficult decisions needed to be taken by the Authority. • Should utilise the Council website to greater effect in publishing the good, positive work - Should be focused WebPages. This would be a good reference point for both the public and media • It was noted that even in the current financial climate, schools were achieving positive results, with schools within RCT improving faster than the Welsh Average (Key Stage 4 examination results 2014-2015.) <p>5. Draft Corporate Plan – Do you think the vision is right for Rhondda Cynon Taf? <i>“a County Borough that has high aspirations, is confident and promotes opportunity for all”</i></p> <ul style="list-style-type: none"> • Happy to support this vision. • Aspirations are very important, especially as some schools are in such deprived areas. <p>6. The Council’s Priorities – Economy, People and Place - Do you think these priorities are right for Rhondda Cynon Taf?</p> <ul style="list-style-type: none"> • Happy to support the priorities. • Important that each priority is equally weighted • Happy to see more regulations coming through Welsh Government in respect of HMOs and the Private Rented Sector. <p>7. The Council’s Principles: - Provide essential services well, Help people and Communities help themselves, Build a sustainable County Borough, Live within our means – Do you agree with these principles?</p> <ul style="list-style-type: none"> • Agree with the Principles. <p>8. Council Tax Reduction Scheme – Discretions</p> <ul style="list-style-type: none"> ➤ Do you think that 4 weeks is a reasonable period to continue paying the Council Tax reduction when someone returns to work? ➤ Do you think it is reasonable for the Council to continue to totally disregard War Disablement and War Widow’s Pensions income when assessing entitlement to CTR Scheme ➤ Do you think that 3 months is a reasonable period to backdate claims for working age and pensioners? • Happy to support the discretions available within the Council Tax Reduction Scheme 		
--	--	--	--

	<ul style="list-style-type: none"> Should encourage and support those who have the incentive and drive to return to employment and extending the 4 week extended payment period might assist in this regard <p>9. Consultation Process – Do you have any comments on the process taken this year?</p> <ul style="list-style-type: none"> Use of the simulator is welcome. Important to use the website when possible but still need to be aware of a generation who do not use the internet – Glad to see meeting with OPAG. <p>BD concluded his presentation by outlining the budget setting timetable. He advised Members that officers were working on the provisional School figures and were looking to provide the information to schools before Half Term, or at the latest upon the Schools return for the Spring Term. It was added that the figures were subject to the return from schools of pupil numbers and it was added that the figures being worked on did not include any grant funding detail, pending confirmation of values from WG.</p> <ul style="list-style-type: none"> Head Teachers commented on the importance of knowing the budget figures as early as possible and it was commented that working to the half term for receipt of figures was tight for schools. Head Teachers appreciated the need to return the pupil numbers by the deadline of Friday 15th January. 		
7.	<p>Next Meeting</p> <p>Member's availability for a meeting in the Spring Term would be sought.</p>	Noted	EW

This page is left Blank.

Appendix C**RHONDDA CYNON TAF COUNTY BOROUGH COUNCIL****FINANCE & PERFORMANCE SCRUTINY COMMITTEE**

Minutes of the meeting of the Finance & Performance Scrutiny Committee held at the County Borough Council Offices, The Pavilions, Cambrian Park, Clydach Vale on Wednesday, 27th January, 2016 at 5 pm.

Present:

County Borough Councillor M A Norris – in the Chair

County Borough Councillors

(Mrs) J Bonetto	S Bradwick	S Evans
P Griffiths	(Mrs) S Jones	(Mrs) C Leyshon
(Mrs) S Rees	G Smith	R W Smith
(Mrs) J S Ward	P Wasley	C J Willis
R A Yeo		

In Attendance

Mr R Hull – Chair of the Audit Committee

Education Co-opted Members: Mr J Fish and Mr J Horton (Elected Parent Governor Representatives)

Officers in Attendance

Mr C Lee – Group Director, Corporate & Frontline Services

Mr P Lucas – Director of Legal & Democratic Services

Ms S Davies – Head of Education & Financial Reporting

Mrs A Edwards – Scrutiny Support Officer

46. APOLOGIES FOR ABSENCE

Apologies for absence were received from Committee Members County Borough Councillors G R Davies, E Webster, C J Williams and County Borough Councillors (Mrs) A Calvert and P Jarman. Apologies for absence were also received from Mr M Cleverley, Co-opted Member representing NASUWT and Teachers' Panel and Ms S Jones, Co-opted Member, Elected Parent Governor representative.

