



RHONDDA CYNON TAF COUNTY BOROUGH COUNCIL

CABINET

28TH FEBRUARY 2023

THE COUNCIL'S 2023/24 REVENUE BUDGET

REPORT OF THE DEPUTY CHIEF EXECUTIVE & GROUP DIRECTOR - FINANCE, DIGITAL AND FRONTLINE SERVICES IN DISCUSSION WITH THE LEADER OF THE COUNCIL, CLLR A MORGAN

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1.0 PURPOSE OF THE REPORT

- 1.1 At its meeting on the 23rd January 2023, the Cabinet agreed draft budget proposals for the 2023/24 revenue budget strategy.
- 1.2 These proposals have now been consulted upon as part of a second phase of budget consultation and the results are now available for Cabinet to consider and amend as necessary the draft budget strategy which they would wish to recommend to Council.

2.0 RECOMMENDATIONS

It is recommended that the Cabinet:

- 2.1 Review and, if appropriate, amend the Budget Strategy which they wish to recommend to Council on the 8th March 2023; and
- 2.2 Recommend to Council that the Deputy Chief Executive and Group Director of Finance, Digital and Frontline Services be authorised to amend the final budget consequential to the receipt of the Final Settlement as set out in Section 4.

3.0 BACKGROUND

- 3.1 On the 23rd January 2023, Cabinet agreed draft proposals for the revenue budget strategy for financial year 2023/24.
- 3.2 These proposals have been subject to a second phase of consultation which ran from the 24th January to the 6th February 2023. The results of this consultation exercise are now available for Cabinet.

3.3 The proposals have been incorporated into a draft budget strategy report to Council and this is attached at Appendix A. The results of the Phase 2 consultation process is also attached to that report.

3.4 It is now for Cabinet to consider the feedback received from Phase 2 and determine whether they would wish to amend the draft budget strategy.

4.0 THE FINAL LOCAL GOVERNMENT SETTLEMENT FOR 2023/24

4.1 The timing of the Local Government Settlement for 2023/24 has followed the UK Government Autumn Statement as announced on the 17th November 2022.

4.2 The Final Local Government Settlement for 2023/24 is expected to be received during early March 2023.

4.3 There is one change planned for the final budget and that is the intention to transfer funding for the increased employer costs related to Fire and Rescue Authority (FRA) pensions from a grant to the FRAs into the final local government settlement. This should be cost neutral to the Council. There are no indications of any other significant changes between the provisional and final settlement but such a risk clearly remains.

4.4 In order to ensure that Cabinet are able to recommend a balanced budget to Council on the 8th March 2023, and given the timing of the Final Settlement, it will be necessary to authorise the Deputy Chief Executive and Group Director of Finance, Digital and Frontline Services to amend the budget to deal with any change between the Provisional and Final Settlement. It is proposed that any change is dealt with by means of amending the contribution from our Medium Term Financial Planning and Service Transformation Reserve. This reserve has a remaining balance of £2.533M and is set against the context that a 0.5% change in the level of our settlement would amount to £2.35M.

4.5 The total budget requirement / funding has been updated to reflect accounting requirements since the draft strategy was considered in January, there is no net impact.

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 agreed the draft budget strategy, and in light of the provisional local government settlement, then this draft strategy was 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 CONCLUSION

11.1 The feedback from the second phase of budget consultation is now available for Cabinet to review and, if appropriate, amend their draft budget strategy proposals which they wish to recommend to Council on the 8th March 2023.
