



**Rhondda Cynon Taf  
County Borough Council**

**Medium Term Financial Plan**

**2021/22 – 2024/25  
(updated July 2021)**

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## **INTRODUCTION AND PURPOSE**

Medium Term Financial and Service Planning is an essential component of the effective financial management of this Council. It is the cornerstone of good governance and an enabler of service delivery and service improvement within the constraints of available resources.

This Medium Term Financial Plan sets out, holistically, the financial context within which the Council is operating and forward projects the financial challenge facing the Council over a 3 year planning period.

It will also align and link our financial resources to our Corporate Plan Priorities and will enable us to track resource allocation in this way over future years.

It will be appropriate to ensure the Strategy continues to be kept under on-going review particularly in light of the significant impact of the coronavirus pandemic (Covid-19), recognising that as the Council and wider society continues to recover from the pandemic, the effect on the Council's finances will be subject to change.

## Section 1 Background and Context

- 1.1 Rhondda Cynon Taf has a track record of strong and effective financial management. Medium Term Financial Planning is an essential part of these arrangements.
- 1.2 The austerity measures emanating from the actions of Central Government have impacted on the resources available to Welsh Government and consequently local government in Wales over a sustained period, recognising that for last 2 financial years more positive local government settlements were received. At a national level, the overall local government settlement for Wales over the last 8 financial years is shown below in Table 1.1.

Table 1.1

Financial Year	All Wales Settlement
2014/15	-3.9%
2015/16	-3.5%
2016/17	-1.4%
2017/18	+0.2%
2018/19	+0.2%
2019/20	+0.2%
2020/21	+4.3%
2021/22	+3.8%

- 1.3 For Rhondda Cynon Taf the real term reductions in funding over many years has translated into a need to make budgetary savings in excess of £100M over the last 10 years or so, equating to a reduction of approximately 19% of the Council's net budget.
- 1.4 In March 2020, the Council agreed a new Corporate Plan 'Making a Difference' 2020 – 2024 that set the overall direction for the Council over the four year period, describing its vision, purpose and ambition for the County Borough.
- 1.5 The Council's vision is:
- “To be the best place in Wales to live, work and play, where people and businesses are independent, healthy, and prosperous”.***
- 1.6 The Council's purpose and the reason why it exists is:
- “To provide strong community leadership and create the environment for people and businesses to be independent, healthy and prosperous”.***
- 1.7 The Council is focused on the following three priorities that have also been adopted as its Well-being objectives in line with the Well-Being of Future Generations Act:
- Ensuring ***People: are independent, healthy and successful;***

- Creating ***Places: where people are proud to live, work and play***; and
- Enabling ***Prosperity: creating the opportunity for people and businesses to be innovative; be entrepreneurial; and fulfil their potential and prosper.***

1.8 The Corporate Plan is a key component of the Council's budgetary and business planning process, and it recognises that Rhondda Cynon Taf Council and the wider public sector continue to face significant financial challenges. The Corporate Plan sets the context that despite significant reductions to Government spending since 2010 and a return to economic growth, the financial environment for the Council, the wider public sector and residents continues to be challenging, and was summarised in the Plan as follows:

- Despite the new UK Government increasing its spending commitment for public services, for the first time for many years, pay and pensions costs are rising quickly. This negates the majority of the benefit of the increase in public sector funding.
- It is likely that over the next three years further spending cuts will be required, as the UK budget deficit still stands at around £40 billion or 2% of national GDP meaning that some form of austerity will continue.
- Increasing pressure on services: increasing demand on services is driven by a changing population. Rhondda Cynon Taf's population is increasing but health and social services in particular are facing acute challenges due to the growth in older cohorts, as people live for longer.
- Wider financial pressure on households: from energy bills, housing costs, wage restraint, and benefit reforms.
- Increasing public expectations in terms of responding to climate change and the need to act, will require the Council to invest in ensuring its day to day activities become Carbon Neutral. This means that the Council must plan for the fact that this additional cost will not be met from simply doing more of what it is currently doing, but from making other difficult choices on what it does or does not provide.
- Knowing that the Council continues to face significant financial challenges in the years ahead, it has a responsibility to develop and agree a plan for meeting the challenge.

1.9 The above context still applies, albeit, the challenges faced have intensified, significantly, as a result of the coronavirus pandemic. The Council has taken steps, via stakeholder consultation as part of its 2021/22 Revenue Budget Setting process, to test whether its Corporate Plan priorities remain relevant: the feedback from this process showed that 92.8% of respondents agreed with the priorities of People, Places and Prosperity.

1.10 The Council has proved that it has the capacity and capability to respond to the challenge of austerity and still invest in its priorities and modernise its services over a sustained period, and the ambition is to continue this approach of investment and modernisation into the future. The Corporate Plan seeks to build upon the changes we have made to the way we work, including transformational changes over the past 12

months supported by digital technology, to help ensure local residents and businesses are sufficiently skilled, supported and resilient to respond to the opportunities and threats the global economy presents to us all, including on-going recovery from the pandemic.

- 1.11 The Council's agreed Revenue Budget for 2021/22 amounts to £527.903M. Annex 1 sets out the Council budget for 2021/22 as allocated across services.
- 1.12 The budget has also been analysed across the 3 priority areas of People, Places and Prosperity as set out in the Corporate Plan (referenced in paragraph 1.7) in order to demonstrate the allocation of Council Revenue Budget resources to these priority areas. Whilst some allocation has been necessarily subject to a degree of 'best fit', this is still felt to be a helpful analysis and provides a basis to track resource allocation over time. This is attached at Annex 2. A similar analysis is also included for the 3 year capital programme at Annex 3.

## Section 2 Covid- 19 – Financial Implications

- 2.1. The Council's Medium Term Financial Plan has been prepared against the backdrop of the Covid-19 pandemic, an event that eclipses anything we have seen in recent decades, and has required an unprecedented response both locally and nationally.
- 2.2 In recognition of the pandemic's widespread impact, Welsh Government responded by announcing and funding a range of measures to support the economy (for example, grants and extended rate relief for businesses and self-isolation payments for individuals), and also provided direct support for local authorities, via the creation of a Covid-19 Hardship Fund, to enable additional expenditure and income losses incurred as a result of the pandemic to be reclaimed.
- 2.3 Rhondda Cynon Taf Council submitted claims to the Welsh Government Covid-19 Hardship Fund on a monthly basis during 2020/21, and publicly reported quarterly updates as part of its Performance Reporting arrangements. A summary of additional expenditure and income losses incurred and recovered by Rhondda Cynon Taf for 2020/21, as a direct result of the pandemic, are included in Table 2.1.

Table 2.1

Service Area	Actual Additional Costs / Income Loss Recovered (2020/21)
	£M
Education & Inclusion Services	-14.720
Community & Children's Services	-22.890
Chief Executive	-1.922
Prosperity, Development & Frontline Services	-6.156
Authority Wide	-5.305
<b>TOTAL</b>	<b>-50.993</b>

- 2.4 Looking ahead in the short term, Welsh Government have allocated £206M to a Local Government Covid-19 Hardship Fund for the first 6 months of 2021/22, with review work underway in partnership with local authorities to assess the on-going financial implications, including social care, and ensure the finite Covid-19 funding available in 2021/22 is targeted to support the most critical areas.
- 2.5 Looking further ahead, whilst the funding provided by Welsh Government to date has covered the majority of additional costs and income losses incurred as a direct result of Covid-19, it is recognised that the availability of such additional funding is unlikely to be everlasting. The Medium Term Financial Plan therefore aims to set out a robust position of the financial challenges and the programme of work planned to ensure the continued financial stability and resilience of the Council, and at the same time, reinforce the importance of the role to be played by Welsh Government.

## Section 3 Local Government Settlement – Prospects

- 3.1 As referenced in Section 1, local government as a whole has received negative and below inflation settlements from Welsh Government in overall terms for 6 of the last 8 financial years. Whilst positive settlements have been received since 2017/18, for three of these years the levels have been some way below inflation. For Rhondda Cynon Taf the level of settlements received, in comparison to the all Wales average, are shown below in Table 3.1.

