



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

Minutes of the virtual meeting of the Finance and Performance Scrutiny
Committee held on Tuesday, 13 April 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 T Williams	Councillor J Cullwick
Councillor G Caple	Councillor A Fox
Councillor S Evans	Councillor S Rees
Councillor J Edwards	Councillor W Owen

Officers in attendance:-

Mr P Griffiths, Service Director – Finance & Improvement Services
Mr A Wilkins, Director of Legal Services
Mr D Powell, Director of Corporate Estates
Ms W Edwards, Service Director – Community Services
Ms S Davies, Head of Finance – Education & Financial Reporting

County Borough Councillors in attendance:-

Councillor L M Adams, Chair Overview & Scrutiny Committee

47 Apology

An apology of absence was received from County Borough Councillor J Williams.

48 Minute's Silence

Members undertook a minute's silence in memory of His Royal Highness, the Prince Philip, Duke of Edinburgh.

49 Declaration of Interest

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

50 Minutes

It was **RESOLVED** to approve the minutes of the 15th March 2021 as an accurate reflection of the meeting.

51 Consultation Links

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

52 Rhondda Cynon Taf's Employment and Skills Strategy and Action Plan 2019 - 2021

The Service Director Community Services presented a Power Point presentation outlining the Employment and Skills Strategy 2019/2021 under the following headings:

- Where we were/where do we want to be/How do we get there?
- Delivering on Priorities
- Provision
- Delivery During Lockdown
- Support for Employers
- Impact of Provision on Customers
- Looking Ahead – Challenges
- Impact of COVID-19 on Employment
- Looking Ahead – Opportunities

The presentation was accompanied by a video which demonstrated how a Communities for Work participant received the appropriate support to work in the care sector and how this support was provided.

Following the presentation, the Service Director responded to a number of queries regarding the impact of Covid-19 on the level of support provided to enable young people to access and retain jobs in the county borough and beyond. The Service Director explained that the Council's Youth Engagement and Participation Service has targeted support and youth work provision over the last twelve months as the impact of Covid-19 on this age group has been significant. The Council provide a range of employment schemes and promote its Graduate and Apprenticeship Schemes which offer a wealth of opportunities to young people to gain and retain employment with the local authority. In addition, schemes such as the DWP Kickstart programme are available for 16-24-year olds. The Service Director advised that collaboration between the ten South East Wales Regions will provide joint support and opportunities for joint funding applications such as to the Shared Prosperity Fund which focuses on increasing productivity, inclusive and sustainable growth, economic development and employment/skills support.

A discussion ensued regarding the support available to those on the shielding list during the pandemic, the Service Director Community Services provided an update on the means by which residents who were shielding were approached and contacted with offers of support based on information supplied by the Health Board. Many personal accounts of the process were relayed, and Members sought clarification as to whether there would be a review in the future highlighting the mechanisms that worked well and lessons learned. The Service Director reported that the Community Support Steering Group had already undertaken some work which has identified key issues and challenges in this area through its partnerships, which could form the basis of a report to a future

meeting.

The Service Director advised that there are a number of considerations for Adult Community Services in conjunction with its partners going forward such as pathways into other employment provisions that meet a green economy and technological advances in addition to changes in the labour market and employment that requires a higher level of skills set.

Committee requested further information be circulated following the meeting in respect of the numbers of Graduates that acquire and sustain employment with the local authority and beyond and the estimated ESF Grant Value for 2021-22.

Following further discussions, it was **RESOLVED** to note the information contained within the presentation.

53 To consider the report of the Director of Finance & Digital Services.

The Service Director, Performance and Improvement presented Members with the Quarter 3 Council Performance Report to the 31st December 2020.

The report included information in respect of revenue and capital budget performance; Treasury Management prudential indicators; Organisational Health information including staff turnover, sickness and Council strategic risks; and Corporate Plan priority action plan updates (including investment updates).

