

RHONDDA CYNON TAF COUNTY BOROUGH COUNCIL

CABINET

9th FEBRUARY 2017

THE COUNCIL'S 2017/2018 REVENUE BUDGET

REPORT OF THE GROUP DIRECTOR, CORPORATE AND FRONTLINE SERVICES IN DISCUSSION WITH THE LEADER OF THE COUNCIL, COUNCILLOR A MORGAN

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1.0 PURPOSE OF THE REPORT.

1.1 This report provides Cabinet with information in respect of the 2017/2018 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 2018, 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 2017/2018 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 2018, 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 2017/2018 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 transformation and other changes that maintain the financial integrity of the Council whilst still aiming as much as possible to protect jobs and key services.

3.0 BACKGROUND.

- 3.1 The revenue budget for the financial year ending the 31st March 2018, must be constructed in accordance with the “Budget and Policy Framework” (contained in the Council’s Constitution), which was agreed by Members in May 2002.
- 3.2 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.
- 3.3 A draft timetable for agreeing the 2017/2018 revenue budget strategy is attached at Appendix A2.

4.0 THE KEY ELEMENTS OF A BALANCED BUDGET STRATEGY FOR 2017/2018

- 4.1 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 local government settlement, which had been released by the Cabinet Secretary for Finance and Local Government (Mark Drakeford AM), on the 21st December 2016 (see Appendix A3). 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 2017/2018.
- 4.2 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 2.25%.

- 4.3 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 A5 (i to iii) and A6 respectively.
- 4.4 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.

5.0 CONCLUSIONS

- 5.1 The Senior Leadership Team holds the collective view that the Council should commit itself to setting its 2017/2018 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.
- 5.2 A translation of the Senior Leadership Team's recommended strategic approach into a high level budget for 2017/2018 with a Council Tax increase of 2.25% is attached to this report.
- 5.3 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.

RHONDDA CYNON TAF COUNTY BOROUGH COUNCIL

9th FEBRUARY 2017

**A DISCUSSION PAPER PREPARED BY THE SENIOR LEADERSHIP TEAM IN
RESPONSE TO THE 2017/2018 LOCAL GOVERNMENT SETTLEMENT**

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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 1). 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 2.
- 1.2 Prior to determining its preferred budget strategy for the financial year ending the 31st March 2018, the Cabinet must consider:
- The Council's own financial position.
 - The financial and service implications of the Welsh Government's (WG) 2017-2018 local government settlement.
 - The Single Integrated Plan - 'Delivering Change'.
 - The Council's Corporate Plan 2016 - 2020.
 - 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 2017/2018 local government settlement from Rhondda Cynon Taf's perspective.

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 2016/17. A key starting point and important consideration is the annual statement of accounts. At the Council meeting on the 28th of September 2016, I presented the Council's audited accounts, which reported General Fund Balances amounting to £10.720M.
- 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 2016 is £4.901M. As part of our ongoing strategy, we have continued to identify and deliver savings in year which means we have been able to increase the level of transitional funding available and the latest position is that this reserve has now increased to £6.693M (additional in year savings to date of £1.792M).
- 2.4 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.
- 2.5 I believe the Wales Audit Office assessment is an accurate one and it is clear that Members continue to take their fiduciary duty extremely seriously. We have a positive track record in this regard. A recent review of Financial Resilience by the Wales Audit Office noted that the Council has a robust corporate framework for financial planning and has a largely effective and improving savings planning approach which supports future financial resilience. The challenge, therefore, is to construct a prudent, equitable and fair revenue budget for the financial year ending the 31st March 2018. This must involve an approach which publicly demonstrates sound financial stewardship; which does not take unnecessary risks; which maximises income generation; delivers efficiency (nearly £80M implemented over the last 10 years) and which delivers the services that are needed and we can afford, as well as protecting as many jobs as possible.

3.0 THE 2017/2018 LOCAL GOVERNMENT SETTLEMENT

3.1 On the 21st December 2016, the Cabinet Secretary for Finance and Local Government (Mark Drakeford AM) announced the Final 2017/2018 Local Government Settlement. The Minister's statement and key data table is attached at Appendix 3.

3.2 The "headlines" of the 2017/2018 Settlement are as follows:-

- a. The overall reported increase in Revenue Support Grant (RSG) and Non-Domestic Rates funding for 2017/2018 (of unhypothecated funding) at an all Wales level, is +0.2% (+£9.988M, up £6.200M on Provisional), but this is before new responsibilities are taken into account totalling £10.800M.
- b. The final reported settlement for Rhondda Cynon Taf, shows an increase of +0.4% which is better than the average of +0.2%. Settlement figures across the twenty two local authorities in Wales range from at best +1.1% to at worst -0.5%.
- c. A 'floor' protection has been included for 2017/18 and is set at -0.5% and is funded from resources outside of the Settlement.
- d. The Settlement includes 'transfers in' of £3.082M in respect of the Delivering Transformation Grant (£2.830M), Deprivation of Liberty Standards (£0.184M), Blue Badge Additional Funding (£0.011M) and Food Hygiene Rating Scheme (£0.057M).
- e. The Settlement includes 'transfers out' of £1.000M for the Education Workforce Council Teachers Registration Fees.
- f. The settlement includes 'new responsibilities' of £10.800M in respect of Increased Capital Limits for Residential Care (£4.500M), War Disablement Pension Disregard (£0.300M) and Homelessness Prevention (£6.000M).
- g. The settlement contains no indication of future year settlement levels i.e. 2018/19 and beyond.
- h. The Council's General Capital Funding allocation is increased slightly by 0.06% (£0.068M) to £11.232M (no change at Final).

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 2017/2018. These are:

a. *Local Government Pension Scheme* – The triennial valuation of the Rhondda Cynon Taf Fund will result in new contribution levels for employers from the 1st of April 2017. Whilst the exercise is not yet formally concluded (sign off with Actuary by 31st March 2017) the estimated contribution rate levels for this Council are projected to increase base costs in 2017/18 by a further £1.624M.

b. *Car Parking Charges* – Changes to the Council’s car park charging regime were agreed by Cabinet on the 18th of January 2017. This followed a period of consultation undertaken pre Christmas and changes agreed were:

- That in Pontypridd and Aberdare, the Council’s car parking charges, including season ticket charges, be revised as per the proposed new tariffs consulted upon.
- That a flat rate of £1 for all day parking is introduced across long-stay car parks for Saturdays in Pontypridd and Aberdare.
- That the Council retain the existing period of a month of free parking, after 10am, across car parks in Pontypridd and Aberdare town centres during the month of December.
- That a feasibility study be undertaken with regard to the possible future introduction of card payment facilities and mobile technology.
- To introduce free parking in Pontyclun, Tonypany, Porth and Mountain Ash town centres and to authorise the responsible Directors to take forward discussions with Pontyclun Community Council in respect of the Lease Tenure arrangement for Pontyclun car park.
- To introduce a maximum-stay parking restriction of 4-hours across Council short-stay pay and display car parks and at those short-stay car parks where charging has been abolished.
- To reaffirm the Council's commitment to continue providing free car parking for disabled badge holders in disabled parking bays in all Council car parks.
- That these changes be implemented on 1st April, 2017.

The budgetary impact of these recommendations totals £0.370M for 2017/18.

- c. *City Deal* – Council on the 25th of January 2017 supported a suite of recommendations committing this Council to the City Deal formally, including agreeing the Joint Working Agreement, the establishment of a Regional Cabinet and the approval of funding contributions within a defined affordability envelope. The report indicated that a sum of £0.158M was required in respect of host and administrative support for the deal in addition to a contribution to borrowing costs which have been modelled over a 25 year duration. The early year costs of the deal are expected to be smaller (years 1 to 5 estimated to be a total of £1.7M) and will peak in year 11 at £2.1M for that year. Prudently, an amount of £0.500M has been set as an initial base requirement to cover total costs (host / administrative support and contributions) and any surplus at year end will be allocated to a specific Treasury Management Reserve so that fluctuations in annual contributions can be smoothed and any volatility minimised from annual budget setting requirements.
- d. *Bridge Inspections* – Cabinet on the 24th of November 2016 agreed an additional revenue budget allocation totalling £0.310M to provide an enhanced inspection process and that this would be built into the budget strategy for 2017/18.
- e. *Living Wage Foundation* – The Council moved to the Living Wage Foundation rate of £8.25ph in October 2016. In November 2016, the Living Wage Foundation announced their new rate of £8.45. To implement the increased rate from the 1st of April 2017 would cost an additional £0.440M. It is proposed this is implemented in line with Living Wage Foundation employer requirements.
- f. *Fees & Charges* - Council on the 26th February 2014 agreed the Council's budget strategy for 2014/15. Part of the strategy was to increase fees and charges, in total, by an average of 3% above the Retail Prices Index (RPI) per annum for 2014/15 and for each subsequent year to 2017/18. A report on the proposed level of Fees & Charges for 2017/18 will be presented to Cabinet shortly. Subject to Cabinet approval, this proposes a number of changes to the standard uplift requirements, the introduction of a small charge for Pontypridd Lido adult users and the application of a cap on the increases for other fees and charges at a flat rate of 2.25% for 2017/18. The budgetary impact of this recommendation, if agreed, totals £0.525M.
- g. *Energy Costs* - The latest estimate of energy costs indicates some significant increases in gas and electricity costs from April 2017. A major cause of these increases is likely to be exchange rate variations since the Brexit vote, impacting on all tanker and pipeline imports. The current projected price rises are likely to be in the range of 14% for gas and between 13% and 19% for electricity. The financial impact of these increases has been estimated to be £0.642M for 2017/18.

- h. *Homelessness Prevention* - The final settlement issued by Welsh Government in December included a new responsibility for Homeless Prevention. Further details on requirements are being reviewed, but the total amount allocated to the Council of £0.396M has been ringfenced, within the budget strategy pending the completion of this review.
- i. *Other* - a number of other budget adjustments have been reflected in the updated position as part of further work on refining base budget requirements for 2017/18. Examples of updates included are costs of additional properties in respect of waste collection (£0.239M) and increasing costs of home tuition (£0.120M), offset by reductions on Fuel, Food and Travel costs (totalling £0.143M) and a review of risk across modelled budget pressures reducing requirements by £0.619M. The overall net reduction in costs taken off the base requirements at Final Settlement totals £1.017M.

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 2017/18 Base

	£M
Local Government Pension Scheme	1.624
Car Parking	0.370
City Deal	0.500
Bridge inspections	0.310
Living Wage	0.440
Fees & Charges	0.525
Energy Costs	0.642
Homelessness	0.396
Other	-1.017
TOTAL	3.790

5.0 THE FINANCIAL IMPLICATIONS OF THE 2017/2018 SETTLEMENT FOR RHONDDA CYNON TAF

5.1 The settlement indicates that our 2017/2018 RSG and NDR funding will total £355.447M.

5.2 In anticipation of the 2017/2018 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 levels;
- Non-pay (i.e. goods and services) inflation, including energy and fuel;
- Corporate financing requirements and levies; and
- Full year effects of additional burdens imposed on the Council.

5.3 The position I reported to Council (26th October 2016) at the Provisional Settlement stage indicated a budget gap of £2.819M. This position assumed a modelled 2.5% Council Tax increase, savings secured through changes to the council's Minimum Revenue Provision charge policy (£3.143M), savings already secured early in 2016/17 (£1.856M) and a commitment to deliver £6M of efficiency savings in 2017/18. Taking account now of the recent base budget updates summarised in Table 1, plus the impact of the Final Settlement where additional resources of £1.187M are available, the budget gap has now increased to **£5.422M** (a net increase of £2.603M).

6.0 DEVELOPING AN EQUITABLE, DELIVERABLE AND BALANCED BUDGET FOR 2017/2018

6.1 It will not be easy for us to develop an equitable and deliverable revenue budget strategy given the modest 0.4% increase 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 Government’s Council Tax Reduction Scheme (CTRS). For 2016/2017 Members agreed an increase of 2.75%. Mindful of the impact that austerity cuts are having across all of our communities, the proposal is to increase Council Tax in 2017/18 by 2.25%, that is below the 2.5% modelled in the initial budget gap calculations. Lowering the increase to 2.25% will add £0.187M to the budget gap for 2017/18, hence the updated gap becomes **£5.609M**.
- 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 £998k (at current tax base levels), but will also cost £235k in additional CTRS requirements. It therefore follows that a 1% increase generates a net additional income of £763k, or stated another way, one quarter of any Council Tax increase is lost to support the increased costs associated with the Welsh Government’s CTRS.
- 6.7 Whilst the focus for this report is predominantly on 2017/18 and an initial net “funding gap” of some £5.609M, this gap is projected to rise significantly over the three years to 2019/20 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 2017/2018.

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. Whilst there is no direction by Welsh Government for 2017/18 to protect Schools, Members are still minded to prioritise funding in this area and as such a 1.5% increase is proposed as part of the recommended budget strategy. This is proposed in the context of an increase overall of only 0.4% received by the Council as a whole. The result of providing a 1.5% uplift is that the overall schools budget for next year will increase from £144.885M to £147.058M, that is, an increase of £2.173M year on year. This will see our schools treated more favourably than other Council services. It is noted that some efficiency planning will be required at a school level. This proposal would see the overall school budget requirement reducing by £1.992M, compared with 'total need' previously modelled, leaving a remaining overall budget gap for the Council of **£3.617M**.

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. This approach I believe is still the right one and we will adopt a similar strategy for 2017/18.
- 6.10 Following careful consideration, the following approach is recommended:
- a. *Efficiencies* – The Council has successfully delivered nearly £80m 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 budget efficiency savings. In total, efficiency savings amounting to £6.000M were targeted for 2017/18. Notwithstanding this target level, additional efficiency savings have been identified bringing the efficiency total to £6.584M and as such a further £0.584M can be set against the budget gap. This additional efficiency has in the main been delivered through the success of the Council's Office Accommodation Strategy in reducing office use and associated costs at a faster rate than originally anticipated.
 - b. Council Tax Reduction Scheme (CTRS) – Members will be aware through the quarterly performance reports this year that the costs associated with the CTRS have been consistently below budget. As at Quarter 2 (reported 24th November 2016), the projected underspend in this area was £0.355M. Further work on caseloads and demand has now been undertaken as part of the base budget update work and previous increases built into the modelling can now be reduced. The proposal is that a £1.600M reduction in the CTRS budget line is now recommended. It should be noted that whilst this takes the budget to £23.507M, this is still

in excess of the Welsh Government funding for this area which for 2017/18 totals £22.082M.

- c. *Medium Term Financial Planning and Service Transformation Reserve (Transitional Funding)* – Whilst efficiency savings and cost reduction measures are already in place for 2017/18, it is recognised that further in year savings are necessary to close future year budget gaps. The notion of an annual budget setting process no longer exists and experience from 2016/17 indicates that a proactive and ongoing approach to identifying and implementing savings 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 £6.693M. To address the current budget deficit, it is proposed that an allocation of £1.433M is made from this reserve for 2017/18. This would facilitate a balanced budget for 2017/18 and would leave £5.260M in the reserve (subject to the year end assessment of reserves post March 31st 2017). Use of £1.433M of one off funding is significantly less than the level used for 2016/17 and the balance remaining would be in excess of what we started with on the 1st of April 2016. I am confident that 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 2017/18, that will deliver a balanced budget for next year:

Table 2 : Budget Strategy Proposals 2017/18

	£M	£M
Budget Gap		3.617
<i>Strategy Proposals</i>		
Additional Efficiency (over and above the £6M)	-0.584	
Council Tax Reduction Scheme	-1.600	
		-2.184
Remaining Budget Gap		1.433
<i>Use of 'One Off' Funding</i>		
Use of the Medium Term Financial Planning & Service Transformation Reserve		-1.433
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 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; and
 - *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 made available via a risk based review of earmarked reserves and through identification of in year savings opportunities. Three tranches of targeted investment have been agreed within the last eighteen months that equates to in excess of £30M. Several areas for investment have helped support ongoing revenue savings and service sustainability through a 'spend to save' approach, for example street lighting, structures and Leisure Services. We will continue to review opportunities for further investment during 2017/18 and a report setting out the updated capital programme for 2017/18 will be reported for Members consideration shortly.

7.0 2017/2018 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 2016/2017 revenue budget and the regular performance monitoring reports are available to the Cabinet, to act as a benchmark to evaluate 2017/2018 service delivery options, and savings 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 2016/2017 figures, depending upon Members' decisions and spending priorities, and on the impact of the 2017/2018 local government settlement.

- 7.3 All of our services have recently undertaken the second year 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.
- 7.4 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 2017/2018 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 4 is an outline budget proposal, including efficiency requirements and service provision amendments. This is based on a Council Tax increase of 2.25%.

8.0 THE 2017/2018 GENERAL BUDGET STRATEGY CONSULTATION PROCESS

- 8.1 As in previous years, the Council has been keen to consult with the public and other interested stakeholders on its general budget strategy and how services are delivered.
- 8.2 The general budget consultation ran from the 7th of November 2016 to the 19th of December 2016 and over 900 people were involved in the process. The results of the consultation are attached at Appendix 5i. The consultation methods used this year included:
- An online Budget Simulator;
 - A number of Town Centre, Leisure Centre and Day Centre Roadshow events;
 - Leader Engagement Events;
 - Promotion through Social media, including a Youtube video;
 - A Young Person's Budget Engagement Event;
 - Older Persons Advisory Group Meeting; and
 - Promotion with the Citizen's Panel and through the Cwm Taf Engagement Hub.

