

School Budget Forum Meeting 28th January 2020

The Council's Draft 2020/2021 Revenue Budget Strategy

Extract from minutes

The School Budget Forum received a presentation from the Service Director – Finance and Improvement Services advising Forum Members of the following:

- 2020/21 Draft Revenue Budget Strategy;
- Council's Current Financial Position (2019/2020);
- Phase 1 Budget Consultation – Headlines; and
- Provisional Local Government Settlement 2020/2021 – Headlines and Implications for RCT.

Following the overview, the Service Director referred the School Budget Forum to the 'Phase 2 Budget Consultation' section of the presentation and indicated that the views of the Forum would now be sought on Cabinet's draft revenue budget strategy for 2020/21.

In terms of Council Tax, Forum Members agreed that 2.85% is a reasonable increase for the 2020/21 financial year.

In respect of schools, the Service Director advised that the draft budget strategy aims to protect schools and the proposal would result in the school budget increasing from £148.9M to £161.6M for 2020/21, an increase of £12.7M (or 8.5%) and mean that schools will be fully funded for the forthcoming year. Discussions ensued and Forum Members agreed that the School Budget increase is a welcomed proposal. However, Forum Members sought confirmation that all schools would receive an 8.5% increase and also clarification around the wording 'fully funded' to ensure an accurate message can be conveyed locally within the context of continual pressures on schools to deliver results. The Head of Finance – Education and Financial Reporting confirmed that the 8.5% increase related to the total school budget and a number of factors at an individual school level will impact on the actual increase received per school, for example, changes in pupil numbers. The Head of Finance went on to provide clarity around 'fully funded' whereby the proposed overall funding level would cover inflationary increases to existing pay and non-pay expenditure areas and increases in pension costs and specific budget areas. The Chief Executive added that the Council recognises the challenging environment schools operate within and emphasised that the Council's proposed budget strategy prioritises and protects school funding levels compared to other Council services, and is the continuation of a strategy that has been applied within Rhondda Cynon Taf for a number of years.

With regard to efficiency savings, Forum Members agreed with the proposed approach and supported the principle for the Council to continue to become more efficient in future years.

For the area of fees and charges, Forum Members sought clarity on the rationale to increase school meal prices for 2020/21 and then introduce a price freeze for the next

2 years. The Council's Leader fed back that the proposed strategy seeks to partly mitigate the risk of food price increases for the 2020/21 financial year and the Council then committing to covering further risks in this regard for financial years 2021/22 and 2022/23 through a price freeze, with this approach continuing to provide on-going price certainty for families during this period.

In terms of the Council borrowing to invest in its infrastructure, Forum Members agreed with this approach.

In respect of other budget strategy proposals, Forum Members welcomed the proposal to invest an additional £250k in youth engagement and also agreed with the £50k proposed investment for paddling pools. Discussions continued and Forum Members queried whether the investment in the Muni Arts Centre (Pontypridd) would have a negative impact on the Park & Dare theatre and the Aberdare Coliseum. The Council's Leader fed back that the programmes across each venue would be planned and complementary to ensure no negative impact, and following consideration, Forum Members agreed with the Council's investment in respect of the Muni Arts Centre.

The Service Director went on to advise Forum Members that after taking into account the other budget strategy proposals, the remaining budget gap amounted to £0.804M. The Service Director indicated that it is proposed for an allocation of £0.804M to be made from a one-off funding reserve set aside for this purpose and would enable a balanced budget to be set for the 2020/21 financial year. The Service Director added that this approach would leave £3.6M in the reserve and Forum Members agreed with the Council's use of this reserve to support balancing the annual budget.

The Service Director informed Forum Members that the views of the School Budget Forum would be fed back to Cabinet at its meeting in February 2020 and incorporated into the Revenue Budget Strategy report presented to full Council in March 2020.

The Chair thanked School Budget Forum members and officers for their comments, and spoke of the challenging position the Council is facing to set a balanced budget for 2020/21 and at the same time continue to invest in key priority areas such as schools.