



CYNGOR BWRDEISTREF SIROL
RHONDDA CYNON TAF
COUNTY BOROUGH COUNCIL

GWŶS I GYFARFOD O'R CYNGOR

C.Hanagan
Cyfarwyddwr Materion Cyfathrebu a Phennaeth Dros Dro'r Gwasanaethau
Llywodraethol
Cyngor Bwrdeistref Sirol Rhondda Cynon Taf
Y Pafiliynau
Parc Hen Lofa'r Cambrian
Cwm Clydach CF40 2XX

Dolen gyswllt: Mrs Sarah Handy- Swyddog Graddedig- Materion Craffu (01443 424099)

DYMA WŶS I CHI i gyfarfod o **PWYLLGOR CRAFFU - CYLLID A CHYFLAWNIAD** yn cael ei gynnal yn **Siambwr y Cyngor, Y Pafiliynau, Parc Hen Lofa'r Cambrian, Cwm Clydach, Tonypanyd CF40 2XX** ar **DYDD LLUN, 28AIN IONAWR, 2019** am **5.00 PM**.

Caiff Aelodau nad ydyn nhw'n aelodau o'r pwyllgor ac aelodau o'r cyhoedd gyfrannu yn y cyfarfod ar faterion y cyfarfod er bydd y cais yn ôl doethineb y Cadeirydd. Gofynnwn i chi roi gwybod i Wasanaethau Democrataidd erbyn Dydd Iau, 24 Ionawr 2019 trwy ddefnyddio'r manylion cyswllt uchod, gan gynnwys rhoi gwybod a fyddwch chi'n siarad Cymraeg neu Saesneg.

AGENDA

Tudalennau

1. DATGAN BUDDIANT

Derbyn datganiadau o fuddiannau personol gan Aelodau, yn unol â gofynion y Cod Ymddygiad.

Nodwch:

1. Mae gofyn i Aelodau ddatgan rhif a phwnc yr agendwm mae eu buddiant yn ymwneud ag ef a mynegi natur y buddiant personol hwnnw; a
2. Lle bo Aelodau'n ymneilltuo o'r cyfarfod o ganlyniad i ddatgelu buddiant sy'n rhagfarnu, mae rhaid iddyn nhw roi gwybod i'r Cadeirydd pan fyddan nhw'n gadael.

2. COFNODION

Derbyn cofnodion o gyfarfod blaenorol y Pwyllgor Craffu - Cyllid a Chyflawniad a gafodd ei gynnal ar 11 Rhagfyr 2018.

5 - 12

3. STRATEGAETH CYLLIDEB REFENIW DDRAFT Y CYNGOR AR GYFER 2019/20

Derbyn cyflwyniad gan Gyfarwyddwr y Gwasanaethau Ariannol ac ymgymryd â gwaith cyn y cam craffu ar gynigion mewn perthynas â Strategaeth Cyllideb Refeniw ddraft y Cyngor ar gyfer 2019/20.

Nodwch: Mae copi o'r adroddiad adborth ymgynghori terfynol ynghlwm.

13 - 74

4. UNED GYNHYRCHU GANOLOG PRYDAU YN Y GYMUNED

Derbyn yr wybodaeth ddiweddaraf am y gwasanaeth prydau yn y gymuned.

75 - 80

5. ADRODDIAD CANOL BLWYDDYN CYLCH RHEOLI'R TRYSORLYS 2018-19

Trafod adroddiad Cyfarwyddwr Cyfadran y Gwasanaethau Corfforaethol a Rheng Flaen.

81 - 94

6. MATERION BRYS

Trafod unrhyw faterion sydd, yn ôl doethineb y Cadeirydd, yn faterion brys yng ngoleuni amgylchiadau arbennig.

Cyfarwyddwr Materion Cyfathrebu a Phennaeth Dros Dro'r Gwasanaethau Llywodraethol

Cylchreliad:-

Y Cynghorwyr Bwrdeistref Sirol Y Cynghorydd J Williams a
Y Cynghorydd G Thomas – Cadeirydd ac Is-gadeirydd, yn y drefn honno

Y Cynghorwyr Bwrdeistref Sirol:

Mr J Fish, Cynrychiolydd Rhiant-Lywodraethwr wedi'i ethol
Y Cynghorydd G Holmes, Y Cynghorydd G Davies, Y Cynghorydd J Elliott,
Y Cynghorydd S Bradwick, Y Cynghorydd R Yeo, Y Cynghorydd W Lewis,
Y Cynghorydd S. Rees-Owen, Y Cynghorydd T Williams, Y Cynghorydd J Cullwick,
Y Cynghorydd G Caple, Y Cynghorydd A Davies-Jones, Y Cynghorydd M Powell
and Y Cynghorydd A Fox

Y Cynghorydd Bwrdeistref Sirol S Belzak – Aelod ex officio

Y Cyghorwyr Bwrdeistref Sirol L.M.Adams a G.Thomas – Cadeirydd ac Is-gadeirydd y Pwllgor Trosolwg a Chraffu yn y drefn honno

Aelodau Cyfetholedig Addysg er gwybodaeth-

Mr J Fish, Cynrychiolydd Rhiant-Lywodraethwr wedi'i ethol

Mr A Ricketts, Cynrychiolydd Awdurdodau Esgobaethol â'r hawl i bleidlais

Ms A Jones, Cynrychiolydd UNITE

Mr M Cleverley, Cynrychiolydd Cymdeithas Genedlaethol yr Ysgolfeistri ac Undeb yr Athrawesau a'r Panel Athrawon

Mr C Jones, Cynrychiolydd GMB

Mr D Price, Cynrychiolydd UNSAIN/UNISON

Mrs C Jones, Cynrychiolydd Undeb Cenedlaethol yr Athrawon a'r Panel Athrawon

Mr D S Emanuel, Cynrychiolydd Rhiant-Lywodraethwr wedi'i ethol

Mr R Hull – Cadeirydd y Pwllgor Archwilio

Tudalen wag



RHONDDA CYNON TAF COUNTY BOROUGH COUNCIL

FINANCE AND PERFORMANCE SCRUTINY COMMITTEE

Minutes of the meeting of the Finance and Performance Scrutiny Committee meeting held on Tuesday 11th December 2018 at 5.00 pm at the Council Chamber, The Pavilions, Cambrian Park, Clydach Vale, Tonypany, CF40 2XX.

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

County Borough Councillor J. Williams- Chair

G. Caple J. Cullwick G. R. Davies
J. Elliott A. Davies- Jones W. Lewis
G. Thomas R. Yeo

Other Members in Attendance

County Borough Councillor L. M. Adams- Chair of the Overview and Scrutiny Committee
County Borough Councillor M. Norris- Cabinet Member for Corporate Services

Non-Committee/ Education Co-Opted Members in Attendance

Mr J Fish - Elected Parent / Governor Representative

Officers in attendance

Mr C Hanagan, Director of Communications & Interim Head of Democratic Services
Mr C Jones, Director, Legal & Democratic Services
Mr B Davies, Director of Financial Services
Mr P Griffiths, Service Director, Performance & Improvement
Ms L. Davies - Head of Public Protection
Ms R. Hope - Food & Health Safety Manager
Ms P. McCarthy – Head of Legal Property and Estates

24. WELCOME

The Chair welcomed Members to the Committee and introduced herself as the new Chair of the Finance and Performance Scrutiny Committee.

25. DECLARATION OF INTEREST

In accordance with the Council's Code of Conduct, County Borough Councillor G. Davies informed the Committee that he is currently the Chair for one of the businesses under scrutiny. Members noted his declaration of interest.

26. APOLOGIES FOR ABSENCE

Apologies for absence were received from County Borough Councillors S. Bradwick, G. Holmes, M. J. Powell, S. Rees- Owen, A. Fox and T. Williams.

27. MINUTES

It was **RESOLVED** to approve the minutes of the 17th October 2018 as an accurate reflection of this meeting.

28. REPORT OF THE GROUP DIRECTOR - CORPORATE AND FRONTLINE SERVICES

The Service Director- Performance & Improvement provided Members with the Quarter 2 Council Performance Report (to 30th September 2018).

Members were asked to scrutinise the Council's financial and operational performance position as at the 30th September 2018 and to consider whether they wish to scrutinise in greater depth any matters contained in the report.

The Service Director referred Members to Appendix 1 of the report, which contained the Council's Quarter 2 Performance Report that was presented to Cabinet on the 21st November 2018. Members were informed that the report contains revenue and capital budget performance; treasury Management prudential indicators; Organisational Health information including staff turnover, sickness and Council strategic risks; Corporate Plan priority action plan updates; other national measures; and target setting.

The Service Director specifically highlighted for Members the 14 Corporate Plan performance measures that were 'Not on target' as at Quarter 2 and also indicated that out of 6 national measures reported at Quarter 2 (that do not form part of the Council's Corporate Plan), one measure was 'Not on Target', three were 'On Target' and two were 'Within 5% of target'.

The Service Director went on to provide Members with an overview of the key information included within the Executive Summary of the Report and in particular he brought Members attention to:

- The Council's Revenue Budget performance was projected to be £1.286M overspent at year-end primarily due to budget pressures within Adult Social Care. He added that the projected overspend position did not take account of additional funding announced by Welsh Government on 22nd October 2018 to support sustainable social services across Wales and that this would be built into Performance Reports later in the year.
- The Council's Capital Programme Budget, where generally positive progress had been made with expenditure totalling £42.7M as at Quarter 2.
- Organisational Health and specifically sickness absence levels showing an improved position compared to 30th September 2017 and 31st March 2018. He added that on-going attention will be afforded to this area to support staff health and well-being.
- Corporate Plan progress updates, where overall positive progress had been

made during Quarter 2 in areas such as school attainment results, Extra Care development, the new Resilient Families Programme, Public Space Protection Order for Alcohol Controls and recycling. The Service Director also highlighted areas where further work is required due to quarter 2 performance being below that targeted; this included visitor numbers in leisure centres and libraries, the number of children looked after, the rate of delayed transfers of care for social care reasons and the successful prevention of people becoming homeless.

Following the update, Members asked a number of questions.

A Member noted that section 3.5 of the Report referenced 19 national measures that did not form part of the Council's Corporate Plan; however, only six measures were referenced in the Report's summary. The Service Director referred Members to Section 5e of the Report that set out the timecales for the remaining national measures to be reported during the year.

A Member referenced the Place priority update that noted six individuals were stopped for drinking alcohol in excluded areas, in line with the Public Space Protection Order for Alcohol Control, and asked what the outcome was for each. The Service Director informed Members that he would request an update from the relevant service area and feedback to Members following the meeting.

A Member referred the Committee to the Children Services section of the Revenue Budget and the significant underspend around staffing levels, and requested clarity on the potential impact of this position on the Resilient Families Programme. The Service Director advised Members that temporary staffing vacancies are being managed across all areas of Children's Services, including the Resilient Families Service, to ensure the appropriate capacity is in place to meet service needs.

Following discussion, Members **RESOLVED** to;

1. Endorse the Council's financial and operational performance position as at 30th September 2018 (Quarter 2).
2. Receive feedback on the outcomes of the 6 individuals stopped as part of the Council's Public Space Protection Order for Alcohol Controls.

29. REGISTER OF FOOD BUSINESSES IN RCT

The Director of Communications & Interim Head of Democratic Services began by explaining to Members that at the Council meeting on the 24th of October 2018, a Notice of Motion was received and it was resolved to refer the matter to the Finance and Performance Committee for further consideration;

"We should all play our part in supporting our local economy and SMEs who make up the majority of it. In an effort to better support our local food production companies; this Council will create a food produce register. The register will list all local food and drink producers in the County Borough of Rhondda Cynon Taf with the aim of encouraging and promoting an increase in the marketing and consumption of local produce, thereby supporting the local economy."

The Director of Communications & Interim Head of Democratic Services advised Members that in order to progress the Notice of Motion, it will be up to Members to decide if they want to proceed by referring the matter back to a future meeting of the Committee or by establishing a Working Group to consider the matter in greater depth.

Following discussion, it was **RESOLVED** to establish a Working Group so that Members may consider the Notice of Motion in more detail.

30. PRESENTATION - REVENUE BUDGET CONSULTATION 2019/20

With the aid of a PowerPoint presentation, the Director of Financial Services provided Members with an overview of the 2019/20 Revenue Budget Strategy Consultation and updated Committee on the following areas:

- General approach for 2019/20
- Provisional Local Government Settlement – Headlines
- Implications for Rhondda Cynon Taf
- Consultation
 - Budget
 - Simulator
 - Corporate Plan
 - Council Tax Reduction Scheme
- Budget Setting Timetable

Following the update, the Director of Financial Services indicated that the overview intended to assist Members in formulating their responses to a number of questions to be posed to the Committee, in line with its Terms of Reference and as a consultee as part of the 2019/20 Revenue Budget Strategy Consultation process. The Director added that the feedback provided by Members would be presented to Cabinet alongside the feedback from all other consultees as part of Cabinet agreeing a proposed Budget Strategy for 2019/20.

The Director of Financial Services sought feedback from the Committee on a number of areas and the views of Members are noted below.

For a number of consultation questions, some Members considered that the wording of questions was too simplistic and misleading, for example:

- Question 1 (addressing the Council's budget gap) - it could imply that an increase in Council Tax would mean no further cuts to services;
- Question 2 (Council Tax) - it would be more informative for the annual cost of each Council Tax option to be included to help inform consultees feedback; and
- Question 3 (Schools Budget) – further information should accompany the question to set out the financial challenges facing schools.

The Director of Communications & Interim Head of Democratic Services noted Members feedback and advised that questions have been written in a simplified way to help make them understandable to the wide audience that partake in the budget consultation process, including consultees providing feedback via social media.

With regard to Question 1, a Member fed back that he would lean more toward maintaining as many services at the current level as possible even if it meant a reasonable increase in Council Tax to contribute towards closing the budget gap rather than cutting services to keep any increase in Council Tax to a minimum.

A Member queried the reference on page 125 of the report to a “young persons consultation event” and asked for further information as to what this involved. The Director of Financial Services advised that this involved a YEPs officer leading discussions at a youth club, a discussion with Year 6 pupils at a primary school in addition to engaging directly with young people via social media forums.

In respect of Question 2 on Council Tax, Members were asked to consider their preferred level of Council Tax increase for the next financial year i.e. 0%, 1%, 3%, 5% or over 5%, noting that a 3% increase has been factored into the modelled budget gap. Following discussion, the views expressed by some members were:

- I think most people would prefer a 0% increase;
- Around a 3% increase; and
- Council Tax is an unfair tax and does not raise much money, and there should be a local income tax instead linked to how much people can pay.

With regard to Question 3 around whether the proposal to protect and increase the schools budget by £2.2M was ‘reasonable’, ‘not reasonable’ or ‘don’t know’, Members feedback was:

- Although the proposal will represent an increase to the school budget, there will still be a gap in real terms;
- The proposed increase is reasonable for schools and it is important to set in the context of the financial pressures that other Council Services are operating within such as Adult Social Care; and
- More financial support should be provided to new schools, particularly in years 1 and 2, to help put them on a stable footing.

In addition, a Member enquired whether the Teachers Pay Award Agreement is incorporated into the proposed £2.2M increase for schools as if so, a significant proportion of the additional funding would be required to fund this area. The Director of Financial Services confirmed that the Teachers Pay Award Agreement would be a cost to be funded from the proposed additional funding to schools. The Director added that Welsh Government are allocating additional resources for schools in this regard and these are proposed to be fully passported to the sector. The Director went on to highlight that the Council proposes in 2019/20 to continue the long term strategy for schools to be treated more favourably than other Council Services and indicated that the proposed additional funding would not fully cover all forecasted cost pressures facing schools and schools would need to make important decisions to balance their budgets.

Another Member sought clarity around whether the position in England whereby the UK Government has not announced the final settlement figure for Local Government because of the uncertainty surrounding Brexit also applied to Wales. The Director of Financial Services confirmed to Members that the final settlement is expected from the Welsh Government on the 19th December 2018.

In relation to Question 4 on fees and charges, a Member enquired whether increased fees means a decrease in use and whether the Council conducts research on the impact increased fees would have on larger service areas. The Director of Financial Services advised Members that market testing and comparisons with neighbouring local authorities are taken into account when fees and charges are reviewed.

Another Member enquired whether Leisure Centre membership prices are taken into account in terms of freezing charges. The Director of Financial Services confirmed that the Council's Leisure Centre Membership price has been frozen since January 2018 and in parallel a significant programme of on-going investment is being made into Centres to further improve the standard of facilities available.

The Director of Financial Services asked Members if there was any other feedback they would like to provide on the Council's budget, as part of Question 5 of the presentation. A Member commented that there should be a National Care System along a similar line to the National Health Service.