- 8.3 For the second year running the Council engaged with relevant stakeholders through the use of an online Budget Simulator. The Budget Simulator outlined a range of services that the Council provides and their associated budgets and then asked people to make £2.8m of savings by adjusting the budget for each service, as well as the level of council tax.
- 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 2017/18 that was considered by Council on the 11th January 2017).
- 8.5 In addition, specific consultation activity was undertaken with the Finance & Performance Scrutiny Committee and the School Budget Forum and minutes of these meetings are attached at Appendices 5ii and 5iii respectively.
- 8.6 Again this year, the draft strategy was subject to pre scrutiny so that non executive members were able to examine proposals and help shape their development before Cabinet considered the detail. The Finance and Performance Scrutiny Committee undertook pre scrutiny of the Budget Strategy proposals and the general consultation feedback report on the 26th January 2017. Attached at Appendix 6 are the minutes (currently draft) from this meeting.

9.0 CONCLUSIONS

- 9.1 On the 21st December 2016, the Cabinet Secretary for Finance and Local Government (Mark Drakeford AM) announced the Final 2017/2018 Local Government Settlement which showed this Council's increase in resources was set at 0.4%.
- 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 2017/2018, and the reliance on this one off funding continues to reduce in accordance with medium term financial planning requirements.

- 9.4 The Council to date has been able to deliver year on year balanced budgets alongside an investment programme supporting key priorities. The challenge remains though for positive and proactive management from the Senior Leadership Team and clear direction from Cabinet to produce a financially sustainable budget into the medium term in what continues to be an extremely challenging financial climate.

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 Finance and Performance 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 Finance and Performance Scrutiny Committee.

2017/2018 BUDGET AND COUNCIL TAX SETTING TIMETABLE

19th December 2016

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

21st December 2016

Final Local Government Settlement - Receipt of final settlement figures

26th January 2017

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.

9th February, 2017

Cabinet Meeting – Consideration of draft 'Senior Leadership Team' 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

22nd February 2017

Council Meeting – Cabinet to submit proposals to the Council for the 2017/2018 Budget Strategy

Council Decision required:

Approve the 2017/2018 Revenue Budget.

1st March 2017

Council Meeting - Cabinet to submit proposals to the Council for the 2017/2018 Council Tax

Council Decision required:

Approve the 2017/2018 Council Tax.



Llywodraeth Cymru
Welsh Government

WRITTEN STATEMENT BY THE WELSH GOVERNMENT

Title **Final Local Government Settlement 2017-18**

Date **21 December 2016**

By **Mark Drakeford AM**
Cabinet Secretary for Finance and Local Government

Following my announcement yesterday of the Welsh Government's final budget proposals for next year, I am today publishing details of the Final Local Government Settlement for 2017-18. These include allocations of core revenue funding for each of the 22 county and county borough councils.

In preparing the final settlement, I have given careful consideration to the responses I received to the consultation on the provisional settlement. I am confident the settlement provides councils with a robust basis for their financial planning for the coming financial year.

For 2017-18 I am setting local government revenue funding at £4.114 billion. This represents an increase of £10 million compared to 2016-17, after adjusting for transfers, and an increase of £6 million on the funding I announced in October.

This is a good settlement for local government particularly given the many competing pressures on the Welsh Budget.

In addition to the funding set out in the provisional settlement I announced on 19 October, I have included a further £6 million in the final settlement for work to support the prevention of homelessness. I have also included top-up funding to ensure that no authority experiences a reduction of more than 0.5% in its general funding allocation.

Separately, the final budget contains an additional £10 million in recognition of the particular financial challenges arising from domiciliary care provision including workforce pressures.

I am also providing an additional £10 million for non-domestic rates relief in 2017-18. This will be channelled through local authorities and will be targeted at businesses on the high street.

While the unhypothecated Settlement is the largest single source of funding available to authorities, it is not the only one. In setting their budgets and council tax levels for next year, I expect every authority to take account of all the available funding streams and to consider how to secure best value for Welsh taxpayers through effective and efficient service provision. We offer considerable flexibility to authorities in Wales, which is not available to their counterparts in England, to exercise autonomy and responsibility in managing their finances.

Revenue grants

Alongside the settlement, I am publishing the latest information on Welsh Government grant schemes planned for 2017-18. This will assist local authorities in preparing their budgets for next year.

Individual authority allocations

Table 1 sets out the final distribution of Aggregate External Finance (comprising revenue support grant and redistributed non-domestic rates) between the 22 councils for 2017-18.

Capital settlement

Capital funding for 2017-18 amounts to £433 million. Within this, General Capital Funding for 2017-18 is unchanged at £143 million.

The motion for the National Assembly for Wales to approve the Local Government Finance Report for 2017-18 is scheduled for debate on 17 January 2017.

This statement is being issued during recess in order to keep members informed. Should members wish me to make a further statement or to answer questions on this when the Assembly returns I would be happy to do so.

[488 words]

Table 1: 2017-18 final settlement – comparison of the 2016-17 AEF including top-up funding (adjusted for transfers and tax-base changes) and the 2017-18 final AEF and top-up funding

	<i>£000s</i>							
Unitary authority	2016-17 adjusted AEF plus top-up funding ¹	Of which top-up funding	2017-18 final AEF	2017-18 top-up funding	2017-18 final AEF plus top-up funding ²	% change on adjusted 2016-17 AEF plus top-up funding	Rank	Council Tax Reduction Schemes (distributed within AEF)
Isle of Anglesey	92,222	0	92,652	0	92,652	0.5%	8	5,165
Gwynedd	167,155	0	168,964	0	168,964	1.1%	1	8,949
Conwy	149,793	0	150,557	0	150,557	0.5%	7	8,936
Denbighshire	139,608	0	140,474	0	140,474	0.6%	5	9,323
Flintshire	184,722	0	185,033	0	185,033	0.2%	11	9,651
Wrexham	170,222	0	169,447	0	169,447	-0.5%	20	9,748
Powys	170,882	1,952	168,791	1,237	170,028	-0.5%	21	8,073
Ceredigion	97,034	436	97,937	0	97,937	0.9%	2	4,773
Pembrokeshire	156,973	0	156,776	0	156,776	-0.1%	16	6,984
Carmarthenshire	251,724	0	252,176	0	252,176	0.2%	10	14,007
Swansea	308,411	0	310,701	0	310,701	0.7%	4	19,063
Neath Port Talbot	206,003	0	207,571	0	207,571	0.8%	3	16,242
Bridgend	187,452	0	187,638	0	187,638	0.1%	12	12,926
The Vale Of Glamorgan	149,851	0	149,554	0	149,554	-0.2%	17	8,883
Rhondda Cynon Taf	353,882	0	355,447	0	355,447	0.4%	9	22,082
Merthyr Tydfil	89,209	0	88,372	391	88,763	-0.5%	21	5,718
Caerphilly	263,849	0	263,627	0	263,627	-0.1%	15	13,574
Blaenau Gwent	109,387	0	108,979	0	108,979	-0.4%	19	8,165
Torfaen	129,407	0	129,031	0	129,031	-0.3%	18	7,994
Monmouthshire	91,786	111	91,799	0	91,799	0.0%	14	5,731
Newport	208,142	0	208,250	0	208,250	0.1%	13	10,339
Cardiff	425,919	0	428,217	0	428,217	0.5%	6	27,673
All Unitary Authorities	4,103,632	2,499	4,111,993	1,628	4,113,620	0.2%		244,000

1. 2016-17 AEF adjusted for latest tax base, transfers of £3.1m into and £1m out of the Settlement and inclusive of £2.5m of top-up funding provided in 2016-17.

2. 2017-18 final AEF including £1.6m top-up funding.

APPENDIX 4

AVAILABLE REVENUE RESOURCES 2017/18 AND PROPOSED USAGE

	£'000
Total resources available in 2017/2018	458,940
LESS: Total resources available in 2016/2017	454,835
<u>INCREASE</u> in resources available in 2017/2018	4,105

	£'000
Allocation of Resources	
Delegated Schools Budget	2,173
Education & Lifelong Learning Services (Other)	544
Community & Children's Services	4,615
Corporate and Front line Services and Chief Executive's Division	2,049
Authority Wide Requirements	(5,276)
	4,105

PROPOSED REVENUE BUDGET 2017/18

Education & Lifelong Learning Services

Delegated Schools Budgets

	£'000
Net Revenue Budget 2016/17	144,885
Increase	2,173
Proposed Net Revenue Budget 2017/18	147,058

Non Delegated Budgets

	£'000
Net Revenue Budget 2016/17	30,482
Base and Inflationary Pressures	1,512
General Efficiencies	(811)
Other Cost Reduction Measures	(157)
Proposed Net Revenue Budget 2017/18	31,026

Total Net Revenue Budget 2017/18	178,084

Community & Children's Services

	£'000
Net Revenue Budget 2016/17	133,299
Base and Inflationary Pressures	7,272
General Efficiencies	(2,575)
Other Cost Reduction Measures	(82)
Proposed Net Revenue Budget 2017/18	137,914

Corporate and Front Line Services & Chief Executive's Division

	£'000
Net Revenue Budget 2016/17	71,089
Base and Inflationary Pressures	5,482
General Efficiencies	(2,678)
Other Cost Reduction Measures	(755)
Proposed Net Revenue Budget 2017/18	73,138

Authority Wide

	£'000
Net Revenue Budget 2016/17	75,080
Increase / Decrease	(5,276)
Proposed Net Revenue Budget 2017/18	69,804

Use of Reserves (Transition Funding)	1,433
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STRONG HERITAGE | STRONG FUTURE
RHONDDA CYNON TAF
TREFTADAETH GADARN | DYFODOL SICR



**HAVE
YOUR SAY** **DWEUD
EICH
DWEUD**

RCT Budget Consultation

2017/18 Budget Strategy

Appendix 5i



CONTENTS

		Page
	Executive Summary	
1.	Introduction	7
2.	Background	8
3.	Methodology	9
4.	Budget Simulator Results	12
5.	Questionnaire Results	32
6.	Engagement Events Feedback	45
7.	Young Person Engagement Event	54

FIGURES AND TABLES

Table		Page
1	The overall budget	12
2	Overall summary of services	13
3	Services receiving highest % decrease in average budget	14
4	Services receiving lowest % decrease in average budget	14
5	Average change % for Education & Skills	15
6	Average change % for Adult Social Care	18
7	Average change % for Children's Services & Wellbeing	20
8	Average change % for Frontline Services	22
9	Average change % for Leisure, Culture & Regeneration	25
10	Average change % for council tax	28
11	Preferred level of council tax (Questionnaire)	32
12	Council Priorities	34
13	Fees and Charges	43
Figure		
1	Education & Skills budget change	15
2	Adult Social Care budget change	18
3	Children's Services & Wellbeing budget change	21
4	Frontline Services budget change	23
5	Leisure, Culture & Regeneration budget change	25
6	The Schools Budget	43

EXECUTIVE SUMMARY

- This report presents the findings of the General Budget Strategy Consultation for 2017/18. The report is a summary of the main points made during the process and separately all comments and suggestions will be passed to the relevant service managers.
- The Council faces a budget gap and needs to close an initial budget gap of approximately £2.8M for 2017/18. 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 7th November to the 19th December 2016.
 - The methods of consultation included;
 - An online Budget Simulator;
 - A number of Town Centre, Leisure Centre and Day Centre Roadshow events;
 - Leader Engagement Events;
 - Promotion through Social media, including a Youtube video;
 - A Young Person's Budget Engagement Event;
 - Older Persons Advisory Group Meeting; and
 - Promotion with the Citizen's Panel and through the Cwm Taf Engagement Hub.
- For the second year running the Council engaged with relevant stakeholders through the use of an online Budget Simulator. The Budget Simulator outlined a range of services that the Council provides and their associated budgets and then asked people to make £2.8m of savings by adjusting the budget for each service, as well as the level of council tax.
- The overall average budget was reduced by the 323 respondents who attempted to balance the budget. The average income increased by £1,251,725 and the average revised expenditure put forward showed a decrease of £824,487.

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

Service Item	Original Budget	Average Change %
Music	£116,000	-0.98%
Cultural Services	£919,000	-0.88%
Support Services (Council wide)	£26,861,000	-0.85%
Customer Care	£2,155,000	-0.81%
Tourism & Heritage	£362,000	-0.66%
Waste (Black bags)	£5,361,000	-0.63%
Transport	£14,038,000	-0.60%
Access, Engagement & Inclusion	£8,383,000	-0.58%
Parks	£ 5,102,000	-0.53%
Leisure	£4,111,000	-0.52%

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

Service Item	Original Budget	Average Change %
Assessment Care Management	£7,073,000	-0.23%
Supported Accommodation	£9,043,000	-0.23%
Equipment and Adaptations	£1,895,000	-0.16%
Homecare	£19,991,000	-0.15%
Care Support & Other Services	£5,245,000	-0.15%
Highways	£7,548,000	-0.12%
Children Looked After	£26,220,000	-0.11%
Children's Services	£18,828,000	-0.10%
Apprenticeship Scheme	£213,000	-0.09%
Residential & Nursing Services	£ 23,775,000	-0.07%
Schools	£ 149,590,000	-0.04%

- A 2.5% 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 £2.8m. Taking this into account the average % change increase in Council Tax was reported to be 3.42%.
- Respondents to the questionnaire were asked what their preferred level of Council Tax increase for next year would be. The results show that 31.5% of respondents answering this question said that their preferred increase would be 3%.

- When presented with the list of investment areas for 2016/17, 71.9% of respondents agreed with continued investment in these areas and details of where improvements had been seen were discussed. The most positive comments were received with regards to apprenticeships, play areas, leisure and schools.
- 78.7% of respondents agreed with the approach to service efficiency, i.e. the Council making £6m of efficiency savings in 2017/18, achieved by reducing spend in back office functions that will not impact upon frontline services.
- The schools budget is proposed to increase by +1.5%. This is compared to an overall increase in funding the Council has received from Welsh Government of +0.2%. Respondents were asked if they thought that this increase was reasonable for schools, 66% said they agreed.
- Respondents were given the option to state up to a maximum of 5 services that they would protect from an increase in fees and charges. The most noted services were School Meals, Meals on Wheels and Sport and Leisure charges.
- A large number of engagement events were held across Rhondda Cynon Taf. The roadshow events and the meetings that were held are part of the Council's ongoing approach to face to face resident engagement. The events provided a large number of views on Council investments and these are summarised in Section 6. Once again the most positive comments were received with regards to apprenticeships, play areas, leisure and schools.
- All Comprehensive School Councils were invited to send up to 2 pupils from their school, along with representatives from the new youth forums, to take part in the first RCT County Wide Youth Forum event. The event included short presentations, an interactive key pad question and answer session and a facilitated group discussion on Council investment. A summary of the discussions are found in section 7.

1. INTRODUCTION

- 1.1 This report presents the findings of the General Budget Strategy Consultation for 2017/18, which was undertaken to support the decision making process, required to set the Council's budget for the coming financial year.
- 1.2 Section 2 outlines some brief background to the consultation process.
- 1.3 Section 3 details the methodology.
- 1.4 Section 4 and 5 provide the results of the online budget simulator exercise and the accompanying questionnaire.
- 1.5 Section 6 presents the feedback received at the engagement roadshow events and the Older Persons Advisory Group meeting.
- 1.6 Section 7 provides some feedback on the young persons' engagement event.

2. BACKGROUND

- 2.1 For the financial year 2017/18 the Council must decide upon its Budget Strategy and priorities.
- 2.2 The Council faces an initial budget gap of approximately £2.8M for 2017/18, which it needs to reduce 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 2018.
- 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 7th November to the 19th December 2016.

3. METHODOLOGY

3.1 The Council's budget consultation ran from 7th November to the 19th December 2016.

3.2 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;
- Ask people for their views on Council investment over the previous financial year; and
- Increase the levels of engagement on previous years.

3.3 The following methods were used to consult with stakeholders;

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

3.4 The Budget Simulator outlined a range of services that the Council provides and their associated budgets and then asked people to make £2.8m 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; and
- Provide comments on the services.

3.5 The following engagement events took place during the consultation;

Leader Events

DATE (w/c)	Detail/Events
23rd Nov (6-8pm)	Leader Event 1 - Rhondda Sports Centre
7th Dec (6-8pm)	Leader Event 2 - Hawthorn Leisure Centre
13th Dec (1-3pm)	Leader Event 3 - Aberdare St Mairs Day Centre

Town Centre Roadshows

DATE (w/c)	Detail/Events
Tuesday 22nd November (10am - 2pm)	Aberdare Town Centre
Thursday 24th November (9am - 12pm)	Mountain Ash Town Centre
Tuesday 29th November (10am - 2pm)	Pontypridd Town Centre
Friday 2nd December (9am -12pm)	Porth Town Centre
Friday 9th December(10am -2pm)	Tonypandy Town Centre

Day Centres

DATE (w/c)	Detail/Events
11th Nov (11.30-12.30pm)	Tonyrefail Day Centre - Mill Street
15th Nov (12-2pm)	Nazareth House Day Centre Tonypandy
16th Nov (12-2pm)	St Mairs Day Centre
18th Nov (12-2pm)	Teifi House Day Centre, Maerdy
24th Nov (12-2)	Mountain Ash Day Centre
2nd Dec (12-2pm)	Alec Jones Day Centre Porth
5th Dec (12-2pm)	Gelli Day Centre, Ystrad
14th Dec (12-2pm)	Gilfach Goch Day Centre

Leisure Centres

DATE (w/c)	Detail/Events
16th Nov (3-6pm)	Aberdare Leisure Centre
17th Nov (3-6pm)	Hawthorn Leisure Centre
25th Nov (3-6pm)	Abercynon Sport Centre
6th Dec (3-6pm)	Rhondda Sport Centre (Ystrad)
14th Dec (3-6pm)	Llantrisant Leisure Centre
15th Dec (3-6pm)	Rhondda Fach Sport Centre
16th Dec (8.30- 11)	Tonyrefail Leisure Centre

-
- 3.6 The Town Centre events were held in the Council's Environmental Services mobile trailer vehicle. Members of the public were invited into the trailer to have a discussion with Officers and Members about the Council's budget, investments, car parking charges 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.
 - 3.7 All Comprehensive School Councils were invited to send up to 2 pupils from their school, along with 21 people from the new youth forums, to take part in the first RCT County Wide Youth Forum event.
 - 3.8 Discussions were also held at a meeting of the Older Persons' Advisory Group (OPAG) on the 23rd November 2016.
 - 3.9 Over 900 people were engaged in the budget setting process.

