

APPENDIX A

RHONDDA CYNON TAF COUNTY BOROUGH COUNCIL

MUNICIPAL YEAR 2019-2020

**COMMITTEE:
COUNCIL**

4th March 2020

REPORT OF:

THE CABINET

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| PART 1 | AGENDA ITEM NO. |
| THE COUNCIL'S 2020/21 REVENUE BUDGET STRATEGY | |

1.0 PURPOSE OF THE REPORT

1.1 This report provides information on the provisional local government settlement for 2020/21 and sets out the recommendations of the Cabinet with regard to the Council's Revenue Budget and the level of Council Tax for the year ending 31st March 2021.

2.0 RECOMMENDATIONS

It is recommended that Members:

- 2.1 Note the written statement from the Minister for Housing and Local Government (Julie James AM) and the table on the 2020/21 Provisional local government settlement, reproduced at Appendix 1;
- 2.2 Note the implications for the Council and the remaining budget gap as set out at Table 1;
- 2.3 Agree a Council Tax increase for 2020/21 of 2.85%;
- 2.4 Agree the uplift to the aggregate Schools Budget as detailed at section 8;
- 2.5 Agree the budget strategy proposals as set out at paragraphs 9.3(a) to 9.3(i);
- 2.6 Agree the use of the 'Medium Term Financial Planning & Service Transformation Reserve' as transition funding, totalling £0.800M for 2020/21;

- 2.7 Approve Tables 3 and 4 in Section 12 of the report as the basis of allocating resources to the Individual Schools Budget (ISB), to other Council Services, and to meet its corporate financing requirements; and
- 2.8 Agree the Council's overall budget for 2020/21 at £508.747M, in order to pass the necessary statutory resolutions to set the Council Tax for the forthcoming financial year by the statutory deadline of the 11th March 2020.

3.0 BACKGROUND

- 3.1 At the Council meeting on the 31st July 2019, the Council's audited accounts were presented which reported General Fund Balances amounting to £10.498M.
- 3.2 Given the continuing financial pressures the Council is working under, it remains the view of the Director of Finance and Digital Services (Section 151 Officer) that the Council should hold a minimum of £10M as General Fund Balances, (i.e. its working balance). This level is set given the context of the need for continued strong financial management that is felt to be essential to ensure that the Council maintains financial flexibility and stability going forward.
- 3.3 Members will be aware that in addition to General Fund Reserves, the Council also holds a number of earmarked reserves that are kept under continuous review and are assessed each year by the Wales Audit Office. Included in these reserves is a Medium Term Financial Planning and Service Transformation Reserve that has successfully supported transitional funding as part of the Council's Medium Term Service Planning arrangements. It has achieved this through helping to smooth the delivery of budget savings over a number of years, whilst still allowing an annual balanced budget to be delivered. The starting point for the Medium Term Financial Planning and Service Transformation Reserve as at the 31st March 2019 was £3.303M. As part of our ongoing strategy, we have continued to identify and deliver savings in-year which means we have been able to increase the level of transitional funding available and the latest position is that this reserve has now increased to £4.363M (additional in year savings to date of £0.606M plus the reinstatement of resources (£0.454M) following confirmation of government funding in respect of the firefighters pension cost increases by South Wales Fire and Rescue Authority).
- 3.4 The Wales Audit Office continues to emphasise that we must remain disciplined at this crucial time, if we are to maintain our long-term goal of driving forward continuous improvement of key services, though this becomes increasingly harder to achieve following a period of such severe financial pressures.

- 3.5 The Wales Audit Office assessment is an accurate one and it is clear that Members continue to take their fiduciary duty extremely seriously as evidenced by the positive reports received from the regulators and the track record of budgetary control across services. The challenge, therefore, is to construct a prudent, equitable and fair revenue budget for the financial year ending the 31st March 2021. This must involve an approach which publicly demonstrates sound financial stewardship; which does not take unnecessary risks; which maximises income generation; continues to deliver year on year efficiency savings and which delivers the services that are needed and we can afford, as well as protecting as many jobs as possible.
- 3.6 In the context of this overall financial position, the Cabinet, assisted by the Senior Leadership Team was able to commence initial work on its budget strategy for 2020/21. The broad objectives of next year's proposed strategy are to:
- (i) Support the delivery of our key strategic priorities -
 - People – Are independent, healthy and successful
 - Places – Where people are proud to live, work and play
 - Prosperity – Creating the opportunity for people and businesses to: be innovative; be entrepreneurial; and fulfil their potential and prosper
 - (ii) Retain the support of the Wales Audit Office for the approach the Council has adopted to securing strong financial management;
 - (iii) Continue with the delivery of our key services and protect as many local jobs as possible; and
 - (iv) Take a responsible approach to the level of Council Tax.