47. DECLARATIONS OF INTEREST

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

48. MINUTES

RESOLVED – to approve as an accurate record the minutes of the following meetings of the Finance and Performance Scrutiny Committee:

- The special meeting held on 9th December 2015;
- The scheduled meeting held on 9th December 2015; and
- The special meeting held on 6th January 2016.

REPORT OF THE GROUP DIRECTOR, CORPORATE & FRONTLINE SERVICES

49. PRE-SCRUTINY – BUDGET STRATEGY OPTIONS 2016-17

The Group Director, Corporate & Frontline Services provided Members with a presentation which provided an overview of the strategy options which the Council's Senior Leadership Team proposed presenting to Cabinet for consideration. He explained that the information from the consultation stages of the process which included the feedback from the public consultation, feedback from the Schools Budget Forum and the feedback from the special meeting of the Finance & Performance Scrutiny Committee held on 6th January, as well as the pre-scrutiny work of the Committee would be a key component when Cabinet meets to consider options in February.

Through the presentation, the Group Director, Corporate & Frontline Services reported on the Council's current financial position, which included a level of Transitional Funding Reserve for budget strategy considerations of £6.702M. He also provided details of the 2016/17 provisional settlement and stressed that whilst the provisional settlement had been better than expected, it was still a decreasing budget. He explained that at the time of reporting to Council in December, the budget gap was expected to be £17.515M. However, the position has been continually reviewed and remodelled resulting in a starting budget gap at this time of £14.301M.

The Group Director, Corporate & Frontline Services provided Members with the results of the public consultation exercises and reported that two key building blocks for the budget strategy would be the level of Council Tax and the Schools' Budget. He explained that initial modelling had been based on a 3% rise in Council Tax. However, based on consultation feedback the proposed increase being put forward by the Senior Leadership Team is a rise of 2.75% which will increase the budget gap to £14.482M.

With regard to the Schools' Budget the Group Director, Corporate & Frontline Services reported that it is proposed to fully meet the Welsh Government's protection requirements which will mean school budgets increasing by £3.1M. However, he explained that the overall impact on the budget gap is positive as a larger increase had originally been modelled, assuming schools were funded for all potential cost pressures which leaves a final budget gap of **£12.159M**.

The Group Director, Corporate & Frontline Services set out the strategy options, reporting on efficiencies, fees & charges, the Social Care Transformation Programme and further management cost savings. He also explained that with regard to service change proposals put forward before Christmas nothing had been included as Cabinet have not yet determined the way forward post consultation.

In conclusion, the Group Director, Corporate & Frontline Services spoke on the commitment to continue to deliver key services in line with the aspirations

of the draft Corporate Plan; the recent self assessment process undertaken across services which has strengthened delivery plan focus; the Council's intention to invest in key areas, eg £12M investment programme agreed on 28th October 2015 and the continued focus on addressing medium term pressures and financial stability. He welcomed the views of Members on the draft proposals and reminded Members that today's feedback, the strategy options plus the consultation feedback would be considered by Cabinet in February with the intention that the Cabinet proposals go before Council on 24th February 2016.

The Chairman began by asking whether the proposed increase in fees & charges of RPI plus 3% was intended to be across the board.

The Group Director, Corporate & Frontline Services responded by reminding Members of a previous decision taken by Council to increase fees and charges, in total by an average of 3% above the Retail Price Index per annum for 2014/15 and for each subsequent year to 2017/18. He asked whether Members thought there should be a more flexible approach adopted rather than a blanket approach.

The Chairman agreed that this would be more useful as there could be areas which it would not be appropriate to have such increases. The Director agreed to raise this point in discussions with Cabinet.

A Member commented on an element of the language used in reporting the budget options pointing out that the £3M reduction in the projected Social Care budget was not an actual £3M budget reduction, it was more about avoiding a projected increase in cost.

