



RHONDDA CYNON TAF COUNCIL FINANCE AND PERFORMANCE SCRUTINY COMMITTEE
Minutes of the virtual meeting of the Finance and Performance Scrutiny Committee held on
Wednesday, 8 September 2021 at 5.00 pm.

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

Councillor G Thomas (Chair)

Councillor S Bradwick	Councillor R Yeo
Councillor S. Rees-Owen	Councillor J Williams
Councillor J Cullwick	Councillor G Caple
Councillor A Fox	Councillor J James
Councillor S Evans	Councillor J Edwards

Officers in attendance:-

Mr C Hanagan, Service Director of Democratic Services & Communication
Mr S Gale - Director of Prosperity and Development
Mr P Griffiths, Service Director – Finance & Improvement Services
Mr M Hughes, Service Director - Corporate & Management Accounting
Mr N Griffiths, Service Director - Community & Children's Services
Ms S Davies. Service Director - Education and Financial Reporting
Mrs S Handy, Members Researcher & Scrutiny Officer

Other County Borough Councillors in attendance:-

Councillor M Norris, Cabinet Member for Corporate Services
Councillor M Adams, Chair of the Overview & Scrutiny Committee

Others in attendance:

Mr J Fish, Voting Parent / Governor Representative

11 Welcome & Apologies

Apologies of absence were received from County Borough Councillors
M. Powell, T. Williams and H. Boggis.

In the absence of the Chair, the Vice Chair Councillor G. Thomas,
conducted the meeting. It was agreed to deal with the agenda items out
of sequence.

12 Declaration of Interest

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

13 Minutes

It was **RESOLVED** to approve the minutes of the 20th July 2021 as an accurate reflection of the meeting, subject to the following amendment:

Item 8, page 9: Councillor G. Thomas clarified that the question pertained to whether the Council should have a manufacturing strategy in conjunction with the Tourism Strategy.

14 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.

15 Community Infrastructure Levy Annual Monitoring Report

The Director of Prosperity and Development presented his report to Members to seek Committee's comments to be forwarded onto Cabinet in respect of the contents of the CIL Annual Monitoring Report and proposed changes to the regulation 123 List.

In accordance with the Community Infrastructure Levy Regulations 2010 (as amended), the Director attached to his report at Appendix A the CIL Annual Monitoring Report detailing the CIL income and expenditure. Also attached to the report as Appendix B was the Regulation 123 List, which required Members' approval for publication on the Council website for a period of 28 days consultation.

The Director referred Members to paragraph 5.2 of the report and advised Members that the total CIL income received in 2021/22 was £176,332.59. This included:-

- 80% as Strategic income = £24,481.84
- 15% Local income = £150,320.64
- 5% Administration income = £1530.12

The Director emphasised that the 80% Strategic income is less than the 15% Local income due to the amount being off-set against the cost of the new primary school at the Llanilid development as this was a CIL payment in lieu of a financial contribution.

A further reference was made to paragraph 5.4 of the report and the Director explained that there had been no expenditure of Strategic CIL income to date, however, he emphasised that Cabinet agreed on 20th

September 2018 to spend £395,000 of Strategic CIL on Ffynnon Taf Primary School. Members were informed that the project will include a new build extension (4 classrooms and a hall) and refurbishments to the current school buildings for school and community use. The £395,000 Strategic CIL money is proposed to be spent by the end 2021/22.

Members were further informed of the proposed changes to the regulation 123 List, however, the broad thrust of the List remains the same as it proposes highway and education projects that support and mitigate the growth anticipated through the Council's Local Development Plan. Members were referred to Appendix C for the proposed changes.

The Director advised Members that there was one proposed change to the transportation project part of the List, which is to remove the Mountain Ash Cross Valley Link as it has progressed without the need for CIL funding. There was also one proposed change to the education project part of the List, which was to remove the new/additional education provision to serve Station Road, Church Village as this infrastructure project is to be funded using S106 education contributions.

Following this, Members had the opportunity to scrutinise the report.

Councillor Caple queried whether the Council was able to use the CIL funding towards flooding prevention infrastructure in light of Storm Ciara and Storm Dennis. The Director advised Members that in theory it could be used, however, he reminded Members that the purpose of the CIL was for new infrastructure to support growth identified in the Local Development Plan.

Mr Fish, the Voting Parent / Governor Representative, queried what happens to the CIL commitment in light of the changes to Church Village. The Director advised that any CIL received isn't linked to the impact of the development it is received from and it is for the Council to spend strategically on infrastructure anywhere with the County Borough.

Discussions continued and Councillor James noted his concern that there is an Area such as Church Village that had substantial growth in terms of housing where the educational provision would be removed and other areas that do not have the same level of growth but continue to receive funding. Councillor James also queried what impact would be made on CIL with the Welsh Government's review of the roads being built throughout Wales. The Director advised that in terms of educational provision in Church Village, the removal had no reflection on the new educational provision in that area and the education provision previously referred to in the 123 List would get developed without the need for CIL funding. The Director also advised that the Council was currently undertaking a review of the Local Development Plan and that the review would look at where the growth pressure is in that area and what education provision is needed to meet that growth. In terms of the Welsh Government's review of the road building strategy, the Director advised

that the role of the CIL and the Regulation 123 List is to identify what infrastructure is necessary to mitigate the impact of developments in the future and whether changes to the List need to be made in light of the Welsh Government's announcement will remain under review.

Councillor Bradwick queried the size of the school to be built at Llanilid and questioned whether £1million would be sufficient to build a new school. The Director advised that Persimmon would build the whole school at their cost but whatever the total cost of their development is it would be deducted from their overall CIL liability.