Table 3.1 – Rhondda Cynon Taf Settlement Levels Compared To All Wales Settlement Levels

Financial Year	RCT Settlement	All Wales Settlement
2014/15	-3.7%	-3.9%
2015/16	-3.7%	-3.5%
2016/17	-0.9%	-1.4%
2017/18	+0.4%	+0.2%
2018/19	+0.5%	+0.2%
2019/20	+0.8%	+0.2%
2020/21	+4.5%	+4.3%
2021/22	+3.8%	+3.8%

- 3.2 Welsh Government have not provided any definitive indication of future year financial settlements, leaving local government to themselves model potential scenarios. The Welsh Local Government Association (WLGA) support local government in this regard.
- 3.3 Nationally, Brexit, the on-going impact of the coronavirus pandemic and the implications of the next UK Central Government Comprehensive Spending Review scheduled for autumn 2021 will mean continued uncertainty over future public sector funding levels.
- 3.4 The level of Welsh Government funding is a key factor in the Council's overall resource availability, accounting for 76.6% of our budget. Each 1% change in the level of Welsh Government funding amounts to approximately £4.0M of funding for this Council.
- 3.5 For planning purposes, this Council has modelled a range of scenarios based upon planning assumptions as summarised in Table 3.2 below.

Table 3.2: RCT Planning Assumptions – Welsh Government Settlement

Year	Potential Settlement	Potential Settlement	Potential Settlement
2022/23 to 2024/25	2.0% per annum	3.0% per annum	4.0% per annum

- 3.6 The provisional local government settlement for 2022/23 is anticipated to be received during the autumn 2021 (subject to any impact on timing as a result of the UK Central Government's Comprehensive Spending Review, also scheduled to be announced in autumn 2021).



## Longer Term Outlook

- 3.7 The Wales Governance Centre (Wales Fiscal Analysis) published a paper on the 16<sup>th</sup> April 2021 which outlined the prospects for local government in Wales ("Local Government and the Welsh Budget: Outlook and Challenges for the next Welsh Government"). This provides helpful information to inform the Council's on-going planning arrangements, as set out below.
- 3.8 In terms of context, there has been a marked change in the way local authorities in Wales are funded over the past decade: the value of government grants to local authorities fell by 16.8% in real terms between 2009–10 and 2019–20; Council Tax now accounts for a significantly larger share of the total tax take in Wales (5.4%) than in England (4.3%) and Scotland (3.8%); spending on local authority services fell by 6.0% in real terms between 2009–10 and 2019–20 (adjusting for population growth, spending per head is 9.4% lower than it was a decade ago); and more than £500 million was delivered to local authorities through the Single Hardship Fund during 2021–21 (in total, the value of Welsh Government support to aid local authorities' response to the pandemic exceeds £1 billion).
- 3.9 With regard to forecasted spending pressures to 2025/26, based on central projections, meeting local authority spending pressures in full entails an average increase in spending of 3.4% a year (in cash terms) between 2020–21 and 2025–26 (2.5% and 4.4% based on lower and higher cost scenarios), with the Council's medium term financial planning arrangements also applying an approach of modelling a range of scenarios.
- 3.10 Despite the considerable uncertainty around the ongoing costs of COVID-19, they are dwarfed by the underlying demographic and inflationary pressures, with unfunded costs associated with the pandemic forecasted to account for only 9% of total spending pressures in 2022–23, and this share continues to fall in future years. By 2025–26, social services costs are forecasted to account for 55% of all local authority spending pressures, with school pressures accounting for a further 21%; this picture is generally consistent with that modelled for Rhondda Cynon Taf where the areas of social services and schools represent the most significant areas of forecasted expenditure.
- 3.11 In respect of the revenues outlook to 2025–26, based on current spending plans, local authority gross revenue expenditure is projected to grow by 2.9% a year on average between 2022–23 and 2025–26. If the UK Chancellor reverses cuts made to planned spending since March 2020, gross revenue expenditure is projected to grow by an average of 3.8% a year over the same period.
- 3.12 Taking forecasted spending pressures and revenues together, in 2022–23, spending pressures are projected to exceed local authorities' spending power by £178 million due to a combination of COVID-19 legacy costs and slower growth in the settlement. This gap narrows in future years, but spending levels remains £132 million short of the amount required to meet all pressures in 2025–26 on current plans (in cash terms).
- 3.13 If the Welsh Government decides to meet the projected legacy costs of COVID-19 on the NHS from within its own budget, local authorities' spending power could fall short of spending pressures by £607 million in 2022–23, and an average of £362

million a year over the following three years. Even if the UK government reverts to its pre-COVID spending plans, funding remains £198 million short of spending pressures in 2022–23, though the pressures could be met in future years. Above-inflation increases to Council Tax are set to continue – the numbers quoted above are predicated on a 4.5% annual increase and the Welsh Government’s newly acquired powers over devolved taxes and local taxation arrangements could provide an alternative way of funding additional local expenditure over the next Senedd term.

- 3.14 The proposed Comprehensive Spending Review planned for Autumn 2021 will now be key in determining resource levels for 2022/23 and beyond, and will be taken account of as part of the Council’s on-going medium term financial planning arrangements.

## Section 4 Council Tax

- 4.1 Council Tax income accounts for 22.5% of the Council's net budget, generating £118.742M from local taxpayers in 2021/22.
- 4.2 The total yield from Council Tax is determined by a combination of the level of the tax base and the level at which Council Tax is set.
- 4.3 The Tax Base is the measure of the relative taxable capacity of different areas within the County Borough and is calculated in accordance with prescribed rules. The Gross Tax Base is the number of chargeable dwellings in the area expressed as Band D equivalents after allowing for exemptions, disablement reductions and discounts. This is then adjusted for an assumed collection rate to give the Net Tax Base.
- 4.4 The Tax Base is provided to Welsh Government and is used as part of the distribution formula for the Local Government Settlement. The Tax Base is calculated for the County Borough as a whole and for those areas that have a Community Council.
- 4.5 The Tax Base movement over recent years is shown in Table 4.1 below.

Table 4.1 – Tax Base Movement

Year	Gross Tax Base (£)	Collection Rate	Net Tax Base (£)
2014/15	75,189	96.5%	72,557
2015/16	75,565	97.0%	73,298
2016/17	76,207	97.5%	74,302
2017/18	76,901	97.5%	74,978
2018/19	77,608	97.5%	75,668
2019/20	78,844	97.5%	76,873
2020/21	79,317	97.5%	77,334
2021/22	79,381	97.25%	77,198

- 4.6 The level of any increase or decrease of Council Tax is considered each year as part of the annual budget consultation process, and subsequently determined by Council as part of the annual budget strategy. The formal resolution is also agreed by Council.
- 4.7 Council Tax levels over recent years are shown in Table 4.2.

Table 4.2 – Council Tax Levels

Year	Band D Council Tax £ <sup>1</sup>	Increase over Previous Year
2014/15	£1,248.00	4.5%
2015/16	£1,295.48	3.8%
2016/17	£1,331.17	2.75%
2017/18	£1,361.18	2.25%
2018/19	£1,406.17	3.3%
2019/20	£1,456.85	3.6%
2020/21	£1,498.44	2.85%
2021/22	£1,538.15	2.65%

<sup>1</sup> Band D Council Tax – excludes the Police and Crime Commissioner for South Wales Precept and Community Council Precepts

- 4.8 The total amount raised through Council Tax is derived by multiplying the net tax base by the band D Council Tax charge, which for 2021/22 amounts to (77,198 x £1,538.15) £118.742M.
- 4.9 For modelling purposes in our medium term calculations as part of this report, a Council Tax increase of 2.65% per annum is currently being used for 2022/23, 2023/24 and 2024/25, noting of course that this is a key decision for Members to make as part of setting each year's budget. In terms of generating resources, a 1% increase in the level of Council Tax will raise an extra £910k<sup>2</sup> of additional income each year (this is net of the costs associated with the Council Tax Reduction Scheme described in more detail below).

