

**RHONDDA CYNON TAF COUNTY BOROUGH COUNCIL**

**CABINET**

**27<sup>th</sup> January 2022**

**THE COUNCIL'S 2022/23 REVENUE BUDGET**

**REPORT OF THE DIRECTOR OF FINANCE AND DIGITAL SERVICES**

**AUTHOR: Barrie Davies (01443 424026)**

**1.0 PURPOSE OF THE REPORT**

- 1.1 This report provides Cabinet with information in respect of the 2022/23 local government settlement and the outcomes of the budget consultation phase 1 exercise, to assist with its deliberations in formulating the revenue budget strategy for the financial year 2022/23, which it will recommend to Council, for approval.

**2.0 RECOMMENDATIONS**

It is recommended that the Cabinet:

- 2.1 Note that the procedures relating to revenue budget construction, the budget consultation process, and reporting to Council, are set out in the "Budget and Policy Framework" within the Council's Constitution.
- 2.2 To note and consider the outcomes of the budget consultation phase 1 process.
- 2.3 Review and consider the draft 2022/23 Revenue Budget Strategy, detailed in the attached Discussion Paper 'Appendix A'.
- 2.4 Consider and determine the level of Council Tax increase for 2022/23 which it would wish to build into the strategy to form the basis upon which a second phase of consultation will take place.
- 2.5 Agree the draft timetable for setting the 2022/23 revenue budget as set out at Appendix A2.

- 2.6 Agree to receive feedback from the second phase of budget consultation in order to consider and determine the final budget strategy for submission to Council.
- 2.7 Agree that the Council continues to support the medium term financial strategy aimed at maximising ongoing efficiency in service delivery, targeted service transformation and other changes that maintain the financial integrity of the Council whilst still aiming as much as possible to protect jobs and key services.

### **3.0 BACKGROUND**

- 3.1 The revenue budget for the financial year ending the 31<sup>st</sup> March 2023, must be constructed in accordance with the “Budget and Policy Framework” (contained in the Council’s Constitution), which was agreed by Members in May 2002.
- 3.2 Under these arrangements, it is for the Council’s “respective Chief Officers” to report to Cabinet, and for the Cabinet to then recommend a budget to Council, after having conducted an appropriate budget consultation exercise. I have reproduced the relevant sections of the Constitution at Appendix A1, for Members’ information.
- 3.3 A draft timetable for agreeing the 2022/23 revenue budget strategy is attached at Appendix A2.

### **4.0 THE KEY ELEMENTS OF A BALANCED BUDGET STRATEGY FOR 2022/23**

- 4.1 The Council’s Senior Leadership Team have considered budget strategy options throughout the Autumn and alongside the significant and unprecedented impact which the pandemic has had across all our services.
- 4.2 I have reported on the implications of the provisional settlement and on our updated budget requirement to Council on the 19<sup>th</sup> January 2022 and set this out in detail in the discussion paper attached at Appendix A.
- 4.3 Based on the provisional settlement and alongside our updated base budget requirements reflecting the continuing increased pressures across many of our services, I have also set out a high level budget strategy option which has included a Council Tax increase of 1.00%.
- 4.4 The outcome from the Phase 1 budget consultation process is also now available for Cabinet to consider alongside the proposals.

- 4.5 Clearly, there are many possible budget permutations open to the Council, but Members' overriding ambition will be to construct a balanced budget, that is equitable and fair to all by limiting any impact on our much valued service provision and where possible, provides for targeting resources to key service areas.

## **5.0 CONCLUSIONS**

- 5.1 The Senior Leadership Team holds the collective view that the Council should commit itself to setting its 2022/23 revenue spending at a level which balances the desire for fair and equitable service provision, with the need to recognise the impact that excessive tax burdens can have on local households.
- 5.2 A translation of the Senior Leadership Team's recommended strategic approach into a high level budget for 2022/23 with a Council Tax increase of 1.00% is attached to this report.
- 5.3 Given that the financial resources currently available to the Council are finite and that indicative future local government settlements are likely to be challenging, the Senior Leadership Team believes that an ongoing, robust medium-term financial strategy is essential to ensure that our core public services continue to be improved.

\*\*\*\*\*