In terms of questions 6, 7 and 8 around should the Council focus on the areas of Digitalisation, Early Intervention and Prevention, Commercialisation, Efficiency and Independence, and also invest in specific areas to support the delivery of Corporate Plan priorities, some Members indicated that they would like to have had further information to inform their feedback and is an area for consideration as part of formulating the Committee's work programme for the forthcoming year.

With specific regard to the questions around the Council Tax Reduction Scheme, the following responses were fed back by Members:

- Do you think that 4 weeks is a reasonable period to continue paying Council Tax Reduction when someone returns to work?
 - Yes, this is a good system; and
 - Yes, would support the continuation of this approach.
- Do you think that it is reasonable for the Council to continue to totally exclude War Disablement and War Widow's Pensions income when assessing entitlement to CTR scheme?
 - Yes, these elements should continue to be excluded.
- Do you think that 3 months is a reasonable period to backdate claims for working age and pensioner claimants?
 - Members would support the backdating of claims being increased to 6 months.

In addition, a Member enquired whether the Council Tax Reduction Scheme would be affected by the changeover to Universal Credit. The Director of Financial Services informed Members that there could be delays during the changeover to Universal Credit and the Council has the option to extend the backdating period.

In conclusion, the Director of Financial Services informed Members that the Committee would have opportunity to pre-scrutinise the draft 2019/20 Budget Strategy in January 2019 and the Committee's feedback would be included in the draft Budget Strategy to be presented to Cabinet in February 2019.

The Director of Communications & Interim Head of Democratic Services also highlighted the opportunity for the Finance and Performance Scrutiny Committee to have oversight of the proposed questions for the 2020/21 Revenue Budget Consultation process to help ensure they are both meaningful and understandable for consultees.

Following discussion, it was **RESOLVED** that the views of Members as outlined above be fed into the consultation process.

31. TO CONSIDER PASSING THE FOLLOWING RESOLUTION:-

RESOLVED – that the press and public be excluded from the meeting under Section 100A(4) of the Local Government Act, 1972 (as amended) for the following items of business on the grounds that they involve the likely disclosure of exempt information, as defined in paragraph 12 of Schedule 12A of the Act, namely, information relating to a particular individual. Transparency in the conduct of Local Authority business is desirable; however personal data relating to the conduct and capabilities of individuals will be discussed and considered. Consequently, it is considered the public interest in maintaining the exemption outweighs the public interest in disclosing information

32. REPORT OF THE GROUP DIRECTOR - CORPORATE AND FRONTLINE SERVICES

The Director of Legal and Democratic Services reminded Members to treat the report, from pages 155 to 240, as confidential in nature.

The Head of Legal Property and Estates presented the Corporate Asset Management Plan 2018-2023 (CAMP) to Members. The report informed Members of the strategic direction and policy framework of CAMP.

Following consideration, Members **RESOLVED** to acknowledge the content of the report.

This meeting closed at 6.40pm

**Cllr J Williams
(Chair)**

Tudalen wag



Budget Consultation 2019/20

*Rhondda Cynon Taf County Borough
Council*

January 2019



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EXECUTIVE SUMMARY

- This section provides a summary of the main findings from the consultation.
- The purpose of the consultation was to seek views on the Council's budget for 2019/20, to support the decision making process, required to set the Council's budget for the coming financial year.
- The consultation was conducted in-house. The consultation period ran from the 5th November to the 17th December 2018.
- The following methods were used to consult with stakeholders;
 - An online Budget Simulator and questionnaire
 - A number of Town Centre, Leisure Centre and Library events
 - Promotion through Social media
 - Promotion of Leisure Centre events through 'Leisure for Life' app and Leisure social media pages.
 - Questions/polls on social media
 - Two Young Person's Budget Engagement Events including Hawthorn Youth Club and a pilot session with Our Lady's RC Primary School.
 - Older Persons Advisory Group Meeting
 - Disability Forum Meeting
 - Promotion with the Citizen's Panel.
- Over 4000 people were engaged in the consultation process.
- 245 responses were received to the online budget simulator with submitted budgets.
- The overall average budget was reduced by the 245 respondents who attempted to balance the budget. The average income increased by £2,277,780 and the average revised expenditure put forward showed a decrease of £1,242,451. The increase in total income from the simulator, is made up of a council tax increase of £1,200,229 and the use of transitional funding of £1,077,600.
- The **top 10 services** that received the largest % decrease in average budget were;

Service Item	Average Change %
Music (Total Budget £129,000)	-1.34%
Cultural Services (Total Budget £946,000)	-1.25%
Support Services (Total Budget £26,881,000)	-1.24%

Waste (Black bags) (Total Budget £5,604,000)	-1.18%
Tourism & Heritage (Total Budget £742,000)	-1.11%
Customer Care (Total Budget £2,194,000)	-1.08%
Leisure (Total Budget £3,290,000)	-1.00%
Parks (Total Budget £4,860,000)	-0.95%
Libraries & Adult Learning (Total Budget £2,585,000)	-0.88%
Planning (Total Budget £796,000)	-0.87%

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

Service Item	Average Change %
Schools (Total Budget £153,862,000)	-0.01%
Highways (Total Budget £7,781,000)	-0.16%
Children's Services (Total Budget £18,997,000)	-0.18%
Homecare (Total Budget £22,618,000)	-0.27%
Children Looked After (Total Budget £27,241,000)	-0.27%
Apprenticeship Scheme (Total Budget £225,000)	-0.31%
Residential & Nursing Services (Total Budget £25,693,000)	-0.42%
Supported Accommodation (Total Budget £12,597,000)	-0.42%
Equipment and Adaptations (Total Budget £1,900,000)	-0.44%
Assessment Care Management (Total Budget £7,372,000)	-0.48%

- A 3% increase in Council Tax had been factored in to the budget simulator as it was used for modelling purposes in calculating the budget gap of £5.92m. Taking this into account the average % change increase in Council tax was reported to be 4.45%.
- A separate survey was provided online in addition to the Budget Simulator. 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 (74.8%).
- Respondents were asked what their preferred level of Council Tax increase for next year would be. The results show that 38.3% of respondents would prefer an increase of 3%, with 22.7% suggesting 5%. Only 13% suggested no increase.
- 61% of respondents said that the school budget should be protected and increased by £2.2m.
- Respondents were asked to state which services they would want to protect from an increase in fees and charges in 2019/20. School meals received the largest response with 122 comments.

Area to protect from an increase	No.
School Meals	122
Leisure Centre Membership	56
Sports Pitch Fees	50
Social / Elderly Care	38
Schools Transport / Afterschool Clubs	25
Meals on Wheels	21
Car Parking Fees	18

- The majority of respondents felt that the Council should focus on the key themes, especially Early Intervention and Prevention and Efficiency (87%)

	Yes (%)	No (%)	DK (%)
Digitalisation	64	24	12
Early Intervention and Prevention	87	7	6
Commercialisation	60	24	16
Efficiency	78	11	11
Independence	78	12	11

- Respondents were asked if they thought the Council should invest in a number of service areas. The majority of respondents agreed that the Council should invest in all of the areas suggested, with the most support for Highways maintenance (87%), followed by Extra Care (78%).

	Yes (%)	No (%)	DK (%)
Extra Care	78	12	10
Traffic Management	75	17	8
Parks and Green Spaces	71	21	8
Regeneration of Town Centres	71	21	8
Improving Strategic Roads	63	27	10
Community Hubs	62	25	13
Modern Business Units	50	33	17
Highways maintenance	87	7	6
Bryn Pica Eco Park	68	20	12
Community Fund	53	26	21

- The face to face consultation discussions held in the town centres, leisure centres and libraries. Respondents were told about the investments that the Council proposed to make in 2019/20 and were asked to provide their views. The comments received are found in the main report.
- Residents were asked what level of Council Tax increase would be acceptable for the next financial year at the face to face events. 47% felt that a council tax increase of 3% would be acceptable.

C.Tax Increase	%
0%	30
1%	13
3%	47
5%	7
Over 5%	3

- Engagement took place with the Older Person Advisory Group (OPAG)
The general consensus from all members of the OPAG was to increase Council Tax and protect services. The group discussed and went on to agree a 3% Council Tax increase, however after further discussion regarding the effect to services, the group agreed a final 4% Council Tax increase in order to close the budget gap further and protect more services.

The group discussed the council's priorities and agreed that Digitalisation and Early Intervention & Prevention were of particular importance for investment. When asked whether the group had any other ideas for investment, public toilets and pavements came to mind.

- An engagement session was also held with the Rhondda Cynon Taf Disability Forum. Most people agreed that a small increase in Council Tax to maintain services would be preferable than cutting services
"Not clear enough what Council Tax is being used for."

When asked if they agreed that it was reasonable to increase the Schools budget all members of the group agreed however there were some comments that this money won't make a significant difference to schools and concerns about how this money would be divided.

The group were asked for their views on fees and charges with most agreeing that these should not be increased and frozen at their current levels or even decreased.

- An engagement event was held with Hawthorn Youth Club. The results show that the young people agreed with most of the priorities with the exception of 'Efficiency'. All young people present agreed that investing in community groups was an important priority with this being the only area that prompted full agreement. Of high importance were improvements to parks and green spaces and to Community Hubs. Those with the lowest levels of support were Highways and Roads and improving road traffic.

1. INTRODUCTION

- 1.1 This report presents the findings of the General Budget Strategy Consultation for 2019/20, 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 road show events and the Older Persons Advisory Group and Disability Forum meeting.
- 1.6 Section 7 provides some feedback on the young persons' engagement events.
- 1.7 Section 8 provides the results of Social Media polls and some comments.

2. BACKGROUND

- 2.1 For the financial year 2019/20 the Council must decide upon its Budget Strategy and priorities.
- 2.2 The Council faces an initial budget gap of £5.92M for 2019/20, 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 2020.
- 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 5th November to the 17th December 2018.

3. METHODOLOGY

3.1 The Council's budget consultation ran from 5th November to the 17th December 2018.

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 areas
- Ask people for their views on the 5 key ways of working that aim to maximise resources and deliver improved services.
- Increase the levels of engagement on previous years.

3.3 The following methods were used to consult with stakeholders;

- An online Budget Simulator and questionnaire
- A number of Town Centre, Leisure Centre and Library events
- Promotion through Social media
- Promotion of Leisure Centre events through 'Leisure for Life' app and Leisure social media pages.
- Questions/polls on social media
- Two Young Person's Budget Engagement Events including Hawthorn Youth Club and a pilot session with Our Lady's RC Primary School.
- Older Persons Advisory Group Meeting
- Disability Forum Meeting
- Promotion with the Citizen's Panel.

3.4 The Budget Simulator outlined a range of services that the Council provides and their associated budgets and then asked people to make £5.92m of savings by adjusting the budget for each service, as well as the level of council tax. The simulator allowed respondents to;

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

3.5 The following engagement events took place during the consultation;

Town Centre Roadshows

DATE	Detail/Events
Friday 16th November	Mountain Ash
Friday 23 rd November	Tonypanyd
Wednesday 28th November	Pontypridd

Libraries

DATE	Detail/Events
Monday 12th November	Treorchy
Friday 30 th November	Abercynon
Tuesday 4 th December	Aberdare
Wednesday 5 th December	Pontyclun
Friday 7 th December	Ferndale
Tuesday 11 th December	Porth
Tuesday 11 th December	Hirwaun
Thursday 13 th December	Pontypridd

Leisure Centres

DATE	Detail/Events
Thursday 15 th November	Llantrisant Leisure Centre
Monday 19 th November	Sobell Leisure Centre
Tuesday 22 nd November	Hawthorn Leisure Centre
Monday 26 th November	Rhondda Sports Centre

- 3.6 The Town Centre events were held in the Council's Environmental Services 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 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 Hawthorn Youth Club discussed the budget through interactive keypads and a discussion led by a YEPS officer.
- 3.8 An engagement session was held with 15 Year 6 pupils at Our Lady's RC Primary School with the discussion led by Consultation team members.
- 3.9 Discussions were also held with a meeting of the Older Persons' Advisory Group (OPAG) on the 28th November 2018 and the Disability Forum on the 14th December 2018.
- 3.10 Over 4000 people were engaged in the budget setting process.

4 BUDGET SIMULATOR RESULTS

Responses received

- 4.1 245 responses were received with submitted budgets. In addition, 1192 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 245 respondents who attempted to balance the budget. The average income increased by £2,277,780 and the average revised expenditure put forward showed a decrease of £1,242,451.

Original Total Income	£ 85,600,000
Original Total Expenditure	£ 401,350,000
Average Revised Total Income	£ 87,877,780
Average Revised Total Expenditure	£ 399,908,631

Table 1 – The Overall Budget

Overall Summary of Services

- 4.3 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 Skill (Expenditure)	
Schools (Total Budget £153,862,000)	-0.01%
School Support Services (Total Budget £12,394,000)	-0.49%
Libraries & Adult Learning (Total Budget £2,585,000)	-0.88%
Apprenticeship Scheme (Total Budget £225,000)	-0.31%
Youth Provision (Total Budget £2,087,000)	-0.57%
Access, Engagement & Inclusion (Total £9,146,000)	-0.74%
Adult Social Care	
Assessment Care Management (Total Budget £7,372,000)	-0.48%
Residential & Nursing Services (Total Budget £25,693,000)	-0.42%
Supported Accommodation (Total Budget £12,597,000)	-0.42%
Homecare (Total Budget £22,618,000)	-0.27%
Day Care Services (Total Budget £6,697,000)	-0.65%
Equipment and Adaptations (Total Budget £1,900,000)	-0.44%
Care Support & Other Services (Total Budget £6,075,000)	-0.51%
Children's Services and Wellbeing	
Children's Services (Total Budget £18,997,000)	-0.18%
Children Looked After (Total Budget £27,241,000)	-0.27%
Public Health (Total Budget £4,753,000)	-0.65%
Housing (Total Budget £1,476,000)	-0.66%
Parks (Total Budget £4,860,000)	-0.95%
Frontline Services	
Highways (Total Budget £7,781,000)	-0.16%
Streetcare (Total Budget £4,621,000)	-0.71%
Recycling (Total Budget £11,591,000)	-0.53%
Waste (Black bags) (Total Budget £5,604,000)	-1.18%
Transport (Total Budget £14,663,000)	-0.85%
Customer Care (Total Budget £2,194,000)	-1.08%
Support Services (Total Budget £26,881,000)	-1.24%
Leisure, Culture and Regeneration	
Tourism & Heritage (Total Budget £742,000)	-1.11%
Cultural Services (Total Budget £946,000)	-1.25%
Planning (Total Budget £796,000)	-0.87%
Regeneration (Total Budget £1,534,000)	-0.74%
Leisure (Total Budget £3,290,000)	-1.00%
Music (Total Budget £129,000)	-1.34%

Table 2 – Overall Summary of Services

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

Service Item	Average Change %
Music (Total Budget £129,000)	-1.34%
Cultural Services (Total Budget £946,000)	-1.25%
Support Services (Total Budget £26,881,000)	-1.24%
Waste (Black bags) (Total Budget £5,604,000)	-1.18%
Tourism & Heritage (Total Budget £742,000)	-1.11%
Customer Care (Total Budget £2,194,000)	-1.08%
Leisure (Total Budget £3,290,000)	-1.00%
Parks (Total Budget £4,860,000)	-0.95%
Libraries & Adult Learning (Total Budget £2,585,000)	-0.88%
Planning (Total Budget £796,000)	-0.87%

Table 3: Services receiving largest % decrease in average budget

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

Service Item	Average Change %
Schools (Total Budget £153,862,000)	-0.01%
Highways (Total Budget £7,781,000)	-0.16%
Children's Services (Total Budget £18,997,000)	-0.18%
Homecare (Total Budget £22,618,000)	-0.27%
Children Looked After (Total Budget £27,241,000)	-0.27%
Apprenticeship Scheme (Total Budget £225,000)	-0.31%
Residential & Nursing Services (Total Budget £25,693,000)	-0.42%
Supported Accommodation (Total Budget £12,597,000)	-0.42%
Equipment and Adaptations (Total Budget £1,900,000)	-0.44%
Assessment Care Management (Total Budget £7,372,000)	-0.48%

Table 4: Services receiving smallest % decrease in average budget

Analysis by Service Groups

Education and Skills

- 4.6 The education and skills budget expenditure was reduced on average by -0.10%, the reductions vary from -0.88% for Libraries and Adult learning to only -0.01% for schools.

Education and Skills (Expenditure)		-0.10%
	Schools (Total Budget £153,862,000)	-0.01%
	School Support Services (Total Budget £12,394,000)	-0.49%
	Libraries & Adult Learning (Total Budget £2,585,000)	-0.88%
	Apprenticeship Scheme (Total Budget £225,000)	-0.31%
	Youth Provision (Total Budget £2,087,000)	-0.57%
	Access, Engagement & Inclusion (Total £9,146,000)	-0.74%

Table 5: Average change % for Education and Skills

Education and Skills Comments

- 4.7 The following are a selection of comments made in the budget simulator:

Overall

“Education is crucial in the fight against discrimination, unemployment and indifference. I would urge whoever it may concern to protect education services at all costs.”

