



RHONDDA CYNON TAF

RHONDDA CYNON TAF COUNCIL

Minutes of the hybrid extraordinary meeting of the Council held on Thursday, 15 December 2022 at 5.00 pm

This meeting was live streamed, details of which can be accessed [here](#)

County Borough Councillors – The following Councillors were present in the Council Chamber:-

Councillor G Hughes (Chair)

Councillor Sheryl Evans	Councillor M Ashford
Councillor J Brencher	Councillor G Caple
Councillor A Crimmings	Councillor R Davis
Councillor E L Dunning	Councillor L Ellis
Councillor S Emanuel	Councillor B Harris
Councillor G Holmes	Councillor W Hughes
Councillor K Johnson	Councillor W Jones
Councillor R Lewis	Councillor W Lewis
Councillor C Leyshon	Councillor C Middle
Councillor A Morgan	Councillor N H Morgan
Councillor S Morgans	Councillor M Norris
Councillor D Parkin	Councillor S Rees
Councillor J Smith	Councillor G Stacey
Councillor G L Warren	Councillor R Williams
Councillor R Yeo	

The following Councillors were present online:-

Councillor B Stephens	Councillor L Addiscott
Councillor J Barton	Councillor R Bevan
Councillor J Bonetto	Councillor S Bradwick
Councillor S J Davies	Councillor A Dennis
Councillor V Dunn	Councillor J Edwards
Councillor A J Ellis	Councillor D Evans
Councillor P Evans	Councillor D Grehan
Councillor H Gronow	Councillor G Jones
Councillor C Lises	Councillor K Morgan
Councillor D Owen-Jones	Councillor C Preedy
Councillor A O Rogers	Councillor S Trask
Councillor W Treeby	Councillor K Webb
Councillor D Williams	Councillor T Williams

Officers in attendance

Mr B Davies, Director of Finance & Digital Services
Mr C Hanagan, Service Director of Democratic Services & Communication
Mr P Mee, Chief Executive
Mr J Whitehurst, Graduate Officer - Cabinet & PR
Mr A Wilkins, Director of Legal Services and Democratic Services

Apologies for absence

Councillor P Binning	Councillor J Cook
Councillor J Elliott	Councillor R Evans
Councillor Sera Evans	Councillor A Fox
Councillor S Hickman	Councillor G Hopkins
Councillor G O Jones	Councillor M Maohoub
Councillor W Owen	Councillor S Powderhill
Councillor M Powell	Councillor A Roberts
Councillor L A Tomkinson	Councillor J Turner
Councillor M Webber	Councillor G E Williams
Councillor D Wood	

60 Welcome & Apologies

The Presiding Officer welcomed everyone to the hybrid extra ordinary Council meeting and apologies for absence were received from County Borough Councillors J Cook, J Elliott, R Evans, A S Fox, S Hickman, G Hopkins, G O Jones, M Maohoub, S Powderhill, A Roberts, L Tomkinson, J Turner, M Webber, G Williams, Sera Evans, D Wood, M Powell, W Owen and P Binning.

61 Declaration of Interest

In accordance with the Council's Code of Conduct, there were no declarations made pertaining to the agenda.

62 PROVISIONAL LOCAL GOVERNMENT SETTLEMENT 2023/24

The Director of Finance & Digital Services presented a verbal update in respect of the provisional Local Government Settlement 2023/24 (following publication by the Welsh Government on the 14th December 2022) with the aid of a Power Point presentation under the following headings:

- Medium Term Financial Plan and Review of Budget Requirement
- Provisional Local Government Settlement 2023/24
- Resources available at Provisional Settlement
- Revised Budget Gap at Provisional Settlement
- Budget Strategy Considerations/Building Blocks
- Outline Draft Timetable
- Conclusion

The Director reminded Members that at the meeting of Full Council held on the 28th September 2022 and through the Medium-Term Financial Plan, details of the council's financial gap were confirmed as £36.475m. At that time the Director indicated that the Council was assuming a 3.5% settlement from Welsh Government which was in line with the indicative settlement that Welsh Government provided to Council alongside its current year's budget settlement.

