

**County Borough Councillors - Finance and Performance Scrutiny Committee
Members in attendance:-**

Councillor M Powell (Chair)

Councillor G Thomas	Councillor S Bradwick
Councillor R Yeo	Councillor J Williams
Councillor T Williams	Councillor J Cullwick
Councillor G Caple	Councillor A Fox

Officers in attendance:-

Mr P Griffiths, Service Director – Finance & Improvement Services
Mr A Wilkins – Director of Legal Services
Mr C Davies – Corporate Policy and Consultation Manager
Mrs S Handy – Members’ Researcher and Scrutiny Officer
Mrs C Hendy – Senior Democratic Services Officer

County Borough Councillors in attendance:-

Councillor M Adams – Chair of the Overview and Scrutiny Committee

Others in attendance:-

Mr Fish – Voting Parent / Governor Representative

13 Welcome

The Chair welcomed Members to the second virtual meeting of the Finance & Performance Scrutiny Committee for the 2020/21 Municipal Year.

14 Apologies

Apologies of absence were received from County Borough Councillor S. Rees-Owen, W. Owen and J. Edwards.

15 Declaration of Interest

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

16 Minutes

It was **RESOLVED** to approve the minutes of the 19th October 2020 as an accurate reflection of the meeting.

17 Consultation Links

The Chair referenced the consultation links, which were available through the 'RCT Scrutiny' website. Members were reminded that information is provided in respect of relevant consultations for consideration by the Committee, which are circulated on a monthly basis.

18 REPORT OF THE DIRECTOR OF FINANCE AND DIGITAL SERVICES

With the aid of a PowerPoint presentation, the Service Director – Finance and Improvement Services introduced the Council's 'Medium Term Financial Plan 2020/21 to 2023/24'.

Members were asked to consider the Council's 'Medium Term Financial Plan 2020/21 to 2023/24', attached as Appendix A and were informed that the information will also aid the Committee's considerations in its role as a consultee of the 2021/22 budget consultation process.

The Service Director – Finance and Improvement Services covered the following areas:

- The Council's 2020/21 budget and financial position; and
- An overview of the Council's updated MTFP (2020/21 – 2023/24).

Following the overview, Members were provided with the opportunity to ask questions.

Councillor Cullwick referred Members to page 50 of the report and sought clarification on the reason for the difference in the forecasted 'inescapables' figure in Table 10.1 of £9,558k to that included in Table 7.2 / page 42 of £11,133k. The Service Director fed back that the difference of £1,575k was schools forecasted 'inescapables' that was shown separately in Table 10.1 within the specific line 'Schools (Uplift)'.

Discussions ensued and Councillor Fox raised a query in respect of Brexit and sought clarification on the impact on Council finances if the UK were to leave the European Union without a deal. The Service Director informed Members that the Council has on-going arrangements in place to keep abreast of Brexit negotiations and to also inform service planning and delivery. The Service Director added that these arrangements also inform the Council's Medium Term Financial Planning processes, with the Plan being updated on an on-going basis to take account of cost pressures and savings opportunities, including the impact of Brexit.

A further query was raised by Councillor Thomas in respect of Storm Dennis and Covid-19, and the Councillor sought clarification as to

whether the cost implications would be fully funded by the UK Government or whether these costs need to be factored into the Council's financial planning projections. Councillor Thomas also queried the use of the term "efficiency" and asked whether the Council could continue to maintain service levels and quality at the same time as making year-on-year efficiency savings. In respect of Storm Dennis, the Service Director advised Members that the Council accessed Welsh Government resources to part-fund the immediate recovery costs and dialogue is ongoing with Welsh Government and the UK Government in terms of resources to fund repairs to infrastructure across the County Borough. With regard to Covid-19, the Service Director fed back that Welsh Government has set up a monthly claims process for local authorities to claim back additional expenditure and loss of income incurred as a result of the pandemic, with terms and conditions in place that provide clarity on areas that are eligible / not eligible for reimbursement. The Service Director added that regular dialogue takes place with Welsh Government on this area and the Council's budget monitoring arrangements take account of areas of expenditure / income loss that are not deemed eligible. With regard to efficiencies, the Service Director indicated that the year-on-year identification and delivery of significant efficiency savings is becoming more difficult to achieve; however the Service Director added that robust service and financial planning arrangements are in place across the Council that enables all areas of the Council's work to be reviewed on an on-going basis to support the early identification and delivery of efficiency savings. The Service Director went on to inform Members that the transformation of service delivery that has taken place to adapt to the pandemic, such as remote or home working, is providing cost saving opportunities and these are in the process of being quantified for consideration as part of the Council setting its budget for the forthcoming year.

Discussions continued and Councillor Bradwick sought information in respect of the population changes per Council area in Wales and emphasized that this could potentially affect the Council's budget setting process. The Service Director advised that with specific regard to Rhondda Cynon Taf, the population changes are marginal and should not have a significant impact on changing the allocation of funding received by the Council.