“Providing our young people with a good education I believe is the most important function of the Council.”

“Education services must be protected and grown. The children are our future.”

“Education needs to do its part in making the savings, you cannot expect other areas to continually make savings without do your share”

Schools

“The super schools seemed to be the way forward in wider long term reductions.”

“Schools budgets have been protected for some time at the expense of other service sectors. As many local schools continue to merge, operational costs should reduce, and the authority can recoup additional revenue through the sale of disused sites. Schools have a colossal share

of the Council budget, and it seems reasonable to argue that their money could be spent more effectively.....”

Schools Support

“Schools and support services are now clearly struggling to meet the needs of all children and young people, particularly those with additional learning needs. Spend now to save later.”

Libraries & Adult Learning

“Books can now be viewed online”

“Libraries are essential community hubs, often stepping in where other community facilities are lost. They are particularly important given the introduction of Universal Credit (giving claimants access to PCs) and should be preserved and enhanced”

Apprenticeship Scheme

“Apprenticeships are very important and should be enhanced where possible.”

“Research suggests that apprenticeships can add a significant return on investment.”

Youth Provision

“I feel that there are few opportunities for young people to gain employment & training, or have access to good role models e.g. youth clubs, which means that little feeling of self-worth or purpose in life, which can only increase anti-social behaviour”

Access, Engagement & Inclusion

“There are many sector agencies delivering projects for youth provision, access, engagement and Inclusion.”

Adult Social Care

- 4.8 The Adult Social Care budget was reduced on average by -0.41%, the reductions vary from -0.65% for Day Care Services to -0.27% for homecare.

Adult Social Care (Expenditure)	-0.41%
Assessment Care Management (Total Budget £7,372,000)	-0.48%
Residential & Nursing Services (Total Budget £25,693,000)	-0.42%
Supported Accommodation (Total Budget £12,597,000)	-0.42%
Homecare (Total Budget £22,618,000)	-0.27%
Day Care Services (Total Budget £6,697,000)	-0.65%
Equipment and Adaptations (Total Budget £1,900,000)	-0.44%
Care Support & Other Services (Total Budget £6,075,000)	-0.51%

Table 6: Average change % for Adult Social Care

Adult and Social Care comments

- 4.9 The following are a selection of comments made in the budget simulator:

Overall

"I am sure that there is room for savings in the management structure of adult social care."

"Families should be encouraged to look after their relatives a lot more as it stands now."

"It's important to protect the vulnerable."

"As stated previously, these are important departments that have experienced cuts previously. They help our most vulnerable residents and should not be cut again."

"I believe that much of the costs should be fronted by families for care for their loved ones rather than the council. I believe the council should offer discounted services and support but I don't think it's the council's place to bare all costs."

"Greater efficiencies to be had with integration between health and adult social care."

Equipment & Adaptations

“Increase in equipment and adaptations may allow for substantial amounts of money to be saved on care packages.”

“Most people receiving equipment and adaptations are in receipt of disability allowance. This should be used for what they need. It's what it's there for.”

Children's Services and Wellbeing

- 4.10 The Children's Services and Wellbeing budget was reduced on average by 0.34%, the reductions vary from -0.95% for Parks to 0.18% for Children's Services.

Children's Services and Wellbeing (Expenditure)		-0.34%
Children's Services (Total Budget £18,997,000)		-0.18%
Children Looked After (Total Budget £27,241,000)		-0.27%
Public Health (Total Budget £4,753,000)		-0.65%
Housing (Total Budget £1,476,000)		-0.66%
Parks (Total Budget £4,860,000)		-0.95%

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

Children's Services and Wellbeing comments

- 4.11 The following are a selection of comments made in the budget simulator:

Looked After Children

“Services for the most vulnerable residents should be protected and enhanced where possible”

“Reduce expensive out of county placements. Integrate with health and education”

Housing

“Empty properties either sold or homeless people could live in them”

Parks

“Make use of volunteers to help maintain Parks and open spaces”

“What about transferring some of the parks to voluntary groups who could access grants etc.”

“Parks could be maintained by volunteers from the local area and managed more effectively.”

“Parks - community service offenders to clean up park areas and upkeep buildings such as painting. Housing - also they could be used in this area too.”

Frontline Services

- 4.12 The Frontline Services budget was reduced on average by -0.89%, the reductions vary from -1.24% for Support Services to a decrease of 0.16% for Highways.

Frontline Services (Expenditure)		-0.89%
Highways (Total Budget £7,781,000)		-0.16%
Streetcare (Total Budget £4,621,000)		-0.71%
Recycling (Total Budget £11,591,000)		-0.53%
Waste (Black bags) (Total Budget £5,604,000)		-1.18%
Transport (Total Budget £14,663,000)		-0.85%
Customer Care (Total Budget £2,194,000)		-1.08%
Support Services (Total Budget £26,881,000)		-1.24%

Table 8: Average change % for Frontline Services

Frontline Services comments

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

Highways

“We spend an awful lot on roads as it stands compared to other authorities”

“RCT's highway network needs improvement, and additional funding should be sourced where possible.”

Streetcare

“All street lighting should be low cost LED”

Recycling

“Our recycling system is one of the best in Wales, and I do not believe rates would fall with modest reductions to the Waste Management budget.”

Waste

“More education from the recycling to reduce black bags even further or a monthly collection of black bags.”

“Education on black bag use can be reduced. The fact this is reduced will not cut the amount of people who already recycle.”

Transport

“Investing in public transport is also essential, as it helps to reduce the county's carbon footprint, and provides a vital link for the poorest residents, who often cannot drive”

Customer Care

“Better online services would reduce the reasons for calling, often you use the online functions and you don't get a response so results in Phoning”

Support Services

“Administrative services should be cut with responsibilities handed back to front line departments where appropriate.”

“Reduce the amount of department heads to allow the savings to be made”

Leisure Culture and Regeneration

- 4.14 The Leisure, Culture and Regeneration budget was reduced on average by -0.98%, the reductions vary from -1.34% for Music to -0.74% for Regeneration.

Leisure, Culture and Regeneration (Expenditure)		-0.98%
Tourism & Heritage (Total Budget £742,000)		-1.11%
Cultural Services (Total Budget £946,000)		-1.25%
Planning (Total Budget £796,000)		-0.87%
Regeneration (Total Budget £1,534,000)		-0.74%
Leisure (Total Budget £3,290,000)		-1.00%
Music (Total Budget £129,000)		-1.34%

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

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

Tourism & Heritage

“Tourism and Heritage could charge fee to make this heading sustainable in the future.”

“Tourism could be reduced and promoted through FB and other sources”

Leisure

“Make more use of volunteers in providing leisure services”

“There are several leisure facilities across the county that could be closed or handed over to a private/ not for profit consortium. Whilst maintaining public health is essential, the Council could work with existing private providers and the health service more effectively”

Music

“As the British Economy has a lot of income from the Music and Entertainment business it is short sighted of us not to invest in it.”

Transitional Funding

4.16 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 £3M available. The average percentage change suggested was an increase of 35.92% which would result in using additional transitional funding of £1,077,600.

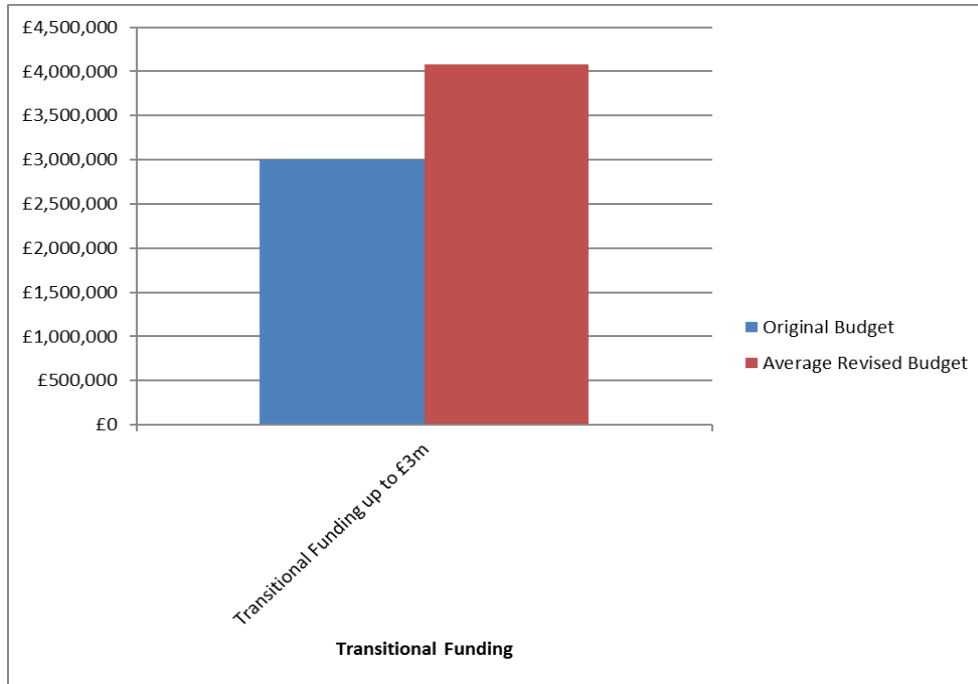


Figure 1 - Transitional Funding

Comments on Transitional Funding

4.17 The following are a selection of comments received on transitional funding;

“All measures should be taken to reduce the impact on front line services. If the Council has to apply for additional funding, or use money from its reserves, then so be it.”

“Investment in some of the initiatives now may allow for greater savings in the long run.”

“If this payment is only a one off then may be it should not be used yet as with Brexit, the future may be more uncertain”

“Transitional funding for this year, these sectors will save money next year to plug the gap.”

Council Tax

4.18 A 3% increase in Council Tax had been factored in to the budget simulator as it was used for modelling purposes in calculating the budget gap of £5.92m. Taking this into account the average % change increase in Council tax was reported to be 4.45%.

	Average Change %
	1.45%
Taking account of 3% used for modelling purposes	4.45%

Table 10: Average change % for Council Tax

4.19 The following figure shows that the extra income generated from Council Tax (based on the above level of increase) would be £1,200,229.

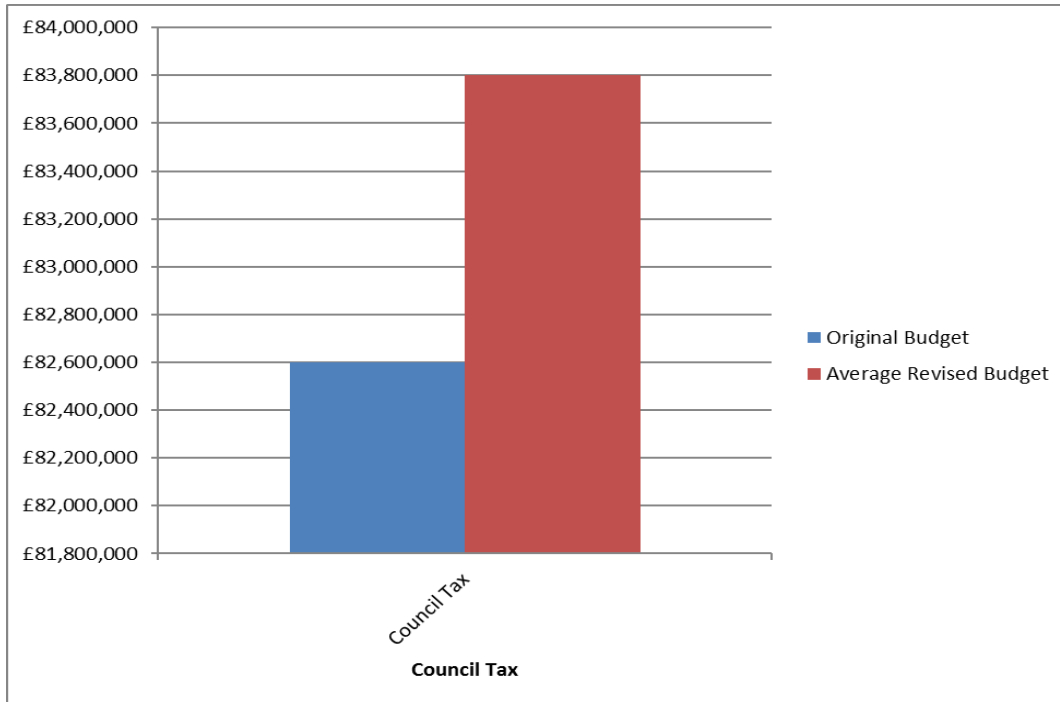


Figure 2 - Level of Council Tax increase

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 would rather pay a little extra and save our services.”

“Happy to pay for to protect front line services”

“I think most people would accept a modest increase in Council tax if it protects local services.”

“If we want good services then they must be paid for somehow”

3% and under

"I live in RCT and would be prepared to pay an additional 3% on my council tax"

"Whilst, as a resident, I am loathed to suggest an increase in Council tax, a small 1% increase may be necessary to balance the budget."

Over 3%

"Please keep the increase to under 5%"

"Go for the maximum, Ensure tax is collected on all vacant properties and land-banked sites."

"4% max rise in council tax"

"4% is fair I think"

"A council tax of 5% would be the most it should"

No increase

"People struggle to pay this as is stands."

"Council tax should not be raised again. You can't keep pushing the burden onto hard-pressed households."

"Whilst I appreciate that Council tax has to increase to help support service I feel that the council also needs to be mindful that all bills are increasing e.g. good, fuel, heating etc. but wages are not"

"We are struggling to pay the current charges let alone any increase"

General Comments

- 4.21 Respondents were given the opportunity to provide general comments in relation to the budget, these included:

"Can see how increasing pressures are going to make it harder to balance the budget in future years Invest in our future. Without quality education the valleys are doomed to stay in the poverty cycle, further exasperated by austerity."

"The Council provides vital services for the most vulnerable in our community as well as educating our children and looking after our environment and it is very sad and worrying to see these services being adversely affected because of budget cuts."

“It’s pretty easy, simply have a small increase in council tax and cut everything equally and lose anything that is not statutory.”

“Schools and social care should be the priority”

“Sometimes you need to spend it to save it in the long term. If invested more into the highways department helping to maintain roads like potholes and so on. Less people would be claiming for damaged vehicles (and likely reduce fraudulent claims also).....”

“We need a society where those who can afford to pay a little more are willing to do so for the greater good of all”

“Senior management structure still top-heavy; too many people being paid for doing too little. Previous management reductions now all undone.”

“The only other cost cutting would be to reduce management or cut wages.”

“More funding for schools is needed to avoid cuts to classrooms, also a council tax rise of 4% or under is reasonable to avoid bigger cuts”

5 Questionnaire Results

- 5.1 A separate survey was provided online in addition to the Budget Simulator, the results of which are summarised in this section.

Council Tax

- 5.2 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 (74.8%).

Base	246
Q1 Every 1% rise in Council Tax provides the Council with additional revenue of £826,000. With a £5.92M budget gap for 2019/20, should the Council...	
Maintain as many services at the current level as possible even if it means a reasonable increase in Council Tax to contribute towards closing the budget gap?	74.8%
Cut services to close the budget gap and keep any increase in Council Tax to a minimum?	25.2%

Table 11: Preferred option to maintain / cut services with effect on Council Tax

A selection of comments can be found below;

Agree to maintain services and increase Council Tax

“A reasonable rise.”

“As a resident, I would prefer to see a reasonable rise in Council Tax in order to protect services and staff.”

“Balance a small rise of under 5% against having to make more cuts”

“Happy to increase council tax to maintain/improve services”

“I'm happy to have this increased, we need to maintain our services for the elderly and our youth. I am proud of where I live and the frontline services they help towards the cleanliness of our streets, parks and communities. If you travel to other Authorities around us there is a big difference in the way their towns are cleaned.....”

“Services are getting more expensive. Wages and the minimum wage has increased, all these have to be covered”

“Small increase is acceptable but not 8% and 10% like some councils are suggesting”

No increase in Council Tax

“Hard working tax payers have been hit the hardest over the last 10yrs. Why should they pay more council tax.....”

“People struggle to pay council tax at its current level. Not everyone uses services provided by the council but are expected to pay for them through council tax.”

A balance of maintain and cuts

“A mixture of increase council tax and cuts in services.”

“Maintain essential services but consider cuts to services which have been receiving funding for a long period with poor returns for the funding.”

Minimum raise in Council Tax (1%) will allow some funds to be raised and offset some cuts although others will still be necessary”

“There needs to be a balance between the raising of Council tax and what services are run”

Neither options

“Neither of the two options are appropriate. My third option - Maintain and improve existing services. Seek alternative forms of income rather than increase council tax again”

“Not an option for neither or other. Cutting off some services again isn't the answer or increasing tax. Look at what's wrong with current services. Fix those.”