4.0 THE 2020/21 LOCAL GOVERNMENT SETTLEMENT

- 4.1 On the 16th December 2019, the Minister for Housing and Local Government (Julie James AM) announced the Provisional 2020/21 Local Government Settlement. The Minister's statement and key data table is attached at Appendix 1.
- 4.2 The "headlines" of the Provisional Settlement are as follows:-
- a. The overall increase in Revenue Support Grant (RSG) and Non-Domestic Rates (NDR) funding (unhypothecated funding) for 2020/21 at an all Wales level is +4.3% (+£184M).
 - b. The settlement for Rhondda Cynon Taf, amounts to an increase of **4.5%** which is above the average of 4.3%. Settlement figures across Wales range from 3.0% to 5.4%.
 - c. No 'floor' protection has been included for 2020/21.

- d. The Settlement figures for 2020/21 include transfers into the settlement in respect of NHS Funded Nursing Care (£1.9M), the Teachers Pay Grant (£12.0M) and the Teachers Pensions Grant (£39.1M). There is also a transfer in respect of the Coastal Risk Management Programme (not applicable to this Council). The values for this Council are £0.146M, £0.990M and £3.222M respectively. Whilst the part year (2019/20) implications of the Teachers Pay Grant and Teachers Pension Grant transfer into the settlement, the additional full year implications are to be funded from within the settlement increase.
- e. There is no indication of settlement levels beyond 2020/21.
- f. Provisional figures and indicative estimates are included for specific grants, at an all Wales level. Of particular note, would be the continuation and increase (from £30M to £40M) in the Social Care Workforce and Sustainability Pressures Grant. This funds our core base budget.
- g. The Council's General Capital Funding allocation has increased by £0.236M to £13.677M.

5.0 COUNCIL BASE BUDGET REQUIREMENT 2020/21

- 5.1 In anticipation of the 2020/21 local government settlement, the Council's service managers have constructed the base budget requirements for next financial year. Those initial calculations provided for:-
- Estimated national wage awards, pension costs and National Insurance Contribution levels;
 - Non-pay (i.e. goods and services) inflation, including energy and fuel;
 - Corporate financing requirements and levies; and
 - Full year effects of additional burdens imposed on the Council.
- 5.2 The Council's updated budget requirement was reported to Council on the 15th January 2020 alongside the implications of the Provisional Local Government Settlement which was announced on the 16th December 2019.
- 5.3 After taking into account the updated budget requirement and the provisional settlement increase of 4.5%, in addition to the clarity provided around on-going funding in respect the Social Care Workforce and Sustainability Pressures Grant, the Teachers Pay Grant and the Teachers Pensions Grant, the Council was faced with a budget gap of £8.702M.
- 5.4 Against this position, budget savings already identified and secured were able to be taken into account which resulted in a remaining budget gap of £1.321M, as shown in Table 1 below.

Table 1 : Budget Gap 2020/21 at Provisional Settlement (as reported to Council, 15th January 2020)

| | £'000 |
|---------------------------------------|--------------|
| Revised Budget Gap | 8,702 |
| Savings Already Identified (per MTFP) | - 1,199 |
| Efficiency Target | - 6,000 |
| Llwydcoed Crematorium | - 182 |
| Remaining Budget Gap | 1,321 |

5.5 It was against this position which the Cabinet have considered their further budget strategy options for 2020/21.

6.0 DEVELOPING AN EQUITABLE, DELIVERABLE AND BALANCED BUDGET FOR 2020/21

6.1 Notwithstanding the more positive settlement from WG for 2020/21, it does follow a sustained period of real term reductions to our funding levels and it is against this context that we need to develop a balanced budget for next year. There remain significant pressures upon many of our services together with a limited ability to increase Council Tax income, and a low tax base. Within these parameters, we will therefore need to take appropriate decisions to ensure that next year's budget is equitable for all, does not compromise our financial stability and protects and develops our key services.

