

**APPENDIX A**

**RHONDDA CYNON TAF COUNTY BOROUGH COUNCIL**

**MUNICIPAL YEAR 2020-2021**

**COMMITTEE:  
COUNCIL**

**10<sup>th</sup> March 2021**

<b>AGENDA ITEM NO.</b>	
<b>THE COUNCIL'S 2021/22 REVENUE BUDGET STRATEGY</b>	

**REPORT OF:**

**THE CABINET**

**AUTHOR: Barrie Davies, Director of Finance and Digital Services Tel. No. 01443 424026**

**1.0 PURPOSE OF THE REPORT**

- 1.1 This report provides information on the provisional local government settlement for 2021/22 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 31<sup>st</sup> March 2022.

**2.0 RECOMMENDATIONS**

It is recommended that Members:

- 2.1 Note the written statement from the Minister for Housing and Local Government (Julie James MS) and the table on the 2021/22 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 section 5;
- 2.3 Agree a Council Tax increase for 2021/22 of 2.65%;
- 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 10.3(a) to 10.3(i);
- 2.6 Agree the use of the 'Medium Term Financial Planning & Service Transformation Reserve' as transition funding, totalling £0.709M for 2021/22;

- 2.7 Approve Tables 3 and 4 in Section 13 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 2021/22 at £527.901M, in order to pass the necessary statutory resolutions to set the Council Tax for the forthcoming financial year by the statutory deadline of the 11<sup>th</sup> March 2021.

### **3.0 BACKGROUND**

- 3.1 At the Council meeting on the 25<sup>th</sup> November 2020, the Council's audited accounts were presented which reported General Fund Balances amounting to £8.709M.
- 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 During the last financial year, 2019/20 our reserves were used to support our residents and businesses in the immediate aftermath of Storm Dennis. Whilst reducing our reserves below what is considered to be the minimum level, it was wholly appropriate that they were used in this way and for this purpose. The Director of Finance and Digital Services is satisfied that plans are in place to replenish General Fund Reserves to the minimum level over the period of our Medium Term Financial Plan (at £0.5M per year for the next 3 years).
- 3.4 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 Audit Wales. 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 31<sup>st</sup> March 2020 was £3.563M. 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 £4.330M (additional in year savings to date of £0.767M).

- 3.5 Audit Wales continue 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.
- 3.6 The Audit Wales 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 31<sup>st</sup> March 2022. This must involve an approach which publicly demonstrates sound financial stewardship; which does not take unnecessary risks; which maximises income generation; continues to deliver (as far as possible, and where available) 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.
- 3.7 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 2021/22. 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 Audit Wales 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 2021/22 LOCAL GOVERNMENT SETTLEMENT**

- 4.1 On the 22<sup>nd</sup> December 2020, the Minister for Housing and Local Government (Julie James MS) announced the Provisional 2021/22 Local Government Settlement. The Minister's statement and key data table is attached at Appendix 1.
- 4.2 The "headlines" of the 2021/22 Provisional Settlement are as follows:-
- a. The overall increase in Revenue Support Grant (RSG) and Non-Domestic Rates (NDR) funding for 2021/22 (of unhypothecated funding) at an all Wales level, after adjusting for transfers is 3.8% (+£172M).

- b. The settlement for Rhondda Cynon Taf, amounts to an increase of **3.8%** which equates to the average all Wales increase. Settlement figures across Wales range from 2.0% to 5.6%.
- c. No 'floor' protection has been included for 2021/22.
- d. The Settlement figures for 2021/22 include transfers into the settlement in respect of the Teachers Pay Grant (£3.981M) and the Coastal Risk Management Programme (not applicable to this Council). The value of the Teachers Pay Grant for this Council is £0.328M. Whilst the part year (2020/21) implications of the Teachers Pay 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 2021/22.
- 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 £40M to £50M) in the Social Care Workforce Grant. This funds our core base budget.
- g. The Council's General Capital Funding allocation has increased by £0.087M to £13.764M.

