

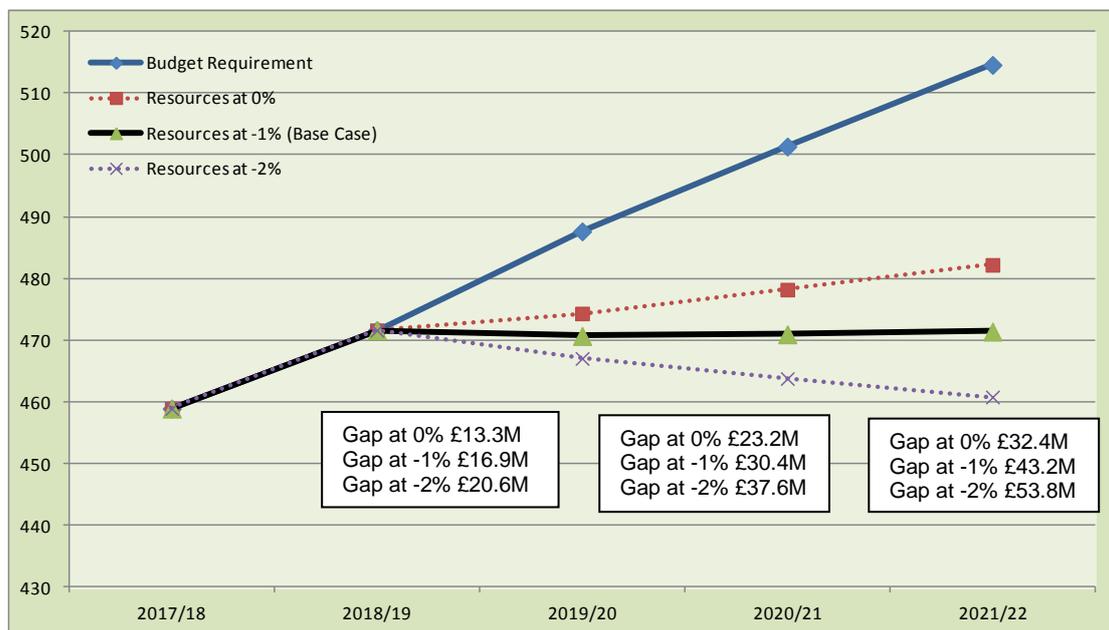
Petitions Committee Response – Rhondda Cynon Taf CBC Medium Term Financial Plan (MTFP)

Key data / information highlighted below in response to Petitions letter dated 9th November 2018

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1. Forecast reductions over next three years (cash)

Our latest publicly stated MTFP budget gap (Council report 25th July 2018)



Base case assumption was (-1% RSG) therefore is a budget gap of £16.9M in 2019/20 (excluding additional costs of Teachers Pensions).

Updated gap for 2019/20 £5.920M

<https://www.rctcbc.gov.uk/EN/Council/CouncillorsCommitteesandMeetings/Meetings/Council/2018/10/24/Reports/AgendaItem7COUNCILSREVENUEBUDGETPROVISIONALSETTLEMENT.pdf>

2. Forecast reductions over next three 3 years

We have modelled the base on 0%, -1% and -2%.

Refer to chart above for budget gaps at these levels of RSG settlement

Plus or minus a 1% settlement has approximately a + / - £3.7M impact on the modelled budget gap. It is considered that a settlement level of at least +1% is required to avoid significant and widespread service cuts, acknowledging that to actually fully fund the current modelled cost of services would require a settlement level nearer +3.5%.

3. Key service pressures

Key pressures factored into our current MTFP include:

- Adult Social Care pressures whilst we implement our transformation plan.
- ALN Reforms and costs
- Living wage / inflationary impacts across wider contracts
- Pupil number increases – secondary schools
- Specific grant funding reductions – eg DWP and transition to UC
- Waste disposal / recycling costs linked to recycling markets (commodities)

A number of strategies are being adopted in an attempt to transform services including:

- The Council recognises the opportunity to invest in key services and infrastructure;
- Preventative and invest to save – eg Leisure longer term more active residents, Highways – lower levels of insurance claims,
- Transformation plans in place across our themes (Independence, Commercialisation, Digital, Preventative, Efficient and Effective) will reduce our cost base in the medium / long term, but time needed to implement and realise the benefits

4. Other considerations:

- Efficiency savings made over the last 10 years at circa £70M; more difficult to continue to deliver without impacts on front line services
- Other significant service changes / reductions have been necessary, for example changes to Meals on wheels, subsidised bus services and increases in specific fees and charges. These have been necessary as insufficient lead in time to transform services – absence of financial settlements beyond one year is a major barrier to being able to plan effectively into the medium term

26th November 2018
