



**CYNGOR BWRDEISTREF SIROL  
RHONDDA CYNON TAF  
COUNTY BOROUGH COUNCIL**

**COMMITTEE SUMMONS**

C Hanagan  
Service Director of Democratic Services & Communication  
Rhondda Cynon Taf County Borough Council  
The Pavilions  
Cambrian Park  
Clydach Vale CF40 2XX

Meeting Contact: Julia Nicholls - Democratic Services

**YOU ARE SUMMONED** to a virtual meeting of **RHONDDA CYNON TAF COUNTY BOROUGH COUNCIL** to be held on **WEDNESDAY, 10TH MARCH, 2021** at **4.00 PM.**

**AGENDA**

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No's**

**1. DECLARATION OF INTEREST**

To receive disclosures of personal interests from Members in accordance with the Code of Conduct

1. Members are requested to identify the item number and subject that their interest relates to and signify the nature of the personal interest; and
2. Where Members withdraw from a meeting as a consequence of the disclosure of prejudicial interest they **must** notify the Chairman when they leave.

**2. CARDIFF CAPITAL REGION CITY DEAL**

To receive a PowerPoint presentation from the Director of the Cardiff Capital Region City Deal and the Chair of the Regional Economic Growth Partnership (REGP) providing Members with details of the CCRCD Programme and the work completed to date.

**3. ANNOUNCEMENTS**

**4. MINUTES**

To approve as accurate records, the minutes of the Council Meeting held on:

- 20<sup>th</sup> January, 2021
- 10<sup>th</sup> February 2021

**5. AUDIT WALES - RHONDDA CYNON TAF COUNTY BOROUGH  
COUNCIL: ANNUAL AUDIT SUMMARY 2020**

**39 - 54**

**OPEN GOVERNMENT:**

**6. STATEMENTS**

In accordance with Open Government Council Meeting Procedure Rule 2, to receive any statements from the Leader of the Council and/or statements from Cabinet Portfolio Holders:

**7. MEMBERS' QUESTIONS**

To receive Members questions in accordance with Council Procedure Rule 9.2.

(**N.B** a maximum of 20 minutes shall be allowed for questions on notice.)

**55 - 62**

**COUNCIL WORK PROGRAMME - FOR MEMBERS INFORMATION**

**OFFICERS' REPORTS**

**8. NON ATTENDANCE BY COUNCILLOR FOR SIX MONTHS**

To receive the report of the Service Director, Democratic Services & Communication.

**63 - 68**

**9. REVENUE BUDGET STRATEGY 2021/22**

To receive the report of the Director of Finance & Digital Services.

**69 - 124**

**10. COUNCIL TAX RESOLUTION 2021/22**

To receive the report of the Director of Finance & Digital Services.

**125 - 136**

**11. CAPITAL PROGRAMME 2021/22 – 2023/24**

To receive the report of the Director of Finance & Digital Services.

**137 - 156**

**12. TREASURY MANAGEMENT STRATEGY**

To receive the report of the Director of Finance & Digital Services.

**157 - 174**

**13. CAPITAL STRATEGY REPORT 2021/22**

To receive the report of the Director of Finance & Digital Services.

**14. THE COUNCIL'S PAY POLICY STATEMENT 2021/22**

To receive the Joint Report of the Director of Human Resources and Director of Legal Services.

**15. NOTICES OF MOTION**

To consider the under-mentioned Notice of Motion standing in the names of County Borough Councillors L. M. Adams, S. Bradwick, D. R. Bevan, H Boggis, J. Bonetto, J Brencher, A Calvert, G. Caple, A. Crimmings, A. Davies-Jones, L De Vet, J. Edwards, J Elliott, S. Evans, M Fidler Jones, M. Forey, A. Fox, E. George, M. Griffiths, J. Harries, G. Holmes, G. Hopkins, G. Jones, R. Lewis, W Lewis, C. Leyshon, A. Morgan, S. Morgans, M. A. Norris, D. Owen Jones, S Pickering, S. Powell, S. Rees, A. Roberts, J. Rosser, G Stacey, M Tegg, G Thomas, W Treeby, R K Turner, M. Webber, D. Williams, T. Williams, C. J. Willis and R. Yeo.

“The COVID-19 global pandemic has been exceptionally difficult for businesses, with many across our nation, the U.K. and beyond having to close as the world looks to control the spread of the virus and keep people safe. This has naturally had a detrimental impact on those who work in the affected sectors, with millions across the U.K. placed on furlough and many others sadly losing their jobs. In light of this unprecedented situation, now is not the time for disputes over pay and conditions.

This Council notes the on-going dispute between British Gas (and their parent company Centrica) and their hardworking employees – who have been threatened with job losses if they do not accept worse pay and conditions.

Due to the strike action supported by the overwhelming majority of staff and engineers, over 100,000 customers have been left waiting for service, and this number is set to grow over the coming weeks throughout the winter.

This dispute is an unnecessary disruption, with Centrica posting a considerable profit of £901m in 2019 (before exceptional items and tax), whilst the profitability of the home heating business in the UK rose by 27% in the first 6 months of 2020 with a considerable proportion working from home due to the pandemic.

This Council **notes**:

- The valuable work undertaken by staff and engineers to keep British homes warm – with workers often having to go to people’s homes during the pandemic to ensure that they have access to warmth and comfortable living.
- The unjustified actions and threats made by Centrica to British Gas employees – particularly given the recent financial position of the company.

This Council therefore **resolves** to:

- Request that the Council Leader writes to Centrica to outline this Council's support for local British Gas workers.

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## **16. URGENT BUSINESS**

To consider any items which the Chair, by reason of special circumstances, is of the opinion should be considered as a matter of urgency.

**Service Director of Democratic Services & Communication**

**To: All Members of the Council**



**RHONDDA CYNON TAF**

## **RHONDDA CYNON TAF COUNCIL**

Minutes of the virtual meeting of the Council held on Wednesday, 20 January 2021 at 5.00 pm

### **County Borough Councillors - Council Members in attendance: -**

Councillor S Powderhill (Chair)

Councillor M Adams	Councillor S Belzak
Councillor R Bevan	Councillor H Boggis
Councillor J Bonetto	Councillor S Bradwick
Councillor J Brencher	Councillor G Caple
Councillor A Chapman	Councillor A Cox
Councillor A Crimmings	Councillor J Cullwick
Councillor G Davies	Councillor J Davies
Councillor M Diamond	Councillor J Edwards
Councillor J Elliott	Councillor S Evans
Councillor S Evans	Councillor M Forey
Councillor A Fox	Councillor H Fychan
Councillor E George	Councillor D Grehan
Councillor E Griffiths	Councillor M Griffiths
Councillor J Harries	Councillor G Holmes
Councillor L Hooper	Councillor G Hopkins
Councillor P Howe	Councillor J James
Councillor P Jarman	Councillor G Jones
Councillor K Jones	Councillor L Jones
Councillor W Jones	Councillor R Lewis
Councillor W Lewis	Councillor C Leyshon
Councillor A Morgan	Councillor K Morgan
Councillor S Morgans	Councillor M Norris
Councillor D Owen-Jones	Councillor W Owen
Councillor M Powell	Councillor S Powell
Councillor S. Rees-Owen	Councillor S Rees
Councillor A Roberts	Councillor J Rosser
Councillor G Stacey	Councillor E Stephens
Councillor M Tegg	Councillor G Thomas
Councillor W Treeby	Councillor R Turner
Councillor L Walker	Councillor M Weaver
Councillor M Webber	Councillor E Webster
Councillor D Williams	Councillor J Williams
Councillor T Williams	Councillor C Willis
Councillor R Yeo	

### **Officers in attendance**

Mr C Bradshaw, Chief Executive  
Mr B Davies, Director of Finance & Digital Services  
Ms G Davies, Director of Education and Inclusion Services  
Mr R Evans, Director of Human Resources  
Mr C Hanagan, Service Director of Democratic Services & Communication  
Mr P Mee, Group Director Community & Children's Services

**80 Apologies**

An apology of absence was received by County Borough Councillors A Calvert, A Davies-Jones, L De Vet, M Fidler Jones, G W Hughes, S Pickering.

**81 Welcome & Introductions**

Introductions were made by the Group Leaders present: -

County Borough Councillor A Morgan (Labour Group)  
County Borough Councillor P Jarman (Plaid Cymru Group)  
County Borough Councillor M Powell (RCT Independent Group)  
County Borough Councillor J James (Conservative Group)

**82 Declaration of Interest**

In accordance with the Council's Code of Conduct, the following declarations made pertaining to the agenda:

Agenda item 8 - Council Tax Reduction Scheme

- County Borough Councillor P Jarman referred to her dispensation granted by the Standards Committee on 29th November 2020 providing the Member with a “dispensation to speak and vote on all matters for the duration and adoption of the 2021-22 Budget process in her capacity as Leader of the Opposition”.
- County Borough Councillor E Stephens – “I work for the Department of Work and Pensions which is referred to within the report”

**83 Minute's Silence**

As a mark of respect for all those who had lost their lives to Covid-19, Members undertook a minute's silence.

**84 Announcements**

- The Leader announced the sad loss of a third member of Council staff through Covid and extended his sympathy to the families.
- County Borough Councillor P Jarman paid tribute to all the families who have lost loved ones during the Pandemic. She also paid tribute to the late former County Borough Councillor Terry Benney who represented Mountain Ash West and was elected to Council in shadow in 1995. In 1999 he was re-elected and became Cabinet Member for Housing and was successful in reviewing the remodelling of Penrhys in the Rhondda and Fern Hill in Mountain Ash.

- County Borough Councillor W Jones praised one of his residents, 11-year-old Seren Lewis-Dawe who, following cancer treatment to a family member, committed to raising £3,300 for Velindre by running 65 miles in all weather during December 2020. She has also been made a Junior Ambassador for Velindre.
- County Borough Councillor M Powell also paid his tribute to the former Councillor T Benney.
- Councillor Powell continued by acknowledging fellow Councillor P Howe who had won four first prizes for ‘Best Comedy’ entitled ‘Bryn Coombes’ and has been a finalist in another four awards.
- It was also announced that Mr Gio Isingrini, newly retired, received an OBE in the Queen’s New Year’s Honours list

#### **85 Council Procedure Rule 15.1**

The Deputy Leader moved the suspension of Council Procedure Rule 15.1 which states that a matter would be decided by a simple majority of those Members voting and present in the room at the time the question was put in order to facilitate the smooth running of the virtual meeting.

Following consideration of the matter it was **RESOLVED** to suspend Council Procedure Rule 15.1

#### **86 Minutes**

The Council **RESOLVED** to approve the minutes of the 11<sup>th</sup> November 2020 as an accurate reflection of the meeting subject to reference to the A470 being corrected at Minute No.48 Members’ Questions.

#### **87 Statements**

The Leader of the Council advised that the Council’s new text alert system which will notify Members of any urgent or significant matters such as inclement weather or flooding, has been set up. He advised that this message has alerted Members of the recent bad weather warnings. He urged any Members who have yet to provide an up-to-date mobile number to do so through Members Services.

#### **88 Members' Questions**

**Question from County Borough Councillor J. Brencher to the Cabinet Member for Education and Inclusion Services, County Borough Councillor J. Rosser:**

“What support is being provided to schools in RCT to enable and facilitate remote learning?”

**Response from Councillor J Rosser:**

“Councillor Rosser explained that the Council has supported all schools throughout the pandemic by encouraging them to access the Welsh Government Hwb platform which provides a comprehensive package of blended learning. Some examples of good practice have been identified by many RCT Schools such as Ysgol Garth Olwg and Ysgol Cwm Rhondda. The Director of Education convenes regular meetings with Head Teachers and Governor Bodies to provide developments. Presentations on blended learning have been provided to Head Teachers. Learning guidance was provided in preparation of the return of learners to school and guidance documentation for blended and professional learning have been provided by the Central South Consortium. Improvement partners have supported individual schools in brokering school to school support to develop processes to deliver online teaching. Councillor Rosser advised that in November 2020 RCT local authority underwent a Estyn review of the work in supporting learning communities in schools and has recently received a very positive Estyn Report which highlights the strong communication between service areas and the collaboration with other directorates and the drive and determination by schools and leaders to address the educational challenges during the pandemic”

**There was no supplementary question.**

**Question from County Borough Councillor M Griffiths to the Leader of the Council, County Borough Councillor A Morgan:**

“Can the Leader update on what representations are being made by this Local Authority and the WGLA to the UK Government regarding the forthcoming Budget in March?”

**Response of Councillor A Morgan:**

“The Leader of the Council stated that local government have played a critical role in the fight against covid through its positive and flexible staff responses and adaptation of services and therefore local government should be protected in future budget rounds. The Leader advised that the provisional settlement for the Welsh Government is 3.8% for this local authority which is a positive outcome. With regards to the Budget, which is being held on Wednesday, the 3<sup>rd</sup> March, a number of additional investments, other than core service investment into areas such as social care, have been set out in collaboration with the LGA. The Leader advised that discussions have been ongoing with Welsh Government and the LGA regarding a number of areas such as capital infrastructure and the need to consider another round of investment in this area, particularly coming out of lockdown, to stimulate the local economy. Another area of concern is the pay freeze, unless staff are in the lower pay scale where they will receive a £250 uplift, it will have an impact on staff who have made additional efforts during the lockdown. The local authority is making representations to the UK Government to fund a national pay rise.”

**Supplementary Question from Councillor M Griffiths:**

“With unemployment set to rise to 7.5% especially amongst young people and with the mis management of Brexit will ensure there can't be an export led



recovery, does the Leader agree that the UK Government needs to be hugely ambitious in investing in a low carbon recovery which would meet the challenge of climate change and help the economy to recover?"

**Response of Councillor A Morgan:**

"Councillor Morgan agreed that a low carbon, green economy would offer the best solution and would stimulate the economy going forward"

**Question from County Borough Councillor J. Edwards to the Leader of the Council, County Borough Councillor A. Morgan:**

"Will the Leader please provide an update at the recent landslip at Wattstown Tip?"

**Response from the Leader, County Borough Councillor A Morgan:**

"Councillor A Morgan advised that on Saturday the 19<sup>th</sup> December 2020 tip RH87 at Wattstown which is privately owned, had a landslide with over 2,000 tonnes of material slid down the face of the slope. There had been a significant amount of rainfall in advance of the landslide which had caused the slip. There have been fortnightly inspections for a number of months beforehand and engineers will continue to monitor the site through sensors and drone helicopters. The Leader commented that there are around 500 tonnes of material on the upper right-hand side of the tip which is still vulnerable and could move. He confirmed that discussions are ongoing with a task group made up of partners such as NRW, the Coal Authority and the local authority at UK and Welsh Government level regarding the tips and discussions are also involving the Wattstown tip landowner and their agent."

**No supplementary Question**

**Question from County Borough Councillor S M Powell to the Leader of the Council, County Borough Councillor A Morgan:**

"In what ways does the Council engage with residents to reinforce the key public health messages around Covid-19?"

**Response of Councillor A Morgan:**

"The Leader reported that throughout the pandemic there has been a concerning amount of false information regarding Covid, vaccinations or testing so there is a communication cell set up with Cwm Taf Morgannwg Health Board, neighbouring local authorities and South Wales Police to ensure key messages and information are consistent. False information on social media is monitored and addressed and the Council's Group Director for Children and Community Services has played a key role in terms of engagement and communications with the Local Health Board. The Leader stressed the importance of local knowledge with local members playing an important role in relaying information to residents. In conclusion, the Leader stressed the importance of sending out positive messages to residents during this difficult time".

**No supplementary Question**

**Question from County Borough Councillor T. Williams to the Leader of the**

**Council, County Borough Councillor A. Morgan:**

“Following the extension of the mass testing pilot to the lower Cynon Valley, will the Leader please make a statement on the outcomes and next steps?”

**Response of Councillor A Morgan:**

“The Council Leader advised that between the 5<sup>th</sup> and 22<sup>nd</sup> December 2020 a total of 15,274 lateral flow tests were carried out in the lower Cynon Valley, of which 372 were positive, 2.4% of those tested who were asymptomatic and did not display symptoms were asked to isolate to stop the spread. As part of the testing, pupils from Mountain Ash Comprehensive School pupils were tested, with parental consent, 476 pupils were tested of which only one positive test was returned which demonstrates that schools are in the main safe. The Leader confirmed that between 11<sup>th</sup> December 2020 and the 8<sup>th</sup> January 2021, 1506 home test kits were delivered to those on the shielding list, 673 were returned (45%) which was positive. In Merthyr Tydfil the return rate was only 36%.

The Leader stated that carrying out testing across the whole of the county borough would mean a huge demand on staff resources, potentially between 500-600 members of staff would be required, some of which will also be supporting the vaccination programme. Some discussions have been held around testing targeted and specific areas and Welsh Government is also considering undertaking further mass testing.”

**No supplementary question.**

**Question from County Borough Councillor S Bradwick to the Deputy Leader, County Borough Councillor M Webber:**

“Could the Deputy Leader make a statement on the progress of the Local Government Bill?”

**Response of the Deputy Leader:**

“The Deputy Leader reported that the Local Government Bill was introduced by the Minister for Local Government and Housing in November 2019 and agreed by the Senedd in November 2020. The Bill has a wide-ranging scope across a range of democratic matters such as extending the right to vote in elections by 16 and 17 year olds and foreign citizens legally residing in Wales, greater public participation, enhancing the role of Scrutiny and Audit. It was advised that the latter has already commenced with the Council’s Audit Committee. A greater direction in how the local authority works with and supports the Town and Community Councils. The Deputy Leader advised that work with the Town and Community Councils is already recognised through regular meetings of the Community Liaison Committee in supporting the community councils. The Community Liaison Committee works closely with the Clerks and there is continued support of elected members to town and community councils which includes training and advice and a willingness to participate in a number of partnership approaches.”

**Supplementary Question from Councillor S Bradwick:**

“How well placed is the Council to respond to the requirements for local authorities to increase public participation?”

### **Response of the Deputy Leader:**

“The Deputy Leader responded by advising that the Bill not only requires the council to actively encourage residents to participate in local government but to also produce an engagement strategy. In 2019 the Council produced a Public Engagement Protocol which acts as a basis for this requirement. The Deputy Leader advised that the Council already actively promotes positive engagement around decisions made and ensures it engages with residents of all ages. It was reported that the Webcasting facilities in the Council Chamber will greatly enhance the flexibility around remote attendance for elected members which the Deputy Leader has seen first-hand with the Chair of the Democratic Services Committee, Councillor M Diamond”

### **89 Council Work Programme 2020/21**

The Service Director Democratic Services & Communications provided an update in respect of the Council Work Programme 2020/21. He advised that an invitation had been extended to the UBI RCT to attend the February Council meeting and the State of the County Borough Debate will also be tabled, with further details to follow. Members were also advised that Trivallis have made representations to brief Members on their engagement arrangements through a pre council session in February or March 2021.

In response to a query in relation to the forthcoming council agendas, the Service Director Democratic Services & Communications advised that there will be a need to report back to Council the nominations of the Freedom of the Borough together with a number of other recommendations.

He also confirmed that the Chief Executive of the Cardiff City Capital Region would bring forward a presentation to this council before the end of this Municipal Year as agreed in the Overview & Scrutiny Committee.

### **90 Update in Respect of the Coronavirus In Rhondda Cynon Taf**

The Group Director Children & Community Services presented an update in respect of the Coronavirus in RCT with the aid of a power point presentation which covered the following key information: -

- Confirmed Cases of Covid 19 per 100,000 population in the previous 7 days
- Confirmed Cases of Covid 19 per 100,000 population in the previous 7 days by Local Authority
- Trends in 7-day cumulative Covid infection rates per 100,00 in CTM
- Daily Test Positivity of Covid in CTM
- Covid Local Area Surveillance
- Welsh Government Delivery Expectations
- Priority Groups for Coronavirus (Covid 19) Vaccination
- Headlines: Progress to the 17<sup>th</sup> January 2021
- Operational Delivery Considerations
- Next 4 weeks through to Mid-February

Following the update, each of the Group Leaders were provided with the opportunity to ask questions.

**Councillor A Morgan, Leader of the Council and Leader of the Labour Group**

Councillor Morgan advised that there are mass vaccination centres in Abercynon and in the Rhondda with plans for another two to open by the end of January 2021. The mass vaccination programme is a huge undertaking to ensure residents receive two vaccinations and confirmed that the council would be offering its support to the GP surgeries with staff being trained as vaccinators. The Council is working to help identify suitable venues for the mass vaccination programme as some local surgeries are small and unable to accommodate larger numbers of residents and as such some GP surgeries are teaming up to work from a vaccination centres such as the Cynon Valleys Bowls Centre.

The Leader advised that the Health Board would be delivering 20,000 vaccines this week and following discussions with the Chief Executive of the NHS in Wales he could confirm that that all Adult Care Homes, staff and clients would be vaccinated by the end of January 2021. Furthermore, the plan to complete the vaccination of the priority Groups 1-4 by mid-February was on course.

**Councillor P Jarman (Group Leader, Plaid Cymru Group)**

Councillor Jarman extended her thanks to all the NHS staff and those in the care sector and council staff for their support and to all the volunteers who have volunteered their services to make a difference to people's lives. Councillor Jarman asked the following:-

How many deaths have there been from Covid-19 have been recorded in RCT so far in the Pandemic?

How is the vaccinee allocated to individual GP Practices, is it determined by Cwm Taf or Welsh Government? It appears that some surgeries are not receiving the level of vaccine based on the size of their patients' roll.

Who is responsible for the prioritising the patients, is it being done alphabetically?

Will the Bowls Centre in Mountain Ash be identified as a mass vaccination venue?

Councillor Jarman referred to the effects of Covid on the mental health and wellbeing and she felt there had not been a debate or discussion around this. Despite the hard work of the Director of Education, Teachers, and support staff to deliver online teaching, some schools are better resourced than others. Councillor Jarman commented that the burden of costs on families is becoming intolerable and data on many pay-as-you-go devices was never designed to cope with online teaching and some families will not be able to afford to buy more data. If distance learning is going to remain, what can we do as a council to seek to make amends to the issue that the poverty gap is widening.

**Councillor M Powell, RCT Independent Group**

Councillor Powell extended his gratitude to Teachers, Council staff and volunteers for their hard work.

Councillor Powell raised concern over the lack of a coordinated approach

throughout schools regarding online teaching and commented that these issues should have been addressed at the beginning of the first lockdown and the service we should be providing doesn't seem to be in place.

With regards to the vaccination programme, Councillor Powell commented that the three GP surgeries in Pontypridd shared 400 vaccines between them and pointed out that there are more suitable venues, facilities and unused office accommodation in and around the county borough that can support the vaccination programme other than the GP Surgeries. He asked what vaccine centres are being set up in the Taff Ely area and will the vaccination centres operate 24 hours, seven days a week?

### **Councillor J James, Group Leader of the Conservative Group**

Councillor James added his thanks to the staff and volunteers who are assisting with the lockdown.

Councillor James asked what steps is the council taking to make sure the social distancing message hits home to ensure that residents continue to adhere to the rules?

The Group Director Children and Community Services responded to the queries as follows: -

- The Office of National Statistics is reporting 1,085 deaths associated with Covid 19 in RCT.
- Vaccines allocated to the GP's and Primary Care- The initial focus of the programme has been for patients over 80 years old but allocation to GP Practices is a matter for the Health Board. They have been reliant on the supply of the Oxford vaccine which has less rigorous storage requirements and therefore it has been more problematic with regards to its supply.
- The nine priority groups have been agreed nationally by the Joint Committee on Vaccinations and Immunisations with the greatest priority groups based on age and clinical vulnerability and the workforces in health and social care who are providing the support to those individuals.
- Cynon Valley Bowls Hall is being used to support the GP clusters for the vaccination programme.
- The merits of different vaccines -Pfizer has rigorous requirements around its storage, dilution and use within certain timescales hence its use in hospitals to vaccinate their own staff and through the mass vaccination centres where they can accommodate storage requirements.
- The vaccination centre lane capacity is being expanded at Ty Trevithick to 15 lanes to maximise the numbers per day and the working hours are 9-5pm at the moment but will be extended to operate 7 days a week.
- The measures should still be maintained despite the vaccination roll out. Self-isolation, hand washing and social distancing are all crucial messages which are being emphasised by the different teams within the council such as the communications team, public health and protection team, track and trace teams who emphasise the messages with every call and the joint enforcement teams, with South Wales Police, who are enforcing any breaches of the requirements.

The Director of Education responded to the queries raised by the Group Leaders regarding difficulties experienced by digitally excluded learners. She advised that

following an audit of the digitally excluded learners, 2,868 devices were provided by the council in the spring/summer term last year. An additional review has recently been undertaken which identified a further 2,635 learners as in need of devices; the council is also in the process of providing to those young learners.

The Director of Education commented on the connectivity issues in some family settings, Welsh Government did provide resources so the council could provide Wi-Fi devices to ensure the families were able to connect to Broadband at no expense.

The Director stressed that a comprehensive training package for distance/blended learning has been provided to all schools and all the available resources are on the website and the Central South Consortium provided an overview to Scrutiny of the services available. The Council has developed guidance materials for all schools and guidance for all parents and carers which will be disseminated shortly, which will offer them with the opportunity to provide feedback to the local authority of their own experiences of online learning with individual schools, by means of questionnaires. Detailed reviews of the work undertaken in the schools is ongoing and partners in the Improvement Services have a key role to play in reviewing the evidence of the individual offer by schools for families to ensure the quality of remote learning is available.

With regards to the wellbeing of pupils and learners, the Director referred to the support services for young people who are feeling isolated during this time. The Council's Inclusion Services remain available and accessible to the schools, parents, and carers and recently a presentation was provided to scrutiny outlining the services that are available to all young learners.

## **91 Council Revenue Budget 2021/22 - Provisional Local Government Settlement**

The Director of Finance and Digital Services referred Members to his report which provided them with information in respect of the 2021/2022 Provisional Local Government Settlement, announced on the 22<sup>nd</sup> December 2020 and initial comments on its likely implications for the delivery of Council services.

The Director provided Members with the headline data from the settlement advising that the overall increase in Revenue Support Grant (RSG) and Non-Domestic Rates (NDR) funding for 2021/22 (of unhypothecated funding) at an all Wales level, after adjusting for transfers is 3.8% (+£172M).

Members were advised that the settlement figures for 2021/22 amounts to an increase of **3.8%** which equates to the average all Wales increase. Settlement figures across Wales range from 2.0% to 5.6%. No 'floor' protection has been included for 2021/22.

Members were informed that the Council's base budget does not include the cost implications arising as a direct consequence of the pandemic which are currently and are anticipated to continue to be supported separately by Welsh Government.

The Director advised Members that the combined effects of the updates on the budget gap are shown in table 4 and the remaining budget gap of £4.057M. In conclusion, he reported that Cabinet will consider its draft budget strategy which will be consulted upon in the second phase of budget consultation before being

considered by Council in March.

Members welcomed the Provisional 2021/22 Local Government Settlement, announced by Welsh Government and following discussion whereby the Director responded to a number of queries such as the Council's new ways of working which do form part of the work to identify the efficiency requirements, it was **RESOLVED**:

1. To note the Provisional 2021/22 Local Government Settlement, announced by the Minister for Housing and Local Government on the 22<sup>nd</sup> December 2020.
2. To note that the Final 2021/22 Local Government Settlement is expected during early March 2021: and
3. To note the approach to budget consultation for 2021/22 as already determined.

## 92 Council Tax Reduction Scheme

The Director of Finance and Digital Services presented his report which fulfils the requirement to annually consider whether to revise or replace the Council's existing Council Tax Reduction Scheme ("CTRS") and the requirement to adopt a scheme by 31<sup>st</sup> January 2021.

The Director directed Members to the report which highlights the changes to the CTRS that were introduced in April 2013 the amendments proposed, the funding implications likely and documents the consultation outcomes allowing Members to consider the adoption of the Council's local CTRS for the 2021/22 financial year.

Following consideration of the report it was **RESOLVED** to agree the following recommendations: -

- a) Note and adopt the provisions of the Prescribed Requirements Regulations and the amendments made to those regulations by the Amendment Regulations (as approved by Welsh Government (WG) on 12<sup>th</sup> January 2021) as the Council's local CTRS for 2021/22, subject to the local discretions that the Council is able to exercise;
- b) Note the outcome of the consultation exercise undertaken by the Council on the local discretions applicable to the CTRS for 2021/22; and
- c) Confirm the discretions applicable to the Council's local CTRS for 2021/22 as set out at paragraph 5.3 (Table 2) of this report.

### 93 Urgent Executive Decisions

In accordance with the Overview and Scrutiny Procedure Rules 17.2(a), the Service Director of Democratic Services and Communications reported on the urgent decisions that were taken forward through key delegated decision during the period October – December 2020 and it was **RESOLVED** to note the information contained within the report.

### 94 Notice of Motion

To consider the under-mentioned Notice of Motion standing in the names of: Councillors P. Jarman, H. Fychan, S. Rees-Owen, M. Weaver, K. Morgan, D. Grehan, E. Griffiths, J. Williams, A. Cox, J. Davies, J. Cullwick, G. Davies, E. Webster, S. Evans, A. Chapman, E. Stephens and L. Jones:-

Rhondda Cynon Taf County Borough Council

1. Recognises the distressing fact that 30% of children in Wales live in poverty and yet just 13% are entitled to free school meals This is mainly because the remaining 17% of children live in low paid households that takes them just over the present eligibility criteria.
2. Notes that England and Scotland have universal infant FSMs with all Reception, Year 1, and Year 2 pupils eligible, which is not the case in Wales.
3. Calls on the Welsh Government to cost, budget and provide as a matter of urgency, the extension of FSMs to all children who live in poverty in Wales but are excluded from entitlement under the present eligibility criteria.
4. Agrees that no child should go hungry and that this should be a step towards the aim of rolling out universal FSMs to all children in Wales as called for by various groups in Wales, including Child Poverty Action Group and the People's Assembly

Following discussion, it was **RESOLVED** to adopt the Notice of Motion.

(**Note:** County Borough Councillor J James abstained from voting on the matter).

**This meeting closed at 7.20 pm**

**Cllr S Powderhill  
Chairman.**





## **RHONDDA CYNON TAF**

### **RHONDDA CYNON TAF COUNCIL**

Minutes of the meeting of the Council held virtually on Wednesday, 10 February 2021 at 5.00 pm

#### **County Borough Councillors - Council Members in attendance:-**

Councillor S Powderhill (Chair)

Councillor R Bevan	Councillor H Boggis
Councillor J Bonetto	Councillor S Bradwick
Councillor J Brencher	Councillor A Calvert
Councillor G Caple	Councillor A Chapman
Councillor A Cox	Councillor A Crimmings
Councillor J Cullwick	Councillor G Davies
Councillor J Davies	Councillor L De Vet
Councillor M Diamond	Councillor J Edwards
Councillor J Elliott	Councillor S Evans
Councillor M Fidler Jones	Councillor M Forey
Councillor A Fox	Councillor H Fychan
Councillor E George	Councillor E Griffiths
Councillor G Holmes	Councillor L Hooper
Councillor G Hopkins	Councillor P Howe
Councillor G Hughes	Councillor P Jarman
Councillor G Jones	Councillor L Jones
Councillor W Jones	Councillor R Lewis
Councillor W Lewis	Councillor C Leyshon
Councillor A Morgan	Councillor S Morgans
Councillor M Norris	Councillor D Owen-Jones
Councillor S Pickering	Councillor M Powell
Councillor S Powell	Councillor S. Rees-Owen
Councillor S Rees	Councillor A Roberts
Councillor J Rosser	Councillor G Stacey
Councillor E Stephens	Councillor G Thomas
Councillor W Treeby	Councillor R Turner
Councillor L Walker	Councillor M Weaver
Councillor M Webber	Councillor E Webster
Councillor J Williams	Councillor T Williams
Councillor R Yeo	

#### **Officers in attendance**

Mr C Bradshaw, Chief Executive  
Mr B Davies, Director of Finance & Digital Services  
Ms G Davies, Director of Education and Inclusion Services  
Mr R Evans, Director of Human Resources  
Mr C Hanagan, Service Director of Democratic Services & Communication  
Mr P Mee, Group Director Community & Children's Services  
Mr N Wheeler, Group Director – Prosperity, Development & Frontline Services  
Mr A Wilkins, Director of Legal Services

## **96 Welcome and Apologies**

The Chair welcomed attendees to the meeting and apologies for absence were received from County Borough Councillors L.M. Adams, S. Belzak, A. Davies-Jones, S. Evans, D. Grehan, M. Griffiths, J. Harries, J. James, K.L. Jones, K. Morgan, W. Owen, M. Tegg, G. Williams, D Williams and C. Willis.

## **97 Declaration of Interest**

In accordance with the Council's Code of Conduct, the following declarations were made:

- County Borough Councillor G. Davies declared a personal interest in respect of Item 6 of the agenda, Members' Questions – 'In relation to question 2, I work at a Food Bank';
- County Borough Councillor E. Stephens declared a personal interest in respect of Item 9 of the agenda, Notices of Motion- 'I work for the Department for Work and Pensions, which provides Universal Credit, which is the subject of one of proposals. I won't be taking part in the discussion and will be abstaining';
- County Borough Councillor R. Lewis declared a personal interest in respect of Item 6 of the agenda, Members' Questions – 'In relation to question 2, I am a volunteer with Merthyr Cynon Foodbank'; and
- County Borough Councillor E. George declared a personal interest in respect of Item 6 of the agenda, Members' Questions – 'In relation to question 2, I am a volunteer with Merthyr Cynon Foodbank'.

## **98 Universal Basic Income**

The Council received a verbal update from Mr J Williams (UBI Lab Wales) and Mr S Thomas (UBI Lab RCT), who sought to provide Members with information on the work undertaken in relation to Universal Basic Income from both a local and a Wales-wide perspective.

Prior to the presentation, the representative took the opportunity to thank RCT Council for supporting and adopting the Notice of Motion in respect of Universal Basic Income at its meeting held on 16<sup>th</sup> December 2020.

Members were informed that UBI Wales was essentially a hub for the Borough labs and that the ambition was for other Local Authorities to follow RCT's lead in supporting Universal Basic Income. In order to achieve its goal and drive the conversation in respect of Universal Basic Income, UBI Wales were founding labs across Wales and working in partnership with the Future Generations Commissioner to establish what Universal Basic Income could look like in Wales.

During the presentation, the representatives provided Members with detailed information on the following:

- The definition of Universal Basic Income and why UBI Lab Wales considered it to be the right policy to meet the challenges of the 21st century;
- The previous trials and outcomes;
- UBI Lab Wales' ideal pilot; and
- Potential funding opportunities and the possibility of it running parallel with the Green Industrial Revolution over the next decade.

The Leader of the Council took the opportunity to thank the individuals for the informative update. The Leader acknowledged the deprivation experienced within the Borough, particularly during the Covid-19 pandemic and commented that should funding be made available from UK or Welsh Government, RCT would be supportive of trialling a pilot in respect of Universal Basic Income. The Leader emphasised that the trial could indicate that Universal Basic Income may not necessarily be the best way forward but was happy to support its trial.

County Borough Councillor P Jarman referenced UBI Lab Wales' statement that only 8% of people knew what Universal Basic Income was and questioned how the pilot would be communicated with the local communities. The representative advised that, along with the use of social media and newspapers, the Borough labs would seek to engage face to face with the local communities, subject to future Covid-19 regulations.

County Borough Councillor M Powell spoke of similar case studies and was happy to support a pilot within RCT. The Member suggested that the pilot target the most deprived communities and felt that it would need to be carried out over a prolonged period of time, in order to establish any benefits that might arise from it.

## **99 Announcements**

1. County Borough Councillor P Jarman advised Members of the Centenarian Mrs Eva Cotter who turned 100 last year and who has just had her covid vaccination, the first 100 year old patient in her GP surgery in Penrhiwceiber. Councillor Jarman commented on Mrs Cotters admiration for all those who had developed the vaccine as she has lived through an era when TB, Smallpox, Measles, rubella and mumps were in communities before those vaccines were available. Councillor Jarman added that Mrs Cotter was an inspiration to many and requested that a letter be sent from the Mayor on behalf of the Council.
2. County Borough Councillor P Jarman took the opportunity to recognise the achievements and kindness of Amy MacKintosh, a year 9 pupil at Mountain Ash Comprehensive School who had won £1,000 in the first 'Give help from Home' competition on behalf of Leigh Gardens Pool in Penrhiwceiber. Members were advised that Amy had undertaken her project under the Religious Studies blended learning programme with the guidance of her teacher, Mr Dave Church. Working with Julie Cooke, BEM, community champion at the Asda Aberdare store Amy delivered afternoon tea and essential items to 9 elderly neighbours. Councillor Jarman commented that Amy had done the comprehensive school and Leigh Gardens Pool Committee proud and requested a letter be sent to Amy from the Mayor, acknowledging this achievement.
3. County Borough Councillor S Rees Owen provided her congratulations

and commented on the success of local RCT actor Callum Scott Howells in the new Russell T Davies Drama 'It's a Sin'. Councillor Rees Owen spoke of the character played by Callum, who touched, moved and filled viewers with hope. The Member spoke of the performances of Callum in the Parc and Dare Theatre over the years, referencing performances with only boys aloud and Treorchy Comprehensive school, to which Callum was head boy. Members were advised that Callum had paid thanks to the local arts scene for the opportunities and platforms that had been made available to him, to help him learn and grow. Councillor Rees Owen commented on the bright and exciting future for Callum and wished him all the best for the future.

#### **100 Council Procedure Rule 15.1**

The Deputy Leader moved the suspension of Council Procedure Rule 15.1 which states that a matter would be decided by a simple majority of those Members voting and present in the room at the time the question was put in order to facilitate the smooth running of the virtual meeting.

Following consideration of the matter it was **RESOLVED** to suspend Council Procedure Rule 15.1

#### **101 Minutes**

The Council **RESOLVED** to approve the minutes of the 25<sup>th</sup> November 2020 and 16<sup>th</sup> December 2020 as an accurate reflection of the meetings.

#### **102 Statements**

##### **Statement from the Deputy Leader and Cabinet Member for Council Business.**

The Deputy Leader advised Members of the Council's virtual careers fair that had taken place earlier in the day, advising Members that this was the first virtual careers fair held in Wales. The Careers fair involved over 30 employers with a total of 525 vacancies available. The virtual fair was made up of 30 webinars which included details of the council's apprenticeship and graduate schemes.

Members were informed that 1604 people had registered for the event with 274 people logging on in the first 20 minutes and 660 people in the first 2 hours. The event had received over 6000 views.

The Deputy Leader thanked staff within HR for the work undertaken to host the event which provided residents with the opportunity to view, participate and apply for good quality jobs across the County Borough.

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##### **Statement from the Cabinet Member for Enterprise Development and Housing**

The Cabinet Member advised Members of a meeting he attended on the 29<sup>th</sup> January with Mick Antoniw (AM), Alex Davies Jones (MP) and a Member from the Pontypridd BID, who met with representatives from HSBC. Members were

advised of the proposal by HSBC of closing both the Pontypridd and Talbot Green HSBC branch and the rationale including data on footfall had been presented. The Cabinet Member spoke of the requests by Members to retain the branches or take forward a reduced hours / mobile scheme within the branches, but both proposals were rejected. The Cabinet Member commented that if the branches were to close then no HSBC branch would be available within RCT. Representatives of the bank had advised upon alternative arrangements being discussed with utilising the local post offices and account management being taken forward at the Caerphilly and Cowbridge branches respectively. Members at the meeting voiced their concern over the accessibility of the proposed alternative branches and the impact on vulnerable residents. HSBC representatives confirmed that contact had already been made to such residents.

The Cabinet Member concluded by advising that the contact details for senior UK management officers within the bank had been requested although nothing had been received to date.

### **103 Members' Questions**

#### **Question from County Borough Councillor M. Forey to the Deputy Leader of the Council, County Borough Councillor M Webber:**

“Will the Deputy Leader please outline what plans are being developed to facilitate hybrid meetings in the future when restrictions allow?”

#### **Response from the Deputy Leader County Borough Councillor M Webber**

The Deputy Leader advised Members that once restrictions allowed, Democratic Services would look to implement a hybrid approach for meetings. This will be progressed incrementally, in a similar way to how the Council approached the rollout of virtual meetings last year. She stated that this would provide a certain amount of flexibility to operate meetings face-to-face in the near future whilst allowing for social distancing practices to be maintained. She added that participation in this approach should be at Members' discretion.

#### **Supplementary question from Councillor Forey**

“How could this be built upon for the future?”

The Deputy Leader responded that Council's wider aspiration will be to embed this approach, to enable Member's participation in the most flexible way for their circumstances and that this ability is now provided to Local Authorities through the new Local Government Act. She added that building on our experiences to-date we will want to maximise the capability of our new webcasting facilities and hoped this approach would also support and promote greater diversity in the future and enable better engagement and participation for both Members and residents.

**Question from County Borough Councillor H Boggis to the Cabinet Member for Stronger Communities, Well-being & Cultural Services, County Borough Councillor Cllr R Lewis:**

“How is the Council continuing to support local food banks?”

The Cabinet Member for Stronger Communities, Well-being and Cultural Services replied that a named officer keeps in touch with the main foodbanks on a regular basis so that the Authority are able to provide timely support when required. He added that this included:

- Providing them with food products that may be in short supply from the Food Distribution Centre at Llantwit Fardre
- Ensuring that there is cover over the holiday period to meet any demands for emergency food parcels (only 2 were required over the Christmas holidays);
- Ensuring there is support for deliveries if required (none has been requested so far); and
- Providing access to Council buildings for use as storage space (for example, Taff Ely Foodbank is using Gilfach Goch Day Centre for storage of food items at present).

The bulk buying ability of the Council had been identified of particular value by the foodbanks and they have indicated that this provides them with reassurance when they are experiencing a reduction in their supplies.

The RCT Food Support Grant established through the contribution of £10,000 from the Council and £10,000 from Trivallis provides resources to foodbanks & food support projects in RCT. So far 14 applications for grants of £500 each have been approved.

**Supplementary question from Councillor H Boggis**

“What are the Council doing to address the wider issues associated with food poverty?”