## **5.0 COUNCIL BASE BUDGET REQUIREMENT 2021/22**

- 5.1 In anticipation of the 2021/22 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 any additional burdens imposed on the Council.
- 5.2 The Council's updated budget requirement was reported to Council on the 20<sup>th</sup> January 2021 alongside the implications of the Provisional Local Government Settlement which was announced on the 22<sup>nd</sup> December 2020.
- 5.3 After taking into account the updated budget requirement and the provisional settlement increase of 3.8%, in addition to the increased funding in respect the Social Care Workforce Grant and the Council's updated Tax Base, the Council was faced with a **remaining budget gap of £4.057M**.

- 5.4 It was against this position which the Cabinet have considered their further budget strategy options for 2021/22.

## **6.0 DEVELOPING AN EQUITABLE, DELIVERABLE AND BALANCED BUDGET FOR 2021/22**

- 6.1 Notwithstanding the relatively positive settlement from WG for 2021/22, it does follow a sustained period of real term reductions to our funding levels and more recently significant storm damage and the pandemic, 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.
- 6.5 Additional costs and income losses which we have incurred during this financial year specifically and directly attributable to the pandemic have been funded by Welsh Government, via a claims based Hardship Fund. WG are committed to continuing this process into 2021/22 and accordingly our core base budget does not include provision for such additional costs.

## **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 2021/22 by 2.65%, that is, less than the 2.85% originally modelled. This proposed increase equates to 51p per week for a person living in a Band A property and 76p 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 2.65% will increase the remaining budget gap by £0.182M.
- 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 £1.157M (at the 2021/22 tax base level), but will also cost £0.247M in additional CTRS requirements. It therefore follows that a 1% increase generates a net additional income of £0.910M, or stated another way, 21% 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 The Schools Budget (ISB) is proposed to be increased to cover, in full, all inflationary and pupil number pressures, including NDR increased costs. Unlike other Council services there is no efficiency target or expectation albeit schools may need to take local action to absorb the financial implications of decisions taken locally.
- 8.3 In overall terms, the proposal sees the Schools Budget (ISB) increase from £161.6M to £163.8M, an increase of £2.2M. Schools are therefore fully funded for 2021/22.

## **9.0 EFFICIENCY**

- 9.1 Council services have for many years now delivered against ambitious efficiency targets, making considerable budget reductions without adversely impacting on front line service provision.
- 9.2 As part of the current year's budget strategy, efficiencies of £6M were identified and delivered albeit it was noted that the ongoing sustainability of delivering efficiencies at this level would need to be considered.

- 9.3 The pandemic has clearly significantly impacted on our normal practises of considering our budget setting on a continuous basis, working across services in identifying efficiencies and budget reduction options and delivering on them early. The focus of our service managers has clearly and appropriately been prioritised on supporting and protecting our residents, businesses and communities.
- 9.4 Notwithstanding this however, our senior finance officers have continued to work alongside service managers and have again identified budget reduction measures which can be delivered without adversely impacting on our front-line services. Indeed, at as the quarter 2 performance report presented to Cabinet on the 17<sup>th</sup> November 2020, we were able to release £767k of in year base budget reductions.
- 9.5 Whilst at a slightly lower level than previous years, efficiencies have been identified amounting to £4.6M which can be delivered and removed from next year's base budget requirement.

## **10.0 BUDGET STRATEGY PROPOSALS**

- 10.1 This Council has taken a proactive approach to dealing with the budget pressures it continues to face including delivery of 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.
- 10.2 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.
- 10.3 For 2021/22, the following proposals are recommended to Council.

### **a. NDR Local Relief Scheme**

Cabinet last year (13<sup>th</sup> February 2020) determined to implement a local Business Rate Reduction Scheme for 2020/21. The scheme supplemented the Welsh Government High Street and Retail Rate Relief Scheme by providing a further relief of £300 per qualifying business.

It is proposed that this local relief is continued for 2021/22 and increased to £350 per qualifying business.