The Group Director agreed explaining that the projected risk had reduced and had allowed this saving to be identified. The basis for the saving being predominantly the positive impact of changes being made in the service in advance of the Social Care & Wellbeing Act requirements.

A Member congratulated the Group Director and the consultation team for making it easier for the public to engage this year. She highlighted the importance of keeping an appropriate level of Council Reserves to meet contingencies and pointed to the potential impact of the current wet weather on the highways.

A co-opted Member agreed with the earlier comment in relation to fees and charges. He also referred to the predicted social care savings and back office savings and questioned the detail of this.

The Group Director, explained that the £6M efficiency target is not only aimed at back office savings but across the Council and could be frontline services where efficiencies can be made by operating differently with no impact on the customer. These efficiencies could be achieved in a number of ways including staff re-organisation or re-structure, expressions of interest, contractual arrangements, procurement and office rationalisation.

With regard to the Social Care projections, he assured Members that a great deal of modelling work had been undertaken by the social care management team which would have taken account of the risks and demographics of the area. He also pointed out that to put the £3M in context, the total social care budget was in excess of £130M.

The Chair of the Health & Wellbeing Scrutiny Committee challenged the assumptions being made with regard to the social care budget given the implications of the Social Services and Wellbeing (Wales) Act. He explained that the intention of the Act is that the 3rd Sector along with carers and private care providers will be able to fill the void left by the Council who will only be able to provide care that is really needed, that is care that can only be provided by the Council. However, he pointed out that the provision in the wider community is not yet in place and he would therefore be seeking assurances.

The Group Director noted that the calculations had been drawn up in conjunction with the Group Director, Community & Children's Services and his management team.

The Vice Chair of the Health & Wellbeing Scrutiny Committee echoed these comments. She also pointed out that the Welsh Government's budget had not yet gone before the Assembly and she asked the Group Director whether he anticipated any change.

The Group Director explained that whilst there was no certainty he had not heard anything to the contrary. It was his hope that the final settlement would be announced on 2nd March, agreed by the Welsh Assembly on 9th March enabling the Council to set its Council Tax by the deadline on the 10th March 2016.

A Member commented that he did not feel that increase to Fees and Charges should be applied to school meals and that they should be held at the current rates.

It was commented by a Member that given the earlier predictions with regard to the 2016/17 budget the situation was much better than anticipated and albeit the budget was still in a draft form he was happy with the options being out forward.

A Member agreed with the comment in relation to school meals and pointed to the financial strain on those who appeared to financially 'well off' given the costs of high mortgages, council tax rises and child care. He question whether any Council Tax increase should be applied for 2016/17.

The Group Director explained that this was ultimately a decision for the Council. He appreciated what was being said and explained that the low council tax base, with many properties in the county borough being in the lower tax bands meant that much less money could be generated in this way

in comparison with say Cardiff as an example. However, he pointed out that not increasing Council Tax would necessitate the need for alternative savings and / or further reliance on transitional funding.

A co-opted Member commented that he thought that the budget consultation simulator was a good resource in allowing the public to see the overall picture. However, he pointed out that engagement figures were still quite low and suggested that for the future a schools' competition could be introduced which would be an inexpensive way of increasing the feedback received.

A co-opted Member asked whether there would be a temptation for Cabinet to shelve the service changes proposals recently consulted upon given the better than expected budget settlement.

The Group Director pointed out that Cabinet will need to be minded that there is still a need to address a medium term financial challenge and changes in how we deliver services will still be needed for many more years given the settlement position that we are likely to face

A Member stated that he had confidence with the options put forward and whilst he agreed to some extent with the comments put forward in relation to the proposed Council Tax rise he felt that the proposal put forward was acceptable.

In conclusion, the Chairman thanked Members for the comments and the Group Director assured the Committee that the feedback would go forward to Cabinet.

RESOLVED:

- (i) that it is the view of the Committee that Cabinet consider carefully before recommending any rise in fees and charges and advises that a blanket approach should not be taken;
- (ii) that the above recommendation and the views expressed by Members as set out in the body of the minute above be fed back to Cabinet in consideration of their final budget strategy proposals.

This page is left Blank.