The Service Director provided the Committee with an overview of the key information included within the report in respect of financial data and progress against the Council's Corporate Plan priorities as well as signposts to other reports presented to other Committees during the period. Committee was referred to the Executive Summary which provided information relating to the Revenue Budget Performance, projected as £1.049M overspend at Quarter 3. The Committee was advised of the full year projection of additional costs and income losses associated with Covid 19 and the monthly claim process via the Welsh Government Hardship Fund to ensure the Council reclaims all eligible additional costs and income losses.

The Service Director advised of some of the key areas within the subsequent sections of the report such as key pressures continuing for demand led services particularly Adult Social Care and Children Services. He also reported that work is ongoing across all service areas to contribute to bringing the Council's overall financial position closer in line with budget at year-end.

The Service Director provided a summary of Capital Programme investment at Quarter 3, this being £57M against a total budget for the year of £108M and representing a 53% completion rate that is broadly comparable with the same period in the previous financial year. The Service Director advised on some key areas of investment such as Llys Cadwyn and Coedely Business Unit which focus on regeneration, continued investment in infrastructure through highways and structural improvements, support for vulnerable clients via the provision of disabled facilities grants and on-going investment in schools across the County Borough. He added that a number of new grant approvals have also been incorporated into the Capital Programme at quarter 3.

The Service Director reported that the Council's sickness absence percentage, which excludes Covid related absences such as the requirement to self-isolate or being part of the shielded list, is 3.84% which represents an improved position overall from the previous year. He added that the Council continues to provide specific support to areas such as Adult Social Care, to assist service areas and staff through an unprecedented period.

The Service Director advised that Section 4 of the Executive Summary sets out the Council's updated Strategic Risk Register. He confirmed that Risk 25, which relates to the impact of Covid-19, has been updated to include reference to the financial implications of the pandemic, as requested by the Committee as part of its scrutiny of the Council's quarter 2 Performance Report.

The Service Director went on to provide an overview of Section 5 of the Executive Summary that covers the Council's Corporate Plan priority action plan progress updates. He explained that the purpose of the overview of progress for each priority area included within the Executive Summary is to provide a balanced picture of progress, within the context of the unprecedented circumstances which Council's services continue to operate. He added that each priority area also contains investment priority progress updates across 28 areas and representing additional investment of over £55Million.

In conclusion, the Service Director advised that the first progress update of the Council's response to the extreme weather events is included in the quarter 3 report, as agreed by Cabinet on the 18th December 2020, with further updates to be considered by the Overview & Scrutiny Committee in due course.

In response to a number of queries raised, the Service Director provided clarification on budget variances within Adult Services in respect of Long-term Care & Support and Short-term Intervention Services.

Further clarification was also provided regarding the overspend in Children's Services, this being primarily as a result of an increase in demand for residential care to accommodate children looked after and the complexities of specific packages of care. The Service Director confirmed that additional information relating to the following areas would be provided to Committee following discussion with the relevant service areas:

- Investment in town centres, specifically around leveraging in private sector investment for projects in Porth; and
- Delayed Transfer of Care - the key stages of the process before hospital discharge with an appropriate care package in place.

Following consideration of the report it was **RESOLVED** to acknowledge the Council's financial and operational performance position as at 31st December 2020 (Quarter 3).

54 2021/22 CAPITAL STRATEGY REPORT AND 2021/22 TREASURY MANAGEMENT STRATEGY REPORT

The report of the Service Director Democratic Services & Communications introduced the 2021/22 Capital Strategy Report and 2021/22 Treasury Management Strategy Report, which were approved by Council on the 10th March 2021, and provided the opportunity for Members to scrutinise the reports

in line with the Terms of Reference of the Committee

The Head of Finance, Education and Financial Reporting provided background information to both reports indicating that the Capital Strategy had been prepared in line with the Prudential Code for Capital Finance in Local Authorities and the Treasury Management Report in line with the Local Government Act 2003, the CIPFA Treasury Management Code of Practice and the CIPFA Prudential Code.

The Head of Finance, Education and Financial Reporting went on to provide an overview of both reports.