6.2 The Council's overall financial position was set out at Section 3 of the report. It is vital that we continue with the strategy we have adopted to date that takes account of the importance of sound financial management, including the level of General Fund balances and appropriate use of the "Medium Term Financial Planning and Service Transformation Reserve" as transitional funding, whilst targeting any available resources toward our high priority, customer-focused public services.

6.3 Every year, there are certain corporate financial provisions that must be "top sliced" locally, before service budgets can be allocated. Next year will be no different. There will be a requirement for:

- a) A provision to meet levies from External Bodies;
- b) A provision for Capital Charges;
- c) A provision for all other "Miscellaneous Finance" items (Audit Fees, Insurance Costs, Bank Charges, etc.) which are non-specific to any particular Service Group; and
- d) Resources to fund the Council Tax Reduction Scheme.

6.4 As part of our updated budget requirement, appropriate sums have been set aside for these corporate financial requirements.

7.0 COUNCIL TAX LEVELS

- 7.1 This Council has always acted reasonably when setting its Council Tax, balancing the impact upon services and the ability of the public to pay, recognising that those eligible will receive support through the Welsh Government's Council Tax Reduction Scheme (CTRS). The proposal is to increase Council Tax in 2020/21 by 2.85%, that is, less than the 3.00% originally modelled. This proposed increase equates to 53p per week for a person living in a Band A property and 80p per week for a person living in a Band D property (42% of properties in Rhondda Cynon Taf are Band A). Increasing Council Tax by 2.85% will increase the remaining budget gap by £0.132M.
- 7.2 Members will be aware that the cost of the CTRS is impacted by changes in caseload and by changes to the level of Council Tax. This impacts on the net income generated through any increase in Council Tax. A 1% increase in Council Tax will generate an additional income for the Council of £1.126M (at the 2020/21 tax base level), but will also cost £0.243M in additional CTRS requirements. It therefore follows that a 1% increase generates a net additional income of £0.883M, or stated another way, 22% of any Council Tax increase is lost to support the increased costs associated with Welsh Government's CTRS.

8.0 SCHOOLS BUDGET (ISB)

- 8.1 Members have always viewed our schools as being a key priority and have ensured that they have been treated favourably in comparison with other council services.
- 8.2 As part of the initial budget modelling assumptions (July 2019) a £1.5M cash uplift for schools had been built into the Medium Term Financial Plan.
- 8.3 Following the clarity provided through the provisional settlement with regard to funding for Teachers Pension Costs and Teachers Pay award (2019) costs, these amounts have now been passed on, fully, to our schools. In addition, funding is also provided to cover, in full, pay and non-pay inflation and pressures, including the baselining of one-off and passported funding (£2.5M) which was provided for the 2019/20 budget. Schools are therefore fully funded for 2020/21.
- 8.4 In overall terms, the proposal sees the Schools Budget (ISB) increase from £148.9M to £161.6M, an increase of £12.7M, or 8.5%.

9.0 BUDGET STRATEGY PROPOSALS

- 9.1 This Council has taken a proactive approach to dealing with the continued real term reductions in resources it has received in recent years and has

continued to deliver saving proposals early with a clear focus maintained across the medium term planning horizon. The Council has continued to deliver robust, balanced budgets and taken the opportunity to use our Medium Term Financial Planning and Service Transformation Reserve, as transition funding, to sensibly support the overall budget strategy. It is recommended that this approach is continued.

9.2 As a Cabinet we have always been focussed on protecting our front line services and have taken any opportunities to prioritise or reallocate resources to areas of priority.

9.3 For 2020/21, the following proposals are recommended to Council.

a. NDR Local Relief Scheme

Cabinet have already consulted upon a proposal to introduce a local discretionary relief scheme for Non Domestic Rates (NDR). The consultation closed on the 24th January and Cabinet have (on the 13th February 2020) determined how they wish to progress. As referenced in the Cabinet report, resources have already been set aside in the Medium Term Financial Plan to provide further support to our town centres and businesses so there is no further financial impact on our base budget.

b. Youth Engagement / Youth Offending

The Council recognises the ongoing need to work proactively across our services, with our schools and partners to ensure the effectiveness of our youth engagement activities both within and outside of a school environment and to ensure that there are opportunities for young people across the County Borough to reach their full potential and overcome barriers to learning and progression. Our current core spend on Youth Engagement amounts to £1.9M and it is proposed that an additional revenue investment of £250k is made in this area, representing a budget increase of over 13%.