The Cabinet Member for Stronger Communities, Cultural Services and Wellbeing replied that two particular schemes where Council is working to address this issue were The Sustainable Food Places scheme and Healthy Start. Council has successfully applied for short-term development grants under The Sustainable Food Places (SFP) scheme.

This scheme aims to create a Food Prosperity Network and a Food Response Pathway in the County focussed on establishing healthier, more sustainable food system at a County level. The next step is to test out the best approaches and models for food partnerships and programmes in RCT. This will include online workshops with other grant recipients facilitated by the SFP team.

Grant recipients are expected to work closely with the SFP UK team and their national partners and the scheme involves a partnership approach between

Local Authorities, public health bodies and other institutions working together with a range of partners, businesses and communities.

Healthy Start is a means-tested programme designed to improve the health of low income pregnant women and families on benefits and tax credits. Eligible claimants and children between 1 and 4 to have 1 voucher worth £3.10 each week to help buy some basic foods. Children under 1 can get 2 vouchers each week (£6.20). Cow's milk, fresh/frozen/tinned fruit and veg, and infant formula milk amongst eligible items. He added that most recent data indicates that around 77% of those eligible in RCT are taking up this offer and Officers are working with Resilient Families to address this.

**Question from County Borough Councillor J Brencher to the Cabinet Member for Environment, Leisure and Heritage Services, County Borough Councillor A. Crimmings:**

"Can the Cabinet Member provide an update on the work at Ynysangharad War Memorial Park?"

The Cabinet Member for Environment, Leisure and Heritage Services advised that Council announced shortly prior to Christmas that a significant package of funding had been secured from both the Welsh Government, through the Valleys Regional Park programme, and also the National Heritage Lottery Fund. Work to deliver the Valleys Regional Park element of the works is already underway, and excellent progress was being made. The focus of this branch is on upgrading the footpaths of the central routes through and around the Park with the objective of making it a safer and more attractive place to visit.

This work, she added, would also entail a new pathway to improve the link from the Lido to the Mock Rock Outcrop, Bandstand, War Memorial and new training centre - that forms part of the £1.9 million National Lottery Heritage Fund Project. In addition, the lighting along the paths will also be upgraded in keeping with the heritage of the Park, with the added bonus of being more energy efficient. Later this year, work will also commence on the Connecting Communities Project, which stems from a total of £1.9m of funding from the National Lottery Heritage Fund, the Welsh Government and the Council.

She stated that this was a really exciting project which would see a host of new and improved features, including:

- The construction of a new learning and wellbeing centre
- Accessibility and biodiversity improvements
- Restoration of key features, such as the Bandstand, sunken garden and mock rock outcrop.

**Supplementary question from Councillor J. Brencher**

"Please can you provide an update on the progress in repairing the Ynysangharad Park Footbridge"

The Cabinet Member Cultural Services, Leisure and Cultural Services advised that the bridge had been lifted into place by Centregreat, the main contractor. Further repairs and replacement to cable stay to be undertaken on the cables and bridge mast, along with reinstatement works to the area surrounding the bridge. She added that Council were expecting the contractor to be finished in around 4 weeks' time, although it is dependent on weather conditions for some of the reinstatement works in the Park; Temperatures affecting painting and delivery of a new cable stay.

**Question from County Borough Councillor M Powell to the Leader of the Council, County Borough Councillor A Morgan:**

"Will Cllr. Morgan give Members an update on where the Council is with regards the repair or demolition of the Berw Rd Bridge please?"

**Response from Councillor A Morgan**

The Leader advised that monitoring of the bridge continues by Redstart. Discussions were ongoing with Cadw and Heritage (CARE) engineer consultancy, Mann Williams, in respect of repairs. All utilities have been removed from the bridge - apart from Wales and West, who were working on their solution as it has significant implications.

The Leader advised the following:

- Scour inspection and assessment undertaken by specialist contractors
- Proposals for scour repairs prepared and quotes had been sought from specialist contractors. (estimate £80-100k)
- Listed Building Consent to be applied for scour repairs.
- Discussions currently ongoing with NRW regarding timing of works. (potentially as early as April if allowed but could be held back until mid-May if NRW insist on embargo)
- Otter surveys to be undertaken.
- Temporary FRAP to be submitted and approved by the successful contractor.
- Once scour repairs are complete and the inspection undertaken on the bridge, then subject to the inspection findings, the bridge can be re-opened to traffic
- RCT are currently working with consultants WSP, Mann Williams and concrete repair specialist CRL on undertaking trial repairs to bridge (bridge can remain open whilst these works are ongoing). This again will need Listed Building Consent and will take place later in summer.
- Subject to findings of the trial repairs, then if successful, these can be developed into a full refurbishment / repair project which will require



Listed Building Consent.

- Anticipated repair works commencing on site late spring / summer 2022, subject to approvals and these will require the bridge to be closed.

**Question from County Borough Councillor M. Griffiths to the Cabinet Member for Enterprise Development and Housing, County Borough Councillor D R Bevan:**

“Has the planning policy of RCTCBC been adapted to respond to the challenges of climate change and, in particular, does the Council have a policy relating to the replacement of trees which are removed to make way for development?”

**Response from Councillor D R Bevan**

The Cabinet Member for Enterprise Development and Housing responded and stated that planning decisions taken by the Council have regard to both local and national planning policies – and at both levels it is reflective of the pressing need to address climate change. Members will be aware that the Council is currently undertaking a full review of its LDP and the “new” LDP will have to demonstrate that it at least complies with the ambitious climate change targets identified by the Welsh Government. He added that this will be scrutinised by an independent inspector. The role that trees and ‘Green Infrastructure’ as a whole can play in helping address climate change is recognised both at local and national level. He added that last year, Mark Drakeford MS, unveiled plans for a National Forest running the length and breadth of Wales.

He informed members that trees and woods/forests are clearly part of the solution to tackling global climate change. It is recognised that trees drawdown and lock away carbon, reduce social and ecosystem vulnerability in a changing climate and contribute to human well-being. They also play important role in benefiting local communities and protecting nature and addressing biodiversity loss across our county borough.

The Cabinet Member advised that the Council does not have a specific tree replacement policy. The policy within the Council’s current LDP does require the protection and enhancement of the natural environment. Any loss of trees as a consequence of new development is regrettable, and whenever possible, a builder/developer is encouraged to retain trees. He added that in cases where existing trees are lost, the Council would seek, wherever possible, to ensure the provision of new landscaping as a suitable replacement. It is important however, to recognise that the planning system only has limited powers and is unable to control all cases of tree removal

**104 State of the County Borough Debate**

In accordance with Council Procedure Rule 13.2 the Presiding Officer stated that he would invite the Leader to address Council following which the Leader would respond to Members’ comments on his Annual Report.

The Leader opened his address by commenting on the uniqueness of the situations the Council had faced over the year commenting on both the devastating flooding of February 2020 and also the ongoing COVID-19 pandemic, which has transformed the lives of all and had a monumental impact on the communities the Council serves.

The Leader put on record his thanks to all of the Council staff who have provided vital services to the residents of Rhondda Cynon Taf, highlighting the work of frontline social care providers, finance staff, test trace and protect staff who are now supporting the mass vaccination programme and all of those staff who have continued to provide the everyday services that residents rely on. The Leader added that despite the challenges presented with the Council have continued to deliver on its ambitions for the benefit of the entire County Borough. Before providing specific service area updates the Leader concluded his opening address by commenting that the effects of the pandemic especially are set to shape the future over the remainder of the Council term and beyond, adding that the Council will continue to build upon the strong foundations already in place to create the right opportunities to secure an ambitious future for Rhondda Cynon Taf.

#### **Adults and Children's Social Care (People)**

The Leader provided a detailed update in respect of the Adults and Children's Social Care Services advising of the services provided over 2019/20

- 235 Disabled Facilities Grants
- 820 people supported through the Council's ENABLE fund of £316k
- 352 people supported through the Council's Handyperson scheme at a cost of £58,400.
- Delivery of 71 Maintenance Repair Assistance Grants

The Leader continued by advising of the good progress made in modernising the care system provided for older residents in the County with reference made to extra care schemes across the County Borough.

The Leader highlighted the success of the award winning Stay Well @ Home programme and suggested that detailed information surrounding this should be provided to Members.

The Leader concluded this aspect of his update by advising of the Resilient Families Service, which continues to provide support for with 733 referrals made this year and Children's Services, informing Members that the service had received contacts in relation to 1,000 more children than last year, with the potential that this demand may well increase in the months ahead. He raised concerns that over the 17% reduction in the rate of children becoming looked after that had been witnessed over these difficult times and the potential that problems may be missed.

#### **Community Hubs**

The Leader advised of the position of Community Hubs informing Members that

the Community Hub model was further expanded to provide a co-ordinated local response throughout the pandemic, with the Council coordinating a multi-partnership approach to supporting residents through its 7 resilience centres.

Residents on the Shielded Patients List were supported as follows:

- 10,544 pro-active calls were made to see whether they needed support;
- 1,128 residents asked for on-going friendly phone calls;
- 1,698 residents had no family, friends or community support to access food and they were registered for free weekly WG food parcels;
- Meals on Wheels provision organised for 182 residents who could not prepare their own meals;
- 697 received emergency food parcels from the Council's Food Distribution Centre as they had less than 3 days' supply of food available;

The Leader added that in addition to the above 4,030 vulnerable residents contacted the Council to request support and the Leader extended his thanks to the Resilience Volunteers and many other volunteers and 3rd sector organisations for the work and support they provided to many residents across the County Borough.

### **Leisure**

The Leader informed Members that despite the pandemic the Council had continued to invest in Leisure facilities and provided details of the investments undertaken with reference to the athletics tracks now available across the County Borough.

### **Parks & Play Areas**

The Leader highlighted that significant investment had been taken forward across parks and play areas and advised that the Council would continue to commit to this investment going forward.

### **Recycling/Environment/Climate Change**

The Leader was delighted to advise of the Council's positive recycling figures recorded for the Festive period, with over 2,770 tonnes collected – including over 400 tonnes of food waste. The Leader advised that the Council were close to hitting the Welsh Government 70% target going forward.

### **Highways (Place) & Transportation (Prosperity)**

The Leader commented upon the Tylorstown Tip landslide remediation project in respect of the phases already completed and those to be taken forward.

In respect of Infrastructure the Leader provided detail in respect of Ynysangharad Park footbridge, Demolition of Feeder Pipe Bridge, Abercynon and various emergency repairs undertaken to various bridges, footbridges, retaining walls and culverts throughout the County Borough following Storm Dennis.

The Leader added that a major programme of short, medium and long term flood

alleviation measures had been delivered across the County Borough with £3.1M grant funded programme of Resilient Roads Projects undertaken to alleviate the impact of flood events on the highway network.

In respect of Capital Programme Members were informed that the council had continued with the programme of transport investment via annual capital programme and 3-year £23.5m programme and the Leader listed some of the major schemes completed and major projects such as the Cross Valley Link, A4119 and Llanharan Bypass.

Members were advised that work would be commencing in the summer with the Metro Porth Interchange.

### **Town Centres/Enterprise**

The Leader thanked the regeneration team and finance team for their immediate support to town centre businesses affected by the Storm Dennis floods through practical support, advice and hardship grants totalling £226,000.

The Leader continued by highlighting the commitments delivered upon across Town Centres referencing free wifi, the Porth Town Centre Regeneration Strategy and the acquired the former Bingo Hall building in Pontypridd as the first stage in the redevelopment of this prominent gateway site.

### **Education and Inclusion Services**

The Leader commented on the work and support of teaching and support staff across all schools within the County Borough over the pandemic advising of the 25 emergency childcare hubs in operation in mainstream, special schools and PRU settings during the first lockdown, with a total of 787 children regularly accessing this provision. The Leader again thanked all teaching staff for the work undertaken over the pandemic commenting that the dedication and hard work of all school staff involved helped keep the country moving during the pandemic. The Leader also referenced the blended learning approaches and support for Digitally Excluded Learners through provision of devices.

In respect of 21<sup>st</sup> Century Schools Programme the Leader highlighted the opening of the new Hirwaun Primary School building, and discussed the progression with the new builds for Pontyclun, Penygawsi and Llanilltud Faerdref Primaries. The Leader also welcomed the proposal which was out for consultation on the building of a new £8.5m school on a new site for YGG Llyn y Forwyn.

### **Employment.**

In respect of employment the Leader spoke positively of the graduate and apprentice scheme and the investment being taken forward with the schemes and the very first virtual career's fair hosted by the Council.

### **Governance**

The Leader commented on the Governance of the Council and advised that the

Council were one of the 1<sup>st</sup> Welsh Councils to establish virtual meetings. He also took the opportunity to thank scrutiny for their critical challenge in supporting service delivery and informed key decisions taken by Council in respect of Residential Care, Budget and Storm Dennis. The Leader also advised of the future intention to commence hybrid meetings when restrictions allow, through the investment undertaking with the enhanced technology within the Chamber and the long term approach that needed to be taken forward

The Leader ended his address by commenting that after a very difficult year there were lots of positives that had come through and that the Council should be proud of the achievements and delivery of services. The Leader concluded by thanking Welsh Government for the funding that had been received which assisted the Council in delivering services for the benefit of its residents.

The Group Leaders each responded to the Leaders debate, all paying tribute to the NHS, Council staff, School and Childcare staff, retail and voluntary sectors and many more for their hard work and dedication throughout the pandemic.

Reference was made by Councillor Jarman to the cross party collaboration taken forward through a number of notices of motion over the year and the support of all the opposition parties with the efforts of the Council in respect of the pandemic, over what has been a difficult 12 months for the Council. Each of the Group Leaders proposed questions to the Leader on the following to which the Leader responded.

- The long term intention for Council staff currently furloughed if the Furlough system does not extend past April 2021 – The Leader confirmed that staff would be paid regardless if the furlough scheme ended in April adding that provision for this had been included within the proposed Budget that was to come forward to Cabinet.
- Would the Council continue to support the paddling pool support provisions previously offered by the Council, if paddling pools were to open in the Summer holidays subject to Covid restrictions? - If restrictions were to be lifted the Leader advised that further support would be provided to assist with the opening of paddling pools, however the Leader spoke of the need to gain formal advice from Welsh Government, Public Health and the Council's director on the viability of such openings due to Covid.
- What are the Council's plan in respect of education to ensure future generations are given all the opportunities available to them to ensure they succeed in the World? - The Leader referenced the uplift within the proposed budget for Schools and Education and also referenced the discussions held with the Education Minister in respect of the 'catch-up' provisions needed to be taken forward, highlighting also the Welsh Language needs for Welsh medium education provision.
- What discussion have the Council had with Transport for Wales following the recent announcement of delays to the South Wales Metro scheme

which will impact communities across RCT? - The Leader advised of discussions held with the Chief Executive of TfW and informed members that the delay referenced was only a marginal delay to the scheme and spoke of the work already undertaken to progress the Metro scheme.

- What impact has Covid had on major infrastructure programme, with special reference to highways across RCT? – Members were advised that the pandemic had caused only minor slippage to the schemes and gave an update on the position of some of the schemes being taken forward across the County Borough.

The Presiding Officer opened up questions to all Members and advised that if some Members were unable to put their question forward due to time constraints they would be able to contact the Leader directly for a response.

- A4119 – The Leader provided information about the timescales the Council were working to with regards to completion of the scheme, advising of the intention to be on site with construction commencing in 12months time, following the planning permission stages and completion was aimed for 2024.
- South Wales Metro Scheme – The Leader spoke of the positives of the scheme for the County Borough, commenting that the metro would provide a greener transport scheme going forward.
- Tourism – The Leader responded to the specific reference made to ‘zipworld’ and spoke of the positives this would bring to RCT, advising of the employment benefits, adding that this would not just be a seasonal attraction. The Leader added on the need to develop on the accommodation needs across the County Borough to ensure tourists remained within the County Borough.
- Schools and transportation - The Leader advised that the development of schools across the County Borough was based on the locality needs and referenced communities where smaller schools were created rather than 3-16 schools. The Leader spoke of the new school builds across the Authority and the greener and more efficient buildings that had been built. The Leader concluded by advising upon the green agenda in respect of home to school transport, advising Members that there had not been a huge rise in home to school transport adding that in some cases there had been an overall reduction.
- Special Education – The Leader advised that a review had been undertaken in respect of special schools and informed that a report would be coming forward to Cabinet on the outcomes of the review.
- Flood relief scheme, Cwmbach – The Leader provided an update on the £450k flood scheme that had been progressed following the

flooding of business in this area from Storm Callum and later Storm Dennis. The Leader also referenced discussions with Welsh Government regarding future flood retention schemes.

- Responsive Services – The Leader advised of over 650 Council services provided and agility of staff to enable provision. The Leader referenced the digital support provisions made available to staff to accommodate home working and spoke of the small number of areas where services were no longer being provided due to safety of staff and residents.

The Presiding Officer thanked the Leader for his debate and responses to Members.

#### **105 Council Work Programme 2020/21**

The Service Director Democratic Services and Communications presented an update regarding the Council Work Programme advising that the Director of the Cardiff Capital Region City Deal and the Chair of the Regional Economic Growth Partnership (REGP) would attend the March Council meeting.

#### **106 Update in Respect of the Coronavirus in Rhondda Cynon Taf**

The Group Director Children & Community Services presented an update in respect of the Coronavirus in RCT with the aid of a power point presentation which covered the following key information: -

- Confirmed Cases of Covid 19 per 100,000 population in the previous 7 days
- Confirmed Cases of Covid 19 per 100,000 population in the previous 7 days by Local Authority in Cwm Taf Morgannwg (CTM)
- Trends in 7-day cumulative Covid infection rates per 100,00 in CTM
- Daily Test Positivity of Covid in CTM
- Covid Local Area Surveillance
- Weekly trends in Covid deaths by location
- Number of vaccines administered in CTM region
- The commencement of Phase 2 on 1<sup>st</sup> March 2021

Following the update, each of the Group Leaders were provided with the opportunity to ask questions.

#### **Councillor A Morgan, Leader of the Council and Leader of the Labour Group**

The Leader wished to place on record his thanks to all staff supporting the

programme with the Health Board. He advised that there will be more information available very soon on further vaccination centres that would be opening. Undoubtedly, this will impact on certain facilities when restrictions are lifted, such as where leisure centres that are now vaccination centres but supporting the delivery of the vaccination programme has to remain a priority at this time and hoped that this would be fully supported by members and residents. The Leader advised that there is an online form that people can complete if they are in category 1-4 and had not yet received the vaccine. He urged members if they were aware of anyone in these categories to direct and support them to book their vaccine via the form. The Health Board are also planning very soon to supply a phone number for booking where people are unable to access online facilities.

The Leader continued that foundation phase children will be returning to school in two weeks' time and discussions were currently ongoing with Ministers and unions on how secondary schools are able to safely return. He added that a statement in his name would be issued by the WLGA later this evening to state that the priority for all 22 Local Authorities is for all children to safely return to school before any other shops, pubs, restaurants are allowed to open. He stated that any headroom available should be used for children returning to education and they would await for guidance from the chief medical officer as to when this is possible

**Councillor P Jarman (Group Leader, Plaid Cymru Group)**

Councillor Jarman stated it would only be when we could collect the data, post COVID inquiry will we get a better understanding of why the number of deaths in the RCT area are so high. She was troubled at the rate of infection in certain wards, Tylorstown being one, but throughout the Borough and would be interested to learn from the data if this could be down to people who are asked to self-isolate who are in employment cannot afford to self-isolate as they do not qualify for benefits available if they do not work.

Councillor Jarman asked the Group Director Children and Community Services if the Level two vaccine programme targeted 60-70 year old people only?

The Group Director Children and Community Services advised that where clusters of infection had been identified by the Contact tracing Teams the incident management team considers the causes and identifies any measures that can be applied. He added that the team undertake "backward contact tracing" which is enhanced contact tracing that goes back further. They will do this with any new cases that come in to identify the source of exposure to understand why the particular area has been problematic. It is also undertaken by workplaces and occupations.

In terms of the vaccination programme the Group Director informed members that groups 1-4 would be concluded by 14<sup>th</sup> February and the second phase (4-9) which is everyone over the age of 50 would be vaccinated by the end of May.

**Councillor M Powell, RCT Independent Group**

Councillor Powell referred to the data being provided to members and was concerned that the information was not clear enough so it was difficult to see which wards were the most adversely affected. He added that he would have benefitted from having sight of the data before the meeting. He continued that



the data still does not state the infection of hospital transmission and was concerned that where a person contracts the virus in hospital, the data is allocated to their home address, therefore an accurate picture is not provided for in hospital transmission. He asked for clarification on vaccination centres relocating and also if the priority groups included essential workers such as social care workers and teachers.

The Group Director Children and Community Services responded that much of the data is publically available and he could provide the links to the information for Members to see at their leisure. He apologised that he did not have the data to show at ward level.

In terms of the data for in hospital acquired transmissions he advised that the infection rates were reducing but there were still outbreaks in some hospitals but were all significantly improving. In relation to the data relating to the place of residence and hospital acquired transmissions he advised that the numbers are so low that they would have no bearing on the information provided in the presentation so hoped this would give members confidence that what was presented to members reflects an accurate representation for those wards

He confirmed that the vaccination centres are reliable on the supply of vaccines coming through and as the Pfizer vaccine was limited these were prioritised for second dose vaccines, the impact of this means that some of the vaccinations centres would be closed temporarily but would reopen once the Pfizer vaccine supply was restored and phase two starts

The Group Director confirmed that the priority groups 5-9 cover residents over the age of 50 through to 65 and included those that have underlying health conditions which were publically listed. The focus of the priority groups was focussed on preventing mortality which principally related to age.

### **Councillor A Morgan, Leader of the Council and Leader of the Labour Group**

The Leader added that a further update will be published tomorrow on the mass vaccination centres about them relocating to get ready for the next phase of the programme.

He reassured members that the supply issue with the Pfizer vaccine was not an RCT issue and was a nationwide issue. He advised that whilst the Local Authority and Health Board could open many more vaccination centres, they are reliant on the supply of vaccines coming through to them and these are distributed by population numbers. He added that the vaccination centres were also focussing on the delivery of the second dose of the vaccines and more information would be published in due course.

## **107 Notices of Motion**

**A.** The following Notice of Motion standing in the name of County Borough Councillors M. Forey, J. Bonetto, L. M. Adams, D. R. Bevan, H Boggis, S. Bradwick, J. Brencher, A Calvert, G. Caple, A. Crimmings, A. Davies-Jones, L De- Vet, J. Edwards, J Elliott, S. Evans, M Fidler Jones, , A. Fox, E. George, M. Griffiths, J. Harries G. Holmes, G. Hopkins, G. Jones, R. Lewis, W Lewis,

C. Leyshon, A. Morgan, S. Morgans, M. A. Norris, D. Owen Jones, S Pickering, S.M. Powell, S. Rees, A. Roberts, J. Rosser, G Stacey, M Tegg, G Thomas, W Treeby, R K Turner, M. Webber, D. Williams, T. Williams, C. J. Willis and R. Yeo was received:

The effects of the COVID-19 pandemic on communities, businesses and families across the country are significant and have been discussed in a number of forums and across a spectrum of platforms. Millions of people have suffered from financial loss through job losses or collapsed trade, whilst lengthy periods of restrictions have been placed on their daily lives.

At the start of the pandemic, the Prime Minister and the Chancellor of the Exchequer claimed they would “put their arms around” everyone at a time of national emergency, and introduced a number of state support packages. One of these measures was to increase the amount of Universal Credit by £20 per week, benefiting almost six million claimants across the UK either on low incomes or out of work. This provided significant relief to those in the most need of support during these unprecedented times, with charities and organisations calling the rise “a lifeline” and some of those in receipt of the Universal Credit saying it meant they went from “having to go without to having barely enough.”

Now, almost a year on – with the pandemic still very much dominating daily life, the Conservative UK Government are said to be reviewing the increase with the Prime Minister alleged to be minded to remove it. The potential withdrawal of such support highlights once again that the Westminster Government put families second at a time when the picture has, in fact, worsened for many with further job losses coming by the day as the effects of the pandemic continue.

In Rhondda Cynon Taf alone, approximately 17,000 people (as of December 2020) claim Universal Credit and the removal of the weekly payment will only serve to hit many in our communities at a time when state support is so vital.

This Council notes:

- That the extra £20 per-week payment to Universal Credit is an essential boost for millions that should not be removed during the pandemic. The removal would hit hardest on communities such as Rhondda Cynon Taf

and **resolves:**

- For the Council Leader to write to the Chancellor of the Exchequer and the Prime Minister ahead of the March 3rd Budget to outline this Council’s opposition to the proposed removal of the £20 per-week increase in Universal Credit whilst the pandemic is still ongoing

At the meeting and in accordance with the Council’s Rules of Procedure 12.7 the mover of the substantive motion moved an alteration to the substantive Motion to delete reference to pandemic.

The altered Motion therefore read:

The effects of the COVID-19 pandemic on communities, businesses and families across the country are significant and have been discussed in a number of forums and across a spectrum of platforms. Millions of people have suffered from financial loss through job losses or collapsed trade, whilst lengthy periods of restrictions have been placed on their daily lives.

At the start of the pandemic, the Prime Minister and the Chancellor of the Exchequer claimed they would “put their arms around” everyone at a time of national emergency, and introduced a number of state support packages. One of these measures was to increase the amount of Universal Credit by £20 per week, benefiting almost six million claimants across the UK either on low incomes or out of work. This provided significant relief to those in the most need of support during these unprecedented times, with charities and organisations calling the rise “a lifeline” and some of those in receipt of the Universal Credit saying it meant they went from “having to go without to having barely enough.”

Now, almost a year on – with the pandemic still very much dominating daily life, the Conservative UK Government are said to be reviewing the increase with the Prime Minister alleged to be minded to remove it. The potential withdrawal of such support highlights once again that the Westminster Government put families second at a time when the picture has, in fact, worsened for many with further job losses coming by the day as the effects of the pandemic continue.

In Rhondda Cynon Taf alone, approximately 21,000 people (as of December 2020) claim Universal Credit and the removal of the weekly payment will only serve to hit many in our communities at a time when state support is so vital.

This Council notes:

- That the extra £20 per-week payment to Universal Credit is an essential boost for millions that should not be removed. The removal would hit hardest on communities such as Rhondda Cynon Taf

and **resolves:**

- For the Council Leader to write to the Chancellor of the Exchequer and the Prime Minister ahead of the March 3rd Budget to outline this Council’s opposition to the proposed removal of the £20 per-week increase in Universal Credit.

At the meeting the Presiding Member announced that in accordance with Council Procedure Rule 10.4.1 an amendment to the original Notice of Motion had been received from County Borough Councillors P Jarman, H Fychan, E Webster, G Davies, A Chapman, S Evans, L Jones, E Stephens, S Rees Owen, M Weaver, J Williams, A Cox, D Grehan, E Griffiths, K Morgan, J Cullwick and J Davies.

In light of the proposed alteration to the substantive Notice of Motion County Borough Councillor P Jarman withdrew the amendment submitted by the Plaid Cymru group prior to it being formally moved.

Following discussions on the altered substantive Notice of motion, it was **RESOLVED** to adopt the altered substantive Notice of Motion in accordance with the Council’s Rules of Procedure 12.7.

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- B.** The following Notice of Motion standing in the names of County Borough Councillors M Powell, L Walker, P Howe, G Williams, M Diamond, K Jones, W Jones and W Owen was received.

This Council requests that an Officer report is presented to a meeting of the Corporate Governance and Constitution Committee, setting out the following proposal for consideration:

That any Members questions submitted for answering at Council that the answers to are readily available on the Councils website or have been included in information supplied by membership services to members in the previous six months shall be rejected. And the member directed to the relevant and easily available information.

At the meeting the Presiding Member announced that in accordance with Council Procedure Rule 10.4.1 an amendment to the original Notice of Motion had been received from County Borough Councillors P Jarman, H Fychan, E Webster, G Davies, A Chapman, S Evans, L Jones, E Stephens, S Rees Owen, M Weaver, J Williams, A Cox, D Grehan, E Griffiths, K Morgan, J Cullwick and J Davies.

The amended Motion read:

The Council requests that an Officer report is presented to a meeting of the Corporate Governance & Constitution Committee setting out the following proposals for consideration:

This Council presumes this motion is tabled as a consequence of the unanswered question tabled on the 11th November 2020 relating to question arrangements.

This Council requests that an officer report is presented setting out proposals for a protocol relating to the tabling and answering of Members Questions. This report to include the appropriateness or not of rejecting a question by applying a 6 month rule which is part of the protocol relied on in procedure rule 14.1 and 14.2 for disallowing lost motions or to rescind a previous Council decision.

There are already rules which provide for more productive question and answer sessions which should eliminate duplication and repetition but are generally not observed.

These are set out in this Council's Rule of procedure 9.5 relating to answering questions which may take the form of (b) where the desired information is in a publication of the Council or other published work, a reference to that publication. Such an answer will suffice but is never relied on. Instead lengthy responses relying on previously published information are common. This in turn also reduces the opportunity of more tabled questions being asked in the 20-minute slot set aside for Members Questions.

So that there is no doubt insofar as to the application of rule 9.6 relating to supplementary questions, there is an automatic right to ask such a question

according to the Constitution subject to the first question being asked and answered.

The sense and purpose of the motion is to streamline and maximize the opportunities for Members to scrutinise Cabinet Members and Chairs of Committees, by questioning them on matters of detail or updates on issues that they may have responsibility and accountability for but have not been made known generally or publicly.

This is the rationale of asking that an Officer report is presented to the Corporate Governance and Constitution Committee to review and refresh, if appropriate, the rules relating to Members' Questions.

Following a discussion on this matter, the vote was taken in respect of the amendment to the Notice of Motion and it was **RESOLVED** not to adopt the amendment.

Following further discussions on the original motion it was **RESOLVED** not to adopt the Notice of Motion.

**N.B**

- During the discussion Members **RESOLVED** to continue the meeting in accordance with Council Procedure Rule 8, to allow consideration of the remaining agenda items and continuation of Council business.

**This meeting closed at 8.10 pm**

**Cllr S Powderhill  
Chairman.**

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## Cyngor Bwrdeistref Sirol Rhondda Cynon Taf

### Crynodeb archwiliad blynyddol 2020



Dyma grynodeb o'n harchwiliad ar gyfer Cyngor Bwrdeistref Sirol Rhondda Cynon Taf. Mae'n dangos y gwaith a gwblhawyd ers yr Adroddiad Gwella Blynyddol diwethaf, a gyhoeddwyd ym mis Medi 2019. Mae'r crynodeb o'n harchwiliad yn rhan o ddyletswyddau Archwilydd Cyffredinol Cymru.

Mae rhagor o wybodaeth am y dyletswyddau hyn ar gael ar ein [gwefan](#).

## Ynglŷn â'r Cyngor

### Rhai o'r gwasanaethau a ddarperir gan y Cyngor



#### Ffeithiau allweddol

Mae gan y Cyngor 75 o gynghorwyr sy'n cynrychioli'r pleidiau gwleidyddol canlynol:

- Llafur Cymru 47
- Plaid Cymru 17
- Annibynnol 8
- Ceidwadwyr Cymreig 2
- Plaid Cwm Cynon 1

Gwariodd y Cyngor £529.1 miliwn ar ddarparu gwasanaethau yn ystod 2019-20, sef y gwariant uchaf ond un o blith y 22 cyngor unedol yng Nghymru.

Ar 31 Mawrth 2020, roedd gan y Cyngor £119.9 miliwn o gronfeydd ariannol wrth gefn y gellir eu defnyddio. Mae hyn yn cyfateb i 23% o wariant blynyddol y Cyngor ar wasanaethau, sef y 6ed canran uchaf o blith y 22 cyngor unedol yng Nghymru.

## Ffeithiau allweddol

Bernir bod 27 (18%) o'r 154 ardal o fewn y Cyngor Bwrdeistref ymhlith y 10% ardal mwyaf diffreintiedig yng Nghymru, sef y trydydd uchaf (cydradd â chyngor arall) o blith y 22 cyngor unedol yng Nghymru<sup>1</sup>.

Rhagwelir y bydd poblogaeth Rhondda Cynon Taf yn cynyddu 4.5% rhwng 2020 a 2040 o 241,492 i 252,418, gan gynnwys gostyngiad o 4.3% yn nifer y plant, cynnydd o 1.2% yn nifer y poblogaeth oedran gweithio a chynnydd o 2.3% yn nifer y bobl 65 oed a throsodd<sup>2</sup>.

## Dyletswyddau'r Archwilydd Cyffredinol

### Rydym yn cwblhau gwaith bob blwyddyn i gyflawni'r dyletswyddau canlynol

- **Archwilio Cyfrifon**

Bob blwyddyn mae'r Archwilydd Cyffredinol yn archwilio datganiadau ariannol y Cyngor i sicrhau bod arian cyhoeddus yn cael ei gyfrifo'n briodol.

- **Gwerth am arian**

Mae'n rhaid i'r Cyngor roi trefniadau ar waith i gael gwerth am arian am yr adnoddau y mae'n eu defnyddio, a rhaid i'r Archwilydd Cyffredinol fod wedi'i fodloni ei fod wedi gwneud hyn.

- **Gwelliant parhaus**

Mae'n rhaid i'r Cyngor roi trefniadau ar waith hefyd i wneud gwelliannau parhaus, gan gynnwys cynlluniau ac adroddiadau cysylltiedig, ac mae'n rhaid i'r Archwilydd Cyffredinol asesu a yw'r Cyngor yn debygol o fodloni'r gofynion hyn (neu wedi gwneud hynny).

- **Egwyddor datblygu cynaliadwy**

Mae angen i gyrff cyhoeddus gydymffurfio â'r egwyddor datblygu cynaliadwy wrth bennu eu hamcanion llesiant a chymryd camau i'w cyflawni. Rhaid i'r Archwilydd Cyffredinol asesu i ba raddau y maent yn gwneud hyn.

<sup>1</sup>Diffinnir ardal yn y cyd-destun hwn fel 'Ardal Cynnyrch Ehangach Haen Is'. Ffynhonnell: Stats Cymru

<sup>2</sup>Ffynhonnell: Stats Cymru





Ers Gwanwyn 2020, mae'r pandemig parhaus wedi effeithio ar ein gwaith archwilio. Rydym yn cydnabod y straen enfawr ar wasanaethau cyhoeddus ac wedi ail-lunio ein rhaglen waith a dod o hyd i ffyrdd newydd o weithio i leihau ei effaith ar ymateb cyrff cyhoeddus i COVID-19, gan barhau i gyflawni ein dyletswyddau statudol.



Er mwyn cyflawni dyletswyddau'r Archwilydd Cyffredinol, rydym yn cwblhau prosiectau penodol, ond rydym yn dibynnu ar waith archwilio arall hefyd, a gwaith rheoleiddwyr fel Arolygiaeth Gofal Cymru ac Estyn (yr arolygiaeth addysg). Rydym yn ystyried canfyddiadau ein gwaith archwilio wrth asesu a yw'r Cyngor wedi rhoi trefniadau ar waith i sicrhau gwerth am arian. Ceir crynodeb o'n canfyddiadau a'n casgliadau isod.

## Yr hyn a ganfuwyd gennym

### Archwiliad o Gyfrifon 2019-20 Cyngor Bwrdeistref Sirol Rhondda Cynon Taf

Bob blwyddyn, rydym yn archwilio datganiadau ariannol y Cyngor.

#### Ar gyfer 2019-20:

- rhoddodd yr Archwilydd Cyffredinol farn ddiamed, gwir a theg ar ddatganiadau ariannol y Cyngor ar 26 Tachwedd 2020, pedwar diwrnod cyn y dyddiad cau statudol.
- paratowyd Datganiad Llywodraethu Blynnyddol ac Adroddiad Naratif y Cyngor yn unol â Chod CIPFA a chanllawiau perthnasol. Roeddent hefyd yn gyson â'r datganiadau ariannol a baratowyd gan y Cyngor a chyda'n gwybodaeth ni am y Cyngor.
- roedd ansawdd y datganiadau drafft a gyflwynwyd i'w harchwilio ar 14 Gorffennaf 2020 yn dda ar y cyfan.
- gwnaed nifer o newidiadau i ddatganiadau ariannol y Cyngor yn deillio o'n gwaith archwilio, a adroddwyd i'r Cyngor Llawn yn ein Hadroddiad Archwilio Datganiadau Ariannol ym mis Tachwedd 2020.
- yn ogystal â chyfrifoldebau'r Archwilydd Cyffredinol am archwilio datganiadau ariannol y Cyngor, mae'n gyfrifol am ardystio nifer o ffurflenni a hawliadau grant hefyd. Nid yw ein gwaith hyd yma wedi nodi unrhyw faterion arwyddocaol.
- mae'r Archwilydd Cyffredinol wedi cyhoeddi'r dystysgrif yn cadarnhau bod archwiliad cyfrifon 2019-20 wedi'i gwblhau.
- mae ffeithiau a ffigurau allweddol o ddatganiadau ariannol 2019-20 ar gael [yma](#).

## Archwiliad Llesiant Cenedlaethau'r Dyfodol – Buddsoddi mewn Gwasanaethau Hamdden (Mawrth 2020)

Roedd yr archwiliad a gynhaliwyd gennym yn 2019-20 yn ystyried i ba raddau y mae'r Cyngor wedi gweithredu yn unol â'r egwyddor datblygu cynaliadwy wrth gyflwyno buddsoddiadau blaenoriaeth ar gyfer cyfleusterau hamdden er mwyn cynyddu cyfranogiad mewn ymarfer corff a chyfrannu at iechyd a llesiant trigolion. Daethom i'r casgliad bod enghreifftiau clir o sut mae'r Cyngor yn defnyddio'r egwyddor datblygu cynaliadwy wrth fuddsoddi mewn cyfleusterau hamdden, ond bod cyfleoedd ar gael i ddatblygu cynlluniau mwy hirdymor a chynnwys pobl wrth lunio darpariaeth hamdden yn y dyfodol. Gellir gweld yr adroddiad [yma](#).

## Gwelliant Parhaus

Ar dystiodd yr Archwilydd Cyffredinol fod y Cyngor wedi cyflawni ei ddyletswyddau cyfreithiol ar gyfer cynllunio ac adrodd ar welliannau, ac mae o'r farn ei fod yn debygol o fodloni gofynion Mesur Llywodraeth Leol (Cymru) 2009 yn ystod 2020-21.

## Cynaliadwyedd Ariannol (Mawrth 2020)

Yn ystod 2019-20, buom yn archwilio cynaliadwyedd ariannol pob cyngor yng Nghymru. Yn Rhondda Cynon Taf daethom i'r casgliad bod y Cyngor mewn sefyllfa dda i reoli ei gynaliadwyedd ariannol dros y tymor byr a'r tymor canolig. Gellir gweld yr adroddiad [yma](#).

## Y Fenter Twyll Genedlaethol

Ym mis Hydref 2020, cyhoeddodd yr Archwilydd Cyffredinol ei adroddiad ar ganfyddiadau ymarfer paru data diweddaraf y Fenter Twyll Genedlaethol (NFI) yng Nghymru. Roedd yr ymarfer yn helpu cyrff cyhoeddus yng Nghymru, gan gynnwys y 22 awdurdod unedol, i nodi twyll a gordaliadau gwerth £8 miliwn. Mae'r adroddiad ar gael ar ein gwefan [yma](#). Mae'r Fenter yn parhau i gael ei datblygu, ac yn yr ymarfer NFI arfaethedig (NFI 2020-2022), bydd gan awdurdodau lleol fynediad at ddata sydd wedi'i baru er mwyn helpu i nodi ceisiadau twyllodrus posibl ar gyfer grantiau cymorth busnes COVID-19.

## Arolygiaethau Eraill

Ystyriwyd adroddiadau Arolygiaeth Gofal Cymru (AGC) ac Estyn hefyd, ynghyd ag unrhyw gamau dilynol a gymerwyd gan y Cyngor mewn ymateb. Yn ystod 2019-20, cyhoeddodd AGC ei **Lythyr adolygu perfformiad awdurdod lleol 2019/20: Cyngor Bwrdeistref Sirol Rhondda Cynon Taf**. Gellir gweld y llythyr [yma](#).

Ym mis Ionawr 2021, ysgrifennodd Estyn at Brif Weithredwr y Cyngor yn amlinellu canlyniad ei adolygiad o waith Cyngor Bwrdeistref Sirol Rhondda Cynon Taf wrth gefnogi eu cymunedau dysgu mewn ysgolion ac unedau cyfeirio disgyblion (UCDau) yn ystod y cyfnod rhwng mis Mawrth a mis Hydref 2020. Adroddiad perthnasol arall yw adroddiad Cenedlaethol Estyn, **Cymorth awdurdodau lleol a chonsortia rhanbarthol i ysgolion ac UCDau i ymateb i COVID-19 – Adroddiad diweddar o Fehefin i Dachwedd 2020**, a gyhoeddwyd ym mis Ionawr 2021. Gellir gweld yr adroddiad [yma](#).

## Astudiaethau Llywodraeth Leol

Yn ogystal â gwaith lleol ym mhob cyngor, bob blwyddyn rydym yn cynnal astudiaethau ledled y sector llywodraeth leol hefyd i wneud argymhellion ar gyfer gwella gwerth am arian. Ers yr adroddiad gwella blynyddol diwethaf, rydym wedi cyhoeddi'r adroddiadau canlynol:

## Y 'Drws Blaen' i Ofal Cymdeithasol (Medi 2019)

Ystyriwyd effeithiolrwydd y 'drws blaen' newydd i ofal cymdeithasol, gan edrych yn benodol ar wasanaethau i oedolion. Er bod cynghorau'n atal y galw am ofal cymdeithasol, canfuwyd nad yw gwybodaeth, cyngor a chymorth yn effeithiol yn gyson. Gellir gweld yr adroddiad [yma](#).

## Adolygiad o Fyrddau Gwasanaethau Cyhoeddus (Hydref 2019)

Rydym wedi archwilio sut y mae Byrddau Gwasanaethau Cyhoeddus yn gweithredu; gan edrych ar eu haelodaeth, eu cylch gorchwyl, amllder a ffocws cyfarfodydd, y modd y maent yn cyd-fynd â phartneriaethau eraill, adnoddau a threfniadau craffu. Daethom i'r casgliad nad yw Byrddau Gwasanaethau Cyhoeddus yn debygol o wireddu eu potensial oni bai y rhoddir rhyddid iddynt i weithredu'n fwy hyblyg ac i feddwl a gweithredu'n wahanol. Gellir gweld yr adroddiad [yma](#).