### **Council Tax Reduction Scheme (CTRS)**

- 4.10 During 2020/21 the Council paid CTRS to 25,704 eligible applicants at a net cost to the Council of £24.680M (after taking account of additional one-off Welsh Government funding received for CTRS purposes of £1.023M). For 2021/22 the Council has estimated the cost to be £25.334M, this representing a 2.65% uplift in line with the Council Tax increase for the current year. Discussions are ongoing with Welsh Government to clarify the funding arrangement should demand continue above the level budgeted for, noting that the CTR Scheme in Wales is a national scheme developed by Welsh Government.

### **Tax Base**

- 4.11 On 19<sup>th</sup> December 2017 Cabinet approved a policy which enabled the Council to reduce the Council Tax bill for Care Leavers up to the age of 25 who were resident in Rhondda Cynon Taf to zero. The policy has been operational during 2018/19.
- 4.12 During 2018/19 the Welsh Government introduced legislation, effective from 1<sup>st</sup> April 2019, making all properties in Wales that are occupied by Care Leavers (up to the age of 25) exempt from paying Council Tax. This removed the requirement for the Council to have its own discretionary policy for this category of residents.
- 4.13 All awards of this new exemption type have been reflected in the Council Tax Base from 1<sup>st</sup> April 2019.

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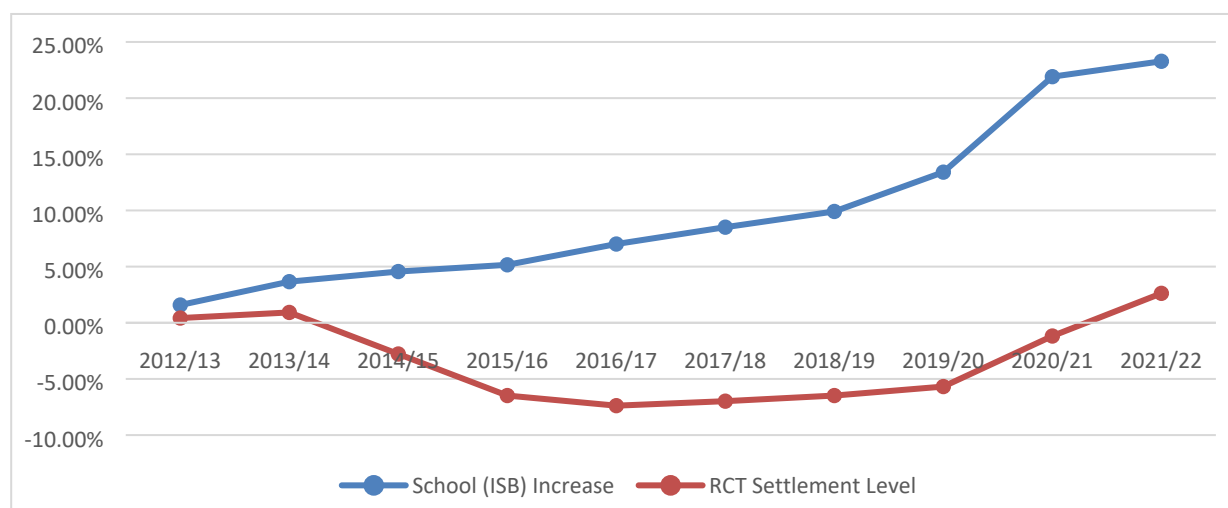
<sup>2</sup> Based on 2021/22 Council Tax Income

## Section 5 Individual Schools Budget (ISB)

- 5.1 The total Individual Schools Budget (ISB) for the Council in 2021/22 amounts to £163.784M and represents over 31% of the Council's net budget.
- 5.2 Since 2012/13, the ISB has increased at a level above other Council services and above the level of the Council's own settlement from Welsh Government, and, at the same time, recognising that there is still an expectation that schools will continue to make a positive contribution toward balancing the overall Council budget. The ISB has been subject to protection requirements by Welsh Government over this period which ended in 2016/17. The comparative ISB increases over the last ten years are shown in Table 5.1 and graphically below:

Table 5.1 – School Budget Increases Compared to RCT Settlement Levels

Year	School (ISB) Increase	RCT Settlement Level
2012/13	+1.58%	+0.42%
2013/14	+2.08%	+0.5%
2014/15	+0.9%	-3.7%
2015/16	+0.6%	-3.7%
2016/17	+1.85%	-0.9%
2017/18	+1.5%	+0.4%
2018/19	+1.4%	+0.5%
2019/20	+3.5%	+0.8%
2020/21	+8.5%	+4.5%
2021/22	+1.37%	+3.8%



- 5.3 Over the 10 year period shown in Table 5.1, the ISB has received an increase amounting to 23.28%, as opposed to the Council's remaining budgets having been increased by 2.62%. In monetary terms, applied to an ISB of £138M (2011/12 ISB), this amounts to an extra £33.8M being provided to schools over the period.

- 5.4 Pupil number forecasts are modelled across Primary, Secondary, All-Through and Special Schools sectors with the financial implications included in the Schools Budget requirement.
- 5.5 The levels of school reserves held as at the 31<sup>st</sup> March 2021 are shown in Table 5.2 below (draft, subject to audit). The 2020/21 year end position has increased compared to the previous year primarily as a result of additional one-off Welsh Government funding received to support schools in their recovery from the pandemic, for example, Recruit, Recover, Raise Standards / Additional Learning provision grant, Revenue Maintenance grant, for which work has commenced by schools and will continue in 2021/22.

Table 5.2 – School Reserves

Type of School	31/03/2020	2020/21 Movement	31/03/2021
	£k	£k	£k
Primary	2,942	4,712	7,654
Secondary	(1,190)	3,736	2,546
Special	317	443	760
All Through Schools	315	760	1,075
<b>Total</b>	<b>2,384</b>	<b>9,651</b>	<b>12,035</b>

- 5.6 As part of ensuring sustainable levels of resources for schools over the medium term (to meet pay and non-pay pressures), it will be critical that on-going funding, via Welsh Government, continues to be included in core (RSG) settlements. In parallel, it will also be critical for Welsh Government to give key regard to funding requirements that will enable local authorities to deliver its long term programme of education reform across Wales that includes, amongst other things, ensuring educational inequalities narrow and standards rise.

## Section 6 Fees and Charges

- 6.1 The Council raises approximately £22M<sup>3</sup> of income annually from fees and charges across services. The level of charges is reviewed annually.
- 6.2 Cabinet reviewed (25<sup>th</sup> February 2021) fees and charges levels with the objective to continue to provide a comprehensive range of quality services at affordable prices. The initial budget modelling for 2021/22 had assumed a 1.70% increase.
- 6.3 The outcome of Cabinet's review was a 1.70% standard increase to fees and charges (allowing for rounding adjustments as appropriate) with the exception of a number of areas that would be subject to specific treatment. A summary of these exceptions are set out in Table 6.1.

Table 6.1 – Summary of fees and charges not subject to the standard increase

Area of Charge	Exception
Leisure for Life	Nil Increase
Car Park Charges	Nil Increase
Summer and Winter Playing Fees (sports clubs)	Nil Increase
Meals on Wheels / Day Centre Meals	10p per meal and then price frozen until 2023
School Meals	Nil Increase (and price frozen until April 2023)
Bereavement Fees	Nil Increase
Lido / Rhondda Heritage Park	Nil increase

- 6.4 With specific regard to:
- Meals on Wheels / Day Centre Meals - the 2020/21 meal price was £3.95 with the price increased for both to £4.05 for 2021/22. In terms of comparing across Wales, based on the latest information available, prices range between £3.30 and £5.65; and
  - School Meals – the price of a primary school meal is £2.55 and the free school meal value of a secondary meal £2.80, both prices frozen at this level since 2020/21.
- 6.5 The impact of the agreed changes set out in Table 6.1 reduces income by £185k in a full year (as compared to all fees and charges being increased by 1.7%).
- 6.6 In addition, a number of fees and charges decisions have previously been approved and accordingly have already been incorporated into the Council's 2021/22 Budget Strategy. These are summarised in Table 6.2.