The Director advised that the budget requirement has been continually reviewed but a number of further updates have led to a net increase in

the Council's budget requirement. The updates include provisional notification that the South Wales Fire Service levy will increase by 8.07% for RCT (an additional £530,000 budget requirement), a reassessment of base budget requirements for special school numbers, capital charges, Additional Learning Needs (ALN) funding, demand led social care and revised estimated insurance requirements and additional £1.454m budget requirements.

The Director advised that the Council has also incorporated the cost of the real living wage increase to £10.90, following the real living wage foundation announcement, with the commitment to provide the care sector with the real living wage at a cost to the council of £3.6m. The Council has also reflected on its pay award assumptions and has updated to reflect the pension revaluation (net increase of £6.76m). The Council's energy costs will also see a significant rise from £6m to approximately £20m for the next financial year (further budget requirement of £7m). The Director confirmed that the net impact of these updates to its budget requirements will increase the budget gap from £36m to £52m.

The Director provided the headlines from the Provisional Local Government Settlement, namely -

- An all-Wales average increase in Resources of 7.9%
- An increase for RCT of 6.6% (as compared to the indicative 3.5% provided alongside current year settlement)
- Range of settlement levels 6.5% to 9.3%
- Indicative increase for 2024/25 at 3.1% (all Wales)
- Capital Funding – Increase £30M all Wales as announced last year (+£2.287M for RCT following £2.165M reduction this year)
- Specific Grants of £1.3bn Revenue and £925M Capital (all Wales level only)
- Additional Funding of £13.89m was now available to the Council.
- The final settlement expected in early March 2023.
- The combined impact of the provisional settlement and the updates to the council's base budget requirements meant a revised budget gap of £38.3m.

In order to provide some context, the Director of Finance & Digital Services compared the figures to a comparable year during austerity when in 2015/2016 the council received a 3.7% cut in funding, and it faced a budget gap of £21.8m.

The Director advised that it is now for Cabinet to determine the Council's budget strategy in light of this current position. He added that phase one of the budget consultation process will end on the 21st December and Cabinet will consider the feedback to inform its

deliberations. With regards to Council Tax, 2% is built into the budget gap and for each 1% increase (or reduction) in council tax he advised that an extra or lesser £955k of income will be generated.

The Director commented on a number of key budget strategy considerations, such as schools. He added that for their own modelling purposes, schools have been advised to plan for a difficult period and a 2.75% reduction in resources (after being fully funded for all their budget requirements). The Director stressed that it is for Cabinet to now determine the proposed approach to funding schools through the budget strategy.

With regards to service reconfiguration options, the Council is currently consulting on the Community Meals Service, Waste collection/residual waste arrangements and Cabinet have determined to recommend to Council the introduction of Council Tax premiums on long-term empty properties and second homes.

Council service managers have been challenged to identify opportunities to reduce their budgets through efficiency measures and operational service changes which will not have a material impact on service provision.

The Director commented on the use of reserves and specifically the transition funding reserve, which has already been topped up to over £6m this year through the early delivery of in-year efficiencies and savings. The Council continues to review its available earmarked reserves in context of the current years projected pressures of £21m which will need to be balanced through the drawing down of reserves.

In conclusion, the Director presented the outline timetable for setting the Council's budget, commenting that the final revenue budget strategy will be considered by Cabinet on the 27th February for recommending to Full Council on the 8th March 2023. The Capital Programme and Council Tax Resolution will also be presented to this meeting of Council.

The Leader welcomed the additional funding from the Local Government Settlement 2023/24 of 7.9% (all Wales) and referred to the funding formula, where RCT Council is 21st on the list but attributed this position to a number of reasons such as population figures.

The Leader advised that the Council would be considering in which service areas to make additional savings and efficiencies and added that it is currently consulting on the level of Council Tax as part of the budget consultation process. He commented that the Council will do its utmost to protect schools and he stressed that an open dialogue will be maintained with them in the coming months. He added that social services would remain a priority for the Council, building on its track record to date working jointly with the Cwm Taf University Health Board.