“Not really giving a choice in this, services have been cut already and what you think is a 'Reasonable Increase' to council tax isn't the same as what the general public think. Cut some of your own outlays first (sell assets, cut your overheads and review salaries for high earners - you're the council, not the government).”

“We already pay huge amounts in council tax. Cutting services need not be the whole answer, instead efficiencies can be made across the board using innovative and realistic ideas”

Other

“I feel that there are services run by the Council that do not run as well or as efficiently as they could do. The concern is that services are cut that affect people adversely”

“I know that you try your best..... and you do a blinking good job!”

“I still feel all council services could be streamlined in order to save money without affecting performance.””

I feel that the council is putting too much emphasis on everything being online e.g. book appointment for car badge, refuse collection etc., but not everyone has access to a computer, and I feel that the public actually prefer to speak to a person”

“Or work on making services more efficient without cutting front line staff. Maybe we could consider the wages of directors?”

Preferred Level of Council Tax

5.3 Respondents were asked what their preferred level of Council Tax increase for next year would be. The results show that 38.3% of respondents would prefer an increase of 3%, with 22.7% suggesting 5%. Only 13% suggested no increase.

Q2 What would be your preferred level of Council Tax increase for next year?

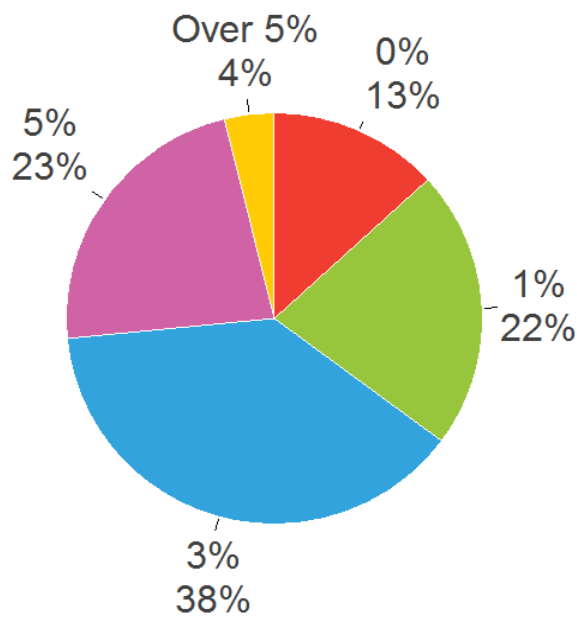


Figure 3 - Preferred level of Council Tax increase

Schools Budget

- 5.4 61% of respondents said that the school budget should be protected and increased by £2.2m.

Q3 Do you think that this increase is reasonable for schools?

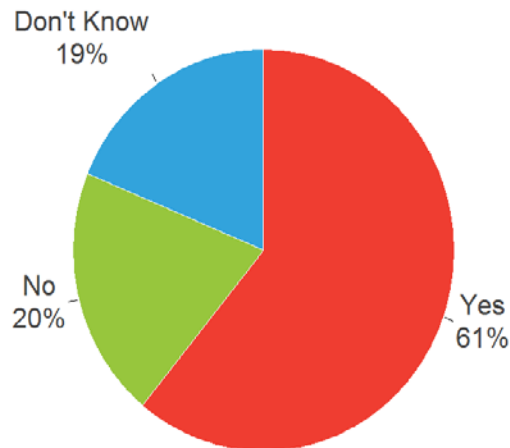


Figure 4 - Agreement with Schools Budget increase

Fees and Charges

- 5.5 Respondents were asked to state which services they would want to protect from an increase in fees and charges in 2019/20. School meals received the largest response with 122 comments suggesting that they should be protected from an increase in charge.

Area to protect from an increase	No.
School Meals	122
Leisure Centre Membership	56
Sports Pitch Fees	50
Social / Elderly Care	38
Schools Transport / Afterschool Clubs	25
Meals on Wheels	21
Car Parking Fees	18
Buses / Public Transport	8
Libraries	7
Business Rates	6
Council Tax	5

Table 12: Areas to protect from increase

- 5.6 Respondents were given the opportunity to provide any other comments on the budget and the following is a selection of those received:

Any Other Comments on the budget?

Council Tax

"Council tax increase of 4% to 5% at max"

"I'd support a council tax rise under 5% if it supports services and avoids cuts"

"Limit council tax rises to inflation or just over to maintain services"

Services to protect/prioritise

"Protection for social care and school should be priority"

"Front line social care should be protected"

"More funding for schools and social care"

"Not sure if £2.2m extra for schools is enough but they should be a priority"

"If you receive an uplift in your settlement I think it should be used for social care. I also think it is important to maintain leisure services to improve the health of the citizens"

"Mental Health is rising, as well as homelessness, can more money be found in the budget to tackle these issues?"

Budget Suggestions

"Breakfast clubs should be means tested".

"Charge for Blue Badges £10- other authorities do!"

"we need to charge for bin bags and no non-statutory service should be free, even if there is a nominal charge of 50p. No one values services that are free"

Fees and Charges

"I don't think you should cap the leisure centre membership as if they can afford that then they are able to pay the increase in fees."

"I suppose it's got to be leisure centre membership, you can't really increase charges for school meals"

Staff/Councillor efficiencies

"Cut the wages of top council leaders to reflect the cuts to residents."

“Expenses of councillors needs to be reduced.....”

Other Efficiencies

“Cut back office waste more”

Other

“I think that the council should be doing all that it can to promote sports and leisure activities throughout RCT”

“Over all the council does well compared to the budget cuts it has had in recent years. Roads here are much better maintained than other council areas....”

“Shouldn't waste money on Welsh language first translation, when other services are suffering.”

The Council's Priorities

5.7 The Council's 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.

- **Economy** - Building a strong economy
- **People** - Promoting independence and positive lives for everyone
- **Place** - Creating neighbourhoods where people are proud to live and work

5.8 To support the delivery of the plan in the context of funding reductions, increasing demand and rising cost pressures, the Council is focusing on five key areas to maximise resources and deliver improved services.

- **Digitalisation** – making services by creating an agile workforce and increasing opportunities for residents to interact with us online
- **Early Intervention and Prevention** – invest in services which allow us to solve issues before they escalate
- **Commercialisation** – offer some of our services on a commercial basis to lessen the impact of budget reductions
- **Efficiency** – continue to deliver millions of pounds worth of efficiencies each year – since 2012 we have saved over £30 million in this way

- **Independence** – invest in community based services which will support individuals and couples to remain independent

5.9 Respondents were asked if they thought the Council should focus on these key areas. As you can see in the table and figure below, the majority of respondents agreed with all of the key areas, with the highest response being for early intervention and prevention (87%).

	Yes (%)	No (%)	Don't know (%)
Digitalisation	64	24	12
Early Intervention and Prevention	87	7	6
Commercialisation	60	24	16
Efficiency	78	11	11
Independence	78	12	11

Table 13: Key areas of focus

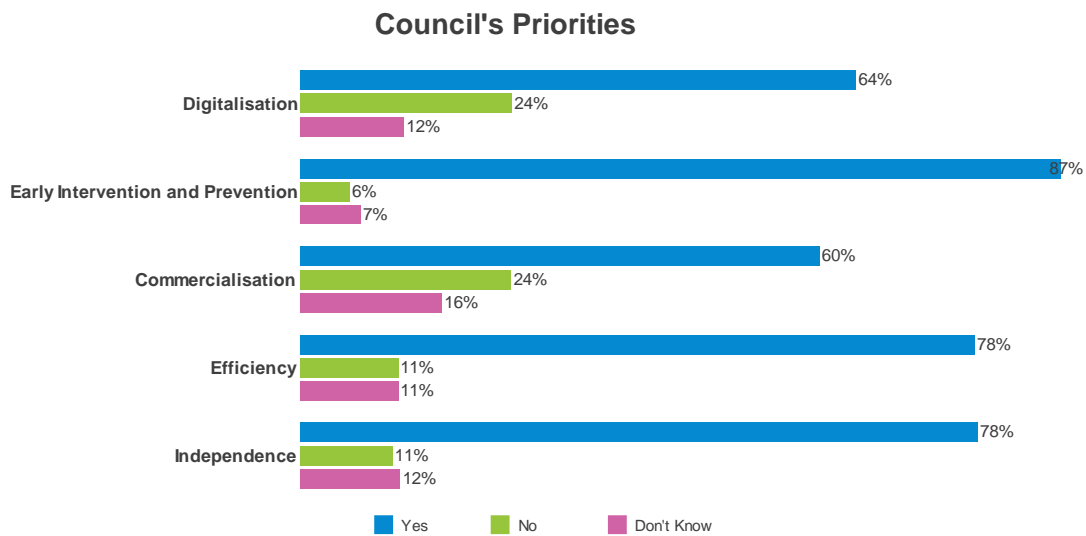


Figure 5 - Agreement with focus on 5 key areas

5.10 Respondents were asked if they thought the Council should invest in a number of service areas. As you can see the majority of respondents agreed that the Council should invest in all of the areas suggested, with the most support for Highways maintenance (87%), followed by Extra Care (78%).

	Yes (%)	No (%)	Don't know (%)
Extra Care	78	12	10
Traffic Management	75	17	8
Parks and Green Spaces	71	21	8
Regeneration of Town Centres	71	21	8
Improving Strategic Roads	63	27	10
Community Hubs	62	25	13
Modern Business Units	50	33	17
Highways maintenance	87	7	6
Bryn Pica Eco Park	68	20	12
Community Fund	53	26	21

Table 14: Areas of Investment

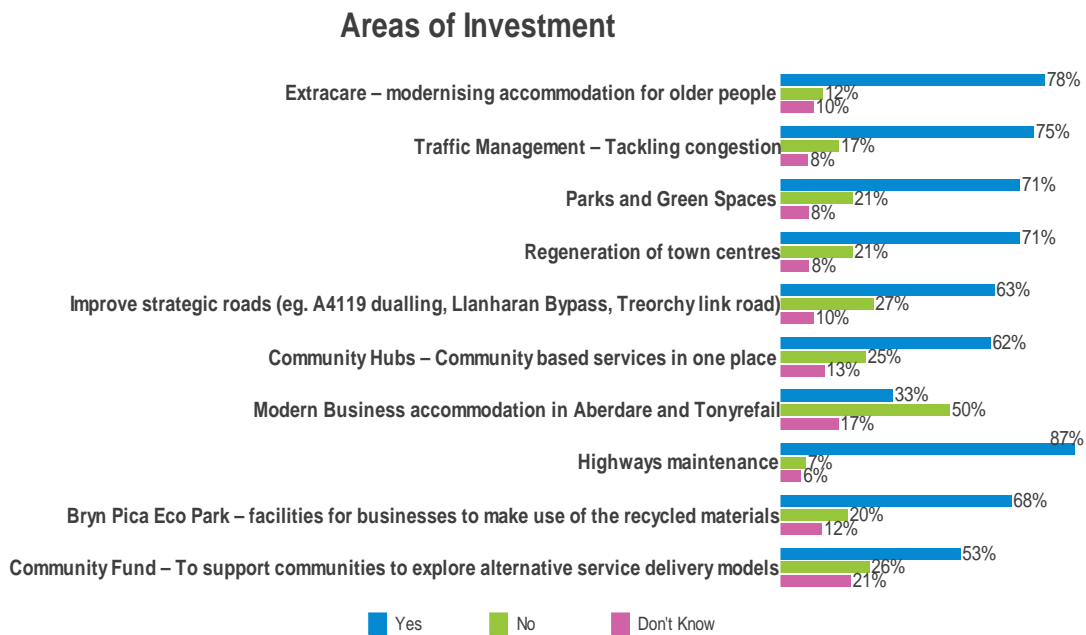


Figure 6 - Agreement with areas of Investment

5.11 The following are a selection of comments received on the Council's investment areas;

Extra Care

“We should invest in the modernising accommodation for older people - we are living longer but unfortunately ill health affects nearly all of us - so support should be put in place.”

Traffic Management

“Re: Modern Business accommodation in Aberdare and Tonyrefail You need to sort out infrastructure first - improve roads, parking and congestion”

“Traffic is a huge problem in the valleys as these road were not built for this type of heavy use.”

“Traffic management should focus on reduction and alternatives.”

Parks and Green Spaces

“Parks and play areas should fund raise funds to assist with their maintainability”

“Providing places for outdoor activities, such as walking, cycling is beneficial to people's health and wellbeing. Investing in Bryn Pica will help our environment and reduce waste and pollution.”

“Park and Green Spaces looking after these areas helps our well being”

Regeneration of Town Centres

“I do understand how difficult it is to regenerate town centres, they seem to be becoming a thing of the past which is sad. Due to online shopping and out of town stores our town centres have suffered badly. I think a great help would have been to transfer some Council offices into towns.....”

“Regeneration of our towns risks pouring money down a hole unless a new role can be found for our high streets.”

Improving Strategic Roads

“I feel that road improvements should be high priority as so many residents have to travel further afield for their jobs as there is so little opportunity in the Valleys for employment. “

“Whilst infrastructure improvements are required, particularly in conjunction with new houses; people should be encouraged onto public transport. Money should not be spent easing congestion in sustainable places where public transport can be utilised to get from A to B.”

Community Hubs

“Community Hubs in one building will cut costs in maintaining and heating many buildings in the same area.”

Modern Business Units

“Great idea to bring business accommodation in but unless we address these in line with our road infrastructure businesses will not set up in RCT.”

Highways maintenance

“Highways maintenance should be a high priority”

“Highway maintenance is essential due to our climate and the damage it causes to our roads”

Bryn Pica Eco Park

“Need to have sound business cases for Eco Park - if it has to be subsidised then no real point. Has to be treated as a commercial enterprise if business are going to be involved.”

“Make the green waste you produce and collect into a viable compost for residents to have purchase at cost”

“Eco Park is the way forward recycling materials is the way forward”

Community Fund

“Community Fund – To support communities to explore alternative service delivery models-This may be a way forward but would need close monitoring to ensure the money is not swallowed up in admin and staffing”

- 5.12 Respondents were asked if there were any other service areas/facilities or infrastructure that they felt needed further investment, the following are a selection of responses received;

Community/Road Safety

“A bigger investment on community safety services to ensure the people of RCT feel safe in their communities”

“More cctv to stop vandalism saving money long term on repairs”.

“Casualty reduction on roads with road safety campaigns. More traffic enforcement to prevent the ever increasing antisocial to dangerous driving. More police on our streets.”

Parks and Open spaces

“A closer partnership with NRW would enable joined up investment and improvement of green spaces”

Older People/social care

“Anything to service most in need such as elderly and disabled.”

“Care homes for the elderly and extra care facilities.”

“Care to support the elderly as their needs change and become greater, completely inadequate and overwhelmed by demand.”

Young people/services

“community projects for young people - as we have no youth centres now in the valleys”

“Investment in Children's Residential Services as we have too many children and young people living out of county, due to lack of suitable provision within the authority”

“Youth facilities - more youth clubs”

Mental Health services

“Mental health need all the investment it can possibly get and more”.

“Mental health services, specifically under 18's.”

Leisure/play

“Continue to invest in indoor/outdoor fitness and leisure and children's play areas.”

Libraries

“Libraries, they are vital to the community”

Schools/Education

“Education and school buildings keep up the investment, need to invest in our future.”

“Cwmdare and Comin / Park must have new schools, merging the two may well be the best way to go”

“I think some investment is needed in our Welsh medium schools, especially in the Rhondda. Many English schools seem to be benefitting from investment around RCT.”

“Special educational needs. Ensuring these children get the best chance not just adequate.”

Environmental Services

“Flooding”

“More money for flood prevention”

“Investment in charging points for e vehicles for council staff and the public use of e vehicles for all council staff”

Commercialisation

“Too much emphasis on provision of services, if services were more proactive in making money this cut offset cuts elsewhere. Council needs to be better at "selling" e.g. council run MOT centres, businesses buying services from the Council i.e. HR, Occ Health etc.”

5.13 The figures below show the age and gender profile of the survey respondents.

About You

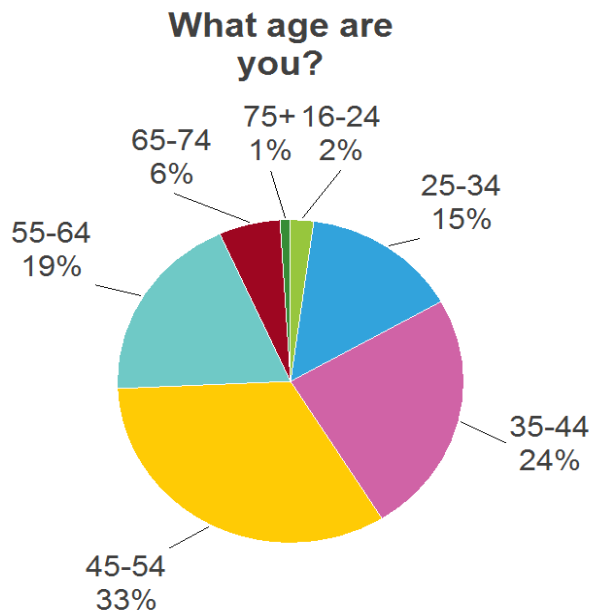


Figure 7 - Respondents Age

What is your gender?