<sup>3</sup> Income from fees and charges annually (£22M) – includes Adult Social Care income received from clients

Table 6.2 – Summary of decisions already approved

Area of charge	Decision approved
Adult Social Care Charges (non-residential care services)	<ul style="list-style-type: none"> <li>• Increase from £90 to £100 per week in line with the revised limit determined by Welsh Government (<a href="#">Cabinet 18th July 2017</a>)</li> </ul>
Fixed Penalty Notice (for environmental crimes)	<ul style="list-style-type: none"> <li>• Set at £100 with effect from 1<sup>st</sup> April 2018 (<a href="#">Cabinet 25th January 2018</a>)</li> </ul>
Houses in Multiple Occupation - Licenses	<ul style="list-style-type: none"> <li>• License fees set for the period 2019/20 to 2023/24 (<a href="#">Cabinet 14th February 2019</a>)</li> </ul>
Bereavement fees and charges for war veterans and service men and women	<ul style="list-style-type: none"> <li>• 25% reduction to all Council bereavement fees incurred by families of deceased war veterans and service men and women resident in Rhondda Cynon Taf (<a href="#">Delegated Decision 8th May 2019</a>)</li> </ul>

- 6.7 A pilot was also approved at the [21st November 2019](#) Cabinet meeting to apply a reduced cremation fee for funeral directors offering a Direct Cremation<sup>4</sup> in Rhondda Cynon Taf. Following the introduction of the pilot, 28 Direct Cremations have taken place at Glyntaff Crematorium equating to a reduction in income of £4k. As the pilot was still in place as at March 2021, no budgetary impact was built into the 2021/22 Revenue Budget. Since this time, Cabinet approved on the [29th April 2021](#) the continuation of offering a Direct Cremation at the reduced prescribed fee of £568 in line with the rate applied for the pilot scheme and also for the Direct Cremation fee level for 2022/23 onwards to be determined as part of Cabinet's consideration of Council fees and charges each year.
- 6.8 For completeness, a full list of all 2021/22 fees and charges across all Council services can be accessed [here](#).

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<sup>4</sup> Direct Cremation - A "direct", "simplicity" cremation or "cremation without ceremony" is where a funeral director arranges a service with no mourners and brings the deceased directly to the crematorium with no religious service or attendees. The fees and charges to the family of the deceased are significantly reduced making the service more affordable, particularly for those on low incomes.



## Section 7 National and Local Pressures

### 7.0 Authority Wide Budgets

- 7.1 Appropriate sums must be set aside to cover a number of Authority Wide costs. These include the following:

#### Capital Financing

The projected level of capital charges are linked to the Council's Capital Programme and Treasury Management Strategy.

#### Levies

Levies are raised (against non-service specific budgets) by the South Wales Fire and Rescue Service, the Coroner, Brecon Beacons National Park Authority and the Glamorgan Archives (Joint Committee).

#### Council Tax Reduction Scheme

This demand led area of expenditure is in line with the Welsh Government national scheme introduced from financial year 2013/14.

#### Miscellaneous

The areas of expenditure held here include:

- Graduate and Apprenticeship programmes
- Trade Union Costs
- Local Government Elections
- Planning Appeals
- Former Authority Pension Costs
- Voluntary Termination Costs
- Local Government Pension Scheme including auto-enrolment
- Bank Charges
- Housing Benefit Subsidy Costs
- Energy / Invest to Save
- External Audit Fees
- Vehicle Replacement Funding
- City Deal Costs
- Insurance Costs
- Contribution to General Fund Balances
- Discretionary Non Domestic Rate Relief
- Apprenticeship Levy

- 7.2 A summary of the projected requirement for Authority Wide budgets from the current year (2021/22 budget) to 2024/25 is shown in Table 7.1.

**Table 7.1 – Forecasted Authority Wide Budget Requirement**

Authority Wide Budgets	2021/22	2022/23	2023/24	2024/25
	Current Budget	(Projected)	(Projected)	(Projected)
	£'000	£'000	£'000	£'000
Capital Financing	19,950	20,308	20,658	20,658
Levies	12,874	12,940	13,199	13,463
CTRS	25,334	26,183	26,968	27,777
Miscellaneous	14,205	14,794	15,817	16,339
<b>Total</b>	<b>72,363</b>	<b>74,225</b>	<b>76,642</b>	<b>78,237</b>
Change - Inc / (Dec)		1,862	2,416	1,596

The above position includes a contribution of £0.5M per year, until 2023/24, to replenish our General Fund Reserves by £1.5M.

### 7.3 Service Inescapable Pressures

7.4 There are clearly areas of our budget which are exposed to more uncontrollable spending requirements each year and which might arise from demand led or demographic changes, legislative or regulatory change, the effect of external market forces (and prices) and the financial implications of policy and service planning decisions made by the Council. It is also recognised that the Covid-19 pandemic will have an impact, of varying degrees, on each of the above uncontrollable spending requirements. These are **inescapable pressures** and include the ongoing implications of inflation and Living Wage on our External Contracts, the cost of pay awards for our teaching and non-teaching (APT&C) workforce, changes in pupil number projections, demand led social care pressures for adult services, children's services and additional learning needs, and assumptions around reductions in specific grants. Discussions are continuing between Welsh Government and Local Government around funding options should additional costs directly relating to Covid-19 and over and above the budget provision made by councils materialise.

7.5 The amount included for Service Inescapable Pressures within the Budget Requirement is shown in Table 7.2.

**Table 7.2 – Forecasted Inescapable Budget Pressures**

Forecasted Inescapable Budget Pressures	2022/23	2023/24	2024/25
	£'000	£'000	£'000
Schools	3,143	992	-564
Education and Inclusion Services	293	1,978	800
Community and Children's Services	3,825	4,697	6,715
Prosperity, Development and Frontline Services	1,633	1,214	230
Chief Executive's Division	419	11	11
<b>Total</b>	<b>9,313</b>	<b>8,891</b>	<b>7,192</b>
			<b>25,396</b>

## 7.6 Service Financial Risks

- 7.7 In addition to the above inescapable budget pressures, there are items of risk which have been identified and which are captured and estimated in financial terms (similar to inescapable budget pressures, the Covid-19 pandemic will have an impact, of varying degrees, on each risk area). A view is then taken on the potential overall likelihood of the risk materialising and the quantum of it which should be included in the early modelling of the budget requirement. As time progresses the risks will either become inescapable or will fall away, possibly with a longer-term impact.
- 7.8 The amount included for Service Financial Risks within the Budget Requirement is shown below in Table 7.3.

Table 7.3 – Forecasted Service Financial Risks

Financial Risks	2022/23	2023/24	2024/25
	£'000	£'000	£'000
Value of Risk Included	1,548	7,225	9,908

## 7.9 School (ISB) Requirements

- 7.10 Section 5 set out the context for school budgets noting their favourable treatment as compared to other Council services and the expectation that schools will continue to make a positive contribution toward balancing the overall Council budget. As part of modelling assumptions, pay and non-pay inflation pressures are fully funded together with estimated additional cost pressures associated with additional needs; this position is set within the current planning assumptions for Welsh Government settlement levels and recognising that there may still be a requirement for local efficiency saving planning at an individual school level. The modelled ISB budget increases are set out in Table 7.4 below.

