



RHONDDA CYNON TAF COUNTY BOROUGH COUNCIL

CABINET

20TH FEBRUARY 2020

THE COUNCIL'S 2020/21 REVENUE BUDGET

**REPORT OF THE DIRECTOR OF FINANCE AND DIGITAL SERVICES IN
DISCUSSION WITH THE LEADER OF THE COUNCIL, CLLR A MORGAN**

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1.0 PURPOSE OF THE REPORT

- 1.1 At its meeting on the 23rd January 2020, the Cabinet agreed draft budget proposals for the 2020/21 revenue budget strategy.
- 1.2 These proposals have now been consulted upon as part of a second phase of budget consultation and the results are now available for Cabinet to consider and amend as necessary the draft budget strategy which they would wish to recommend to Council.

2.0 RECOMMENDATIONS

It is recommended that the Cabinet:

- 2.1 Review and, if appropriate, amend their Budget Strategy which they wish to recommend to Council on the 4th March 2020; and
- 2.2 Authorise the Director of Finance and Digital Services to amend the level of contribution from the Medium Term Financial Planning and Service Transformation Reserve as a consequence of any change to the Council's resource levels announced in the Final Local Government Settlement.

3.0 BACKGROUND

- 3.1 On the 23rd January 2020, Cabinet agreed draft proposals for the revenue budget strategy for financial year 2020/21.
- 3.2 These proposals have been subject to a second phase of consultation which ran from the 24th January to the 7th February 2020. The results of this consultation exercise are now available for Cabinet.

- 3.3 The draft proposals have been incorporated into a draft budget strategy report to Council and this is attached at Appendix A. The results of the Phase 2 consultation process is also attached to that report.
- 3.4 It is now for Cabinet to consider the feedback received from Phase 2 and determine whether they would wish to amend the draft budget strategy.

4.0 THE FINAL LOCAL GOVERNMENT SETTLEMENT FOR 2020/21

- 4.1 The timing of the Local Government Settlement for 2020/21 has been extremely uncertain throughout the Autumn 2019 period, with the provisional settlement being announced on the 16th December 2019.
- 4.2 The Final Local Government Settlement for 2020/21 is expected to be received on the 25th February 2020.
- 4.3 The Minister for Housing and Local Government has indicated that there are no intentions to make any significant changes to the methodology or the data underpinning the Provisional Settlement for the purposes of the Final Settlement. Whilst this provides some comfort of there being no significant changes between Provisional and Final Settlements, the risk of change clearly remains.
- 4.4 In order to ensure that Cabinet are able to recommend a balanced budget to Council on the 4th March 2020, and given the timing of the Final Settlement (25th February 2020), it will be necessary to authorise the Director of Finance and Digital Services to amend the budget to deal with any change between Provisional and Final Settlement. It is proposed that any change is dealt with by means of amending the contribution from our Medium Term Financial Planning and Service Transformation Reserve. This reserve has a remaining balance of £3.563M and is set against the context that a 1% change in the level of our settlement would amount to £3.721M.

5.0 EQUALITY & DIVERSITY IMPLICATIONS

- 5.1 In developing the draft 2020/2021 Revenue Budget Strategy, an Equality Impact Assessment has been undertaken to ensure that:
- (i) the Council meets the requirements of the Public Sector Equality Duties; and
 - (ii) due regard has been taken of the likely impact of the recommendations in terms of equality and discrimination.

6.0 CONSULTATION

6.1 The proposed approach to budget consultation for 2020/21 was set out in the Cabinet report dated 17th October 2019 and in the delegated decision of the Service Director for Democratic Services and Communication dated 14th November 2019. It comprised 2 phases as follows :

Phase 1 - provided residents and stakeholders with the opportunity to feedback their views on some of the key strategic building blocks used to construct the Council's budget.

Phase 2 - once Cabinet agreed the draft budget strategy, and in light of the provisional local government settlement, then this draft strategy was consulted upon as part of Phase 2.

7.0 FINANCIAL IMPLICATIONS

7.1 The financial modelling assumptions and implications are set out in Appendix A of this report.

8.0 LEGAL IMPLICATIONS or LEGISLATION CONSIDERED

8.1 The Council has a legal duty under the Local Government Finance Act 1992 to set a balanced budget and also a legal duty under the Local Government Act 2000 for it to be reported to and approved by Full Council. The construction of the draft 2020/21 Revenue Budget Strategy in line with the "Budget and Policy Framework", as set out in the Council's Constitution, will support compliance with the above legal requirements.

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

9.1 The draft budget strategy will be a key enabler for the delivery of the Council's Corporate Plan and in doing so will support wider partnership objectives and the Well-Being of Future Generations Act.

10.0 CONCLUSION

10.1 The feedback from the second phase of budget consultation is now available for Cabinet to review and, if appropriate, amend their draft budget strategy proposals which they wish to recommend to Council on the 4th March 2020.