

Rhondda Cynon Taf County Borough Council

2025/26 Budget Consultation (Phase 1)

NOVEMBER 2024



Contents

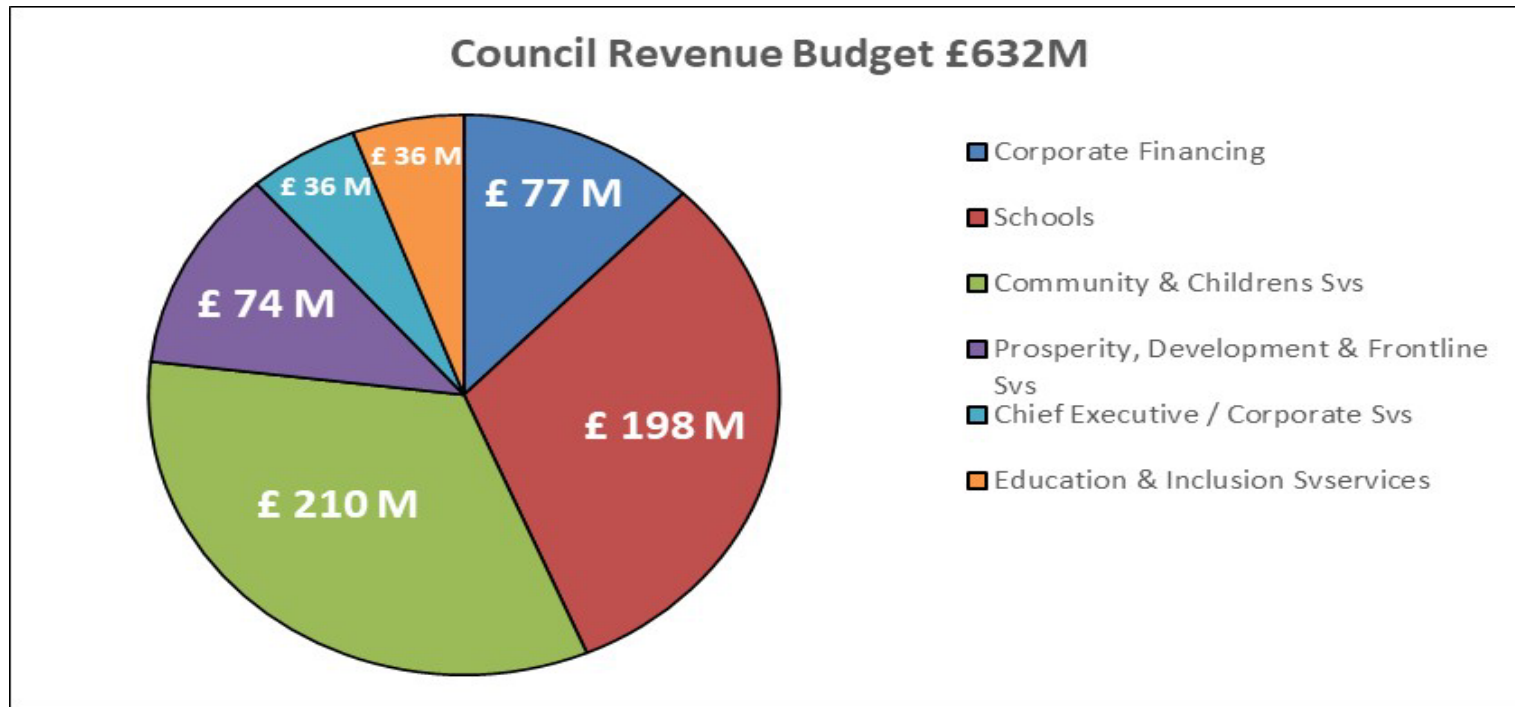
- Part 1 - Reminder of the Council's current and forecasted financial position
- Part 2 - Phase 1 Budget Consultation
 - General Approach for 2025/26
 - Feedback requested on...
 - 2025/26 Budget Setting – key strategic building blocks
 - Council Tax Reduction Scheme
 - The Council's Well-Being Objectives