Table 7.4 – School (ISB) Modelled Budget

Schools (ISB) Modelled Budget	2022/23	2023/24	2024/25
	£'000	£'000	£'000
Modelled Budget	172,150	176,664	179,725
Modelled Increase	8,366	4,513	3,061

## Section 8 Inflationary Pressures

### 8.1 Employee Inflation

8.2 For modelling purposes, initial estimates of employee inflation levels built into the medium term financial plan are teachers' (average) pay and non-teaching staff pay both increasing by 2% per year. For the 2022/23 financial year, a further uplift has been incorporated, on the basis that the 2021/22 pay negotiations are ongoing. Base budget provision for a pay award was built into the Council's 2021/22 revenue budget in line with the UK Government Spending Review in November 2020 that included a proposed pause of national public sector pay, an effective pay freeze for public sector staff with the exception of a pay increase of £250 per year for salary points below £24,000. Welsh Government did not receive any further funding in this respect from UK Government. Employee inflation forecasting will be kept under on-going review.

8.3 Preparations for the Rhondda Cynon Taf Pension Fund triennial valuation (2022) is currently underway, the results of which will be taken into account as part of future and on-going modelling. For current modelling purposes over the period of this medium term plan, no changes to employer pension contribution rates have been assumed.

### 8.4 Non-Employee Inflation

8.5 The Bank of England's Monetary Policy Committee continues to set monetary policy to meet a 2% inflation target. For the MTFP, inflation is included across all expenditure and income heads currently at 1.9%, 1.8% and 1.9% for 2022/23, 2023/24 and 2024/25 respectively. A number of specific cost areas where inflation is known or anticipated to differ from these rates have more appropriate inflationary allowances applied as detailed below.

### 8.6 Specific Inflation

8.7 There are some budget heads which are particularly volatile and susceptible to variations in rates of inflation which are outliers to the central forecasts. More detailed analysis and procurement intelligence is applied to uplifts for the following expenditure heads:

- Electricity
- Gas
- Fuel (Petrol)
- Food

8.8 The overall cost of inflation to the Council is summarised in Table 8.1.

Table 8.1 – Forecasted Cost Of Inflation

Inflation	2022/23	2023/24	2024/25
	£'000	£'000	£'000
Employee Related	10,837	6,367	6,495
Non-Employee	4,793	4,251	4,522
<b>Total</b>	<b>15,630</b>	<b>10,618</b>	<b>11,017</b>
			<b>37,266</b>

8.9 The above includes inflationary costs for schools.

## Section 9 Specific Grants

- 9.1 The Council is mindful of the opportunities that are likely to accrue by the Council attracting specific grants to supplement its base revenue budget. Whilst specific grants can dilute local accountability, the fact remains that in attracting such funding, it allows us to undertake projects that otherwise we may have had to defer or cancel.
- 9.2 By their nature, specific grants tend to be time-limited and involve an assessment process. It is important therefore, that any specific grant funded programme complements the Council's locally determined priorities. In addition, even if they are initially successful in attracting specific grants, authorities are restricted in their ability to confidently forward plan, as they have no guarantee of ongoing (specific grant) funding. Consequently, because specific grants are time limited it is vital to develop appropriate "exit strategies".
- 9.3 Whilst specific grants come from a number of sources, for 2021/22 the Welsh Government alone will provide over £1Billion in total to Welsh Local Authorities (excluding funding set aside in relation to the on-going financial impact of the Covid-19 pandemic on local authorities). The allocation of specific grants remains a key feature of the Welsh Government's annual local government settlements, albeit the Welsh Government is committed to reduce this form of hypothecation in the longer term.
- 9.4 Table 9.1 sets out the main areas of expenditure and services which are funded currently by specific revenue grants.

Table 9.1 – Specific Revenue Grants

Award Body	Purpose	2020/21 Amount £M	2021/22 Amount £M
<b><u>Community &amp; Children Services</u></b>			
Shaw Trust & Working Links	Subsidisation of Employment of Disabled Workers	0.303	0.278
Department for Work & Pensions	Housing Benefit Subsidy Bed & Breakfast Scheme	0.122	0.122
Welsh Government	Children's and Community Grant	13.442	14.097
	Communities 4 Work	1.093	1.112
	Inspire 2 Work	0.317	0.331
	Social Care Workforce Development Programme	0.556	0.556
	Substance Misuse Action Fund	3.810	3.810
	Community Learning	0.232	0.257
	Youth Support Grant	0.712	0.712
	Child Burial Grant	0.048	0.048
	Housing Support Grant	9.070	12.237

Award Body	Purpose	2020/21 Amount £M	2021/22 Amount £M
Welsh Government	Integrated Care Fund	3.310	3.680
	National Exercise Referral Scheme	0.168	0.168
	National Approach to Advocacy (Children's)	0.049	0.049
	Regional Facilitation Grant	0.066	0.066
	Arts Portfolio Wales	0.150	0.150
Cwm Taf Health Board	Community Joint Care Programme	0.068	0.068
Heritage Lottery Fund	RCT's Sporting Heroes	0.032	0.032
Home Office	Police & Crime Commissioner	0.111	0.121
	Youth Justice Provision	0.517	0.438
Sport Wales	Disability Sport Wales Community Scheme	0.020	0.020
	Free Swimming	0.060	0.060
	Local Sport Plan	0.475	0.475
<b>Total Community &amp; Children's Services</b>		<b>34.731</b>	<b>38.887</b>
<b><u>Education &amp; Inclusion Services</u></b>			
Welsh Government	Post-16 Provision in Schools	9.805	10.322
	Education Improvement Grant (EIG) Delegated to Schools	9.010	9.030
	Education Improvement Grant (EIG) Admin	0.018	0.018
	Education Improvement Grant (EIG) Foundation Phase Non Maintained	0.145	0.160
	Pupil Development Grant Delegated to Schools (estimate)	7.238	7.292
	Pupil Development Grant Children Looked After (estimate)	0.358	0.395
	Local Authority Education Grant – Minority Ethnic & Gypsy, Roma and Traveller Learners	0.243	0.243
	Early Years Pupil Development Grant (estimate)	1.732	1.432
	Seren Network	0.045	0.074
	Nursery Childcare Administration	0.279	0.279
	Nursery Childcare (estimate)	2.549	2.309
	Additional Learning Needs Transformation Grant (estimate)	0.753	0.753

Award Body	Purpose	2020/21 Amount £M	2021/22 Amount £M
Welsh Government	Period Dignity in Communities	0.018	0.017
	Period Dignity in School	0.093	0.186
	Reduction in Infant Class Sizes Grant	0.432	0.500
	Out of School Childcare Grant	0.083	0.083
	Small and Rural Schools	0.000	0.128
	Professional Learning Grant (estimate)	0.944	0.955
	ICT Hwb in Schools Infrastructure Grant	0.242	1.246
	Education Grant - Emotional Wellbeing	0.121	0.000
	Education Grant - PDG Access - School uniform grant	0.504	0.504
	Education Grant – Counselling	0.000	0.143
	Education Grant – Interventions	0.000	0.049
	Education Grant – Training	0.000	0.031
	School Holiday Enrichment Programme (estimate)	0.000	0.065
	Elective Home Education	0.000	0.046
Rural Payments Agency	Infant Milk (Estimate)	0.471	0.472
<b>Total Education &amp; Inclusion Services</b>		<b>35.083</b>	<b>36.732</b>
<b><u>Chief Executives</u></b>			
Department for Work & Pensions	Housing Benefit Administration Subsidy	0.779	0.701
Welsh Government	NDR Admin Grant	0.394	0.394
<b>Total Chief Executives</b>		<b>1.173</b>	<b>1.095</b>
<b><u>Prosperity, Development &amp; Frontline Services</u></b>			
Welsh Government	Enabling Natural Resources and Wellbeing Grant	0.030	0.030
	Sustainable Waste Management Grant	1.154	1.126
	Lead Local Flood Authority Grant	0.070	0.070
	Concessionary Fares	6.789	6.839
	Road Safety	0.125	0.057
	Bus Service Support	0.665	0.665
	Tomorrow's Valley Residual Waste	1.189	1.189



<b>Award Body</b>	<b>Purpose</b>	<b>2020/21 Amount £M</b>	<b>2021/22 Amount £M</b>
Welsh Government	Tomorrow's Valley Food Waste	0.064	0.064
<b>Total Prosperity, Development &amp; Frontline Services</b>		<b>10.086</b>	<b>10.040</b>
<b>TOTAL SPECIFIC REVENUE GRANTS</b>		<b>81.073</b>	<b>86.754</b>

- 9.5 Assumptions are made in the MTFP about future levels of specific grants, in particular where they are effectively funding core services (e.g. the Sustainable Waste Management Grant which provides funding for our Recycling services and the Social Care Workforce Grant) and it is important that we seek to ensure their continuation beyond 2021/22.