c. Paddling Pools

Following a number of voluntary groups being able to open paddling pools during last summer, the Council will now work wider with community groups and put in place a package of bespoke support that will enable further paddling pools to open throughout the summer holiday period going forward (subject to the preparedness of community groups). £50k is proposed to be included within the budget strategy for this purpose.

d. Prudential Borrowing for Investment in our Infrastructure

Following the investment of over £95M being made in our infrastructure and corporate priorities since 2015, it is proposed to set aside £500k of our

revenue resource to enable, through the use of prudential borrowing powers, £7.5M of capital resource to be further invested in our priority investment areas. This will include strategic highways developments, parks and green spaces and continued investment in extra care facilities. Full details of this spend will be set out in the forthcoming updated capital programme 2020/21 to 2022/23.

e. Supporting the Muni Arts Centre

The Council has been working with Awen Cultural Trust to secure a sustainable future for the Muni Arts Centre alongside an ambitious longer term plan to substantially refurbish the Centre. Whilst these longer term plans are being developed along with a potential funding package, it is confirmed that the initial plan is to reopen the venue during the summer of 2020 (following initial maintenance works). In order to support the reopening, whilst the longer term vision is being developed, there is a need for a revenue contribution to be made amounting to £140k per annum. The revenue support will be ring-fenced and the part year revenue budget requirement is £105k.

f. Fees and Charges

A final report on the proposed level of Fees & Charges for 2020/21 will be presented to Cabinet on the 20th February 2020. The Cabinet's proposals with regard to fees and charges would see a standard increase of 1.5% (Consumer Price Index (CPI)), with a number of specific exceptions :

| Area of charge | Proposed increase for 2020/21 |
|---|--|
| Leisure for Life | Nil increase |
| Car Park Charges | Nil increase |
| Summer and Winter Playing Fees (Sports Clubs) | Nil increase |
| School Meals (Primary and Secondary Schools) | £0.05 per meal (and then no increase for 2 years i.e. 2021/22 and 2022/23) |
| Meals on Wheels and Day Centre Meals | £0.10 per meal |
| Pontypridd Lido (entry for adult users) | £0.50 per Adult Swim |

It is also proposed, with regard to the Rhondda Heritage Park, to increase the individual adult entry fee and family ticket for the Welsh Mining Experience (underground tour) by £1.00 (to £7.95 and £20 respectively) and to standardise the non-school entry fee for both adults and children for Santa's Toy Mine to £10.

The impact of these proposals (as compared to all fees and charges being increased by 1.5%) would reduce income by £2k.

g. Home to School Transport Re-tender Savings

Following a number of successful retendering exercises over recent years, delivering reduced costs of our provision, a review of the Home to School Transport budget has now concluded that £810k can be released from the base budget requirement.

h. Council Tax Reduction Scheme (CTRS)

Members will be aware through the quarterly performance reports this year that the costs associated with the CTRS have been consistently below budget. As at Quarter 2 (reported 21st November 2019), the projected underspend in this area was £0.352M. Further work on caseloads and demand has now been concluded and the proposal is to reduce the base budget in 2020/21 by £0.350M. It should be noted that whilst this takes the budget to £24.680M, this is still in excess of the Welsh Government funding for this area which for 2020/21 totals £21.564M.

i. Supported Accommodation Strategy and Savings

In addition to the Council's ongoing investment in developing extra care facilities, Cabinet have also agreed to capital investment in developing supported accommodation at Penllew Court and Crown Avenue. These facilities are now nearing completion and will be available for occupancy during 2020/21. The revenue savings (part year) which we can now build into our base budget for 2020/21 is £400k.

- 9.4 The implications of the above strategy proposals, including the proposed reduction in the level of Council Tax increase, on the remaining budget gap position is shown in table 2 below.

Table 2 : Budget Strategy Proposals 2020/21

| | £'000 | £'000 |
|--|-------|------------|
| Remaining Budget Gap | | 1,321 |
| NDR Local Relief Scheme | - | |
| Additional Resources to Support Youth Engagement | 250 | |
| Paddling Pools | 50 | |
| Prudential Borrowing - Investment (£7.5M) | 500 | |
| Muni Arts Centre - Revenue Support | 105 | |
| Council Tax at 2.85% | 132 | |
| Fees and Charges | 2 | |
| Home to School Re-tender Savings | - 810 | |
| CTRS | - 350 | |
| Supported Accommodation Savings | - 400 | - 521 |
| Remaining Budget Gap | | 800 |

9.5 *Medium Term Financial Planning and Service Transformation Reserve (Transitional Funding)* – We have for many years used our transition funding reserve sensibly as part of our balanced budget strategy, at a level which does not compromise the robustness of our budget and which can be replenished with some certainty, given our ongoing strategy of delivering savings early.