Part 1

**Reminder of the Council's current
and forecasted financial position**

Rhondda Cynon Taf – 2024/25 Financial Position

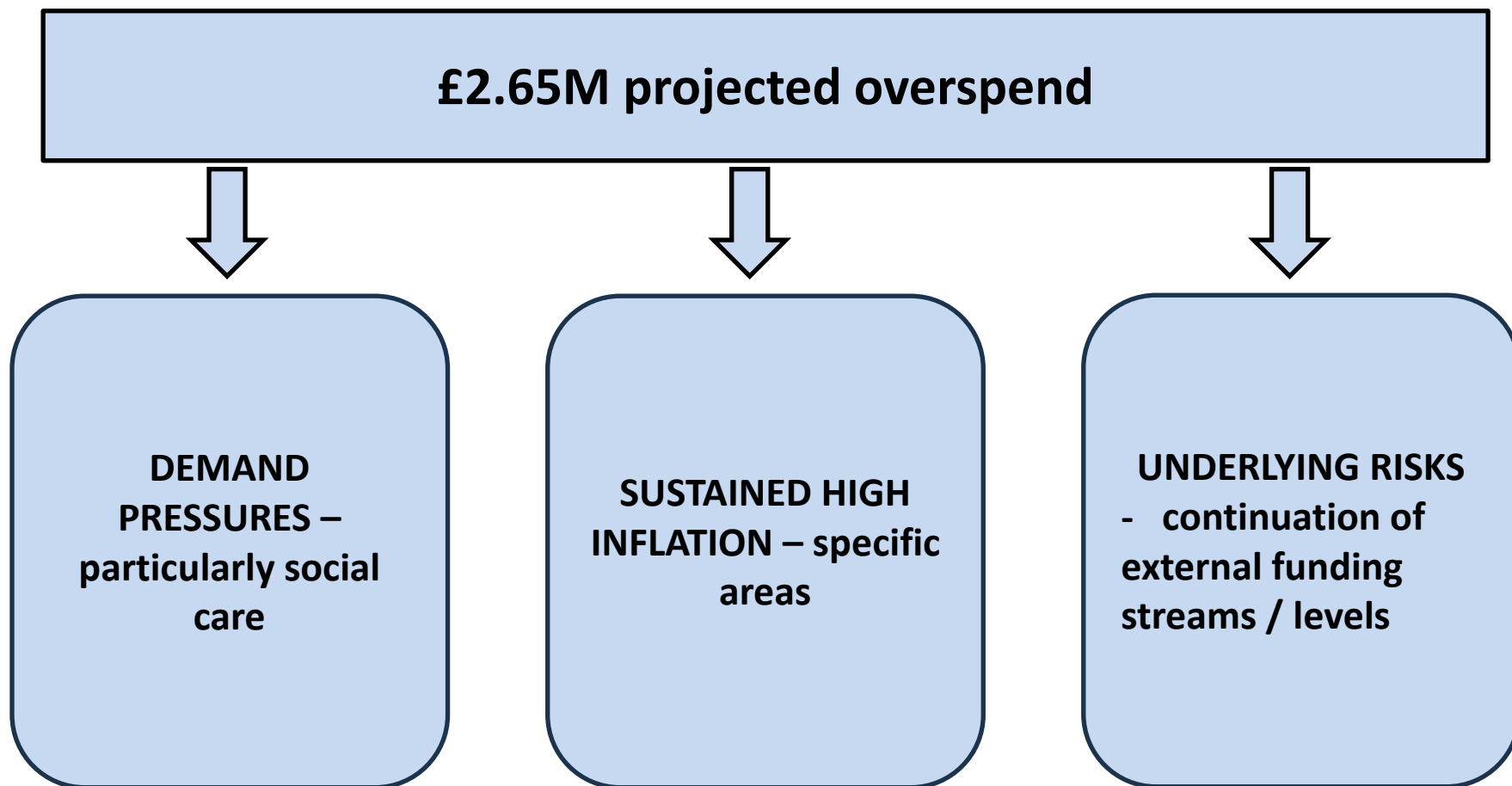
- 2024/25 Revenue Budget



- General Reserve Balances as at 31st March 2024 = £10.240M

Rhondda Cynon Taf – 2024/25 Financial Position

- 2024/25
 - Full year projected position (forecasted at 30th September 2024)



Rhondda Cynon Taf – Forecasted Position 2025/26

Funding	
Cash flat Settlement (£485.567M)	-
+4.0% Council Tax (1% = £1.029M net of CTRS)	5,402
Use of reserves 2024/25	-7,502
Total Resources (+ additional / - reduction)	-2,100
Spend	
Pay Award Inflation	16,892
Non-pay Inflation	3,826
Budget Pressures	12,933
Total Pressures	33,651
Budget Gap	35,751