The cost of this proposal is **£50k**.

**b. Car Park Charges**

Our town centres have been significantly impacted by the restrictions placed on retail, leisure and hospitality businesses plus the need to put in place measures to adhere with social distancing and enhanced cleaning and hygiene regimes. In order to encourage visitors to our town centres and to aid the recovery of our valued businesses, it is proposed that we tailor our car parking charges, noting that in all of our town centres other than Pontypridd and Aberdare, parking is already free.

The proposal is that car parking is free after 3pm on Monday to Fridays and free all day (after 10am) on Saturdays.

The cost of this proposal in terms of income foregone is **£160k**.

**c. Climate Change and Carbon Reduction**

The Council's commitment to responding to climate change and carbon reduction has already been well documented, with the Climate Change Cabinet Steering Group having met regularly since its inaugural meeting in November 2019. The initial work programme set out in December 2019 has been delivered alongside an ambition to be further impactful and a community leader in this area, recognising the wider role that our residents, businesses and partners must play.

In order to support this work, it is proposed that a core base budget is put in place in order that a lead coordination role can be established along with a resource which can commission work from third parties to continue and, where possible increase the pace of our work in this area.

The cost of this proposal is **£100k**.

**d. Graduates**

Our graduate programme has already provided the opportunity for over 100 graduates to join the Council and develop and progress into middle and senior management roles. It is a key part of our workforce planning strategy and service continuity arrangements, developing our own staff to meet the ongoing and changing needs across our services.

It is proposed that additional resources are set aside to enable a further 6 graduates to be appointed, over and above our existing commitment.

The cost of the proposal is **£200k**.

**e. Well-Being Support**



The performance and commitment of our staff resources has been exemplary during this period across all of our service areas, demonstrating an outstanding attitude to public service and to the well being of our residents, businesses and communities. This has been set against the backdrop of significant personal challenge for them themselves in terms of the restrictions placed on them and their families and the circumstances in which they have had to perform their responsibilities.

Our staff are without doubt our most valued asset – they are the front face of the Council and represent and uphold our key values as public servants. We recognise the challenges faced by staff and have ensured that we continue to support their welfare and wellbeing. The additional resource proposed will enable us to expand upon the current support programmes we have in place and further develop these programmes across the workforce.

The cost of the proposal is **£50k**.

**f. Fees and Charges**

A final report on the proposed level of Fees & Charges for 2021/22 will be presented to Cabinet in February 2021. Following the initial (Phase 1) consultation exercise undertaken during November and December, the Cabinet's draft proposals with regard to fees and charges would see a standard increase of 1.7% (CPI), with a number of specific exceptions :

<b>Area of Charge</b>	<b>Proposed Exception</b>
Leisure for Life	Freeze
Car Park Charges	Freeze
Summer and Winter Playing Fees (sports clubs)	Freeze
Meals on Wheels / Day Centre Meals	10p per meal and then frozen until 2023
School Meals	Freeze (as per decision taken in 2020/21 to hold prices until April 2023)
Bereavement Fees	Freeze
Lido / Rhondda Heritage Park	Freeze

The impact of these draft proposals would cost **£185k**.

**g. Public Health and Protection Services – Additional Resources**

The Public Health and Protection service has played a key role this year in ensuring the public health and wellbeing of our communities, providing

advice and guidance and leading on initiatives such as the Test Trace Protect programme.

The additional investment proposed in the service will enable additional resources to be employed, further strengthening the team and providing future resilience for the service.

The cost of the proposal is **£200k**.

#### **h. Flood Prevention Support**

Our communities continue to recover from the exceptional storm events during last winter, including Storm Dennis. Significant recovery work is ongoing across the County Borough to the infrastructure damaged.

Over 1,000 homes and 400 businesses were flooded during Storm Dennis. It is proposed that alongside all other support being provided, that an advisory role is put in place to ensure that our residents and businesses are supported in protecting themselves as far as possible from any storm damage, including for example insurance availability and physical property protection opportunities.