4. BUDGET SIMULATOR RESULTS

Responses received

- 4.1 323 responses were received with submitted budgets. In addition, 5,773 people viewed the simulator, whilst not necessarily completing and submitting a budget (google analytics data).

The Overall Budget

- 4.2 As can be seen below the overall average budget was reduced by the 323 respondents who attempted to balance the budget. The average income increased by £1,251,725 and the average revised expenditure put forward showed a decrease of £824,487.

Original Total Income	£	77,355,000
Original Total Expenditure	£	379,755,000
Average Revised Total Income	£	78,606,725
Average Revised Total Expenditure	£	378,930,513

Table 1: The overall budget

- 4.3 However, the above figures include a level of decrease to some services where the Council does not have the ability to decrease the budget.

Overall Summary of Services

- 4.4 The table overleaf 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.

Education and Skills	
Schools (Total Budget £149,590,000)	-0.04%
School Support Services (Total Budget £12,443,000)	-0.31%
Libraries & Adult Learning (Total Budget £2,293,000)	-0.43%
Apprenticeship Scheme (Total Budget £213,000)	-0.09%
Youth Provision (Total Budget £2,118,000)	-0.36%
Access, Engagement & Inclusion (Total £8,383,000)	-0.58%
Adult Social Care	
Assessment Care Management (Total Budget £7,073,000)	-0.23%
Residential & Nursing (Total Budget £23,775,000)	-0.07%
Supported Accommodation (Total Budget £9,043,000)	-0.23%
Homecare (Total Budget £19,991,000)	-0.15%
Day Care Services (Total Budget £6,287,000)	-0.26%
Equipment and Adaptations (Total Budget £1,895,000)	-0.16%
Care Support & Other Services (Total Budget £5,245,000)	-0.15%
Children's Services and Wellbeing	
Children's Services (Total Budget £18,828,000)	-0.10%
Children Looked After (Total Budget £26,220,000)	-0.11%
Public Health (Total Budget £4,409,000)	-0.24%
Housing (Total Budget £994,000)	-0.32%
Parks (Total Budget £5,102,000)	-0.53%
Frontline Services	
Highways (Total Budget £7,548,000)	-0.12%
Streetcare (Total Budget £3,888,000)	-0.33%
Recycling (Total Budget £8,527,000)	-0.43%
Waste (Black bags) (Total Budget £5,361,000)	-0.63%
Transport (Total Budget £14,038,000)	-0.60%
Customer Care (Total Budget £2,155,000)	-0.81%
Council wide Support Services (Total Budget £26,861,000)	-0.85%
Leisure, Culture and Regeneration	
Tourism & Heritage (Total Budget £362,000)	-0.66%
Cultural Services (Total Budget £919,000)	-0.88%
Planning (Total Budget £474,000)	-0.39%
Regeneration (Total Budget £1,493,000)	-0.34%
Leisure (Total Budget £4,111,000)	-0.52%
Music (Total Budget £116,000)	-0.98%

Table 2: Overall summary of all services

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

Service Item	Original Budget	Average Change %
Music	£116,000	-0.98%
Cultural Services	£919,000	-0.88%
Support Services (Council wide)	£26,861,000	-0.85%
Customer Care	£2,155,000	-0.81%
Tourism & Heritage	£362,000	-0.66%
Waste (Black bags)	£5,361,000	-0.63%
Transport	£14,038,000	-0.60%
Access, Engagement & Inclusion	£8,383,000	-0.58%
Parks	£ 5,102,000	-0.53%
Leisure	£4,111,000	-0.52%

Table 3: Services receiving highest % decrease in average budget

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

Service Item	Original Budget	Average Change %
Assessment Care Management	£7,073,000	-0.23%
Supported Accommodation	£9,043,000	-0.23%
Equipment and Adaptations	£1,895,000	-0.16%
Homecare	£19,991,000	-0.15%
Care Support & Other Services	£5,245,000	-0.15%
Highways	£7,548,000	-0.12%
Children Looked After	£26,220,000	-0.11%
Children's Services	£18,828,000	-0.10%
Apprenticeship Scheme	£213,000	-0.09%
Residential & Nursing Services	£ 23,775,000	-0.07%
Schools	£ 149,590,000	-0.04%

Table 4: Services receiving lowest % decrease in average budget

Analysis by Service Groups

Education and Skills

4.7 The education and skills budget expenditure was reduced on average by -0.11%, the reductions vary from -0.58% for Access Engagement & Inclusion to -0.04% for schools.

Service Item	Average Change %
Education and Skills (Expenditure)	-0.09%
Schools (Total Budget £149,590,000)	-0.04%
School Support Services (Total Budget £12,443,000)	-0.31%
Libraries & Adult Learning (Total Budget £2,293,000)	-0.43%
Apprenticeship Scheme (Total Budget £213,000)	-0.09%
Youth Provision (Total Budget £2,118,000)	-0.36%
Access, Engagement & Inclusion (Total £8,383,000)	-0.58%

Table 5: Average change % for Education and Skills

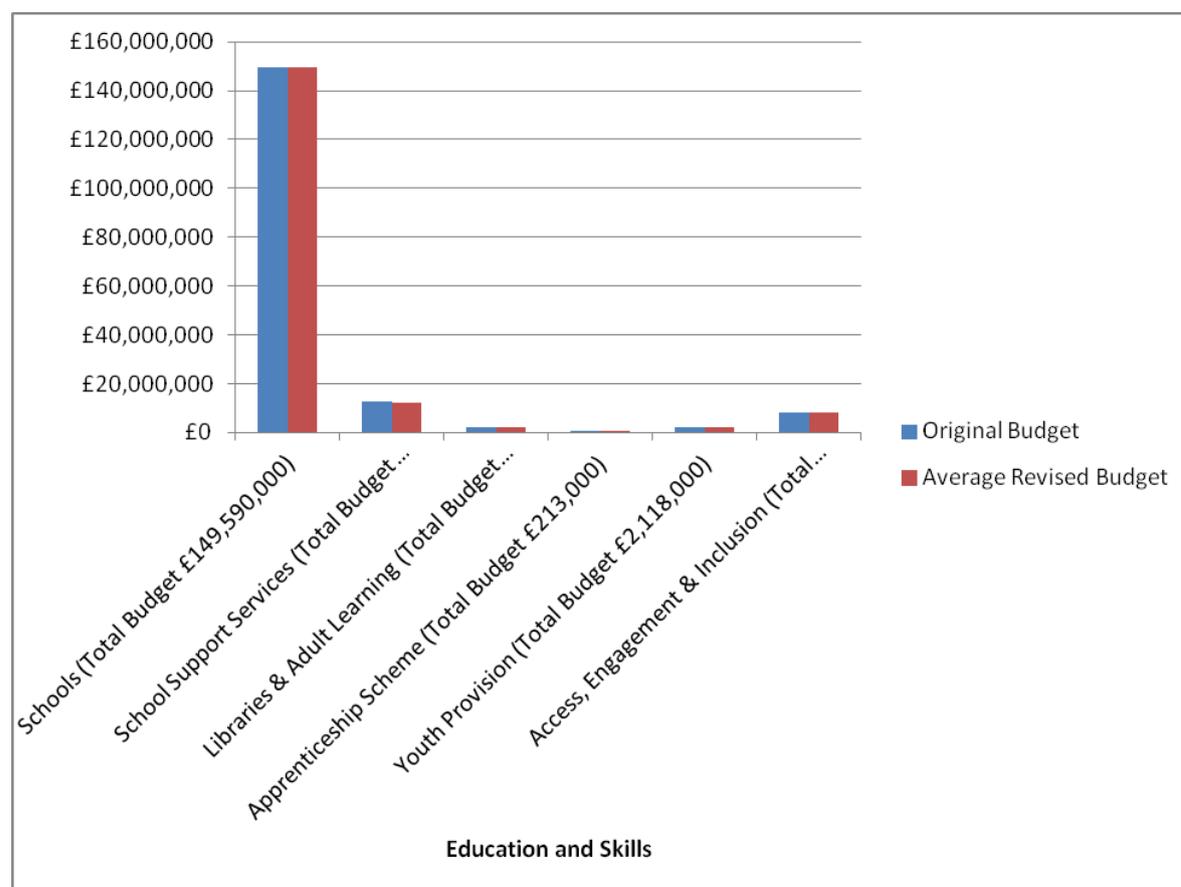


Figure 1 – Education and Skills Budget Change

Education and Skills Comments

- 4.8 The following are a selection of comments made in the budget simulator;

Schools

The amount spent on schools and school support seems astronomical when considering the school closures and reduction of sixth forms that have taken place in the Rhondda Fach.

Given that the schools budget is the biggest I have chosen to cut this as they would have the most room to find savings. We've all heard the phrase "tighten your belts" but what happens when you run out of holes?

You need to shake up junior schools and make them a priority as if you have a good foundation of education and help with problems early on it will be more cost effective and by the time the children are in comprehensive they will be easier to teach and the education system will be more appreciated.

We need the investment. Education makes life better all round

Libraries & Adult Learning

Library services still seem to have a surfeit of "big bosses" - do we need them all?

Libraries are lovely but who even uses them anymore?

Full review of library staffing across RCT needed & automate the whole system. It will save a lot of money. Follow example of Norfolk library services.

Better use of library data to target service to what people need/want.

Meanwhile, libraries should not be receiving a public purse budget and should be self-sufficient, especially in the 21st Century. Any additional funding from the public purse should be considered a bonus to libraries, not a necessity.

A lot of money is wasted on adult education. My local community centre (Darren Las) offers courses to people on benefits to encourage them in to work. I would be interested to see the return on investment in these courses as having grown up with many of the people who attend some do not ever wish to work.

Adult learning should be monitored as people really have had 18 years free schooling

I don't know of any adult learning that would be accessible to myself so what's the point in funding it?

Make RCT a centre of opportunity and excellence for adult learning and encourage parental involvement in Education

Apprenticeships

Apprenticeships are the way forward and also should benefit all people in the future

Are we getting value for money for the services provided? A recent report states apprenticeship schemes in England do not provide apprentices with jobs, etc. Do our schemes?

Apprentice schemes need support to educate young people in a skill.

There is a great need for apprenticeships

Youth Povision

Look to other areas for providing Youth provision such as accessing Communities First funding and engaging more with Voluntary Sector organisations.

Access, Engagement & Inclusion

More joined up working, several services working to achieve same outcomes but not actually working together which is a waste of time and money.

Other

Investing in future generation is vital for RCT to be a successful community in years to come. Concentrate resources on statutory areas only and ensure they are the best they could possibly be.

Savings could be found in this large budget.

Adult Social Care

4.9 The Adult Social Care budget was reduced on average by -0.15%, the reductions vary from -0.26% for Day care Services to -0.07% for Residential & Nursing.

Service Item	Average Change %
Adult Social Care (Expenditure)	-0.15%
Assessment Care Management (Total Budget £7,073,000)	-0.23%
Residential & Nursing (Total Budget £23,775,000)	-0.07%
Supported Accommodation (Total Budget £9,043,000)	-0.23%
Homecare (Total Budget £19,991,000)	-0.15%
Day Care Services (Total Budget £6,287,000)	-0.26%
Equipment and Adaptations (Total Budget £1,895,000)	-0.16%
Care Support & Other Services (Total Budget £5,245,000)	-0.15%

Table 6: Average change % for Adult Social Care

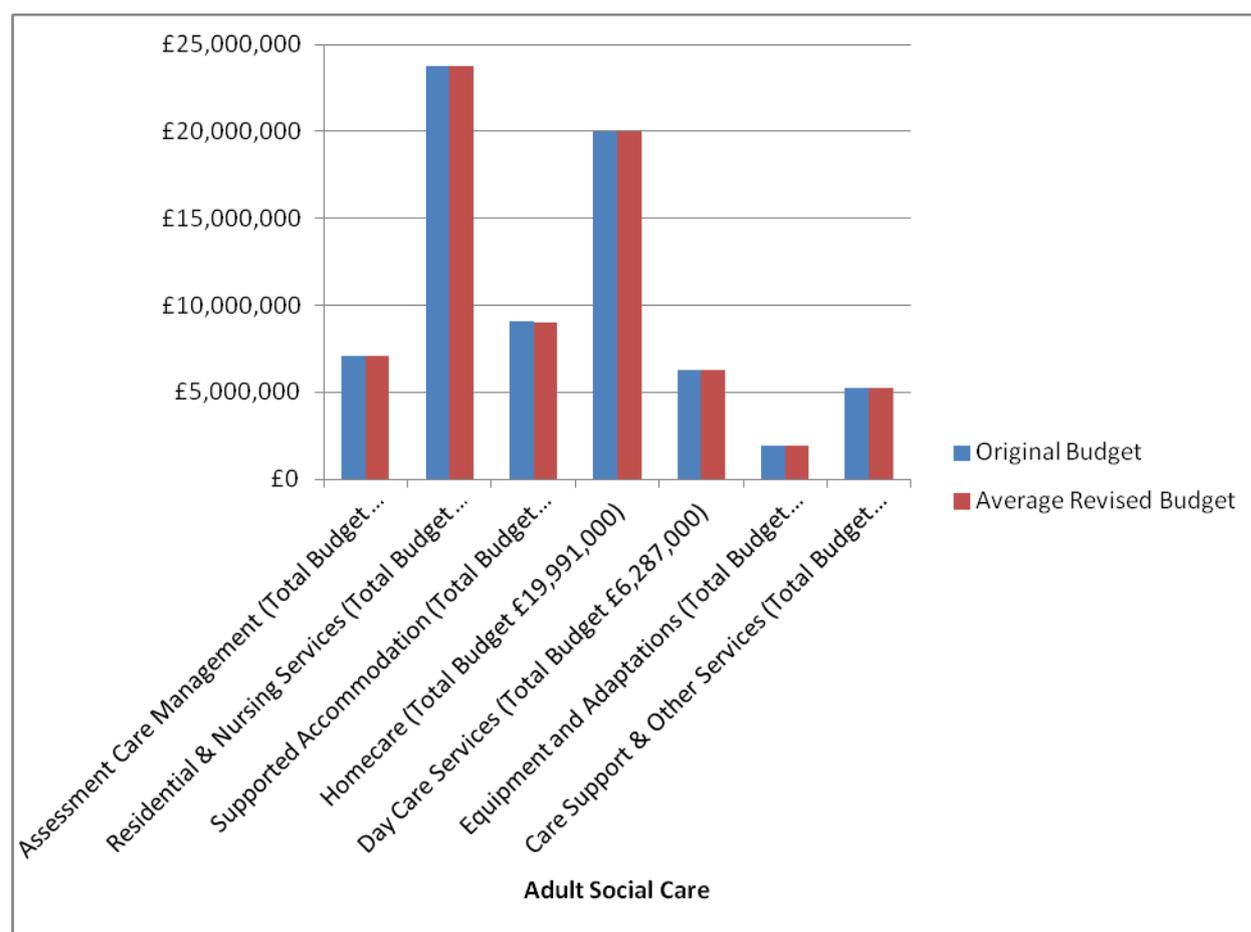


Figure 2 –Adult Social Care Budget Change

Adult and Social Care comments

- 4.10 The following are a selection of comments made in the budget simulator;

Overall

Adult social care cannot have funding reduced. But perhaps we should make health pay more, e.g. medication scheme, health should pay in full for the administration of medication to people in the community, including the time staff spend administering it and traveling to and from clients houses. Administration of medication is a health task not a social care task.

Essential support so keep budget as it is

Not enough is done by the council in this area too many elderly are not getting the care they deserve after paying into the social system all their working life

This is an area which needs to be at least maintained at its current level or it will result in implications for NHS and may lead to bad private facilities getting a foot hold.

Whilst it is regrettable that there would need be a reduction in the support in Adult Social Care, the truth is RCT cannot afford to maintain the services at this level.

We have an aging population with great demand for care services.

Independent Living

Encourage independence

Focus on ensuring people can stay well in their own homes for as long as possible, and don't have to be admitted to residential care.

Homecare

Homecare, some people who are dependent on 24 hour care should be placed in a hospice as a more effective and cheaper alternative.

Little less "rush" on home care visits

Equipment & Adaptations

Equipment and Adaptations should be recharged where people get a benefit to cover care.

Make better use of existing materials and equipment

Day Care Services

Day service provision could be re-thought along Social Firm model ideals Elderly Day Centres - raise the cost of lunch provision for those who can afford it?

Overall, need to find more every year due to increasingly older population, but some day centres hardly seem to be used and could be closed. Also, those who could afford to do so (or everyone) could be asked to pay more to attend the day centres that remain open.