Part 2

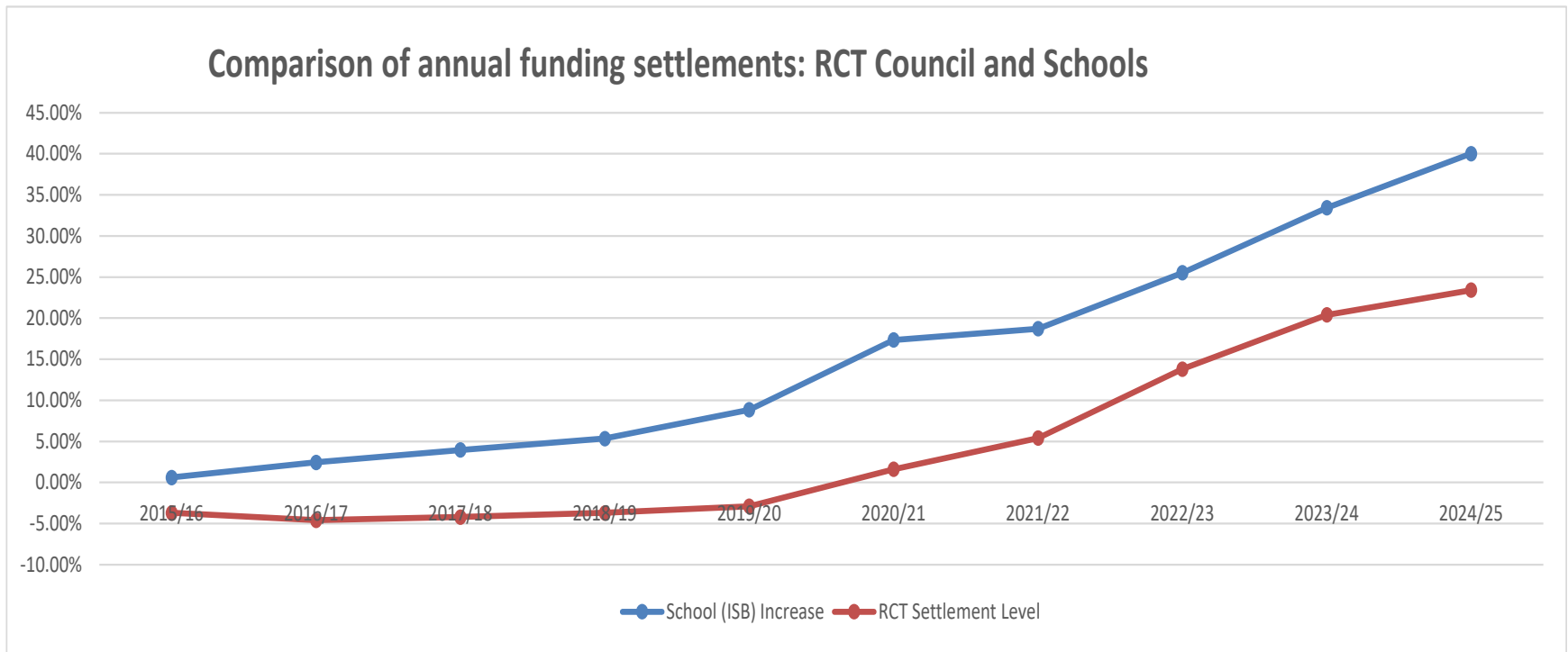
2025/26 Budget Setting – Phase 1 Budget Consultation

Phase 1 Budget Consultation 2025/26 - General Approach

- Two phase process – agreed by Cabinet 21st Oct 2024
 - Phase 1
 - Ends 12th December 2024
 - Opportunity to provide feedback on the key strategic building blocks and to be considered by Cabinet as part of formulating a draft Revenue Budget Strategy for 2025/26
 - Phase 2
 - Will take place in early 2025
 - Consult on a draft Revenue Budget Strategy

Schools

- Schools Budget 2024/25 = £198.462M (approx. 31% of the Council's total budget)
- Long term commitment to support schools (over past 10 years Schools funding increased by 40% compared to overall Council Services funding increasing by 23%)



- Recognising the delivery of school budget savings over this period

Schools

- Assumptions for 2025/26:
 - Forecasted pay awards and non-pay inflation fully funded
 - Other budget adjustments (e.g. pupil number changes) managed by schools within the overall funding allocation
 - Continued commitment to prioritise available funding to schools
- On-going engagement with Welsh Govt to support local authorities' long-term programme of education reform and funding requirements