Mr Fish, the Voting Parent/Governor Representative, sought clarification on the revenue budget positions reported for Quarters 1 and Quarter 2 of 2020/21, and whether the cumulative forecast for the year was the £2.9M overspend reported in quarter 1 plus the £1.8M reported in quarter 2. Mr Fish also queried the timescales for schools to receive reimbursement for additional expenditure incurred as a result of Covid-19 and whether consideration could be given to a central approach to the provision of agency cover where school-based staff are required to self-isolate. The Service Director confirmed that the Council's latest revenue budget projected outturn position for the year, forecasted as at 30th September 2020, is an improving position compared to quarter 1 and is projected to

be a £1.8M overspend. The Service Director added that work is on-going across all Council Services with the aim of bringing the Council's spend closer in line with budget. With regard to reimbursing schools for additional Covid-19 expenditure incurred, the Service Director explained that the claim process involves schools compiling and submitting claims to the Council on a monthly basis, the Council's Accountancy Service reviewing all claims to ensure they are in line with Welsh Government terms and conditions, and following this, the claims are submitted to Welsh Government for review and where deemed eligible, payment. The Service Director added that this process takes several weeks and assured Committee that as soon as Welsh Government funding is received, this will be paid to schools. In respect of arrangements for agency staff, the Service Director informed the Committee that he would make enquiries with relevant Council services and feedback to Members.

Following discussion, Members **RESOLVED**:

1. To acknowledge the information contained within the Council's 'Medium Term Financial Plan 2020/21 to 2023/24'; and
2. To use the information contained within the 'Medium Term Financial Plan 2020/21 to 2023/24' to inform the Committee's feedback as a consultee of the Council's 2021/22 Budget Consultation process.

19 REPORT OF THE DIRECTOR OF FINANCE AND DIGITAL SERVICES

With the aid of a PowerPoint presentation, the Service Director – Finance & Improvement Services provided Members with an overview of the 2021/22 Revenue Budget Strategy Consultation and updated Committee on the following areas:

- General Approach for 2021/22
- Consultation
 - Council Budget 2021/22
 - The Council's Priorities
 - Council Tax Reduction Scheme

Following the update, the Service Director indicated that the overview intended to assist Members in formulating their responses to a number of questions to be posed to the Committee, in line with its Terms of Reference and as a consultee as part of the 2021/22 Revenue Budget Strategy Consultation process.

The Service Director sought feedback from the Committee on a number of areas and the views of Members are noted below.

○ **Schools Budget**

In respect of school budgets, Committee Members agreed that the Council should provide sufficient resources to fully cover increased pay

and non-pay cost pressures in schools.

○ **Fees and Charges**

Councillor Thomas indicated that providing feedback is more difficult due to there being no information comparing the UK Consumer Prices (CPI) Index rate and a specific rate for Rhondda Cynon Taf. The Service Director fed back that to provide further context, the key funding sources to fund Council Services were Welsh Government funding and Council Tax, with fees and charges also providing an important contribution to the overall cost of service delivery.

Councillor Cullwick fed back that he felt that the increases set out in Table 6.1 of the Medium Term Financial Plan 2020/21 to 2023/24 seemed very sensible.

Discussions ensued and Councillor Caple raised a query in respect of fixed penalty notices for envirocrimes such as fly tipping and expressed his view that the public would welcome an increase higher than the CPI rate. The Service Director advised Members that the feedback would be noted and added that for certain areas there may be a maximise level at which a fixed penalty notice can be set at. Councillor Bradwick advised that as Chair of the Public Service Delivery and Prosperity Scrutiny Committee he believed this to be correct and that there are 'caps' in place in terms of the level of fixed penalty notice that can be charged for specific envirocrimes. Councillor Bradwick also fed back his view that where permissible, fixed penalty notice charges should be increased.

The Chair emphasised that if Members would like to acquire further information on this area, they should contact the appropriate Service Director.

The Chair sought further information in respect of the Pontypridd Lido and queried whether the current budget modelling includes a proposed increase in fee for the use of pool equipment by children such as floats, noting that children have free entrance to the Lido. The Chair also enquired whether this approach had been applied to cinema entrance fees at the Park and Dare and Coliseum theatres. The Service Director fed back that the current budget modelling position assumes a 1.7% uplift on fees and charges for 2021/22, including the charges for the use of pool equipment at the Pontypridd Lido and all chargeable services provided at the Parc and Dare and Coliseum theatres including cinema entrance fees. The Chair fed back that he would support a nil increase in the charge for the use of pool equipment at the Lido and advised that he would put a list together of different areas and send his views to the Service Director directly for consideration as part of the consultation process.

The Director for Legal Services advised the Committee that Members

can put forward their own comments and that the comments will be noted as part of the consultation process.

- **Council Service Priorities**

Members were provided with a list of Council services and were asked which services should be protected and prioritised for additional resources in 2021/22. Committee Members were of the view that all services listed in the slide should be protected.

- **Council Tax**

Members were provided with four options in respect of Council Tax increases for 2021/22. Councillor Thomas and Councillor Bradwick were of the view that the preferred option should be 2.85% and Councillor Thomas noted that this should be in the context of maintaining frontline services at their current levels.