## Cynnydd o ran gweithredu'r Ddeddf Trais yn Erbyn Menywod, Cam-drin Domestig a Thrais Rhywiol (Tachwedd 2019)

Rydym wedi archwilio sut y mae dyletswyddau a chyfrifoldebau newydd y Ddeddf Trais yn erbyn Menywod, Cam-drin Domestig a Thrais Rhywiol (Cymru) yn cael eu cyflwyno a'u cyflawni. Gwelwyd fod dioddefwyr a goroeswyr cam-drin domestig a thrais rhywiol yn cael eu methu yn aml gan system anghyson, gymhleth a thameidiog. Gellir gweld yr adroddiad [yma](#).

## Cysgu Allan yng Nghymru – Problem i Bawb; Cyfrifoldeb i Neb (Gorffennaf 2020)

Edrychwyd ar ba mor dda y mae gwasanaethau cyhoeddus yn ymateb i fater cysgu allan. Yn gyffredinol, gwelwyd fod ymateb i COVID-19 yn gyfle i gyrff cyhoeddus ddechrau mynd i'r afael â gwendidau hirsefydlog mewn trefniadau gweithio mewn partneriaeth sydd wedi eu hatal rhag mynd i'r afael â chysgu allan yn y gorffennol. Gellir gweld yr adroddiad [yma](#).

## Deddfu Gwell (Medi 2020)

Mae'r adroddiad hwn yn defnyddio pum adroddiad a gyhoeddwyd rhwng 2019 a heddiw yn edrych ar sut mae awdurdodau lleol yn ymateb i'r her o weithredu deddfwriaeth newydd. Mae rhoi deddfwriaeth ar waith yn dasg gymhleth, ac mae angen i Lywodraeth Cymru a'r Senedd roi ystyriaeth fanwl i'r dasg hon pan fyddant yn cynnig ac yn gwneud unrhyw ddeddfwriaeth newydd. Mae'r papur yn tynnu sylw at yr anawsterau a wynebir gan awdurdodau lleol a'u partneriaid yn y sector cyhoeddus wrth weithredu eu cyfrifoldebau newydd. Gellir gweld yr adroddiad [yma](#).

## Masnacheiddio mewn Llywodraeth Leol (Hydref 2020)

Mae cynghorau wedi ymgymryd â gweithgarwch masnachol ers amser maith, ac mae llawer o gynghorau'n archwilio cyfleoedd masnachol ychwanegol i liniaru yn erbyn y pwysau ariannol y maent yn eu hwynebu. Mae'n hadroddiad wedi'i anelu'n benodol at helpu aelodau etholedig ac uwch-swyddogion i archwilio a dyfarnu ar yr effaith bosibl ar eu sefydliadau wrth ystyried a ddylid ymgymryd â gweithgareddau masnacheiddio. Bydd hefyd yn helpu cynghorau i ddangos pa mor dda y maent yn cyflawni eu cyfrifoldebau o safbwynt sicrhau gwerth am arian. Gellir gweld yr adroddiad [yma](#).

## Gwaith sydd ar y gweill ar gyfer 2020-21

Edrychwyd hefyd ar yr heriau a'r cyfleoedd allweddol sy'n wynebu'r cyngor. Gallai'r risgiau hyn effeithio ar allu'r cyngor i gyflawni ei rwymedigaethau cyfreithiol mewn perthynas â'r egwyddor datblygu cynaliadwy, y defnydd o'i adnoddau a gwelliant parhaus.

Y risg a'r broblem fwyaf arwyddocaol sy'n wynebu cynghorau a'r sector cyhoeddus ehangach yn ystod 2020-21 yw pandemig COVID-19. Rydym wedi llunio ein gwaith i roi sicrwydd a her mewn ffordd sy'n helpu i gefnogi'r Cyngor drwy'r cyfnod hwn. Mae ein gwaith ar gyfer 2020-21 yn cynnwys:

- cynllunio adferiad mewn ymateb i bandemig COVID-19;
- prosiect dysgu COVID – helpu i nodi a rhannu dysgu o'r ffordd y mae cyrff cyhoeddus wedi ymateb i'r pandemig;
- sicrwydd ac asesu risg; ac
- adolygiad o gynaliadwyedd ariannol y Cyngor.

Mae'r Archwilydd Cyffredinol yn annibynnol ar y llywodraeth, ac fe'i penodir gan Ei Mawrhydi y Frenhines. Mae'r Archwilydd Cyffredinol yn ymgymryd â'i waith gan ddefnyddio staff ac adnoddau eraill a ddarperir gan Swyddfa Archwilio Cymru, sy'n fwrdd statudol a sefydlwyd at y diben hwnnw ac i fonitro a chynghori'r Archwilydd Cyffredinol. Mae Swyddfa Archwilio Cymru yn atebol i'r Senedd.

Mae'r Archwilydd Cyffredinol yn archwilio cyrff llywodraeth leol yng Nghymru, gan gynnwys awdurdodau unedol, yr heddlu, gwasanaethau prawf, awdurdodau tân ac achub, awdurdodau'r parciau cenedlaethol a chynghorau cymuned. Y mae hefyd yn cynnal astudiaethau gwerth am arian llywodraeth leol ac yn asesu cydymffurfiaeth â gofynion Mesur Llywodraeth Leol (Cymru) 2009.

Y tu hwnt i lywodraeth leol, yr Archwilydd Cyffredinol yw archwilydd allanol Llywodraeth Cymru a'r cyrff cyhoeddus a noddir ganddi ac sy'n gysylltiedig â hi, Comisiwn y Senedd a chyrrff y Gwasanaeth Iechyd Gwladol yng Nghymru.

Archwilio Cymru yw'r enw cyfunol anstatudol ar gyfer Archwilydd Cyffredinol Cymru a Swyddfa Archwilio Cymru, sy'n endidau cyfreithiol ar wahân y mae ganddynt ill dau eu swyddogaethau cyfreithiol eu hunain fel y disgrifir uchod. Nid yw Archwilio Cymru yn endid cyfreithiol.

Rydym yn croesawu gohebiaeth a galwadau ffôn yn Gymraeg ac yn Saesneg. Ni fydd gohebu yn Gymraeg yn arwain at oedi. We welcome correspondence and telephone calls in Welsh and English. Corresponding in Welsh will not lead to delay.

Mae'r ddogfen hon ar gael yn Saesneg hefyd.

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## Rhondda Cynon Taf County Borough Council

### Annual audit summary 2020

This is our audit summary for Rhondda Cynon Taf County Borough Council. It shows the work completed since the last Annual Improvement Report, which was issued in September 2019. Our audit summary forms part of the Auditor General for Wales' duties.



More information about these duties can be found on our [website](#).

## About the Council

### Some of the services the Council provides



#### Key facts

The Council is made up of 75 councillors who represent the following political parties:

- Welsh Labour 47
- Plaid Cymru 17
- Independent 8
- Welsh Conservative 2
- The Cynon Valley Party 1

The Council spent £529.1 million on providing services during 2019-20, the second-highest spend of the 22 unitary councils in Wales.

As at 31 March 2020, the Council had £119.9 million of usable financial reserves. This is equivalent to 23% of the Council's annual spend on services, the sixth-highest percentage of the 22 unitary councils in Wales.

## Key facts

The County Borough has 27 (18%) out of its 154 areas deemed the most deprived 10% of areas in Wales, this is the joint third highest of the 22 unitary councils in Wales<sup>1</sup>.

Rhondda Cynon Taf's population is projected to increase by 4.5% between 2020 and 2040 from 241,492 to 252,418, including a 4.3% decrease in the number of children, a 1.2% increase in the number of the working-age population and a 2.3% increase in the number of people aged 65 and over<sup>2</sup>.

## The Auditor General's duties

### We complete work each year to meet the following duties

- **Audit of Accounts**

Each year the Auditor General audits the Council's financial statements to make sure that public money is being properly accounted for.

- **Value for money**

The Council has to put in place arrangements to get value for money for the resources it uses, and the Auditor General has to be satisfied that it has done this.

- **Continuous improvement**

The Council also has to put in place arrangements to make continuous improvements, including related plans and reports, and the Auditor General has to assess whether the Council is likely to (or has) met these requirements.

- **Sustainable development principle**

Public bodies need to comply with the sustainable development principle when setting and taking steps to meet their well-being objectives. The Auditor General must assess the extent to which they are doing this.

<sup>1</sup> An area in this context is defined as a 'Lower Super Output Area'. Source: Stats Wales

<sup>2</sup> Source: Stats Wales





Since the Spring of 2020, the ongoing pandemic has affected our audit work. We recognise the huge strain on public services and have reshaped our work programme, and found new ways of working to reduce its impact on public bodies' response to COVID-19, while still meeting our statutory duties.



**To meet the Auditor General's duties we complete specific projects, but we also rely on other audit work, and the work of regulators such as Care Inspectorate Wales and Estyn (the education inspectorate). We take the findings of our audit work into account when assessing whether the Council has put in place arrangements to secure value for money. Our findings and conclusions are summarised below.**

## What we found

### Audit of Rhondda Cynon Taf County Borough Council's 2019-20 Accounts

Each year we audit the Council's financial statements.

#### For 2019-20:

- the Auditor General gave an unqualified true and fair opinion on the Council's financial statements on 26 November 2020, four days ahead of the statutory deadline.
- the Council's Annual Governance Statement and Narrative Report were prepared in line with the CIPFA Code and relevant guidance. They were also consistent with the financial statements prepared by the Council and with our knowledge of the Council.
- the quality of the draft statements presented for audit on 14 July 2020 was generally good.
- a number of changes were made to the Council's financial statements arising from our audit work, which were reported to Full Council in our Audit of Financial Statements Report in November 2020.
- in addition to the Auditor General's responsibilities for auditing the Council's financial statements, he also has responsibility for the certification of a number of grant claims and returns. Our work to date has not identified any significant issues.
- the Auditor General issued the certificate confirming that the audit of accounts for 2019-20 has been completed.
- key facts and figures from the 2019-20 financial statements can be accessed [here](#).

## Well-being of Future Generations Examination – Investment in Leisure Facilities (March 2020)

The examination that we undertook in 2019-20 considered the extent to which the Council has acted in accordance with the sustainable development principle in the delivery of the priority investments for leisure facilities to increase participation in exercise and contribute to residents' health and well-being. We concluded that there are clear examples of how the Council is applying the sustainable development principle to its investment in leisure facilities, but there are opportunities to develop longer-term planning and involve people in shaping future leisure provision. The report can be viewed [here](#).

## Continuous Improvement

The Auditor General certified that the Council has met its legal duties for improvement planning and reporting, and believes that it is likely to meet the requirements of the Local Government (Wales) Measure 2009 during 2020-21.

## Financial Sustainability (March 2020)

During 2019-20, we examined the financial sustainability of each council in Wales. In Rhondda Cynon Taf we concluded that the Council is well placed to manage its financial sustainability over the short and medium term. The report can be viewed [here](#).

## National Fraud Initiative

In October 2020, the Auditor General published his report on the findings of the latest National Fraud Initiative (NFI) data-matching exercise in Wales. The exercise helped public bodies in Wales, including the 22 unitary authorities, identify fraud and overpayments amounting to £8 million. The report can be accessed on our website [here](#). NFI continues to be developed and in the forthcoming NFI exercise (NFI 2020-2022) local authorities will have access to matches designed to help identify potential fraudulent applications for COVID-19 business support grants.

## Other Inspectorates

We also took into account the reports of Care Inspectorate Wales (CIW) and Estyn as well as any subsequent actions taken by the Council in response. During 2019-20, CIW published its **Local authority performance review letter 2019/20: Rhondda Cynon Taf County Borough Council**. The letter can be viewed [here](#).

In January 2021, Estyn wrote to the Council's Chief Executive outlining the outcome of their review of Rhondda Cynon Taf County Borough Council's work in supporting their learning communities in schools and pupil referral units (PRUs) during the period from March to October 2020. Also relevant is Estyn's National report, **Local authority and regional consortia support for schools and PRUs in response to COVID-19 – Update report from June to November 2020**, published in January 2021. The report can be viewed [here](#).

## Local Government Studies

As well as local work at each council, each year we also carry out studies across the local government sector to make recommendations for improving value for money. Since the last annual improvement report we have published the following reports:

### The 'Front Door' to Social Care (September 2019)

We considered the effectiveness of the new 'front door' to social care, looking specifically at services for adults. We found that whilst councils are preventing social-care demand, information, advice and assistance are not consistently effective. The report can be viewed [here](#).

### Review of Public Services Boards (October 2019)

We inspected how Public Services Boards are operating; looking at their membership, terms of reference, frequency and focus of meetings, alignment with other partnerships, resources and scrutiny arrangements. We concluded that Public Services Boards are unlikely to realise their potential unless they are given freedom to work more flexibly and think and act differently. The report can be viewed [here](#).

### Progress in implementing the Violence Against Women, Domestic Abuse and Sexual Violence Act (November 2019)

We examined how the new duties and responsibilities of the Violence against Women, Domestic Abuse and Sexual Violence (Wales) Act are being rolled out and delivered. We found that victims and survivors of domestic abuse and sexual violence are often let down by an inconsistent, complex and fragmented system. The report can be viewed [here](#).

### Rough Sleeping in Wales – Everyone's Problem; No One's Responsibility (July 2020)

We looked at how well public services are responding to the issue of rough sleeping. Overall, we found that responding to COVID-19 is an opportunity for public bodies to start addressing long standing weaknesses in partnership working which has stopped them from tackling rough sleeping in the past. The report can be viewed [here](#).

### Better Law Making (September 2020)

This report draws on five reports published between 2019 and today looking at how local authorities are responding to the challenge of implementing new legislation. Implementation is a complex task which needs to be fully thought through by the Welsh Government and the Senedd whenever they bring forward and make any new legislation. The paper highlights the difficulties faced by local authorities and their public sector partners in implementing their new responsibilities. The report can be viewed [here](#).

## Commercialisation in Local Government (October 2020)

Councils have conducted commercial activity for a long time, and many councils are exploring additional commercial opportunities to mitigate against the financial pressures they face. Our report is specifically targeted at helping elected members and senior officers to examine and judge the potential impact on their organisations when considering whether to undertake commercialisation. It will also help councils to demonstrate how well they are discharging their value for money responsibilities. The report can be viewed [here](#).

## Planned work for 2020-21

We also looked at the key challenges and opportunities facing the council. These risks could have an effect on the council's ability to meet its legal obligations in relation to the sustainable development principle, the use of its resources and continuous improvement.

The most significant risk and issue facing councils and the wider public sector during 2020-21 is the COVID-19 pandemic. We have shaped our work to provide assurance and challenge in a way which helps to support the Council through this period. Our work for 2020-21 includes:

- recovery planning in response to the COVID-19 pandemic;
- COVID-learning project – helping to identify and share learning from the way in which public bodies have responded to the pandemic;
- assurance and risk assessment; and
- a review of the Council's financial sustainability.

The Auditor General is independent of government, and is appointed by Her Majesty the Queen. The Auditor General undertakes his work using staff and other resources provided by the Wales Audit Office, which is a statutory board established for that purpose and to monitor and advise the Auditor General. The Wales Audit Office is held to account by the Senedd.

The Auditor General audits local government bodies in Wales, including unitary authorities, police, probation, fire and rescue authorities, national parks and community councils. He also conducts local government value for money studies and assesses compliance with the requirements of the Local Government (Wales) Measure 2009.

Beyond local government, the Auditor General is the external auditor of the Welsh Government and its sponsored and related public bodies, the Senedd Commission and National Health Service bodies in Wales.

Audit Wales is the non-statutory collective name for the Auditor General for Wales and the Wales Audit Office, which are separate legal entities with their own legal functions, as described above. Audit Wales is not a legal entity.

We welcome correspondence and telephone calls in Welsh and English. Corresponding in Welsh will not lead to delay. Rydym yn croesawu gohebiaeth a galwadau ffôn yn Gymraeg a Saesneg. Ni fydd gohebu yn Gymraeg yn arwain at oedi.

This document is also available in Welsh.

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RHONDDA CYNON TAF COUNTY BOROUGH COUNCIL

COUNCIL

10<sup>th</sup> MARCH 2021

MEMBERS QUESTIONS ON NOTICE

REPORT OF THE SERVICE DIRECTOR, DEMOCRATIC SERVICES & COMMUNICATION.

1. **PURPOSE OF THE REPORT**

- 1.1 To present the order of questions in respect of the Members Questions on Notice, following the amendment to the process agreed at the [Council AGM 2019](#).

2. **RECOMMENDATIONS**

It is recommended that Members:

- 2.1 Receive the Questions and any supplementary questions proposed, as in accordance with the running order advised upon in 4.3 of the report, which should not exceed a 20 minute time period.

3. **REASONS FOR RECOMMENDATIONS**

- 3.1 As agreed at the Council AGM on the 15<sup>th</sup> May, 2019, Members agreed to amend Council Procedure Rule 9.2 in respect of Members Questions on Notice.

4. **MEMBERS QUESTION ON NOTICE**

- 4.1 The closing date for receipt of Members Questions on Notice to the Council Business Unit for the 10<sup>TH</sup> March Council meeting was 5pm on the 25<sup>th</sup> February 2021.
- 4.2 24 questions were received and put forward to the Council Ballot held on the 1<sup>st</sup> March 2021, to determine the running order of the questions at the Council Meeting.
- 4.3 The results of the ballot are outlined below:-

Number	Corresponding Question
1	<p><b>From County Borough Councillor J. Bonetto to the Leader of the Council, County Borough Councillor A Morgan:</b></p> <p>“Can the Leader give an update on the plans for the new Train Station in Treforest Estate?”</p>
2	<p><b>From County Borough Councillor M Powell to the Leader of the Council, County Borough Councillor A Morgan:</b></p> <p>Would Cllr. Morgan state what the Councils policy or attitude is to reducing vehicular emissions to improve air quality in residential areas of RCT in light of the recent Southwark Coroners ruling, link below.</p> <p>"On 16 December, Southwark Coroner's Court in London found that air pollution "made a material contribution" to the death of nine-year-old Ella Adoo-Kissi-Debrah."</p> <p><a href="https://www.bbc.com/news/science-environment-55352247">https://www.bbc.com/news/science-environment-55352247</a></p>
3	<p><b>From County Borough Councillor T. Williams to the Cabinet Member for Education and Inclusion Services, County Borough Councillor J. Rosser:</b></p> <p>“Can the Cabinet Member outline what support the Welsh Government and the Council are providing in terms of Free School Meals?”</p>
4	<p><b>From County Borough Councillor H. Boggis to the Leader of the Council, County Borough Councillor A. Morgan:</b></p> <p>“Can the Leader provide an update on discussions with the Welsh Government regarding the timeframe for the dualling of the Heads of the Valleys road now that work has started?”</p>
5	<p><b>From County Borough Councillor A. S. Fox to the Leader of the Council, County Borough Councillor A Morgan:</b></p> <p>‘Will the Leader make a statement on the recent findings of the report on maternity services at Cwm Taf Morgannwg UHB?’</p>



6	<p><b>From County Borough Councillor S. Morgans to the Cabinet Member for Education and Inclusion Services, County Borough Councillor J Rosser:</b></p> <p>“Will the cabinet member please provide an update of the latest position and the timescale for the community engagement plans for the development of a new school for YGG LLyn Y Forwyn.”</p>
7	<p><b>From County Borough Councillor E. Webster to the Leader of the Council, County Borough Councillor A. Morgan:</b></p> <p>“The river wall at Swn Yr Afon, Treorchy, was seriously damaged during Storm Dennis. Is this council going to support the residents and repair the wall?”</p>
8	<p><b>From County Borough Councillor R. Yeo to the Cabinet Member for Adult Community Services and the Welsh Language, County Borough Councillor G. Hopkins:</b></p> <p>“Will the Cabinet Member please make a statement on visiting arrangements at care homes across the County?”</p>
9	<p><b>From County Borough Councillor S. Bradwick to the Leader of the Council, County Borough Councillor A. Morgan:</b></p> <p>“Can the leader of the council provide an update on the progress of flood alleviation scheme bids for the forthcoming year please?”</p>
10	<p><b>Question from County Borough Councillor S. Rees to the Chair of Children and Young People Scrutiny Committee, County Borough Councillor S Rees-Owen:</b></p> <p>“What consideration has your Committee afforded to the Council’s response to support distanced learning during the pandemic period?”</p>
11	<p><b>From County Borough Councillor G. Caple to the Leader of the Council, County Borough Councillor A. Morgan:</b></p> <p>“Can the Council Leader give an update on Porth Interchange and the funding package that’s being assembled, including from the City Deal?”</p>
12	<p><b>From County Borough Councillor S. M. Powell to the Cabinet Member for Stronger Communities, Wellbeing and Cultural Services, County Borough Councillor R. Lewis:</b></p> <p>“How is this Council progressing plans for the introduction of Electric Charge Points throughout Rhondda Cynon Taf?”</p>

13	<p><b>From County Borough Councillor J. James to the Cabinet Member for Adult Community Services &amp; Welsh Language, County Borough Councillor G Hopkins:</b></p> <p>“Could the relevant cabinet member make a statement on the current situation regarding Treforest Learning Curve?”</p>
14	<p><b>From County Borough Councillor W. Lewis to the Leader of the Council, County Borough Councillor A. Morgan:</b></p> <p>“Can the Leader provide an update on the recent land slip at Pentre?”</p>
15	<p><b>From County Borough Councillor G. Hughes to the Deputy Leader and Cabinet Member for Council Business, County Borough Councillor M Webber:</b></p> <p>“Can the Deputy Leader provide an update on progress of the Welsh Government’s introduction on lowering the voting age to 16 and what steps this Council is taking to engage with those who are or will be newly enfranchised?”</p>
16	<p><b>From County Borough Councillor G. Jones to the Leader of the Council, County Borough Councillor A Morgan:</b></p> <p>“Can the council leader please provide an update on the Zipworld development and outline the expected local impact in terms of jobs and local economy”.</p>
17	<p><b>From County Borough Councillor G R Davies to the Cabinet Member for Enterprise Development and Housing, County Borough Councillor D R Bevan:</b></p> <p>“A wnech chi ddatganiad ar dwristiaeth yn mhen uchaf Cwm Rhondda Fawr?”</p> <p>“Will you make a statement on tourism in the Upper Rhondda Fawr area?”</p>
18	<p><b>From County Borough Councillor H. Fychan to the Cabinet Member for Stronger Communities, Well-being &amp; Cultural Services, County Borough Councillor R. Lewis:</b></p> <p>“Could you provide an update on measures being undertaken in Pontypridd Town Centre to tackle anti-social behaviour?”</p>

19	<p><b>From County Borough Councillor E Griffiths to the Cabinet Member for Corporate Services, County Borough Councillor M Norris:</b></p> <p>“Can the Cabinet Member for Corporate Services make a statement outlining the progress that has been made to ensure the LA’s pension scheme is reducing the investments in companies profiteering from fossil fuel production”.</p>
20	<p><b>From County Borough Councillor S Rees-Owen to the Leader of the Council, County Borough Councillor A Morgan:</b></p> <p>“Can you inform members of any Council involvement with the off-road vehicle situation in the county borough please?”</p>
21	<p><b>From County Borough Councillor G. Thomas to the Leader of the Council, County Borough Councillor A. Morgan:</b></p> <p>“Will the Leader please update on whether there are any planned programmes to address the ongoing flooding issue on Rhigos Road”.</p>
22	<p><b>From County Borough Councillor J. Elliott to the Leader of the Council, County Borough Councillor A Morgan:</b></p> <p>“Can the Council Leader please provide an update on the various flood schemes planned and ongoing across RCT, including for the Cwmbach ward?”</p>
23	<p><b>From County Borough Councillor E. George to the Leader of the Council, County Borough Councillor A. Morgan:</b></p> <p>“Will the Leader please make a statement on the Community Testing programme in Rhondda Cynon Taf?”</p>
24	<p><b>From County Borough Councillor P. Jarman to the Cabinet Member for Adult Community Services &amp; Welsh Language, County Borough Councillor G Hopkins:</b></p> <p>“Does the Council have Intergenerational Policies?”</p>

4.4 At the Council meeting a maximum of 20 minutes shall be allowed for Questions on Notice. Any questions that are not dealt with in this time limit shall fall. Any questions on notice not answered will need to be resubmitted to the Proper Officer for the next full Council meeting in accordance with these rules.

**5. CONSULTATION / INVOLVEMENT**

- 5.1 The amendment to the Council Procedure Rule in respect of Members Questions was considered and agreed at the Council AGM 2019, following consultation with the Corporate Governance & Constitution Committee

**6. EQUALITY AND DIVERSITY IMPLICATIONS**

- 6.1 The amendment to the Council procedure rule taken forward at the Council AGM, allows the opportunity for more Members to ask a question at Council

**7. FINANCIAL IMPLICATIONS**

- 7.1 There are no financial implications aligned to this report.

**8. LEGAL IMPLICATIONS OR LEGISLATION CONSIDERED**

- 8.1 The report has been prepared in accordance with Council Procedure Rule 9.2.

**9. LINKS TO THE COUNCILS CORPORATE PLAN / OTHER CORPORATE PRIORITIES.**

- 9.1 The opportunity for Members to propose questions at Council meetings allows Members to receive information which potentially detail the Council priorities. It also embraces the Future Generations Act as all work and decisions taken by Council seek to improve the social, economic, environmental and cultural well-being of the County Borough.

**10. CONCLUSION**

- 10.1 Detailing the procedure for Members Questions on Notice assists in transparency for both Members and for public engagement.

**Other Information:-**

**Relevant Scrutiny Committee – Overview & Scrutiny Committee**

**LOCAL GOVERNMENT ACT 1972**

**AS AMENDED BY**

**THE LOCAL GOVERNMENT (ACCESS TO INFORMATION) ACT 1985**

**RHONDDA CYNON TAF COUNTY BOROUGH COUNCIL**

**COUNCIL**

**10<sup>th</sup> MARCH 2021**

**REPORT OF THE SERVICE DIRECTOR, DEMOCRATIC SERVICES &  
COMMUNICATION.**

**Item: MEMBERS QUESTIONS ON NOTICE**

**Background Papers**

[Council AGM 2019.](#)

Officer to contact: Emma Wilkins, Council Business Unit

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## **RHONDDA CYNON TAF COUNTY BOROUGH COUNCIL**

### **COUNCIL**

**10<sup>th</sup> MARCH 2021**

### **VACATION OF OFFICE BY A COUNCILLOR AS A RESULT OF NON-ATTENDANCE AT MEETINGS**

#### **REPORT OF THE SERVICE DIRECTOR, DEMOCRATIC SERVICES & COMMUNICATIONS**

#### **1. PURPOSE OF THE REPORT**

1.1 This report provides:

- (i) Members with details of the provisions of Section 85 and 86 of the Local Government Act 1972 (“LGA 1972”), which deal with a vacation of office by a Councillor because of a failure to attend meetings; and
- (ii) provides information in respect of the non-attendance at meetings by a Member of Rhondda Cynon Taf CBC for over a six-month period, without permission for absence being approved by Council.

#### **2. RECOMMENDATIONS**

It is recommended that Members:

- 2.1 Acknowledge the detail provided within the report in respect of the non-attendance at meetings by Councillor G. Williams for over a six-month period without permission for absence being approved by Council; and
- 2.2 Considers this matter in line with Sections 85 and 86 of the Local Government Act 1972 and determines whether Councillor G. Williams’ office as a Member of Rhondda Cynon Taf CBC (for the Penrhiwceiber Electoral Ward) should now be declared vacant.

#### **3. REASONS FOR RECOMMENDATIONS**

- 3.1 The need to advise Members of the position in respect of a Member’s non-attendance at meetings for over a six-month period, without permission being approved by Council and the subsequent action needed to be taken forward.

#### **4. BACKGROUND**

- 4.1 Section 85(1) of the LGA 1972 requires a Member of a Local Authority to attend at least one meeting of that Authority within a six-month consecutive

period unless permission for the absence is granted by the Authority in advance. Without advance permission to be absent, loss of office is automatic and permission cannot be granted retrospectively

- 4.2 Attendance in an official capacity at a relevant meeting of the Council is defined as attendance at Cabinet, a Committee or a Sub-Committee of the Council or at any meeting of a joint Committee or other such body discharging functions of the Council or at any meeting as a representative of the Council is deemed to be a meeting of the Council.
- 4.3 Council is advised that if a Member loses their office through failure to attend for the six-month period, the disqualification cannot be overcome by the Member subsequently resuming attendance.
- 4.4 On the [18<sup>th</sup> March 2020](#) a joint report was presented to Council by the Service Director for Democratic Services and Communications and the Director of Legal Services, whereby it was agreed that in the event any Councillor listed in Appendix A of that report could not attend a Council meeting, for a period of six consecutive months owing to the Covid-19 virus, then their failure to attend any meetings was approved by the Council in accordance with Section 85 of the Local Government Act 1972. As the report stated it was unknown at that time when normal arrangements for Council meetings would be reinstated and therefore Members were asked to make that decision in the event that future meetings may have been some way off.
- 4.5 At that time it was also unclear what legislation would be made by the Senedd in respect of the operation of local authority meetings and Member attendance at those meetings, including the operation of the six-month rule.
- 4.6 On the 22<sup>nd</sup> April 2020 with the coming into force of the Local Authorities (Coronavirus) (Meetings) (Wales) Regulations 2020, provision was made for Council and Committee meetings to be able to be reconvened on a virtual basis, in-line with the ability provided by those regulations.
- 4.7 These regulations also further amended section 85 of the LGA 1972 by stating that the period from 22<sup>nd</sup> April 2020 to the first day on which a meeting is held (and which a Member could attend) is to be disregarded for the purpose of recording a Member's attendance at meetings and the operation of the six-month rule.
- 4.8 By virtue of the above a Member's attendance at meetings for compliance with the six-month rule was therefore recorded from July 2020 when Full Council meetings resumed and Members had received training (or the offer of training) in respect of the operation of remote meetings, including the use of Zoom software.



5. **FAILURE OF A MEMBER TO ATTEND A MEETING DURING A SIX-MONTH CONSECUTIVE PERIOD**

- 5.1 Since the commencement of virtual meetings attendance records show that Councillor G. Williams has not attended a Council meeting for over six-months and has not had a reason for his non-attendance approved by Council within that period. The Member has also not requested Officers present a report to Full Council asking that it considers a reason (or reasons) for his non-attendance. The Member last attended a meeting of the Council on the 4<sup>th</sup> March 2020.
- 5.2 Members are advised that reasonable efforts have been made to contact the Member. The Member has received written correspondence offering support and assistance to enable and if necessary, support his attendance at virtual meetings. The Member has also been telephoned by Democratic Services to enquire if there were any barriers preventing his attendance at meetings but were not able to make contact.
- 5.3 Provision of a reason by a Member to the Proper Officer, or taking advantage of the assistance offered, prior to expiration of the six-month period would have afforded the opportunity for Full Council to consider any extenuating circumstances and respond accordingly.
- 5.4 The Member has been written to by Officers, advising him of the intention to present this matter to Full Council.
- 5.5 Where a Member of an Authority ceases to be a Member of the Authority by reason of failure to attend meetings of the Authority the Authority shall forthwith declare their office to be vacant.

6. **CONSULTATION / INVOLVEMENT**

- 6.1 Not applicable

7. **EQUALITY AND DIVERSITY IMPLICATIONS**

- 7.1 All Members are supported by the Council Business Unit to undertake their role and to attend meetings.

8. **FINANCIAL IMPLICATIONS**

- 8.1 A financial cost would arise due to the requirement to hold a by-election in the relevant Electoral Ward as a result of any Council declaration as to a vacation by a Member of their office.

9. **LEGAL IMPLICATIONS OR LEGISLATION CONSIDERED**

- 9.1 The legal implications and relevant legislation are outlined in the body of the report.

**10. LINKS TO THE COUNCILS CORPORATE PLAN / OTHER CORPORATE PRIORITIES.**

10.1 Not applicable.

**11. CONCLUSION**

11.1 Members have a duty to attend a meeting of the Council within a consecutive six-month period in accordance with section 85 of the LGA 1972.

11.2 Councillor G. Williams has failed to attend a meeting for a consecutive six-month period and therefore Council is asked to determine whether Councillor G. Williams' office as a Member of Rhondda Cynon Taf CBC (for the Penrhiwceiber Electoral Ward) should now be declared vacant.

**LOCAL GOVERNMENT ACT 1972**

**AS AMENDED BY**

**THE LOCAL GOVERNMENT (ACCESS TO INFORMATION) ACT 1985**

**RHONDDA CYNON TAF COUNTY BOROUGH COUNCIL**

**COUNCIL**

**10<sup>th</sup> MARCH 2021**

**REPORT OF THE SERVICE DIRECTOR, DEMOCRATIC SERVICES &  
COMMUNICATIONS.**

**ITEM: VACATION OF OFFICE BY A COUNCILLOR AS A RESULT OF  
NON-ATTENDANCE AT MEETINGS**

**Background Papers**

**Dispensation for Councillor Leave of Absence – All Councillors  
Joint Report of the Service Director, Democratic Services and  
Communication and Director of Legal Services - [18<sup>th</sup> March 2020](#)**

Officer to contact: Emma Wilkins, Council Business Unit

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## **RHONDDA CYNON TAF COUNTY BOROUGH COUNCIL**

**MUNICIPAL YEAR 2020-2021**

**COUNCIL**

**10<sup>th</sup> MARCH 2021**

### **THE COUNCIL'S 2021/22 REVENUE BUDGET STRATEGY**

**AUTHOR: Barrie Davies, Director of Finance and Digital Services Tel. No. 01443 424026**

#### **1.0 PURPOSE OF THE REPORT**

- 1.1 This report provides information on the final local government settlement for 2021/22 and sets out the recommendations of the Cabinet with regard to the Council's Revenue Budget and the level of Council Tax for the year ending 31<sup>st</sup> March 2022.

#### **2.0 RECOMMENDATIONS**

It is recommended that Members:

- 2.1 Note the written statement from the Minister for Housing and Local Government (Julie James MS) and the table on the 2021/22 Final local government settlement, reproduced at Appendix 1;
- 2.2 Note the implications for the Council and the remaining budget gap as set out at section 5;
- 2.3 Agree a Council Tax increase for 2021/22 of 2.65%;
- 2.4 Agree the uplift to the aggregate Schools Budget as detailed at section 8;
- 2.5 Agree the budget strategy proposals as set out at paragraphs 10.3(a) to 10.3(i);

- 2.6 Agree the use of the 'Medium Term Financial Planning & Service Transformation Reserve' as transition funding, totalling £0.711M for 2021/22;
- 2.7 Approve Tables 3 and 4 in Section 13 of the report as the basis of allocating resources to the Individual Schools Budget (ISB), to other Council Services, and to meet its corporate financing requirements; and
- 2.8 Agree the Council's overall budget for 2021/22 at £527.903M, in order to pass the necessary statutory resolutions to set the Council Tax for the forthcoming financial year by the statutory deadline of the 11<sup>th</sup> March 2021.

### **3.0 BACKGROUND**

- 3.1 At the Council meeting on the 25<sup>th</sup> November 2020, the Council's audited accounts were presented which reported General Fund Balances amounting to £8.709M.
- 3.2 Given the continuing financial pressures the Council is working under, it remains the view of the Director of Finance and Digital Services (Section 151 Officer) that the Council should hold a minimum of £10M as General Fund Balances, (i.e. its working balance). This level is set given the context of the need for continued strong financial management that is felt to be essential to ensure that the Council maintains financial flexibility and stability going forward.
- 3.3 During the last financial year, 2019/20, our reserves were used to support our residents and businesses in the immediate aftermath of Storm Dennis. Whilst reducing our reserves below what is considered to be the minimum level, it was wholly appropriate that they were used in this way and for this purpose. The Director of Finance and Digital Services is satisfied that plans are in place to replenish General Fund Reserves to the minimum level over the period of our Medium Term Financial Plan (at £0.5M per year for the next 3 years).
- 3.4 Members will be aware that in addition to General Fund Reserves, the Council also holds a number of earmarked reserves that are kept under continuous review and are assessed each year by Audit Wales. Included in these reserves is a Medium Term Financial Planning and Service Transformation Reserve that has successfully supported transitional funding as part of the Council's Medium Term Service Planning arrangements. It has achieved this through helping to smooth the delivery of budget savings over a number of years, whilst still allowing an annual balanced budget to be delivered. The starting point for the Medium Term Financial Planning and Service Transformation Reserve as at the 31<sup>st</sup> March 2020 was £3.563M. As part of our ongoing strategy, we have continued to identify and deliver savings in-year which means we have been able to increase the level of transitional funding available and the latest position is that this reserve has now increased to £4.330M (additional in year savings to date of £0.767M).

- 3.5 Audit Wales continue to emphasise that we must remain disciplined at this crucial time, if we are to maintain our long-term goal of driving forward continuous improvement of key services, though this becomes increasingly harder to achieve following a period of such severe financial pressures.
- 3.6 The Audit Wales assessment is an accurate one and it is clear that Members continue to take their fiduciary duty extremely seriously as evidenced by the positive reports received from the regulators and the track record of budgetary control across services. The challenge, therefore, is to construct a prudent, equitable and fair revenue budget for the financial year ending the 31<sup>st</sup> March 2022. This must involve an approach which publicly demonstrates sound financial stewardship; which does not take unnecessary risks; which maximises income generation; continues to deliver (as far as possible, and where available) year on year efficiency savings and which delivers the services that are needed and we can afford, as well as protecting as many jobs as possible.
- 3.7 In the context of this overall financial position, the Cabinet, assisted by the Senior Leadership Team was able to commence initial work on its budget strategy for 2021/22. The broad objectives of next year's proposed strategy are to:
- (i) Support the delivery of our key strategic priorities -
    - People – Are independent, healthy and successful
    - Places – Where people are proud to live, work and play
    - Prosperity – Creating the opportunity for people and businesses to: be innovative; be entrepreneurial; and fulfil their potential and prosper
  - (ii) Retain the support of Audit Wales for the approach the Council has adopted to securing strong financial management;
  - (iii) Continue with the delivery of our key services and protect as many local jobs as possible; and
  - (iv) Take a responsible approach to the level of Council Tax.

#### **4.0 THE 2021/22 LOCAL GOVERNMENT SETTLEMENT**

- 4.1 On the 2<sup>nd</sup> March 2021, the Minister for Housing and Local Government (Julie James MS) announced the Final 2021/22 Local Government Settlement. The Minister's statement and key data table is attached at Appendix 1.
- 4.2 The "headlines" of the 2021/22 Final Settlement are as follows:-
- a. The overall increase in Revenue Support Grant (RSG) and Non-Domestic Rates (NDR) funding for 2021/22 (of unhypothecated funding) at an all Wales level, after adjusting for transfers is 3.8% (+£172M).

- b. The settlement for Rhondda Cynon Taf, amounts to an increase of **3.8%** which equates to the average all Wales increase. Settlement figures across Wales range from 2.0% to 5.6%.
- c. No 'floor' protection has been included for 2021/22.
- d. The Settlement figures for 2021/22 include transfers into the settlement in respect of the Teachers Pay Grant (£3.981M) and the Coastal Risk Management Programme (not applicable to this Council). The value of the Teachers Pay Grant for this Council is £0.328M. Whilst the part year (2020/21) implications of the Teachers Pay Grant transfer into the settlement, the additional full year implications are to be funded from within the settlement increase.
- e. There is no indication of settlement levels beyond 2021/22.
- f. Final figures and indicative estimates are included for specific grants, at an all Wales level. Of particular note, would be the continuation and increase (from £40M to £50M) in the Social Care Workforce Grant. This funds our core base budget. Also included is £206M in respect of extending the Local Government Hardship Fund for 6 months; this provides support to councils for additional costs and income losses due to the pandemic.
- g. The Council's General Capital Funding allocation has increased by £0.087M to £13.764M.

## **5.0 COUNCIL BASE BUDGET REQUIREMENT 2021/22**

- 5.1 In anticipation of the 2021/22 local government settlement, the Council's service managers have constructed the base budget requirements for next financial year. Those initial calculations provided for:-
  - Estimated national wage awards, pension costs and National Insurance Contribution levels;
  - Non-pay (i.e. goods and services) inflation, including energy and fuel;
  - Corporate financing requirements and levies; and
  - Full year effects of any additional burdens imposed on the Council.
- 5.2 The Council's updated budget requirement was reported to Council on the 20<sup>th</sup> January 2021 alongside the implications of the Provisional Local Government Settlement which was announced on the 22<sup>nd</sup> December 2020.
- 5.3 After taking into account the updated budget requirement and the provisional settlement increase of 3.8%, in addition to the increased funding in respect



the Social Care Workforce Grant and the Council's updated Tax Base, the Council was faced with a **remaining budget gap of £4.057M**.

- 5.4 It was against this position which the Cabinet have considered their further budget strategy options for 2021/22.
- 5.5 The Final Settlement, as detailed in section 4, resulted in no change from the Provisional Settlement.

## **6.0 DEVELOPING AN EQUITABLE, DELIVERABLE AND BALANCED BUDGET FOR 2021/22**

- 6.1 Notwithstanding the relatively positive settlement from Welsh Government (WG) for 2021/22, it does follow a sustained period of real term reductions to our funding levels and more recently significant storm damage and the pandemic, and it is against this context that we need to develop a balanced budget for next year. There remain significant pressures upon many of our services together with a limited ability to increase Council Tax income, and a low tax base. Within these parameters, we will therefore need to take appropriate decisions to ensure that next year's budget is equitable for all, does not compromise our financial stability and protects and develops our key services.
- 6.2 The Council's overall financial position was set out at Section 3 of the report. It is vital that we continue with the strategy we have adopted to date that takes account of the importance of sound financial management, including the level of General Fund balances and appropriate use of the "Medium Term Financial Planning and Service Transformation Reserve" as transitional funding, whilst targeting any available resources toward our high priority, customer-focused public services.
- 6.3 Every year, there are certain corporate financial provisions that must be "top sliced" locally, before service budgets can be allocated. Next year will be no different. There will be a requirement for:
- a) A provision to meet levies from External Bodies;
  - b) A provision for Capital Charges;
  - c) A provision for all other "Miscellaneous Finance" items (Audit Fees, Insurance Costs, Bank Charges, etc.) which are non-specific to any particular Service Group; and
  - d) Resources to fund the Council Tax Reduction Scheme.
- 6.4 As part of our updated budget requirement, appropriate sums have been set aside for these corporate financial requirements.
- 6.5 Additional costs and income losses which we have incurred during this financial year specifically and directly attributable to the pandemic have been funded by WG, via a claims based Hardship Fund. WG are committed to

continuing this process into 2021/22 and accordingly our core base budget does not include provision for such additional costs. The Final Settlement confirms that WG have set aside funding (£206M) for the first 6 months of 2021/22.