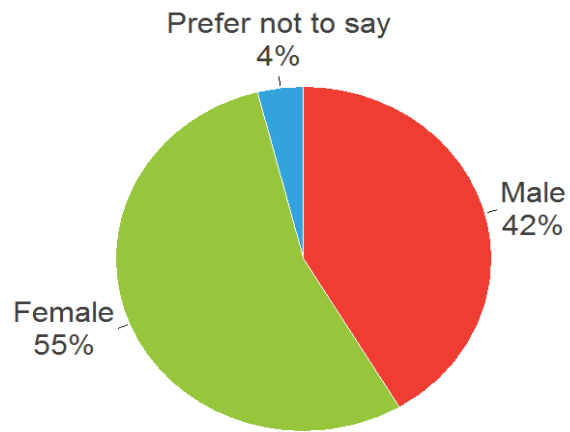


Figure 8 - Respondents Gender

6. ENGAGEMENT EVENTS

- 6.1 This section outlines the results of the face to face consultation discussions held in the town centres, leisure centres and libraries along with feedback received from the older person's advisory group (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.
- 6.4 The events used a number of boards to aid discussion and a number of discussion prompts were available to the facilitators.

PART A Results – Council Investment Areas

- 6.5 Respondents were told about the investments that the Council proposed to make in 2019/20 and asked to provide their views.

Extra Care Facilities.

- 6.6 Overall most respondents agreed that this was the right area for investment with comments recognising that as an ageing population it was important to invest in such new facilities. There were slight concerns about the locations of the facilities and a small number of respondents who felt this area should not be invested in.

“Happy to invest in Extra Care.”

“Ageing population so this is important.”

“Need for independent living, people are falling through the net so this is a priority.”

“Yes – people are living longer.”

“Good idea, excellent. Older people trying to be independent this will help.”

“Need to care for older people, longer life expectancy.”

“Extra care facilities for ageing population is important. Place in location near young people.”

“Talbot Green is flat but Bronwydd isn’t. Why put one on a hill with wheelchair access not appropriate. Isolates less able people.”

“They have to be affordable for people. Is there any provision for homeless people?”

Parks and Green Spaces

- 6.7 Overall there was positive support for this area of investment with many people agreeing this was important for children and families to have good facilities. There were some concerns about the levels of dog fouling impacting on and a number of comments regarding areas for improvement.

“Parks and green spaces are very important for families to have time outdoors. Some of them still need to be updated / improved.”

“Agree with investment in parks and green spaces.”

“Parks will be a brilliant investment.”

“Vital for environmental reasons. Need to maintain for future generations. Park run- it’s essential they’re maintained for this.”

“Not enough places- invest.”

“More investment needed in parks. Some are wrecks- rather see investment in parks than leisure centres.”

“More investment in Aberdare Country Park.”

“These are essential to invest in. We’ve got lots of these but not a lot of children using these days.”

“Dog wardens need to come down on people a lot more. Dog fouling is a big problem.”

“More dog bins needed...”

“Dog fouling- more enforcement officers needed.”

“Don’t think that this is a priority at the moment.”

“Quite good- doesn’t need investment.”

“Not a priority for me.”

Highways and Road Improvements

- 6.8 Most respondents agreed with investment in this area with the majority of comments referring to the condition of the roads and issues with potholes. There were some comments regarding issues with public transport. There were also a small number of comments made regarding the timescales of repairs and the perceived efficiency of the service.

“Roads need attention been neglected.”

“Aberdare Bypass- Good idea. Residents need more details.”

“Roads- continue to invest. Lots of new houses so need to make sure transport links will be suitable.”

“Roads need more investment.”

“Repair potholes quicker.”

“Sort potholes quicker. Need more investment.”

“Roads are atrocious.”

“Need to invest- potholes everywhere.”

“When roads get repaired they’re just patched up- not done properly.”

“Get priorities right first- road links should be improved as a first base to build investments. This will help all other areas.”

“More investment in public transport.”

“Public transport- buses between the valleys is difficult.”

“Transport to hospital is an issue. Can take more than one bus to get to the hospital.”

“Roads- as a lorry driver I am pleased with these.”

“Taff vale regeneration- will feel more connected to the Park with the new bridge and circular walking.”

Bryn Pica Eco Park

- 6.9 Most respondents were supportive of investment in this area with the topic of recycling being an important one to many of the people who engaged with officers. There were some concerns about the levels of

education about recycling and suggestions that this should be focussed on to improve recycling across the borough.

"More investment in education on recycling and reducing waste is a good idea, although there's a lot of stuff you can't recycle."

"Recycling and education- important investment."

"We've all got to do a lot more to recycle and protect the environment."

"Anything to encourage knowledge and education of recycling."

"This is a good idea. All recycling done on one site rather than hauling to external companies all over the country – carbon footprint reduction."

"If we need to recycle then we need to invest."

"Trips for schools really interesting."

"Recycling shops like 'Too good to waste' good idea if bought by Bryn Pica."

"Stuff being thrown away that could be re-used. 'The shed' is a good idea that should be rolled out all over RCT."

"Instead of educating about what can or can't be recycled I just get sent a letter or a sticker on my bin. It doesn't help for future."

Regeneration of Town Centres

- 6.10 There was support for investment in this area with many respondents feeling it is important to support businesses and attract visitors to town centres. There were comments made regarding the need for more shops and improvements in parking to support this.

"Parking fees low to encourage more shoppers."

"Give smaller businesses a chance by having lower fees. Re-evaluate as you go along."

"...the number of empty shops is a nightmare, on a Friday the market takes all the trade away from the shops in Mountain Ash."

"The car park is full now it's free to park, but people use the free car park to get on the train to Ponty and Cardiff from Mountain Ash. We need to put short stay for free back into the car park and re-introduce charges for long stay."

"Nothing in town centres- shops need support. New shops needed."

"If towns look appealing to people they're more likely to visit."

"All for supporting regeneration of town centres. We should stop shopping online and spend more in towns. We need to invite more market stalls etc. to visit towns."

"Generally happy with Ponty town centre however the lack of big name shops is concerning."

"More investment in Rhondda towns not just Ponty and Aberdare."

"Damage from out of town developments. Focus on town centres, parking is a problem."

"Shops are closing so welcome anything to encourage more people into the area."

"Support smaller businesses in town centres."

"Get some discount retailers into town to draw people in."

"Would like to see more use of units above shops."

Community Hubs

- 6.11 The majority of people felt that investment in community hubs was important and commented on the ease of access for services as a positive improvement for communities. There were some comments regarding the location and services provided needing to match current provisions and concerns about parking and disabled access. A small number of respondents disagreed with this area for investment due to concerns about their success or loss of current centres.

"Community hubs are good opportunities for local businesses and give opportunities to residents."

"More social hubs are a good idea, a good place for people to go."

"Expand the services within community hubs- protecting services particularly library."

"Makes more sense to have a central point and make everyone aware of this."

"Good idea- would use. Everything in one place."

"Would be happy to see community hubs as services would be easier to access such as citizen's advice."

"Depends what is on offer."

"Car parking would be an issue."

"St Mairs- Car parking is an issue."

"Depends where they would be situated."

"Once you've amalgamated these you can't go back- have to be sure they work."

"Do all services have to be in the same building? Hirwaun already has these close together, is it efficient to move them all together?"

"Make use of current buildings. Current day centre in Gelli needs investment but not a new building."

"Mountain Ash library should have been kept where it is. Day centre won't be the same in the hub."

Business Units

- 6.12 Most respondents felt that it was important to invest in businesses but did not fully support the creation of new units and that current buildings should be developed instead. There were some respondents who felt this area did not warrant investment unless there was a demand for places and improvements made to communication links.

"Lots of businesses are already empty- do we need to spend more on new ones. Why not make use of the existing ones."

"Treforest Industrial estate is underutilised. Just use what we've already got. With bridge tolls being scrapped now is the time to promote the area."

"Not sure about this as some are underused already."

"We've already got lots of these that aren't being used."

"Not used much, they've tried and it didn't work in Cwmbach."

"Don't think this will attract people- we've already got lots of places to use if needed."

"Is there a demand for businesses for these units? Do people want to come here?"

“Communication links are not good enough to be able to support business needs.”

“Yes- need to attract businesses.”

“Good idea for Robertstown but roads are very narrow so not ideal to attract businesses.”

“These are important. I’ve recently had to look outside of RCT due to lack of provision.”

PART B Results – Key Areas

- 6.13 As previously stated, to support the delivery of the Corporate Plan in the context of funding reductions, increasing demand and rising cost pressures, the Council is focusing on five key areas to maximise resources and deliver improved services.

Digitalisation – making services by creating an agile workforce and increasing opportunities for residents to interact with us online

Early Intervention and Prevention – invest in services which allow us to solve issues before they escalate

Commercialisation – offer some of our services on a commercial basis to lessen the impact of budget reductions

Efficiency – continue to deliver millions of pounds worth of efficiencies each year – since 2012 we have saved over £30 million in this way

Independence – invest in community based services which will support individuals and couples to remain independent

- 6.14 People were asked to discuss the themes at the various events, the following are a selection of comments received;

Digitalisation

“Good idea but make sure that everyone can be online.”

“Invest- key given the continuing roll out of universal credit and the ability for residents to manage and maintain an online tally.”

“I use online services to pay council tax and find this very easy- good area to invest.”

“Good to encourage people to use facilities.”

“This links to efficiency- makes everything quicker.”

“Faster banking payments needed from both sides.”

“Digitalisation takes jobs.”

“More online services to be more efficient- but adequate training and support for all residents to allow for easy access and understanding.”

“Libraries are closing but these have internet access. How can this be achieved?”

“A lot of people don’t have computers.”

“Not many elderly would take this up. Agile working is good- lots of possibilities here.”

“Need to retain good face to face service as well. Some people are not comfortable using online services.”

“Discriminates against people who have low ability. Nice idea but not practical.”

“It’s about 10 years too early- older people won’t use online services.”

“I’d be concerned about job cuts relating to agile working.”

“It’s a challenge- not always happy to do things online. It’s important that places like libraries stay open.”

Early Intervention and Prevention

“Early intervention to address problems (e.g. behavioural) is a good thing.”

“Social services are excellent- they’re on top of everything. This is definitely an area of focus.”

“Important to provide support/intervention before problems escalate- mental health support is an issue.”

“More support workers with schools. Invest more in providing this within schools.”

“This is good as it will make savings later on- invest here.”

"This is the most important. Will affect everybody and would be good for communities."

"Prevention is better than cure so I think this is a good idea to invest in."

"Why deal with a problem when you can tackle it early. Good idea."

"Good idea but the services don't link up to make this effective."

"Most sensible route but can we afford this?"

"It's not happening at the moment. Lots of pressure is being added to schools to tackle problems."

"Could be more expensive by having more social workers/ staff or GP referrals."

Commercialisation

"Leisure centres should sell sports merchandise such as towels, swimming costumes, goggles, water bottles etc. Sometimes people forget kit and it's a great way to make some money."

"Homecare and repair services for the elderly."

"Tree surgeons, gardeners as long as prices are competitive."

"A lot of services people would be interested in like gardening. People would be more trusting of council services."

"Makes sense if already for the facilities to offer services e.g. MOT/Tree surgery."

"Gardening services- more elderly people would be more trusting."

"This is particularly good for the elderly, have a list of people that have also been recommended by the council."

"Puts someone out of a job."

"Good idea to bring in but would it be at a detriment to current residents. All this would cost money to set up but have to ensure that it can be afforded."

"This is a good idea as long as it doesn't affect 'one man band' companies."

Efficiency

“Review services as likely to be ways of making more efficient- way to save money.”

“Always need to do this. Electric vehicles, small vehicles- save money on this.”

“There’s a lot of admin roles that are unnecessary.”

“Increase productivity of staff.”

Independence

“It’s more beneficial to keep people at home for as long as possible. Even if had to pay for it.”

“Invest to support elderly.”

“Elderly relatives so this is important to support them to stay in their own homes for as long as possible.”

“Keep people more independent for longer in their own homes- in the long run it’s cheaper than going into a home.”

“Means no hospital bed blocking and less dependence on other services- this is a good thing.”

“Definitely important- we’re all living longer.”

“Good idea but what about socialising?”

“This goes hand in hand with efficiency. People having grants for aids then move on, have to either pay to remove it all or pay to have it all done again elsewhere. Need to tackle this by focusing on new build houses being adaptable for needs at the outset.”

Council Tax

- 6.15 Residents were asked what level of Council Tax increase would be acceptable for the next financial year. The table overleaf shows that of the 99 people that responded at the events, 47% felt that a council tax increase of 3% would be acceptable.

C.Tax Increase	%
0%	30
1%	13
3%	47
5%	7
Over 5%	3
Base -99	

Table 15: Preferred level of Council Tax increase

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

"0%- wouldn't like a rise, pension doesn't go up."

"0%- Don't know what we're benefitting from it."

"0%- Understand investment but loathed to give RCT another penny."

"0%- Why do we pay more than other areas but our service areas are poorer. There's no value for money."

"1%- No one wants to spend more but have to spend to maintain facilities. Would be happy to pay between 1-2%."

"1%- Keep in line with pay increase."

"3%- As long as it protects services, happy to increase to 3%."

"3%- As long as they spend it on the right things."

"3%- Keep as low as possible but need to be sensible and money needs to be made somewhere."

"3%- At least 3%- won't be enough but people won't be able to go above 5%."

"3%- Have to put in if want to get more out."

"3%- Happy to go up a little bit to provide better services."

"3%- Only if I know where it's being spent. If not I'd be unhappy it going up."

"3%- acceptable to me, maximum as a pensioner."

"3%- Wouldn't like to pay but have to pay more for services."

“3%- I think we get good value for what we currently pay.”

“5%- Cuts may need to consider it going above 3% this year.”

“5%- Because of economy council tax may need to go up.”

“5%- It’s good to know where council tax is being spent.”

“5+%- Happy to pay to improve services.”

“5+%- If it protects services.”

6.16 **Older Person Advisory Group (OPAG)**

An engagement session was held with members of the OPAG reflecting the questions asked in the online questionnaire.

The general consensus from all members of the OPAG was to increase Council Tax and protect services. There were some queries regarding what effect this could have on services or what services could be affected and some members felt this prevented them from fully supporting this option.

Council Tax

The group discussed and went on to agree a 3% Council Tax increase, however after further discussion regarding the effect to services, the group agreed a final 4% Council Tax increase in order to close the budget gap further and protect more services.

Schools Budget

The group agreed that the increase proposed seemed reasonable.

Councils Priorities

The group discussed the council’s priorities and agreed that Digitalisation and Early Intervention & Prevention were of particular importance for investment.

“We have increased the number of people in the forum getting online but it is still not high enough. The danger is there are still people who are not online. It’s a good priority but other people need to be considered.”

“For older people in particular, Early Intervention & Prevention and Digitalisation are priorities.”

Investment areas

The group discussed each of the investment areas outlined in the presentation and the general consensus around these was positive and everyone agreed.

Other areas of investment

When asked whether the group had any other ideas for investment, public toilets and pavements were referenced. .

6.17 **Disability Forum**

An engagement session was also held with the Rhondda Cynon Taf Disability Forum where a presentation was given and a general discussion held around the questions in the online questionnaire.

Council Tax

Most people agreed that a small increase in Council Tax to maintain services would be more preferable than cutting services however it was noted that there was no explanation of what services would likely be cut and it wasn't clear enough about what current service levels are in order to fully agree with either option. Some comments included:

"Figures should be clearly conveyed to help people understand."

"There'd be uproar if any increase was over 5% as people's incomes won't afford it."

"If we didn't implement rises people need to know what they will be losing and what they can expect to receive if it were to increase."

Everyone agreed that they currently don't receive enough information about what Council Tax supports or what affect increases could have on service levels and therefore felt that this should be improved in order to be able to fully agree to future increases. Some comments on this included:

"90p doesn't sound a lot but what are we getting for this and what would we lose if it wasn't increased?"

"Don't mind paying but would want to know what this actually means for services."

"Not clear enough what Council Tax is being used for."

When asked if they agreed that it was reasonable to increase the Schools budget all members of the group agreed however there were

some comments that this money won't make a significant difference to schools and concerns about how this money would be divided.