Children's Services and Wellbeing

- 4.11 The Children's Services and Wellbeing budget was reduced on average by 0.16%, the reductions vary from -0.53% for Parks to -0.10% for Children's Services.

Service Item	Average Change %
Children's Services and Wellbeing (Expenditure)	-0.16%
Children's Services (Total Budget £18,828,000)	-0.10%
Children Looked After (Total Budget £26,220,000)	-0.11%
Public Health (Total Budget £4,409,000)	-0.24%
Housing (Total Budget £994,000)	-0.32%
Parks (Total Budget £5,102,000)	-0.53%

Table 7: Average change % for Children's Services and Wellbeing

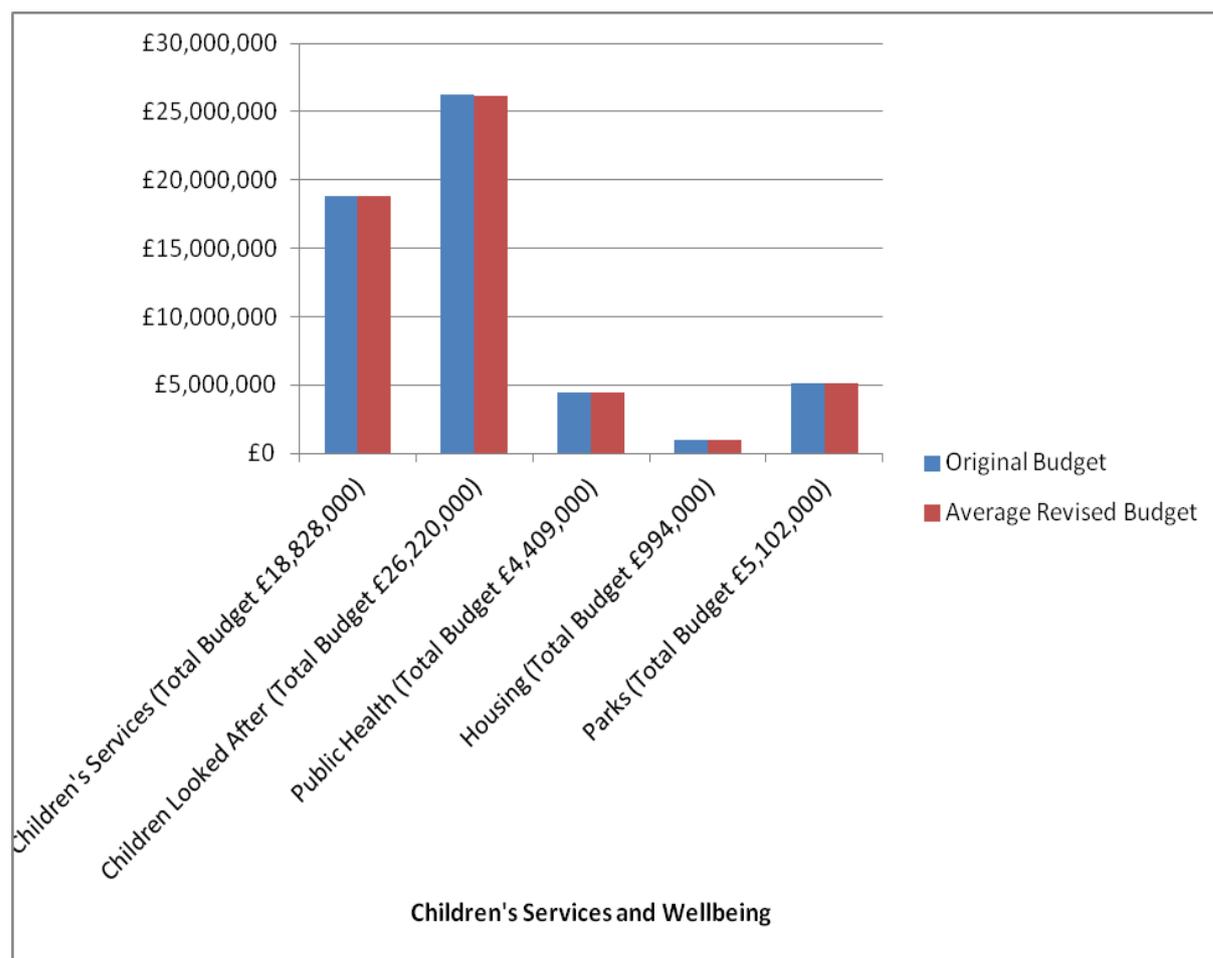


Figure 3 –Children's Services and Wellbeing Budget Change

Children's Services and Wellbeing comments

4.12 The following are a selection of comments made in the budget simulator;

Children's Services

Like Adult services, a reduction in Children's services is regrettable, but required considering the large chunk of the RCT budget it takes.

Children's services are stretched enough as it is staffing wise. Maybe they could look at reducing the amount they give to families under children's services - ie - they shouldn't need to pay for household items (washing machine, fridge freezer, etc) when the family already has a 50" TV with sky and a contract mobile telephone!

Looked After Children

More focus on prevention and early intervention, to reduce the number of children taken into care,

Open more council run children's homes (possibly rent homes) and reduce spending to private companies who provided care at increased cost

Housing

Closer working with the Housing Associations to provide the support. Better use of systems and data to support with this.

Good housing improves children's lives

Parks

Couldn't communities be empowered for maintaining local parks?

Kids have got parks that are falling apart

Likewise, Parks are a large price that we cannot afford. Things like sports fields should be privately funded, not publically funded and considered a luxury rather than an element for the public purse

Make better use of volunteers to clean up parks and roads

Frontline Services

- 4.13 The Frontline Services budget was reduced on average by -0.62%, the reductions vary from -0.85% for support services to -0.12% for Highways.

Service Item	Average Change %
Frontline Services (Expenditure)	0.62%
Highways (Total Budget £7,548,000)	-0.12%
Streetcare (Total Budget £3,888,000)	-0.33%
Recycling (Total Budget £8,527,000)	-0.43%
Waste (Black bags) (Total Budget £5,361,000)	-0.63%
Transport (Total Budget £14,038,000)	-0.60%
Customer Care (Total Budget £2,155,000)	-0.81%
Support Services (Total Budget £26,861,000)	-0.85%

Table 8: Average change % for Frontline Services

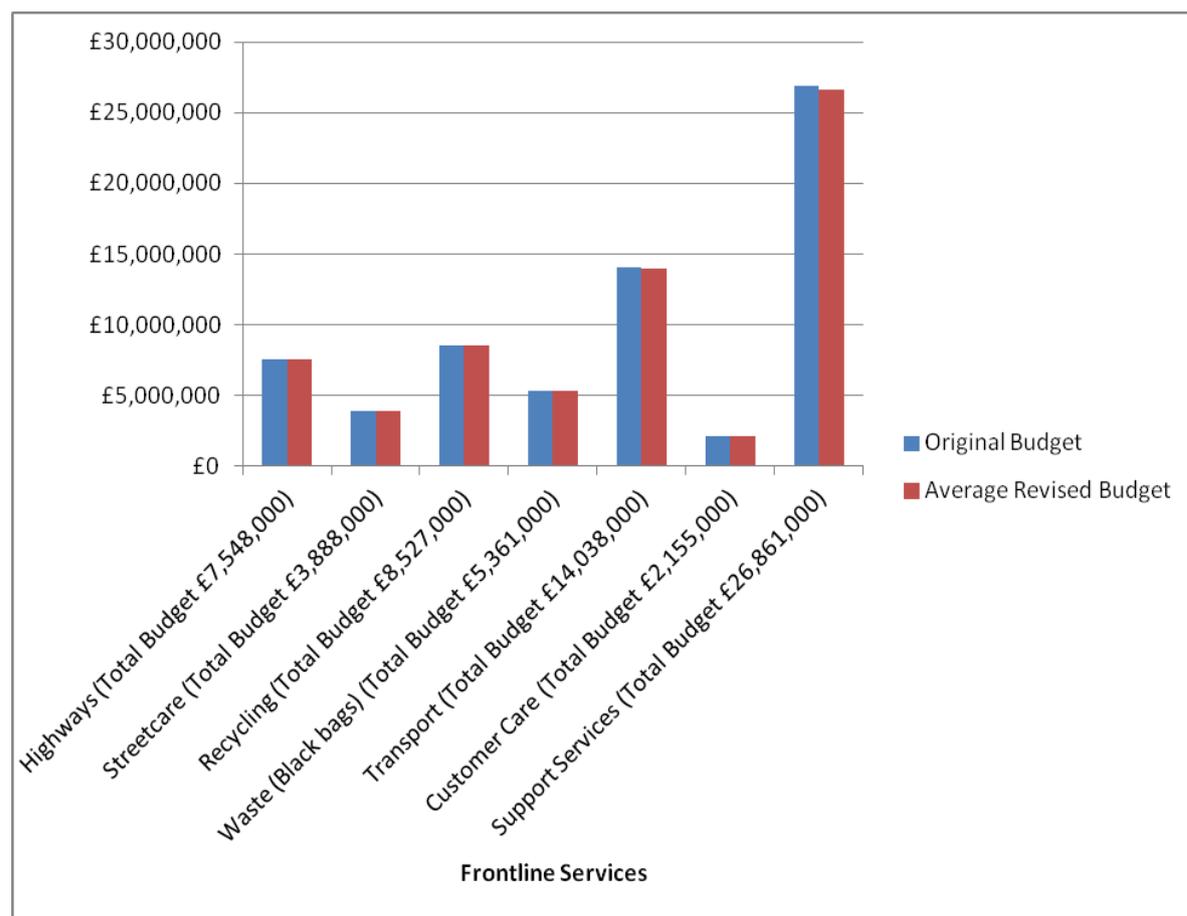


Figure 4 - Frontline Services Budget Change

Frontline Services comments

4.14 The following are a selection of comments made in the budget simulator;

Highways

Repair the defects properly the first time. Ensure works are carried out to the proper standard and that they do not require constant work due to shoddy initial work

Streetcare

Rubbish in the streets blights RCT. It's disgusting. Increase fines to minimum £1000 for anyone caught throwing/leaving rubbish.

The drive to change to LED streetlights should be sped up considerably. This may present a cost but will save money in the long run as they use less energy and require less maintenance

Recycling

Don't spend money on raising awareness to recycle- fine those that don't!

Recycling scheme and bags left with stickers does not work effectively where there are shared collection points

Recycling waste could easily be reduced to fortnightly along with black bag waste as I'd prefer the collections reversed if anything black bags weekly

More education is required. People should be recycling more.

Waste

black bags are not expensive. get better use of transport ,too many vans running around empty better management

Transport

Spending over £14 million pound on community transport is a massive amount. Could the users be asked to contribute to the cost if they don't do this already?

Improve transport links. incentivise a better service. Promote car sharing schemes. Transport is key to prosperity

Customer Care

Rationalisation of council services including better access to online services.

Supporting more residents to access services online, and through other settings like libraries

Leisure Culture and Regeneration

4.15 The Leisure, Culture and Regeneration budget was reduced on average by -0.54%, the reductions vary from -0.98% for Music to -0.34% for Regeneration.

Service Item	Average Change %
Leisure, Culture and Regeneration (Expenditure)	0.54
Tourism & Heritage (Total Budget £409,000)	-0.66%
Cultural Services (Total Budget £929,000)	-0.88%
Planning (Total Budget £514,000)	-0.39%
Regeneration (Total Budget £1,504,000)	-0.34%
Leisure (Total Budget £4,592,000)	-0.52%
Music (Total Budget £261,000)	-0.98%

Table 9: Average change % for Leisure, Culture and Regeneration

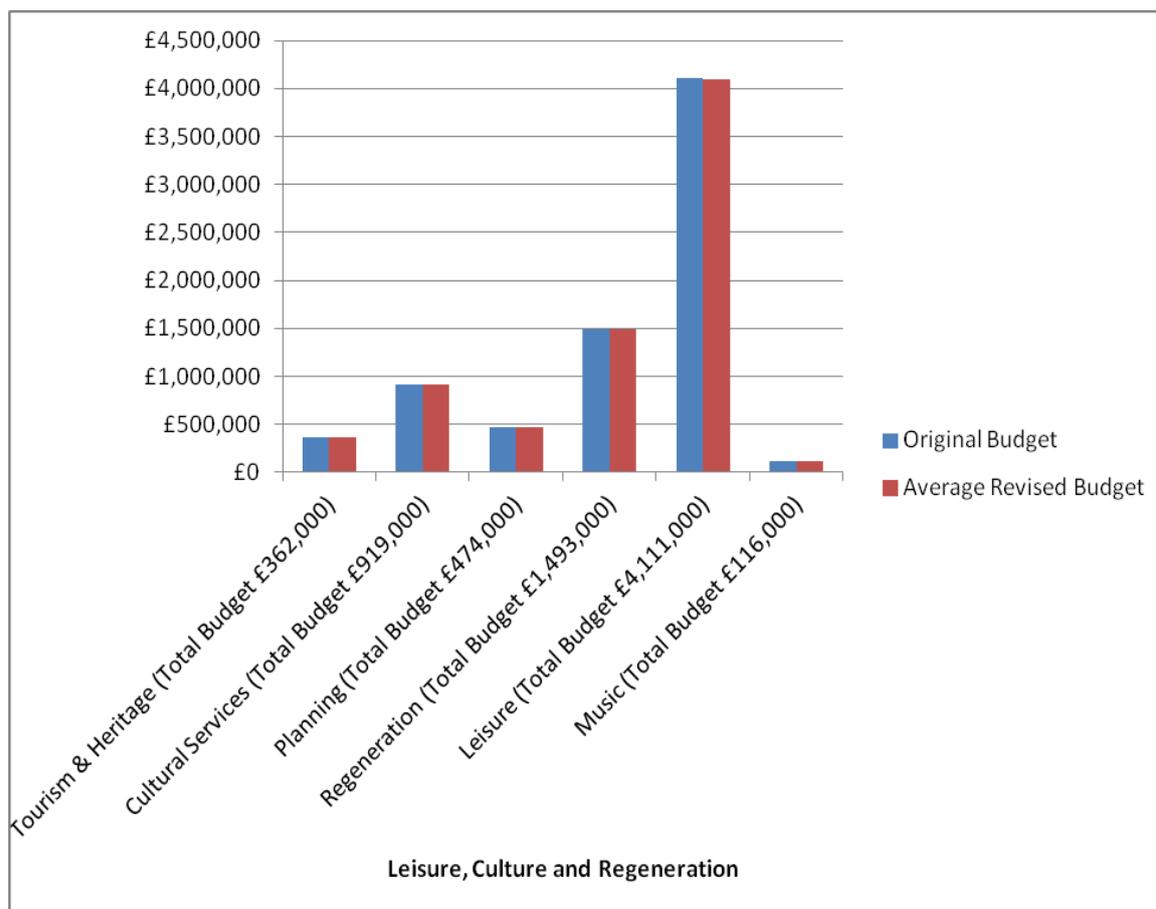


Figure 5: Leisure, Culture and Regeneration Budget Change

- 4.16 The following are a selection of comments made in the budget simulator;

Leisure Culture and Regeneration comments

Overall

More important things on other pages

Enough cuts have already been made here

People must pay more themselves.

Tourism, Cultural Services, Leisure... these should be luxury's not necessities. Leisure should be privately funded enterprises, not public purse endeavours.

Tourism

Tourism, properly promoted, can bring in revenue which can help regeneration

A slight increase to access cultural and tourism would not directly impact the people and at this time of austerity we need to cut our cloth to fit.

Cultural Services

the community facilities such as community centres are vital to communities who need support etc.

Although it doesn't appear specifically in this survey a huge amount of money is spent on Welsh translations when a very small percentage of the borough actually see Welsh as their first language. I am a very passionate Welsh person but in times of austerity this seems like a huge investment for something used by a small fraction of the population.

As with the Muni cultural services could in time become community run services

Regeneration

Greater scrutiny on regeneration plans and only approve those with greatest benefit.

Leisure

Leisure centres could improve their own income by charging rct staff the same prices as the public. Or by reducing the price to all and advertising this you'll get a full centre instead

I also don't agree that being on benefits should automatically entitle you to free or reduced leisure services. There are a number of working families who earn broadly the same or less.

We need to increase leisure activities that have positive health benefits e.g leisure centres. A slight increase to access cultural and tourism would not directly impact the people and at this time of austerity we need to cut our cloth to fit.

Music

Music services need to be encouraged as not all children are academic or sporty.

Music tuition fees should be classed the same as dinner money - free to those who are disadvantaged, but not to those who can afford to pay. Schools could contribute towards the fees where they feel there is need.

I made an exception for Music because Music is art and costs very little on the public purse. Good music makes for cheery citizens during these dire times. However, reality is that this is a luxury too and could also be cut if required.

Transitional Funding

- 4.17 Respondents who completed the budget simulator felt that the budget gap, at least in part could use some of the transitional funding available. Respondents had the option of using 0%, 50% or 100% of the transitional funding of £2.8M available. The average percentage was 20.19% which results in using transitional funding totalling £0.565M.

Comments on Transitional Funding

- 4.18 The following are a selection of comments;

We should use more of the transitional funding;

Give us a break so Council can evaluate recent changes. Sort stress and low morale among staff.

here you go, no one lost any jobs or services, spend some reserve cash.

Utilise this during 2018/19

We should maintain the current level of transitional funding;

Ridiculous idea will just increase future problem

This is not required if the rest of my plan is followed, meaning we are not giving ourselves future debt.