9.6 As previously referenced the reserve currently stands at £4.363M, having been replenished during this year (2019/20) by £1.060M to quarter 2. Accordingly, to address the remaining budget gap, it is proposed that an allocation of £0.800M is made from this reserve for 2020/21. This would facilitate a balanced budget for 2020/21 and would leave £3.563M in the reserve (subject to the year-end assessment of reserves). Processes are now sufficiently well embedded to ensure that savings are achieved in-year and that this reserve can continue to be replenished.

| | £'000 |
|-----------------------------|------------|
| Remaining Budget Gap | 800 |
| Use of Transition Funding | - 800 |
| Remaining Budget Gap | - |

9.7 The above provides a robust and balanced budget strategy for financial year 2020/21 which is now recommended to Council.

10.0 SERVICE PRIORITIES

10.1 Even within a period of significantly reducing resources and hence financial pressure on all services, this Council remains committed as far as it possibly can to continue to deliver its key services, stronger communities and social justice.

- 10.2 The Council's Corporate Plan 2016-2020 set out our key purpose to provide a County Borough that has high aspirations, is confident and promotes opportunity for all. This has been reinforced in our new proposed Corporate Plan "Making a Difference" 2020-2024 which is being considered alongside this budget strategy.
- 10.3 In addition to our revenue base budget requirements, opportunities also continue to be taken to deliver investment in key strategic areas through one off funding made available via a risk based review of earmarked reserves and through the early identification of opportunities to deliver savings. The Council has already invested over £95M (over and above the normal Capital Programme) in areas supporting key Corporate Plan priorities since October 2015, the latest investment (£5.8M) being agreed by Council in October 2019.
- 10.4 A report setting out the updated capital programme for 2020/21 to 2022/23 will be reported for Members consideration alongside this revenue budget strategy.

11.0 THE 2020/21 BUDGET STRATEGY CONSULTATION PROCESS

- 11.1 As in previous years, the Council has been keen to consult with the public and other interested stakeholders on its general budget strategy and how services are delivered.
- 11.2 The 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.

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

- 11.3 The Phase 1 Consultation report was considered by Cabinet on the 23rd January 2020 alongside the initial budget proposals which were then consulted upon as part of Phase 2.
- 11.4 The Phase 2 Consultation report is now attached at Appendix 2. The phase 2 consultation process ran from the 24th January 2020 to the 7th February 2020 and included :
- An online questionnaire

- Three youth events held at local schools
 - Y Pant
 - Treorchy
 - Aberdare
- Promotion through Social media
- Three public 'drop-in' events, open to the wider community
 - Canolfan Pennar (Mountain Ash Hub)
 - Pontypridd Town Centre
 - Rhondda Sports Centre, Ystrad
- Older Persons Advisory Group Meeting
- Disability Forum Meeting
- Promotion with key stakeholders, including Elected Members, local AMs, MPs, Community & Town Councils, Trade Unions

11.5 In addition, specific consultation activity was undertaken with the School Budget Forum and minutes of this meeting are attached at Appendix 3.

11.6 The Finance and Performance Scrutiny Committee have also been engaged throughout the consultation process, initially discussing the proposed approach in September 2019. They were then consulted with as part of Phase 1 (16th December 2019) and had the opportunity to pre-scrutinise the draft budget strategy proposals as part of Phase 2 (29th January 2020). The minutes of the latest meeting are attached at Appendix 4 (currently draft).

12.0 THE 2020/21 MACRO REVENUE BUDGET

12.1 In arriving at a strategy for 2020/21, the Cabinet has taken into consideration its key commitments, its views on service delivery and relevant charges for services and the need to minimise the tax burden on local residents. Consequently, and after careful deliberation, the Cabinet has concluded that it can now propose a balanced revenue budget which will meet all of the fundamental requirements of its preferred strategy **and** minimise the Council Tax increase for next year.