Schools

- School Balances

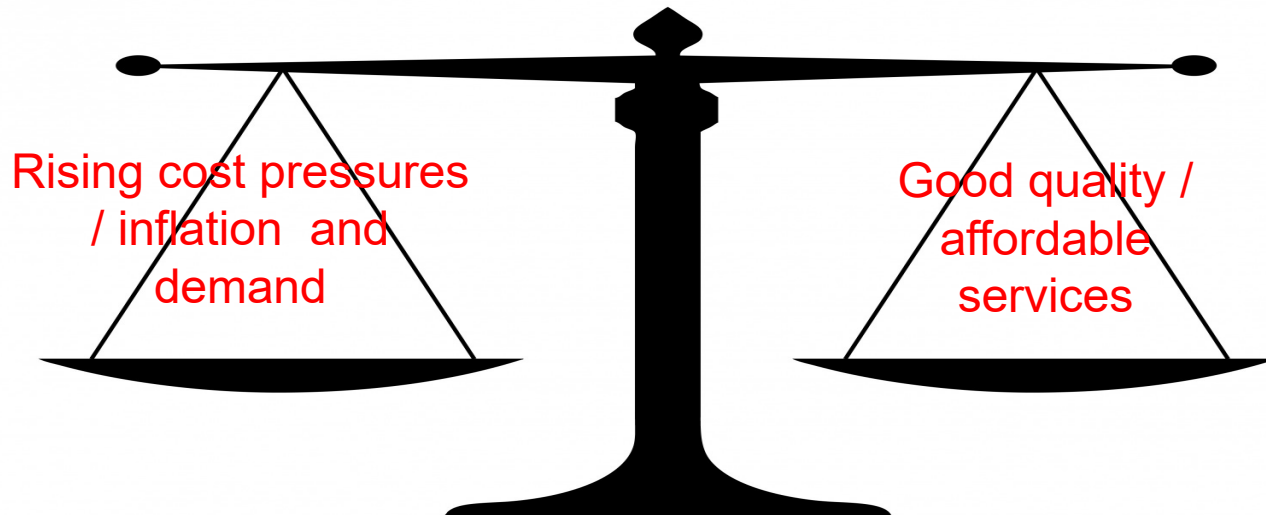
Type of School	31/03/2020	31/03/2021	31/03/2022	31/03/2023	31/03/2024
	(Surplus) / Deficit	(Surplus) / Deficit	(Surplus) / Deficit	(Surplus) / Deficit	(Surplus) / Deficit
	£k	£k	£k	£k	£k
Primary	-2,943	-7,654	-10,461	-6,894	-3,982
Secondary	1,191	-2,546	-6,529	-5,703	-2,535
Special	-317	-760	-1,262	-809	-193
All Through Schools	-315	-1,075	-2,309	-1,842	-1,110
Total	-2,384	-12,035	-20,561	-15,248	-7,820

Social Care Budget

- On-going recognition of the essential roles undertaken by social services in supporting the most vulnerable people, families and children in our communities
- Long term commitment by the Council to prioritise additional resources to social care as part of its annual budget setting processes
- Approximately 30% of the Council's budget supports Adult Social Services and Children's Social Services:
 - Given the size of the social care budget, it cannot be exempt from contributing to balancing the budget
 - Notwithstanding this, likely that the overall social care budget will continue to increase
- Over the past three years, the budget for social care has increased by £25M (around 16%).

Fees and Charges

- The Council is faced with rising cost pressures and increased demand for services
- Fees and Charges provide income which help the Council to continue to provide a comprehensive range of services
- Key aim – delivery of good quality services at affordable prices



Fees and Charges

- The Council raises approximately £24.5M a year from fees and charges
- When setting annual fees and charges regard is given to:
 - The impact of not passing through to customers / service users the full impact of inflationary pressures in recent years
 - The Consumer Prices Index (CPI) rate of inflation – latest 12-month rate to Oct 24 is 2.3%
 - Specific inflation impacting Council services – social care related, food and external contractor costs – these being much higher than CPI