Council Tax

- 4.19 A 2.5% 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 £2.8m. Taking this into account the average % change increase in Council tax was reported to be 3.42%.

Table 10: Average change % for Council Tax

Service Item	Average Change %
Council Tax (Income)	0.92%

- 4.20 The following are a selection of comments that were suggested alongside the Council tax submitted changes in the budget simulator.

Those in favour of an increase;

I understand that the council needs to balance the budget and therefore a rise is necessary.....

A rise of just 99p for £1.9m seems to make sense and be good value for everyone to help keep services going.

Happy for an increase in Council Tax to save services

I believe that an inflation rise in Council Tax is more than fair. Over inflation rises can also be considered to protect services but this should be a last resort to protect services.

I would put it up by more to save public services, I would happily pay more.

As long as there is an associated improvement or maintaining of service standards;

residents will not object to paying a little more provided services are at an appropriate level

Think up to 4% is ok if you make no cuts

I think we should all pay a little extra through our council tax to keep the same level of services.

If there was slight increase in council tax that would go to social care then I would be happy with that

There was a feeling from some people that an increase was expected each year,

A small rise is generally anticipated anyway

It always goes up - it's expected.

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

Council tax is high enough in RCT

Council tax payments are a killer every month and are extremely high as it is

I have never agreed with council tax it's not fair

Families are facing the same budget pressures that the council are, any increase will see an impact on poverty levels within the area.

It may only be a small amount but with stagnant wages, a little increase can be the final straw

Overall Comments

- 4.21 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;

Reducing the costs of Managers and Councillors

Cut down the middle management in all departments.

Reduce overall management costs

The best way to save money is to cut out middle management!!! Don't have managers looking after managers!!!

Do we need the amount of Senior Managers that are in post.

Efficiency Savings

Cut out duplication, consider reducing council members expenses, reduce cost of paper by changing photocopying paper to a less expensive one.

Increasing Revenue

There is great potential for the local authority to generate income, events, shows etc...

Can we organise events in the parks... concerts, open air theatres? Festivals, we have great venues, which are not properly used..

Suggested Budget priorities

Look after vulnerable children, adults and the elderly. Increase council tax if necessary - most people could afford a few pounds extra a year to help those in need

If nothing else the Council needs a bit of breathing space to evaluate changes to services that have already been made. Invest in services that will encourage resilience and support the most vulnerable. Invest in things that will help bring desperately needed prosperity to the area

Partnership Working

Sharing services with other local authorities could result in large scale savings in manpower and IT. The political will needs to be there though

Other

During 6 weeks holiday student can do work experience with the council working towards full time. All students can use leisure facilities for free

Move the margin for the protected spending on schools to allow a reduction. Other areas are equally important. Most of which could have a small reduction other than larges cuts in specific areas.

Charge for entry into the Lido when it re-opens to make revenue, people WILL pay! You can then use it as a prize to give away free entry when people take part in meetings / focus groups and questionnaires!

Best price services should be procured from locally sourced goods and services to reduce costs and budget wastage.

The budget simulator is really good. I think a focus on increasing tourism in the area will keep and attract spend in RCT for the benefit of all

5. Questionnaire Results

- 5.1 Once respondents had completed the budget simulator, they were given the opportunity to answer a number of questions about the budget and council priorities,

Council Tax

- 5.2 Respondents were asked what their preferred level of Council Tax increase for next year would be. The results show that 31.5% of respondents answering this question said that their preferred increase would be 3%.

Preferred level of Council Tax increase	Count	%
0%	47	26.0
1%	35	19.3
3%	57	31.5
5%	37	20.4
Over 5%	5	2.8
Base	181	100

Table 11 – Preferred level of Council Tax increase (Questionnaire)

- 5.3 Respondents felt that the Council should maintain as many services at the current level as possible, even if it means a reasonable increase in Council Tax. A selection of comments can be found below.

Agree

a few pence per household a week increase is a small price to pay for maintaining services

But everyone should pay it!!!

Don't mind increase if services not cut

I think we should all pay a little extra through our council tax to keep the same level of services.

reasonable I consider to be 2% and under.

Those in higher tax bands for council tax could afford more than a 5% increase in council tax

Willing to pay slightly more Council Tax to protect services

Obviously a balance has to be struck, but from my point of view if departments have already made efficiency savings and cannot cut anymore without impacting frontline services then Council Tax going up is an acceptable decision, ideally by less than inflation.

Disagree

Of those who disagreed with a council tax rise, the following are a selection of comments;

Council tax is high enough as it is.

Council tax is higher in this area compared to other areas in Wales already

Families are facing the same budget pressures that the council are, any increase will see an impact on poverty levels within the area.

We pay far too much council tax as it is. Take the money from benefits

Why should the council increase council tax every year and reduce services wages do not increase by the level council tax does

You cannot continue to expect hard working people to pay ever increasing amounts well above the rate of inflation every year, because too many inhabitants don't contribute sufficiently. If the budget cannot stretch, then cuts have to be made.

Other comments under Council Tax question

Cut inefficiency rather than services

The Council should consider more innovative ways of delivering services

People in RCT are having less disposable income and the in work poverty is increasing. Increasing council tax will affect those who are working at minimum wage levels and will result in increased poverty and a possibility of individuals reverting back to the benefit system

No increase over 4%

No increase over 5%

The Council's Priorities

5.4 The Corporate Plan (2016 – 2020) sets out what the Council's vision means for people across 3 **Priorities**. These priorities have been decided based on information that residents have already told us about their needs. People were asked if they thought these priorities were the right ones. (**Base=178**)

Are these still the right priorities?			
	Yes	No	Don't know
<ul style="list-style-type: none"> • Economy - Building a strong economy • People - Promoting independence and positive lives for everyone • Place - Creating neighbourhoods where people are proud to live and work 	73.6% (n=131)	15.2% (n=27)	11.2% (n=20)

Table 12 – Council Priorities

5.5 As you can see the majority of respondents thought the priorities were still the right ones (73.6%)

The following are a selection of comments received on the Council's Corporate Plan Priorities;

Economy

Bringing jobs to the area should be the number one priority so that less people are reliant on frontline services. The impact of frontline services should be measured (if not already done so) e.g. if there has been a campaign (and funding) to encourage people to recycle/walk to work/exercise more has this had a measurable impact? If not, is it a waste of money?

Cannot build a strong economy when the area is struggling as badly as it is.

Should be more along to lines of promoting the re-growth of the economy.

Councils should be focusing on income generation opportunities, but realistically have little impact on building a strong economy in isolation to WAG policies and Government funding. Economically it is still beneficial for too many people to be out of work than working in low paid jobs, and R.C.T will not change this, so funds allocated are wasted in this respect.

Economy, infrastructure, education and local health services are key

More jobs are needed. More should be done to encourage corporations and the civil service to open large offices/business in RCT rather than in Cardiff.

Cardiff suffers from traffic congestion, and there is a higher turnover of employees. RCT has a workforce which is loyal - staff turnover is less, and high quality output is guaranteed.

Prioritise getting adults into work. Less priority on children

Show us how you're going to create the economy.

Yes, strongly believe to have a strong economy, well being for people and a vibrant place for RCT we need to prioritise housing, the current empty homes grants has been long awaited and is a fantastic resource to improve the current dilapidated empty housing stock of RCT.

People

In the order of people; place then economy.

Promotion of positive lives should be something for each individual to address for themselves, and if they made a bit more effort, the council could divert these resources to other areas.

Providing essential services to all our vulnerable and disabled children and adults, including mental health.

Cardiff suffers from traffic congestion, and there is a higher turnover of employees. RCT has a workforce which is loyal - staff turnover is less, and high quality output is guaranteed.

It should be the people who live in an area to make it better for themselves. Small steps like stop dropping litter and rubbish. Ensure neighbours are safe and not ignored like they did when I was younger. These are just 2 small steps that would make a big difference to any community but it comes from the people to do something. The council could help by placing reminders on the council tax bills what community really means.

There is a significant increase in the amount of people around Pontypridd Town who are either clearly on drugs or drunk, people are living in shop door ways.

preventing those being dependent on services where possible

Providing essential services to all our vulnerable and disabled children and adults, including mental health.

Social care and health should be a priority.

People felt that young people and education were important to include in the People priority;

Childcare, education , children's services & health

More safe play areas for young children, youth services for the older children. Reduce anti social behaviour due to boredom. Invest in areas other than the Cynon valley.

Youth As they are the next generation

Education and leisure should be priorities. Education as the children are the future. Leisure as there are far too many overweight people which impacts on their ability by reducing obesity the health service wouldn't be so stretched and the impact on social care would decrease

Improving education, employment and improving technology such as improve phone and Internet signal.

Opportunities and education for young people. More support for people facing mental health crisis, especially with schools.

Priorities should be education. Regeneration of Pontypridd centre would also bring an increase to revenues

Schools should be a priority

Place

Infrastructure, make it more appealing for business.

I feel that Community facilities are vital in helping to promote the Councils key priority of "place"

Place surely is not just a council matter.

Place surely is not just a council matter. It should be the people who live in an area to make it better for themselves. Small steps like stop dropping litter and rubbish. Ensure neighbours are safe and not ignored like they did when I was younger. These are just 2 small steps that would make a big difference to any community but it comes from the people to do something. The council could help by placing reminders on the council tax bills what community really means.

Build a learning community for better understanding of each other, better relationship, better democracy, new skills and a stronger economy. Overhaul transport and develop a new cross valley strategy

I feel that Community facilities are vital in helping to promote the Councils key priority of "place"

I think the third priority above should include a place where people are safe to live, work and socialise.

Council Investment Opportunities

- 5.6 Respondents were asked if they thought that the Council's investment in the following areas should be continued.

Education - School Facilities
Housing grants – Grants to tackle empty homes
Employment – Apprenticeships
Highways – road improvements
Flood Alleviation Schemes
Regeneration of towns and villages
Leisure Centres
Play areas
Highways infrastructure (bridges/roads)
Waste Facilities
Energy efficiency (including street lights)
Improving Information Technology (IT)
Outdoor sports facilities (3G pitches)

Continue investment?	Count	%
Yes	128	71.9
No	36	20.2
Don't know	14	7.9
Total respondents	178	100

- 5.7 71.9% of respondents agreed with continued investment in these areas.
- 5.8 Respondents were also asked if they had seen improvements in any of the areas above as a result of the investment, the following are a selection of the comments received;

Leisure centres & 3G Sports Pitches

Improvement in leisure facilities

I have seen improvements in leisure facilities and feel more thought should be given to how these can become community hubs and replace provision such as elderly day care. As well as already being a very important community and social resource the leisure centres could be used to encouraging health and fitness in the aging population.

Leisure centres. Energy efficiency. Play areas. Sports facilities.

Llantrisant Leisure Centre is greatly improved and projects like the Church Village bypass have helped the area.

No improvements noticed for most areas apart from leisure centres and street lighting hopefully with further investment more improvements will be seen.

yes , leisure centres are a better place to visit

leisure and sporting facilities

Yes - Leisure & 3G Pitches used.

3G pitches

Rhondda Sports Centre Gym

3G pitch at Ton Pentre

Schools

Creation of the various 3 to 16 (18) schools planned in the Rhondda

new schools

Super school being built in Tonyrefail

Apprenticeships

Apprenticeship scheme has proved successful for many young people and needs extending.

Apprenticeships are providing training opportunities for young people

The Council should at trade skills for young people we do not have any tradesmen other than mechanical employed by RCT

Highways / infrastructure

Highways (very little)

Highways are a lot better than they used to be - particularly the Upper Boat A470 roundabout. It would be nice to find a way to reduce congestion in Hopkinstown at rush hour, but I appreciate it's a difficult problem to solve.

More road works so assuming more repairs to highways, some flood alleviation work has been carried out near me, yet to see if it helps.

Highways infrastructure improvements such as the new bridge in place at Hopkinstown.

Highways improvement - but limited consideration for cyclists

and roads are much better

Yes roads much better than other councils

Overall

There is an obvious investment in RCT services etc which is nice to see given all the cuts over recent years.

I am very pleased to see I have witnessed improvements in all the above.

improvements in all areas

Negative

No / None (n=15)

No improvements

5.9 Other areas that were suggested for further investment and not included in the current investment, included;

- Adult Social Care including care homes
- Adult training and education
- Careers advice for teenagers and under 25s
- Public conveniences
- Street cleansing, more bins and recycling areas in streets etc
- Youth service and facilities
- School counseling
- Access & traffic management (including access for cyclists)
- Projects generating income

- Attracting private industry to towns
- Mountain roads & Pavements
- Wellbeing strategy
- Transport
- Parking enforcement and policing
- Lighting
- Support of theatres

Service Efficiency

5.10 Efficiency savings do not affect the standard or level of a front line service, rather they aim to get more from the same resources or achieve the same results with fewer resources. The Council is targeting making £6m of efficiency savings in 2017/18. This will be achieved by reducing spend in back office functions that will not impact upon frontline services. Respondents were asked if they agreed with this approach.

Save through reduced spend in back office?	Count	%
Yes	137	78.7
No	14	8.0
Don't know	23	13.2
Total respondents	174	100

78.7% of respondents agreed with the approach.

5.11 Other suggestions for efficiencies included;

Ask staff / voluntary redundancies

already submitted to management

As I do not work for the Council I can't really comment on this, but staff should be asked the same question if they have not already as they have the experience and knowledge to find them.

Voluntary Redundancy, Restructures

More efficient working / cut back office costs

Cut paperwork and do more online

Cut back office costs

Make better use of technology/information systems/online services. Look at the overlap in services being provided, review procedures and processes to make them more efficient - Make sure that managers encourage change and that they make sure staff are not threatened by it, that it is a good thing and not to be afraid.

Look to the long term and plan change with care

Many Front Line services can be scrapped from the public purse and returned (or handed over to) private enterprises. Things like Leisure Centres and Libraries and sports fields should not be subsidised by the public purse.

Only send information in the person's language of choice - don't send everything in English once and then in Welsh! I'm happy to only have my correspondence in Welsh.

Some back office functions are necessary to support front line staff.

Spend less on medication bags for life and mindfulness courses etc

Update the efficiency of what we have. In analysing the data and putting money to where there is a tangible effect

Reduction in managers / expenses / salaries

Number of Councillors should be halved in number immediately

restructure management to make savings

By reducing councillors pay and expenses. Also service directors and next level managers have wage cuts and stop essential user mileage allowance

Merge directors roles with Merthyr, Caerphilly etc.

Reduce all senior roles salaries, no-one should earn more than £50k a year working for the council

cut your wages

Staff need to be cut. There are far too many people being paid to do very little, for example over staffing in libraries.

the style of Rhondda should be reflected in council officer payscales, all officers should live in RCT and be paid a non elite wage, if there are 80 people on over 100,000 a year then the council will be mistrusted and people will not engage in these consultations for a start

Privatisation of services and outsourcing

Outsource less, less use of agency staff/resources.

Outsource ICT; Reduce printing costs; Councillors to not claim expenses for attending committees or council meetings; Sell unused buildings or land; Senior management to take a 1.5% cut in pay; introduce parking charges for staff at Council Buildings.

Better contracts with suppliers

Reducing spend to private companies in areas of care and education.

Stop outsourcing to expensive companies keep as much as possible in house.

Income generating

Lean approach to services, seeking to only do the activities with substantial benefits, and not do those with marginal benefits or harm.

Explore options for income generation - small scale green energy generation schemes.

Agile working

more home working when appropriate so less office space required - this will require team managers to accept this and allow staff to work remotely - tighter control on wastage of electricity such as pc's and monitors being left on when not being used

Need to look at rolling out agile working, which would free up some desk space, also means that staff can complete work on computer without all the necessary interruptions.

Other

Cuts are in front line services are inevitable, and having worked as an NHS manager throughout the 1990s where we just put plasters over gaping wounds to try and keep services going, in hindsight it would have caused less damage to fewer people if we had let the service fail, make government recognise that this is politically unacceptable, and rebuild with adequate resources. We achieved nothing apart from keeping a lid on an ever increasing explosion.

Reduction in buildings wastage

Reduction in parks we live in an area where it is green and plenty of outdoors to walk and keep fit..

The Schools Budget

- 5.12 The schools budget is proposed to increase by +1.5%. This is compared to an overall increase in funding the Council has received from Welsh Government of +0.2%. Respondents were asked if they thought that this increase was reasonable for schools. 66% said they agreed.