The Leader commented that although the Council has a statutory duty to set a balanced budget, it will be a difficult decision to make cuts to any of the council services which are all important and needed by the communities of RCT.

The Cabinet Member for Climate Change and Corporate Services thanked the Director of Finance & Digital Services for providing the timely update to all Members and she paid thanks to the Leader's commitment and hard work in such a difficult period of time.

Following further discussion, a number of Members raised queries as follows:

The Leader of the Opposition sought clarification on the 6.6% increase which makes RCT the second highest funded Council in Wales (despite its 21st position on the list) and asked whether the distribution of the funding is governed by a formula agreed by Welsh Government and Councils.

The Leader of the Opposition queried whether schools in RCT will have to meet 50% of the pay award and whether the Labour Group will be able to honour its manifesto pledge of fully funding the schools' cost pressures and ensure the post pandemic catch up of all pupils with schools facing 2.75% efficiency savings. She asked about plans to offer voluntary early retirement in schools as has been undertaken previously.

The Opposition Leader proposed that an emergency cost of living action plan is published to avoid making people destitute, as far as the services the council is responsible for, and also to hold both National Governments to account.

In response to the queries raised, the Director of Finance & Digital Services confirmed that RCT Council is the second largest Council in Wales and funding by Welsh Government reflects this, and the Local Government settlement was in accordance with Welsh Government's agreed formula. He also commented that schools funding 50% of the pay award above budgeted level relates to the current financial year and that the Council will fully fund the pay award in the next financial year for all schools.

The Director commented that it is for schools to determine the early retirement opportunities locally along with their respective Governing Bodies.

The Leader of the Conservative Group commented on the proposed settlement which he termed disappointing in comparison with other local authorities and in view of the fact that RCT has the 5th highest needs in terms of its spending requirements per person in order to provide the services on which its residents rely, it is proposed to receive less than 7% increase. He advised that Cardiff City Council is proposed to receive 9% despite its lower standard spending assessment (per person). He urged the Partnership Council for Wales, which set the formula, to meet urgently to consider whether it is fit for purpose and for all Members to contact the Minister to revise the Local Government settlement and he echoed the need for all political parties to meet regularly and continue to work together.

The Director of Finance & Digital Services commented on the key data set changes which have impacted negatively on RCT relative to other councils such as the number of Free School Meals.

Another Member asked if there will be support for those schools that do not have any reserve funds to help them to which the Director of Finance & Digital Services responded that the Council will continue to support all schools irrespective of their financial position.

The Leader of the Council welcomed comments regarding continued cross-party discussions. He added that it will be a challenging period for schools and all council services, but the Council will support them in light of the additional funding. He stressed that the Joint Partnership Council for Wales met as recently as two weeks ago and again as the Finance sub-group. With regards to the formula, the Leader stressed that RCT has previously been in the top quartile and echoed the comment made by the Director of Finance & Digital Services, that the formula is driven by data such as population figures.

In the absence of the Leader of the Independent Group, Councillor W Jones spoke of his support for cross-party working in the future, and he alluded to the difficult time ahead but better with the Leader of the Council driving the process forward.

A Member suggested that the Barnett formula is not fit for purpose with huge levels of deprivation in Wales and commented that the local government settlement does not support the Council to deliver the level of services its residents need.

In conclusion, the Leader responded to all the comments made, he paid tribute to the hard-working council staff in light of Storm Dennis and the Pandemic, and he added that the Cabinet will continue to work closely with the Trade Unions to avoid compulsory redundancies. The Leader attributed the huge amount of work being undertaken behind the scenes and meetings held with the intention of protecting jobs and council services. He confirmed there will be further updates for Members in the New Year concerning setting a deliverable budget which will support families and the communities of RCT.

In view of this being the last meeting of Full Council until the New Year, the Presiding Officer wished all Members a Happy Christmas.

This meeting closed at 6.03 pm

**Councillor G Hughes
Chair.**