12.2 Table 3 below illustrates how the revenue resources available to the Council could be utilised, with a Council Tax increase of 2.85%:

Table 3: Proposed Resources in 2020/21

| | £M |
|---|----------------|
| 2020/21 Net Revenue Spending | 508.747 |
| LESS: Revenue Support Grant (RSG) & Redistributed Non Domestic Rates (NDR) | 388.666 |
| LESS: Social Services and Children's Services Specific Grants | 3.400 |
| Sub total | 116.681 |
| LESS: Release of Earmarked Reserves | 0.800 |
| To be met from Council Taxpayers | 115.881 |

- 12.3 Table 4 below, shows the overall effect on services of applying the principles of the Cabinet's recommended outline 2020/21 budget strategy.

Table 4: Application of the 2020/21 Outline Budget Strategy

| BUDGET REQUIREMENTS | 2019/20 | 2020/21 | Increase/ (Decrease) |
|--|----------------|----------------|-------------------------|
| | £M | £M | £M |
| Corporate Requirements | | | |
| Capital Financing | 18.917 | 19.713 | 0.796 |
| Levies | 11.930 | 12.438 | 0.508 |
| Council Tax Reduction Scheme | 24.336 | 24.680 | 0.344 |
| Miscellaneous | 12.669 | 13.862 | 1.193 |
| | 67.852 | 70.693 | 2.841 |
| Individual School Budgets (ISB) | | | |
| Individual School Budgets | 148.849 | 161.638 | 12.789 |
| Other Council Services | | | |
| Community & Children's Services | 153.264 | 162.604 | 9.340 |
| Prosperity, Development and Frontline Services | 56.876 | 55.980 | (0.896) |
| Chief Executive's | 25.979 | 26.759 | 0.780 |
| Education & Inclusion Services | 30.649 | 31.073 | 0.424 |
| Net Revenue Spending | 483.469 | 508.747 | 25.278 |

13.0 **SPECIFIC GRANTS**

- 13.1 For next year, the Welsh Government is to provide over £980M in Specific Revenue Grants to Welsh Local Authorities.
- 13.2 Whilst specific grants dilute local accountability, such funding does enable us to undertake projects and deliver services that otherwise may not have been possible. Whilst we will continue to make representation for such funding to

be transferred into the Revenue Support Grant, until they do so then specific grants will continue to supplement our base revenue budget.

- 13.3 By their nature, specific grants are often directed toward specific spend areas or policy objectives and are not certain in terms of their ongoing continuation nor value, presenting uncertainty in terms of forward planning.
- 13.4 The allocation of specific grants, however, remains a key feature of the annual local government settlement, albeit there is a commitment to reduce such hypothecation. There are also a number of specific grants which have been introduced to deal with recurring cost pressures (eg Social Care Workforce and Sustainability Pressures Grant) and it is important that we seek to ensure their continuation beyond 2020/21.

14.0 EQUALITY AND DIVERSITY IMPLICATIONS

- 14.1 In developing the recommended 2020/21 Revenue Budget Strategy, an Equality Impact Assessment (EIA) 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.

15.0 CONSULTATION

- 15.1 Consultation and engagement has been undertaken as part of formulating the recommended 2020/21 Revenue Budget Strategy, the results from which are set out in Section 11 of the report.

16.0 FINANCIAL IMPLICATION(S)

- 16.1 The financial implications of the recommendations are set out in the main body of the Report.

17.0 LEGAL IMPLICATIONS OR LEGISLATION CONSIDERED

- 17.1 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 recommended 2020/21 Revenue Budget Strategy and its reporting to full Council ensures compliance with these legal duties.

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

18.1 The recommended 2020/21 Revenue Budget Strategy has been formulated to support the delivery of the Council's strategic priorities, as set out within the Corporate Plan 2016 – 2020, and the new Corporate Plan "Making a Difference" 2020 – 2024. These documents are aligned to the goals and principles included within the Well-Being of Future Generations Act.

19.0 CONCLUSIONS

19.1 The Council's overall financial position remains sound, with the level of General Reserves maintained at the minimum level of £10M.

19.2 On the 16th December 2019, the Minister for Housing and Local Government (Julie James AM) announced the Provisional 2020/21 Local Government Settlement which showed this Council's increase in resources was set at 4.5%.

19.3 The Cabinet's proposals properly address the corporate financial requirements of the Council and allocate an adequate financial uplift to the Individual Schools Budget. The remaining resources available are allocated to fund all other services and to support our key priorities in 2020/21.

19.4 The Cabinet has recommended setting the 2020/21 revenue spending and budget at £508.747M which will require a Council Tax increase of 2.85% for the financial year ending the 31st March 2021.

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