



RHONDDA CYNON TAF COUNTY BOROUGH COUNCIL

CABINET

23RD JANUARY 2023

THE COUNCIL'S 2023/24 REVENUE BUDGET

REPORT OF THE DIRECTOR OF FINANCE AND DIGITAL SERVICES

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1.0 PURPOSE OF THE REPORT

1.1 This report provides Cabinet with information in respect of the 2023/24 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 2023/24, 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 2023/24 Revenue Budget Strategy, detailed in the attached Discussion Paper 'Appendix A'.
- 2.4 Consider and determine the level of Council Tax increase for 2023/24 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 2023/24 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 31st March 2024, 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 2023/24 revenue budget strategy is attached at Appendix A2.

4.0 THE KEY ELEMENTS OF A BALANCED BUDGET STRATEGY FOR 2023/24

- 4.1 The Council’s Senior Leadership Team have considered budget strategy options throughout the late Summer and Autumn and alongside the significant cost pressures being faced across the Council, and within the context of the current year’s forecasted £21M overspend. We have also been able to plan in light of the provisional All Wales settlement indications which were provided as part of this years local government settlement.
- 4.2 I have reported on the implications of the provisional settlement and on our updated budget requirement to Council on the 15th December 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 3.50%.

- 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, maximising efficiency across all services and where possible, targeting resources to key service areas.

5.0 EQUALITY & DIVERSITY IMPLICATIONS / SOCIO ECONOMIC DUTY

- 5.1 Due regard has been given to the Council's public sector equality duties under the Equality Act 2010, namely the Public Sector Equality Duty and Socio-Economic Duty.
- 5.2 An Equality Impact Assessment has been completed and concluded that the recommendations set out in the report are in line with the above legislation.

6. WELSH LANGUAGE IMPLICATIONS

- 6.1 The allocation of resources, as set out in the proposed 2023/24 Budget Strategy, is based on supporting the Council's service delivery requirements and associated statutory responsibilities for the forthcoming year. In doing so, the proposed strategy is in line with the Welsh Language (Wales) Measure 2011.

7.0 CONSULTATION

- 7.1 The proposed approach to budget consultation for 2023/24 was set out in the Cabinet report dated 17th October 2022. It comprised 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 agree the draft budget strategy, and in light of the provisional local government settlement, then this draft strategy will be consulted upon as part of Phase 2.

8.0 FINANCIAL IMPLICATIONS

8.1 The financial modelling assumptions and implications are set out in Appendix A of this report.

9.0 LEGAL IMPLICATIONS or LEGISLATION CONSIDERED

9.1 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 construction of the draft 2023/24 Revenue Budget Strategy in line with the “Budget and Policy Framework”, as set out in the Council’s Constitution, will support compliance with the above legal requirements.

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

10.1 The draft budget strategy will be a key enabler for the delivery of the Council’s Corporate Plan and in doing so will support wider partnership objectives and the Well-Being of Future Generations Act.

11.0 CONCLUSIONS

11.1 The Senior Leadership Team holds the collective view that the Council should commit itself to setting its 2023/24 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.

11.2 A translation of the Senior Leadership Team’s recommended strategic approach into a high level budget for 2023/24 with a Council Tax increase of 3.50% is attached to this report.

11.3 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.