Service Levels

The Council provides a wide range of important services –

Frontline Service Areas	2024/25 Budget £M
Schools	198.5
Social Care - Adult Services (Assessment and Care Planning Services - Social Workers, Prevention and Early Intervention Support, Domiciliary Care (homecare), Supported Living Schemes, Day Services / Centres, Respite Services, Supported Employment, Residential Care)	122.3
Social Care - Children's Services (Assessment and Care Planning Services - Social Workers, Early Intervention and Prevention Services, Fostering and Adoption Services, Family Support Services, Disabled Children's Services, Residential Homes, Youth Engagement and Participation Service, Youth Justice)	65.3
Waste Services (Waste Collection and Processing / Disposal - covering recyclable and non-recyclable waste, green waste, nappies and dog waste, Education and Awareness and Enforcement activities)	25.0
Transportation (Home to School Transport, Support for Passenger Transport, Concessionary Fares (on public transport for eligible people), Road Safety)	21.4
Catering Services (Schools and Meals on Wheels)	8.2
Leisure, Parks and Community Facilities (Leisure Centres / Swimming Pools, Parks and Play Areas, Bereavement Services and Visitor Attractions and Heritage (Rhondda Heritage Park, Dave Valley County Park and Pontypridd Lido)	6.7
Street Cleansing (Street Cleansing Operations, Grass-cutting, Enforcement Activity, Community Wardens)	6.5
Additional Learning Needs (Children and Young People)	6.3
Public Protection (Trading Standards, Environmental Health , Registrar, Community Safety, Housing Advice and Homelessness Support)	6.2
Highways Maintenance (Road Repairs and Drainage Works, Winter Maintenance (gritting))	5.5
Nursery and Early Years	5.4
Community Services (Libraries, Adult Education, Theatres, One For All Centres)	5.2
Highways Management (Street Lighting, Traffic Signs and Signals, Emergency Planning)	4.4
Parks Services (Maintenance and Management of Parks)	3.9
Educated Other Than At School (Children and Young People)	3.5
Attendance and Well-Being Service (Children and Young People)	0.8

Service areas - in previous years people have made suggestions in surveys about ways to change how some services are run to save money to help address budget gaps and make sure that these services continue to work well.

These have covered:

- Reduce leisure centre opening hours at quiet times
- Reduce Council office spaces
- Reduce opening times at face-to-face services at quiet times
- Increase digital (online/ internet) services
- Increase telephone services
- Reduce post/ letters by letting people sign up for emails instead
- Charge for more services

Council Tax

- The Council's initial modelling assumptions for 2025/26 include a Council Tax increase of 4.00% (excluding Community Council and Police precepts).
- Over the past 6 years, Council Tax in Rhondda Cynon Taf has increased:
 - By the lowest level across Wales for 3 of the years and for the other 3 years, was in the top 5 lowest increases
 - For the current financial year (2024/25), the RCT increase was 4.99% compared to a Wales average increase of 7.82% (excluding Community Council and Police precepts).

Efficiencies

Each year in balancing the budget and ensuring the effective use of resources, all service managers are required to maximise efficiency saving opportunities

=

All of our services are becoming more efficient

- Over the past 3 years, £58 Million of budget reductions have been delivered - the majority of which have not impacted on frontline services
- Recognition that identifying savings that do not impact on frontline services is becoming more difficult each year.

Council Reserves

- Reserves play an important part of the overall financial management of the Council – includes:

General Fund Balances	£M
General Fund Balances as at 1st April 2023	-10.240
2023/24 Net Overspend (as reported to Cabinet 17th July 2024)	2.104
Release of Earmarked Reserves	-2.104
General Fund Balances as at 31st March 2024	-10.240

Medium Term Financial Planning and Service Transformation Reserve (Transition Funding)	£M
Balance as at 31st March 2023	-4.887
Add: Early delivery of 2024/25 efficiencies transferred to Transition Funding	-4.642
Less: Approved allocation to support setting of the 2024/25 Revenue Budget	7.502
Balance as at 31st March 2024	-2.027

- Other Revenue and Capital Reserves in place for specific purposes

Council Reserves

- The level of general reserves are kept under on-going review alongside the financial risks the Council faces
- The Council also has reserves earmarked for specific financial risks and future / ongoing investment (as previously explained to full Council)
- The Council has used reserves appropriately and proportionately to support balancing its budget for a number of years

Note: the use of one-off funding:

- Merely defers the need to make permanent savings to the Council's ongoing budget, this being added onto the budget gap for the following financial year.
- Is not a sustainable strategy unless part of a planned medium-term strategy.

Council Tax Reduction Scheme

Council Tax Reduction Scheme

Welsh Government are responsible for providing a Council Tax Reduction Scheme (CTR scheme) which provides financial support to low-income households across Wales in the form of a reduced council tax bill.

In Rhondda Cynon Taf around 23,200 households benefit from the CTR scheme, at a cost of £26.6M with approximately 19,600 receiving 100% Council Tax support i.e. these households pay no council tax.

