

PHASE 2 BUDGET CONSULTATION (2023/24)
(EXTRACT OF DRAFT MINUTES – SUBJECT TO APPROVAL BY THE
OVERVIEW AND SCRUTINY COMMITTEE)

RHONDDA CYNON TAF COUNCIL – OVERVIEW AND SCRUTINY COMMITTEE -
Minutes of the virtual meeting of the Overview and Scrutiny Committee held on
Wednesday 25th January 2023 at 5.00 pm.

County Borough Councillors – Overview and Scrutiny Committee Members in
attendance virtually:

Councillor J Edwards – Chair

Councillor J Brencher – Vice Chair

Councillor M Ashford

Councillor J Bonetto

Councillor Sheryl Evans

Councillor G Hughes

Councillor C Middle

Councillor K Morgan

Councillor G Warren

Councillor W Owen

Councillor K Webb

Councillor G Williams

Officers in attendance virtually:

Christian Hanagan

Paul Griffiths

Sarah Daniel

Extract from the minutes

Budget Consultation 2023/24 (Phase 2)

With the aid of a PowerPoint presentation, the Service Director – Finance & Improvement Services provided Members with an overview of the Budget Consultation 2023/24 (Phase 2) and updated the Committee on the following areas: Introduction – 2023/24 Draft Revenue Budget Strategy; The Council's Current Financial Position (2022/23); Phase 1 Budget Consultation – Headlines; Provisional Local Government Settlement 2023/24 – Headlines/Implications for Rhondda Cynon Taf; Cabinet Proposed Budget Strategy 2023/24; and Next steps and key dates.

Further to the Service Director's overview of the Cabinet's proposed Budget Strategy for 2023/24, a Member sought feedback on what opportunities are available to review the methodology for the allocation of funding from UK Government to Welsh Government and thereafter to local authorities, linked to Rhondda Cynon Taf Council's provisional settlement of +6.6% compared to the all Wales average local authority settlement of +7.9%. The Service Director fed back that with regard to the process for the allocation of funding from Welsh Government to local authorities across Wales, a designated group is in place comprising Welsh Government and local government representatives to ensure the basis for the allocation of funding is representative of need and that the data sets underpinning the allocations are appropriate and accurate. The Service Director provided assurance that Rhondda Cynon Taf Council is part of these arrangements to inform and challenge data sets and the basis for the allocation of funding.

The Service Director then invited Members to provide feedback on the following areas of the Cabinet's proposed Budget Strategy for 2023/24.

Council Tax – 3.5% proposed increase

- Taken into consideration the Council's approach to setting Council Tax levels in recent times, Rhondda Cynon Taf being the lowest average Band D increase in Wales for 3 out of the past 4 years, the majority of Members agreed the proposed increase is a pragmatic and sensible approach.
- A Member fed back that the proposed percentage increase of 3.5% is likely to be on the lower end when compared with other local authorities in Wales; however, the Council knew budget challenges have been present but still set Council Tax at a 1% increase for 2022/23 compared to a proposed 3.5% increase for 2023/24.

Schools Budget

- A Member fed back that it is an inevitable requirement for schools to review their budget and the amount they hold in reserves to support financial planning due to the challenging funding position, and noted that the level of reserves will be different across schools linked to the plans schools have in place for the utilisation of such reserves.
- Another Member fed back that it is important the message is conveyed to schools that they will not be fully funded for 2023/24. The Service Director fed back that the proposed Budget Strategy allocated funding in full to cover school costs, with the requirement for schools to then make a 2.2% efficiency saving, this being less than the indicative target of 2.75% provided to schools in autumn 2022 and less than the efficiency requirement for non-school services of 7.7%.
- Another Member noted that some schools are older with resultant higher energy costs and requested clarity around what opportunities are there to make efficiencies in these schools. The Service Director fed back that the Council undertakes an on-going programme of building surveys across schools, that include identifying opportunities to install energy efficiency measures to reduce energy consumption. The Service Director added that the Council has, for a number of years, provided funding for an invest to save fund, with school and non-school based projects funded from this resource.

Efficiencies

- Members agreed with the Council's approach to continue to maximise efficiency savings and commended officers on delivering year-on-year efficiency savings and an on-going approach to find new ways of working.
- A Member endorsed this approach and noted that in delivering efficiencies, this should not result in service delivery becoming less effective and on-going review is required to monitor impact.
- Another Member sought assurance around the staffing implications of delivering efficiencies. The Service Director fed back that detailed planning is undertaken to support the delivery of efficiencies and, where staffing changes are required, these are managed via natural staff turnover, redeployment and the Council's voluntary redundancy / retirement schemes, and through close working with Trade Union colleagues.

Fees and Charges

- The majority of Members agreed that the fees and charges proposals are realistic, in line with what the Council needs to do to achieve a balanced budget and demonstrate that charges for Council services remain competitive and provide value for money compared to neighbouring areas.

- A Member felt there were some contradictions in the proposals compared to the feedback received from the public as part of the phase 1 budget consultation process. In particular, the public highlighted that services such as social care and leisure services were important to them and the budget strategy is proposing increases to fees and charges in these areas, which could result in a false economy.
- Another Member noted if the option to charge a higher fee for the Lido (Pontypridd) for non-Rhondda Cynon Taf residents could be considered to help manage the number of block bookings and 'no shows'. The Service Director noted the feedback.

Use of Reserves

- Members agreed with the proposed approach to the use of reserves.
- A Member sought clarity on how reserves will be replenished in future years. The Service Director fed back that Council officers review base budget requirements and saving opportunities on an on-going basis and has a track record of delivering in-year savings that are then allocated to the Council's Transitional Funding reserve. The Service Director added that for the current financial year, in-year savings of £3.003M have been identified, as at September 2022, and have been transferred to the Transitional Funding reserve. In addition, the Service Director fed back that the Council applies a prudent and sensible approach in the utilisation of its reserves.