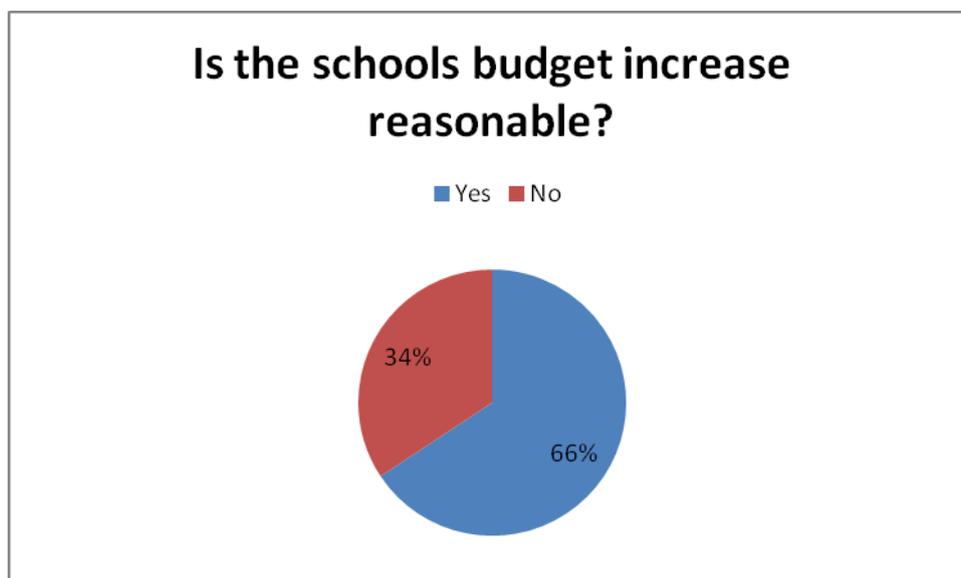


Figure 6 – The School Budget

Fees and Charges

- 5.13 Fees and Charges provide income which can help the Council to continue to provide important services. Each year the level of these charges are reviewed. Fees and charges for 2017/18 are likely to be increased by RPI plus 3%, but if there is an opportunity to freeze charges in some areas we wanted to know which areas residents would prioritise. Respondents were given the option to state up to a maximum of 5 services that they would protect from an increase in charge.

Service to Protect from increase in charge	No.
School meals	38
Meals on Wheels	36
Sport Centres / Leisure / sports fee charges	28
All / Everything	13
Day centres / adult care / social services / elderly care	6
Car parking	5
Waste / large household items / Bulky Goods Collection	5
Council Tax	2
Transport (including HTST)	2

Other	11
-------	----

Table 13 – Fees and Charges

5.14 The most noted services were School Meals, Meals on Wheels and Sport and Leisure charges. **'Other' included:**

Anything that encourages exercise and education should be protected.

Support the 4 listed above

Remove free school meals and parents should pay for packed lunches out of benefits received

Housing

Schools

Streetcare / highways

Library fees

Recycling / Waste

Some comments included;

If school meals increased I would be paying over £100 a month. Quality is no great so my kids would have packed lunch if price increased

Leisure Centre Membership - promotes and increase health and wellbeing for residents making it more affordable.

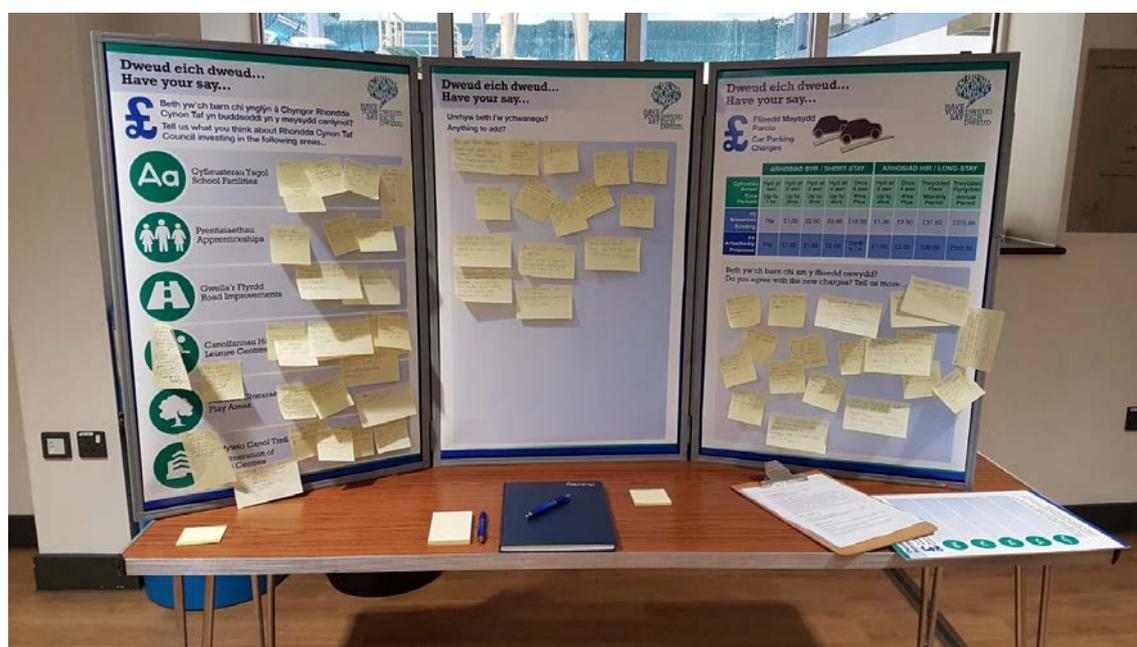
Playing fees - helping sports clubs retain more funds to support own development.

Meals on Wheels should definitely be a priority for protection. Providing free school meals are still provided for low-income families I don't mind if school meal costs go up slightly.

School Meals - if it is continually increased parents won't pay, which will then mean less jobs for this sector.

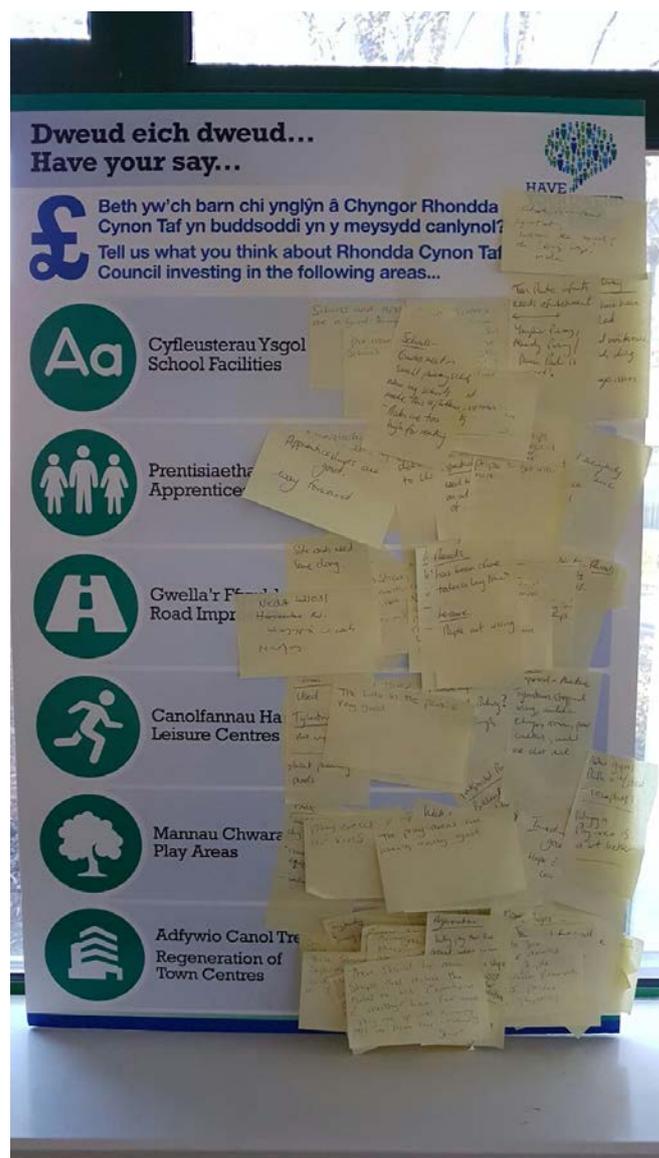
6. ENGAGEMENT EVENTS

- 6.1 This section outlines the results of the consultation discussions held in the town centres, leisure centres and day centres along with feedback received from the OPAG meeting.
- 6.2 A large number of engagement events were held right across Rhondda Cynon Taf, the details of which are found in the methodology.
- 6.3 The Roadshow events and the meetings that were held are part of the Council's ongoing approach to face to face resident engagement, following the success of our engagement in the summer.
- 6.4 The events used a number of boards to aid discussion and a number of discussion prompts were available to the facilitators.



Note: The results of the car parking charges discussions are found in the Car Parking Charges Consultation Report

Results – Council Investments



6.5 Respondents were told about the investments that the Council had made in 2016/17 as part of the RCTInvest programme. They were then asked the following questions on each;

1. What do people think about the Council investing in these areas?
2. Have people seen a difference as a result?
3. Should we continue to invest in these areas?

Education - School Facilities

- 6.6 A selection of comments received at the engagement events are shown below;

Positive

“got to invest in the future, very important... continue to invest”

“should be investment for grandchildren to have good education”

“money well spent it’s the future”

“Education – obvious spend in this, you can see this”

Negative

“Schools should be open more for the community to use and if they are open for the community more people need to be aware of this” (OPAG)

“Don't approve of 21st Century schools - too large and quite intimidating for younger children”

There were individual suggestions that some schools were in need of refurbishment and or specific issues were raised and these will be reported back to service managers separately.

Employment and training opportunities

Positive

- 6.7 There was widespread support for further investment in apprenticeships and the graduate schemes.

“very important... not everyone wants to go to University”

“apprenticeships are really good, beneficial for people to get into work”

“apprenticeships are a good idea – practical”

Porth Day Centre service users - broadly supportive of further investment in the Council’s apprenticeship and graduate schemes. There was recognition that there needed to be more jobs available for school and university leavers as there was a lack of quality placements available. However, it was emphasised that the placements created needed to be of a high quality that would lead to meaningful employment and career progression...

Tonypandy Day Centre service users - All service users believed that the apprenticeship/graduate scheme was a great investment and one that should be expanded.

Maerdy day centre service users - Most service users believed the apprenticeship scheme was a good investment and that it should continue and expand as well as the graduate scheme...

Negative

- 6.8 There was very little opposition to the Council's investment in Apprenticeship Schemes and graduate officers, as long as the Council was prepared to keep the staff on at the end of the schemes.

Highways - Road improvements/schemes and infrastructure (bridges)/flood alleviation

- 6.9 There were mixed opinions on the investment the Council had made in roads and infrastructure;

Positive

"flood alleviation schemes are working, no problems in recent rain"

Positive feedback that the bridge in Ystrad is to be repaired

"big improvements in Maerdy, not as bad as it was"

"seen in Cwmdare, has made a difference"

"the roads aren't too bad, the Council should continue to invest when needed"

Tonypandy Day Centre - Service users who had first hand experience of the investment in highways, such as Rhigos, said that the work completed was to a very good standard. However, there was a general consensus amongst the group that the highways of RCT are full of potholes.

Negative

"side roads need doing"

"not enough money spent on roads"

"Too much money invested in roads, much higher priorities should be addressed"

“Ongoing problem, the Council haven't got enough money off the WG / UK Govt”

- 6.10 Some of the negativity that related to the issue of pot holes was a perception that there were a lot of them and that they were not being filled in properly. Again, there were a number of individual reports of poor road conditions/issue and these will be reported back to service managers.
- 6.11 A number of participants stated that they didn't notice investment in roads, people said they just drove along and unless the roads were in a poor condition you wouldn't notice.

Leisure Centres/3G pitches

Positive

- 6.12 A large number of positive responses were made by those respondents who use leisure services;

“I go to Porth leisure centre, it is good for kids...”

“seen improvements in 3G artificial pitches”

“Grandson uses the Gym, good for youngsters” (Tonyrefail day centre service users)”

“Happy with leisure facilities in Aberdare Uni gym is cheaper but I prefer the facilities here.”

“Totally agreement, hoping it doesn't go private!”

Tonypandy Day Centre service users - agreed that leisure facilities and parks were to a good standard. Free swimming for the elderly was something that was enjoyed by some service users and something that they appreciated, and the investments in pools and leisure centres were very good.

Negative

“3G pitches are they really expensive? Would depend on this”

“cost is an issue with limited income”

“Need better access to more diverse leisure activities, trials e.g. Roller skate skiing - something different”

“Expensive swimming lessons”

“Issues with transport to get to the centres after 5.30pm, due to a lack of bus services in the evening (OPAG).”

Play Areas

- 6.13 Participants who had young children/grandchildren had mainly seen improvements in play areas and those that hadn't stated that they would like investment to continue in this area, so that other parks could be improved year.

Positive

“play areas are really good”

“Good idea for children..... they need it..... spent well in park near me, Llanharan park” (Tonyrefail day centre service user)

“use play areas, good investment”

“Play parks need more investment as its important for children to play outside”

Negative

“there's a need to invest in play areas”

Maerdy day centre service users - Regarding parks, play areas and youth facilities there was a feeling amongst service users that there was not enough investment and that more needed to be done.

Regeneration of Town Centres

- 6.14 When discussing the investment in streetscape in the town centres, the majority of people felt that this was a good idea and had made a difference.

Positive

“looks nice.. the paving”

“looks better, few benches good”

“They have regenerate the Library area nicely” (St Mairs Day Centre service user)

“Toilets are being upgraded, refurbished.”

“should put more money into paving and seating in town centres, in agreement about putting money into regeneration” (Teifi House service user)

6.15 Although there were some issues identified with the paving;

“paving stone issues in Pontypridd, issues with Kerbs” (OPAG)

Negative

6.16 When discussing town centre regeneration more generally, comments were not always as positive, with many referring to a lack of shops and high business rates;

“there should be more shops and reduce the rates a bit”

“too many take aways and charity shops”

“shop owners pay high rates”

“need a mix of stores to cater for different people”

“Support for small businesses... regeneration”

“out of town is killing the town centre”

“Take away the pedestrianisation and install one way system in Tonypany to regenerate town”

Porth Day Centre Service users - Pontypridd used to be a vibrant market town and it would be nice for that to happen again. There were concerns that the major stores were moving out of the town and that the departure of M&S had a detrimental impact. Service users believed that to regenerate the town then it had to attract the major stores such as M&S or Primark as well as a wider range of shops. Service users were supportive of the Taff Vale Precinct, although noted it was currently an eyesore.

Tonypany Day Centre Users -there were several comments made about the cost of rent in commercial properties in Tonypany, with service users believing they were too high. Secondly, the empty buildings in Tonypany town centre are eyesores and it doesn't attract people to come into the town for shopping or investment.

There was a lot of conversation over boarded up shops and houses, the departure of amenities from Maerdy such as post office and banks, and untidy lanes behind houses. Many felt community focal points had been lost, that supermarkets were a cause in the decline of shops in

the area and that investment would be welcomed if it could help stop what they saw as the decline of the area. – (Maerdy day centre service users)

Council Tax

- 6.17 A small number of comments were received on levels of Council Tax at the events, including;

“people assume a Council tax rise.... better to increase a little bit, along as the money goes to service we need” Older Persons Advisory Group

“Council tax should remain at 0% don't feel increase are value for money.”

“I'd increase Council tax to 20% if it protected services.”

“As long as the services reflect the price of Council tax I will be happy - think current services are good.”

“Council tax - too much, doing their best, could do without an increase”

- 6.18 All members of the OPAG group agreed that a 2.5% rise was the maximum it should be, “anything above 2.5% would be challenged”.

Day Centres – Council Tax Views

Tonypandy

The service users' view on Council Tax increases was varied. Some felt that Council Tax was already too high and that there should be no more increases to the Council Tax, however, there were some who believed that Council Tax increases were inevitable. There was a realisation that when factoring in inflation and increased demand that Council Tax had to increase, although it was felt that a 1%-2% increase was as much as they would like to accept.

Maerdy

When discussing a possible increase of Council Tax for 2017/18 all service users said they would either like no increase or even a possible reduction. However, after discussing the implications of both these options, namely a possible reduction in services, there was an understanding that Council Tax may have to rise, but they would prefer that rise to be very small.

Porth

There was a firmly held belief that Council Tax should not rise next year, and some believed a freeze of several years was needed. One service user stated that when his pension increases so does his

Council Tax, meaning that the supposed increase in his pension was wiped out by the rise in Council Tax meaning he is no better off than he previously was.

- 6.19 As we undertook consultation in the Council's day centres we received comments on the centres themselves and a selection of these are found below;

Day Centres

During our visits to the Council's Day Centres there were a number of comments regarding satisfaction with the centres themselves and these included;

Tonypandy – Looking at the day centre itself, they all could not have praised it higher. They mentioned that the food was of an excellent quality, that it was comfortable, warm and a great place to socialise and chat to others. Their only concerns with the centre itself were that it is not advertised.

Maerdy –

All service users were happy with the day centre, commending the staff, quality and price of food, and the classes that are offered throughout the week in the day centre.

Porth –

Service users spoke highly of the staff at the centre, they thought the value of the meals were ok, however they would like to see the menu freshened up slightly. One service user also commented that the Day Centre should open slightly earlier for users to be able to sit in the Centre before the kitchen opened as they currently wait outside until the kitchen opens around 10am.

Teifi House – food and staff are excellent, if they close the day centre they may as well close Maerdy.

Nazareth House – Day centre – food is lovely, staff are friendly... don't advertise enough.

St Mairs Day Centre – Food is much better than it was.... lamb was excellent.....excellent place to come and socialise.

7. YOUNG PERSON ENGAGEMENT EVENT

7.1 All comprehensive School Councils were invited to send up to 2 pupils from their school, along with representatives from the new youth forums, to take part in the first RCT County Wide Youth Forum event.