## **7.0 COUNCIL TAX LEVELS**

- 7.1 This Council has always acted reasonably when setting its Council Tax, balancing the impact upon services and the ability of the public to pay, recognising that those eligible will receive support through the Welsh Government's Council Tax Reduction Scheme (CTRS). The proposal is to increase Council Tax in 2021/22 by 2.65%, that is, less than the 2.85% originally modelled. This proposed increase equates to 51p per week for a person living in a Band A property and 76p per week for a person living in a Band D property (42% of properties in Rhondda Cynon Taf are Band A). Increasing Council Tax by 2.65% will increase the remaining budget gap by £0.182M.
- 7.2 Members will be aware that the cost of the CTRS is impacted by changes in caseload and by changes to the level of Council Tax. This impacts on the net income generated through any increase in Council Tax. A 1% increase in Council Tax will generate an additional income for the Council of £1.157M (at the 2021/22 tax base level), but will also cost £0.247M in additional CTRS requirements. It therefore follows that a 1% increase generates a net additional income of £0.910M, or stated another way, 21% of any Council Tax increase is lost to support the increased costs associated with Welsh Government's CTRS.

## **8.0 SCHOOLS BUDGET (ISB)**

- 8.1 Members have always viewed our schools as being a key priority and have ensured that they have been treated favourably in comparison with other council services.
- 8.2 The Schools Budget (ISB) is proposed to be increased to cover, in full, all inflationary and pupil number pressures, including NDR increased costs. Unlike other Council services there is no efficiency target or expectation albeit schools may need to take local action to absorb the financial implications of decisions taken locally.
- 8.3 In overall terms, the proposal sees the Schools Budget (ISB) increase from £161.6M to £163.8M, an increase of £2.2M. Schools are therefore fully funded for 2021/22.

## **9.0 EFFICIENCY**

- 9.1 Council services have for many years now delivered against ambitious efficiency targets, making considerable budget reductions without adversely impacting on front line service provision.
- 9.2 As part of the current year's budget strategy, efficiencies of £6M were identified and delivered albeit it was noted that the ongoing sustainability of delivering efficiencies at this level would need to be considered.
- 9.3 The pandemic has clearly significantly impacted on our normal practises of considering our budget setting on a continuous basis, working across services in identifying efficiencies and budget reduction options and delivering on them early. The focus of our service managers has clearly and appropriately been prioritised on supporting and protecting our residents, businesses and communities.
- 9.4 Notwithstanding this however, our senior finance officers have continued to work alongside service managers and have again identified budget reduction measures which can be delivered without adversely impacting on our front-line services. Indeed, at as the quarter 2 performance report presented to Cabinet on the 17<sup>th</sup> November 2020, we were able to release £767k of in year base budget reductions.
- 9.5 Whilst at a slightly lower level than previous years, efficiencies have been identified amounting to £4.6M which can be delivered and removed from next year's base budget requirement.

## **10.0 BUDGET STRATEGY PROPOSALS**

- 10.1 This Council has taken a proactive approach to dealing with the budget pressures it continues to face including delivery of saving proposals early with a clear focus maintained across the medium term planning horizon. The Council has continued to deliver robust, balanced budgets and taken the opportunity to use our Medium Term Financial Planning and Service Transformation Reserve, as transition funding, to sensibly support the overall budget strategy. It is recommended that this approach is continued.
- 10.2 As a Cabinet we have always been focussed on protecting our front line services and have taken any opportunities to prioritise or reallocate resources to areas of priority.
- 10.3 For 2021/22, the following proposals are recommended to Council.
  - a. **NDR Local Relief Scheme**

Cabinet last year (13<sup>th</sup> February 2020) determined to implement a local Business Rate Reduction Scheme for 2020/21. The scheme supplemented the Welsh Government High Street and Retail Rate Relief Scheme by providing a further relief of £300 per qualifying business.

It is proposed that this local relief is continued for 2021/22 and increased to £350 per qualifying business.

The cost of this proposal is **£50k**.

#### **b. Car Park Charges**

Our town centres have been significantly impacted by the restrictions placed on retail, leisure and hospitality businesses plus the need to put in place measures to adhere with social distancing and enhanced cleaning and hygiene regimes. In order to encourage visitors to our town centres and to aid the recovery of our valued businesses, it is proposed that we tailor our car parking charges, noting that in all of our town centres other than Pontypridd and Aberdare, parking is already free.

The proposal is that car parking is free after 3pm on Monday to Fridays and free all day (after 10am) on Saturdays.

The cost of this proposal in terms of income foregone is **£160k**.

#### **c. Climate Change and Carbon Reduction**

The Council's commitment to responding to climate change and carbon reduction has already been well documented, with the Climate Change Cabinet Steering Group having met regularly since its inaugural meeting in November 2019. The initial work programme set out in December 2019 has been delivered alongside an ambition to be further impactful and a community leader in this area, recognising the wider role that our residents, businesses and partners must play.

In order to support this work, it is proposed that a core base budget is put in place in order that a lead coordination role can be established along with a resource which can commission work from third parties to continue and, where possible increase the pace of our work in this area.

The cost of this proposal is **£100k**.

#### **d. Graduates**

Our graduate programme has already provided the opportunity for over 100 graduates to join the Council and develop and progress into middle and senior management roles. It is a key part of our workforce planning strategy and service continuity arrangements, developing our own staff to meet the ongoing and changing needs across our services.

It is proposed that additional resources are set aside to enable a further 6 graduates to be appointed, over and above our existing commitment.

The cost of the proposal is **£200k**.

**e. Well-Being Support**

The performance and commitment of our staff resources has been exemplary during this period across all of our service areas, demonstrating an outstanding attitude to public service and to the well being of our residents, businesses and communities. This has been set against the backdrop of significant personal challenge for them themselves in terms of the restrictions placed on them and their families and the circumstances in which they have had to perform their responsibilities.

Our staff are without doubt our most valued asset – they are the front face of the Council and represent and uphold our key values as public servants. We recognise the challenges faced by staff and have ensured that we continue to support their welfare and wellbeing. The additional resource proposed will enable us to expand upon the current support programmes we have in place and further develop these programmes across the workforce.

The cost of the proposal is **£50k**.

**f. Fees and Charges**

A final report on the proposed level of Fees & Charges for 2021/22 was presented to and agreed by Cabinet on the 25<sup>th</sup> February 2021. The Cabinet’s proposals with regard to fees and charges would see a standard increase of 1.7% (CPI), with a number of specific exceptions (noting that at the 25<sup>th</sup> February meeting, Cabinet determined to also freeze charges for the use of 3G pitches for 2021/22):

<b>Area of Charge</b>	<b>Proposed Exception</b>
Leisure for Life	Freeze
Car Park Charges	Freeze
Summer and Winter Playing Fees (sports clubs)	Freeze
Meals on Wheels / Day Centre Meals	10p per meal and then frozen until 2023
School Meals	Freeze (as per decision taken in 2020/21 to hold prices until April 2023)
Bereavement Fees	Freeze
Lido / Rhondda Heritage Park	Freeze
3G Pitches	Freeze

The impact of these draft proposals would cost **£187k**.

**g. Public Health and Protection Services – Additional Resources**

The Public Health and Protection service has played a key role this year in ensuring the public health and wellbeing of our communities, providing advice and guidance and leading on initiatives such as the Test Trace Protect programme.

The additional investment proposed in the service will enable additional resources to be employed, further strengthening the team and providing future resilience for the service.

The cost of the proposal is **£200k**.

**h. Flood Prevention Support**

Our communities continue to recover from the exceptional storm events during last winter, including Storm Dennis. Significant recovery work is ongoing across the County Borough to the infrastructure damaged.

Over 1,000 homes and 400 businesses were flooded during Storm Dennis. It is proposed that alongside all other support being provided, that an advisory role is put in place to ensure that our residents and businesses are supported in protecting themselves as far as possible from any storm damage, including for example insurance availability and physical property protection opportunities.

The cost of this proposal is **£50k**.

**i. Overgrowth Team**

Our local environment remains a key priority of the Council, keeping our physical places clean, removing eyesores and ensuring that our natural resources are appropriately maintained. We already have a number of teams who are responsible for ensuring that our overgrowth is effectively maintained and it is proposed that an additional team is put in place to further enhance this work.

The cost of this proposal is **£75k**.

10.4 The implications of the above strategy proposals, including the proposed reduction in the level of Council Tax increase and the delivery of efficiencies, on the remaining budget gap position is shown in table 1.

**Table 1 : Budget Strategy Proposals 2021/22**

	£'000	£'000
<b>Remaining Budget Gap</b>		<b>4,057</b>
Council Tax at 2.65%	182	
Efficiencies	- 4,600	
NDR Discretionary Relief	50	
Fees and Charges	187	
Car Park Charges	160	
Climate Change and Carbon Reduction	100	
Graduates	200	
Well being Support	50	
Public Health and Protection - Additional Resources	200	
Flood Prevention Support	50	
Overtgrowth Team	75	- 3,346
<b>Remaining Budget Gap</b>		<b>711</b>

- 10.5 *Medium Term Financial Planning and Service Transformation Reserve (Transitional Funding)* – We have for many years used our transition funding reserve sensibly as part of our balanced budget strategy, at a level which does not compromise the robustness of our budget and which can be replenished with some certainty, given our ongoing strategy of delivering savings early.
- 10.6 As previously referenced the reserve currently stands at £4.330M, having been replenished during this year (2020/21) by £0.767M to quarter 2. Accordingly, to address the remaining budget gap, it is proposed that an allocation of £0.711M is made from this reserve for 2021/22. This would facilitate a balanced budget for 2020/21 and would leave £3.619M in the reserve (subject to the year-end assessment of reserves). Processes are now sufficiently well embedded to ensure that savings are achieved in-year and that this reserve can continue to be replenished.

**Table 2 : Budget Strategy Proposals 2021/22 – Balancing the Budget**

	£'000
<b>Remaining Budget Gap</b>	<b>711</b>
Use of Transition Funding	- 711
<b>Remaining Budget Gap</b>	<b>-</b>

- 10.7 The above provides a robust and balanced budget strategy for financial year 2021/22 which is now recommended to Council.

## **11.0 SERVICE PRIORITIES**

- 11.1 Even within a period of significantly reducing resources and hence financial pressure on all services, this Council remains committed as far as it possibly can to continue to deliver its key services, stronger communities and social justice.
- 11.2 The Council's Corporate Plan 2020-2024 sets out that our key purpose is to provide strong community leadership and create the environment for people and businesses to be independent, healthy and prosperous.
- 11.3 In addition to our revenue base budget requirements, opportunities also continue to be taken to deliver investment in key strategic areas through one off funding made available via a risk based review of earmarked reserves and through the early identification of opportunities to deliver savings. The Council has already invested over £107M (over and above the normal Capital Programme) in areas supporting key Corporate Plan priorities since October 2015, the latest investment (£11.8M) being agreed by Council in March 2020.
- 11.4 A report setting out the updated capital programme for 2021/22 to 2023/24 will be reported for Members consideration alongside this revenue budget strategy.

## **12.0 THE 2021/22 BUDGET STRATEGY CONSULTATION PROCESS**

- 12.1 As in previous years, the Council has been keen to consult with the public and other interested stakeholders on its general budget strategy and how services are delivered.
- 12.2 The approach to budget consultation for 2021/22 was set out in the Cabinet report dated 13<sup>th</sup> October 2020. It comprises 2 phases as follows:
  - Phase 1** - provided 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 agreed a draft budget strategy, and in light of the provisional local government settlement, then this draft strategy was consulted upon as part of Phase 2.
- 12.3 The Phase 1 Consultation report was considered by Cabinet on the 28<sup>th</sup> January 2021 alongside the initial budget proposals which were then consulted upon as part of Phase 2.
- 12.4 The Phase 2 Consultation report is now attached at Appendix 2. The phase 2 consultation process ran from the 29<sup>th</sup> January 2021 to the 12<sup>th</sup> February 2021 and included:



- On-line questionnaire;
- The option to attend an online Zoom public meeting;
- Young persons engagement including via Instagram and a presentation and survey sent to 3 colleges, 2 schools and members of the Youth Forum;
- Promotion through social media;
- Correspondence with the Disability Forum;
- On-line Zoom meetings with:
  - Older Persons Advisory Group (3<sup>rd</sup> February 2021);
  - School Budget Forum (4<sup>th</sup> February 2021);
  - The Council's Finance and Performance Scrutiny Committee (4<sup>th</sup> February 2021); and
  - Community Liaison Community (5<sup>th</sup> February 2021).

12.5 With regard to the consultation activity undertaken with the Finance & Performance Scrutiny Committee and the School Budget Forum, the extracts of the minutes from these meetings are attached at Appendix 3 and Appendix 4 respectively.

### **13.0 THE 2021/22 MACRO REVENUE BUDGET**

13.1 In arriving at a strategy for 2021/22, the Cabinet has taken into consideration its key commitments, its views on service delivery and relevant charges for services and the need to minimise the tax burden on local residents. Consequently, and after careful deliberation, the Cabinet has concluded that it can now propose a balanced revenue budget which will meet all of the fundamental requirements of its preferred strategy **and** minimise the Council Tax increase for next year.

13.2 Table 3 below illustrates how the revenue resources available to the Council could be utilised, with a Council Tax increase of 2.65%:

**Table 3: Proposed Resources in 2021/22**

	<b>£M</b>
2021/22 Net Revenue Spending	527.903
<b>LESS:</b> Revenue Support Grant & NDR Contribution	404.375
<b>LESS:</b> Social Care Workforce Grant	4.075
<b>Sub total</b>	<b>119.453</b>
<b>LESS:</b> Release of Earmarked Reserves	0.711
<b>To be met from Council Taxpayers</b>	<b>118.742</b>

- 13.3 Table 4 below, shows the overall effect on services of applying the principles of the Cabinet's recommended outline 2021/22 budget strategy.

**Table 4: Application of the 2021/22 Outline Budget Strategy**

<b>BUDGET REQUIREMENTS</b>	<b>2020/21</b>	<b>2021/22</b>	<b>Increase/ (Decrease)</b>
	£M	£M	£M
<b><u>Corporate Requirements</u></b>			
Capital Financing	19.713	19.950	0.237
Levies	12.438	12.862	0.424
Council Tax Reduction Scheme	24.680	25.334	0.654
Miscellaneous	13.641	14.429	0.788
	<b>70.472</b>	<b>72.575</b>	<b>2.103</b>
<b><u>Individual School Budgets (ISB)</u></b>			
Individual School Budgets	161.578	163.784	2.206
<b><u>Other Council Services</u></b>			
Community & Children's Services	162.681	171.372	8.691
Prosperity, Development and Frontline Services	55.928	60.955	5.027
Chief Executive's	27.039	26.809	(0.230)
Education & Inclusion Services	31.049	32.408	1.359
<b>Net Revenue Spending</b>	<b>508.747</b>	<b>527.903</b>	<b>19.156</b>

#### **14.0 SPECIFIC GRANTS**

- 14.1 For next year, the Welsh Government is to provide over £1BN in Specific Revenue Grants to Welsh Local Authorities.
- 14.2 Whilst specific grants dilute local accountability, such funding does enable us to undertake projects and deliver services that otherwise may not have been possible. Whilst we will continue to make representation for such funding to be transferred into the Revenue Support Grant, until they do so then specific grants will continue to supplement our base revenue budget.
- 14.3 By their nature, specific grants are often directed toward specific spend areas or policy objectives and are not certain in terms of their ongoing continuation nor value, presenting uncertainty in terms of forward planning.
- 14.4 The allocation of specific grants, however, remains a key feature of the annual local government settlement, albeit there is a commitment to reduce

such hypothecation. There are also a number of specific grants which have been introduced to deal with recurring cost pressures (eg Social Care Workforce Grant) and it is important that we seek to ensure their continuation beyond 2021/22.

## **15.0 EQUALITY AND DIVERSITY IMPLICATIONS**

15.1 In developing the recommended 2021/22 Revenue Budget Strategy, an Equality Impact Assessment (EIA) has been undertaken to ensure that:

- i the Council meets the requirements of the Public Sector Equality Duties; and
- ii due regard has been taken of the likely impact of the recommendations in terms of equality and discrimination.

## **16.0 CONSULTATION**

16.1 Consultation and engagement has been undertaken as part of formulating the recommended 2021/22 Revenue Budget Strategy, the results from which are set out in Section 12 of the report.

## **17.0 FINANCIAL IMPLICATION(S)**

17.1 The financial implications of the recommendations are set out in the main body of the Report.

## **18.0 LEGAL IMPLICATIONS OR LEGISLATION CONSIDERED**

18.1 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 recommended 2021/22 Revenue Budget Strategy and its reporting to full Council ensures compliance with these legal duties.

## **19.0 LINKS TO CORPORATE AND NATIONAL PRIORITIES AND THE WELL-BEING OF FUTURE GENERATIONS ACT**

19.1 The recommended 2021/22 Revenue Budget Strategy has been formulated to support the delivery of the Council's strategic priorities, as set out within the Corporate Plan "Making a Difference" 2020 – 2024. The plan is aligned to the goals and principles included within the Well-Being of Future Generations (Wales) Act.

## **20.0 CONCLUSIONS**

- 20.1 The Council's overall financial position remains sound, with a clear plan in place to replenish the level of General Reserves to the recommended minimum level of £10M.
- 20.2 On the 2<sup>nd</sup> March 2021, the Minister for Housing and Local Government (Julie James MS) announced the Final 2021/22 Local Government Settlement which showed this Council's increase in resources was set at 3.8%.
- 20.3 The Cabinet's proposals properly address the corporate financial requirements of the Council and allocate an adequate financial uplift to the Individual Schools Budget. The remaining resources available are allocated to fund all other services and to support our key priorities in 2021/22.
- 20.4 The Cabinet has recommended setting the 2021/22 revenue spending and budget at £527.903M which will require a Council Tax increase of 2.65% for the financial year ending the 31<sup>st</sup> March 2022.
- 20.5 The Council to date has been able to deliver year on year balanced budgets alongside an investment programme supporting key priorities. The challenge does remain for positive and proactive management from the Senior Leadership Team and clear direction from Members to produce a robust and financially sustainable budget into the medium term in what continues to be a challenging financial climate.

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Llywodraeth Cymru  
Welsh Government

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## **WRITTEN STATEMENT BY THE WELSH GOVERNMENT**

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**TITLE**            **Final Local Government Settlement 2021-22**

**DATE**            **2 March 2021**

**BY**                **Julie James MS, Minister for Housing and Local Government**

Following today's announcement of the Welsh Government's Final Budget, I am publishing details of the core funding allocations for unitary authorities for the forthcoming financial year through the Final Local Government Revenue and Capital Settlements for 2021-22 (the Settlement).

In preparing the final Settlement, I have given careful consideration to the responses I received to the consultation on the provisional settlement, which closed on 9 February. The responses did not identify any matters which required a change of approach for the final Settlement. For 2021-22 local authorities will receive £4.65 billion from the Welsh Government in core revenue funding and non-domestic rates to spend on delivering key services. Adjusting for transfers, the core revenue funding for local government in 2021-22 will increase by 3.8% on a like-for-like basis compared to 2020-21.

In addition to this, I am publishing information on revenue and capital grants planned for 2021-22. These amount to over £1 billion for revenue and over £760 million for capital, with further grants to support local authorities through the pressures faced by the Coronavirus pandemic. We are providing these grant values to enable local authorities to plan their budgets efficiently.

I have allocated all available funding into the provisional settlement to give as much early certainty as I could to authorities. I have no further funding currently available. I am not therefore providing for a funding floor since any floor which would be put in place would have to redistribute funding.

As set out in today's budget, the Welsh Government's funding priorities continue to be health and local government services. This is undoubtedly a good Settlement for local government; however, I am aware a second good settlement in as many years does not make up for 10 years of the UK government's austerity agenda.

I know local government has been facing significant pressures, particularly arising from the COVID-19 pandemic. As part of the budget, the Finance Minister announced that we have extended the Local Government Hardship Fund for 6 months, with £206m to support councils with ongoing additional costs and loss of income due to the pandemic.

In setting the overall Settlement at this level the Government has responded to the negative impact of the pandemic on Non Domestic Rate (NDR) collection and the freeze of the NDR multiplier by a compensating rise in the revenue support grant element of the Settlement.

Attached to this statement is a summary table setting out the Settlement allocations by authority. The allocations are derived using the formula developed and agreed in partnership with local government. As a result of the formula and related data, the table shows the range of the funding allocations, from a 2.0% increase over the 2020-21 settlement to a 5.6% increase.

Further details on the Settlement will be sent to all local authorities and published on the Welsh Government's website:

<https://gov.wales/local-government-revenue-and-capital-settlement-2021-2022>

General capital funding for 2021-22 will be set at £198 million. This includes £20 million for the public highways refurbishment grant and a continuation of an additional £35m provided for in the budget for 2020-2021. This will help enable authorities to continue to respond to our joint priorities of decarbonisation, the climate emergency and economic recovery following Covid-19.

I know that authorities will have already made tough choices in setting their budgets. The setting of budgets, and in turn council tax, is the responsibility of each local authority and authorities will need to take account of the full range of sources of funding available to them, as well as the pressures they face, in setting their budgets for the coming year.

The motion for the Senedd to approve the Local Government Finance Report (No.1) for 2021-22 is scheduled for debate on 9 March 2021.

## Summary Table

### 2021-22 final settlement – comparison of 2020-21 AEF (adjusted for transfers) and 2021-22 final AEF, and distribution of the 2020-21 Council Tax Reduction Schemes funding (distributed within AEF) (£000s)

Unitary authority	2020-21 adjusted AEF <sup>1</sup>	2021-22 final AEF <sup>2</sup>	% change on adjusted 2020-21 AEF	Rank	Council Tax Reduction Schemes (within AEF)
Isle of Anglesey	101,369	104,825	3.4%	18	5,186
Gwynedd	188,409	194,793	3.4%	19	8,541
Conwy	161,181	166,906	3.6%	17	9,138
Denbighshire	153,089	158,632	3.6%	16	8,920
Flintshire	199,267	206,778	3.8%	14	9,609
Wrexham	184,569	188,856	2.3%	21	9,062
Powys	184,554	191,897	4.0%	8	8,775
Ceredigion	107,545	109,658	2.0%	22	5,122
Pembrokeshire	172,502	179,387	4.0%	7	8,187
Carmarthenshire	274,355	284,820	3.8%	13	13,996
Swansea	339,445	352,642	3.9%	10	19,264
Neath Port Talbot	227,198	236,680	4.2%	6	15,977
Bridgend	203,540	212,192	4.3%	5	13,088
The Vale Of Glamorgan	160,455	168,316	4.9%	2	9,062
Rhondda Cynon Taf	389,403	404,375	3.8%	11	21,936
Merthyr Tydfil	96,973	101,476	4.6%	3	5,595
Caerphilly	283,708	292,367	3.1%	20	12,372
Blaenau Gwent	116,112	120,361	3.7%	15	8,067
Torfaen	140,308	146,340	4.3%	4	8,331
Monmouthshire	97,673	101,483	3.9%	9	5,753
Newport	228,000	240,796	5.6%	1	10,083
Cardiff	469,913	487,913	3.8%	12	27,934
<b>All Unitary Authorities</b>	<b>4,479,570</b>	<b>4,651,494</b>	<b>3.8%</b>		<b>244,000</b>

Note: Total may not sum correctly due to rounding

1. 2020-21 AEF adjusted transfers of £5.127m (at 2020-21 prices) into the Settlement
2. The 2021-22 final AEF is unchanged from provisional settlement.

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# **Budget Consultation 2021/22 (Phase 2)**

*Rhondda Cynon Taf County Borough  
Council*

*February 2021*



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## EXECUTIVE SUMMARY

- This section provides a summary of the main findings from the Phase 2 Budget Consultation 2021/22.
- The consultation was conducted in-house. The consultation period ran from the 29<sup>th</sup> January and ended on the 12<sup>th</sup> February 2021.
- The 'digital by default' approach included the following methods to consult with a range of stakeholders:
  - An online questionnaire;
  - The option to attend a Public Zoom meeting;
  - Promotion through social media;
  - A Facebook Takeover event;
  - An online Older Persons Advisory Group Meeting (OPAG);
  - Correspondence with the Disability Forum;
  - Presentation and Survey sent to 3 Colleges, 2 Schools and members of the Youth Forum;
  - Series of polls via the Youth Engagement and Participation Service Instagram page;
  - Finance & Performance Scrutiny Committee virtual meeting;
  - Community Liaison Committee virtual meeting;
  - School Budget Forum virtual meeting;
  - Promotion with the Citizen's Panel; and
  - An email sent to key stakeholders, including Community and Town Councils, Trade Unions, Councillors, Local Members of the Senedd and Members of Parliament.
- The Council provided a number of alternatives to online engagement, as it is important to continue to consider hard to reach groups, those having reduced or no access to the Internet and those who prefer to engage through traditional methods.
- The majority of respondents felt that the proposed 2.65% increase in Council Tax was reasonable (76%).
- 81% of respondents agreed with the proposals for the delivery of efficiency savings for next year.
- 87% of respondents agreed with the proposals for fees and charges.
- 87% of respondents agreed with the proposed additional investment of £50K in the Local Business Rate Reduction Scheme.
- 83% of respondents agreed with the proposed £160K investment in car parking.

- 79% of respondents agreed with proposed £100K investment to support the ongoing work on climate change and carbon reduction.
- 70% of respondents agreed with the proposed £200K investment in the graduate programme.
- 81% of respondents agreed with the proposed £50K investment in well-being support for Council staff.
- 86% of respondents agreed with the proposed £200K investment to provide additional resources to Public Health and Protection Services.
- 91% of respondents agreed with the proposed £50K investment to support flood prevention.
- 82% of respondents agreed with the proposed £75K investment in an Overgrowth Team.
- 90% of respondents agreed with the use of £0.709M in transitional funding to address the remaining budget gap.
- 338 people were engaged in the phase 2 budget consultation.
- Overall (including Phase 1) almost 1,500 people were engaged in the Council's budget setting process.

# **1. INTRODUCTION**

- 1.1 This report presents the findings of the Phase 2 Budget Consultation 2021/22.
- 1.2 Section 2 outlines some brief background to the consultation process.
- 1.3 Section 3 details the methodology.
- 1.4 Section 4 provides the results of the questionnaire and the feedback received from the Older Persons Advisory Group and Disability Forum.
- 1.5 Section 5 provides feedback on the young persons' engagement.

## 2. BACKGROUND

- 2.1 The Council undertakes a comprehensive approach to its annual budget consultation, involving a large number of residents and key stakeholders.
- 2.2 The widespread approach we use and the range of views we capture provides senior managers and Cabinet Members with the necessary information they need to set the budget for the year ahead.
- 2.3 Rhondda Cynon Taf's 2021/22 Budget Consultation is a phased approach, so that we can ensure residents and stakeholders have as much opportunity as possible to provide views on the budget and to make sure that views are informed by the most up to date and relevant information.
- 2.4 Phase 1 provided 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.
- 2.5 The Phase 1 Consultation report was available to support the preparation of the budget strategy proposals and was presented to Cabinet on the 28<sup>th</sup> January 2021, where a draft budget strategy was agreed.
- 2.6 This report presents the findings of **phase 2** of the budget consultation, which asked for views on the draft budget strategy for 2021/22.
- 2.7 Phase 2 started on the 29<sup>th</sup> January and ended on the 12<sup>th</sup> February 2021.

### 3. METHODOLOGY

- 3.1 This section provides a summary of the main findings from the Phase 2 Budget Consultation 2021/22. The consultation was conducted in-house.
- 3.2 The consultation period ran from the 29<sup>th</sup> January and ended on the 12<sup>th</sup> February 2021.
- 3.3 The 'digital by default' approach included the following methods to consult with a range of stakeholders:
- An online questionnaire;
  - The option to attend a Public Zoom meeting;
  - Promotion through social media;
  - A Facebook Takeover event;
  - An online Older Persons Advisory Group Meeting (OPAG);
  - Correspondence with the Disability Forum;
  - Presentation and Survey sent to 3 Colleges, 2 Schools and members of the Youth Forum;
  - Young Person engagement via the Youth Engagement and Participation Service Instagram polls;
  - Finance & Performance Scrutiny Committee virtual meeting;
  - Community Liaison Committee virtual meeting;
  - School Budget Forum virtual meeting;
  - Promotion with the Citizen's Panel; and
  - An email sent to key stakeholders, including Community and Town Councils, Trade Unions, Councillors, Local Members of the Senedd and Members of Parliament.

*Note: Views from the Finance and Performance Scrutiny Committee and School Budget Forum have been recorded separately in the respective minutes of those virtual meetings.*

- 3.4 The Council provided a number of alternatives to online engagement, as it is important to continue to consider hard to reach groups, those having reduced or no access to the Internet and those who prefer to engage through traditional methods. This included:
- A telephone consultation option working with the Council's Contact Centre. The Contact Centre number was made available for people to discuss their views or as a minimum to request consultation materials.
  - Individual call backs were offered if required.
  - Paper surveys and information available on request.
  - Consultation freepost address for postal responses.
- 3.5 The Team designed an Easy Read/Plan English Document in paper format and online, to simplify some of the consultation materials.

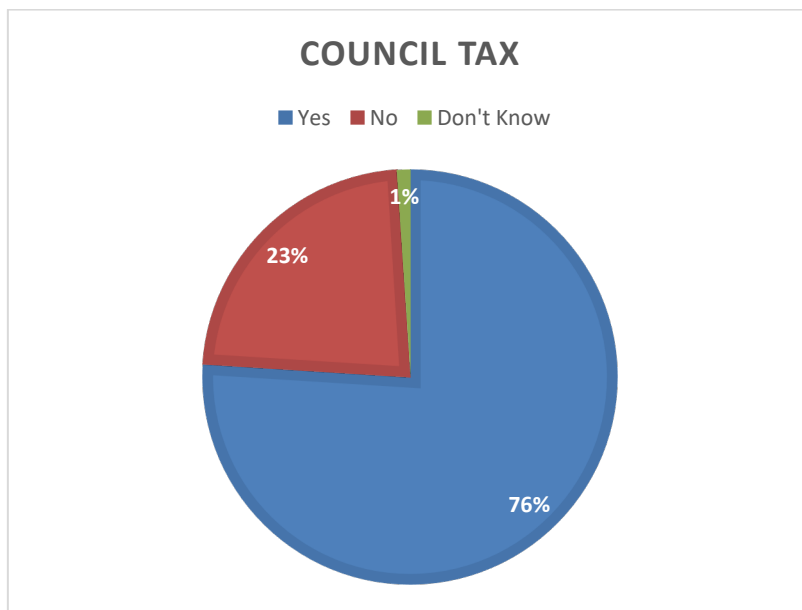
- 3.6 338 people were engaged in the phase 2 budget consultation. Overall (including Phase 1) almost 1,500 people were engaged in the Council's budget setting process.

## 4. Consultation Findings

- 4.1 The following section outlines the results from the phase 2 budget consultation questionnaire (236 responses) and the feedback received from the Older Persons Advisory Group and Disability Forum members. A selection of comments are provided and the full list of comments will be provided to Cabinet and senior officers to assist with decision making.

### Council Tax

- 4.2 The Council is proposing that Council Tax be increased by 2.65% for next year. **The majority of respondents felt that the increase was reasonable (76%).**



*Note: Where figures do not add up to 100% this is due to rounding.*

- 4.3 The comments on Council Tax, included those who thought the increase of 2.65% was reasonable:

*"A very reasonable increase."*

*"Considering the bad year, it's very reasonable".*

*"Satisfied with the increase to maintain services".*



*“While any rise will have some people objecting, I’m happy to support this as it’s modest and lower than first planned.”*

- 4.4 There were some suggestions that the increase should be higher than 2.65%;

*“Would not object to the initial 2.85%”*

*“I would prefer it slightly higher.”*

*“I would be happy for a higher increase”.*

- 4.5 And there were those who were against any increase or would prefer a lower increase, mainly due to the financial impact of the current pandemic.

*“due to current crisis, I don’t believe the council should increase the council tax”.*

- 4.6 OPAG members overall agreed with the proposed Council Tax level of 2.65%.

*“I agree, we know it has to go up, due to the responsibilities the Council has.”*

*“Very reasonable. If the Council can do this without cutting vital services, then that is brilliant.”*

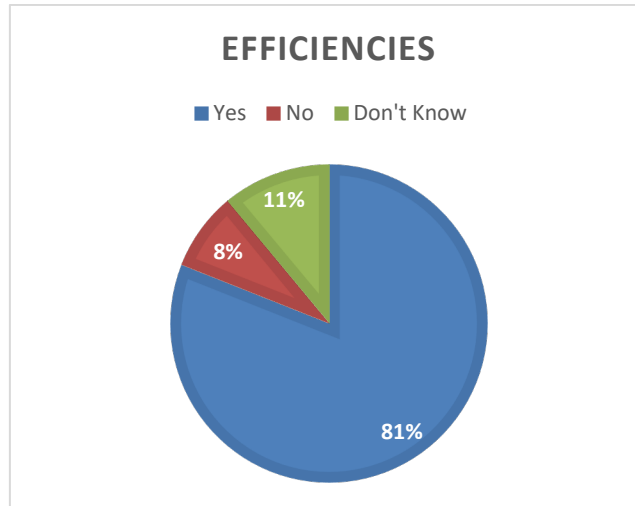
- 4.7 Disability Forum member responses on council tax levels included:

*“There’s no need to increase anything for anything COVID-19 related. The Government can do this and has enough money to fund this by reducing pensions.....”*

*“I agree with a Council tax increase of 2.65% for this.”*

## **Efficiencies**

- 4.8 The Council's budget strategy has identified efficiency savings amounting to £4.6M for 2021/22 that will not impact on frontline services.



**81% of respondents agreed with the proposals for the delivery of efficiency savings for next year..**

Comments included:

*"...it's really good to see the Council continue to look to the way it operates to make savings instead of making residents pay."*

*"The council will need to keep making efficiency savings".*

*"It must be difficult to make these efficiency's year on year".*

- 4.9 A number of the respondents were happy with the level of efficiencies identified, but stressed that this must not be outright cuts to services:

*"If these efficiencies are truly efficiencies and not just cuts, then, yes..."*

*"If these are indeed measures which don't affect services then they are welcome."*

## Budget Strategy Proposals

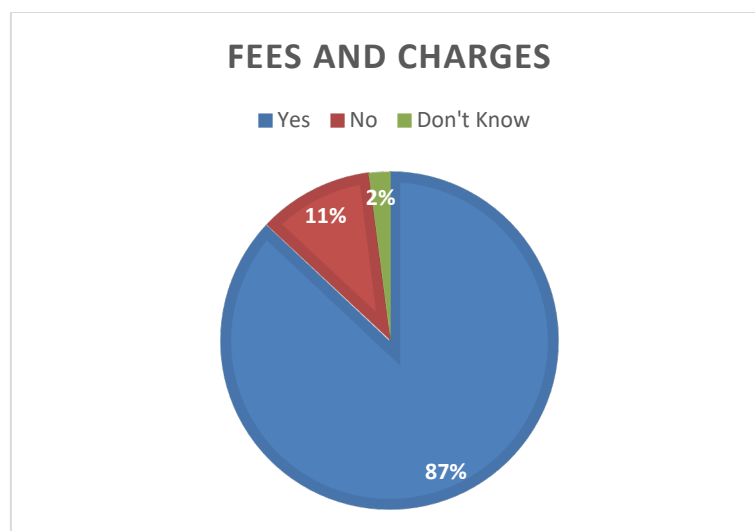
### Fees and Charges

- 4.10 A standard increase of 1.7% (in line with the Consumer Prices Index) is proposed on all fees and charges with a number of specific exceptions.

Area of Charge	Proposed Exception
Leisure for Life	Freeze
Car Park Charges	Freeze
Summer and Winter Playing Fees (sports clubs)	Freeze
Meals on Wheels / Day Centre Meals	10p per meal and then frozen until 2023
School Meals	Freeze (as per decision taken in 2020/21 to hold prices until April 2023)
Bereavement Fees	Freeze
Lido / Rhondda Heritage Park	Freeze

The impact of these draft proposals would cost **£185k** more than if the Council increased all fees and charges by 1.7%.

**87% of respondents agreed with the proposals for fees and charges.**



- 4.11 Overall the approach to fees and charges was welcomed:

*“Excellent thank you”.*

*“People expect some increase”.*

*“Freezing these fees is good”.*

*“Very pleased to see so many price freezes”.*

- 4.12 There were some concerns about the 10p per meal proposed for meals on wheels and day centre meals:

*“Meals on wheels and day centre meals should not be increased. The individuals relying on these meals are already struggling. I would much rather the elderly get fed and not be put in hardship and pay an extra 10p to park.”*

- 4.13 Some of the comments suggested that the fees for the Lido and Heritage Park should be increased:

*“I think the Lido could be increased.”*

*“Charges for the Lido & Heritage Park should be increased. These are optional non-statutory services, and those using them should be paying for their upkeep by paying higher fees at the very least in line with inflation.”*

*“Lido fees can definitely go up; residents will happily pay more as the charges are so low and they want to see it open for years to come”.*

*“Agree with all of them apart from Lido and Heritage park. I can’t see no reason for not putting the prices up unless they had gone up a bit before they were closed due to the pandemic.” (Disability Forum)*

- 4.14 The OPAG were generally supportive of the approach.

*“Looks ok to me.”*

*“I can’t see any problem with them.”*

Members questioned the meal charges:

*“Strange figure for meals on wheels, could it be rounded bit odd.”*

*“Doesn’t make sense to stick a 5p on the end, as most older people would use cash for meals on wheels”.*

The Lido increase of 50 pence was discussed:

*“The Lido was shut last year due to COVID, this although not the Council’s fault, seems unfair.”*

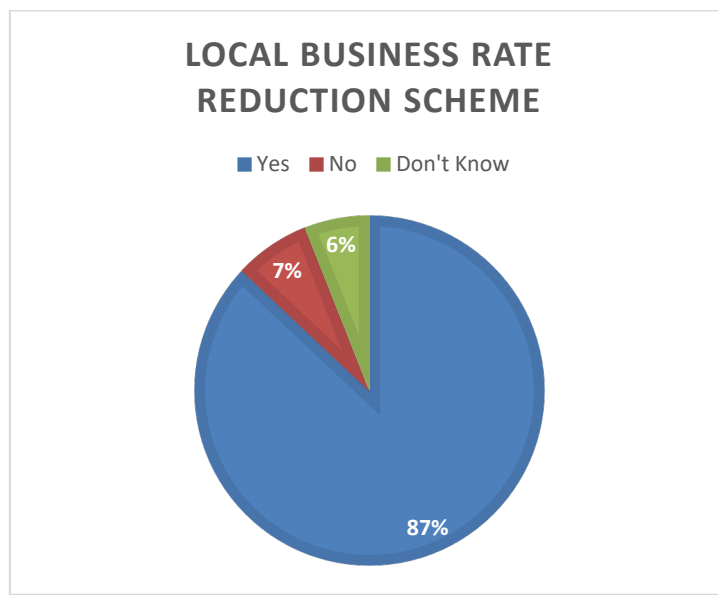
OPAG members were happy that the Council was planning to freeze services that encourage people to get outside.

### **Local Business Rate Reduction Scheme**

- 4.15 Cabinet last year (13<sup>th</sup> February 2020) determined to implement a local Business Rate Reduction Scheme for 2020/21. The scheme supplemented the Welsh Government High Street and Retail Rate Relief Scheme by providing a further relief of £300 per qualifying business.

An additional investment of £50K is proposed so this local relief can be continued for 2021/22 and increased to £350 per qualifying business.

**87% of respondents agreed with the proposed additional investment.**



*Note: Where figures do not add up to 100% this is due to rounding.*

The comments were overwhelmingly positive and included:

*“Businesses needs all the help available”.*

*“Businesses have really suffered this year, directly or indirectly, and any additional support and help will make the effort of the owners and staff members just feel that little more valued.”*

*“I would welcome any strategy available to help Local Businesses as in my area they have suffered greatly and cannot compete with the larger retail businesses that have been springing up everywhere....”*

*“This is good news for businesses”.*

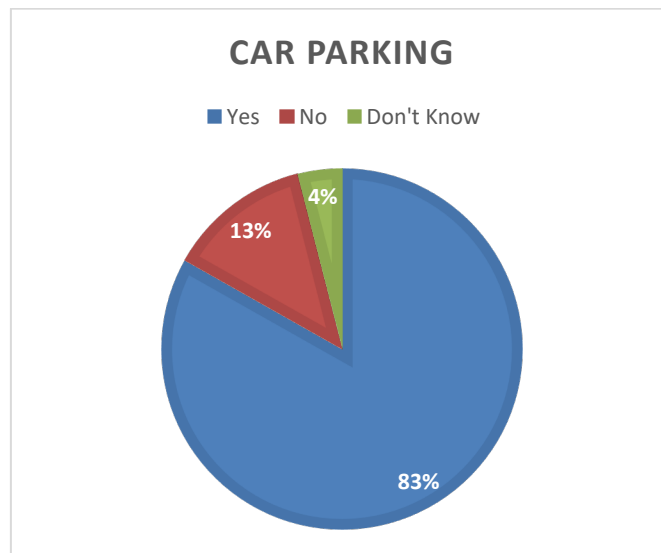
*“Definitely, small business needs all the support they can get.” (OPAG)*

## Car Parking

- 4.16 The Council's town centres have been significantly impacted by the restrictions placed on retail, leisure and hospitality businesses plus the need to put in place measures to adhere with social distancing and enhanced cleaning and hygiene regimes. In order to encourage visitors to the town centres and to aid the recovery of our valued businesses, it is proposed that we tailor car parking charges, noting that in all town centres other than Pontypridd and Aberdare, parking is already free.