"What are schools actually getting for this? Do they have to bid for funding or is it equally shared?"

"It seems a lot but when shared out it isn't a lot really to make a difference."

Fees and Charges

The group were asked for their views on fees and charges with most agreeing that these should not be increased and frozen at their current levels or even decreased.

School Meals

All members of the group agreed this should not be increased. Comments highlighted that this would increase the financial burden on families.

"This will hit the budget of the family when they are already struggling."

Summer/Winter pitch fees:

All members agreed that these should not be increased as this is an important area to influence healthy living.

"This shouldn't be increased as this encourages activity and healthy lifestyles. This will lead on to other areas being affected as healthier residents may need less services."

Leisure Centre fees

The group were split on this point initially with some members feeling strongly that the fees should be increased however other members felt that these should also decrease as with pitch fees as this also contributes to healthy lifestyles.

Car Parking

All members agreed that these should not be increased and felt strongly that free parking particularly in Aberdare has had a negative effect on businesses. Comments included:

"Free parking in Aberdare is a terrible idea, at the moment it's being misused by staff blocking up the spaces early morning. It's not allowing shoppers to use them. This will affect businesses."

Burial/Cremation fees

All members of the group agreed that these should be reduced in order to relieve the burden from families.

“You’re under so much stress anyway this should be taken into consideration when you then have to find the fees.”

Pest Control

This divided group members with many feeling that it was fair to charge residents for this service as long as the problem was on their own property but that the fees should remain the same. An issue was raised that if the problem was as a result of a business or other property then it should not be down to the individual to pay. Some comments included:

“I think it’s fair to pay a fee to not have any more problems.”

“When the issue is caused by a business it’s not fair that I had to pay. The business should have been made to take the cost or not be charged at all.”

“This should be free, elderly people having to pay isn’t right. Working people should pay but not the elderly.”

Council’s Priorities

The group were asked for their views on the Council’s priorities.

Digitalisation

All group members felt that this had many negative aspects which prevented them from fully supporting this priority. Some comments include:

“Surely this impacts on jobs- it’s not good.”

“We rely on digitalisation too much- if it all goes wrong we have to rely back on people anyway.”

Early intervention and prevention

The group all agreed that this was an important priority and all fully supported this.

“It’s crucial.”

Commercialisation

All group members agreed that this was a good priority.

Efficiency

All group members agreed that this also was a good priority.

Independence

The group all agreed that this was important, especially as residents with disabilities.

“As a disabled person I fully agree with this.”

Highways and Road Improvements

All members of the group agreed that this area required continued investment but there were some concerns about specific road plans including Treorchy. Comments included:

“Treorchy bypass will kill Treorchy town. I’m a motorist so like bypasses but this will damage the town.”

“What happened in Tonypandy will be the same that will happen in Treorchy.”

Community Hubs

Most members of the group felt that Community Hubs were a good area of investment although there were comments made regarding the accessibility and location of the hubs in order to fully support them.

“It depends where they will be. We’d need easy access.”

“They’re a good idea but you’d need access for disabled people and to make sure that you can access all the services easily.”

“You’re bringing back what you had years ago, what’s the point in reverting back?”

“Cutting cost of overheads is a good thing but what will happen to the other buildings?”

7. YOUNG PERSON ENGAGEMENT EVENTS

7.1 An engagement event was held with 32 members of Hawthorn Youth Club.

7.2 The event included a short presentation and an interactive key pad question and answer session to gauge their views on the Councils' budget, priorities and areas for investment.

7.3 **Feedback**

The following section outlines some of the feedback received.

Councils Priorities

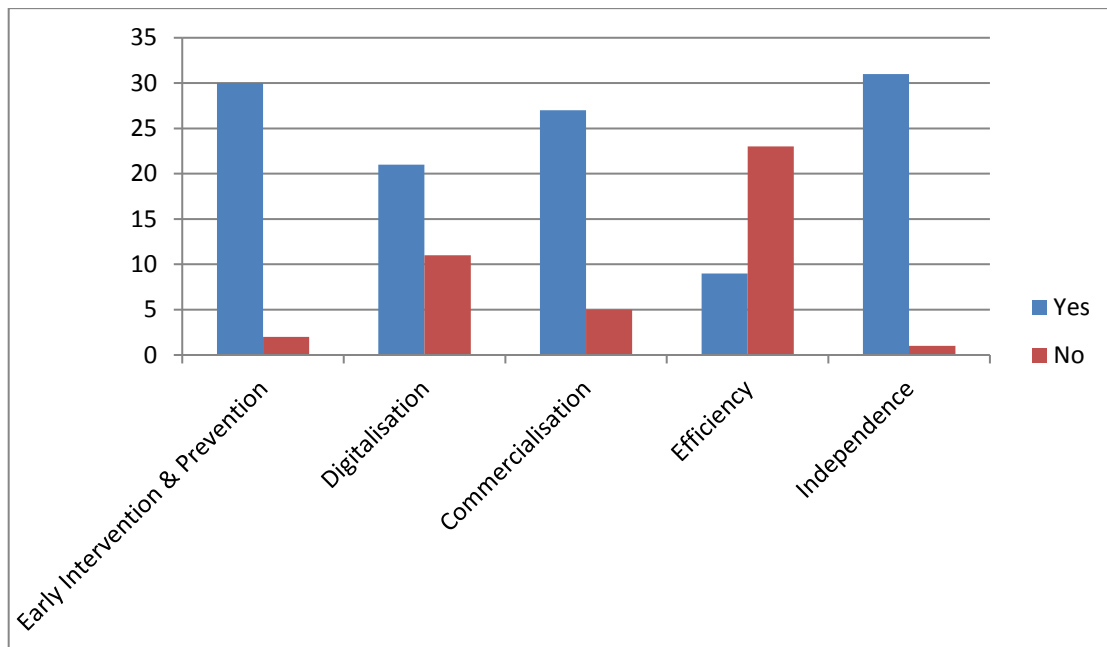


Figure 9 - Young Persons- Agreement with council's priorities

7.4 The results show that the young people agreed with most of the priorities with the exception of 'Efficiency' with 23 people disagreeing with this.

Investment areas

All young people present agreed that investing in community groups was an important area with this being the only area that prompted full agreement.

Of high importance to them were improvements to parks and green spaces (23 people agreed) and the development of Community Hubs (17 people). Those with the lowest levels of support were Highways and

Roads (8 people agreed) and improving road traffic links (7 people agreed).

<u>Investment Area</u>	<u>Yes</u>	<u>No</u>
Creating modern accommodation for older people	15	17
Parks and Green Spaces Improving Parks and Green Spaces	23	9
Improving Town Centre's	16	16
Building new roads to make travelling easier	8	24
Building Community Hubs	17	15
Providing recycling for businesses	10	22
Money for community groups and charities to provide services to residents in their area	32	0
Helping to prevent traffic	7	25
Base – 32 people		

Table 16: Young Persons - Areas of Investment

7.5 Council Tax

The results show that the majority of the young people who responded felt that there should be either 'No change' (10 people) or a 'Small Increase' (10 people) when asked about council tax levels.

Big Increase	2
Small Increase	10
No Change	10
Small Decrease	7
Big Decrease	1
Base – 30 People	

Table 17: Young Persons- Level of Council Tax increase

7.6 **Our Lady's Primary School**

An engagement session was also held with 15 Year 6 pupils from Our Lady's RC Primary school. This session was held as a trial for future events involving primary school pupils. The session was led by members of the Consultation team and using a prompt sheet to start discussion on the council's investment priorities.

7.7 **Council's Priorities**

The discussion centered on the 5 priorities outlined in the Corporate Plan and their views on ways the council can save money.

The following comments were made in relation to each area:

Digitalisation

"Good idea for investment. Could be able to book leisure centre parties online."

"To be able to book an appointment for a service e.g. handyman."

"A website of people who the council recommends for services."

"It's a good thing but the elderly shouldn't have to walk to the library every day."

"Access on a mobile library is a good thing."

"If you have to train someone you have to pay people. Some elderly people don't want to learn. They want basic services."

"Some people forget things easily so could be a waste of time trying to train them all the time."

Early Intervention and Prevention

"Anti-Social behaviour, tackle it early to prevent problems becoming bigger."

"Bryn Ifor park- lot's of children gather there so might feel safer if more police around."

"More CCTV by houses to prevent problems."

Commercialisation

"Gardening service, events (afternoon tea), housekeepers for elderly."

Efficiency

“CCTV cameras- stop criminal damage by catching those doing it. Save money by preventing this.”

“Have an event like the Royal Welsh every year to earn money.”

“Could cut back on road sweepers- don't see the point in cleaning just for the sake of it. Only use if dirty.”

“People could grit their own streets more to cut costs but road care is important as roads will be dangerous with nothing.”

Independence

Some people might just need something simple to get by so it needs investment.

- 7.8 A general discussion was held around areas the pupils felt the council should invest in. Parks and Green Spaces emerged as their top priority with all discussion centred on this area. Comments included:

“Bryn Ifor park- Do it out again. I've been on everything in there so it's a bit boring now.”

“Park maintenance needs to be invested in.”

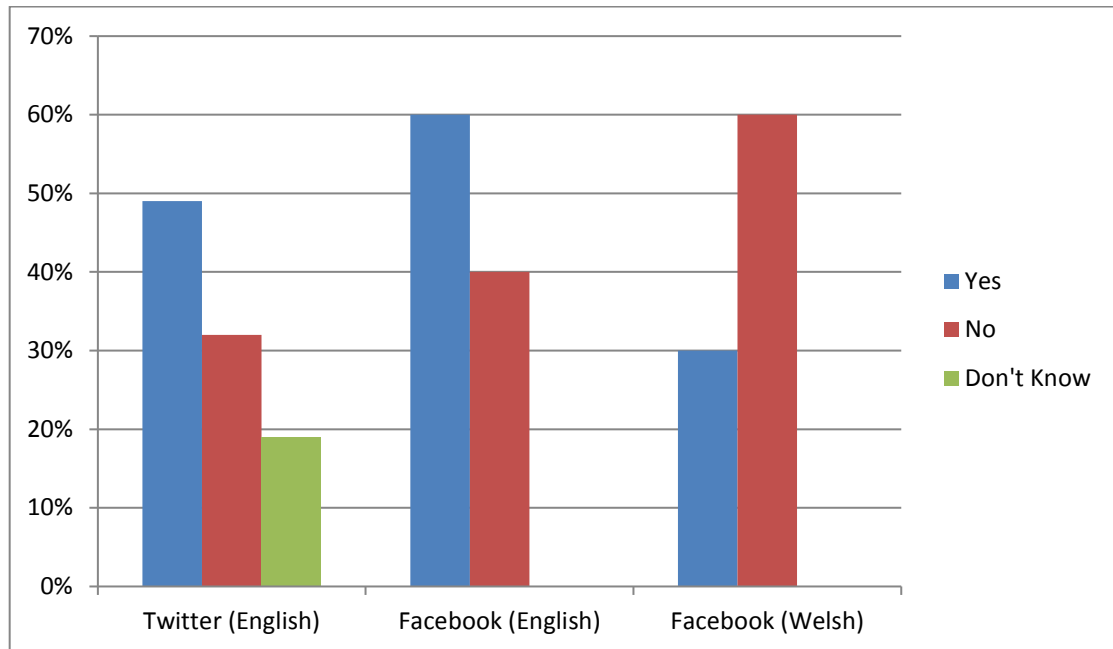
“Beat the Street- bring this back to encourage young people to get out and about. Small prizes could be given to encourage people.”

8. Social Media Feedback

8.1 The Council provided some questions, via a poll, for social media users on the Council’s Twitter and Facebook pages, providing an additional method for people to engage with the budget setting process.

8.2 The following results were received;

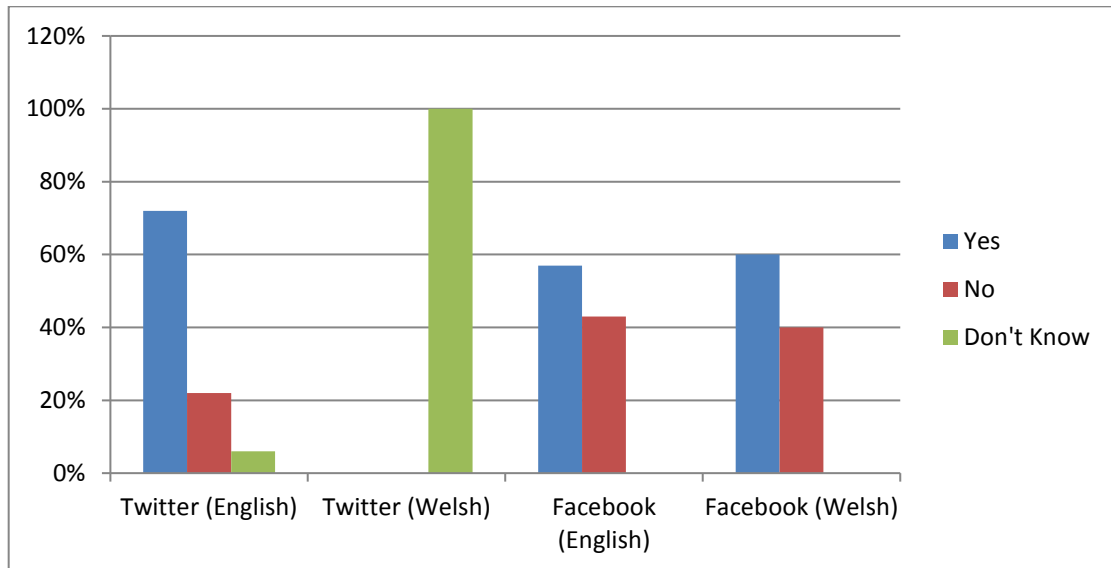
Poll 1 - To ensure the Council can continue to maintain & improve services in the face of continued cuts to public sector funding we are focusing on the areas: Early Intervention and Prevention, Digitalisation, Independence, Efficiency, Commercialisation. Do you agree with this approach?



Total number of votes: Twitter (106) Facebook English (249) Facebook Welsh (10)

Figure 10 - Social Media Poll- 5 key areas

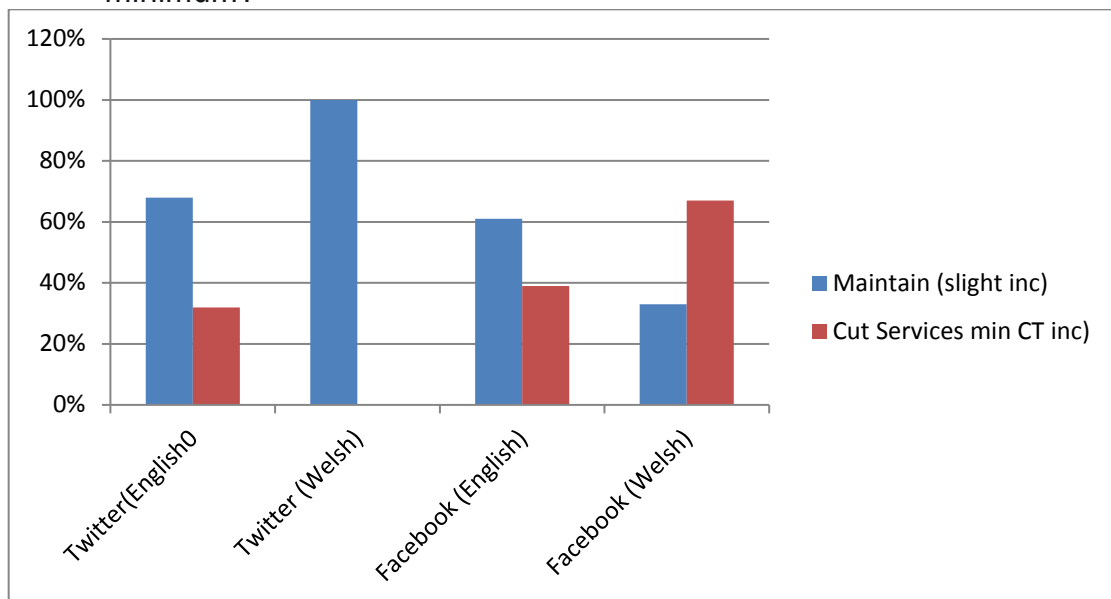
8.3 Poll 2- Have your say in our Budget Consultation 2019/20 - The Schools budget is proposed to be protected and increased by £2.2m. Do you think that this increase is reasonable for schools?