7.2 The following schools/youth Forums sent representatives;

- Rhondda, Cynon and Taf Youth Forums
- Aberdare
- Bryncellynnog
- Cardinal Newman
- Tonypandy College
- Pontypridd High School
- St. Johns
- Rhydywaun
- Y Pant
- Tonyrefail

7.3 The event included short presentations, an interactive key pad question and answer session and a facilitated group discussion on Council Investment. The Programme of the event was as follows;

Programme for the event:

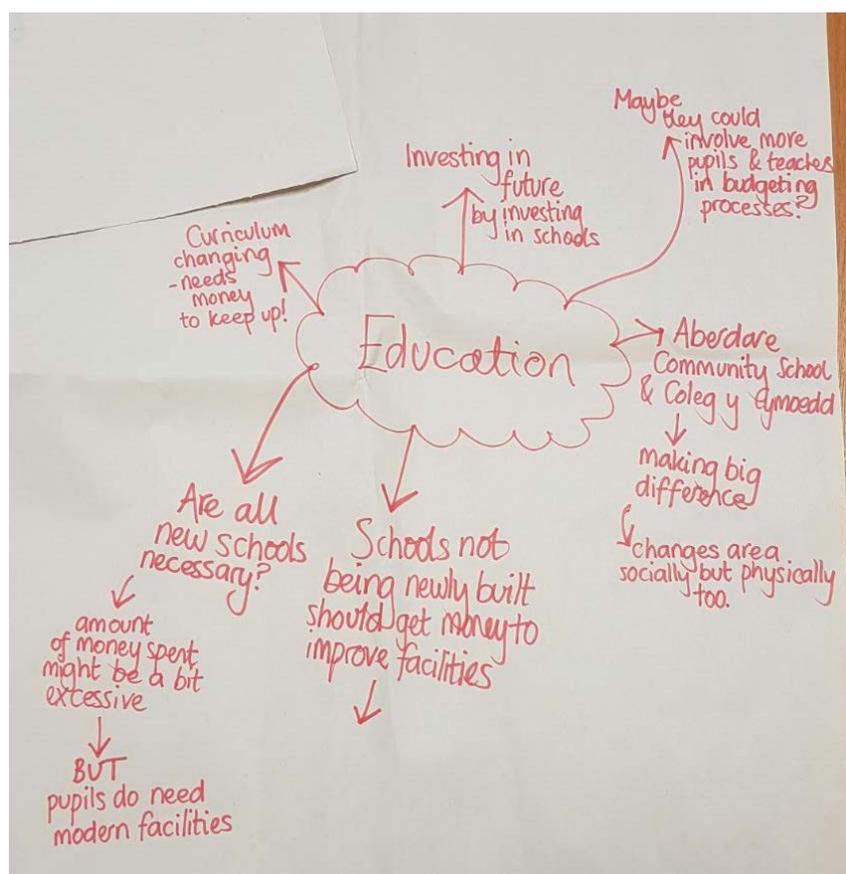
4.15pm	Welcome and Introductions - Cllr Norris
4.20pm	What is the RCT Youth Council? – Sarah Evans <i>Outline structure and how it all fits together Ask y/p how they think it should run</i>
4:30pm	Viewpoint findings and next steps – Claire Hutcheon
4.40pm	Youth Parliament Update – 2 MYPs to introduce <i>What does the role involve? Make Your Mark Debate</i>
5.10pm	RCT Investments/Budget Consultation - Christian Hanagan Short presentation Video and Quiz questions
5.30pm	Group Session on Council Investments (ALL)
6.00pm	Feedback - Cllr Norris
6.15pm	Thank you and Close – Cllr. Norris

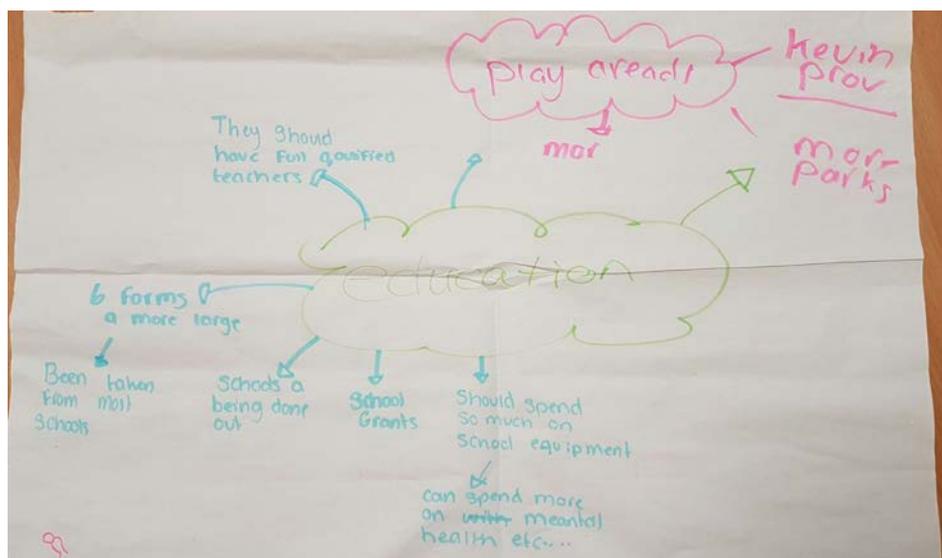
Feedback

7.4 The following section outlines some of the feedback received from the break out groups. The young people explored and gave their opinions on how money was spent on the below.

Education:

- Money spent is concentrated on mainstream schools and not so much on the special schools
- Money being spent on other schools and not others
- Not enough music in schools and their resources are poor
- Music helps with stress and there are positive links with maths and music
- Music is a great medium for young people with special needs
'Music speaks the words of young people who can't express them'
- Schools have an institutional culture when it comes to LGBT young people
- Welsh Bac in schools are a waste of time, should be more about politics
- School meals are poor and not enough choice, no vegan options and use same utensils for serving – not good if you are a vegetarian
- Faith school re PSE - The question of abortion – answer, don't have sex
- No difference felt on their experience of school





Jobs and training:

- Apprenticeships and graduate schemes are a good idea
- Spend more money on awareness workshops to raise awareness of routes available
- More money on apprenticeship variety
- Schemes on young people, housing schemes
- More prominent careers officers

Roads:

- Agree that roads should be repaired but how much do other councils spend in relation to RCT?
- Bypass good investment
- More investments like Church Village bypass, but on a small scale
- Door mice crossings seem a waste of money, so spend more money wisely

Leisure:

- Not enough concessions for young people.
'Leisure centres should be cheaper, especially if you are under 18yrs, trying to change and turn your life around'
'I'm poor and just can't afford to go'

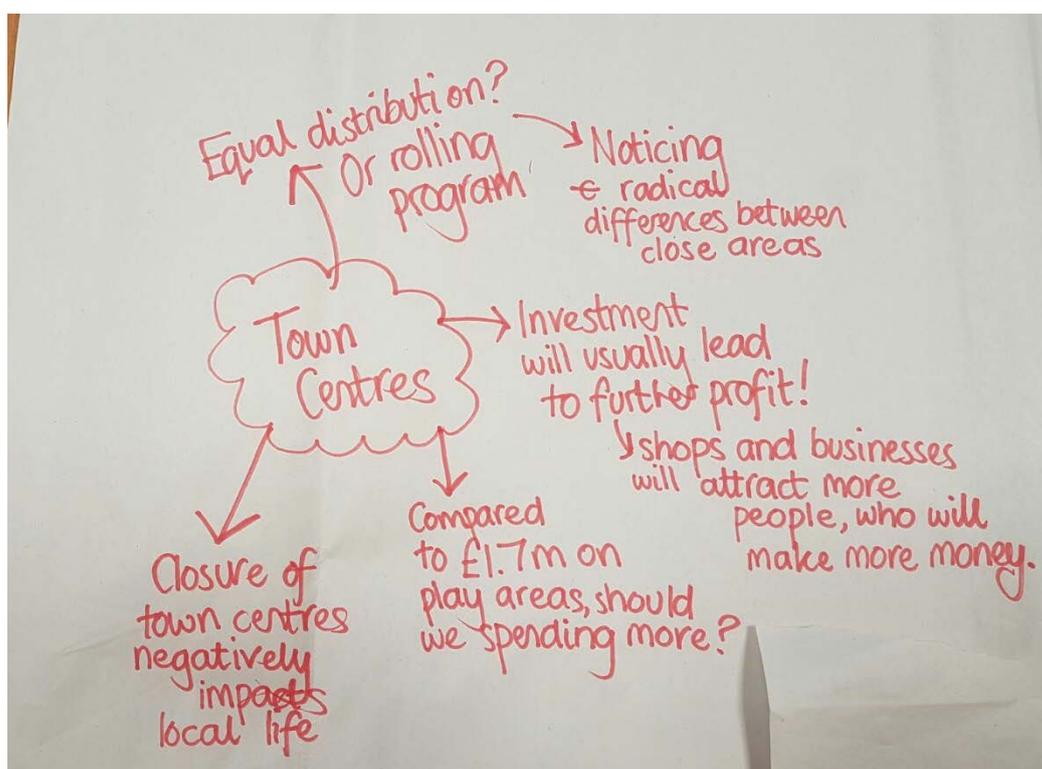
Play areas:

- Hard to find somewhere for young people with special needs to enjoy a park, more facilities are needed
- Play areas are just not appropriate for children with disabilities and they deserve to be treated equally e.g. the new park in Pontypridd has just one swing for disabled children and it is not very good for children in wheelchairs
- Not improved
- Although parks are beneficial, can be known to attract Anti-social behaviour
- Perhaps invest more in youth centres etc.

Town centres:

- There is too much litter
- Some improvements, eg. library area
- Cleanliness – relatively pleasant

- Chewing gum removal
- People drink in the nearby parks
- Would like clubs for young people in Pontypridd
- Best not to waste money e.g. the Cardiff Christmas tree example where they rented a tree from abroad for thousands.
- Should help the homeless more, it's important
- Town centres are a bit better but still not great
- As a contrast – Merthyr town centre is really nice and would prefer to go there



NOTE: This report presents a summary of all of the views received during the consultation process. At a later date all of the detailed comments will be supplied to relevant service managers to inform policy and decision making over the coming year.

RHONDDA CYNON TAF COUNTY BOROUGH COUNCIL
FINANCE AND PERFORMANCE SCRUTINY COMMITTEE

Minutes of the Finance and Performance Scrutiny Committee held at the County Borough Council Offices, The Pavilions, Cambrian Park, Clydach Vale on Wednesday, 7th December 2016 at 5 p.m.

PRESENT

County Borough Councillor M.J.Watts – Chair

County Borough Councillors

G.R.Davies	R.W.Smith	C.J.Willis
S.Evans	P.Wasley	R.Yeo
P.Griffiths	E.Webster	

Also in Attendance

Mr.R.Hull – Chair of Audit Committee
Mr.C.Davies – Vice Chair of Audit Committee
Mr.J.Fish – Elected Parent/Governor Representative

Officers in Attendance

Mr.P.J.Lucas – Director, Legal & Democratic Services
Mr.B.Davies – Director of Financial Services
Mr.P.Griffiths – Service Director, Performance & Improvement
Mr.M.Jones – Democratic Services Officer

30. APOLOGIES FOR ABSENCE

Apologies for absence were received from County Borough Councillors S.Bradwick, (Mrs) C.Leyshon, (Mrs) S.Rees, B.Stephens and (Mrs) J.S.Ward.

31. DECLARATIONS OF INTEREST

RESOLVED – to note that in accordance with the Members' Code of Conduct there were no declarations of interest made at the meeting pertaining to the agenda.

32. MINUTES

RESOLVED to approve as an accurate record, the Minutes of the meeting of the Finance and Performance Scrutiny Committee held on 17th October, 2016 and the Minutes of the Special meeting held on 16th November, 2016,

subject to it being noted that County Borough Councillor G.R.Davies' name was omitted from the list of apologies for absence.

Matters Arising – Minute No. 25 (17th October 2016)

At the meeting verbal updates were given in respect of the following:

- The Service Director, Public Health & Protection had completed a report in respect of the Divert Project and a hard copy of the report was provided to the Chair of Health & Wellbeing Scrutiny Committee at the 7th December 2016 meeting.
- County Borough Councillor G.R.Davies had received a written response from the Head of Leisure, Parks & Countryside in respect of access to the pool at Ystrad.
- County Borough Councillor C. Davies had received a written response from the Service Director, Highways & Streetcare Services in respect of an update on the highways investments within Treorchy as referred to in the Economy Priority action plan.

Members were informed that 6 Syrian refugee families had been resettled within Rhondda Cynon Taf, all are settling in well and feedback from the families has indicated that their health has improved since being in the UK. Members were also informed that adult family members are attending 'English as a second language' classes, School Support Assistants have been employed, who are able to speak Arabic, to support children at school and an overall approach is being applied that provides the families with the space and privacy to help their full integration into communities of the County Borough.

33. **PRESENTATION – REVENUE BUDGET CONSULTATION**

With the aid of PowerPoint slides, the Director of Financial Services provided Members with a presentation in respect of the 2017/18 Revenue Budget Strategy Consultation and up dated the Committee under the following headings:

- General Approach for 2017/18.
- Provisional Local Government Settlement – Headlines.
- Implications for Rhondda Cynon Taf.
- Consultation.
 - Budget
 - Simulator
 - Corporate Plan
 - Council Tax Reduction Scheme
- Budget Setting Timetable.

The Director of Financial Services explained that the consultation process would take place between the 7th November 2016 and the 19th December 2016 with a number of consultation exercises being undertaken during this period.

The Director of Financial Services reported that Welsh Government had announced its 2017/18 provisional Local Government Settlement on 19th October 2016, with the final Local Government Settlement expected to be announced on the 21st December 2016. The Director added that for Rhondda Cynon Taf the provisional settlement, comprising the Revenue Support Grant and National Domestic Rates, and taking account of transfers in / out of the settlement, represented a +0.2% increase in funding compared to an average across Wales of +0.1%.

The Director of Financial Services went on to inform Members of the proactive work that has been undertaken by the Council as part of its Medium Term Financial Planning arrangements and in particular in preparation for the 2017/18 financial year. The Director explained that this on-going programme of work has enabled a previously modelled initial forecasted budget gap of £21.519M for the 2017/18 financial year to be reduced to £2.819M.

A Member queried whether other Scrutiny Committees would be consultees as part of the 2017/18 Revenue Budget Strategy consultation process. In response the Director, Legal & Democratic Services reported that the Finance and Performance Scrutiny Committee, in line with its agreed terms of reference, is the designated Scrutiny Committee consultee for the revenue budget consultation process. The Director added that as the membership of the Finance and Performance Scrutiny Committee comprises the Chairs and Vice Chairs of other Scrutiny Committees (with the exception of the Overview and Scrutiny Committee), there was opportunity for feedback from other Scrutiny Committees to be channelled through these Members.

The Director of Financial Services set out further information around how the budget is constructed, budget pressures and the on-line budget simulator / budget consultation questions, and welcomed Members comments.

A Member sought clarity around is there a 'cut-off date' for considering Voluntary Redundancy (VR) / Voluntary Early Retirement (VER) applications linked to the Council making further efficiency savings? The Director of Financial Services indicated that consideration of VR / VER applications is an on-going process as part of the Council's workforce planning arrangements and work to reconfigure services to reduce costs and / or support improvement.

A Member requested further information on the new Apprenticeship levy that was highlighted as a budget pressure. The Director of Financial Services confirmed that the levy is a UK Government employment tax that is due to come into force in April 2017 and all employers with a pay bill of more than £3 million each year will be required to pay the levy. The Director added that the levy rate is 0.5% of the pay bill and is paid to HM Revenue and Customs through the PAYE process, and the financial implications of the Apprenticeship levy have been built into the Council's forecasted budget gap for 2017/18.

A number of Members fed back that the Corporate Plan 2016-2020 priorities and investment priorities were the right ones and also fed back that they were 'difficult to argue with'. Another Member commented that consideration should be given to all street lights being lit in certain areas rather than alternate lighting, particularly if the locations are known as hot spots for accidents, and more investment should be allocated to tackle empty properties.

A Member commented that more needs to be done to raise residents' awareness and understanding of how the Council funds its work and investment programme, for example, the difference between how revenue and capital expenditure is funded, and the one-off nature of investment funding that cannot be used year on year to fund services such as refuse collection, homecare services.

A number of Members commented that consideration should be given to the wording of future revenue budget consultation questions to ensure they are as clear and meaningful as possible to residents / external stakeholders taking part.

The Chairman requested clarity on what opportunity would be afforded to the Finance and Performance Scrutiny Committee to scrutinise the results of the consultation process. The Director of Financial Services indicated that the results of the consultation, including the number of consultees that provided feedback, would be compiled into a report and presented back to this Committee in January 2017 for consideration.

Members indicated that they welcomed the opportunity to scrutinise the results of the 2017/18 Revenue Budget Strategy consultation process at a forthcoming meeting and the Committee requested that a copy of the presentation delivered by the Director of Financial Services be circulated to Members.

Following consideration of the presentation it was **RESOLVED –**

1. That Members of the Finance & Performance Scrutiny Committee scrutinise the results of the 2017/18 Revenue Budget Strategy consultation process at its January meeting.

REPORT OF THE DIRECTOR, LEGAL & DEMOCRATIC SERVICES

34. QUARTER 2 COUNCIL PERFORMANCE REPORT

The Director of Financial Services provided Members with details of the Council's performance for the period 1st April 2016 – 30th September 2016 in relation to Revenue and Capital Budgets, Treasury Management Prudential Indicators, Organisational Health Information (including turnover, sickness absence, investment and risk) and Corporate Plan priority action plans (that include performance indicator information).

The Director of Financial Services initially drew Members attention to the 8 performance measures out of a total of 32 measures that did not meet target by more than 5% as at the second quarter.

