



RHONDDA CYNON TAF COUNTY BOROUGH COUNCIL

CABINET

14th FEBRUARY 2019

THE COUNCIL'S 2019/2020 REVENUE BUDGET

REPORT OF THE GROUP DIRECTOR CORPORATE & FRONTLINE SERVICES.

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1.0 PURPOSE OF THE REPORT

- 1.1 This report provides Cabinet with information in respect of the 2019/2020 local government settlement, the outcomes of the general budget consultation exercise and feedback from the pre-scrutiny activity undertaken by the Finance & Performance Scrutiny Committee, to assist it with its deliberations, prior to constructing the revenue budget strategy for the financial year ending 31st March 2020, which it will recommend to Council, for approval.

2.0 RECOMMENDATIONS

It is recommended that the Cabinet:

- 2.1 Note that the procedures relating to revenue budget construction, the budget consultation process, and reporting to Council, are laid down in the "Budget and Policy Framework", contained within the Council's Constitution.
- 2.2 Adopt the draft 2019/2020 revenue budget strategy, detailed in the attached Discussion Paper 'Appendix A', as the basis of the revenue budget strategy for the financial year ending the 31st March 2020, that it would wish to recommend to Council, subject to consideration of the results of the general budget consultation exercise and feedback from pre scrutiny by the Finance & Performance Scrutiny Committee.
- 2.3 Agree the draft timetable for setting the 2019/2020 revenue budget, reproduced at Appendix A2.

- 2.4 Agree that the Council continues to support the medium term financial strategy aimed at maximising ongoing efficiency in service delivery, targeted service transformation and other changes that maintain the financial integrity of the Council whilst still aiming as much as possible to protect jobs and key services.
- 2.5 Authorise the Group Director for Corporate and Frontline Services to incorporate any further decision of Cabinet and Council, as appropriate, into the Budget Strategy with a consequential adjustment made to the use of transition funding.

3.0 BACKGROUND

- 3.1 The revenue budget for the financial year ending the 31st March 2020, must be constructed in accordance with the “Budget and Policy Framework” (contained in the Council’s Constitution), which was agreed by Members in May 2002.
- 3.2 Under these arrangements, it is for the Council’s “respective Chief Officers” to report to Cabinet, and for the Cabinet to then recommend a budget to Council, after having conducted an appropriate budget consultation exercise. I have reproduced the relevant sections of the Constitution at Appendix A1, for Members’ information and guidance.
- 3.3 A draft timetable for agreeing the 2019/2020 revenue budget strategy is attached at Appendix A2.

4.0 THE KEY ELEMENTS OF A BALANCED BUDGET STRATEGY FOR 2019/2020

- 4.1 The Council’s Senior Leadership Team have now met on many occasions to discuss budget issues and have consolidated their thoughts on the impact of the local government settlement, which had been released by the Minister for Housing and Local Government (Julie James AM) on the 19th December 2018 (see Appendix A3). Contained within the discussion paper, reproduced at Appendix A, is what the Senior Leadership Team considers to be the key elements of a balanced revenue budget strategy for 2019/2020.
- 4.2 Using the final settlement, I am able to provide Cabinet Members with details of its potential financial effects on Rhondda Cynon Taf and its Council Tax payers, including an exemplification (Appendix A4) of a high level budget requiring a Council Tax increase of 3.6%.

- 4.3 At this stage, Cabinet Members are able to take account of consultation feedback (general consultation, Scrutiny and School Budget Forum Feedback) and the views of the Finance & Performance Scrutiny Committee as part of pre-scrutinising the options set out for Cabinet. The results of these exercises are attached at Appendices A5 (i to iii) and A6 respectively.
- 4.4 Clearly, there are many possible budget permutations open to the Council, but Members' overriding ambition will be to construct a balanced budget package, that is equitable and fair to all by limiting any impact on service provision and where possible, provides for targeting resources to key service areas, whilst, at the same time, avoiding an excessive increase in the Council Tax levied by the County Borough Council.

5.0 CONCLUSIONS

- 5.1 The Senior Leadership Team holds the collective view that the Council should commit itself to setting its 2019/2020 revenue spending and, as a consequence, the Council Tax levied next year, at a level which balances the desire for fair and equitable service provision, with the need to recognise the impact that excessive tax burdens can have on local households.
- 5.2 A translation of the Senior Leadership Team's recommended strategic approach into a high level budget for 2019/2020 with a Council Tax increase of 3.6% is attached to this report.
- 5.3 Given that the financial resources currently available to the Council are finite and that future local government settlements will continue to present extremely challenging funding issues for local authorities in Wales, the Senior Leadership Team sees the continuation of a robust medium-term financial strategy as being vital, if we are to maintain our core public services.