The Welsh Government's regulations allow the Council discretion to vary the CTR Scheme in certain areas, with the additional costs of doing so falling on the Council.

Council Tax Reduction Scheme

- **Extended Payments** – provides the Council with the ability to increase the period of paying CTR support for a further 4 weeks to people who return to work (provided they have been in receipt of a relevant qualifying benefit for at least 26 weeks). **The Council does not currently increase this standard period.**
- **Disregard War Disablement Pensions/War Widow's Pensions income** - the Council can exclude part, or the whole amount of War Disablement Pensions and War Widow's Pensions when calculating CTR Scheme entitlement. **The Council currently excludes all of this type of income from assessments.**
- **Backdating Claims** - the standard period that a claim can be backdated is 3 months, with the Council having the discretion to backdate the claim for a longer period if it wishes. **The Council currently extends the period for backdating claims to 6 months.**

Do you think the Council should change any of the above arrangements for 2025/26?

The Council's Well-Being Objectives



WORKING WITH OUR COMMUNITIES

RHONDDA CYNON TAF COUNCIL'S CORPORATE PLAN 2024-2030

The Council agreed its new Well-being Objectives/Priorities in the new Corporate Plan for 2024-30 '[Working with our Communities](#)' at its meeting on [24 April 2024](#).



POBL A CHYMUNEDAU

Cefnogi a grymuso trigolion a chymunedau RhCT i fyw bywydau diogel, iach a chyflawn.

PEOPLE & COMMUNITIES

Supporting and empowering RCT residents and communities to live safe, healthy, and fulfilling lives.



GWAITH A BUSNES

Helpu i gryfhau a thyfu economi RhCT.

WORK & BUSINESS

Helping to strengthen and grow RCT's Economy.



BYD NATUR A'R AMGYLCHEDD

RhCT gwyrdd a glân sy'n gwella ac yn gwarchod yr amgylchedd a byd natur.

NATURE & THE ENVIRONMENT

A green and clean RCT that improves and protects RCT's environment and nature.



DIWYLLIANT, TREFTADAETH A'R GYMRAEG

Cydnabod a dathlu gorffennol, presennol a dyfodol RhCT.

CULTURE, HERITAGE & WELSH LANGUAGE

Recognising and celebrating RCT's past, present and future.

The Council's Well-Being Objectives

- How much do you agree with the following statements (i.e. ***Strongly Agree / Agree / Not Sure / Disagree / Strongly Disagree***)?
 - The Well-being Objectives set for the Council will help improve well-being in Rhondda Cynon Taf
 - The Council performs well in delivering its priorities set out in the Corporate Plan
 - The Council provides accessible, quality and timely services

2025/26 BUDGET AND COUNCIL TAX SETTING TIMETABLE

23rd September 2024

Cabinet – Consider the Council’s updated Medium Term Financial Plan 2024/25 to 2027/28

25th September 2024

Council – Consider the Council’s updated Medium Term Financial Plan 2024/25 to 2027/28

21st October 2024

Cabinet – Consider the approach to Budget Consultation for 2025/26

31st October to 12th December 2024

Consultation (Phase 1) – Budget Consultation Phase 1 (including Council Tax Reduction Scheme)

20th November 2024

Cabinet – Consider the Council Tax Base for 2025/26

10th December 2024

Provisional Local Government Settlement - Receipt of provisional settlement figures further to WG Budget

15th January 2025

Council Meeting

- Consider the Council Tax Reduction Scheme for 2025/26
- Provisional Local Government Settlement 2025/26

22nd January 2025

Cabinet Meeting – Consideration of draft Senior Leadership Team budget strategy options and for Cabinet to formulate their draft budget strategy, taking into account feedback from Phase 1 of the Budget Consultation process

23rd January 2025 to 7th February 2025

Consultation (Phase 2) – Consultation on the Cabinet’s draft budget strategy

19th February 2025

Cabinet Meeting – To consider the feedback from the Phase 2 Consultation and to agree the Cabinet’s final revenue budget strategy for recommending to Council (plus the Capital Programme 2025/26 to 2027/28)

March 2025

Final Local Government Settlement – Receipt of final settlement figures

5th March 2025

Council Meeting – Cabinet to submit its 2025/26 Budget Strategy and Council Tax levels to Council

Council Decision :

- Approve the 2025/26 Revenue Budget
- Approve the 2025/26 Council Tax (including necessary formal Council Tax Resolution)
- Approve the 2025/26 to 2027/28 Capital Programme

Thank You