The cost of this proposal is **£50k**.

#### **i. Overgrowth Team**

Our local environment remains a key priority of the Council, keeping our physical places clean, removing eyesores and ensuring that our natural resources are appropriately maintained. We already have a number of teams who are responsible for ensuring that our overgrowth is effectively maintained and it is proposed that an additional team is put in place to further enhance this work.

The cost of this proposal is **£75k**.

10.4 The implications of the above strategy proposals, including the proposed reduction in the level of Council Tax increase and the delivery of efficiencies, on the remaining budget gap position is shown in table 1.

Table 1 : Budget Strategy Proposals 2021/22

	£'000	£'000
<b>Remaining Budget Gap</b>		<b>4,057</b>
Council Tax at 2.65%	182	
Efficiencies	- 4,600	
NDR Discretionary Relief	50	
Fees and Charges	185	
Car Park Charges	160	
Climate Change and Carbon Reduction	100	
Graduates	200	
Well being Support	50	
Public Health and Protection - Additional Resources	200	
Flood Prevention Support	50	
Overgrowth Team	75	- 3,348
<b>Remaining Budget Gap</b>		<b>709</b>

- 10.5 *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.
- 10.6 As previously referenced the reserve currently stands at £4.330M, having been replenished during this year (2020/21) by £0.767M to quarter 2. Accordingly, to address the remaining budget gap, it is proposed that an allocation of £0.709M is made from this reserve for 2021/22. This would facilitate a balanced budget for 2020/21 and would leave £3.621M 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.

Table 2 : Budget Strategy Proposals 2021/22 – Balancing the Budget

	£'000
<b>Remaining Budget Gap</b>	<b>709</b>
Use of Transition Funding	- 709
<b>Remaining Budget Gap</b>	<b>-</b>

- 10.7 The above provides a robust and balanced budget strategy for financial year 2021/22 which is now recommended to Council.

## **11.0 SERVICE PRIORITIES**

- 11.1 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.
- 11.2 The Council's Corporate Plan 2020-2024 sets out that our key purpose is to provide strong community leadership and create the environment for people and businesses to be independent, healthy and prosperous.
- 11.3 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 £107M (over and above the normal Capital Programme) in areas supporting key Corporate Plan priorities since October 2015, the latest investment (£11.8M) being agreed by Council in March 2020.
- 11.4 A report setting out the updated capital programme for 2021/22 to 2023/24 will be reported for Members consideration alongside this revenue budget strategy.

## **12.0 THE 2021/22 BUDGET STRATEGY CONSULTATION PROCESS**

- 12.1 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.
- 12.2 The approach to budget consultation for 2021/22 was set out in the Cabinet report dated 13<sup>th</sup> October 2020. It comprises 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 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.

- 12.3 The Phase 1 Consultation report was considered by Cabinet on the 28<sup>th</sup> January 2021 alongside the initial budget proposals which were then consulted upon as part of Phase 2.
- 12.4 The Phase 2 Consultation report is now attached at Appendix 2. The phase 2 consultation process ran from the 29<sup>th</sup> January 2021 to the 12<sup>th</sup> February 2021 and included:
- On-line questionnaire;
  - The option to attend an online Zoom public meeting;
  - Young persons engagement including via Instagram and a presentation and survey sent to 3 colleges, 2 schools and members of the Youth Forum;
  - Promotion through social media;
  - Correspondence with the Disability Forum;
  - On-line Zoom meetings with:
    - Older Persons Advisory Group (3<sup>rd</sup> February 2021);
    - School Budget Forum (4<sup>th</sup> February 2021);
    - The Council's Finance and Performance Scrutiny Committee (4<sup>th</sup> February 2021); and
    - Community Liaison Community (5<sup>th</sup> February 2021).
- 12.5 With regard to the consultation activity undertaken with the Finance & Performance Scrutiny Committee and the School Budget Forum, the extracts of the minutes from these meetings are attached at Appendix 3 and Appendix 4 respectively.