The Director of Financial Services set out for Members a significant issue regarding the Council's Revenue Budget, namely, that on 23rd March 2016, full Council agreed to an amended Minimum Revenue Provision (MRP) Policy which was applicable from the 2015/16 financial year. The Director informed Members that the amended policy was approved after the agreement of the revenue budget and as such the savings were not built into the revenue budget for 2016/17. The Director added that the Council meeting on 28th September 2016 received the 2015/16 audited statement of accounts and no issues were raised with regard to the amended MRP policy; therefore, it was possible to consider the release of the MRP savings made for 2015/16 (£3.974M) and the 2016/17 underspend (£3.550M), with the latter not being built into the quarter 2 position reported.

The Director went on to explain for Members that the release of the MRP savings was considered by means of a separate report at the 24th November 2016 Cabinet meeting where it was resolved to recommend to full Council for the savings to be allocated to support further one-off investment in priority areas. The Director confirmed that full Council endorsed this recommendation at its meeting on the 30th November 2016 and concluded his overview of the report by inviting questions from Members.

A Member requested clarity around how sickness absences are budgeted for within services across the Council. The Director of Financial Services fed back that an allowance for sickness cover is built into many frontline service budgets, for example, homecare services, to ensure provision to residents continues as normal during periods of staff absence. The Director added that no allowance for sickness is incorporated into back-office service budgets, this instead being managed through re-prioritisation of workloads. The Director also highlighted for Members that the sickness position as at 30th September 2016 of 4.23% represented an improvement compared to the 30th June 2016 (4.31%) and the 2015/16 year-end position of 4.68%.

A Member sought clarity on the reasons for the increase in the rate of delayed transfers of care. The Chair of the Health and Well Being Scrutiny Committee fed back that this area is being closely monitored by the Health and Well Being Scrutiny Committee where a Powerpoint presentation was jointly delivered by Council officers and officers from the Cwm Taf University Health Board on 15th November 2016. The Chairman of the Health and Well Being Scrutiny Committee suggested that a copy of the presentation and Minutes of the 15th November 2016 meeting be forwarded to Members of the Finance and Performance Scrutiny Committee.

A Member queried the period that the information for performance measure 'No. of fixed term exclusions per 1,000 pupils in Primary Schools' related to. The Service Director, Performance & Improvement confirmed that the

performance information related to the 2015/16 academic year (i.e. September 2015 to July 2016).

A Member requested further information in respect of performance measure 'the number of visits to local authority sports and leisure centres per 1,000 population where the visitor had participated in Physical Activity', where performance as at 30th September 2016 was below target by more than 5%. The Service Director, Performance & Improvement fed back that the service had seen an increase in membership numbers with further review work needed to assess pay and play users and also the impact on customer numbers during periods when refurbishment work was being undertaken at specific centres as part of the Council's programme of investment. Further to considering the above feedback, Members requested that a more detailed update be provided by Leisure Services at a forthcoming Finance and Performance Scrutiny Committee meeting.

Following a discussion it was **RESOLVED**:

1. To receive and acknowledge the contents of the report.
2. That Members be provided with a copy of the joint presentation delivered to the Health and Well Being Scrutiny Committee on 15th November 2016 in respect of Delayed Transfers of Care along with a copy of the minutes of the meeting.
3. That Members be provided with an update in respect of the number of visits to local authority sports and leisure centres at a forthcoming meeting.

**M.J.WATTS
CHAIR**

The meeting closed at 7.05 p.m.

APPENDIX 5iii

**SCHOOLS BUDGET FORUM
 TUESDAY 22ND NOVEMBER 2016
 COUNCIL CHAMBERS, CLYDACH**

MINUTES

<p>PRESENT:</p>	<p>Councillor E Hanagan (Chair) Councillor A Morgan Councillor M Webber Councillor G Hopkins Councillor M Norris Rhys Jones (Treorchy Comprehensive School) David Davies (Ysgol Gynradd Gymraeg Aberdar) Paul Morgan (Cwmaman Infants & Glynhafod Juniors) Marie Claire Hopkin (Park Lane Special School) Lisa Bailey (Tonysguboriau Primary)</p>
<p>IN ATTENDANCE:</p>	<p>Chris Bradshaw (Chief Executive) Esther Thomas (Temporary Director of Education & Lifelong Learning) Liz Randall (LMS Senior Accountant) Catrin Edwards (Head of Service Transformation) Barrie Davies (Director, Financial Services) Stephanie Davies (Head of Education & Financial Reporting) Hannah Williams (Cabinet Business Officer) Claire Jones (NUT Representative)</p>
<p>APOLOGY FOR ABSENCE:</p>	<p>Mark Jones (Ysgol Gyfun Rhydywaun) Simon Phillips (Llwyncrwn Primary) Mark Powell (Y Pant School) Rhian Rees (Pontrhondda Primary)</p>



No.	Discussion/Action	Action	By who
14.	<p>Welcome and Apologies</p> <p>Apologies for absence from Forum attendees were received.</p> <p>For the benefit of new members, introductions around the table were made.</p>		
15.	<p>Declarations of Interest</p> <p>In accordance with the Code of Conduct, there were no declarations of interest made pertaining to the agenda.</p>		
16.	<p>Minutes & Matters Arising</p> <p>The minutes of the meeting held on 13TH July 2016 were received and agreed as an accurate record.</p> <p>The Chief Executive referred Members to No. 13 of the Minutes, entitled 'Any Other Business'. Mr Bradshaw advised that the Rhondda Heritage Park was currently being re-launched with substantial development undertaken which would improve future school visits.</p>	Approved	Forum
17.	<p>Budget Consultation</p> <p>Members of the Forum received a presentation from the Director, Financial Services advising of the 2017/18 Revenue Budget Consultation.</p> <p>The officer advised that the <i>provisional</i> budget settlement had been announced on 19th October, 2016, with an All Wales increase in RSG/NDR at 0.1% and an RCT increase at 0.2%. It was explained that following the release of the better than expected provisional settlement from Welsh Government, the budget gap had been reduced to £13.818M from over £21M. Forum Members were advised that there was a potential School Budget increase of 1.5%.</p> <p>Accompanied by the online budget consultation video and examples of the online budget simulator, the officer explained the current consultation process being undertaken. It was explained that the simulator was an interactive method of encouraging the community to submit their opinions in respect of closing the £2.8M budget gap.</p>	Noted	Forum



To gain the Forum's views as part of the consultation process, BD presented the following questions to the Forum:

1. When making decisions about spending next year, should the Council:

Maintain as many services at the current level as possible even if it means a reasonable increase in Council Tax OR cut services to keep any increase in Council Tax to a minimum?

- The preferred option was to maintain as many services as possible by increasing the Council Tax level.
- Forum members agreed that it was important to consult with lower income families to ensure that they benefit from these services
- Council Services are already suffering, there is a potential that some would close without a rise in Council Tax

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

0% 1% 3% 5% Over 5%

- Happy for larger Tax increase if it means maintaining the services
- The Chief Executive advised that a substantial amount of savings had been made by looking at areas such as the Council's accommodation strategy and procurement but there is only so much that can be done internally.

3. Do you think these priorities are still right for RCT?

- 1. Economy – Building a strong economy**
 - 2. People – Promoting Independence & Positive lives for everyone**
 - 3. Place – Creating neighbourhoods where people are proud to live and work**
- The Forum agreed that these priorities are appropriate for the residents of RCT.



4. Do you think the Council should continue to invest in these areas?

Education	Leisure
Housing	Play areas
Employment	Waste Facilities
Highways	Energy Efficiency
Flood Alleviation Schemes	Internet Technology
Regeneration of town & village centres	Outdoor Sport Facilities

- It was suggested that the areas outlined remained important and should continue to be invested in to benefit RCT.

5. Have you seen any improvements in any of the above areas as a result of the investment?

- Park Lane Special School & Treorchy Comprehensive School Head Teachers commented that their schools had been significantly improved as a result of the investment.
- The Head Teacher of Treorchy Comprehensive School commented that there was a need for the interior of the school to reflect the improvements made to the exterior.
- As the ward Member for Llanaharan, Councillor G Hopkins spoke highly of the improvements made to the school, commenting that it had been completely lifted.

6. Are there any other services / facilities / infrastructure that you feel need further investment?

- One Member queried the logic behind the proposal to build a new school in Talbot Green in order to solve capacity issues, when there is underused space on the grounds of the two neighbouring schools. The Leader and Chief Executive explained that negotiations are still underway and that these are forward work plans to secure the site.
- The Chair advised that in the future, the schools would be made aware of any plans which may



	<p>affect them.</p> <p>7. The Council is targeting making £6m of efficiency savings in 2017/18. This will be achieved by reducing spend in back office functions that will not impact upon frontline services. Do you agree with this approach?</p> <ul style="list-style-type: none">• The Forum Members spoke positively of this target, commenting that the protection of frontline services should remain a key priority. <p>8. Do you have any suggestions on how services can make efficiencies?</p> <ul style="list-style-type: none">• Discussions formulated around the use of telephones and whether the promotion of online services was beneficial to all of RCT. It was agreed that although this caused a slight cultural divide, it made better use of time, along with efficiency savings. <p>9. The schools budget is proposed to increase by +1.5%. This is compared to an overall increase in funding the Council has received from Welsh Government of +0.2%. Is this increase reasonable for schools?</p> <ul style="list-style-type: none">• Forum Members commented that although the proposed increase in budget of +1.5% is positive, the schools often feel as though they don't see it due to expenditure such as salaries and pay awards.• The Leader advised that like other areas of the authority, there is a need for schools to challenge all aspects of their budget and make savings where possible.• Discussions arose around the potential of a bursar based within the schools to look at finances line by line and source grants etc on their behalf. One head teacher commented that they often find themselves struggling to balance budgeting and accounts along with their main duty which is to teach.• Forum Members drew attention to the lack of training given to head teachers in supporting them with these extra functions. It was commented that this would be a short term cost for a long term gain. <p>10. Fees and Charges provide income which can help the Council to continue to provide important services. Each year the level of these charges are reviewed. Fees and charges for 2017/18 are likely to</p>		
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be increased by RPI plus 3% but if there is an opportunity to freeze charges in some areas we want to know which areas residents would prioritise. Some examples of areas that have fees and charges are listed below:

- Summer and Winter Playing Fees (Sports Clubs)
- School Meals
- Meals on Wheels
- Leisure Centres Membership

Please state which areas you would want to protect from an increase in charge?

- Members of the Forum discussed the importance of the leisure service within the Borough with the Leader advising that membership fees had been frozen for two years to reflect the priorities contained within the Health & Wellbeing Act.
- The Deputy Leader added that access to the Council swimming pools is free for those aged 60+ with a membership card.
- Forum Members strongly believed that the School Meals service should be protected and prioritised by the Council, commenting that in some cases, it is the only hot meal a child has a day.

11. Is there anything else you would like to add about the Council's budget?

- The Forum Members asked about the consultation process and how it is communicated to the public. The Deputy Leader advised that town centre roadshows were organised, where Councillors and officers had the opportunity to speak to a larger range of people who otherwise might not express their opinions.
- The Leader expressed the importance of social media and the Council's website which are used to promote the roadshows and engagement events.
- It was explained that due to the above, there was double the amount of people involved in the consultation process compared to other years.

BD concluded his presentation by outlining the budget setting timetable.



18.	Any Other Business The Chair asked the Forum if there was anything they wished to be altered to improve the format of the meetings, such as timing. The Leader added that the opinions of the School Members were valued and stressed that it was an opportunity to challenge any issues they may be experiencing. Discussions formed around future agendas and it was agreed that an email would be circulated prior to the next meeting in order for School Members to add any items they wish to speak on.	Noted	HW
19.	Date of Next Meeting The Chair confirmed that the next meeting of the School Budget Forum would take place on Wednesday 11 th January, 2017. The meeting adjourned at 15:30pm.	Noted	Forum

RHONDDA CYNON TAF COUNTY BOROUGH COUNCIL

FINANCE AND PERFORMANCE SCRUTINY COMMITTEE

Minutes of the meeting of the Finance and Performance Scrutiny Committee held at the County Borough Council Offices, The Pavilions, Cambrian Park, Clydach Vale on Thursday 26th January 2017 at 5 p.m.

PRESENT

County Borough Councillor M.J.Watts – Chair

County Borough Councillors

S. Bradwick	R.W.Smith	P.Wasley
S. Evans	B. Stephens	C.J.Willis
(Mrs) S Rees	(Mrs) J.S Ward	R. Yeo

Also in Attendance

Mr.J.Fish – Elected Parent/Governor (Education Co-opted Member)
Mrs. S Jones - Elected Parent/Governor (Education Co-opted Member)
Mr.R.Hull – Chair of Audit Committee

Officers in Attendance

Mr.C.B. Jones – Director, Legal & Democratic Services
Mr C. Lee – Group Director, Corporate and Frontline Services
Ms S Davies – Head of Education and Financial Reporting

35. APOLOGIES FOR ABSENCE

Apologies for absence were received from County Borough Councillors C. Davies (Vice-Chair of the Audit Committee), (Mrs.) C. Leyshon G.R Davies E. Webster.

36. DECLARATIONS OF INTEREST

RESOLVED – to note that in accordance with the Members' Code of Conduct there were no declarations of interest made at the meeting pertaining to the agenda.

37. MINUTES

RESOLVED – to approve as an accurate record the minutes of the meeting of the Finance and Performance Scrutiny Committee held on the 7th December, 2016.

EXTRACT FROM MINUTES (DRAFT – SUBJECT TO APPROVAL)

REPORT OF THE GROUP DIRECTOR, CORPORATE & FRONTLINE SERVICES

38. THE COUNCIL'S DRAFT 2017/18 REVENUE BUDGET STRATEGY

With the aid of PowerPoint slides, the Group Director of Corporate and Frontline Services provided Members with a presentation in respect of the Council's draft 2017/18 Revenue Budget Strategy along with the final consultation feedback report under the following headings:

- Council's Current Financial Position;
- The 2017/ 18 Provisional Settlement;
- The Starting Point Budget Gap;
- Budget Consultation Outcomes;
- Key Building Blocks - Council Tax and School Budgets;
- The Final Budget Gap and Strategy Options;
- Proposed Service Group Budgets; and
- Conclusion and Next Steps.

The Group Director Corporate and Frontline Services in his presentation explained to Members that the options contained in the presentation are the initial view of the Senior Leadership Team, in accordance with the Council's Budget Policy Framework and that the views of Members of the Finance and Performance Committee will be fed through as part of the pre scrutiny process, in the draft report which will be presented to Cabinet in February 2017.

The Council's current financial position was highlighted during the presentation. Members were informed that the Audited Accounts for 2015/16, reported to Council on 28th September 2016, showed a general fund balance £10.720M and currently a Medium Term Financial Planning & Service Transformation Reserve was in place totalling £6.693M.

The Local Government Settlement for 2017/18 was announced on the 21st December 2016. Headlines from this included:

- An all Wales increase in RSG/NDR at 0.2%
- RCT increase at 0.4%
- Range- 0.5% to 1. 1%
- A Funding Floor protection set at -0.5%
- Includes transfer in
 - Delivering Transformation Grant (0.231M)
 - Deprivation of Liberty Standards (£ 0.013M)
 - Blue Badge Additional Funding (0.001M)
 - Food Hygiene Rating Scheme (0.005M)

- Includes Transfers out: - Education Workforce Council Teachers Registration Fees (£0.081M)
- Includes New Responsibilities
 - Increased Capital Limits for Residential Care (£ 0.349M)
 - War Disablement Pension Disregard (£0.024M)
 - Homeless Prevention (£0.396M)
- No future year indications
- General Capital funding increase by 0.06% (£0.068M) to £11.232M for RCT.

The Group Director, Corporate and Frontline Services provided Members with the results of the Budget Consultation exercise which took place between 7th November to 19th December 2016, in which over 900 people engaged in the process through various methods.

A Member asked a question in relation to the young person's engagement event and what feed back if any had been given. The Group Director responded saying that discussions with the Cabinet Member for Corporate Services confirmed it was a well informed discussion with a number of schools engaging.

In respect of Council Tax, the Group Director, Corporate and Frontline Services explained to Members that the 2016/17 increase was 2.75% (a 1% increase = net additional income £763K) and that the current modelling had been based on an increase of 2.5% for 2017/18. However the proposal now being put forward by the Senior Leadership Team was a rise of 2.25%. With regards to the Schools Budget the Group Director, Corporate and Frontline Services reported that the proposal is to continue to prioritise resources for schools. The proposal is to increase the schools budget by 1.5%.

To close any remaining budget gap, the Group Director, Corporate and Frontline Services indicated that this could be achieved through additional efficiency, a lower budget requirement for the Council Tax Reduction Scheme and use of £1.208M Transitional Funding.

In conclusion the Group Director, Corporate and Frontline Services spoke on the commitment to continue to deliver key services in line with aspirations of the Corporate Plan. The Council would also seek to continue to invest in key areas.

The Chair thanked the Group Director Corporate and Frontline Services for his in depth report.

A Member welcomed the proposals in the present climate with public sector wages being frozen, particularly in respect of the commitment to pay living wage rates. A Member asked about the impact on social care, particularly in respect of external contracts. The Group Director Corporate and Frontline Services explained that national living wage costs had been factored into arrangements where possible.

In respect of fees and charges, Members put forward their concerns regarding any increase explaining that they felt increases in fees and charges should be kept as low as possible as working families on low incomes would struggle with any increases. It was suggested that the current proposed level needed to be carefully considered.

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

RESOLVED:

- (1) that the views expressed by the Members, as set out in the body of the Minutes, are fed back to Cabinet in respect of their budget strategy proposals.