Discussions ensued and Mr Fish, the Voting parent/Governor Representative, noted that there is an increased demand for the Council Tax Reduction Scheme (CTRS) due to changes in household personal circumstances and queried how many people would be brought into the CTRS by a 2.85% increase in Council Tax. The Service Director advised Members that eligibility for the CTRS is based on the individual's income levels and for the first 3 months of the current year for example eligible applications had increased by over 1,000. The Service Director added that additional CTRS costs are being funded by Welsh Government, via Covid-19 funding made available, with the Council forecasting full year increased costs of £1.2M.

Discussions continued and Councillor Yeo fed back his agreement with the current proposed level, and noted that the public should be made aware of how the budget is set for the Police and Crime Commissioner for South Wales and also for elected Members to be informed of this. Councillor Yeo added that in respect of efficiency savings, it was the Councillor's opinion that there will be a continued requirement for the Council to deliver efficiency savings unless grant funding from the UK Government is increased. The Corporate Policy & Engagement Manager informed Members that he would make enquiries and provide feedback to Members in respect of the budget setting arrangements for the Police and Crime Commissioner for South Wales.

Councillor Thomas emphasised that it will be important appropriate context is provided to the general public as part of the consultation process, such as noting the potential impact if a lower Council Tax increase is agreed. The Service Director advised Members a video will be played at public engagement events setting out key information and Finance Officers will be present to provide additional details as

required.

- **Efficiencies**

Mr Fish, the Voting Parent/Governor Representative noted that due to the COVID-19 pandemic more Local Government employees are currently working from home and queried whether accommodation savings are being factored into the process in terms of efficiency savings. The Service Director – Finance and Improvement Services informed Members that more efficient use of the Council's accommodation is an area being progressed, taking into account the transformation that Council services have introduced during the pandemic. The Service Director added that the delivery of accommodation related budget savings will be an on-going programme of work as opportunities are identified and implemented.

Discussions continued and Councillor Yeo expressed his view that technology advancements will also drive and shape service delivery, and provide opportunities to become more efficient, and emphasised that the continued delivery of efficiency savings will be key in helping the Council to maintain frontline services.

In respect of accommodation savings, the Chair noted that whilst efficiency saving opportunities will arise from staff working from home, this will likely to be over the medium term rather than short term, and reinforced the need for all Council services to continue to become more efficient.

Councillor Cullwick queried whether there was potential for efficiency savings through the use of electric vehicles. The Service Director fed back that the Council is currently trialling the use of electric vehicles to assess 'fit for purpose' and is committed to continuing to explore this area to support the Council's carbon reduction ambitions and at the same time consider the financial implications.

Discussions ensued and Councillor Williams expressed her view that it will not always be possible to deliver the same quality of services at the same time as delivering more efficient services. In respect of home working, Councillor Williams emphasised that there are positives of attending and working in an office environment and that it was important for staff well-being that there is an appropriate balance between home and office working in the future.

- **Council Reserves**

Councillor Yeo stated his view that the Council should continue with the strategy of keeping reserves and emphasised their importance during the unprecedented Storm Dennis adverse weather event in February 2020. Councillor Bradwick also noted his agreement.

Councillor Thomas also agreed and emphasised the importance for the Council's reserves to be replenished going forward.

○ **Council Priorities / Council Investment Priorities**

The Service Director informed Members that the Council focuses on five key areas to maximise resources and deliver improved services, these being Digitalisation; Commercialism; Early Intervention; Independence; and, Efficient and Effective Organisation.

Members agreed that the Council should continue to focus on these five areas going forward.

The Service Director then indicated that despite reductions to public sector funding, the Council's prudent approach to financial management has ensured significant investment can still take place in priority areas. The Service Director set out key areas for investment and requested Members' feedback in terms of should the Council continue to invest in these areas. Members fed back their support for the Council to continue to invest in the areas listed in the presentation.

○ **Corporate Plan**

Members fed back that they were in agreement with the Vision, Purpose and priorities of the Council's Corporate Plan.

○ **Council Tax Reduction Scheme**

▪ **Extended Payments:**

Committee Members agreed that 4 weeks was a reasonable period to continue paying Council Tax Reduction when someone returns to work. The Chair requested Council Tax information by Community Area and the Service Director indicated that he would request this from the service and provide feedback.

▪ **Disregard War Disablement Pensions/War Widow's Pensions income**

Members noted their agreement that it is reasonable for the Council to continue to totally exclude War Disablement and War Widow's Pensions income when assessing entitlement to the CTR Scheme.

▪ **Backdating Claims**

Members agreed that 6 months is a reasonable period to backdate claims for working age and pensioners.

Following discussion, it was **RESOLVED** that the views of Members as outlined above be fed into the consultation process.

20 CHAIR'S REVIEW AND CLOSE

The Chair thanked Members for attending and reminded Members that the next meeting of the Finance and Performance Scrutiny Committee will be held on the 21st December 2020. The Chair asked if the budget presentation could be sent to Members and that the further information requested by Members is fed back to Committee.

21 URGENT BUSINESS

There was no urgent business to report.

This meeting closed at 7.01 pm

**CLLR M. POWELL
CHAIR.**