### **13.0 THE 2021/22 MACRO REVENUE BUDGET**

- 13.1 In arriving at a strategy for 2021/22, 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.
- 13.2 Table 3 below illustrates how the revenue resources available to the Council could be utilised, with a Council Tax increase of 2.65%:

#### **Table 3: Proposed Resources in 2021/22**

	£M
2021/22 Net Revenue Spending	527.901
<b>LESS:</b> Revenue Support Grant & NDR Contribution	404.375
<b>LESS:</b> Social Care Workforce Grant	4.075
<b>Sub total</b>	<b>119.451</b>
<b>LESS:</b> Release of Earmarked Reserves	0.709
<b>To be met from Council Taxpayers</b>	<b>118.742</b>

- 13.3 Table 4 below, shows the overall effect on services of applying the principles of the Cabinet's recommended outline 2021/22 budget strategy.

**Table 4: Application of the 2021/22 Outline Budget Strategy**

BUDGET REQUIREMENTS	2020/21	2021/22	Increase/ (Decrease)
	£M	£M	£M
<b><u>Corporate Requirements</u></b>			
Capital Financing	19.713	19.950	0.237
Levies	12.438	12.862	0.424
Council Tax Reduction Scheme	24.680	25.334	0.654
Miscellaneous	13.641	14.429	0.788
	<b>70.472</b>	<b>72.575</b>	<b>2.103</b>
<b><u>Individual School Budgets (ISB)</u></b>			
Individual School Budgets	161.578	163.784	2.206
<b><u>Other Council Services</u></b>			
Community & Children's Services	162.681	171.370	8.689
Prosperity, Development and Frontline Services	55.928	60.955	5.027
Chief Executive's	27.039	26.809	(0.230)
Education & Inclusion Services	31.049	32.408	1.359
<b>Net Revenue Spending</b>	<b>508.747</b>	<b>527.901</b>	<b>19.154</b>

## **14.0 SPECIFIC GRANTS**

- 14.1 For next year, the Welsh Government is to provide over £980M in Specific Revenue Grants to Welsh Local Authorities.
- 14.2 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.

- 14.3 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.
- 14.4 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 Grant) and it is important that we seek to ensure their continuation beyond 2021/22.

## **15.0 EQUALITY AND DIVERSITY IMPLICATIONS**

- 15.1 In developing the recommended 2021/22 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.

## **16.0 CONSULTATION**

- 16.1 Consultation and engagement has been undertaken as part of formulating the recommended 2021/22 Revenue Budget Strategy, the results from which are set out in Section 12 of the report.

## **17.0 FINANCIAL IMPLICATION(S)**

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

## **18.0 LEGAL IMPLICATIONS OR LEGISLATION CONSIDERED**

- 18.1 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 2021/22 Revenue Budget Strategy and its reporting to full Council ensures compliance with these legal duties.

## **19.0 LINKS TO CORPORATE AND NATIONAL PRIORITIES AND THE WELL-BEING OF FUTURE GENERATIONS ACT**

- 19.1 The recommended 2021/22 Revenue Budget Strategy has been formulated to support the delivery of the Council's strategic priorities, as set out within the Corporate Plan "Making a Difference" 2020 – 2024. The plan is aligned to the goals and principles included within the Well-Being of Future Generations (Wales) Act.

## **20.0 CONCLUSIONS**

- 20.1 The Council's overall financial position remains sound, with a clear plan in place to replenish the level of General Reserves to the recommended minimum level of £10M.
- 20.2 On the 22<sup>nd</sup> December 2020, the Minister for Housing and Local Government (Julie James MS) announced the Provisional 2021/22 Local Government Settlement which showed this Council's increase in resources was set at 3.8%.
- 20.3 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 2021/22.
- 20.4 The Cabinet has recommended setting the 2021/22 revenue spending and budget at £527.901M which will require a Council Tax increase of 2.65% for the financial year ending the 31<sup>st</sup> March 2022.
- 20.5 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.

\*\*\*\*\*