Total number of votes: Twitter English (87) Twitter Welsh (1) Facebook English (338) Facebook Welsh (15)

Figure 11 - Social Media Poll- Agreement to protect Schools Budget

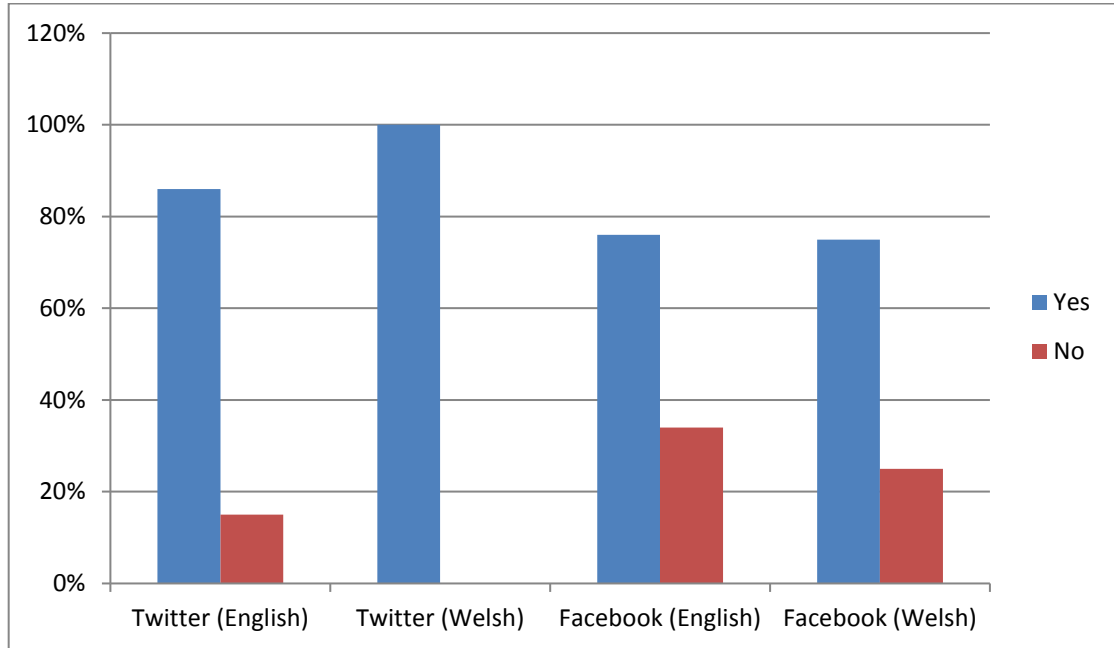
8.4 Poll 3 - With a £5.92M budget gap for 19/20, should the Council: maintain as many services as possible at the current level even if it means a reasonable increase in Council Tax; or, cut more services to close the budget gap and keep any increase in Council Tax to a minimum?



Total number of votes: Twitter English (188) Twitter Welsh (2) Facebook English (1642) Facebook Welsh (21)

Figure 12 - Social Media Poll- Maintain / Cut Services and effect on Council Tax

8.5 Poll 4 - The Council is investing capital funding in a range of areas, including; Parks/green spaces; town centres and regeneration; highways; and extra care housing to support independent living for older people, with on-site care and support. Do you agree with these priorities?



Total number of votes: Twitter English (117) Twitter Welsh (12) Facebook English (484) Facebook Welsh (16)

Figure 13- Social Media Poll- Agreement with Investment areas

Tudalen wag

RHONDDA CYNON TAF COUNTY BOROUGH COUNCIL

MUNICIPAL YEAR 2018-2019

**FINANCE AND PERFORMANCE
SCRUTINY COMMITTEE**

Date 28.01.19

**REPORT OF:
DIRECTOR OF EDUCATION AND
INCLUSION SERVICES**

Agenda Item No. 4

**COMMUNITY MEAL CENTRAL
PRODUCTION**

**Author: - Andrea Richards, Head of 21st Century Schools
Lisa Gorringe, Business Manager Catering Services
(Tel No 01443 744371)**

1. PURPOSE OF THE REPORT

The purpose of this report is to provide an update on the Community Meals service change and the savings achieved.

2. RECOMMENDATIONS

It is recommended that Members:

Scrutinise and comment on the information contained within this report.

3. REASONS FOR RECOMMENDATIONS

To raise Members' awareness on the progress of changes to the previous delivery of the Community Meal Service provision.

4. BACKGROUND

4.1 A Community Meals service review was approved by Cabinet on the 25th January 2018 with the objective of developing a service that improves the quality of life for the people who use it in a way which allows the service to be responsive to demand.

4.2 The current Community Meal Service continues to serve people well in Rhondda Cynon Taff and plays a vital role in ensuring that older people have daily contact with others and have their nutritional needs met. However, the demand for the weekday service fell by 29% and for the weekend service by 66% during the last 5 years. Therefore it was vital to review and implement a new service to reduce overheads, production costs and rationalise assets.

- 4.3 A new service was implemented in August '18 and resulted in 3 community meals kitchens being reduced to 1 central production kitchen located in Ynyshir, Rhondda.
- 4.4 The existing community meal kitchen in Ynyshir received refurbishment works including relocation of existing equipment from the other two redundant Community Meals kitchens to enable the new service to be delivered out of the existing premises. As part of those works the garage annexe was converted into a fridge and freezer room, dry stores, trolley wash, office and staff room which enabled centralised meal production.
- 4.5 Centralised production enabled a reduction of 20 staff, from 62 to 42. All redundancies were on a voluntary basis with some kitchen staff finding new employment with Age Connect, supporting their new dining service in St Mairs day Centre. The service change also enabled long term casual staff to be employed on a permanent basis.
- 4.6 The over-riding objective of the review was to retain a service that improves the quality of life for clients and remains responsive in a changing environment, ensuring that older people have daily contact with others and that their nutritional needs are met.
- 4.7 The number of clients has reduced from 725, November '17 to 703 December '18. However, we have gained an average of 9 new clients a week post service change.
- 4.8 The client demographic has remained static (Table 1) 68% of clients are aged over 80 years old. A 19% of clients have mobility issues and an 11% of clients suffer from mental health in terms of confusion and dementia. 10% of clients have both mobility issues and memory loss.

Table 1: Client Age Profile	
Age Range	% of Total Clients
50 - 59	3%
60 - 69	8%
70 - 79	21%
80 - 89	45%
90 - 99	22%
> 100	1%

5. DELIVERY OF COMMUNITY MEALS

- 5.1 The Community Meal Service is producing on average 550 meals per day for clients across the Authority. Meals are prime cooked on site using fresh produce and packed by 12 kitchen staff. Meals consist of a main course and a dessert. Special dietary requirements are also catered for e.g. pureed, diabetic.

- 5.2 Meals are provided in sustainable packaging which is made from environmentally-friendly paper pulp and the containers can be recycled.
- 5.3 The meals are distributed to clients in their own homes by 30 delivery staff using 15 vans. The service also provides a bulk delivery of meal to Wattstown Day Centre and St Fagans and Ramoth Church luncheon groups. Emergency meals are also provided to nursing homes and Day Centres within RCT as and when required.
- 5.4 Meals are produced to the NACC (National Association of Care Caterers) nutritional standards and food safety is paramount.
- 5.5 A frozen weekend meal service is offered to clients. The meals are procured from an external supplier and a choice of 5 meals is offered to clients. Extensive research was completed to find a high quality frozen meal. Sample meals were tested from 4 suppliers. Consultation on meals provided by the preferred supplier was completed by Catering Services, Community Meal staff and clients to decide on the selection of meals to be offered.
- 5.6 Community Meal contingency planning has been reviewed and plans have been updated for inclement weather and created for utility and equipment failure. The inclement weather contingency plan has been updated to include the use of Aberdare Community School. A stock of frozen meals is being stored on site and Cynon Valley based staff will be re-directed to the school. A utility and equipment failure plan has been created with a 4 day contingency using store cupboard items e.g. tinned meat and vegetables and frozen meals.

6. EVALUATION OF THE COMMUNITY MEAL SERVICE

- 6.1 The impact of the service change has been positive. Clients have not been affected and complaints have been minimal with only 4 documented complaints received whilst we closed 2 kitchens down and kept a service running.
- 6.2 Service evaluation has been conducted via a client telephone survey. Feedback has been very positive.
 - 93% of clients were happy with the Community Meal Service. Comments included 'Very happy'. I have spoken to other people who have a similar service where food is delivered and they don't think very much of it but I can't say the same. The food and everything else is excellent".
 - 83% wouldn't change anything about the service whilst 12% would like additional items on the menu.

- 90% of clients are happy with the times that their meals are being delivered. Comments included “Could be a bit earlier but somebody has to be last”.
- 95% of clients are happy with the new menu. Comments included “Yes. Ham & parsley sauce today was lovely” and “Yes, happy with what they received”.
- 100% of clients are happy with the delivery staff. Comments included very nice and very kind. In addition they are very happy which is lovely when you live on your own” and “Yes extremely happy. I am visually impaired and they always ask if they can help or reach or open something for me. Extremely helpful.”
- 100% of clients are happy with the office staff. 48% of clients commented that they have no need to speak to office staff because they have no complaints. Comments included “Always polite and nice and go out of their way to help”.

6.3 The effect of the service change on staff has also been positive. Both kitchen and driving staff have been proactive and have designed and implemented new processes to enable the service to become more efficient. The morale is good and members of staff have commented that they feel valued.

6.4 Staff sickness has improved post service change. The sickness rate has fallen by an average of 4.5% from 7.7% to 3.2%. The December '18 sickness rate was 1.6% which equated to 23 days (Table 2).

Table 2: Staff Sickness Analysis			
Ave Sick Days per Month Before Service Change	Ave Sick Days per Month After Service Change	Sickness Rates per Month Before Service Change	Sickness Rates per Month After Service Change
122	41	7.7%	3.2%

6.5 Workforce planning is ongoing. The staff age profile has reduced, 54% of staff are now under 50 years old. All members of staff have received food safety and manual handling refresher training and casual staff are being trained to perform both kitchen and driving duties.

7. EQUALITY AND DIVERSITY IMPLICATIONS

An Equality Impact Assessment is not required as the contents of this report are for information purposes only.

8. CONSULTATIONS

No formal consultation exercises have been undertaken, however the Community Meals Service staff consulted with all clients on the changes proposed and the new menu.

9. **FINANCIAL IMPLICATIONS**

The previous service had high production costs, overheads, staff costs, and packaging, transport and delivery costs. The implementation of the centralised production has resulted in a reduction of 20 employees and transport savings will be achieved by reorganising routes to reduce delivery vans, from 18 to 15. Table 3 displays the average service costs before and after service change and the average monthly savings that are being achieved.

Table 3: Community Meals Actual Costs 2018/19

	Actual P1-8 £'s	Ave Monthly Actual Before Service Change £'s	Ave Monthly Actual After Service Change £'s	Average Monthly Savings £'s	Estimated Full Year Savings £'s
Employees	679,196	98,233	71,567	26,666	319,991
Premises	20,134	2,127	2,906	-779	-9,344
Transport *	19,023	1,326	3,430	-2,104	-25,245
Supplies & Services	163,330	21,911	18,921	2,990	35,877
Capital Financing	71,000	0	0	0	0
Income	-325,582	-42,550	-38,845	-3,705	-44,458
Total	627,250	81,047	57,978	23,068	276,821

** Post service change transport costs have increased due to 2 additional ovens being installed in vans*

The service continues to be subsidised for clients, but the subsidy levels have reduced (Table 4).

Table 4: Community Meal Subsidy per Meal

	2015/16 £'s	2016/17 £'s	2017/18 £'s	Est 2018/19 £'s
Community Meal - Delivery				
St Mairs	3.15	4.14	5.17	
St Georges	2.45	3.58	4.37	
Ynyshir	2.73	4.67	5.42	
CPU (post service change)				3.49

10. LEGAL IMPLICATIONS OR LEGISLATION CONSIDERED

There are no legal implications aligned to this report.

11. LINKS TO THE COUNCILS CORPORATE PLAN/CORPORATE PRIORITIES/SIP

The provision of the community meal service links to the 'People' and 'Place' priorities within the Council's Corporate Plan, the 'Safety', 'Health and 'Prosperity' priorities within Rhondda Cynon Taf's Single Integrated Plan and contributes towards achieving many of the seven wellbeing goals.

12. CONCLUSION

Clear links can be seen between the provision of community meals and the achievement of the Council's priorities. The provision of this service has supported some of our most vulnerable elderly people in the County Borough. The service provides nutritional support and welfare assurance and has gained positive feedback from both clients and their families.



RHONDDA CYNON TAF COUNTY BOROUGH COUNCIL

MUNICIPAL YEAR 2018 / 2019

FINANCE AND PERFORMANCE SCRUTINY COMMITTEE
28th January 2019

REPORT OF THE GROUP DIRECTOR, CORPORATE AND FRONTLINE SERVICES

Author : Chris Lee (01443) 424026

1.0 PURPOSE OF REPORT

1.1 This report provides Members with the opportunity to scrutinise Treasury Management information presented to Council on 28th November 2018. The Council report is attached at Appendix 1 and details:

- The Council's Treasury Management activity during the first six months of 2018/19; and
- Prudential and Treasury Indicators for the same period.

2.0 RECOMMENDATIONS

It is recommended that Members:

- 2.1 Scrutinise and comment on the information provided.
- 2.2 Consider whether they wish to receive further detail on any matters contained in the report.

3.0 CONCLUSION

3.1 This report, together with Appendix 1, provides Members with the opportunity to scrutinise the activities of Treasury Management for the first six months of financial year 2018/19



RHONDDA CYNON TAF COUNTY BOROUGH COUNCIL

MUNICIPAL YEAR 2018 / 2019

COUNCIL

28TH NOVEMBER 2018

2018/19 MID YEAR TREASURY MANAGEMENT STEWARDSHIP REPORT

REPORT OF THE GROUP DIRECTOR, CORPORATE AND FRONTLINE SERVICES

Author : Chris Lee (01443) 424026

1.0 PURPOSE OF REPORT

1.1 The CIPFA Code of Practice on Treasury Management requires a Mid Year Review to be presented to Council. This report provides Members with information on: -

- The Council's Treasury Management activity during the first six months of 2018/19; and
- Prudential and Treasury Indicators for the same period.

2.0 RECOMMENDATIONS

2.1 It is recommended that Members note the content of this report.

3.0 INTRODUCTION

3.1 This report meets the requirements of both the CIPFA Code of Practice on Treasury Management and the CIPFA Prudential Code for Capital Finance in Local Authorities.

3.2 The Treasury Management function operates within the Strategy approved by Council on the 28th March 2018.

3.3 Treasury Management is defined as:

“The management of a local authority’s cash flows, its borrowings and its investments, the management of the associated risks, and the pursuit of the optimum performance or return consistent with those risks”.

- 3.4 The Council sets a balanced budget to ensure that all planned expenditure is financed by various sources of income / reserves. Treasury Management is concerned with monitoring the cash flows of such income and expenditure and planning investments and borrowing prudently.
- 3.5 This report includes the following areas of treasury activity during the first six months of 2018/19:
- Economic background;
 - Borrowing activity and results;
 - Estimated and actual treasury position and prudential indicators; and
 - Investment strategy, activity and results.

4.0 ECONOMIC BACKGROUND

4.1 General Economic Background

- 4.2 The Council’s investment income is subject to changes in short term interest rates. The level of the Bank Base Rate or ‘Bank Rate’ is one of the main determinants of the rate of interest the Council receives on its short-term investments. On 2nd August 2018, the Bank of England increased the Bank Rate from 0.5% to 0.75%. The Monetary Policy Committee have reiterated that any further increases in the Bank Rate are likely to be at a gradual pace and to a limited extent.
- 4.3 Despite the ongoing uncertainty surrounding the country’s exit from the EU, current projections show UK growth to be modest. The unemployment rate is expected to be broadly stable, currently at 4%, with real wage growth unlikely to have much effect on spending power of households.
- 4.4 The Consumer Price Index (CPI) fell back to 2.4% in September, having risen in August to 2.7%. Higher import and energy prices have continued to hold inflation above the 2% target.
- 4.5 The majority of the Council’s borrowing is from the PWLB (Public Works Loans Board). Long-term borrowing rates are influenced by gilt yields which remain at historically low levels. Whilst gilt yields displayed volatility during the first six months of the year, the changes were marginal.

- 4.6 PWLB rates (certainty rate) during the first half of the financial year were as follows:

	5 years	10 years	20 years	50 years
Average	1.89%	2.29%	2.62%	2.41%
Highest	2.04%	2.47%	2.81%	2.64%
Lowest	1.72%	2.13%	2.48%	2.25%

- 4.7 Estimates of future rates are as follows:

	Base Rate	PWLB rates			
		5 years	10 years	20 years	50 years
2018/19 (Act 6 mth Average)	0.75%	1.89%	2.29%	2.62%	2.41%
31/03/19	1.00%	2.00%	2.45%	2.75%	2.65%
31/03/20	1.25%	2.20%	2.55%	2.80%	2.70%

5.0 REGULATORY UPDATES

- 5.1 The revised Treasury Management and Prudential Codes of Practice together with guidance notes have now been published, along with amended statutory Minimum Revenue Provision (MRP) guidance for Wales. This Council's MRP Policy is compliant with the new guidance. The updated Prudential Code includes details of the contents and purpose of a Capital Strategy (with effect from 2019/20), covering capital expenditure and financing, treasury management strategy, investment strategy and the Minimum Revenue Provision (MRP) Policy Statement.