For the Capital Strategy Report, the Head of Finance advised that the purpose of the report is to provide a high level overview of how capital expenditure, capital financing and treasury management activity contribute to the provision of services along with an overview of risk, its management and the implications for future financial sustainability. The Head of Finance referred Members to specific information within the report including the 3-year capital programme (2021/22 and 2023/24), approved by full Council on 10th March 2021, of just over £116M. Of this investment, £33M is funded by borrowing, the remainder being funded by other sources such as grants, capital receipts, third party contributions or revenue contributions.

It was reported that the Council complies with the Prudential Code when setting the Capital Programme in line with the requirement for plans to be affordable, sustainable and prudent. The Head of Finance referred to the Prudential Code Indicators that the Council is required to agree at the start of the year, as set out in the report, and confirmed that performance updates will be reported to Council and the Finance and Performance Scrutiny Committee in a mid-year and year-end reports and also as part of the Council's quarterly Performance Reporting arrangements. The Head of Finance added that a new sub-section had been included within the report around the Council's high-level approach and appetite in respect of commercialisation opportunities.

The Head of Finance, Education and Financial Reporting then presented the Treasury Management Strategy which set out the Council's Investment Strategy, Treasury Indicators for 2021/22 and Minimum Revenue Provision Policy Statement.

In presenting the Strategy, Committee was advised that in November 2020 the HM Treasury, after considering responses to its consultation of future lending terms, reduced the rates of the Public Works Loans Board (PWLB) by 1%, thereby reversing the previous increase in October 2019 which has enabled improved affordability for capital programmes. The Head of Finance went on to indicate that the Council's borrowing requirement to fund the 2021/22 capital programme is currently £19.3M and also reminded Members of the Council's continued strategy to maximise internal borrowing, run down cash balances and foregoing interest earned at historically low rates.

The Head of Finance, Education and Financial Reporting explained that PWLB loans are no longer available to Councils planning to buy investment assets primarily for yield or solely for exploiting commercialisation opportunities. The Head of Finance added that the Council's policy on Treasury Management is to prioritise security and liquidity over return and to focus on minimising risk rather than maximising return, with cash investments continuing to be held with other

public sector bodies or the UK Government's Debt Management Office. The Head of Finance, Education and Financial Reporting also advised that this approach is supplemented by approved lending to organisations where appropriate due diligence is undertaken and security arrangements put in place, and currently £6.65M is invested in such arrangements as at 1st April 2021.

In conclusion, the Head of Finance, Education and Financial Reporting drew Members attention to the Policy Statement approved by Council on Minimum Revenue Provision (MRP) and explained that in line with the Local Government Act 2003 there is a requirement to charge an amount to revenue each year in respect of capital expenditure, with this charge being known as Minimum Revenue Provision.

Following consideration of the report it was **RESOLVED** to acknowledge the information contained within the report as set out below:

Appendix 1:

2021/22 Capital Strategy Report incorporating Prudential Indicators.

Appendix 2:

Treasury Management Strategy incorporating Investment Strategy, Treasury Management Indicators and Minimum Revenue Provision (MRP) Statement for 2021/22.

55 To consider passing the following resolution:-

RESOLVED – “That the press and public be excluded from the meeting under Section 100A(4) of the Local Government Act 1972 (as amended) for the following items of business on the grounds that they involve the likely disclosure of exempt information as defined in Paragraph 14 of Part 4 of Schedule 12A of the Act”.

56 Corporate Asset Management Plan

The Director of Corporate Services presented his report which set out progress against the key themes of the Corporate Asset Management Plan 2018/23.

Following consideration of the plan which provides a coordinated strategic approach to the management of the Council's property assets to deliver benefits to the Council, it was **RESOLVED** to acknowledge the content of the report.

57 Chair's Review and Close

The Chair reminded members that any requested information would be circulated in due course via the Scrutiny Support Officer.

As this was the last meeting of the Finance & Performance Scrutiny Committee for the 2020/21 Municipal Year, the Chair extended his thanks to Lead Officers and members of the Committee particularly to his Vice Chair, Councillor G Thomas for his support and guidance.

This meeting closed at 7.32 pm

**CLLR M. POWELL
CHAIR.**