## Section 10 Summary Spend Requirements and Resource Availability

10.1 The impact of the aforementioned modelling, including schools, is aggregated into Table 10.1 to show the forecast budget position over the next 3 years. The modelling shows a projected budget gap over the 3 year period which needs to be addressed and closed with actions during the period. Whilst modelled over a three year period, the Council must also be mindful of its legal responsibility to set a balanced budget annually and for the forthcoming financial year this has to be completed before the 11<sup>th</sup> March 2022.

Table 10.1 – Summary Of Expenditure Requirements and Resources Available

Budget Requirement	2022/23 £'000	2023/24 £'000	2024/25 £'000
<b>Additional Budget Requirement</b>			
Inflation	10,407	7,097	7,392
Inescapables	6,170	7,899	7,756
Risks	1,548	7,225	9,908
Schools (Uplift)	8,366	4,513	3,061
Authority Wide	1,862	2,416	1,596
<b>Budget Requirement</b>	<b>28,353</b>	<b>29,150</b>	<b>29,713</b>
<b>Additional Resources</b>			
Council Tax	3,634	3,745	3,860
Transition Funding	- 711		
Social Services and Children's Services Specific Grants	-	-	-
WG Resource at +2%	8,088	8,249	8,414
WG Resource at +3%	12,131	12,495	12,870
WG Resource at +4%	16,175	16,822	17,495

Remaining Budget Gap at Welsh Government Settlement Levels				3 Year Budget Gap
<b>2% Increase</b>	<b>17,343</b>	<b>17,156</b>	<b>17,439</b>	<b>51,937</b>
<b>3% Increase</b>	<b>13,299</b>	<b>12,910</b>	<b>12,983</b>	<b>39,191</b>
<b>4% Increase</b>	<b>9,255</b>	<b>8,583</b>	<b>8,358</b>	<b>26,196</b>

10.2 Clearly a significant determinant on the budget gap is the level of funding which the Council receives from Welsh Government. Each 1% change in the level of settlement from Welsh Government equates to an approximate £4.0M change in resources available to the Council (based on 2021/22 settlement levels).

10.3 To further demonstrate the scale of our reliance on funding from WG, a cash flat level of settlement would result in a budget gap over each of the next 3 years as shown below.

<b>0% Increase</b>	<b>25,430</b>	<b>25,406</b>	<b>25,853</b>
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## **Section 11 Reserves Policy (General Fund Reserves and Earmarked Reserves)**

- 11.1 Reserves play an important part of the overall financial management and financial standing of the Council. The Council's General Reserve balances at 31<sup>st</sup> March 2020<sup>5</sup> amounted to £8.709M and following an in-year over-spend for the 2020/21 financial year of £0.204M, the remaining balance at 31<sup>st</sup> March 2021 is £8.505M (draft position, subject to audit). The level of general reserves will be kept under on-going review by the Council's Section 151 Officer and replenished going forward, as appropriate, and taking into account the overall quantum of the budget and the financial risks therein and facing the Council.
- 11.2 The Council also holds Earmarked Reserves which are sums set aside for specific purposes. The full schedule of reserves is attached at Annex 3 (as at the draft Statement of Accounts 2020/21).
- 11.3 All reserves are reviewed at least twice yearly, at budget setting stage and as part of the year end closure of accounts process. In between, changes in risk and potential liabilities are continuously monitored as part of the Council's financial management and budgetary control arrangements and changes in reserve levels are actioned, following elected Member approval, as appropriate.
- 11.4 The Council has used reserves prudently as part of supporting its annual budget strategy for a number of years. Whilst reserves can be used to balance the budget, this alone is not a sustainable strategy and more permanent changes / reductions to the base budget must be made. With regard to the budget gaps modelled in Section 10, to balance the budget, for example, based on a +3% per annum Welsh Government settlement level, for the next 3 years using reserves alone would require the use of over £78M of reserves and the Council would still have a need to reduce its base budget by over £39M.
- 11.5 The Council holds reserves for the following purposes:

### **Capital, Treasury and Insurance Reserves**

<b>Reserve</b>	<b>Purpose</b>
<b>Capital Developments</b>	Resources set-aside from revenue budget, earmarked to fund the Council's approved 3-year capital programme.
<b>Treasury Management Reserve</b>	Funding for known and potential future pressures upon the Capital Financing budget.

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<sup>5</sup> General Reserve Balances at 31<sup>st</sup> March 2020 – General Reserve balances at 31<sup>st</sup> March 2019 amounted to £10.498M and following the approved in-year allocation of £1.5M to support the Council's recovery work from Storm Dennis coupled with an in-year overspend of £0.289M, the remaining balance at 31<sup>st</sup> March 2020 was £8.709M.

<b>Insurance Reserve</b>	To provide for estimated costs of incidents that have occurred during the policy year but have not yet resulted in a claim being received.
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**Other Revenue Related Reserves**

<b>Reserve</b>	<b>Purpose</b>
<b>Revenue Budget Strategy 2021/22</b>	Medium Term Financial Planning & Service Transformation Reserve (transitional funding) to be released to fund the 2021/22 Budget Strategy.
<b>Joint Committee Reserve</b>	Reflects the Council's share of General and Earmarked Reserves of the Joint Committees in which it has an interest.
<b>Revenue Grant Reserves (IFRS)</b>	Carry forward of Revenue Grants not yet applied to spend – required accounting treatment to comply with International Financial Reporting Standards.
<b>Financial Management and Human Resources Risk Management</b>	Resources set aside as cover for future liabilities relating to various risks identified and being managed.
<b>Infrastructure / Investment</b>	To fund current and future costs of maintaining and enhancing infrastructure across the County Borough.
<b>Prior Year Commitments</b>	Carry forward of existing funding to finance projects for which commitments have already been made in the prior year.
<b>Medium Term Financial Planning and Service Transformation</b>	Resources set aside as transitional (one-off) funding to support the Council's medium-term financial and service planning requirements.
<b>Other Specific Reserves</b>	Represents a number of reserves held for specific and identified purposes.
<b>Invest to Save</b>	Funding identified (pump priming) to support Invest to Save opportunities as and when they arise.

## Section 12 Balancing the Budget

- 12.1 Whilst the budget setting process is necessarily and statutorily an annual process, this Council has for a number of years moved away from the annual cycle for financial planning purposes and seeks to address the budget gap on an ongoing basis over the medium term period.
- 12.2 Part of this process is the early identification and delivery of base budget reducing measures in-year and therefore before the start of a financial year. This has enabled the Council to deliver financial savings early and to replenish our Medium Term Financial Planning and Service Transformation Reserve which we have used proactively as part of our budget strategy approach for a number of years.
- 12.3 Our priority and focus has continued to be ensuring that our residents, communities and businesses are protected and supported and at the same time, resuming the provision of services in line with national rules and where deemed safe to do so. Options will now be developed which can help address the range of potential budget gaps which we will face but it is important that in doing so we ensure that we maintain our valued and critical services.
- 12.4 We have taken the opportunity to “lock in” £4.6M of budget efficiencies as a result of transformation and service delivery changes made during the pandemic, with these being incorporated into our 2021/22 Revenue Budget. This position is now being built upon, as an on-going programme of work, to assess further budget saving opportunities whilst ensuring service resilience is maintained. This includes:
- a. Efficiency – we have for many years delivered significant efficiency savings as part of our ongoing work and which have contributed to closing the budget gaps we have faced. Over the last 3 years we have delivered over £16M of efficiency savings. It is important that we maximise our efficiency more than ever as part of balancing next year’s budget in order to ensure that we preserve and where possible enhance our critical services.
  - b. Workforce – a review of the Council’s Senior Management structure and all service areas reviewing workforce requirements, informed by service self- evaluation and service delivery planning arrangements;
  - c. Digitisation and an updated Digital Strategy – providing the framework for services to continue to use digital solutions to support further transformational change, recognising that such solutions do not meet the needs of all of our residents.
  - d. A Built Asset Review - that will set out opportunities around the future use and optimisation of the Council’s buildings.
  - e. Social Services Transformation Programme - including our significant on-going commitment and investment in the provision of Extra Care facilities. The financial impact of our ongoing preventative strategy will continue to be modelled alongside changes in demand for services linked to the demographic profile of the County Borough.