6.0 BORROWING ACTIVITY AND RESULTS

- 6.1 The borrowing strategy for 2018/19 approved by Council in March 2018 reported that the Group Director, Corporate and Frontline Services as Section 151 Officer (or in his absence the Deputy Section 151 Officer), under delegated powers, will take the most appropriate form of borrowing depending upon the prevailing interest rates at the time, and taking into account advice provided by our advisors.
- 6.2 In March, the borrowing requirement was estimated to be £48.9m based on the Capital Programme at that time. The borrowing requirement for 2018/19 remains at this level.
- 6.3 It was also reported that the Council would monitor prevailing PWLB rates for any opportunities to reschedule debt to generate savings. I can report that to the 30th September this financial year, the Council has not had a viable option to reschedule debt. Affordability and the cost of carry remained important influences on the Council's borrowing strategy. As

short-term interest rates have remained lower than long-term rates, the Council determined it was more cost effective in the short term to use internal resources and borrow short term. The Council has taken short-term temporary borrowing in the first half of 2018/19 to meet cash shortfalls. However, this approach may change if longer term interest rates are at risk of increasing significantly. In this case, long-term borrowing may be undertaken.

6.4 In line with the above strategy, this Council has not borrowed in advance of need during the first 6 months of the year and has no current intention to borrow in advance during the remainder of 2018/19.

6.5 No variance is currently being projected for net capital charges which have a budget for 2018/19 of £19.9m. This is being achieved despite the challenges faced with investment income and maintaining our low risk strategy.

7.0 CERTAINTY AND INFRASTRUCTURE RATES

7.1 The “certainty rate”, whereby local authorities are able to access borrowing at 0.2% below published PWLB rates was available from HM Treasury again for this year. Authorities were required to provide an indication of their potential borrowing requirements for the next 3 years. This Council provided such information to HM Treasury and will continue to be able to access the discounted rate up to 31st October 2019.

7.2 In December 2017, the UK Government announced plans to make available an amount of lending at the Local Infrastructure Rate whereby local authorities are able to access borrowing at 0.4% below published PWLB rates. A corresponding share has been made available to local authorities in Wales and Welsh Government has allocated a set amount across all 22 Welsh authorities, this Council being allocated £4.4m. This rate is available for a period of 3 years within which to draw down the allocation.

8.0 ESTIMATED AND ACTUAL TREASURY POSITION AND PRUDENTIAL INDICATORS

8.1 During the six months to 30th September 2018, the Council operated within its prudential limits set out in the Prudential Code report approved by Council in March 2018. Details of limits and actual performance are as follows:

8.2 Capital Expenditure and the Capital Financing Requirement

8.2.1 The Capital Expenditure plans of the Council are primarily financed by capital receipts and capital grants. The remaining element which cannot be

immediately financed from other resources will constitute our borrowing requirement. The estimated level of available capital resources is provided in summary as the Capital Expenditure Indicator below.

Indicator: Capital Expenditure

	2018/19 Projected Outturn £M	2018/19 Original Estimate £M	2019/20 Revised Estimate £M	2020/21 Revised Estimate £M
Supported spend	85.201	76.650	34.613	18.027
Unsupported spend	41.961	41.928	26.071	3.689
Total spend	127.162	118.578	60.684	21.716
Financed by:-				
Borrowing	48.933	48.900	33.043	10.661
Other Capital Resources (Grants, Capital Receipts)	78.229	69.678	27.641	11.055

8.2.2 The Capital Financing Requirement (CFR) represents the Council's underlying need to borrow for capital purposes. The CFR is capital expenditure that has not yet been paid for from either revenue or capital resources.

8.2.3 The Council's expectation for the CFR for the next three years is shown below.

Indicator: Capital Financing Requirement (CFR)

	31/03/19 Projected Outturn £M	2018/19 31/03/19 Original Estimate £M	2019/20 31/03/20 Revised Estimate £M	2020/21 31/03/21 Revised Estimate £M
CFR	472.991	484.788	493.317	490.479
Net movement in CFR			20.326	(2.838)

8.2.4 The expected external debt for each year is as detailed below.

Indicator: External Debt

	30/09/18 Actuals £M	2018/19 31/03/19 Original Estimate £M	2018/19 31/03/19 Revised Estimate £M	2019/20 31/03/20 Revised Estimate £M	2020/21 31/03/21 Revised Estimate £M
Borrowing	285.797	358.797	327.297	363.797	402.297
Other long term liabilities	0.507	0.835	0.507	0.584	0.583
Total External Debt	286.304	359.632	327.804	364.381	402.880

8.2.5 Other Long Term Liabilities represents the Council's obligation under its finance leases.

9.0 **LIMITS TO BORROWING ACTIVITY**

9.1 The first key control over the Council's activity is to ensure that, over the medium term, borrowing will only be for a capital purpose. The Council needs to ensure that external borrowing does not exceed the total of the capital financing requirement in the preceding year plus the estimate of the additional capital financing requirement for the next three financial years. This allows some flexibility within a three-year period to deliver an effective Treasury Management strategy.

Borrowing Activity (Gross Borrowing)

	30/09/18 Actuals £M	2018/19 31/03/19 Original Estimate £M	2018/19 31/03/19 Revised Estimate £M	2019/20 31/03/20 Revised Estimate £M	2020/21 31/03/21 Revised Estimate £M
Gross Borrowing (inc. Other Long Term Liabilities)	286.304	359.632	327.804	364.381	402.880
Capital Financing Requirement		484.788	472.991	493.317	490.479

9.2 The Authorised Limit represents the limit beyond which borrowing is prohibited, and needs to be set, monitored and revised by Members. It reflects the maximum level of borrowing to fund existing capital commitments, which could be afforded in the short term, but is not sustainable. It is the expected maximum borrowing need, with some added headroom for unexpected movements. It is proposed that these limits be amended in line with increases to the underlying need to borrow, that is, the Capital Financing Requirement.

Indicator: The Authorised Limit

	2018/19 30/09/18 Actuals £M	2018/19 Limit £M	2019/20 Limit £M	2020/21 Limit £M
Gross Borrowing	285.797	500.000	500.000	500.000
Other long term liabilities	0.507	2.000	2.000	2.000
Authorised Limit	286.304	502.000	502.000	502.000

- 9.3 The Operational Boundary is based on the probable external debt during the course of the year; actual borrowing could vary around this boundary, for short times, during the year. It should act as an indicator to ensure the Authorised Limit is not breached.

Indicator: The Operational Boundary

	2018/19 30/09/18 Actuals £M	2018/19 Estimate £M	2019/20 Estimate £M	2020/21 Estimate £M
Gross Borrowing Limit	285.797	325.000	380.000	425.000
Other long term liabilities	0.507	1.000	1.000	1.000
Operational Boundary	286.304	326.000	381.000	426.000

10.0 AFFORDABILITY PRUDENTIAL INDICATORS

- 10.1 Previous sections have covered overall capital and control of borrowing indicators, but there is also a requirement to assess the affordability of capital investment plans. This provides an indication of the impact of the capital investment plans on the overall Council finances.
- 10.2 The Ratio of Financing Costs to Net Revenue Stream identifies the trend in the cost of capital (borrowing costs net of interest and investment income) against the "net revenue stream". The net revenue stream for the General Fund is the amount collectable from Council Tax payers added to the Council's Revenue Support Grant (RSG) and Non Domestic Rates (NDR). The key use of this indicator is to compare trends in the ratio of financing costs to the net revenue stream, over time.

Indicator: Ratio of Financing Costs to Net Revenue Stream

	2018/19 Original Estimate	2018/19 Revised Estimate	2019/20 Revised Estimate	2020/21 Revised Estimate
10.3 General Fund	4.65%	4.60%	4.96%	5.31%

The Code requires limits to be set for:

- I. Upper limits on variable rate exposure – this indicator identifies a maximum limit for variable interest rates based upon the debt position net of investments.
- II. Upper limits on fixed rate exposure – similar to the above indicator this covers a maximum limit on fixed interest rates.

Indicator: Interest Rate Exposure

	2018/19 Actuals as at 30/09/18	2018/19 Out-turn as at 30/09/18	2018/19 Limit	2019/20 Limit	2020/21 Limit
Borrowing					
Limits on fixed rates	68%	60%	45%-100%	45%-100%	45%-100%
Limits on variable rates	32%	40%	0%-55%	0%-55%	0%-55%
Investments					
Limits on fixed rates *	0%	0%	0%-25%	0%-25%	0%-25%
Limits on variable rates	100%	100%	75%-100%	75%-100%	75%-100%
Net Borrowing					
Limits on fixed rates	72%	61%	45%-125%	45%-125%	45%-125%
Limits on variable rates	28%	39%	-25%-55%	-25%-55%	-25%-55%

* Does not include non specified investments (see para 11.0)

- 10.4 A LOBO is a financial instrument called a “Lender’s Option Borrower’s Option”. It provides a lower rate of interest for the initial period and a higher rate for the rest of its term (reversionary period), albeit that the higher rate was comparable with interest rates prevailing at the time the loans were taken. At the end of the initial period and at six monthly intervals, the lender has the option to increase the interest rate payable. This provides the Council with the option to repay the loan if the terms are not acceptable. It is the view of our Treasury Management Advisors that it is unlikely the LOBO’s will be called within this financial year.
- 10.5 The revised amount of LOBO debt held in 2018/19 is £31m, 11%. Although not a requirement of the Prudential Code, an internal limit of LOBO debt is set as follows:

	£M	% of Debt Portfolio
LOBO Limits	50	20

- 10.6 The maturity structure indicator sets gross limits to reduce the Council’s exposure to large fixed rate sums falling due for refinancing annually. The Code of Practice requires LOBO’s to be represented in the maturity structure at the next option date, hence the table below demonstrates a high maturity within 12 months.

Indicator: Maturity Structure

	2018/19 Actuals as at 30/09/18	Upper Limit	Lower Limit
Under 12 months	16%	70%	0%
12 months to 2 years	0%	70%	0%
2 years to 5 years	0%	60%	0%
5 years to 10 years	1%	70%	0%
10 years to 20 years	0%	90%	0%
20 years to 30 years	0%	90%	0%
30 years to 40 years	80%	90%	0%
40 years to 50 years	3%	90%	0%

10.7 In order to maximise investment returns there could be opportunities for sums to be invested for longer than one year. This would only be undertaken with a prudent view of the primary considerations of security and liquidity.

11.0 NON SPECIFIED INVESTMENTS

11.1 The Investment Strategy enables lending to organisations upon which we undertake appropriate due diligence and put in place appropriate security arrangements. Such loans could result in the Council being able to achieve better investment returns at an acceptable level of risk and to secure base budget savings over the short to medium term to protect frontline services whilst supporting initiatives for purposes relevant to Council functions and priorities.

11.2 Investment decisions in these “Non Specified Investments” are subject to S151 officer determination, following appropriate due diligence and subject to appropriate and acceptable security arrangements being in place as part of the commercial agreement.

11.3 The maximum exposure for this type of investment is set at £25M with a maximum maturity limit of 30 years.

11.4 Such transactions will be included in the indicators reported as part of the quarterly performance reports and statutory Treasury Management Reports.

Indicator: Total principal funds invested for periods longer than 1 year:

	Revised Limit	31/03/19 Estimate
Maximum principal sums invested over 1 year	£25m	£5m

11.5 The £5m represents the Council's commercially agreed 10-year loan to Trivallis.

12.0 INVESTMENT STRATEGY, ACTIVITY & RESULTS

12.1 The Council manages its investments in-house, investing in line with the Council's approved lender criteria as approved by Council on the 28th March 2018.

12.2 Members will recall that following the onset of the unprecedented national and international economic crisis in 2008, all of this Council's cash flows are currently being invested in the Debt Management Account Deposit Facility and other Government backed public sector bodies, in line with the aforementioned approved strategy. This strategy ensures we prioritise **S**ecurity (protecting monies invested), then **L**iquidity (cashflow) and finally **Y**ield (return on investment). The order of these "SLY" priorities are detailed in Investment Guidance produced by the Welsh Government.

12.3 I have kept this under constant review subsequently with a view to returning to market investment activity at an appropriate time. To date, the Council has not returned to market investments but has set up a number of AAA rated money market funds to provide further diversification options when the opportunity does arise. These accounts have not been used during 2018/19. Members will be kept informed of any changes as part of the Council's quarterly performance reports.

12.4 The following table shows the overall result of the investment activities undertaken by the Council:

	Interest Received £M	Average Cash Balance £M	Return on Investments %	Benchmark Return %
General Balances	0.039	9.61	0.40	0.46

The benchmark for Local Authority internally managed funds is the average 7-day LIBID rate.

12.5 The return on investments is slightly below the benchmark return. This is attributed to our low risk strategy.

13.0 TREASURY MANAGEMENT ADVISORS

13.1 The Council appointed Arlingclose as its Treasury Management Advisors during March 2014 and they continue to support the Council's Treasury Management function. The contract is due to end 31st March 2019 and the procurement process for a new contract has commenced.

14.0 TRAINING

14.1 On 12th June, 12th September and 18th October 2018, officers attended events hosted by Arlingclose which provided an overview of the economic environment, to highlight the changes to the Prudential and Treasury Management code and associated implications for the Council. In addition, strategy meetings have been held between Arlingclose and officers in May and November this year. Officers continue to receive interest rate information, economic data, credit ratings and general market environment information on a regular basis.

15.0 MINIMUM REVENUE PROVISION (MRP)

15.1 In accordance with legislative requirements applicable to local government (Local Government Act 2003), there is a requirement to charge an amount to revenue each year in respect of capital expenditure that is funded by borrowing. This charge is known as Minimum Revenue Provision (MRP) and must be a prudent amount in accordance with Welsh Government Statutory Guidance.

15.2 The method of charging MRP for Supported Borrowing is a straight line policy over 40 years. With regard to finance leases MRP is equivalent to the principal value of repayments. With regard to the method of charging MRP to Council Fund Balances in respect of Unsupported Borrowing only, the method used is dependent upon the type of asset being created as set out in the approved MRP Policy statement approved by Council on the 28th March 2018.

16.0 EQUALITY AND DIVERSITY IMPLICATIONS

16.1 The report provides an overview of the Council's Treasury Management activities during the first six months of 2018/19 in line with the Strategy approved by Council in March 2018. As a result, no Equality Impact Assessment is required for the purposes of this report.

17.0 CONSULTATION

17.1 Following consideration by Council, this report will be presented to the Finance and Performance Scrutiny Committee in line with the laid down codes of practice and also the Terms of Reference for this Committee.

18.0 FINANCIAL IMPLICATION(S)

18.1 The financial results / implications of the Council's Treasury Management arrangements during the first six months of 2018/19 have been incorporated into quarterly Performance Reports during the year.

19.0 LEGAL IMPLICATIONS OR LEGISLATION CONSIDERED

19.1 The report ensures the Council complies with its legal duty under the Local Government Act 2003 and in doing so is in line with the CIPFA Code of Practice on Treasury Management and the CIPFA Prudential Code for Capital Finance in Local Authorities.

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

20.1 This report evidences the progress made in delivering the Council's Corporate Plan – '*The Way Ahead*' in particular through supporting the 'Living Within Our Means' theme by pursuing optimum treasury management performance or return at the same time as managing associated risk.

20.2 The report also supports the Well-being of Future Generations Act in particular 'a globally responsible Wales' through responsible management and investment of the Council's resources.

21.0 CONCLUSION

21.1 The 2018/19 financial year continues to be a challenging year for Treasury Management and this report highlights for Members the Treasury Management activities that have been undertaken during the first half of this year.

Other information:

Relevant Scrutiny Committee – Finance and Performance Scrutiny Committee

LOCAL GOVERNMENT ACT 1972

AS AMENDED BY

THE LOCAL GOVERNMENT (ACCESS TO INFORMATION) ACT 1985

RHONDDA CYNON TAF COUNTY BOROUGH COUNCIL

COUNCIL 28TH NOVEMBER 2018

**REPORT OF THE GROUP DIRECTOR, CORPORATE AND FRONTLINE
SERVICES**

**Item: 2018/19 MID YEAR TREASURY MANAGEMENT STEWARDSHIP
REPORT**

Background Papers

- [28th March 2018](#) Council meeting – Report: Treasury Management Strategy Incorporating Investment Strategy, Prudential Indicators and MRP Statement for 2018/19. This report was also presented to the Finance and Performance Scrutiny Committee on 23rd April 2018.

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