Councillor Yeo noted that CIL contributions should be invested across the County Borough as a whole and that all aspects of the County Borough should be treated the same. Councillor Yeo also noted the importance of reviewing how much CIL is being paid, the percentage of the CIL and the importance of getting value for money in light of the vast amount of houses being built. The Director acknowledged that a large amount of houses being built does have an impact on the wider Llanilid area and emphasised that in addition to the school, Persimmon are obligated to deliver a village centre, which will include new shops, a medical practice etc.

Discussions continued and Councillor James clarified that he is not against development elsewhere in the County Borough but that the point of the CIL is to help with the growth element and to tackle it within the Local Development Plan. He noted that as in Appendix B most of the areas proposed are in the south of the County Borough.

Following discussion, Members **RESOLVED** to:

1. Present the CIL Annual Monitoring Report (Appendix A) to Cabinet for approval;
2. Present the Regulation 123 List (Appendix B) to Cabinet for proposed publication on the Council website for a period of 28 days and consultation; and,
3. Agree for the Committee's comments and feedback to be reported back to the next meeting of the Cabinet.

16 Understanding the Council's Budget

Members were provided with an overview of the Council's 2021/22 Revenue Budget and 3-year Capital Programme 2021/22 to 2023/24.

In respect of Education & Inclusion Services, Members received an overview from the Service Director - Education and Financial Reporting who set out details of Individual School Budgets (ISB) and non-schools budgets in respect of Education and Inclusion Services and 21st Century

Schools. With regard to ISB, the Service Director informed Members that should a school be in a deficit position, a Schools Deficit Protocol is in place to support schools plan and deliver their recovery.

Following the Education and Inclusion Services section of the presentation, Members were provided with an opportunity to scrutinise the information.

Councillor Bradwick requested clarity on how many schools in the County Borough are in surplus and how many are in a deficit. The Service Director advised Members that this information will be provided following the meeting.

Mr Fish welcomed the increase within the Additional Learning Needs budget over time and noted this being a reflection of the increasing pressures on this area, and requested clarity on the proportion of the budget that is allocated to support statemented pupils. The Service Director advised the Committee that this information will be provided following the meeting and also advised Members of the recent consultation that has been undertaken with schools to help inform the distribution of Additional Needs Learning funding,

Members then received the next section of the presentation, delivered by the Service Director - Community & Children's Services, who provided an overview of budgets for Adult Services; Children's Services; Public Health & Protection and Community Services; and Transformation. The Service Director also provided Members with information on how the requirements of the Social Services and Well Being Act are built into service delivery arrangements and set out specific financial risks and budget pressures.

Councillor S. Rees-Owen noted the high costs of external placements within Children's Services residential care and requested clarity on what arrangements were in place / planned to support local placements as opposed to out of county placements. The Service Director fed back that the level of support required by children is becoming more complex and challenging, and alternative provisions are being explored and developed by the Service, through the Integrated Care Fund, to enable effective support to continue to be provided, for example, Carn Ingli in Aberdare.

Councillor Yeo requested clarity on the Council's forecasted financial position for the current year in respect of the Community and Children's Services Group. The Service Director fed back that the Council's 2021/22 budget setting process allocated additional investment to the Group, recognising the significant challenges across many areas and also the on-going impact of the Covid-19 pandemic. The Service Director added that the Council is well placed in terms of managing its 2021/22 budget, noting that additional funding is also being secured via Welsh Government to support all local authorities across Wales.

Members then received the next section of the presentation from the Service Director – Corporate & Management Accounting who provided an overview of the 2021/22 revenue budgets for Prosperity, Development and Frontline Services, Chief Executive's Division and Corporate Budgets, and also provided an overview of the Council's 3 year Capital Programme 2021/22 to 2023/24.

Councillor Bradwick requested clarity on how much the increase in National Insurance contributions, announced by the UK Westminster Government on 7th September 2021, is estimated to cost. The Service Director fed back that work is underway to estimate the financial impact on the Council.

Councillor Bradwick emphasised his support for the Capital Programme investment by the Council in local play areas and thanked officers for their hard work.

To conclude, the Chair thanked officers for providing an in depth overview of the Council's budgets.

Following discussion, Members **RESOLVED** to acknowledge the information provided in respect of the Council's 2021/22 Revenue Budget and 3-year Capital Programme 2021/22 to 2023/24.

17 Treasury Management Annual Report 2020/21

The Service Director - Education & Financial Reporting presented the report of the Director of Finance and Digital Services in respect of the Annual Treasury Management Review 2020/21, which had been presented to Council on the 14th July 2021 (attached to the report at Appendix 1).

The Service Director referred Members to specific sections of the report, providing assurance and information in respect of:

- The Council has complied with all relevant Codes of Practice, regulations and guidance (para 4.2);
- An underspend of £250k in the Net Capital Financing budget (para 8.4);
- Compliance has been achieved in terms of all Prudential and Treasury indicators (para 9.1);
- The Council continues to adopt a low risk strategy in terms of investing and borrowing (paras 6.1.7, 7.1 and 10.2); and
- Details of the Council's non-financial investments (para 11.7).

Following discussion, Members **RESOLVED** to acknowledge the information within the report.

18 Urgent Business

There was no urgent business to report.

19 Chair's Review and Close

The Chair thanked Members for attending and thanked officers for providing the Committee with a detailed overview for each agenda item.

This meeting closed at 6.38 pm

**CLLR G THOMAS
VICE CHAIR.**