- f. Review of base budget requirements - at both a service level and an authority wide level, with ongoing modelling around key service pressures including inflationary requirements, contractual arrangements and capital charges.
- g. Invest to save – exploring options that will maximise opportunities to invest for the long term, benefiting residents and reducing our core ongoing spend requirements in doing so.

12.5 As part of progressing the above programme of work, the Council will collaborate and work with others where it is for the benefit of Rhondda Cynon Taf, with the overall approach aligned to the Council's strategy of maximising opportunities across the following areas: Digitalisation; Commercialism; Early Intervention and Prevention; Independence; and Efficient and Effective Organisation.

## Section 13 Capital Programme

- 13.1 The Council's 3 year capital programme, 2021/22 to 2023/24 was agreed by Council on the 10<sup>th</sup> March 2021.
- 13.2 The three year Capital Programme is a key component of the overall Medium Term Financial Planning and Resources Strategy for this Council. Targeted capital investment can make a significant impact on service delivery and used effectively, is able to underpin the Council's Corporate Plan Priorities, where relevant.
- 13.3 The three year programme amounted to £116M and includes further additional one-off investment of £9.4M in priorities aligned to the Council's Corporate Plan (this comprising of £5.484M through the realignment of existing earmarked reserves following a review and assessment of such reserves, £1.137M through the identification of core capital underspend and £2.779M of additional Welsh Government capital funding).
- 13.4 The rolling 3 year programme is reviewed and determined annually (in March of each year) and provides service managers with the opportunity to plan investment in our infrastructure and assets over the medium term.
- 13.5 A summary of the current 3 year programme is provided in Table 13.1.

**Table 13.1 : THREE YEAR SUMMARY CAPITAL PROGRAMME**

GROUP	BUDGET		
	2021/22	2022/23	2023/24
	£M	£M	£M
<b>Community &amp; Children's Services</b>			
Adult & Children's Services	4.703	1.995	0.495
Public Health, Protection & Community Services	1.633	0.495	0.495
<b>Education &amp; Inclusion Services</b>			
Schools	17.565	0.342	0.140
Supplementary Capital Programme	7.170	3.875	3.875
<b>Chief Executive's Division</b>			
Finance & Digital Services	0.700	0.700	0.700
Corporate Estates	1.200	0.925	0.925
<b>Prosperity, Development and Frontline Services</b>			
Planning & Regeneration	6.726	0.763	0.600
Private Sector Housing	13.522	5.950	5.150
Highways Technical Services	12.949	1.805	1.805
Strategic Projects	12.076	0.165	0.165
Waste Strategy	0.888	0.000	0.000
Fleet	2.081	1.573	1.573
Buildings	0.100	0.100	0.100
<b>TOTAL CAPITAL BUDGET</b>	<b>81.313</b>	<b>18.688</b>	<b>16.023</b>

## **Section 14 Consultation and Scrutiny**

- 14.1 Following consideration of this MTFP by Cabinet, it is proposed that this document and the planning assumptions will be reported to full Council and thereafter be made available to the Finance and Performance Scrutiny Committee, as part of the consultation on the draft 2022/23 budget strategy.
- 14.2 The MTFP will be used as a basis of planning for our 2022/23 budget strategy consultation processes, updated as appropriate to reflect the implications of the provisional local government settlement which is due to be received in autumn 2021.



## Section 15 Other Relevant Documents

Below are links to other documents which are relevant to the Medium Term Financial Plan.

### **Budget Book**

<https://www.rctcbc.gov.uk/EN/Council/Performancebudgetsandspending/Councilbudgets.aspx>

### **Statements of Account**

2018/19 Audited Statement of Accounts -

<https://www.rctcbc.gov.uk/EN/Council/Performancebudgetsandspending/StatementofAccounts.aspx>

2019/20 Audit Statement of Accounts –

<https://www.rctcbc.gov.uk/EN/Council/Performancebudgetsandspending/RelatedDocuments/StatementofAccounts/StatementofAccounts2019to2020.pdf>

### **2021/22 Capital Strategy Report incorporating Prudential Indicators**

<https://rctcbc.moderngov.co.uk/documents/s25330/Report.pdf?LLL=0>

### **2021/22 Treasury Management Strategy incorporating Investment Strategy, Treasury Management Indicators and Minimum Revenue Provision (MRP) Statement**

<https://rctcbc.moderngov.co.uk/documents/s25360/Report.pdf?LLL=0>

### **Council Performance Reports**

Quarter 4 2019/20 -

<https://www.rctcbc.gov.uk/EN/Council/CouncillorsCommitteesandMeetings/Meetings/Cabinet/2020/07/28/Reports/Item7CouncilPerformanceReport31stMarch2020YearEnd.pdf>

Quarter 4 2020/21 – link to be added subject to approval by Cabinet on 20<sup>th</sup> July 2021

### **Corporate Plan (2020-2024)**

<https://www.rctcbc.gov.uk/EN/Council/CouncillorsCommitteesandMeetings/Meetings/Council/2020/03/04/Reports/AgendaItem6CouncilsDraftCorporatePlan20202024.pdf>

### **Council 3 Year Capital Programme 2021/22 to 2023/24**

<https://rctcbc.moderngov.co.uk/documents/s25359/Report.pdf?LLL=0>

## ANNEX 1

<b><u>GENERAL FUND REVENUE : SERVICES PROVIDED</u></b>		
<b>2020/21 Budget</b>		<b>2021/22 Budget</b>
<b>£M</b>		<b>£M</b>
	<b><u>Community &amp; Children's Services</u></b>	
91.604	Adult Services	94.877
49.369	Children's Services	54.466
2.567	Transformation	2.618
16.395	Public Health, Protection & Community Services	16.625
<b>159.935</b>		<b>168.586</b>
	<b><u>Education &amp; Inclusion Services</u></b>	
30.582	Education & Inclusion Services (Non Delegated)	31.941
161.578	Delegated Schools	163.784
<b>192.160</b>		<b>195.725</b>
	<b><u>Chief Executive</u></b>	
0.391	Chief Executive	0.388
2.913	Democratic Services & Communications	2.948
11.997	Human Resources	12.088
1.636	Legal Services	1.613
10.702	Finance & Digital Services	10.840
3.255	Corporate Estates	2.980
<b>30.894</b>		<b>30.857</b>
	<b><u>Prosperity, Development &amp; Frontline Services</u></b>	
2.791	Prosperity & Development Services	2.778
52.495	Frontline Services	57.594
<b>55.286</b>		<b>60.372</b>
<b>438.275</b>	<b>Total Group Budgets</b>	<b>455.540</b>
	<b><u>Authority Wide Budgets</u></b>	
19.713	Capital Financing	19.950
12.438	Levies	12.874
13.216	Miscellaneous	13.780
0.425	NDR Relief	0.425
24.680	Council Tax Reduction Scheme	25.334
<b>70.472</b>	<b>Total Authority Wide Budgets</b>	<b>72.363</b>
<b>508.747</b>	<b>TOTAL REVENUE BUDGET</b>	<b>527.903</b>