The proposal is that car parking is free after 3pm on Monday to Fridays and free all day (after 10am) on Saturdays. The cost of this proposal in terms of income foregone is **£160k**.

**83% of respondents agreed with the proposed investment in car parking.**



- 4.17 Those in agreement with this investment included:

*"I think longer term plans need to reduce the need for car use. Offering free parking after 3:00 seems a reasonable suggestion".*

*"Hopefully this will help encourage people into town instead of retail parks".*

*"Funds from parking up to 3pm Monday to Friday as proposed will cover over a period of time the lost income. Why are Pontypridd & Aberdare not free parking??"*

- 4.18 Some of the respondents suggested that free parking would need to be brought in alongside other investment, to make the town centres more appealing;

*“Would rather investment in town centre as nothing to shop for if shops keep closing”.*

*“I do not think this will encourage people in given the risk of the Pandemic and how used to shopping online everybody is. I do not think free parking would be enough. There needs to be enticing shops, Pontypridd for example needs to attract a better range of shops and cafe's.....”*

*“I'm not sure that car parking is what is stopping people attending town centres but if evidence points to that then yes, I would agree. I believe it's the content of the town centres is what has led to a reduction in footfall even before the pandemic.”*

- 4.19 Some of the respondents questioned the timing of the proposed free parking and thought it should be earlier:

*“3pm is too late in the day.”*

Timing was also mentioned in the virtual OPAG meeting:

*“If you do after 3pm, little open, should be earlier maybe from lunch time instead of 3pm.”*

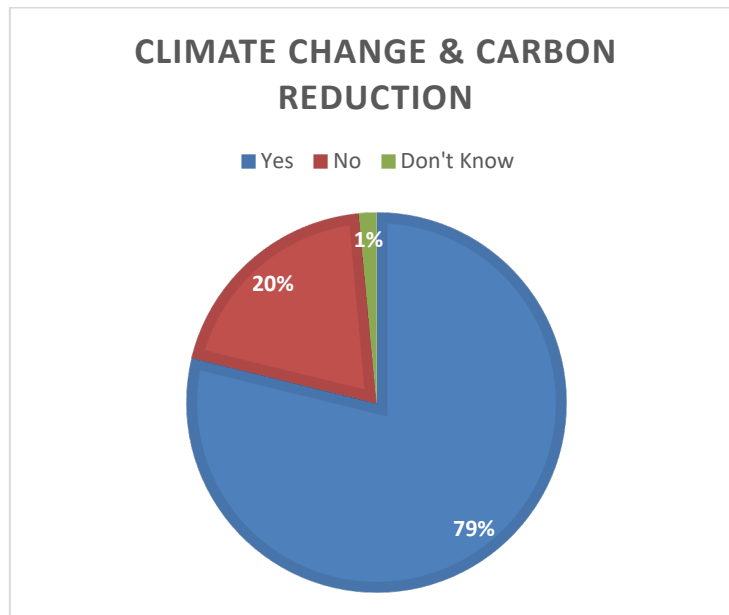
*“Good after 10am, as people working in town will not fill the spaces.”*

## **Climate Change and Carbon Reduction**

- 4.20 The Council's commitment to responding to climate change and carbon reduction has already been well documented, with the Climate Change Cabinet Steering Group having met regularly since its inaugural meeting in November 2019. The initial work programme set out in December 2019 has been delivered alongside an ambition to be further impactful and a community leader in this area, recognising the wider role that our residents, businesses and partners must play.

In order to support this work, it is proposed that a core base budget is put in place in order that a lead coordination role can be established along with a resource which can commission work from third parties to continue and, where possible increase the pace of our work in this area. The cost of this proposal is **£100k**.

**79% of respondents agreed with this proposed investment.**



- 4.21 There was widescale support for this proposal:

*“More money should be invested in this”.*

*“The amount invested needs to be higher - this is a major issue and needs strong input and support.”*

*“This investment needs to be higher. I think we are already directly witnessing the impacts of climate change in RCT as we have already seen with the devastating impact of flooding throughout 2020.....”*

*“This needs to be agreed as we do face a real climate emergency”.*



*“Yes, agree and we need to show an example to other local authorities.”*  
(OPAG).

- 4.22 Although some of the respondents suggested that the Council should utilise existing resources to take this forward:

*“utilise current employees & diversify their roles”.*

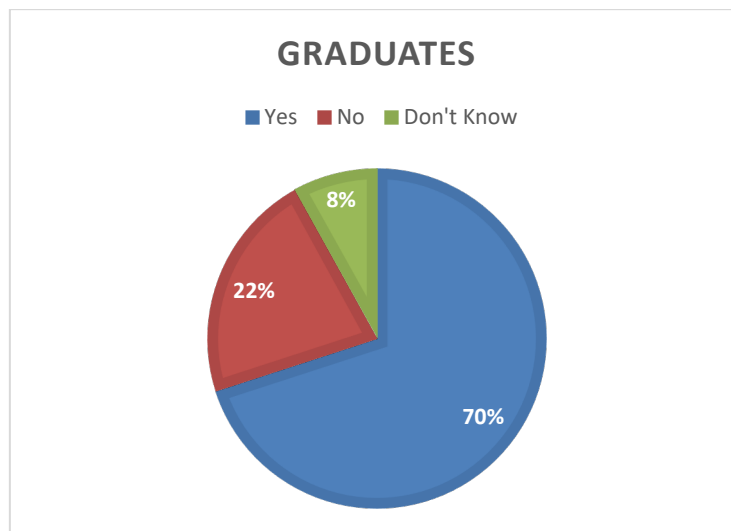
*“If this involves using consultants, then No. If it’s to tackle and combat climate change then Yes.”* (Disability Forum Member).

### **Graduates**

- 4.23 The Councils’ graduate programme has already provided the opportunity for over 100 graduates to join the Council and develop and progress into middle and senior management roles. It is a key part of the workforce planning strategy and service continuity arrangements, developing our own staff to meet the ongoing and changing needs across our services.

It is proposed that additional resources are set aside to enable a further 6 graduates to be appointed, over and above our existing commitment. The cost of the proposal is **£200k**.

**70% of respondents agreed with this proposed investment.**



Comments in support of the proposal included:

*“Good to see the Council supporting people and giving opportunities”.*

*“There needs to be jobs for our younger people.”*

*“Important to provide opportunities for apprenticeships and graduates”.*

*“Totally support this.” “Think it’s great.” (OPAG)*

*“Yes if they are required, if they are value for money. If they are doing something” (Disability Forum Member).*

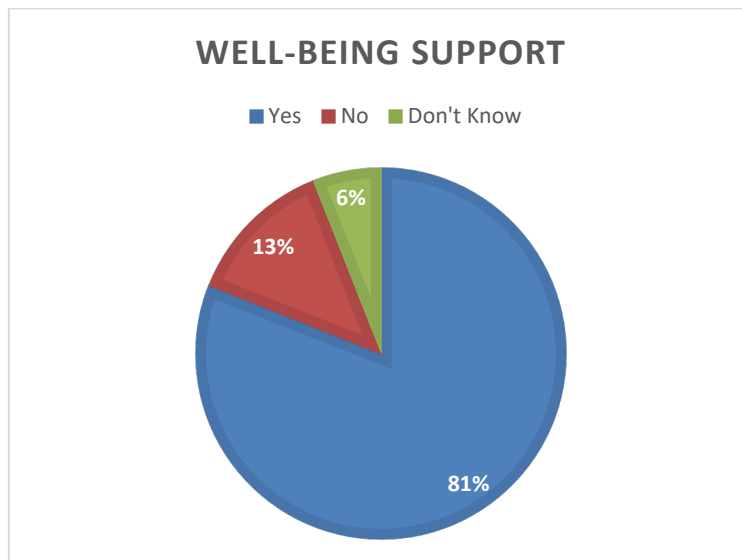
- 4.24 There were some suggestions that existing staff could be utilised and trained up to undertake the roles.

*“Promote & train from within, recruit base level employees from job centre”.*

### **Well-Being Support**

- 4.25 The Council staff are without doubt our most valued asset – they are the front face of the Council and represent and uphold our key values as public servants. We recognise the challenges faced by staff and have ensured that we continue to support their welfare and wellbeing. An additional resource of **£50k** is proposed to enable us to expand upon the current support programmes we have in place and further develop these programmes across the workforce.

**81% of respondents agreed with this proposed investment.**



- 4.26 The majority of comments were in support of this proposal:

*“This is badly needed.”*

*“It’s important to look after the staff”.*

*“Counselling is a key demand from employees so if this investment is in that area of support then I fully support that move”.*

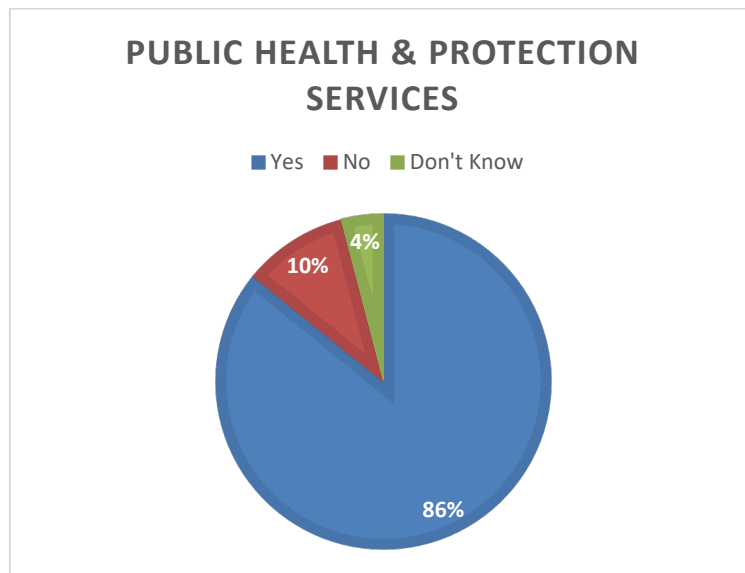
*“Staff support in these uncertain times are well received.”*

### **Public Health and Protection Services – Additional Resources**

4.27 The Public Health and Protection service has played a key role this year in ensuring the public health and wellbeing of our communities, providing advice and guidance and leading on initiatives such as the Test Trace Protect programme.

The additional investment proposed in the service will enable additional resources to be employed, further strengthening the team and providing future resilience for the service. The cost of the proposal is **£200k**.

**86% of respondents agreed with this proposed investment.**



The majority of comments were in support of this proposal:

*“We have to be ready for future situations.”*

*“Absolutely vital, probably for a good few years to come.”*

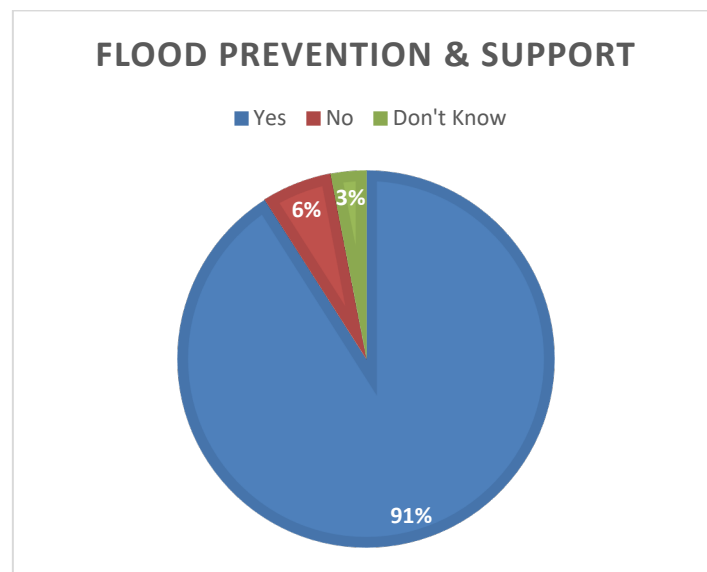
*“With COVID-19 this last year this extra £200k will be needed”.*

*“Seems a good investment.”*

## Flood Prevention Support

- 4.28 Over 1,000 homes and 400 businesses were flooded during Storm Dennis. It is proposed that alongside all other support being provided, that an advisory role is put in place to ensure that our residents and businesses are supported in protecting themselves as far as possible from any storm damage, including for example insurance availability and physical property protection opportunities. The cost of this proposal is **£50k**.

**91% of respondents agreed with this proposed investment.**



- 4.29 Most of the comments were in support of the proposal:

*“This is vital, and the urgency is of the utmost importance.”*

*“It needs to happen for communities devastated by these floods. More investment needs to be put into this area to prevent further reoccurrence”.*

*“So many homes have been devastated so this is needed”.*

*“Vital - likely to see more damage from flooding over the coming months & years so money must be found.”*

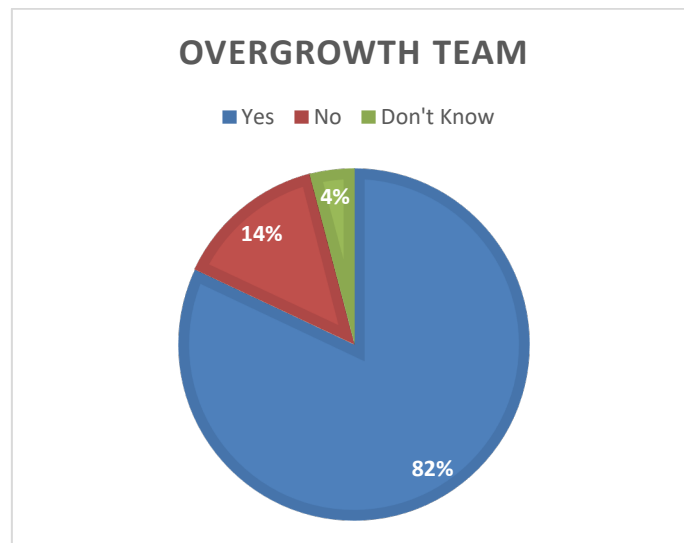
*“I agree with the £50k.” (Disability Forum Member)*

OPAG members supported the funding proposal and suggested it may need an even larger investment.

## Overgrowth Team

- 4.30 Our local environment remains a key priority of the Council, keeping our physical places clean, removing eyesores and ensuring that our natural resources are appropriately maintained. We already have a number of teams who are responsible for ensuring that our overgrowth is effectively maintained, and it is proposed that an additional team is put in place to further enhance this work. The cost of this proposal is **£75k**.

**82% of respondents agreed with this proposed investment.**



- 4.31 Comments in support of this proposal included:

*“Really important as more residents have been walking/visiting the countryside in RCT”*

*“Investment needs to be higher, with more teams being put in place. I would also like to see council organise more local litter-picking events, so the community can take joint ownership of improving and maintaining our local environment.....”*

Although some of the respondents suggested that the Council should utilise existing resources/staff:

*“This should already be part of what we pay for”.*

*“make better use of current resources”.*

- 4.32 OPAG members agreed with the proposal and asked if there was any scope to use volunteers to help the Council.

- 4.33 A number of comments mentioned leaving the grass verges overgrown:

*“.... People don't want to see aggressive over mowing of grass verges etc obliterating any chance for biodiversity. I hope this money can be invested in managing council land better to attract more biodiversity which could go hand in hand with the climate change commitment and making our towns more attractive to investment.....”*

*“The slightly overgrown and wild verges added much needed colour last spring and I'd like to see these continue”.*

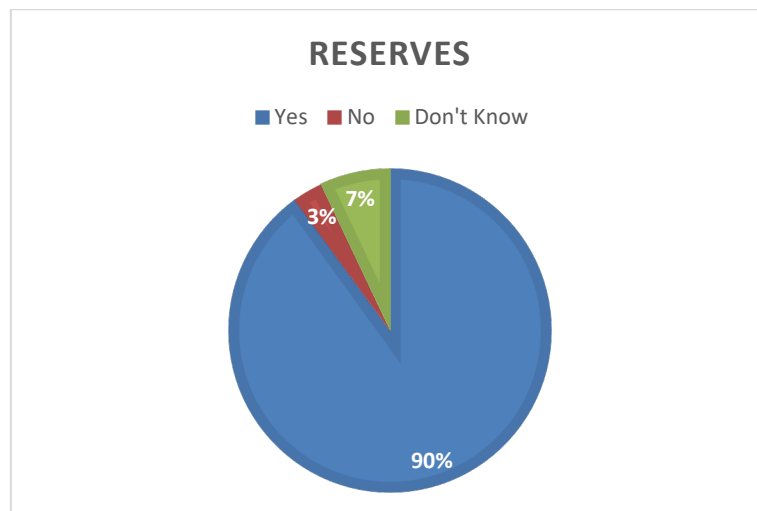
*“Overgrowth of plants I'm assuming needs to be managed long term and replaced with more sustainable planting”.*

*“i would like to see improvements as regards to the roadside verges. i think it would be viable for the council to consider a less and later mow routine and the end of weed killers/pesticides..the restoration of native wildflowers to these areas would be a welcome addition to all, if careful consideration is applied further savings could be achieved.”*

### **Use of Council Reserves**

4.34 After taking account of the above proposals, proposed level of Council Tax, the delivery of efficiencies and other budget requirements the remaining budget gap is £0.709M. It is proposed that an allocation of £0.709M is made from the Transitional Funding reserve (i.e. a specific reserve set aside for this purpose) for 2021/22. This would facilitate a balanced budget for 2021/22 and would leave £3.621M in the Transitional Funding.

**90% of respondents agreed with the use of this transitional funding.**



Comments included:

*“Replenishment is essential could this figure be increased”.*

*“I'd encourage greater use of these reserves to better protect your residents and businesses from increases at such a difficult time....”*

*“Must keep reserves for emergencies like that big storm last year”.*

### **Other Comments**

- 4.35 A number of further comments were made on the proposed budget strategy and these included:

Positive;

*“I think in general they are doing a good job”.*

*“The budget looks like a well thought out and sound financial budget”.*

*“It seems fair given the various constraints the council operates under.”*

*“Welcome the engagement”.*

- 4.36 There were a number of comments that mentioned the need for services to assist with the aftermath of the pandemic:

*“You've a difficult task this year, and I don't envy you the job. I do, however, hope that every resident's needs, regardless of level of education, health, wealth, background, or any other identifying characteristic will be taken into account as, more than ever, we face a difficult time emotionally, mentally and psychologically which no one is immune to.”*

*“The council needs to invest in services that will help residents with their personal resilience and mental health and wellbeing after what has been and continues to be a very traumatic event”.*

- 4.37 The move to remote working was seen as a positive and something that the Council should continue with post COVID, with potential savings through optimising the use of buildings and also generating income from further rationalisation of buildings.

*“Maybe sell council offices and encourage staff to desk share or work from home”.*

*“I think that the council could save money by getting rid of a number of buildings. The staff that are struggling and need to be in the office, given an office space when the pandemic is over, and it is safe to do so. As*

*things are unlikely to ever return to the way they were before, there will be no need to have all the office space...*

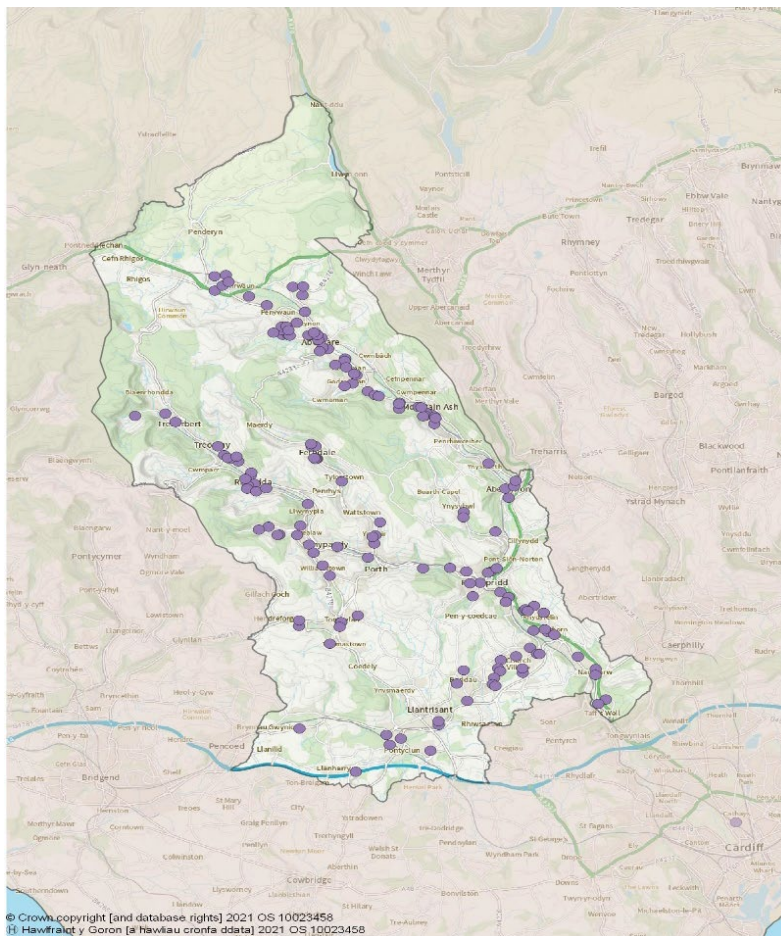
**About You**

4.38 The majority of respondents to the survey were residents (89.2%).

<b>Base</b>	<b>100.0%</b>
<b>Are you responding as?</b>	
a local resident	89.2%
a local business	4.1%
an employee of the Council	25.2%
a member of a voluntary / community group	5.4%
other	0.5%

Note: This was a multiple response question.

4.39 The following map shows the postcodes of those people who responded to the survey.





## 5. YOUNG PERSON ENGAGEMENT

- 5.1 As part of our engagement with Young People we utilised the Youth Engagement and Participation Service Instagram page to promote the consultation and ran a series of poll questions over the course of a week. The questions were based on the information in the full survey and asked young people whether they agreed or not with the proposals.
- 5.2 The posts were spread over 5 days and asked Young People whether they agreed or disagreed with the proposals on Council Tax levels, Fees and Charges, Efficiency savings and 5 areas of investment. These were Public Health and Protection Services, the Council's Graduate Scheme, Climate Change, Flood Prevention Support and Car Parking.
- 5.3 The table below shows the results of these polls:

<b>Day / Topic</b>	<b>Question</b>	<b>Yes</b>	<b>No</b>
1 – Council Tax Levels	Do you think a Council Tax increase of 2.65% is fair?	10	16
2 – Efficiency Savings	Should the Council continue to look at ways of saving money?	19	2
3 – Fees and Charges	Do you agree with these proposals?	8	2
4 – Investments: Graduate Scheme / Public Health and Protection	Do you think these investments are a good use of Council money?	13	2
5 – Investments: Car Parking / Flood Prevention Support / Climate Change	Do you think these investments are a good use of Council money?	2	0

- 5.4 We also created a PowerPoint presentation and shared this with the schools and colleges that had taken part in Phase 1 of the consultation. We engaged with Coleg Y Cymoedd groups from Rhondda, Aberdare and Treforest campuses along with Y Pant and St John Baptist Church In Wales High School. A tailored version of the survey was also created and this link was shared with the schools / colleges. They were asked to share the information with their groups and invite them to take part. We also shared these materials with members of the Youth Forum.
- 5.5 The table below shows the results for the questions based on Council Tax levels, Efficiency savings and Fees and Charges:

<b>Question</b>	<b>Yes</b>	<b>No</b>	<b>Don't Know</b>
Do you agree that 2.65% is a reasonable increase in Council Tax?	2	1	3
Do you agree with the approach to efficiency savings for next year?	3	-	2
Do you agree with the Council's approach to fees and charges?	1	2	2

Comments:

*“The costs for the meals on wheels program should be frozen and the minor cost increase proposed should instead be levied on car parking charges.”*

- 5.6 We also provided information about a range of budget investment proposals and asked whether young people agreed with these. The table below shows the results:

<b>Proposed Investment Area</b>	<b>Yes</b>	<b>No</b>	<b>Don't Know</b>
Local Business Rate Reduction Scheme	3	-	2
Car Park charges	2	-	3
Climate Change and Carbon Reduction	3	1	2
Graduate scheme	2	-	3
Well-Being support for staff	1	1	3
Public Health and Protection Services – Additional Resources	3	-	2
Flood Prevention Support	3	-	2
Overgrowth Team	2	-	3

Comments:

*“More money should be invested in Well being for staff, more for climate change and a little less for the Overgrowth team.”*

**RHONDDA CYNON TAF COUNCIL FINANCE AND PERFORMANCE SCRUTINY COMMITTEE**

Minutes of the meeting of the Finance and Performance Scrutiny Committee held virtually on  
Thursday, 4 February 2021 at 5.00 pm

**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 S. Rees-Owen  
Councillor J Williams    Councillor T Williams  
Councillor J Cullwick    Councillor A Fox  
Councillor T Williams    Councillor W Owen  
Councillor J Edwards    Councillor S Rees

**Co-Opted Members**

Mr Jeff Fish

**Officers in attendance**

Mr Paul Griffiths – Service Director – Finance and Improvement Services  
Ms Stephanie Davies – Head of Finance – Education and Financial Reporting  
Mr Christian Hanagan – Service Director Democratic Services and Communication  
Mr Andy Wilkins – Director of Legal Services  
Ms Julia Nicholls – Principal Democratic Services Officer  
Mrs Sarah Daniel – Senior Democratic Services Officer

**Apologies**

Councillor M Adams  
Councillor G Caple

**30 Declaration of Interest**

Cllr S Bradwick declared a personal interest in item 3 as Chair of Governors of Aberdare Community School. He further declared a personal interest as the levy for the South Wales Fire and Rescue Authority was mentioned during the meeting and Cllr Bradwick is a member of the Board which sets this budget.

**Extract from minutes**

**THE COUNCIL'S DRAFT 2021/22 REVENUE BUDGET STRATEGY**

With the aid of a PowerPoint presentation the Service Director – Finance and

Improvement Services provided Members with an overview of the:

- The Council's current financial position (2020/21);
- Feedback from phase 1 of the Budget Consultation process that ran from 26 October to 7 December 2020;
- The provisional Local Government Settlement for 2021/ 22; and
- Cabinet's proposed Budget Strategy 2021/22 – which included proposals around Council Tax, School Budgets, Efficiencies, Fees and Charges, Targeted Investment and Use of Reserves.

The Chairman thanked the Officer and the following questions were raised.

The Co-opted Member referred to the legislative changes that will come into effect in 2021/22 in respect of Additional Learning Needs (ALN) and requested clarity on whether the anticipated additional costs would relate to the Council or Schools. The Service Director fed back that the proposed Budget Strategy builds in additional resources for the forthcoming year to support the preparation and implementation of the changes that come into force from September 2021. The Service Director added that this budget is proposed to be allocated to the Education and Inclusion Services Directorate within the Council and that the Council and Schools will continue to work together to plan and assess resource requirements on an on-going basis.

The Co-opted Member also referred to ALN virements and asked if this was in relation to the recently announced Transformation Grant funding of up to £1,000 from Central South Consortium or if this was additional funding from another source. The Service Director fed back that specific grants received by schools would sit outside the Cabinet's budget strategy proposals and the Head of Finance – Education and Financial Reporting added that Schools had been informed that they can access different grants for this area if specific training or activities are undertaken.

A Member referred to the General Fund Balances which currently stood at £8.709M, with plans to replenish to £10M over the next 3 years, and stated that this was a good idea and requested clarity on whether this was a set requirement from the external auditor.

The Service Director fed back that the plan to replenish General Fund balances to £10M over the next 3 years was a Council led decision as part of its Medium Term Financial Planning arrangements. The Service Director went on to indicate that the Council's Section 151 Officer keeps this position under on-going review and takes into account a number of factors in determining the minimum level of general fund balances to be maintained, including, the Council's financial position and financial environment it is operating within. The Service Director added that the Council provides on-going updates to Audit Wales, the Council's external auditor, in this regard.

The Chairman referred to waste management costs increasing and asked the Service Director to explain why this was.

The Service Director fed back that waste management costs had increased throughout the pandemic due to more people working from / staying at home resulting in more residential kerbside collection. The Service Director added that

there has also been a change in the composition of waste collected and this was resulting in an increase in the volume of residual waste. The Service Director went on to indicate that the Council's Waste Management Service had recommenced engaging with residents, where safe to do so and observing social distancing requirements, to promote the importance of recycling.

A Member stated that this was also discussed at a recent Public Service Delivery, Communities and Prosperity Scrutiny Committee.

A Member referred to page 15 of the Phase 1 Budget Consultation report, which set out feedback from respondents on which Council Services to protect and prioritise, and was disappointed to note that the bottom three services were 'Cultural, Tourism and Heritage Services', 'Music Services' and 'Leisure Services'. The Member stated that it was very important to remember that without these services throughout the lockdown periods many people would have struggled further and felt they provided an invaluable service and hoped there will be a level of protection built into the budget strategy for these areas. The Chairman supported these comments.

#### **Feedback on the Cabinet's proposals for Council Tax:**

A Member referred to the Council Tax increase proposal of 2.65% which was lower than the originally modelled Council Tax increase of 2.85%. The Member raised concerns of litter throughout the County Borough and stated that there was a need to improve the cleanliness of villages and towns, and indicated that if the Council Tax was increased to the originally proposed 2.85%, the extra funding raised could go towards street cleansing.

A Member fed back that officers from the Council's Streetcare Service were re-purposed for a temporary period during the pandemic to aid the delivery of other immediate priorities and indicated that these officers have now returned to their streetcare roles that focus on maintaining the cleanliness of the County Borough.

Two members agreed with the proposal of a 2.65% increase in Council Tax and fed back that it should not be increased any higher due to the impact the global pandemic has, and is continuing to have, on residents in terms of employment and reduced pay where individuals have been furloughed. The Members added that they anticipated the proposed Council Tax increase would be favourable when compared to Council Tax increases proposed by other local authorities across Wales.

The Service Director advised the Committee that the existing Street Cleansing budget was approximately £2.5 million and the proposed budget strategy includes specific additional investment in this area to further enhance the Council's Overgrowth Team.

#### **Feedback on the Cabinet's proposal for the Schools Budget**

The Co-opted Member expressed concern on the requirement for efficiency planning for decisions taken locally by schools. The Service Director advised that the proposed schools increase built into the Budget Strategy covers all inflationary pressures, pupil number changes and Non-Domestic Rate increased costs, and indicated that where schools make local decisions, for example, changes to the staffing establishment, delivery of specific projects, the financial

impacts would be the responsibility of schools to manage and fund.

The Co-opted Member referred to the increase in budget of £2.2million for schools and asked how this equates in percentage terms.

The Service Director fed back that this equated to a 1.35% increase and went on to provide further context to the Committee on the Council viewing schools as a key priority and its long-term commitment to protect this sector as much as possible. The Service Director added that between financial years 2012/13 to 2020/21 the Schools budget had increased, in cumulative terms, by 22% compared to non-schools budgets reducing by 1% over the same period, and also noted that over this time there has been a requirement for efficiency planning at an individual school level.

Some Members added that the proposed increase for schools was less than in previous years and should there be the requirement for schools to deliver efficiency savings as a result of local decisions made, this will be challenging.

The Head of Finance – Education and Financial Reporting advised that efficiency savings may need to take place where individual schools have a historical deficit, with this work being supported through a deficit recovery plan being put in place for these schools covering a 3 to 5 year period.

Another Member shared the concern on the proposed increase compared to previous years and requested clarity on the extent of work undertaken with Headteachers to support schools in their recovery from the Covid-19 pandemic including children catching up.

The Service Director advised that the Council's Finance staff continue to work closely with all schools as part of in-year budget monitoring arrangements and, with regard to Covid-19, specific work is on-going with schools to identify and claim for additional costs incurred in the current year via the Welsh Government's Hardship Fund. The Service Director added that the Council and Schools also positively engage as part of the Rhondda Cynon Taf School Budget Forum, where key issues such as the challenge of supporting children catching up are considered. In this regard, the Head of Finance – Education and Financial Reporting advised Members that specific grant funding has been made available to schools for both 2020/21 and 2021/22, and, more recently there had been an addition to the grant for learners in exam years. The Head of Finance added that schools had already been informed of their allocation.

A Member asked if further clarification on this matter could be shared at a future meeting as this was still a major concern for many Members.

A Member commented that school staff and parents should be praised for their recent efforts in ensuring children still had access to learning whilst schools were closed. He added that officers need to be mindful of the impact on children not being in school and there will need to be funding available for a catch-up programme for all learners.

Another Member commented that we need to ensure children can catch-up as they could be at a disadvantage, for example, if their parents are working from home and the challenges of home-schooling at the same time as working. The Member added there needs to be a provision to get the children back to where they need to be.

The Cabinet Member for Corporate Services stated that at the School Budget Forum meeting on the 4<sup>th</sup> February 2021, this information had been presented to Head teachers and, overall, the £2.2 million uplift in their funding was welcomed. He added that they do have concerns around catch-up and it is currently being discussed at a national level.

The Chairman referred to the consultation document and indicated that it would have been useful for demographic information on respondents to be included within the document.

The Chairman also referred to the need to convey to residents the level of funding the Council receives from Welsh Government compared to the amount it raises from Council Tax and to provide information on where and how the Council spends the funding it receives.

The Chairman also requested for the breakdown of Council Tax by community area to be followed up.

#### **Feedback on the Cabinet's proposal for Efficiencies:**

A Member fed back that over the past 10 years the Council has identified and delivered significant levels of efficiency savings and this has been an important tool in helping to minimise Council Tax increases and protect frontline services during a challenging financial climate. The Member also fed back that there is likely to be a limit to the level of efficiency savings the Council can continue to deliver into the future and expressed his opinion that it is a misplaced perception that local government is inefficient. The Member went on to note that Adult and Community Services have and are continuing to face significant pressures, particularly during the Covid-19 pandemic.

#### **Feedback on the Cabinet's proposals for Fees and Charges:**

A Member asked how many meals are produced per week by the Meals on Wheels Service. The Service Director responded that a few hundred per day but would request up-to-date information from the Service and circulate to Committee Members.

A Member asked whether the proposed increase in the Day Centre meal price was linked to the Centres being closed and resulting income lost during the pandemic. The Service Director fed back that proposed price levels are based on setting an affordable and competitive price that contributes to the cost of maintaining and, where possible, improving services, and also having regard to estimated costs and level of inflation for the year ahead. The Service Director added that where the Council has lost income as a result of Covid-19, this is currently reclaimed via the Welsh Government's Hardship Fund.

A Member asked how much revenue the 10p proposed increase for Meals on Wheels and Day Centre meals would generate. The Service Director fed back that it would be approximately £4k in respect of Meals on Wheels and approximately £2.5k for Day Centres.

A Member asked what income would be generated if the Council increased car parking charges by 1.7% instead of applying a freeze. The Service Director fed back that this would generate approximately £11k of income and the Member indicated that he would favour the charges being raised on car parking rather

than raising the cost of Meals on Wheels and Day Centre meals.

A Member asked how the Meals on Wheels charges compared to other local authorities in Wales. The Service Director fed back that the Council's charge is competitive compared to other local authority based provision, with prices ranging from £3.30 to £5.65 across Wales.

The Chairman stated that it was not always helpful to compare with other local authorities as each area has a different demographic, adding that Rhondda Cynon Taf was a socially deprived area. He stated that he would like to see if there had been a decrease in the uptake of the meals due to the increase.

A Member stated he could not support increasing the car parking charges as he believed it would be of detriment to the villages and towns as it would deter residents from visiting if they had to pay increased costs to park. The Service Director fed back that Pontypridd and Aberdare were chargeable car parks, with car parking already free in all other areas of the County Borough.

Another three members agreed that they could not support increasing car parking charges on the basis of it discouraging residents from shopping locally and potentially encouraging visits to out-of-town shopping centres where free car parking was provided. The Members fed back that encouraging residents back into local communities and not internet shopping should be prioritised as local jobs depended on it. One Member added that he would like to see the car parking charges abolished altogether.

A Member asked how much revenue the Authority generates through car parking charges at Pontypridd and Aberdare. The Service Director advised that the income budget was £640k and indicated that he would make enquiries on the breakdown between Pontypridd and Aberdare.

#### **Feedback on the Cabinet's proposals on Additional Investment:**

Two members commented on the Public Health and Protection Services and the Overgrowth Team, and stated that they do a brilliant job and they have faced an immense challenge during the pandemic; both Members fully supported the investment in these areas.

As there were no other comments on the presentation the Service Director thanked the Committee for their time and indicated that the feedback provided would form part of the report to Cabinet on 25<sup>th</sup> February 2021.

**This meeting closed at 19:24**

**Cllr M Powell  
Chairman.**



## SCHOOL BUDGET FORUM MEETING 4<sup>TH</sup> FEBRUARY 2021

### THE COUNCIL'S DRAFT 2021/2022 REVENUE BUDGET STRATEGY

#### Extract from minutes

The Service Director - Finance and Improvement Services provided Forum Members with a PowerPoint presentation which provided an overview of:

- The 2021/22 Draft Revenue Budget Strategy;
- The Council's current financial position (2020/21);
- Details of the budget consultation (phase 1); and
- The headlines and implications for the Council in respect of the provisional Local Government Settlement 2021/22.

The Service Director concluded the presentation with the Cabinet's proposed budget strategy for 2021/22 and requested feedback from Forum Members.

#### Council Tax

Forum Members were advised that the Cabinet were proposing Council Tax be increased by 2.65% for 2021/22 (lower than the originally modelled Council Tax increase of 2.85%) at a cost of £182k to the Council.

Members commented positively on the proposed Council Tax level, noting that the level proposed would likely be one of the lowest in Wales.

#### Schools Budget

The Service Director informed Forum Members that the proposal would see the Schools Budget increase from £161.6M to £163.8M, an increase of £2.2M. He added that the increase would cover, in full, all inflationary and pupil number pressures, including NDR increased costs.

Members welcomed the proposal to cover inflationary and pupil number pressures and NDR increased costs.

#### Efficiencies

The Service Director informed Members that for 2021/22, efficiencies totalling £4.6M had been identified for incorporation into the proposed strategy that would not impact on frontline services.

Forum Members spoke of the efficiencies identified and considered it a positive that the proposed savings would not impact on front-line services. The Service Director commented on the areas where such efficiencies had been secured, that included savings through the transformational changes implemented during the pandemic such as maximising use of digital technology to reduce consumable expenditure and home working that is reducing staff travel and premises related costs.

A Forum Member commented on the difficulties of achieving such efficiency levels year-on-year and paid tribute to the work of staff and the Senior Leadership Team in this regard.

### **Fees & Charges**

Forum Members were advised that a standard increase of 1.7% (in line with the forecasted Consumer Prices Index) was proposed on all fees and charges with a number of specific exceptions, which the Service Director highlighted within his presentation. He added that the proposals would cost the Council £185k more than if the Council increased all fees and charges by 1.7%.

Forum Members welcomed the freeze in charges on school meals and also commented on the importance of free school meals to the families that they support. Forum Members spoke of the importance of leisure facilities and the need to promote recreation and exercise for all residents in the County Borough following the pandemic and the health and mental health benefits such facilities provide; therefore freezing the prices in this area to help ensure such facilities were accessible was another positive measure.

### **Proposed Targeted Additional Investment**

A Forum Member queried whether any additional investment had been received from Welsh Government in respect of flood prevention support. The Service Director advised that the Welsh Government provided funding through its Emergency Financial Assistance Scheme to support the Council in its immediate response to Storm Dennis and work is on-going with Welsh Government to secure further funding to support a medium to long term programme of repairs to the Council's infra-structure, including flood prevention schemes. The Service Director added that with specific regard to the flood prevention support investment of £50k included in the proposed budget strategy, this related to putting in place an advisory role to help ensure residents and businesses are supported in protecting themselves from future storm damage.

A Forum Member also highlighted that the Council's on-going work in improving playgrounds and parks facilities was important, and more so during the pandemic, giving young people good quality areas to play that helps promote both health and wellbeing benefits.

### **Use of Reserves**

The Service Director advised that after taking account of the implications of Cabinet's budget strategy proposals, the remaining budget gap would be £0.709M. The Service Director informed Forum Members that it is proposed for an allocation of £0.709M be made from the Council's Transitional Funding which would leave a remaining balance of £3.621M.

Members discussed the need to utilise the Transitional Funding reserve to close the budget gap and spoke of the importance of the Transitional Fund going forward and commented on the prudent work of the Council in being able to maintain this funding at an appropriate level on an on-going basis.

The Chair thanked Members for their contribution to the meeting and the Service Director closed the presentation by advising of the timeline for setting the Council's 2021/22 Revenue Budget and noted that the feedback of Forum Members would form part of the report to Cabinet at its meeting on 25<sup>th</sup> February 2021.

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## RHONDDA CYNON TAF COUNTY BOROUGH COUNCIL

### COUNCIL

10<sup>th</sup> MARCH 2021

## COUNCIL TAX RESOLUTION FOR THE YEAR ENDING 31<sup>st</sup> MARCH 2022

### REPORT OF THE DIRECTOR OF FINANCE & DIGITAL SERVICES

**Author:** Mr. Barrie Davies (Tel No. 01443 424026)

#### **1.0 PURPOSE OF THE REPORT**

1.1 The report provides Members with details of the calculation of the Authority's Council Tax for the financial year ending 31<sup>st</sup> March 2022 prior to passing the necessary statutory resolutions.

#### **2.0 RECOMMENDATIONS**

2.1 It is recommended that Members:

- i) Note the level of the precept from the Police & Crime Commissioner for South Wales;
- ii) Note the level of the Community Council Precepts, as detailed in Appendix 1;
- iii) Pass the formal Council Tax resolutions for the financial year ending 31<sup>st</sup> March 2022, as contained in Appendix 2; and
- iv) Note my comments upon robustness of the estimates and the adequacy of the proposed financial reserves as detailed at paragraph 9.2.

#### **3.0 BACKGROUND**

3.1 At the Cabinet meeting held on 17<sup>th</sup> November 2020, Members confirmed the Council Tax Base for 2021/22 as £77,197.81. This means that each £1 of Council Tax levied on dwellings within the County Borough in 2021/22 would yield an estimated Council Tax income to the Authority of £77,198.

