



RHONDDA CYNON TAF COUNTY BOROUGH COUNCIL

CABINET

20th NOVEMBER 2023

THE COUNCIL'S REVENUE BUDGET 2024/25 –

EARLY BUDGET REDUCTION MEASURES

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

1.0 PURPOSE OF THE REPORT

- 1.1 At its meeting on the 18th September 2023 the Cabinet received an update on the Council's Medium Term Financial Plan 2023/24 to 2026/27.
- 1.2 Further updates were to be provided to Cabinet during the Autumn period 2023 as part of the budget setting process and this report provides Cabinet with an update on operational decisions and base budget reduction measures which have already been identified and the consequential financial implications which can now be factored into the Council's budget and Medium Term Financial Plan.

2.0 RECOMMENDATIONS

It is recommended that the Cabinet:

- 2.1 Note the operational changes and base budget reduction measures / updates which have been identified by the Senior Leadership Team and which can now be factored into next year's budget and the Medium Term Financial Plan; and
- 2.2 Note the 2024/25 budget and Council Tax setting timetable as attached at Appendix 2.



3.0 BACKGROUND

- 3.1 On the 18th September 2023, Cabinet received an update on the Council's Medium Term Financial Plan 2023/24 to 2026/27.
- 3.2 The report was also subsequently reported to full Council (20th September 2023) alongside a presentation on the Council's reserves.
- 3.3 Cabinet noted the current position modelled and agreed to receive further updates in the autumn as part of the annual budget setting process.
- 3.4 The Senior Leadership Team have continued to prioritise work in preparation for next year's budget setting process and have already identified and agreed a number of measures which can now be incorporated into next year's budget and the Medium Term Financial Plan.
- 3.5 These actions have been determined as operational decisions which the Senior Leadership Team are authorised to implement. They are reported here for Cabinet to note.

4.0 MEDIUM TERM FINANCIAL PLAN 2023/24 TO 2026/27

- 4.1 The Medium-Term Financial Plan sets out a range of scenarios alongside differing levels of Welsh Government ('WG') settlement levels. The base case, in line with WG's indicative settlement level for next year (2024/25), results in a budget gap position as shown below.

Remaining Budget Gap at Welsh Government Settlement Levels				3 Year Budget Gap
	2024/25	2025/26	2026/27	
+3.1% increase for 2024/25, +2.0% increase for 2025/26 and +2.0% increase for 2026/27	35,005	26,897	23,498	85,400

- 4.2 The timing of the Local Government Settlement for 2024/25 will follow the UK Government Autumn Statement which is due to be announced on the 22nd November 2023. The Council is expecting to receive the Provisional Settlement from WG on the 20th December 2023.
- 4.3 The budget gap for 2024/25 is of course still assuming a level of settlement from WG based on their indicative level as provided



alongside this year's settlement. Any implications from the UK Government's budget plans and consequently WG's Local Government Settlement will be factored into the initial draft budget strategy when that is brought forward for Cabinet to consider during January 2024.

- 4.4 Work is also ongoing to affirm the Council's base budget requirements for next year, in light of updated financial information and modelling and alongside the most up to date financial position for this financial year as available in the quarter 2 Council Performance Report.

5.0 REVENUE BUDGET 2024/25 – EARLY BUDGET REDUCTION MEASURES

- 5.1 Within the context of a significant budget gap being forecast for 2024/25, the Senior Leadership Team has undertaken focused and priority work over the summer and early autumn months to identify measures which can be incorporated into the draft budget strategy. This work remains ongoing, however there are a number of operational budget reduction measures which have already been identified for implementation and which will have a consequential beneficial impact upon the budget gap position referenced above.
- 5.2 This report provides details of these for Cabinet's information and will provide some early assurance that this work is already beginning to have a positive impact. This is a position statement of work undertaken to date and work is ongoing in order to identify further options which can contribute toward closing the budget gap.
- 5.3 A summary of the early budget reduction measures is included in the table below, with further (service area) detail attached at Appendix 1.

Budget Reduction Category	£'000
General Efficiency Measures - cost reduction / additional income	2,153
General Efficiency Measures - non pay budget freeze and efficiency	2,000
General Efficiency Measures - Recharge of costs / use of external funding	930
General Efficiency Measures - service restructuring and vacancy management	1,637
Operational Service Reconfiguration	1,525
Grand Total	8,245

- 5.4 Of particular note would be the Operational Service Reconfiguration proposals. Whilst these have been properly determined as



operational decisions taken by the Senior Leadership Team, they are included here for completeness.

Operational Service Reconfiguration	£'000
Christmas Closure of Hawthorn and Ferndale Swimming Pools	2
Closure of daytime face-to-face box office function at RCT Theatres (equates to 16 hours per theatre per week)	30
Illuminated signs and bollards - convert to unlit	27
Leisure - Demand led targeted Review of Opening Hours (max 8 hour reduction per satellite centre, per week)	250
Libraries and One4All - Reconfiguration of services and standardisation / review of opening hours (min 40 hrs per week for the three Area Libraries and harmonisation of lunchtime opening across all Branch Libraries that will increase the total opening hours across Branch libraries)	236
Parks and Street Cleansing - Service Review, realignment of resources and delivery model	750
Reduce opening hours of Community Recycling Centre sites	100
Progress Community Asset Transfer of Llantwit Fardre Sports Centre	80
Street lighting - revision to maintenance arrangements	50
Total Operational Service Reconfiguration	1,525

5.5 It is also now possible to factor in a number of other base budget updates and adjustments which follow on from the successful delivery of the 2023/24 budget strategy. These include part year to full year adjustments in respect of changes to Waste Collections, Day Nursery provision and the Community Meals Service. We can also now include the anticipated additional income forecast to be received as a consequence of the updated Council Tax base relating to the premium chargeable on second homes (from 1st April 2024). In aggregate these updates reduce the budget gap by a further **£0.841M**.

5.6 The timetable for the budget setting process is also now set out at Appendix 2.

6.0 EQUALITY & DIVERSITY IMPLICATIONS / SOCIO ECONOMIC DUTY

6.1 Equality Impact Assessments will be completed as appropriate alongside any operational decision to ensure that the Council complies with the public sector equality duties under the Equality Act 2010, namely the Public Sector Equality Duty and Socio-Economic Duty.

7. WELSH LANGUAGE IMPLICATIONS

- 7.1 This report sets out a number of early measures which can be incorporated into the draft budget strategy for 2024/25. There are no specific Welsh Language implications.

8.0 CONSULTATION

- 8.1 The proposed approach to budget consultation for the 2024/25 budget was set out and agreed by Cabinet on 23rd October 2023. It comprises 2 phases as follows:

Phase 1 - provide 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.

9.0 FINANCIAL IMPLICATIONS

- 9.1 The early budget reduction measures and base budget updates as set out in this report (amounting to £9.086M) can now be factored into the draft budget strategy when it is brought forward for Cabinet's consideration during January 2024.
- 9.2 The implications of the Provisional Local Government Settlement for 2024/25 will also then be known.

10.0 LEGAL IMPLICATIONS or LEGISLATION CONSIDERED

- 10.1 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 2024/25 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.



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

11.1 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.

12.0 CONCLUSION

12.1 This report sets out a number of early budget reduction measures and budget updates amounting to £9.086M which can now be factored into the budget requirement and draft budget strategy for 2024/25.

12.2 It also sets out the timetable for the agreement of the 2024/25 Revenue Budget Strategy, Council Tax Setting and the 3-year Capital Programme.