**Council Revenue Budget by Priority Area**

<b>Budget 2020/21</b>	<b>Priority Area</b>	<b>Budget 2021/22</b>
<b>£'000</b>		<b>£'000</b>
	<b><u>PEOPLE</u></b>	
49,837	Children's Services	55,042
97,108	Adult Services	100,331
4,151	Leisure (including physical participation) / Heritage Sites	4,117
151,096		159,490
	<b><u>PLACES</u></b>	
7,435	Libraries / Parks / Play Areas	7,271
427	Anti-Social Behaviour / Domestic Violence / Substance Misuse	427
648	Crime Reduction (inc hate crime)	642
4,787	Highway cleanliness	5,279
18,349	Waste / Recycling	20,965
9,052	Highways Infrastructure and Road Maintenance / Condition	9,931
40,697		44,515
	<b><u>PROSPERITY</u></b>	
27,028	Economically active people / Job Seekers Allowance Claimants / Job Creation / Not in Education, Employment or Training (NEET) / Town Centres	27,394
204,083	School Attainment	206,996
425	Town Centre Vacancy Rates (businesses)	425
1,109	Housing / Affordable Housing Delivered / Homelessness Prevention	1,298
232,646		236,113
	<b><u>LIVING WITHIN OUR MEANS</u></b>	
1,505	Customer Care	1,513
5,058	Office Accommodation/Buildings	5,781
6,563		7,294
431,003	<b>TOTAL SPEND ON COUNCIL PRIORITIES</b>	447,412
4,867	<b>REGULATORY PUBLIC SERVICES</b>	5,799
2,284	<b>OTHER SERVICES TO THE PUBLIC</b>	2,290
45,367	<b>AUTHORITY WIDE COSTS</b>	46,604
25,226	<b>CORE SUPPORT</b>	25,798
508,747	<b>TOTAL COUNCIL BUDGET</b>	527,903

## ANNEX 3

### COUNCIL CAPITAL PROGRAMME BY PRIORITY AREA

Priority/Scheme	3 Year Capital Programme 2021 - 2024			
	2021/22 Budget	2022/23 Budget	2023/24 Budget	Total 3 Year Budget
	£M	£M	£M	£M
<b>People</b>				
Adult Services	10.088	6.773	5.293	22.154
Children's Services	0.428	0.422	0.417	1.267
<b>Total - People</b>	<b>10.516</b>	<b>7.195</b>	<b>5.710</b>	<b>23.421</b>
<b>Places</b>				
Parks, Leisure, Libraries, Culture & Heritage, Open Spaces	2.596	0.260	0.260	3.116
Crime Reduction	0.050	0.058	0.072	0.180
Highways Cleanliness	0.160	0.105	0.069	0.334
Highways Infrastructure	26.440	2.070	3.422	31.932
Waste Strategy	1.913	1.410	0.025	3.348
<b>Total - Places</b>	<b>31.159</b>	<b>3.903</b>	<b>3.848</b>	<b>38.910</b>
<b>Prosperity</b>				
School Attainment	24.739	4.217	4.015	32.971
Business Support	3.336	0.363	0.200	3.899
Town Centres	1.850	0.400	0.400	2.650
Housing	7.832	0.800	-	8.632
<b>Total - Prosperity</b>	<b>37.757</b>	<b>5.780</b>	<b>4.615</b>	<b>48.152</b>
<b>Living Within Our Means</b>				
Management and rationalisation of service accommodation	0.975	0.975	0.975	2.925
<b>Total - Living Within Our Means</b>	<b>0.975</b>	<b>0.975</b>	<b>0.975</b>	<b>2.925</b>
<b>Total Capital Budget Allocated to Council Priorities</b>	<b>80.407</b>	<b>17.853</b>	<b>15.148</b>	<b>113.408</b>
Regulatory Public Services	0.182	0.135	0.175	0.492
Authority Wide Costs	0.024	-	-	0.024
Core ICT Systems Support	0.700	0.700	0.700	2.100
<b>Total Capital Budget</b>	<b>81.313</b>	<b>18.688</b>	<b>16.023</b>	<b>116.024</b>

## ANNEX 4

## **COUNCIL EARMARKED RESERVES**

### **Capital, Treasury and Insurance Reserves**

<b>Reserve</b>	<b>Purpose</b>	<b>Balance at 31/03/20 £'000</b>	<b>Transfers Out £'000</b>	<b>Transfers In £'000</b>	<b>Balance at 31/03/21 £'000</b>
<b>Capital Developments</b>	Resources set-aside from revenue budget, earmarked to fund the Council's approved 3-year capital programme.	<b>59,029</b>	<b>(4,003)</b>	<b>11,339</b>	<b>66,365</b>
<b>Treasury Management Reserve</b>	Funding for known and potential future pressures upon the Capital Financing budget.	<b>2,465</b>	<b>0</b>	<b>0</b>	<b>2,465</b>
<b>Insurance Reserve</b>	To provide for estimated costs of incidents that have occurred during the policy year but have not yet resulted in a claim being received.	<b>8,122</b>	<b>(1,123)</b>	<b>1,000</b>	<b>7,999</b>
<b>Total</b>		<b>69,616</b>	<b>(5,126)</b>	<b>12,339</b>	<b>76,829</b>

### **Other Revenue Related Reserves**

<b>Reserve</b>	<b>Purpose</b>	<b>Balance at 31/03/20 £'000</b>	<b>Transfers Out £'000</b>	<b>Transfers In £'000</b>	<b>Balance at 31/03/21 £'000</b>
<b>Revenue Budget Strategy 2020/21</b>	Medium Term Financial Planning & Service Transformation (transitional funding) to be released to fund the 2020/21 budget.	<b>800</b>	<b>(800)</b>	<b>0</b>	<b>0</b>
<b>Revenue Budget Strategy 2021/22</b>	Medium Term Financial Planning & Service Transformation (transitional funding) to be released to fund the 2021/22 budget.	<b>0</b>	<b>0</b>	<b>711</b>	<b>711</b>
<b>Joint Committee Reserve</b>	Reflects the Council's share of General and Earmarked Reserves of the Joint Committees in which it has an interest.	<b>1,243</b>	<b>(574)</b>	<b>0</b>	<b>669</b>
<b>Revenue Grant Reserves (IFRS)</b>	Carry forward of Revenue Grants not yet applied to spend - required accounting treatment to comply with International Financial Reporting Standards.	<b>2,600</b>	<b>(2,600)</b>	<b>4,824</b>	<b>4,824</b>
<b>Financial Management and Human Resources Risk Management</b>	Resources set aside as cover for future liabilities relating to various risks identified and being managed.	<b>13,287</b>	<b>(3,658)</b>	<b>22,012</b>	<b>31,641</b>
<b>Investment / Infrastructure</b>	To fund current and future costs of maintaining and enhancing infrastructure across the County Borough	<b>6,235</b>	<b>(6,054)</b>	<b>9,316</b>	<b>9,497</b>
<b>Prior Year Commitments</b>	Carry forward of existing funding to finance projects for which commitments have already been made in the prior year.	<b>8,416</b>	<b>(1,940)</b>	<b>12,160</b>	<b>18,636</b>
<b>Medium Term Financial Planning and Service Transformation</b>	Resources set aside as transitional (one-off) funding to support the Council's medium-term financial and service planning requirements.	<b>3,562</b>	<b>(710)</b>	<b>767</b>	<b>3,619</b>
<b>Other Specific Reserves</b>	Represents a number of reserves held for specific and identified purposes.	<b>2,885</b>	<b>(702)</b>	<b>975</b>	<b>3,158</b>
<b>Invest to Save</b>	Funding identified (pump priming) to support Invest to Save opportunities as and when they arise.	<b>0</b>	<b>0</b>	<b>1,036</b>	<b>1,036</b>
<b>Total</b>		<b>39,028</b>	<b>(17,038)</b>	<b>51,801</b>	<b>73,791</b>