3.2 Earlier in today's meeting Council was asked to agree the total budget for the financial year ending 31<sup>st</sup> March 2022, at £527.903M (net), the result of that earlier decision will be reported by the Council's Section 151 Officer.

#### **4.0 NON-DOMESTIC RATES**

4.1 On 10<sup>th</sup> February 2021, Welsh Government set the Non-Domestic Rate multiplier (rate in the pound) for 2021/22 at 53.5p (no change from the current year). The multiplier rate is normally updated based on the annual percentage change in the CPI (Consumer Price Index) but for the forthcoming financial year Welsh Government have determined to “freeze” the multiplier.

#### **5.0 GOVERNMENT GRANTS**

5.1 The Council will receive the following grants from the Welsh Government in 2021/22:

**Table 1**

<b>Type of Grant</b>	<b>£M</b>
Revenue Support Grant (RSG)	325.125
Redistributed Non Domestic Rates (NDR)	79.250
<b>Total</b>	<b>404.375</b>

#### **6.0 POLICE & CRIME COMMISSIONER FOR SOUTH WALES - PRECEPT**

6.1 The Police & Crime Commissioner for South Wales notified the Council on 3<sup>rd</sup> February 2021 that the precept for the financial year ending 31<sup>st</sup> March 2022 will rise by **5.3%** to £22,211,354 which equates to a Council Tax on a Band D property of £287.72, an increase of 5.50%.

#### **7.0 COMMUNITY COUNCIL - PRECEPTS**

7.1 Appendix 1 provides details of the precepts levied by the twelve Community Councils within the Rhondda Cynon Taf area. The precepts for the services rendered by the Community Councils are also expressed as Band D equivalents.

#### **8.0 COUNCIL TAX LEVELS FOR 2021/22**

8.1 The net amount that the Council needs to raise from local Council Taxpayers is shown in Table 2 below:

**Table 2**

**2021/22 Net Budget Requirement**

	<b>Budget</b>	<b>Band D Equivalent</b>
	<b>£M</b>	<b>£. p</b>
2021/22 Net Revenue Spending	527.903	
Less: Revenue Support Grant	325.125	
Less: Non Domestic Rate Grant	79.250	
Less: Social Care Workforce Grant	4.075	
<b>Sub-Total</b>	<b>119.453</b>	
Less: Release of Earmarked Reserves	0.711	
<b>Council's Requirement from Taxpayers</b>	<b>118.742</b>	<b>1,538.15</b>
Add: Police & Crime Commissioner for South Wales Precept	22.211	287.72
<b>2021/22 Council Tax</b>	<b>140.953</b>	<b>1,825.87</b>

- 8.2 If agreed at the Council meeting earlier today, the County Borough Council's revenue budget for the financial year ending 31<sup>st</sup> March 2022 will result in a Council Tax increase of 2.65% (excluding Community Council precepts).
- 8.3 However, the 5.50% Band D increase agreed by the Police & Crime Commissioner for South Wales will have the effect of raising the composite Band D Council Tax by **3.09%** (excluding Community Council precepts).
- 8.4 The figures in Table 2 above exclude Community Council Precepts. Those taxpayers living in areas where a Community Council Precept is payable will, therefore, have to pay an additional amount. The Band D figures for Community Councils are shown in Appendix 1.

**9.0 ROBUSTNESS OF ESTIMATES AND ADEQUACY OF RESERVES HELD**

- 9.1 Under the Local Government Act 2003 (Commencement) (Wales) Order 2003, as Responsible Finance Officer (per Section 151 of the Local Government Act 1972), I have a duty to report to the Council on:
- (a) The robustness of the estimates made for the purposes of the calculations; and
  - (b) The adequacy of the proposed financial reserves.
- 9.2 My view upon the above matters is:

**(a) Robustness of Estimates**

I am satisfied that the detailed calculations which underpin the agreed budget have been undertaken in a consistent and robust manner and reflect actual budgetary

requirements across the Council at this point in time. As part of the budget process, efficiency savings have been identified which, along with other components of the budget strategy have allowed us to match service requirements against available resources.

The base budget as constructed does not include additional costs which are likely to arise as a direct consequence of the pandemic which Welsh Government are committed to continue to fund outside of the local government settlement (as has been the case through 2020/21). The final settlement confirms that WG have set aside funding (£206M) for the first 6 months of 2021/22 in this regard. Our budget requirements are also modelled on a best estimate of demand across our services; we will continue to closely monitor spend against our budget in the knowledge that there may be volatility in demand and spend (for example in social care) as we recover from the pandemic.

### **(b) Adequacy of Financial Reserves**

It remains my view that the Council should maintain a minimum level of General Fund Balances of £10M. I consider this necessary given the continuing financial pressures the Council is working under and the overall quantum of our budget (for 2021/22 set at £527.903M net). Whilst this reflects the view we have held for some years, this minimum level is set in the context of the need for continued strong financial management that is felt to be essential to ensure that the Council maintains financial flexibility and stability going forward.

The figure is, of necessity, not based upon any defined formula, but is a judgement by myself, as the Responsible Finance Officer.

At the 31<sup>st</sup> March 2020, the level of General Fund Balances stood at £8.709M and I am satisfied that plans are in place to replenish General Fund Balances to the minimum level over the period of the Council's current Medium Term Financial Plan i.e. to 2023/24.

## **10.0 EQUALITY AND DIVERSITY IMPLICATIONS**

10.1 As part of developing the recommended 2021/22 Revenue Budget Strategy, including the proposed Council Tax increase, an Equality Impact Assessment (EIA) has been undertaken to ensure that:

- (a) the Council meets the requirements of the Public Sector Equality Duties; and
- (b) due regard has been taken of the likely impact of the recommendations in terms of equality and discrimination.

## **11.0 CONSULTATION**



11.1 Consultation on the level of Council Tax for the forthcoming year has been undertaken as part of the Council's 2021/22 Budget Strategy Consultation process.

## **12.0 FINANCIAL IMPLICATION(S)**

12.1 The financial implications of the recommendations are set out in the main body of the Report.

## **13.0 LEGAL IMPLICATIONS OR LEGISLATION CONSIDERED**

13.1 The Local Government Finance Act 1992 requires each local authority to calculate its budget requirement for each financial year and the authority's council tax must be set to take into account the budget requirement. This report ensures compliance with the legal duty in respect of council tax setting.

## **14.0 LINKS TO CORPORATE AND NATIONAL PRIORITIES AND THE WELL-BEING OF FUTURE GENERATIONS ACT**

14.1 The recommended budget and council tax level for 2021/22 have been formulated to support the delivery of the Council's strategic priorities, as set out within the Corporate Plan "Making a Difference" 2020-2024. The Council's Corporate Plan is aligned to the goals and principles included within the Well-Being of Future Generations (Wales) Act.

## **15.0 CONCLUSION**

15.1 Should the Council agree the net revenue budget at £527.903M for 2021/22, it is now in a position to pass the formal resolution required by statute to set the respective levels of its Council Tax for the financial year ending 31<sup>st</sup> March 2022.

**Community Council Precepts - 2021/22**

<b>Community Area</b>	<b>2021/22 Precept</b>	<b>Band D</b>	<b>Precept Variance to Previous Year</b>
Gilfach Goch	£21,000.00	£20.80	-62.5%
Hirwaun	£64,345.54	£39.16	5.0%
Llanharan	£198,735.69	£64.56	-0.3%
Llanharry	£111,594.00	£70.00	-12.7%
Llantrisant	£230,841.00	£43.00	0.2%
Llantwit Fardre	£254,313.00	£38.76	-0.2%
Pontyclun	£128,105.00	£36.84	4.9%
Pontypridd	£745,903.34	£71.57	1.3%
Rhigos	£16,000.00	£56.70	3.2%
Taffs Well	£35,854.00	£26.29	-4.6%
Tonyrefail	£241,073.00	£60.54	0.0%
Ynysybwl & Coed- y-Cwm	£57,000.00	£40.48	0.0%
<b>Total</b>	<b>£2,104,764.57</b>		

## Appendix 2

### It is recommended that Members:

1. Confirm, in accordance with Regulation 3 of the Local Authorities (Calculation of Council Tax Base) (Wales) Regulations 1995 (as amended) made under Section 33(5) of the Local Government Finance Act 1992 (as amended), the following amounts for the year 2021/22:

(a) £77,197.81 being the amount calculated by the Council as the Council Tax Base for the year;

(b) Parts of the Council's area

Community Area	2021/22 Tax Base
Gilfach Goch	£1,009.62
Hirwaun	£1,642.94
Llanharan	£3,078.31
Llanharry	£1,594.20
Llantrisant	£5,368.41
Llantwit Fardre	£6,561.23
Pontyclun	£3,477.63
Pontypridd	£10,421.88
Rhigos	£282.21
Taffs Well	£1,363.80
Tonyrefail	£3,982.18
Ynysybwl & Coed-y-Cwm	£1,408.10

being the amounts calculated by the Council in accordance with Regulation 6 of the Regulations, as the amounts of its Council Tax Base for the year for dwellings in those parts of the area to which special items relate;

## Appendix 2

2. Agree that the following amounts be now calculated by the Council for the year 2021/22 in accordance with Section 32 to 36 of the Local Government and Finance Act, 1992:
- (a) **£745,483,160.07** ~ being the aggregate of the amounts which the Council estimates for the items set out in Section 32(2)(a) to (d) of the Act;
  - (b) **£220,686,525.50** ~ being the aggregate of the amounts which the Council estimates for the items set out in Section 32(3)(a) to (c) of the Act;
  - (c) **£524,796,634.57** ~ being the amount by which the aggregate at 2(a) above exceeds the aggregate at 2(b) above, calculated by the Council, in accordance with Section 32(4) of the Act, as its budget requirement for the year;
  - (d) **£403,950,055.00** ~ being the aggregate of the sums which the Council estimates will be payable for the year into its General Fund in respect of Revenue Support Grant and redistributed Non-Domestic Rates (less discretionary Non-Domestic Rate relief);
  - (e) **£1,565.41** ~ being the amount at 2(c) above less the amount at 2(d) above, all divided by amount at 1(a) above calculated by the Council in accordance with Section 33(1) of the Act, as the basic amount of its Council Tax for the year;
  - (f) **£2,104,764.57** ~ being the aggregate amount of all special items referred to in Section 34(1) of the Act;
  - (g) **£1,538.15** ~ being the amount at 2(e) above less the result given by dividing the amount at 2(f) above by the amount at 1(a) above, calculated by the Council, in accordance with Section 34(2) of the Act, as the basic amount of its Council Tax for the year for dwellings in those parts of its area to which no special item relates;

## Appendix 2

**(h)** Parts of the Council's Area:

being the amounts given by adding to the amount at 2(g) above, the amounts of the special item or items relating to dwellings in those parts of the Council's area mentioned above divided in each case by the amount at 1(b) above, calculated by the Council, in accordance with Section 34(3) of the Act, as the basic amounts of its council tax for the year for dwellings in those parts of its area to which one or more special items relate;

<b>Community Area</b>	<b>Band D</b>
Gilfach Goch	£20.80
Hirwaun	£39.16
Llanharan	£64.56
Llanharry	£70.00
Llantrisant	£43.00
Llantwit Fardre	£38.76
Pontyclun	£36.84
Pontypridd	£71.57
Rhigos	£56.70
Taffs Well	£26.29
Tonyrefail	£60.54
Ynysybwl & Coed-y-Cwm	£40.48

## Appendix 2

### (i) Parts of the Council's Area

Local Precepting Authority	Band A (£.p)	Band B (£.p)	Band C (£.p)	Band D (£.p)	Band E (£.p)	Band F (£.p)	Band G (£.p)	Band H (£.p)	Band I (£.p)
<b>Gilfach Goch</b>	1,039.30	1,212.52	1,385.73	1,558.95	1,905.38	2,251.81	2,598.25	3,117.90	3,637.55
<b>Hirwaun</b>	1,051.54	1,226.80	1,402.05	1,577.31	1,927.82	2,278.33	2,628.85	3,154.62	3,680.39
<b>Llanharan</b>	1,068.47	1,246.55	1,424.63	1,602.71	1,958.87	2,315.02	2,671.18	3,205.42	3,739.66
<b>Llanharry</b>	1,072.10	1,250.78	1,429.46	1,608.15	1,965.52	2,322.88	2,680.25	3,216.30	3,752.35
<b>Llantrisant</b>	1,054.10	1,229.78	1,405.46	1,581.15	1,932.52	2,283.88	2,635.25	3,162.30	3,689.35
<b>Llantwit Fardre</b>	1,051.27	1,226.49	1,401.69	1,576.91	1,927.33	2,277.76	2,628.18	3,153.82	3,679.46
<b>Pontyclun</b>	1,049.99	1,224.99	1,399.99	1,574.99	1,924.99	2,274.98	2,624.98	3,149.98	3,674.98
<b>Pontypridd</b>	1,073.14	1,252.01	1,430.86	1,609.72	1,967.43	2,325.15	2,682.86	3,219.44	3,756.02
<b>Rhigos</b>	1,063.23	1,240.44	1,417.64	1,594.85	1,949.26	2,303.67	2,658.08	3,189.70	3,721.32
<b>Taffs Well</b>	1,042.96	1,216.79	1,390.61	1,564.44	1,912.09	2,259.74	2,607.40	3,128.88	3,650.36
<b>Tonyrefail</b>	1,065.79	1,243.43	1,421.05	1,598.69	1,953.95	2,309.22	2,664.48	3,197.38	3,730.28
<b>Ynysybwl &amp; Coed-y-Cwm</b>	1,052.42	1,227.82	1,403.22	1,578.63	1,929.44	2,280.24	2,631.05	3,157.26	3,683.47
<b>All Other Parts of Rhondda Cynon Taf</b>	1,025.43	1,196.34	1,367.24	1,538.15	1,879.96	2,221.77	2,563.58	3,076.30	3,589.02

being the amounts given by multiplying the amounts at 2(g) and 2(h) above by the number which, in the proportion set out in Section 5(1) of the Act, is applicable to dwellings listed in a particular valuation band divided by the number which in that proportion is applicable to dwellings listed in valuation Band D, calculated by the Council, in accordance with Section 36(1) of the Act, as the amounts to be taken into account for the year in respect of categories of dwellings listed in different valuation bands, as set out below:

## Appendix 2

3. Note that for the year 2021/22, the Police & Crime Commissioner for South Wales has stated the following amounts in precepts issued to the Council, in accordance with Section 40 of the Local Government Act 1992, for each of the categories of dwellings shown below:

Major Precepting Authority	Band A (£.p)	Band B (£.p)	Band C (£.p)	Band D (£.p)	Band E (£.p)	Band F (£.p)	Band G (£.p)	Band H (£.p)	Band I (£.p)
<b>Police &amp; Crime Commissioner for South Wales</b>	191.81	223.78	255.75	287.72	351.66	415.60	479.53	575.44	671.35

4. Agree that having calculated the aggregate in each case of the amounts at 2(i) and 3 above, the Council, in accordance with Section 30(2) of the Local Government Finance Act 1992, hereby sets the following amounts as the amounts of Council Tax for the year 2021/22 for each of the categories of dwellings shown below:

Total Council Tax Demand	Band A (£.p)	Band B (£.p)	Band C (£.p)	Band D (£.p)	Band E (£.p)	Band F (£.p)	Band G (£.p)	Band H (£.p)	Band I (£.p)
<b>Gilfach Goch</b>	1,231.11	1,436.30	1,641.48	1,846.67	2,257.04	2,667.41	3,077.78	3,693.34	4,308.90
<b>Hirwaun</b>	1,243.35	1,450.58	1,657.80	1,865.03	2,279.48	2,693.93	3,108.38	3,730.06	4,351.74
<b>Llanharan</b>	1,260.28	1,470.33	1,680.38	1,890.43	2,310.53	2,730.62	3,150.71	3,780.86	4,411.01
<b>Llanharry</b>	1,263.91	1,474.56	1,685.21	1,895.87	2,317.18	2,738.48	3,159.78	3,791.74	4,423.70
<b>Llantrisant</b>	1,245.91	1,453.56	1,661.21	1,868.87	2,284.18	2,699.48	3,114.78	3,737.74	4,360.70
<b>Llantwit Fardre</b>	1,243.08	1,450.27	1,657.44	1,864.63	2,278.99	2,693.36	3,107.71	3,729.26	4,350.81
<b>Pontyclun</b>	1,241.80	1,448.77	1,655.74	1,862.71	2,276.65	2,690.58	3,104.51	3,725.42	4,346.33
<b>Pontypridd</b>	1,264.95	1,475.79	1,686.61	1,897.44	2,319.09	2,740.75	3,162.39	3,794.88	4,427.37
<b>Rhigos</b>	1,255.04	1,464.22	1,673.39	1,882.57	2,300.92	2,719.27	3,137.61	3,765.14	4,392.67
<b>Taffs Well</b>	1,234.77	1,440.57	1,646.36	1,852.16	2,263.75	2,675.34	3,086.93	3,704.32	4,321.71
<b>Tonyrefail</b>	1,257.60	1,467.21	1,676.80	1,886.41	2,305.61	2,724.82	3,144.01	3,772.82	4,401.63
<b>Ynysybwl &amp; Coed-y-Cwm</b>	1,244.23	1,451.60	1,658.97	1,866.35	2,281.10	2,695.84	3,110.58	3,732.70	4,354.82
<b>All Other Parts of Rhondda Cynon Taf</b>	1,217.24	1,420.12	1,622.99	1,825.87	2,231.62	2,637.37	3,043.11	3,651.74	4,260.37

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## RHONDDA CYNON TAF COUNTY BOROUGH COUNCIL

MUNICIPAL YEAR 2020-2021

COUNCIL

10<sup>th</sup> MARCH 2021

### THE COUNCIL'S THREE YEAR CAPITAL PROGRAMME 2021/22 – 2023/24 INCORPORATING A REVIEW OF EARMARKED RESERVES

#### REPORT OF THE CABINET

**AUTHOR: BARRIE DAVIES, DIRECTOR OF FINANCE AND DIGITAL SERVICES  
(01443) 424026**

#### **1.0 PURPOSE OF REPORT**

1.1 This report sets out the Council's proposed Capital Programme for 2021/22 to 2023/24, following receipt of the final local government settlement for 2021/22.

#### **2.0 RECOMMENDATIONS**

It is recommended that Members:

2.1 Note the detail of the final 2021/22 local government settlement for capital expenditure, reproduced at Appendix 1;

2.2 Agree to the release of the Earmarked Reserve balances as detailed in paragraph 5.3;

2.3 Agree to the reallocation of resources as detailed in paragraphs 5.5 – 5.8;

2.4 Agree to allocate the funding released from Earmarked Reserves and existing core capital funding to the investment priorities as detailed in paragraph 6.2;

2.5 Agree the proposed 'core' three year programme detailed at Appendix 2;

2.6 Agree the proposed total three-year Capital Programme, detailed at Appendices 3 (a) to (d), which includes the following non core capital funding:

- Prudential borrowing to support 21<sup>st</sup> Century School Schemes and Highways Improvements schemes;
- Capital grants for specific schemes;
- Third party contributions;
- Additional Council resources previously allocated to support existing schemes and Corporate Plan investment priorities; and
- The investment priorities detailed in paragraph 6.2, which are funded by additional one off Welsh Government capital funding detailed in paragraph 3.2, the release of Earmarked Reserves as per paragraph 5.3, and reallocation of resource as per paragraphs 5.5 – 5.8.

### **3.0 BACKGROUND**

3.1 Members will be aware that each year the Council is allocated a sum of unhypothecated “Supported” borrowing and General Capital Grant from the Welsh Government (WG). Details of the final allocation for 2021/22 are shown at Appendix 1. The funding for 2021/22 totals £13.764M, which includes our share of the continuation of an additional £35M of General Capital funding at an all Wales level. Our estimate of the annual base allocation for 2021/22 is £10.985M and our estimated share of the additional allocation is £2.779M. Even with this additional funding, there is still a reduction of £3.542M compared to 11 years ago:

<b>Year</b>	<b>WG Capital Support</b>
2010/11	£17.306M
2011/12	£13.856M
2012/13	£12.828M
2013/14	£11.328M
2014/15	£11.194M
2015/16	£11.154M
2016/17	£11.164M
2017/18	£11.232M
2018/19	£11.214M
2019/20	£13.441M
2020/21	£13.677M
2021/22	£13.764M

3.2 In determining our core capital programme we have included an annual allocation of £10.985M, with £2.779M allocated to fund the investment priorities proposed in paragraph 6.2. As referenced in paragraph 3.1, WG have included an additional £35M in total General Capital funding for 2021/22.

3.3 This base allocation, together with estimated Capital Receipts and the utilisation of Capital Reserves, represents the Council's ‘Core’ capital funding. The wider overall capital programme however includes approved prudential borrowing, specific grants and agreed additional investment in our key priorities.

### **4.0 THE NEW THREE YEAR PROGRAMME (2021/22 TO 2023/24)**

- 4.1 The proposed new 3 year capital programme for 2021/22 to 2023/24 represents a total investment of **£116.024M**. This comprises:
- A Core programme of £42.300M over the next 3 years;
  - Prudential borrowing of £12.446M to support the 21<sup>st</sup> Century Schools Programme and Highways Improvements schemes;
  - Specific grants of £12.838M;
  - Third party contributions of £1.185M;
  - Earmarked reserves and revenue contributions previously allocated to schemes and investment priorities of £27.327M;
  - Capital resources, in addition to the 3 year core allocation, of £10.528M; and
  - If agreed, reallocated earmarked reserves of £5.484M and reallocated core funding of £1.137M to fund the proposed investment priorities detailed in paragraph 6.2, alongside the one off WG capital funding of £2.779M.
- 4.2 Having due regard to the level of available capital resources, both from WG and from our own capital receipts, the new core programme for 2021/22 to 2023/24 is set at £14.1M per year. This represents a fully funded £42.3M core programme across the 3 years.
- 4.3 There remains a risk that the projected capital receipts are less than anticipated and projections will continue to be closely monitored.
- 4.4 Whilst allocating core resources for three years, there remains the requirement for us to continue to review and challenge any commitments made into years two and three, to robustly monitor capital receipt projections and to position ourselves to respond as appropriate and necessary as we move forward.
- 4.5 Given the timing of external funding approval processes, it will be necessary to maintain flexibility of funding across individual schemes in order to ensure the most efficient delivery of the overall programme.
- 4.6 Details of the overall capital programme for the 3 year period are set out in Section 7 of this report.

## **5.0 REVIEW OF EARMARKED RESERVES AND AVAILABLE FUNDING**

### **EARMARKED RESERVES**

- 5.1 As reported to Council in the Statement of Accounts (25<sup>th</sup> November 2020), the Council has revenue stream earmarked reserves at the 31<sup>st</sup> March 2020 of £39.028M (£41.867M at 31<sup>st</sup> March 2019) which are set aside for a variety of purposes. In addition, there are specific reserves relating to Capital Funding, Insurance and Treasury Management.
- 5.2 The level and use of earmark reserves is constantly reviewed as part of the Council's robust financial management arrangements. Budget setting and accounts closure traditionally provide opportunities for more in depth reviews and Cabinet have specifically requested that the Section 151 Officer undertake a detailed risk assessment of earmarked reserves with a view to:

- Assessing the underlying financial risk for which they have been set aside to determine if it remains or whether circumstances have changed;
  - The extent to which any amounts set aside for investment (Prior Year Commitments – Service “Carry Forwards”) have been contractually committed;
  - Being clear on the reasons for holding reserves and ensuring that they are sufficient, but not excessive; and
  - The need for continued support of a robust Medium Term Financial Plan.
- 5.3 With the review complete, Cabinet have now been able to take a view on the extent to which any amounts could be released. These are listed below:

*a) Investment/Infrastructure (£6.235M as at 31<sup>st</sup> March 2020)*

Sums are set aside to fund current and future costs of maintaining and enhancing infrastructure across the County Borough.

Following review and alongside the investment requirements identified below, it is proposed that a sum of **£5.484M** is released from this reserve.

- 5.4 The total amount of reserves therefore which are proposed to be released amounts to **£5.484M**.

**EXISTING CORE CAPITAL FUNDING**

- 5.5 Capital expenditure and commitments are closely monitored throughout the year and as a result of reviewing actual expenditure and commitments in preparation for the new 3 year capital programme, some core capital underspend has been identified.
- 5.6 Maintaining our core capital programme at the current levels for the next 3 years provides flexibility with regard to any underspend and it is proposed that this underspend is now reallocated.
- 5.7 Reallocating this resource has no impact on the level of core allocation for the next 3 years and therefore no impact on the level of budget available or service delivery.
- 5.8 The total amount identified which is available to reallocate is **£1.137M**.

**FUNDING AVAILABLE**

- 5.9 The Section 151 Officer is content that releasing the above resource does not compromise our financial standing. As such, Cabinet have carefully considered the options available and investment requirements and opportunities. A key consideration continues to be supporting the delivery of the Council’s Corporate Plan “Making a Difference” 2020 – 2024 and the strategic outline capital investment programme, as agreed by Cabinet on the 25<sup>th</sup> January 2018, of in excess of £300M over the 5 year period to 2023 (over and above the recurring Capital Programme).
- 5.10 As such, Cabinet are content to propose to utilise the £5.484M of earmarked reserves and reallocate £1.137M of core capital funding which, with the additional WG capital funding of £2.779M (referenced in paragraph 3.2) results in total

available funding of **£9.400M**.

## **6.0 INVESTMENT PRIORITIES**

- 6.1 The Cabinet believe that the most appropriate use of these one off resources is to invest in our infrastructure and to support the aspirations and priorities of the Corporate Plan as presented in the reports referenced above.
- 6.2 In being able to support the above objectives, Cabinet have identified the following specific areas which it is proposed that Council agree can be invested in, with funding available through use of one off reserves, existing resources and additional WG funding:

<b>Investment Priority</b>	<b>£M</b>
Highways & Roads	3.000
Highways Structures	1.500
Parks Structures	0.750
Making Better Use/Traffic Developments	0.300
A4059 Footbridge	1.500
Porth Interchange	1.500
Business and Community Grants	0.100
Parks & Green Spaces	0.500
Play Areas	0.250
<b>Total Council Investment</b>	<b>9.400</b>

- 6.3 Further details on these investments are included in section 7.

## **7.0 THE THREE YEAR CAPITAL PROGRAMME 2021/22 – 2023/24**

- 7.1 The details of the 3 year proposed programme for each Service Group are provided below.

### **CHIEF EXECUTIVE'S GROUP**

- 7.2 The latest projections show expected full year capital spend of £3.136M for the Chief Executive's Group in 2020/21.
- 7.3 The total resources for 2021/22, as outlined in the proposed three-year Capital Programme is £1.900M.
- 7.4 As part of the Council's on-going programme to ensure high standards of health and safety and operational efficiency within its premises, appropriate resources continue to be allocated to our operational accommodation, the management and remediation of Asbestos and Legionella.

## **PROSPERITY, DEVELOPMENT AND FRONTLINE SERVICES**

- 7.5 The latest projections show expected full year capital spend of £76.445M for Prosperity, Development and Frontline Services in 2020/21.
- 7.6 The total resources for 2021/22, as outlined in the proposed three-year Capital Programme is £48.342M.
- 7.7 As identified at paragraph 6.2 additional investment has been provided in Prosperity, Development and Frontline Services in the following areas:
- Highways & Roads - £3.000M
  - Highways Structures - £1.500M
  - Parks Structures Improvements - £0.750M
  - Transport Infrastructure - £3.300M (Making Better Use/Traffic Developments, A4059 Footbridge, Porth Interchange)
  - Business and Community Grants - £0.100M

This additional investment is included in the figures presented in Appendix 3b.

## **PROSPERITY AND DEVELOPMENT**

- 7.8 The Council's Capital Programme continues to provide a long term funding commitment to the economic regeneration of the County Borough and in doing so supports one of the Council's Corporate Plan Priorities: 'Prosperity – Creating the opportunity for people and businesses to: be innovative; be entrepreneurial; and fulfil their potential and prosper'.
- 7.9 In addition to the above, sustained investment has been maintained across a range of funding streams, supported by external funding and the Corporate Plan Investment Priorities. This has enabled a wide range of regeneration activity to be delivered to benefit the local economy.
- 7.10 The Council will continue to work with partners to develop and progress exciting and innovative schemes such as:
- Pontypridd YMCA – Redeveloping the YMCA to be fit for the future as a community centre for creative arts facilitating social enterprise, training opportunities and community involvement;
  - Development of modern business accommodation with new units at Robertstown, Aberdare;
  - Townscape Enhancements across our key town centres – a targeted approach to upgrading town centre buildings for increased business and commercial use and continuing to improve the quality of the townscape providing business investment and employment growth;
  - Development of a new integrated Transport Hub at Porth as part of the Porth Town Centre Regeneration Strategy;
  - Strategic Opportunity Areas – a number of Strategic Opportunity Areas have been developed to deliver economic growth and job creation in Rhondda Cynon Taf. These areas are:
    - Cynon Gateway – Energising the Region;
    - The Wider Pontypridd, Treforest – Edge of the City, heart of the Region;
    - Pontypridd Town – Pivotal in the Region;
    - A4119 Corridor – Regional Rhondda Gateway; and

- Llanilid on the M4 – Driving the Regional Economy.

7.11 The programme of regeneration projects will add value to the significant regeneration investment that has already taken place and will act as a catalyst for further regeneration activity.

## **PRIVATE SECTOR HOUSING**

7.12 A budget for 2021/22 of £13.522M has been allocated and the programme comprises the following schemes to contribute to one of the Council's Corporate Plan Priorities: 'People – Are independent, healthy and successful':

- Disabled Facilities Grants, Maintenance Repair Assistance Grants and Renovation Grants in Exceptional Circumstances;
- Empty Properties Grants Investment scheme;
- Community Regeneration budget which provides grants to support a number of initiatives underpinning the affordable warmth and energy efficiency agenda; and
- Tackling Poverty Fund.

## **FRONTLINE SERVICES**

### **Highways Technical Services**

7.13 A budget for 2021/22 of £12.949M has been allocated to the next phase of the Council's Highways Improvement programme and in doing so supports one of the Council's Corporate Plan Priorities: 'Places – Where people are proud to live, work and play'. Schemes comprise:

- Road surface treatments and resurfacing – £6.804M;
- Car park improvements – £0.045M;
- Major repairs to structures such as bridges and walls – £4.990M;
- Parks Structures Improvements - £0.750M;
- Street lighting replacement and upgrades – £0.200M; and
- Traffic Management - £0.160M.

### **Strategic Projects**

7.14 A budget for 2021/22 of £12.076M has been allocated to Strategic Projects for major transportation infrastructure schemes and to extend and enhance the programme of pinch-point and highways network improvement projects as well as road safety, traffic management and drainage improvements. Schemes comprise:

- Transportation Infrastructure which includes Park & Ride schemes, Llanharan Bypass, A4119 Coed Ely Dualling, Cynon Gateway North, Gelli – Treorchy Link Road, and the Making Better Use programme – £11.936M; and
- Drainage Improvements – £0.140M.

7.15 In recent years a number of grants have been made available by WG for delivery of projects on the transportation network. These include Local Transport Fund, Local Transport Network Fund, Active Travel, together with two new grants; Resilient Road Fund and Ultra Low Emission Vehicle Fund, as well as Road Safety Grant, Safe Routes in the Community Grant and Flood Alleviation Schemes. Guidance has been issued and bids are in progress. It is anticipated that available grants will be confirmed during March 2021.

- 7.16 A supplementary report on the detail of proposed schemes for Highways, Transportation & Strategic Projects will be presented to Cabinet shortly.

### **WASTE STRATEGY**

- 7.17 The budget for 2021/22 is £0.888M. This relates to the Eco Park at Bryn Pica.

### **FLEET**

- 7.18 The 3 year rolling programme for replacement vehicles continues. The 3 year allocation is £5.227M. This service area is subject to ongoing assessment and continuous review of requirements.

### **EDUCATION AND INCLUSION SERVICES**

- 7.19 The latest projections show expected full year capital spend of £20.992M for Education & Inclusion in 2020/21.
- 7.20 The total resources available to Education & Inclusion for 2021/22, as outlined in the proposed three-year Capital Programme is £24.735M and will support one of the Council's Corporate Plan priorities: 'Prosperity – Creating the opportunity for people and businesses to: be innovative; be entrepreneurial; and fulfil their potential and prosper'.

### **SCHOOLS**

- 7.21 The Council will continue to deliver and support its long-term strategic investment programme of modernisation to create school environments that meet the needs of our communities and provide the best learning provision and outcomes for young people and the wider community. The programme of capital investment is supported with Council funding, WG 21st Century Schools and Colleges Programme Band B Capital Grant, WG Increasing Welsh Medium Provision Capital Grant, WG Childcare Grant, WG Community Hub Grant and Community Infrastructure Levy funding. The following key school projects are either in progress or planned, and are included in the overall strategic programme and include a combination of refurbishments, remodelling, demolitions and new buildings:
- Ffynnon Taf Primary – to create a community room/childcare facility and construct a four-classroom extension and hall to increase capacity at the school;
  - YGG Abercynon – to create and establish a new childcare setting into dedicated premises on the school site to expand identified need in the community;
  - Cwmlai Primary – to deliver dedicated childcare facilities on the school site, to expand identified need in the community and refurbish areas of the existing school. School capacity to be increased.
  - Dolau Primary – to create and establish dedicated childcare facilities on the school site to expand identified need in the community;
  - YGG Aberdar – to construct a four-classroom extension to increase capacity; car parking provision; and to create a dedicated Meithrin, to expand identified need in the community delivering additional fee-paying childcare services for



the area.

## **PLANNED MINOR CAPITAL WORKS**

- 7.22 The planned minor capital works programme allocation for 2021/22 is £7.170M. The allocation includes an on-going rolling programme for kitchen refurbishments/remodelling, window & door replacements, essential works, electrical rewiring, fire alarm upgrades, toilet refurbishments, Equalities Act/compliance works, access condition surveys, boiler replacement, roof renewal, improvements to schools, asbestos remediation works, capitalisation of IT hardware/software & licences and improvements to schools
- 7.23 A supplementary report detailing proposals of works for consideration within the above-mentioned programme will be presented to Cabinet shortly.

## **COMMUNITY AND CHILDREN'S SERVICES**

- 7.24 The latest projections show expected full year capital spend of £7.579M for Community and Children's Services in 2020/21.
- 7.25 The total resources available to Community and Children's Services for 2021/22, as outlined in the proposed three year Capital Programme, is £6.336M.
- 7.26 As identified in 6.2 additional investment has been provided in Community and Children's Services in the following areas:
- Parks & Green Spaces - £0.500M
  - Play Areas - £0.250M

This additional investment is included in the figures presented in Appendix 3d.

## **ADULT AND CHILDREN'S SERVICES**

- 7.27 The programme for Adult and Children's Services includes a budget of £4.703M in 2021/22. This will continue to fund the essential refurbishment and improvement works to the Council's Adult & Children's Services establishments, including the extra-care programme, in line with care standards and health & safety legislation. Also included are additional costs associated with Telecare Services.
- 7.28 These investments will support one of the Council's Corporate Plan Priorities: 'People – Are independent, healthy and successful'.

## **PUBLIC HEALTH AND PROTECTION**

- 7.29 The Public Health and Protection programme has a budget of £1.633M in 2021/22. This budget is allocated across the ongoing rolling programmes for Parks Improvements, Cemeteries and Community Safety measures. Also included in this budget are allocations for investment and improvement works at Leisure Centres and Play Areas. These areas of investment support one of the Council's Corporate Plan Priorities: 'Places – Where people are proud to live, work and play'.

## **8.0 EQUALITY AND DIVERSITY IMPLICATIONS**

8.1 In developing the Council's proposed Capital Programme for 2021/22 to 2023/24, an Equality Impact Assessment (EIA) has been undertaken to ensure that:

- i the Council meets the requirements of the Public Sector Equality Duties; and
- ii due regard has been taken of the likely impact of the recommendations in terms of equality and discrimination.

## **9.0 CONSULTATION**

9.1 Consultation and engagement has been undertaken as part of formulating the revised programme and this was also built into the wider consultation exercise undertaken in respect of the recommended 2021/22 Revenue Budget Strategy, particularly in respect of investment priorities and community benefits.

## **10.0 FINANCIAL IMPLICATION(S)**

10.1 The financial implications of the recommendations are set out in the main body of the report.

## **11.0 LEGAL IMPLICATIONS OR LEGISLATION CONSIDERED**

11.1 The Council's proposed Capital Programme for 2021/22 to 2023/24 complies fully with all legal requirements.

## **12.0 LINKS TO CORPORATE AND NATIONAL PRIORITIES AND THE WELL-BEING OF FUTURE GENERATIONS ACT**

12.1 The Council's proposed Capital Programme for 2021/22 to 2023/24 has been formulated to support the delivery of the Council's strategic priorities, as set out within the Corporate Plan "Making a Difference" 2020 – 2024, with these documents being aligned to the goals and principles included within the Well-Being of Future Generations Act.

## **13.0 CONCLUSIONS**

13.1 The three year Capital Programme is a key component of the overall Medium Term Financial Planning and Resources Strategy for this Council. Targeted capital investment can make a significant impact on service delivery and used effectively, is able to underpin the Council's Corporate Plan Priorities, where relevant.

13.2 This report sets out the capital investment priorities for the Council through to March 2024. It represents an ambitious and significant level of investment (£116.024M) over the next 3 years.

- 13.3 The programme includes some element of slippage identified throughout 2020/21, which is subject to change when final spend for the capital programme is known and the 2020/21 accounts are finalised. Any changes to slippage will be reported to Members in the quarterly performance reports.
- 13.4 This report has also identified the opportunity to invest £9.400M of additional resources in our local area including our own assets in order to improve the services which are available to our residents.
- 13.5 As the year progresses, changes will be made to the programme, for example where new schemes can be supported by specific grants. Approval from Members will be sought as these opportunities arise throughout 2021/22.

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## Welsh Local Government Revenue Settlement 2021-2022

Final

Table 2a: Breakdown of General Capital Funding (GCF), by Unitary Authority, 2021-22

Unitary Authority	General Capital Funding 2021-22 (1)	of which:	
		General Capital Grant (2)	Unhypothecated Supported Borrowing (3)=(1)-(2)
Isle of Anglesey	4,321	2,163	2,158
Gwynedd	8,164	4,087	4,077
Conwy	6,851	3,430	3,421
Denbighshire	6,036	3,022	3,014
Flintshire	8,091	4,051	4,040
Wrexham	7,007	3,508	3,499
Powys	9,184	4,598	4,586
Ceredigion	5,785	2,896	2,889
Pembrokeshire	7,517	3,764	3,753
Carmarthenshire	11,866	5,941	5,925
Swansea	12,762	6,390	6,372
Neath Port Talbot	8,918	4,465	4,453
Bridgend	7,916	3,963	3,953
The Vale of Glamorgan	6,867	3,438	3,429
<b>Rhondda Cynon Taf</b>	<b>13,764</b>	<b>6,891</b>	<b>6,873</b>
Merthyr Tydfil	3,136	1,570	1,566
Caerphilly	9,698	4,856	4,842
Blaenau Gwent	3,816	1,911	1,905
Torfaen	5,401	2,704	2,697
Monmouthshire	4,869	2,438	2,431
Newport	8,155	4,083	4,072
Cardiff	17,713	8,868	8,845
<b>Total unitary authorities</b>	<b>177,837</b>	<b>89,037</b>	<b>88,800</b>

(1) General Capital Funding is split into Unhypothecated Supported Borrowing (USB) and General Capital Grant (GCG).

(2) General Capital Grant is distributed in proportion to total General Capital Funding.

(3) The USB is derived by subtracting the General Capital Grant allocations from the General Capital Funding.

## PROPOSED "CORE" THREE YEAR CAPITAL PROGRAMME

**2021 / 2024**

SERVICE GROUPS	2021-22 £M	2022-23 £M	2023-24 £M
Chief Executive's Group	1.325	1.325	1.325
Prosperity, Development and Frontline Services	7.870	7.870	7.870
Education & Inclusion Services	3.915	3.915	3.915
Community & Children's Services	0.990	0.990	0.990
<b>Total Capital Expenditure</b>	<b>14.100</b>	<b>14.100</b>	<b>14.100</b>

### Estimated Resources Required to Fund Capital Programme

#### Welsh Government General Capital Funding

Supported borrowing	6.873	6.873	6.873
General Capital Grant	6.891	6.891	6.891
<b>Total WG Funding</b>	<b>13.764</b>	<b>13.764</b>	<b>13.764</b>

Additional one off WG capital funding reallocated to fund  
Investment Priorities

- 2.779 - 2.779 - 2.779

**Total Available to fund the Core Programme**

**10.985 10.985 10.985**

#### Council Resources

Council Resources	3.115	3.115	3.115
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**Total Resources Required to Fund the  
"Core" Capital Programme**

**14.100 14.100 14.100**

Scheme	3 Year Capital Programme 2021 - 2024			
	2021/2022 Budget	2022/2023 Budget	2023/2024 Budget	Total 3 Year Budget
	£'000	£'000	£'000	£'000

**Finance & Digital Services**

CIVICA Financials	200	200	200	600
Capitalisation of Computer HW/SW & Licences	500	500	500	1,500
<b>Total Finance &amp; Digital Services</b>	<b>700</b>	<b>700</b>	<b>700</b>	<b>2,100</b>

**Corporate Estates**

Major repair/refurbishment and/or rationalisation of Service Group Accommodation	150	150	150	450
Strategic Maintenance	50	50	50	150
Asset Management Planning	50	50	50	150
Asbestos Management	175	175	175	525
Asbestos Remediation Works	50	50	50	150
Legionella Remediation Works	275	275	275	825
Legionella Management	175	175	175	525
Taffs Well Spring	275	0	0	275
<b>Total Corporate Estates</b>	<b>1,200</b>	<b>925</b>	<b>925</b>	<b>3,050</b>

<b>Group Total</b>	<b>1,900</b>	<b>1,625</b>	<b>1,625</b>	<b>5,150</b>
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**Chief Executive  
Head of Finance**

**Chris Bradshaw  
Martyn Hughes**

Scheme	3 Year Capital Programme 2021 - 2024			
	2021/2022 Budget	2022/2023 Budget	2023/2024 Budget	Total 3 Year Budget
	£'000	£'000	£'000	£'000

## **Prosperity & Development**

### **Planning & Regeneration**

Enterprise Investment Fund	350	200	200	750
Flood Resilience Grants	200	0	0	200
Targeted Regeneration Investment (TRI) Programme Regional	300	0	0	300
Regeneration Investment	850	400	400	1,650
Robertstown Development	2,927	163	0	3,090
Coed Ely Development	59	0	0	59
RCT Tracks and Trails Development	40	0	0	40
Pontypridd YMCA	500	0	0	500
Porth Interchange Metro+ LTF	1,500	0	0	1,500
<b>Total Planning &amp; Regeneration</b>	<b>6,726</b>	<b>763</b>	<b>600</b>	<b>8,089</b>

### **Private Sector Housing**

Disabled Facilities Grants/Adaptations (DFG)	4,200	4,000	4,000	12,200
Maintenance Repair Assistance (MRA)	450	450	450	1,350
Renovation Grants Exceptional Circumstances & Home Improvement Zones	450	450	450	1,350
Empty Properties Grants Investment	1,232	0	0	1,232
Valleys Taskforce RCT+ Empty Homes	6,000	0	0	6,000
Affordable Housing	600	800	0	1,400
Tackling Poverty Fund	270	0	0	270
Community Regeneration	320	250	250	820
<b>Total Private Sector Housing</b>	<b>13,522</b>	<b>5,950</b>	<b>5,150</b>	<b>24,622</b>

<b>Total Prosperity &amp; Development</b>	<b>20,248</b>	<b>6,713</b>	<b>5,750</b>	<b>32,711</b>
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Scheme	3 Year Capital Programme 2021 - 2024			
	2021/2022 Budget	2022/2023 Budget	2023/2024 Budget	Total 3 Year Budget
	£'000	£'000	£'000	£'000

## Frontline Services

### Highways Technical Services

Highways Improvements	6,804	1,100	1,100	9,004
Car Parks	45	45	45	135
Structures	4,990	300	300	5,590
Parks Structures	750	0	0	750
Street Lighting	200	200	200	600
Traffic Management	160	160	160	480
<b>Total Highways Technical Services</b>	<b>12,949</b>	<b>1,805</b>	<b>1,805</b>	<b>16,559</b>

### Strategic Projects

Transportation Infrastructure	11,936	25	25	11,986
Drainage Improvements	140	140	140	420
<b>Total Strategic Projects</b>	<b>12,076</b>	<b>165</b>	<b>165</b>	<b>12,406</b>

### Waste Strategy

Waste Strategy	888	0	0	888
<b>Total Waste Strategy</b>	<b>888</b>	<b>0</b>	<b>0</b>	<b>888</b>

### Fleet

Vehicles	2,081	1,573	1,573	5,227
<b>Total Fleet</b>	<b>2,081</b>	<b>1,573</b>	<b>1,573</b>	<b>5,227</b>

### Buildings

Buildings	100	100	100	300
<b>Total Buildings</b>	<b>100</b>	<b>100</b>	<b>100</b>	<b>300</b>

<b>Total Frontline Services</b>	<b>28,094</b>	<b>3,643</b>	<b>3,643</b>	<b>35,380</b>
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<b>Group Total</b>	<b>48,342</b>	<b>10,356</b>	<b>9,393</b>	<b>68,091</b>
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Group Director  
Head of Finance

Nigel Wheeler  
Martyn Hughes



# Education and Inclusion Services

APPENDIX 3C

Scheme	3 Year Capital Programme 2021 - 2024			
	2021/2022 Budget	2022/2023 Budget	2023/2024 Budget	Total 3 Year Budget
	£'000	£'000	£'000	£'000

## Schools

School Modernisation Rhondda and Tonyrefail	2,690	0	0	2,690
School Modernisation	4,904	140	140	5,184
Ffynnon Taf Primary Refurbishment and Extension	2,160	61	0	2,221
SRIC - School Modernisation Programme	511	0	0	511
WG Welsh Medium Capital Grant	90	0	0	90
WG Childcare Grant	2,343	44	0	2,387
<b>21st Century Schools Band B</b>				
YGG Aberdar School Modernisation	4,162	82	0	4,244
Hirwaun Primary School	705	15	0	720
<b>Total</b>	<b>17,565</b>	<b>342</b>	<b>140</b>	<b>18,047</b>

## Supplementary Capital Programme

Planned Kitchen Refurbishments	360	200	200	760
Window & Door Replacements	230	150	150	530
Essential Works	1,510	400	400	2,310
Capitalisation of Computer HW / SW & Licences	292	250	250	792
Roof Renewal	745	700	700	2,145
Boiler Replacement	250	250	250	750
Equalities Act/Compliance Works	275	225	225	725
Education & Inclusion Services Condition Surveys	50	50	50	150
Electrical Rewiring	250	200	200	650
Asbestos Remediation Work	2,600	900	900	4,400
Fire Alarm Upgrades	108	100	100	308
Toilet Refurbishments	400	350	350	1,100
Improvements to Schools	100	100	100	300
<b>Total</b>	<b>7,170</b>	<b>3,875</b>	<b>3,875</b>	<b>14,920</b>

<b>Group Total</b>	<b>24,735</b>	<b>4,217</b>	<b>4,015</b>	<b>32,967</b>
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Director of Education and Inclusion Services  
Head of Finance

Gaynor Davies  
Stephanie Davies

# Community and Children's Services

APPENDIX 3D

Scheme	3 Year Capital Programme 2021 - 2024			
	2021/2022 Budget	2022/2023 Budget	2023/2024 Budget	Total 3 Year Budget
	£'000	£'000	£'000	£'000

## Adult & Children's Services

Modernisation Programme (Adults)	4,183	1,700	200	6,083
Modernisation Programme (Childrens)	50	50	50	150
Asbestos Remediation	70	45	45	160
Telecare Equipment (Inc of Carelink Equipment)	400	200	200	800
<b>Total Adult &amp; Children's Services</b>	<b>4,703</b>	<b>1,995</b>	<b>495</b>	<b>7,193</b>

## Public Health, Protection & Community Services

Leisure Centre Refurbishment Programme	90	90	90	270
Parks & Countryside	620	100	100	820
Play Areas	605	50	50	705
Cemeteries Planned Programme	161	135	135	431
Community Safety Initiatives	50	50	50	150
Culture	57	20	20	97
Buildings	50	50	50	150
<b>Total Public Health, Protection &amp; Community Services</b>	<b>1,633</b>	<b>495</b>	<b>495</b>	<b>2,623</b>

<b>Group Total</b>	<b>6,336</b>	<b>2,490</b>	<b>990</b>	<b>9,816</b>
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Group Director  
Head of Finance

Paul Mee  
Neil Griffiths

**Capital Programme from 1st April 2021 to 31st March 2024**

Group	2021/22	2022/23	2023/24	Total
	£M	£M	£M	£M
Chief Executive	1.900	1.625	1.625	5.150
Prosperity, Development & Frontline Services	48.342	10.356	9.393	68.091
Education and Inclusion Services	24.735	4.217	4.015	32.967
Community and Children's Services	6.336	2.490	0.990	9.816
<b>Total</b>	<b>81.313</b>	<b>18.688</b>	<b>16.023</b>	<b>116.024</b>

**Estimated Resources Required to Fund Capital Programme**

Supported Borrowing	6.873	6.873	6.873	20.619
Unsupported Borrowing	12.409	0.037		12.446
<b>Total</b>	<b>19.282</b>	<b>6.910</b>	<b>6.873</b>	<b>33.065</b>

**Capital Grants**

General Capital Grant annual base allocation	4.112	4.112	4.112	12.336
General Capital Grant additional allocation 2021/22	2.779			2.779
General Capital Grant additional allocation 2020/21	0.060			0.060
WEFO ERDF Modern Industrial Units Developments	1.518	0.082		1.600
WG Enabling Natural Resources and Wellbeing	0.032			0.032
WG Valleys Taskforce RCT+ Empty Homes Grant Ph1 & Ph2	6.000			6.000
WG Welsh Medium Capital Grant	0.090			0.090
WG 21st Century Schools	2.339	0.060		2.399
WG 21st Century Schools & Education Programme - Community Hubs Capital Scheme	0.406			0.406
WG Childcare Offer Capital Grant Programme	2.234			2.234
Grantscape Windfarm Community Benefit Fund	0.017			0.017
<b>Total</b>	<b>19.587</b>	<b>4.254</b>	<b>4.112</b>	<b>27.953</b>

<b>Third Party Contributions</b>	<b>1.141</b>	<b>0.044</b>	<b>0.000</b>	<b>1.185</b>
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**Council Resources**

Revenue Contributions	27.384	3.504	1.923	32.811
General Fund Capital Resources	13.919	3.976	3.115	21.010
<b>Total</b>	<b>41.303</b>	<b>7.480</b>	<b>5.038</b>	<b>53.821</b>

<b>Total Resources Required to Fund Capital Programme</b>	<b>81.313</b>	<b>18.688</b>	<b>16.023</b>	<b>116.024</b>
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<b>Difference Total Spend to Total Resources</b>	<b>0.000</b>	<b>0.000</b>	<b>0.000</b>	<b>0.000</b>
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## **RHONDDA CYNON TAF COUNTY BOROUGH COUNCIL**

**MUNICIPAL YEAR 2020 / 2021**

**COUNCIL**

**10<sup>th</sup> MARCH 2021**

### **TREASURY MANAGEMENT STRATEGY INCORPORATING INVESTMENT STRATEGY, TREASURY MANAGEMENT INDICATORS AND MINIMUM REVENUE PROVISION (MRP) STATEMENT FOR 2021/22**

**REPORT OF THE DIRECTOR OF FINANCE AND DIGITAL SERVICES**

**AUTHOR:- BARRIE DAVIES (01443) 424026**

#### **1.0 PURPOSE OF THE REPORT**

- 1.1 The purpose of the report is to set out the Council's:-
- Treasury Management Strategy for 2021/22;
  - Investment Strategy for 2021/22;
  - Treasury Indicators for 2020/21 (actuals to date) and 2021/22, 2022/23 and 2023/24; and
  - Minimum Revenue Provision (MRP) Policy Statement.

#### **2.0 RECOMMENDATIONS**

It is recommended that Members:

- 2.1 Approve the Treasury Management Strategy, Investment Strategy, Treasury Indicators and the Minimum Revenue Provision (MRP) Policy Statement as set out in the report.

#### **3.0 REASON FOR RECOMMENDATION**

- 3.1 To ensure the Council complies with its legal duty under the Local Government Act 2003 and in doing so is in line with the CIPFA Code of Practice on Treasury Management and the CIPFA Prudential Code for Capital Finance in Local Authorities.

## **4.0 INTRODUCTION**

- 4.1 CIPFA defines Treasury Management as:  
*“The management of the local authority’s investments and cash flows, its banking, money market and capital market transactions; the effective control of the risks associated with those activities; and the pursuit of optimum performance consistent with those risks.”*
- 4.2 The Local Government Act 2003 and supporting regulations require the Council to have regard to the CIPFA (Chartered Institute of Public Finance and Accountancy) Treasury Management Code of Practice and the CIPFA Prudential Code. This report also meets the requirements of Welsh Government Minimum Revenue Provision (MRP) Guidance and Welsh Government Investment Guidance.
- 4.3 This Treasury Management Strategy details the expected activities of the Treasury Management function in the forthcoming financial year (2021/22).
- 4.4 The Prudential Code is produced by the CIPFA and is underpinned by the Local Government Act 2003 and the Capital Financing Regulations (Wales) 2004. The Code sets out a framework for self regulation of capital spending, in effect allowing Councils to invest in capital projects without any limit as long as they are affordable, prudent and sustainable.
- 4.5 It is a statutory requirement under Section 33 of the Local Government Finance Act 1992, for the Council to produce a balanced budget. In particular, Section 32 requires revenue costs from capital financing decisions to be included in the budget requirement.
- 4.6 The implementation of MiFID II (Market in Financial Instruments Directive) reclassified local and public authorities as retail investors, by default, from 3<sup>rd</sup> January 2018. Such a reclassification would increase costs for financial advice and potentially restrict access to certain financial products. To avoid such additional costs and restrictions the Council has elected for a return to professional status (“opt up”) in order to ensure there is access to the full range of services and products required. The conditions of professional status require local authorities to have an investment balance of at least £10M and the person authorised to make the investment decision must have at least one year’s relevant professional experience. The Council’s money market brokers and treasury management advisors have confirmed our professional client status.

## **5.0 TREASURY MANAGEMENT STRATEGY 2021/22**

- 5.1 The proposed Treasury Management Strategy for 2021/22 is based on officers’ views on likely interest rates, supplemented with forecasts provided by the Council’s independent treasury advisors. The strategy covers:

- Current Portfolio Position;
- Prospects for Interest Rates;
- Borrowing Strategy (including borrowing in advance of need); and
- Debt Rescheduling Opportunities.

5.2 Information is also provided on the use of Treasury Management advisors and relevant training that has taken place.

## 6.0 **Current Portfolio Position**

6.1 The Council's treasury portfolio position as at the end of December 2020 comprised:

		£M	Av. Rate
<b><u>Debt</u></b>			
Fixed Rate	PWLB	233.561	2.60%
	Market	54.500	5.00%
	Market(LOBO)	31.000	4.50%
Variable Rate	Market	18.000	0.70%
		<b>337.061</b>	<b>3.06% *</b>
<b><u>Investments</u></b>			
Variable Rate	Public Bodies	5.000**	0.05%

\* Estimated weighted average rate of borrowing for 2020/21 is 3.32%

\*\* Does not include investment with Trivallis or Cynon Taf Community Housing Group

6.2 A LOBO is a financial instrument called a "Lender's Option Borrower's Option". It provides a lower rate of interest for the initial period and a higher rate for the rest of its term (reversionary period), albeit that the higher rate was comparable with interest rates prevailing at the time the loans were taken. At the end of the initial period and at six monthly intervals, the lender has the option to increase the interest rate payable. This provides the Council with the option to repay the loan if the terms are not acceptable.

## 7.0 **Prospects for Interest Rates**

7.1 The level of the Bank Rate (set by the MPC – Monetary Policy Committee) tends to be the main factor which determines the rate of interest the Council receives on its short term investments. The Bank of England's

Monetary Policy Committee on the 4<sup>th</sup> February 2021 maintained the Bank Rate at 0.1%.

- 7.2 The Coronavirus (COVID 19) pandemic has increased the risk that the Bank of England will set its Bank Rate at or below zero, which is likely to feed through to negative interest rates on all low risk, short term investments.
- 7.3 The impact on the UK from Coronavirus (COVID 19), lockdown measures, the rollout of the vaccines, as well as the new trading arrangements with the European Union, will remain major influences on the economic environment.
- 7.4 Generally, the Council borrows its long term funding from the Public Works Loan Board (PWLB). Long term PWLB rates increase and decrease in line with gilt yields (government bonds). The Council's Treasury Management advisors latest forecast of interest rates is as follows:

	<b>5 yr</b>	<b>10 yr</b>	<b>20 yr</b>	<b>50 yr</b>
2021/22	0.95%	1.20%	1.55%	1.45%
2022/23	1.05%	1.30%	1.65%	1.55%
2023/24	1.05%	1.40%	1.70%	1.60%

- 7.5 On 26<sup>th</sup> November 2020, after the response to its consultation on future lending terms, HM Treasury reduced PWLB interest rates by 1%, thereby reversing the previous increase on 9<sup>th</sup> October 2019. This decreases the cost of borrowing, enabling improved affordability for capital programmes.

## **8.0 Borrowing Strategy (including borrowing in advance of need)**

- 8.1 The Council's borrowing requirement for 2021/22 is currently £19.3M based on the updated Capital Programme 2021/22 – 2023/24 (being considered elsewhere on this agenda (Council, 10<sup>th</sup> March 2021)). The opportunities afforded by the Prudential Code increase the possibility of further borrowing being required during the year. The strategy, Prudential Indicators and Limits may need to be refined accordingly in light of future decisions. Further details of Prudential Indicators and Limits are detailed within the Capital Strategy being considered alongside this report on the same agenda.
- 8.2 Uncertainty over future interest rate prospects increase the risks associated with treasury activity. As a result the Council will continue to take a cautious approach to its treasury strategy.
- 8.3 The policy will be to continue to maximise “internal borrowing”, running down cash balances and foregoing interest earned at historically low rates. This also minimises counterparty risk (risk that an investment may become irrecoverable). This continues to be our favoured approach (referred to as maintaining an “underborrowed” position), meaning that the capital



borrowing need (the Capital Financing Requirement - CFR) has not been fully funded with loan debt. We will though take the opportunity to lock in longer term debt as and when the opportunity arises, in line with advice from our Treasury Advisors.

- 8.4 Short term borrowing could be taken from the money market or other public bodies such as local authorities by the Treasury Management team for day to day cashflow purposes.
- 8.5 The majority of the Council's borrowing is from the PWLB. Long-term borrowing rates are influenced by gilt yields and these are expected to remain low, with short term yields likely to remain close to zero.
- 8.6 PWLB loans are no longer available to Councils planning to buy investment assets primarily for yield or solely for exploiting commercialisation opportunities.
- 8.7 The Council may arrange forward starting loans where the interest rate is fixed in advance, but the cash is received at a later date, up to a maximum of one year. This would enable certainty of costs without suffering a cost of carry in the intervening period. The cost of carry is the cost incurred where funds are borrowed prior to being required
- 8.8 There are uncertainties associated with the forecasts detailed above. Alternative approaches given different interest rate forecasts are shown below:
  - Risk of sharp fall in long and short term rates – long term borrowing will be postponed and potential rescheduling from long term to short term borrowing could be considered.
  - Risk of sharper than forecast rise in long and short term rates – fixed rate borrowing taken whilst rates still cheap.
- 8.9 The Section 151 Officer (or in his absence the Deputy Section 151 Officer), under delegated powers, will take the most appropriate form of borrowing depending on the prevailing interest rates and forecasts at the time, taking into account advice provided by our advisors and an assessment of risk. Members will be advised of borrowing activity during the year as part of the Council's quarterly performance reporting arrangements and the Mid Year Treasury Management Stewardship review.
- 8.10 The Codes of Practice require Councils to specify their approach in terms of "Borrowing in Advance of Need". In line with the Prudential Code, Councils are able to borrow funds above their Capital Financing Requirement (ie its underlying borrowing requirement) for use in future years, thereby providing a degree of flexibility in terms of timing during the most favourable interest rate conditions. As evident in the Capital Strategy this Council's levels of debt is estimated to remain lower than our CFR and it is not anticipated that borrowing in advance of need is a course of action that this Council would pursue in the short to medium term. Consequently, there is no need to set a limit in terms of value or period of time. Risks and

opportunities associated with borrowing in advance of need will continue to be monitored during the year and reported in the mid year review of treasury management activities.

## **9.0 Debt Rescheduling Opportunities**

- 9.1 Debt rescheduling refers to the premature repayment of existing debt and replacing it with alternative cheaper borrowing.
- 9.2 The difference in rates applied to new borrowing and repayment of existing debt has meant that PWLB rescheduling is now less attractive. Consideration would need to be given to the large premiums which would be incurred on repaying debt early.
- 9.3 Early repayment of debt could be considered. This would run down investment balances as short term rates on investments are likely to be lower than that on debt. However, premium costs may be expensive and our investment balance estimates for 2021/22 are relatively low, therefore such a course of action is unlikely to be viable.
- 9.4 Any rescheduling and repayment of debt is likely to impact upon the Council's debt maturity profile and this will need to be considered in accordance with the relevant indicator.
- 9.5 The Council has previously taken advantage of maximising debt rescheduling opportunities. The reasons for any rescheduling to take place could include:
- the generation of savings, at minimum risk;
  - to help fulfil the strategy outlined in section 8 above; or
  - to enhance the balance of the long term portfolio (amend the maturity profile and/or the balance of volatility).
- 9.6 The Section 151 Officer will monitor prevailing rates for any opportunities during the year based upon information provided by the Council's Treasury advisors.

## **10.0 Treasury Management Advisors**

- 10.1 The Council's Treasury Management advisors are Arlingclose Ltd. The company provides a range of services including:
- Technical support on treasury matters, capital finance issues and suggested report formats;
  - Economic and interest rate analysis;
  - Debt services which includes advice on the timing of borrowing;
  - Debt rescheduling advice on the existing portfolio;

- Generic investment advice on interest rates, timing and investment instruments; and
  - Credit ratings/market information service.
- 10.2 Whilst the advisors provide support to the Council's treasury function, the final decision on any treasury matter remains with the Council.
- 10.3 The Council ensures that quality of service is maintained via feedback at regular online meetings with key contacts.

### **11.0 Member and Officer Training**

- 11.1 During 2020/21, officers with Treasury Management responsibilities have attended webinars facilitated by our advisors.
- 11.2 As part of continued professional development, officers will continue to keep up to date with emerging issues via webinars, research and regular information provided by advisors and other sources.
- 11.3 If any emerging issues arise, specific training sessions can be arranged for Members facilitated by our advisors.
- 11.4 The Council's Senior Accountant, Pension Fund and Treasury Management holds the Certificate in International Treasury Management – Public Finance, a professional qualification of CIPFA and the Association of Corporate Treasurers in the fundamentals of treasury management for the public service.

### **12.0 Reporting and Scrutiny**

- 12.1 The Finance and Performance Scrutiny Committee will continue to undertake the required scrutiny function for treasury management activities. This is in line with the relevant Codes of Practice, including CIPFA Treasury Management in the Public Sector 2017, and will include:
- Quarterly updates (as part of the Council's Performance Reporting arrangements);
  - Strategy report (as reported to full Council);
  - Formal mid year review of treasury management (as reported to full Council); and
  - Annual review (as reported to full Council).

### **13.0 INVESTMENT STRATEGY**

- 13.1 The Council's investment strategy has regard to the Welsh Government's Guidance on Local Government Investments and the CIPFA Treasury Management in Public Services Code of Practice and Cross Sectoral

Guidance Notes. The Council's investment priorities will be security first, liquidity second and then yield (return).

13.2 The guidance on Local Government Investments places additional reporting requirements upon local authorities that are not integral to treasury management processes and covers investments such as commercial investments and other investments relevant to Council functions.

13.3 The statutory guidance also requires local authorities to categorise investments as either Financial or Non-Financial. Financial investments can be further sub categorised into Specified, Loans and Non-Specified.

#### 13.4 **Financial Investments**

13.5 The key requirements of both the Code and the investment guidance are to set an investment strategy, as part of its annual treasury strategy for the following year, covering the identification and approval of the following:

- **Specified investments.** These are high security (i.e. high credit quality, this is defined by the Council), and high liquidity investments in sterling and with a maturity of no more than a year.
- **Loans.** These are written or oral agreements where a local authority temporarily transfers cash to a third party, joint venture, subsidiary or associate who agrees a return according to the terms and conditions of receiving the loan.
- **Non-specified investments.** These are investments not meeting the definition of a specified investment or loan.

13.6 The intention of the strategy is to provide security of investment and minimisation of risk.

#### **Specified Investments**

13.7 An investment is a Specified Investment if all of the following apply:

1. the investment is denominated in sterling
2. it is not long term
3. it is not defined as capital expenditure
4. it is of high credit quality or with one of the following public sector bodies:
  - a. the UK government; or
  - b. a local authority in England or Wales (as defined in S23 of the 2003 Act) or similar body in Scotland or Northern Ireland

- 13.8 These investments are sterling investments of not more than one-year maturity, or those which could be for a longer period but where the Council has the right to be repaid within 12 months if it wishes. These are considered low risk assets where the possibility of loss of principal or investment income is small. These would include sterling investments which would not be defined as capital expenditure with:
- The UK Government (such as the Debt Management Account Deposit Facility, UK Treasury Bills or a Gilt with less than one year to maturity).
  - A local authority, parish council or community council.
  - A body that is considered of a high credit quality. This covers bodies with a minimum long term rating of A- (or the equivalent) as rated by Fitch rating agency or equivalent.
  - Within these bodies, and in accordance with the Code, the Council has set additional criteria to set the time and amount of monies which will be invested in these bodies.
- 13.9 The Code of Practice requires Councils to not rely solely on credit ratings but to supplement it with other information. The other information referred to includes quality financial press, credit default swaps, share prices, annual reports, statements to markets, information on government support for banks, credit ratings of that government support, rates being paid, what other banks are saying, information provided by advisors, market price (and movement of market price) of existing debt securities issued by counterparties. This represents a significant pool of “other information”.
- 13.10 The review of all such information will be incorporated into the Council's decision making processes although it will not be a simplistic and quick process and will need to be considered alongside the relative benefits of making one investment over another (e.g. versus the Debt Management Office - DMO) and the relative risks of exposing the Council's resources.
- 13.11 Members will recall that all of the Council's investments were transferred to the DMO DMADF (Debt Management Account Deposit Facility) upon the onset of the national and international economic crisis which started in 2008. The cost of this security in terms of loss of interest is negligible as rates offered by banks for short term deposits are comparable to rates offered by the DMO DMADF and other public bodies.
- 13.12 It is proposed that these arrangements continue for 2021/22, that is, that all Council investments will be with the DMADF or with other Government backed Public Sector Bodies, and that these arrangements should be kept under constant review.
- 13.13 These investments could also include the Council's own banker if it fails to meet the high credit criteria. In all instances balances are minimised by transferring monies to the DMO but there is a possibility that not all sums can be transferred. For example, the DMO has a minimum deal size of £1M and deposits are on occasion transferred into the Council's bank account after the deadline for daily trading / cash transfer. In such circumstances the Council's exposure is limited to overnight.

## Loans

- 13.14 At its meeting on the 20<sup>th</sup> July 2016, Council agreed to supplement our existing investment strategy by approving lending to organisations upon which we would undertake appropriate due diligence **and** put in place appropriate security arrangements. This could result in the Council being able to achieve better investment returns at an acceptable level of risk and to secure base budget savings over the short to medium term to protect frontline services.
- 13.15 Such transactions are classified as “Loans” within the “Financial” investments category.
- 13.16 Decisions on these financial investments will be subject to S151 officer determination, following appropriate due diligence and subject to appropriate and acceptable security arrangements being put in place as part of a commercial agreement. Such loan arrangements should align with and be led by the Council’s own corporate priorities.
- 13.17 A maximum exposure for this type of investment is set at £25M with a maximum maturity limit of 30 years.
- 13.18 The Council has 2 commercially agreed loan agreements. These are treated as financial investments and are part of the Investment Strategy enabling lending to organisations, subject to S151 officer determination, following appropriate due diligence and subject to appropriate and acceptable security arrangements. The total balance outstanding as at 1<sup>st</sup> April 2021 is £6.650M.

## Non-Specified Investments

- 13.19 Non-specified investments are any other type of investment (i.e. not defined as Specified or a Loan above).
- 13.20 The non-specified investments held by the Council are:
- Cynon Valley Waste Disposal Company Ltd, trading as Amgen Cymru Ltd. The principal activities of the company are the provision of recycling services and waste disposal facilities.
  - Amgen Rhondda Ltd. The principal activities of the company are the stewardship of a closed landfill site and associated opportunities for income generation.

These are shown in the Council’s 2019/20 balance sheet as £3.017M, under “Investment in Subsidiaries”. These are the only non-specified

investments we hold, the value of which changes in line with the net assets on the balance sheet of the companies.

### 13.21 **Non-Financial Investments**

13.22 The Council has one investment it categorises as a non-financial and commercial investment. Ty Dysgu at Cefn Coed Business Park, Nantgarw was approved and funded via the capital programme. As a result of a change of use for the building, the asset was reclassified as an investment property within the balance sheet. The building and site has a fair value of £3.8m, with an annual rental of £322k.

13.23 The Council has investments it categorises as non-financial and other investments relevant to Council functions. These buildings have a fair value of £17.8m, with an annual rental of £1.1m. They relate to 50-53 Taff St, Pontypridd; Unit 1 Cambrian Industrial estate, Clydach Vale; Rhos Surgery, Mountain Ash; and Llys Cadwyn, Pontypridd.

13.24 Under the International Financial Reporting Standard 9, Financial Instruments (IFRS 9), the accounting for certain investments depends on the Council's "business model" for managing them. The Council aims to achieve value from its internally managed treasury investments by a business model of collecting the contractual cash flows (interest) and therefore, where other criteria are also met, these investments will continue to be accounted for at amortised cost in the balance sheet, as principal amount outstanding plus any interest due.

## 14.0 **Risk Benchmarking**

14.1 In accordance with Welsh Government guidance (revised 2019), this Investment Strategy sets out the Council's policies for giving priority to firstly, the security of investments, secondly liquidity, and thirdly yield. It sets out the Council's criteria for choosing investment counterparties and limiting the exposure of risk of loss.

14.2 The codes and statutory guidance require the consideration, approval and monitoring of security and liquidity benchmarks. Yield benchmarks are currently widely used and less subjective than those relating to security and liquidity.

14.3 The benchmarks for security, liquidity and yield are targets, not limits and as such, may be breached from time to time. The purpose of the benchmark is to monitor trends and act as early warning signals. Actual activity levels will be reported in the mid year and annual reports.

#### 14.4 Security

14.5 Investment limits are set by reference to the lowest published long term credit rating from a selection of external rating agencies. Where available, the credit rating relevant to the specific investment class of investment is used, otherwise the counterparty credit rating is used. However, investment decisions are never made solely based on credit ratings, and all other relevant factors including external advice will be taken into account.

14.6 When deteriorating financial market conditions affect the creditworthiness of all organisations, this is not generally reflected in the credit ratings, but can be seen in other market measures. In these circumstances, the Council will restrict its investments to those organisations of higher credit quality and reduce the maximum duration of its investments to maintain the level of security.

#### 14.7 Liquidity

14.8 This is defined as having adequate, though not excessive cash resources, borrowing arrangements, overdrafts or standby facilities. The Council maintains a bank overdraft facility of £5.5m.

14.9 It is recommended that the Council sets limits for:

- Liquid short term deposits available with a week's notice.
- Weighted Average Life benchmark and maximum. The shorter the weighted average life of the portfolio implies less risk.

As we are maintaining low levels of cash to minimise credit risk, the setting of such targets / limits is not appropriate.

14.10 Any investment for greater than 365 days will be made with a prudent approach to cashflow requirements and in accordance with above limits.

#### 14.11 Yield

14.12 The benchmark used is 7 day LIBID.

### **15.0 Forecast for Investment Returns**

15.1 Traditionally, investments which would have been invested longer would secure better returns, however uncertainty over counterparty creditworthiness suggests short dated investments in higher credit quality establishments will provide better security. The Council will continue to favour security above return.

15.2 Expectations on shorter-term interest rates, on which investment decisions are based, show rates to remain low. Our projected interest receipts will be prudent, reflecting our low risk strategy.



## **16.0 TREASURY MANAGEMENT INDICATORS AND LIMITS FOR 2021/22**

- 16.1 To comply with both the Prudential Code and Treasury Management Code, the Council has to determine and set Prudential and Treasury Management Indicators in relation to capital expenditure, external debt and treasury management activities. The purpose of the indicators is to provide a framework for Capital Expenditure decision making.
- 16.2 To comply with the Codes every Council is required to agree a set of prudential indicators prior to the start of the financial year. These indicators are prepared by the Chief Finance Officer and presented to Council, as part of the budget setting process. The indicators cover a three year period and must be monitored during the year.
- 16.3 The indicators are purely for internal use by the Council and are not intended for use as comparators (i.e. between Councils) nor should they be viewed individually. The real value will arise as a result of monitoring the movement in indicators over time.
- 16.4 The following indicators are required (by the Prudential Code) to be approved and are included in the Capital Strategy:
- Capital Expenditure
  - Capital Financing Requirement
  - External Debt
  - Gross Debt and the Capital Financing Requirement
  - Authorised Limit
  - Operational Boundary
  - Ratio of Financing Costs to Net Revenue Stream
- 16.5 The following indicators are required (by the Treasury Management Code) to be approved:
- Debt Maturity Profile
  - Total Principal sums invested for periods longer than a year.
- 16.6 The Debt Maturity Profile indicator sets gross limits to reduce the Council's exposure to large sums falling due for refinancing annually. This indicator now includes variable debt and LOBO loans which are deemed to have a maturity date of the next call date.

### **Indicator : Debt Maturity Profile**

	2020/21 Projected Outturn as at 31/12/20	Upper Limit	Lower Limit
Under 12 months	13%	70%	0%
12 months to 2 years	4%	70%	0%
2 years to 5 years	10%	60%	0%
5 years to 10 years	16%	70%	0%
10 years to 20 years	6%	90%	0%

20 years to 30 years	0%	90%	0%
30 years to 40 years	51%	90%	0%
40 years to 50 years	0%	90%	0%

16.7 In order to maximise investment returns there may be opportunities for sums to be invested for longer than one year. This would only be undertaken with a prudent view of the primary considerations of security and liquidity.

16.8 The following indicator takes account of projected resources available for investment and cashflow forecasts.

**Indicator : Total principal funds invested for periods longer than a year**

Maximum principal sums invested for periods longer than a year	£25M
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16.9 For measuring the Council's exposure to interest rate risk, the following table shows the revenue impact of a 1% rise or fall in interest rates (based on borrowing and investments as at 31<sup>st</sup> December 2020):

Interest Rate Risk	Impact £M
One year revenue impact of a 1% rise/fall in interest rates	0.189

16.10 LOBO's are included as fixed rate debt. Although not a requirement of the Prudential Code, an internal limit of LOBO debt is set as follows:

	£M	% of Debt Portfolio
LOBO limits	50	20

The amount of LOBO debt held is £31m being 9.2% of our total debt portfolio. This internally set limit may be temporarily exceeded as a consequence of debt restructuring activities.

**17.0 THE MINIMUM REVENUE PROVISION (MRP) POLICY STATEMENT**

17.1 In accordance with legislative requirements applicable to local government (Local Government Act 2003), there is a requirement to charge an amount to revenue each year in respect of capital expenditure. This charge is known as the "Minimum Revenue Provision (MRP)".

17.2 The implementation of the Prudential Code in 2004 (and subsequent updates) provided greater flexibilities for Councils to borrow to fund capital

projects over and above their previous level of capital approvals - referred to as prudential or unsupported borrowing.

17.3 In 2008, and to complement the flexibilities afforded by the Prudential Code, Welsh Government amended the Local Authorities (Capital Finance and Accounting) (Wales) Regulations 2003 (the 'Regulations') to provide for a number of differing options for charging to revenue costs incurred in respect of Capital Expenditure. The regulations also required the approval by full Council of this MRP Policy Statement.

17.4 In November 2018 the Welsh Government issued revised guidance on MRP, with effect from 1<sup>st</sup> April 2019. The main amendments to the guidance are:

- A revised definition of a prudent provision – “To ensure that the cost of debt is charged to a revenue account over a period that is commensurate with that over which the capital expenditure provides benefit”;
- If there is a change in the method of calculating MRP, and the MRP reduces, then this does not give rise to an overpayment;
- Asset lives should not normally exceed 50 years; and
- MRP extends to investment properties where their acquisition is fully or partially funded by an increase in borrowing (as depreciation is not charged on investment properties, the depreciation method is not a suitable approach).

17.5 Supported Borrowing – The MRP on supported borrowing is written off on a straight line basis over 40 years, linked (broadly) to the lives of the Council's assets.

17.6 Unsupported Borrowing - 3 options are detailed:

- Asset life method (equal instalments);
- Asset life method (annuity method); or
- Charge in accordance with the depreciation of the asset.

17.7 Each of these methods might be appropriate depending on the type of asset being created / funded by Prudential borrowing. It is also feasible that an alternative method might be appropriate (for example, linked to a payback period or the period over which the asset provides benefits to the Council) - this is also recognised in the relevant Welsh Government guidance. The Regulations also allow for the commencement of MRP to be in line with the asset being brought into use. Accordingly, a decision upon the relevant method to apply should be made as part of the option appraisal decision to proceed with any Prudential borrowing on a project by project basis.

17.8 Lease schemes - MRP is equivalent to the principal value of repayments as detailed in the Welsh Government Guidance on Minimum Revenue Provision.

## **18.0 EQUALITY AND DIVERSITY IMPLICATIONS**

18.1 The report details the Council's Treasury Management activities for 2021/22. As a result, no Equality Impact Assessment is required for the purposes of this report.

## **19.0 CONSULTATION**

19.1 Following consideration by Council, this report will be presented to the Finance and Performance Scrutiny Committee in line with the laid down Codes of Practice and also the Terms of Reference for this Committee.

## **20.0 FINANCIAL IMPLICATION(S)**

20.1 The financial results / implications of the Council's Treasury Management arrangements will be incorporated into quarterly Performance Reports during the year.

## **21.0 LEGAL IMPLICATIONS OR LEGISLATION CONSIDERED**

21.1 The report ensures the Council complies with its legal duty under the Local Government Act 2003 and in doing so is in line with the CIPFA Code of Practice on Treasury Management and the CIPFA Prudential Code for Capital Finance in Local Authorities.

## **22.0 LINKS TO CORPORATE AND NATIONAL PRIORITIES AND THE WELL-BEING OF FUTURE GENERATIONS ACT**

22.1 This report supports the delivery of the Council's Corporate Plan 2020-24 "Making a Difference" through the 'Living Within Our Means' theme by pursuing optimum treasury management performance or return at the same time as managing associated risk.

22.2 The report also supports the Well-being of Future Generations Act in particular 'a globally responsible Wales' through responsible management and investment of the Council's resources.

## **23.0 CONCLUSIONS**

23.1 This report provides the Council's Treasury Management Strategy, Investment Strategy, details the Treasury Management Indicators and MRP policy for 2021/22.

23.2 With regard to the Treasury Management Strategy, a cautious approach will continue to be followed. The Section 151 Officer (or in his absence the

Deputy Section 151 Officer) will monitor the interest rate environment and adopt a pragmatic approach to any changing circumstances, in consultation with the Council's independent treasury advisors.

- 23.3 With regard to the Prudential and Treasury Management Indicators, these will be monitored throughout the financial year with details reported to Members as part of the Council's quarterly performance reporting framework and scrutiny process.

**Other information:**

**Relevant Scrutiny Committee – Finance and Performance Scrutiny Committee**

**LOCAL GOVERNMENT ACT 1972**

**AS AMENDED BY**

**THE LOCAL GOVERNMENT (ACCESS TO INFORMATION) ACT 1985**

**RHONDDA CYNON TAF COUNTY BOROUGH COUNCIL**

**COUNCIL 10<sup>TH</sup> MARCH 2021**

**REPORT OF THE DIRECTOR OF FINANCE AND DIGITAL SERVICES**

**Item: 2021/22 TREASURY MANAGEMENT STRATEGY INCORPORATING  
INVESTMENT STRATEGY, TREASURY MANAGEMENT INDICATORS AND  
MRP STATEMENT**

**Background Papers**

- 10<sup>th</sup> March 2021 Council meeting – Report: 2021/22 Capital Strategy report
- 10<sup>th</sup> March 2021 Council meeting – Report: The Council's Capital Programme 2021/22 – 2023/24.
- 10<sup>th</sup> March 2021 Council meeting – Report: The Council's 2021/22 Revenue Budget

Officer to contact: Barrie Davies (Director of Finance and Digital Services)

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## RHONDDA CYNON TAF COUNTY BOROUGH COUNCIL

MUNICIPAL YEAR 2020 / 2021

COUNCIL

10<sup>TH</sup> MARCH 2021

### 2021/22 CAPITAL STRATEGY REPORT INCORPORATING PRUDENTIAL INDICATORS

REPORT OF THE DIRECTOR OF FINANCE AND DIGITAL SERVICES  
AUTHOR:- BARRIE DAVIES (01443) 424026

#### 1.0 PURPOSE OF THE REPORT

- 1.1 The purpose of the Capital Strategy report is to provide a high level overview of how capital expenditure, capital financing and treasury management activity contribute to the provision of Council services along with an overview of the associated risk, its management and the implications for future financial sustainability.

#### 2.0 RECOMMENDATIONS

It is recommended that Members:

- 2.1 Approve the Capital Strategy report incorporating the Prudential Indicators.

#### 3.0 REASONS FOR RECOMMENDATION

- 3.1 To ensure compliance with the 2017 edition of the Prudential Code requiring local authorities to produce a Capital Strategy Report.

#### 4.0 BACKGROUND

- 4.1 The Prudential Code<sup>1</sup> sets out a framework for self-regulation of capital spending for local authorities, in effect, allowing Councils to invest in capital

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<sup>1</sup> Prudential Code - produced by the Chartered Institute of Public Finance and Accountancy (CIPFA) and is underpinned by the Local Government Act 2003 and the Capital Financing Regulations (Wales) 2004

projects without any limit as long as they are affordable, prudent and sustainable.

4.2 The Council has developed this Capital Strategy document to support its strategic and financial planning arrangements, and also complement other key strategies and plans in place. The Capital Strategy does not duplicate information included within other key strategies and plans such as the Treasury Management Strategy, Three Year Capital Programme and Corporate Plan 2020 – 2024, and should be read in conjunction with them.

4.3 The Council's Capital Strategy covers the following areas:

- Strategic Context
- Capital Expenditure and Financing
- Asset Management
- Asset Disposals
- Treasury Management
- Other Long Term Liabilities
- Revenue Budget Implications
- Knowledge and Skills

## 5.0 STRATEGIC CONTEXT

5.1 The Council's Capital Strategy is inherently linked to and informed by other key strategy documents.

### [The Council's Corporate Plan 2020-24 "Making a Difference"](#)

5.2 Capital investment by the Council is guided by the priorities within the Corporate Plan that sets out its ambition through a vision 'To be the best place in Wales to live, work and play, where people and businesses are independent, healthy, and prosperous' and focussing on three priorities:

1. Ensuring **People: are independent, healthy and successful;**
2. Creating **Places: where people are proud to live, work and play; and**
3. Enabling **Prosperity: creating the opportunity for people and businesses to: be innovative; be entrepreneurial; and fulfil their potential and prosper.**

### Other Key Strategies and Plans

5.3 The Council also has a number of other key strategies and plans that inform service delivery and its programme of capital investment. These include<sup>2</sup>:

- Revenue Budget Strategy – setting out the Council's annual revenue budget requirement that includes its Capital Financing budget to support the delivery

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<sup>2</sup> A brief summary of the strategy or plan is provided where it is not covered elsewhere within the Capital Strategy



of the Capital Programme. The Council's Revenue Budget Strategy 2021/22 is to be approved by Council alongside this report on the same agenda.

- Three Year Capital Programme – setting out capital expenditure plans and funding. The Council's Capital Programme 2021/22 to 2023/24 is to be approved by Council alongside this report on the same agenda.
  - Medium Term Financial Plan (MTFP) – setting out a forecast of revenue spending and funding for the period 2020/21 to 2023/24 (and includes a Capital Financing budget projection over this period). The latest MTFP can be viewed by clicking [here](#).
  - Treasury Management Strategy.
  - Corporate Asset Management Plan.
  - Service Delivery / Recovery Plans – a plan for each service area setting out key priorities, measures and risks.
  - Cwm Taf Well-Being Plan - a long term partnership plan for the Cwm Taf area (Rhondda Cynon Taf and Merthyr Tydfil) in line with the Well-Being of Future Generations Act. The Cwm Taf Well-being Plan can be viewed by clicking [here](#).
- 5.4 In [January 2018](#) the Council set out a strategic outline capital investment programme in excess of £300M over the next 5 years over and above its recurring annual capital programme. This commitment was aligned to the Council's strategic plans by supporting long term investment in highways infrastructure, 21<sup>st</sup> Century Schools, new housing, community assets and town centre and economic regeneration.

## **6. CAPITAL EXPENDITURE AND FINANCING**

- 6.1 Capital expenditure is where the Council spends money on assets such as property or vehicles that will be used for more than one year. The Council does have some limited discretion over what it deems to be capital expenditure, for example, assets costing less than £10k are not capitalised and are charged to revenue in-year.

### **Capital Programme 2021/22 to 2023/24**

- 6.2 The Council is to consider its capital programme on 10<sup>th</sup> March 2021 totalling a proposed £116.024M over three years.
- 6.3 All capital expenditure must be financed either from external sources (e.g. grants and third party contributions), the Council's own resources (e.g. revenue and capital receipts) or borrowing (e.g. loans, leasing). A summary of available capital

resources for the Capital Programme 2021/22 to 2023/24 is included at 'Indicator 1 : Capital Expenditure'.

- 6.4 The Council's Capital Programme continues to provide a long term funding commitment to the economic regeneration and well-being of the County Borough and in doing so supports the Council's Corporate Plan Priorities.
- 6.5 In addition to the above, sustained investment has been maintained across a range of funding streams, supported by external funding and the Corporate Plan Investment Priorities. This has enabled a wide range of regeneration activity to be delivered to benefit the local economy.
- 6.6 The Council will continue to work with partners to develop and progress exciting and innovative schemes such as:
- Pontypridd YMCA – Redeveloping the YMCA to be fit for the future as a community centre for creative arts facilitating social enterprise, training opportunities and community involvement;
  - Development of modern business accommodation with new units at Robertstown, Aberdare;
  - Townscape Enhancements across our key town centres – a targeted approach to upgrading town centre buildings for increased business and commercial use and continuing to improve the quality of the townscape providing business investment and employment growth;
  - Development of a new integrated Transport Hub at Porth as part of the Porth Town Centre Regeneration Strategy;
  - Strategic Opportunity Areas – a number of Strategic Opportunity Areas have been developed to deliver economic growth and job creation in Rhondda Cynon Taf. These areas are:
    - Cynon Gateway – Energising the Region;
    - The Wider Pontypridd, Treforest – Edge of the City, heart of the Region;
    - Pontypridd Town – Pivotal in the Region;
    - A4119 Corridor – Regional Rhondda Gateway; and
    - Llanilid on the M4 – Driving the Regional Economy.
- 6.7 There is a statutory duty under the Local Government Act 2003 for the Council to determine and keep under review how much it can afford to borrow. The Council must have due regard to the **Prudential Code** when setting its affordable borrowing limit ("Authorised Limit"). This requires the Council to ensure that total capital investment and borrowing remains affordable, sustainable and prudent.
- 6.8 To comply with both the Prudential Code and Treasury Management Code, the Council has to determine and set Prudential and Treasury Management Indicators in relation to capital expenditure, external debt and treasury management activities. The purpose of the indicators is to provide a framework for Capital Expenditure decision making.
- 6.9 To comply with the Codes every Council is required to agree a set of prudential indicators prior to the start of the financial year. These indicators must be

prepared by the Chief Finance Officer and presented to Council, as part of the budget setting cycle. The indicators cover a three year period and must be monitored during the year.

- 6.10 The indicators are purely for internal use by the Council and are not intended for use as comparators (i.e. between Councils) nor should they be viewed individually. The real value will arise as a result of monitoring the movement in indicators over time.
- 6.11 Capital Expenditure is predominantly funded by Welsh Government support, capital grants and capital resources. General capital funding from the Welsh Government takes the form of General Capital Grant plus “supported borrowing”. The remaining balance of expenditure will form a borrowing need and be classed as unsupported and will have an impact on the Council Tax (unless extra borrowing costs are funded through existing budgets).
- 6.12 The following indicators are required (by the Prudential Code) to be approved:
- Capital Expenditure
  - Capital Financing Requirement
  - External Debt
  - Gross Debt and the Capital Financing Requirement
  - Authorised Limit
  - Operational Boundary
  - Ratio of Financing Costs to Net Revenue Stream

#### Capital Expenditure and the Capital Financing Requirement

- 6.13 The Capital Expenditure plans of the Council will be financed through various sources such as capital resources, grants and other contributions. The remaining element which cannot be immediately financed from resources will constitute our borrowing requirement. The estimated level of available capital resources is provided in summary as the Capital Expenditure Indicators below.

#### **Indicator 1 : Capital Expenditure**

	2020/21 Projected Outturn £M	2021/22 Estimate £M	2022/23 Estimate £M	2023/24 Estimate £M
Supported spend	87.011	68.904	18.651	16.023
Unsupported spend	21.141	12.409	0.037	0.000
Total spend	108.152	81.313	18.688	16.023
Financed by:-				
Borrowing	27.970	19.282	6.910	6.873
Other Capital Resources (e.g. Grants, Capital Receipts)	80.182	62.031	11.778	9.150

- 6.14 The Capital Financing Requirement (CFR) represents the Council's underlying need to borrow for capital purposes. The CFR is capital expenditure that has not yet been paid for from either revenue or capital resources.
- 6.15 The expected movement in the CFR over the next three years is dependent on the level of supported and unsupported capital expenditure and decisions taken during the budgeting cycle.
- 6.16 The unsupported element of borrowing relates to the capital expenditure freedom allowed under the Prudential Code. The Prudential Code anticipates that these freedoms would enable Councils to enter into projects such as "spend to save" schemes or decisions to allocate additional resource from revenue to capital, to enable service / asset enhancements. Members have already shown their willingness to use this option for schemes such as investment in schools and highways.
- 6.17 The main factor limiting the Council's ability to undertake unsupported capital expenditure is whether the revenue resource is available to support in full the implications of capital expenditure, i.e. both borrowing costs and running costs. In other words, can the Council afford the implications of the unsupported capital expenditure?
- 6.18 The Council's expectations for the CFR in the next three years is shown below.

**Indicator 2 : Capital Financing Requirement (CFR)**

	2020/21 31/03/21 Projected Outturn £M	2021/22 31/03/22 Estimate £M	2022/23 31/03/23 Estimate £M	2023/24 31/03/24 Estimate £M
CFR	507.897	512.804	504.866	496.271
Net movement in CFR		4.907	(7.938)	(8.595)

- 6.19 A key risk is that the level of Welsh Government support has been estimated and is, therefore, subject to change. Similarly, some of the estimates for other sources of funding, such as capital receipts, may also be subject to change over this time. Officers will continue to monitor the totality of capital resources and will report back to Members if further action is required.
- 6.20 The expected external debt for each year is as detailed below.

**Indicator 3: External Debt**

	2020/21 31/03/21	2021/22 31/03/22	2022/23 31/03/23	2023/24
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	Projected Outturn £M	Estimate £M	Estimate £M	31/03/24 Estimate £M
Borrowing	402.226	477.807	474.842	472.876
Other long term liabilities	0.583	0.583	0.583	0.581
Total External Debt 31 <sup>st</sup> March	402.809	478.390	475.425	473.457
Net movement in External Debt		75.581	(2.965)	(1.968)

- 6.21 Other Long Term Liabilities includes an estimate of the Council's future finance lease liabilities. The accounting change for leases has been delayed in line with CIPFA guidance. These changes are not reflected in the indicators in this report.

#### Limits to Borrowing Activity

- 6.22 The first key control over the Council's activity is to ensure that, over the medium term, borrowing will only be for a capital purpose. The Council needs to ensure that external borrowing does not exceed the total of the capital financing requirement in the preceding year plus the estimate of the additional capital financing requirement for the next three financial years. This allows some flexibility within a three-year period to deliver an effective treasury management strategy.

#### **Indicator 4: Gross Debt and the Capital Financing Requirement**

	2020/21 31/03/21 Projected Outturn £M	2021/22 31/03/22 Estimate £M	2022/23 31/03/23 Estimate £M	2023/24 31/03/24 Estimate £M
Gross Borrowing	402.809	478.390	475.425	473.457
Capital Financing Requirement	507.897	512.804	504.866	496.271

- 6.23 As the above shows, gross borrowing is below the relevant CFR for current and future years. This is termed "under-borrowing". This view takes into account current commitments, existing plans and the proposals in the latest 3 year capital programme. Again, this indicator will be monitored and revised at Council, if necessary, during the three-year period.

6.24 The Authorised Limit represents the limit beyond which borrowing is prohibited, and needs to be set, monitored and revised by Members. It reflects the maximum level of borrowing to fund existing capital commitments, which could be afforded in the short term, but is not sustainable. It is the expected maximum borrowing need, with some added headroom for unexpected movements.

6.25 This is the statutory limit determined under section 3 (1) of the Local Government Act 2003. The Government retains an option to control either the total of all Councils' plans or those of a specific Council. The Government has not yet exercised this control.

#### Indicator 5 : The Authorised Limit

	2020/21 31/03/21 Projected Outturn £M	2021/22 31/03/22 Estimate £M	2022/23 31/03/23 Estimate £M	2023/24 31/03/24 Estimate £M
Gross Borrowing Limit	402.226	530.000	530.000	530.000
Other long term liabilities	0.583	2.000	2.000	2.000
Authorised Limit	402.809	532.000	532.000	532.000

6.26 The Operational Boundary is based on the probable external debt during the course of the year; actual borrowing could vary around this boundary, for short times, during the year. It should act as an indicator to ensure the Authorised Limit is not breached.

#### Indicator 6 : The Operational Boundary

	2020/21 31/03/21 Projected Outturn £M	2021/22 31/03/22 Estimate £M	2022/23 31/03/23 Estimate £M	2023/24 31/03/24 Estimate £M
Gross Borrowing Limit	402.226	480.000	480.000	480.000
Other long term liabilities	0.583	1.000	1.000	1.000
Operational Boundary	402.809	481.000	481.000	481.000

#### Affordability Prudential Indicators

6.27 Previous sections have covered overall capital and control of borrowing indicators, but there is also a requirement to assess the affordability of capital

investment plans. This provides an indication of the impact of the capital investment plans on the overall Council finances.

- 6.28 The Ratio of Financing Costs to Net Revenue Stream identifies the trend in the cost of capital (borrowing costs net of interest and investment income), against the "net revenue stream". The net revenue stream for the General Fund is the amount collectable from Council Tax payers added to the Council's Revenue Support Grant (RSG) and Non Domestic Rates (NDR). The key use of this indicator is to compare trends in the ratio of financing costs to the net revenue stream, over time.

#### **Indicator 7 : Ratio of Financing Costs to Net Revenue Stream**

	2020/21 Comparator	2021/22 Estimate	2022/23 Estimate	2023/24 Estimate
General Fund	4.98%	5.10%	5.16%	5.16%

#### Governance

- 6.29 The rolling Three Year Capital Programme is constructed in line with the Council's agreed strategies and plans on an annual basis, reviewed by Cabinet and if deemed acceptable, is recommended to full Council for approval each year.
- 6.30 Throughout the year, capital programme updates are made public through the Council's quarterly Performance Reports that are reported to Cabinet for approval and thereafter scrutinised by the Finance and Performance Scrutiny Committee.

### **7.0 ASSET MANAGEMENT**

- 7.1 To ensure that capital assets are managed in a proactive and efficient way, and continue to be of long term use, the Council has a Corporate Asset Management Plan (CAMP). The CAMP outlines the vision and approach to the strategic management of the assets of the Council and sets out the primary aims: to maximise the benefits derived from the Council's land and buildings; to support the delivery of its priorities; to meet service requirements; to raise revenue through rental income; and to comply with regulatory and statutory duties.

### **8.0 ASSET DISPOSALS**

- 8.1 When a capital asset is no longer needed it may be sold so that proceeds, known as capital receipts, can be spent on new assets or to repay debt. Capital receipts are used as part of the overall General Fund Capital Resources to fund the Capital Programme 2021/22 to 2023/24 as set out below. Capital receipts are used to fund the Capital Programme across years and so the figures below

will not align with those estimated to be received within each year as included in the CAMP.

			2021/22 Estimate £M	2022/23 Estimate £M	2023/24 Estimate £M
General Resources	Fund	Capital	13.919	3.976	3.115

## **9.0 TREASURY MANAGEMENT**

- 9.1 CIPFA defines Treasury Management as “The management of the local authority’s investments and cash flows, its banking, money market and capital market transactions; the effective control of the risks associated with those activities; and the pursuit of optimum performance consistent with those risks.”
- 9.2 Treasury management is concerned with keeping sufficient but not excessive cash available to meet the Council’s spending needs, while managing the risks involved. Surplus cash is invested until required, while a shortage of cash will be met by borrowing, to avoid excessive credit balances or overdrafts in the Council’s bank current account.
- 9.3 The Council’s Treasury Management Strategy Incorporating Investment Strategy, Treasury Management Indicators and Minimum Revenue Provision (MRP) Statement for 2021/22 (from hereon, the Treasury Management Strategy) is being considered alongside this report on the same agenda.

### Borrowing Strategy

- 9.4 The Council’s policy will continue to be to maximise “internal borrowing”, running down cash balances and foregoing interest earned at historically low rates. We will though take the opportunity to lock in longer term debt as and when the opportunity arises, in line with advice from our Treasury Advisors.
- 9.5 Where the Council does need to borrow to fund the Capital Programme, its main objective is to achieve a low but certain cost of finance while retaining flexibility should there be changes in the financial market. The Council seeks a balance between lower cost short term loans and longer term fixed rate loans where the future cost is known and secured.

### Investment Strategy

- 9.6 The Council’s policy on treasury investments is to prioritise security and liquidity over yield and to focus on minimising risk rather than maximising returns.
- 9.7 The Welsh Government statutory guidance on Local Government Investments categorises investments as either Financial or Non-Financial. Financial investments can be further sub categorised into Specified, Loans and Non



Specified. All Investments are also categorised as either Commercial Investments, Other Investments Relevant to Council Functions or Treasury Management Investments. Details of the Council's Investment Strategy is set out within its Treasury Management Strategy.

- 9.8 Cash that is likely to be spent in the near term is invested with the Debt Management Office (DMO) and other public bodies. Longer term investments include lending to organisations, subject to S151 officer determination, following appropriate due diligence and subject to appropriate and acceptable security arrangements. These type of investments provide support for the delivery of investment aligned to the Council's own strategic objectives.

#### Commercialisation

- 9.9 This section sets out the Council's high-level approach and appetite for commercial opportunities:

- Property acquisitions will be regeneration led and whilst there may be a commercial aspect, that is very much a by-product of our regeneration priority where for example public ownership will maximise the potential for property to be brought back into use, improve the viability and sustainability of our town centres and guard against properties being mothballed and a blight on our town centres and communities;
- We will not acquire assets outside of Rhondda Cynon Taf, other than via the auspices of the Cardiff Capital Region Joint Committee, where the asset is of regional significance;
- In line with our Treasury Management Strategy we will lend to other public sector organisations for the purpose of supporting and enabling them to contribute positively to our own corporate priorities and deliver projects from which the Council, our residents and communities will benefit. We will not lend money solely for income generation;
- We will continue to operate in the commercial market place where we have historically been a service provider, for example Trade Waste, Building Regulations, Waste Disposal and providing services to other public bodies, including local Registered Social Landlords. We will not develop our services to enter market places where there is sufficient supply and alternative providers other than where we can provide significant and demonstrable benefit to our residents, businesses and communities. We will continue to deploy our Community Asset Transfer arrangements as part of our work with communities and the voluntary sector to explore alternative delivery models to maintain services and facilities.

9.10 We summarise our approach further in the table below.

<b>Commercial Skills</b>	Our staff development activities and programmes will incorporate opportunities for our staff to develop and enhance their commercial awareness and exploit opportunities, including appropriate risk management;
<b>Efficient and Effective Organisation</b>	Already a pillar within our Corporate Plan, our robust self-assessment and service delivery planning arrangements will require all our services to consider commercial opportunities;
<b>Procurement</b>	We will ensure that our purchasing activities are focussed on achieving best value and will negotiate the best deals we can secure for the Council taking into account both cost and quality considerations. In doing so, we will also consider opportunities to ensure that local suppliers and service providers have the opportunity to compete for contracts we bring to the market;
<b>Use of Assets</b>	We will take advantage of our existing scale, breadth of activities and our asset base to identify opportunities where we can add value and generate income whilst not adversely destabilising existing markets and where the private sector can already provide excellence at good value;
<b>Charging</b>	We will continue to review and update our charging policy annually as part of setting our budget and seek to balance income generation alongside provision of our valued services at affordable prices and not seek to disincentivise our customers based on price;
<b>Trading</b>	We will continue to trade commercially through our wholly owned company, Amgen seeking opportunities to extend trading operations and maximise income generation and profit;
<b>Investing</b>	We will invest in line with the prudential code principles where it is prudent, sustainable and affordable; we will lend commercially where there are clear service and/or regeneration benefits which align with the Council's priorities;

9.11 Decision making on commercial activities will be in line with Council's constitution, approved strategies and policies and will in all instances be with the express approval of the Council's Section 151 Officer and the Director of Legal Services.

#### Governance

9.12 Decisions on investments are made by the S151 Officer in line with the criteria and limits approved by Council in the Treasury Management Strategy. Property and other regeneration and commercial investments can be capital expenditure

and therefore will be approved via the appropriate decision making arrangements.

- 9.13 Following approval by full Council, the Treasury Management Strategy and the Capital Strategy Report incorporating Prudential Indicators are reported to the Finance and Performance Scrutiny Committee at the start of each financial year. A Mid-Year Treasury Management Stewardship Report and an Annual Treasury Management Review Report (following year-end) are reported to full Council and thereafter scrutinised by the Finance and Performance Scrutiny Committee. The role of scrutiny is a specific requirement of the laid down code of practice “CIPFA Treasury Management in the Public Services 2017” and also the Terms of Reference for this Scrutiny Committee.

## **10.0 OTHER LONG TERM LIABILITIES**

- 10.1 The Council is committed to making future payments to cover its pension fund liabilities (deficit) on the Pensions Reserve of £658M within the Council's balance sheet, under unusable reserves.
- 10.2 The Council has short term and long term provisions set aside amounting to £4.4M, the majority of which (£4.2M) is to cover Insurance and Land Compensation claims.
- 10.3 The Council's latest audited Statement of Accounts for the 2019/20 financial year can be viewed by clicking [here](#).

## **11.0 REVENUE BUDGET IMPLICATIONS**

- 11.1 The Council's borrowing or debt is only a temporary source of finance, since loans and leases must be repaid over time, usually from Revenue which is known as the Minimum Revenue Provision (MRP). The interest costs and principal repayment of debt, net of any investment income, are known as financing costs and are determined in line with the Council's MRP policy.
- 11.2 The Council's net capital charges form part of the revenue budget and actual spend against budget is reported to Cabinet as part of quarterly Performance Reports. They are also set out within the Mid-Year Treasury Management Stewardship Report and Annual Treasury Management Review Report. The Council also has a Treasury Management Earmarked Reserve in order to mitigate short / medium term volatility against this budget.

## **12.0 KNOWLEDGE AND SKILLS**

- 12.1 The Council employs professionally qualified and experienced staff in senior positions with responsibility for making capital expenditure, borrowing and investment decisions. The Council also employ Treasury Management advisors

to provide a range of specialist services including interest rate analysis, investment advice and technical support.

### **13.0 EQUALITY AND DIVERSITY IMPLICATIONS**

- 13.1 The report provides a high level overview of how the Council's capital expenditure, capital financing and treasury management activity contribute to the provision of services along with an overview of how associated risks are managed. As a result, no Equality Impact Assessment is required for the purposes of this report.

### **14.0 CONSULTATION**

- 14.1 Subject to approval of the Capital Strategy, this Report will be presented to the Finance and Performance Scrutiny Committee for review, challenge and where deemed required, the scrutiny of specific areas in more detail.

### **15.0 FINANCIAL IMPLICATION(S)**

- 15.1 The financial results / implications of the Council's Treasury Management arrangements will be incorporated into quarterly Performance Reports during the year.

### **16.0 LEGAL IMPLICATIONS OR LEGISLATION CONSIDERED**

- 16.1 The report ensures the Council complies with its legal duty under the Local Government Act 2003 and in doing so is in line with the CIPFA Code of Practice on Treasury Management and the CIPFA Prudential Code for Capital Finance in Local Authorities.

### **17.0 LINKS TO CORPORATE AND NATIONAL PRIORITIES AND THE WELL-BEING OF FUTURE GENERATIONS ACT**

- 17.1 This report supports the delivery of the Council's Corporate Plan 2020-24 "Making a Difference" through the 'Living Within Our Means' theme by pursuing optimum treasury management, capital and revenue performance or return at the same time as managing associated risk.
- 17.2 The report also supports the Well-being of Future Generations Act in particular 'a globally responsible Wales' through responsible management and investment of the Council's resources.

## **18.0 CONCLUSIONS**

- 18.1 The Capital Strategy Report incorporating Prudential Indicators sets out a high level overview of how capital expenditure, capital financing and treasury management activity contribute to the provision of Council services along with an overview of the associated risk, its management and the implications for future financial sustainability.
- 18.2 With regards to the Prudential and Treasury Management Indicators, these will be monitored throughout the financial year with details reported to Members as part of the Council's quarterly performance reporting arrangements and scrutiny process.

### **Other information:**

**Relevant Scrutiny Committee – Finance and Performance Scrutiny Committee**

**LOCAL GOVERNMENT ACT 1972**

**AS AMENDED BY**

**THE LOCAL GOVERNMENT (ACCESS TO INFORMATION) ACT 1985**

**RHONDDA CYNON TAF COUNTY BOROUGH COUNCIL**

**COUNCIL 10<sup>th</sup> MARCH 2021**

**REPORT OF THE DIRECTOR OF FINANCE AND DIGITAL SERVICES**

**Item: 2021/22 CAPITAL STRATEGY REPORT INCORPORATING PRUDENTIAL INDICATORS**

**Background Papers**

- 10<sup>th</sup> March 2021 Council meeting – Report: The Council’s Capital Programme 2021/22 – 2023/24.
- 10<sup>th</sup> March 2021 Council meeting – Report: The Council’s 2021/22 Revenue Budget

Officer to contact: Barrie Davies (Director of Finance and Digital Services)

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## **RHONDDA CYNON TAF COUNTY BOROUGH COUNCIL**

**MUNICIPAL YEAR 2020 / 2021**

**COUNCIL**

**10<sup>th</sup> MARCH 2021**

### **THE COUNCIL'S 2021/22 PAY POLICY STATEMENT**

#### **JOINT REPORT OF THE DIRECTOR OF HUMAN RESOURCES AND THE DIRECTOR OF LEGAL SERVICES**

Authors: Richard Evans, Director of Human Resources  
Andrew Wilkins, Director of Legal Services

#### **1. PURPOSE OF THE REPORT**

- 1.1 The purpose of this report is to provide Members with information in respect of the Council's 2021/22 Pay Policy Statement.

#### **2. RECOMMENDATION**

- 2.1 It is recommended that Council approves, the Pay Policy Statement at Appendix A of this report.

#### **3. BACKGROUND**

- 3.1 Under Section 38(1) of the Localism Act 2011 (the 'Act'), the Council is required to produce a pay policy statement, which must be prepared each financial year. The provisions of the Act do not apply to local authority schools and therefore teaching staff need not be brought within the scope of the Council's pay policy statement.
- 3.2. Each local authority is an individual employer in its own right and has the autonomy to make decisions on pay that are appropriate to local circumstances and which deliver value for money for local taxpayers. The provisions in the Act do not seek to change this or to determine what decisions on pay should be taken or what policies individual employing authorities should have in place. Rather, they only require that authorities are open about their own local policies and how local decisions are made.
- 3.3 The Act requires that the Council include in its pay policy statement, its approach to the publication and access to information relating to the remuneration of chief officers. Remuneration includes salary or payment for a

contract for services, expenses, bonuses, and performance related pay as well as severance payments. The definition of chief officers includes the head of paid service, statutory chief officers and non-statutory chief officers and those who report to them.

- 3.4 Section 38(2) of the Act also requires the Council to set out its policy on remuneration for its highest paid staff alongside its policies towards its lowest paid employees.
- 3.5 The Council must, in setting pay policy statements have regard to any guidance issued by the Welsh Ministers. In May 2017, the Welsh Government published updated guidance under Section 40 of the Act entitled 'Pay Accountability in Local Government in Wales'. Due regard has been given to this guidance in the preparation of the proposed Pay Policy Statement. The Pay Policy Statement also has due regard to the Accounts and Audit (Wales) Regulations 2014.
- 3.6 The Pay Policy Statement must be approved by a resolution of full Council before it comes into force. Once in force it must be complied with, although full Council may amend it during the relevant financial year. It must be published on the Council's website as soon as reasonably practicable after approval or amendment.
- 3.7 Members will be aware that back in November 2020, despite warnings from employers and the trade unions, the UK Government determined to introduce an Exit Cap on payments above £95,000. Whilst consultation on this cap was a few years ago, Members may also recall that the original intention of the cap was to stop any excessive payments, in particular to senior managers within organisations. Despite this initial intention, when the legislation was finally passed it did not distinguish between any level of employee and the UK Government also determined to include the 'pension strain cost' within the cap. Members will recall from reports that have previously come to Council that the pension strain is a cost to the employer and not a payment that an employee would actually receive. As a consequence of introducing the cap, this would have an immediate impact on employees as low as Grade 8 within this authority that where due to finish by reason of voluntary early retirement with redundancy.
- 3.8 Employers and trade unions determined to lodge judicial reviews against this decision and prior to the cases proceeding, the UK Government announced on the 12<sup>th</sup> February 2021 that following a review, they had now determined that the Exit Cap be disapplied. The wording that accompanied the announcement was as follows. *"The Government has concluded that the Cap may have had unintended consequences and the Regulations should be revoked. HM Treasury [HMT] Directions have been published that disapply the Cap until the Regulations have been revoked."*

This means the exit cap does not now apply to exits that took place on or after 12 February 2021, but the guidance was not clear on whether the 2020 Regulations will be revoked retrospectively. However, the Welsh Government has confirmed that, in their view, the exit cap no longer applies to exit



payments made by a devolved Welsh authority. In terms of this Council, thankfully we had no employees impacted by the Cap whilst it was in operation between November 2020 and the 12<sup>th</sup> February 2021.

- 3.9 A Pay Policy Statement meeting the legal requirements of the Localism Act 2011 and having regard to the Welsh Government guidance is attached at Appendix A and is recommended for approval by Council.
- 3.10 This report has been prepared and written by the Director of Human Resources and Director of Legal Services and the Pay Policy reflects the current grading of those officers. Given previous cases where concerns have been expressed about Officers being involved in the preparation of reports that affect their own pay, this point is explicitly drawn to the attention of Members of the Council.
- 3.11 It should be noted however that any officer of the Council writing this report would be in the same position. It is also important to note that this Pay Policy statement provides an accurate summary of the Council's current policy for the purposes of publication under the Localism Act. What is also important to note is that this policy is not specifically about the authors in an individual capacity otherwise than as part of the Council's group of Chief Officers.

**APPENDIX A**

**RHONDDA CYNON TAF COUNCIL**

**PAY POLICY STATEMENT**

**2021/2022**

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## **1. Introduction & Purpose**

### **Leader's Introduction**

- 1.1 Rhondda Cynon Taf Council recognises the importance of administering pay fairly, objectively and consistently in a way that encourages employees to make a positive contribution to the Council's business. The decisions that are taken regarding pay and grading are crucial to maintaining equality across the Council.
- 1.2 In setting its pay structure, the Council reflects on its corporate priorities, the important role that senior leadership plays in achieving those aims and also seeks to continually demonstrate value for money to the residents of the County Borough.

### **Purpose**

- 1.3 Under Section 112 of the Local Government Act 1972, the Council has the "power to appoint officers on such reasonable terms and conditions as the authority thinks fit". This Pay Policy Statement (the 'statement') sets out the Council's approach to pay policy in accordance with the requirements of Section 38 and Section 40(2) of the Localism Act 2011 (the Act).

## **2. Legislative Framework**

- 2.1 In determining the pay and remuneration of all of its employees, the Council will comply with all relevant employment legislation.

## **3. Pay Structure**

- 3.1 The Council has adopted and implemented an objective, analytical job evaluation system based on job demands and developed a pay and grading structure based on spot salaries.
- 3.2 This determines the salaries of the majority of the Council workforce. The features of the pay & grading structure are as follows:
  - Fifteen spot salaries;
  - There are no bonus payments;
  - There are no overtime or weekend enhancement payments.
- 3.3 The pay and grading structure applies to all employees covered by the NJC for Local Government Services.

- 3.4 The Council has been and is committed to the payment of the Foundation Living Wage (FLW) rate that has previously applied to Grades 1 to 3 of the fifteen spot salary scale detailed above. Members may recall that in last year's pay policy, due to the nationally negotiated pay increases in 2019, the minimum hourly rate from April 2019 was equal to the FLW rate so the Council did not need to process any additional payments during 2019/20 financial year. The next NJC pay award in 2020 resulted in a new hourly rate being introduced of £9.25 per hour from April 2020 but at the same time, the new FLW rate was raised to £9.30 per hour, which resulted in the Council having to make a pay adjustment to any employee on Grade 1 of our pay structure.

Despite ongoing national discussions between employers and the trade unions, at present there is no proposal currently in place for a NJC pay award uplift from the 1<sup>st</sup> April 2021. However, the FLW rate has changed and in accordance with the agreement we have in place with our trade union colleagues, the new rate of £9.50 will be introduced from the 1<sup>st</sup> April 2021. This will mean that based on the current salary values, then Grade 1 (£9.25 per hour) and Grade 2 (£9.43 per hour) would be affected, until such time as clarity is provided on any pay award for 2020/21.

- 3.5 Employees covered by Soulbury terms and conditions have their pay determined by the Soulbury Committee. There are no overtime, weekend enhancement or bonus payments for this group of employees.
- 3.6 The Council makes payments in respect of a 'holiday pay' supplement which was implemented to ensure all holiday payments to staff are made in accordance with the European Working Time Directive.
- 3.7 The determination of salary scales for employees covered by JNC for Local Authority Chief Executives and Chief Officers are dealt with under paragraph 4 below.
- 3.8 In addition to basic salary, the Council will reimburse all reasonable business travel and subsistence expenses on production of receipts and in accordance with the Council's scheme for payment of travelling expenses, subsistence allowances and redeployment expenses. The Council operates a single scheme that applies to all employees.
- 3.9 All other pay related allowances are the subject of either nationally or locally negotiated rates, having been determined from time to time in accordance with collective bargaining arrangements and/or as determined by the Council's Constitution and the Scheme of Delegation contained therein. In determining its grading structure and setting remuneration levels for all posts, the Council takes account of the need to ensure value for money in respect of the use of public funds, balanced against the need to recruit and retain

employees who are able to meet the requirements of providing high quality services to the community, delivered effectively and efficiently and at times at which those services are required.

- 3.10 The process for paying any temporary additional payments for undertaking additional responsibilities are in accordance with the Council's Honoraria and Secondment Policies that apply to all Council employees (including Chief Officers).
- 3.11 The Council does not operate a performance related pay system for any of its employees (including Chief Officers).
- 3.12 There are occasions where it is necessary to take account of the external pay market through the payment of a 'market supplement', in order to attract and retain employees with particular experience, skills and capacity. Where necessary, the Council has ensured that such requirements are objectively justified by reference to evidence of relevant market comparators, using appropriate data sources available from within and outside the local government sector.

#### **4. Senior Pay Remuneration**

##### **Definition of Chief Officer Remuneration**

- 4.1 For the purposes of this statement, 'chief officers' are as defined within Section 43 of the Act. The posts falling within the statutory definition are set out below:

- Chief Executive / Head of Paid Service
- Group Directors
- Directors
- Service Directors
- Heads of Service

##### **Role of the Chief Executive**

- 4.2 The role of the Chief Executive, as the senior officer, is to advise and support the Council's Cabinet to:

- Provide leadership, vision and strategic direction;
- Develop strategic policies to fulfil the Authority's objectives;
- Define the corporate culture and promote core values;
- Ensure the Authority meets its statutory obligations and exercises sound corporate governance and effective resource management;
- Ensure the performance of the Authority is managed effectively.

- 4.3 Rhondda Cynon Taf had a Net Revenue Budget of £508.747M for 2020/21 financial year and a 3-year capital programme of £190.962M (Quarter 2

Performance Report). The proposed revenue budget for 2021/22 is £527.903M and the updated 3-year capital programme for the period 2021/22 to 2023/24 amounts to £116.024M (both subject to Council approval). The Council delivers a wide range of services employing approximately 10,600 staff.

- 4.4 In Rhondda Cynon Taf the Chief Executive salary is determined by the criteria set out in the JNC for Local Authority Chief Executives National Agreement for Pay and Conditions of Service. The Chief Officer salary structure is based on a percentage of the Chief Executives salary and within the Education & Inclusion Services directorate, there are some Heads of Service positions which are remunerated at the senior Soulbury pay scale level. For details of the Chief Officer salary structure, please refer to Section 6 below.
- 4.5 Any change to the existing Chief Executive and Chief Officer pay structure for Rhondda Cynon Taf can only be determined by the Council's Cabinet and full Council as necessary. Should any changes to the existing value of the pay structure be considered, then due regard will be given to the Independent Remuneration Panel which is covered in Section 11 below.

## **5. Recruitment of Chief Officers**

- 5.1 The Council's policy and procedures with regard to recruitment are set out within the Officer Employment Procedure Rules in Part 4 of the Council Constitution.
- 5.2 When recruiting to all posts the Council will take full and proper account of its own Equalities, Recruitment and Management of Change Policies.
- 5.3 The determination of the remuneration to be offered to any newly appointed chief officer will be in accordance with the pay structure and relevant policies in place at the time of recruitment. Welsh Government recommends that full Council should be offered the opportunity to vote on salary packages of £100,000 and above in respect of new appointments.
- 5.4 Where the Council is unable to recruit to a post at the designated grade, it will consider the use of market forces supplements in accordance with its relevant policies.
- 5.5 Where the Council remains unable to recruit chief officers under a contract of employment, or there is a need for interim support to provide cover for a vacant substantive chief officer post, the Council will, where necessary, consider engaging individuals under 'contracts for service'. These will be sourced through a relevant procurement process ensuring that the Council not only meets its statutory obligations but can also demonstrate the maximum value for money benefits in securing the relevant service.
- 5.6 The Council does not currently have any chief officers engaged under such arrangements.

## **6. Additions to Salary of Chief Officers**

- 6.1 The Council does not apply any bonuses, performance related pay, or any other benefits to its chief officers.

### **Chief Officer Remuneration Details**

- 6.2 The Council publishes in the Council's Annual Statement of Accounts details of remuneration in respect of chief officer posts where the annual sum paid is at least £60,000. It is important to note that whilst Teaching posts are outside the scope of this Pay Policy, any Teacher whose earnings are over the £60,000 threshold will still be recorded within the Council's Statement of Accounts. The Council's Annual Statement of Accounts can be accessed via the following link:-

<http://www.rctcbc.gov.uk/EN/Council/PerformanceBudgetsandSpending/StatementofAccounts.aspx>

- 6.3 The Council must appoint a returning officer (currently the Director of Legal Services). All fees paid in relation to the performance of the returning officer duties are determined by the Minister for the Cabinet Office and published in the Fees Order for the relevant election/referenda or in the case of County Borough elections by the Council itself. The details of any such fees paid are published in the Council's Annual Statement of Accounts. The Council has determined that no fees shall be payable to the returning officer for duties associated with undertaking the County Borough elections.

## **7. Payments on Termination**

- 7.1 The Council's approach to statutory and discretionary payments on termination of employment, prior to reaching normal retirement age, apply to all staff including chief officers and is set out within its policy statement in accordance with Regulation 6 of the Local Government (Early Termination of Employment) (Discretionary Compensation) Regulations 2006 and Regulations 30(6), 30(7) and 30(8) of the Local Government Pension Scheme Regulations 2013.

- 7.2 Applications under these schemes are made in accordance with the Council Constitution and Scheme of Delegation and are agreed by the Council's Voluntary Early Retirement Committee (and full Council as necessary). All applications for early retirement will be considered objectively. The schemes will apply to the following groups of staff:

- JNC for Chief Executives
- JNC for Chief Officers



- NJC for Local Government Services
- Staff employed under Soulbury terms and conditions

7.3 Redundancy Payments are made in accordance with the Redundancy Payments (Continuity of Employment in Local Government) (Modification) Order 1999, for the purposes of continuous service, as is any such declared re-employment by a body covered by the Modification Order.

7.4 Welsh Government recommends that full Council should be offered the opportunity to vote before severance packages for chief officers of £100,000 and above are approved for staff leaving the organisation. Within Rhondda Cynon Taf, any such severance package will firstly be considered by the Voluntary Early Retirement Committee. This Committee will make a recommendation to full Council as to whether or not the Council should agree a particular severance package. Following consideration by full Council a vote will be taken on whether to agree the severance package.

7.5 However Members must be made aware of the statutory or contractual entitlements due to an employee and the consequences of non approval by Council which may allow an employee to claim damages for breach of contract.

The Welsh Government considers the following components of a severance package for chief officers should be included when determining whether the package exceeds £100k:

- (i) salary paid in lieu;
- (ii) lump sum redundancy / severance payment; and
- (iii) cost to the authority of the strain on the pension fund.

7.6 Any other payments falling outside the provisions or the relevant periods of contractual notice shall be subject to a formal decision made in accordance with the Council Constitution and Scheme of Delegation.

## **8. Re-employment**

8.1 The Council will not re-employ or re-engage either as an employee, agency worker or consultant, any officer in receipt of an enhanced severance or redundancy payment which formed part of their early retirement. Those officers not of retirement age who accepted an enhanced severance payment as part of their voluntary redundancy will be precluded from being an employee, agency worker or consultant for a two year period following their termination.

## **9. Publication**

9.1 Upon approval by the full Council, this statement will be published on the Councils website.

## **10. Pay Relativities**

- 10.1 The lowest paid employee of the Council is paid at Grade 1 of the Council's pay and grading structure.
- 10.2 The relationship between the rate of pay for the lowest paid and chief officers is determined by the processes used for determining pay and grading structures as set out earlier in this statement.
- 10.3 In accordance with the requirements of Section 38(2) of the Act this statement must state the relationship between the remuneration of chief officers and the remuneration of its employees who are not chief officers.
- 10.4 The statutory guidance issued by the Welsh Ministers under Section 40(2) of the Act recommends the use of pay multiples as a means of measuring the relationship between pay rates across the workforce and that of senior managers, as included within the Hutton 'Review of Fair Pay in the Public Sector' (2010).
- 10.5 Hutton recommended the publication of an organisation's pay multiple -the ratio between the highest paid employee and the median average earnings across an organisation, as a means of illustrating that relationship and concluded that the most relevant measure for the median earnings figure should be the full time equivalent earnings of all staff employed.
- 10.6 In accordance with the recommendation of the Hutton report the ratio between the Chief Executive's pay and the median earnings of the workforce calculated using current pay levels within the Council is 1:7.
- 10.7 Whilst there is no legal requirement within Wales to publish separately, in the interests of transparency and equity, it is considered good practice to report on the Gender Pay Gap. Utilising the recommended calculation method, the combined pay gap within Rhondda Cynon Taf has reduced again and now stands at 10.41% (previously reported 11.66%, Pay Policy 20/21; 13.17%, Pay Policy 19/20 & 14.06%, Pay Policy 18/19). Further details will be contained within the Council's Annual Equality Report 2019/20 which will be published at the end of March 2021 and will be accessed at <https://www.rctcbc.gov.uk/EN/Council/EqualityandDiversity/AnnualEqualityReport.aspx>

## **11. Independent Remuneration Panel**

- 11.1 In accordance with the Local Government (Democracy) (Wales) Act 2013, a new section 143A has been inserted into the Local Government (Wales) Measure 2011. This provision gives the Independent Remuneration Panel for Wales ("the IRP") powers to make recommendations in relation to any policy

in an authority's pay policy statement which relates to the salary of the head of paid service.

- 11.2 If the Council proposes to change the salary value of the head of paid service (except one which is commensurate to a change affecting the authority's other staff more generally) then the Council is obliged to consult the IRP about the proposed change. The Council is then required to have regard to the IRP's recommendations on the proposal.

## **12. Accountability and Decision Making**

- 12.1 The Council Constitution and Scheme of Delegation sets out the procedure for decision making in relation to the recruitment, pay, terms and conditions and severance arrangements in relation to all employees of the Council.

## **13. Reviewing the Policy**

- 13.1 This Pay Policy Statement will be kept under review and developments considered in the light of external best practice and legislation. The Council will ensure the Pay Policy Statement is updated on an annual basis in line with the requirement of the Localism Act 2011. The annual Pay Policy Statement will be submitted to full Council each year for approval.

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