



**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 (01443 424098)

YOU ARE SUMMONED to a virtual meeting of **RHONDDA CYNON TAF COUNTY BOROUGH COUNCIL** to be held on **WEDNESDAY, 24TH NOVEMBER, 2021** at **5.00 PM.**

AGENDA

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No's**

TIME	ITEM	PAGE(S)
5 Minutes	<p>ITEM 1. DECLARATION OF INTEREST</p> <p>To receive disclosures of personal interests from Members in accordance with the Code of Conduct</p> <ol style="list-style-type: none"> 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 <u>must</u> notify the Chairman when they leave. 	
10 Minutes	ITEM 2. ANNOUNCEMENTS	
5 Minutes	<p>ITEM 3. MINUTES</p> <p>To approve as an accurate record, the minutes of the Council Meeting held on 20th October 2021.</p>	5 - 16
	OPEN GOVERNMENT:	
10	ITEM 4. STATEMENTS	

Minutes	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:	
20 Minutes	<p>ITEM 5. MEMBERS' QUESTIONS</p> <p>To receive Members questions in accordance with Council Procedure Rule 9.2.</p> <p>(N.B a maximum of 20 minutes shall be allowed for questions on notice.)</p>	17 - 24
	<p>COUNCIL WORK PROGRAMME - FOR MEMBERS INFORMATION</p> <p>Council Work Programme – 2021/22</p>	
	OFFICERS' REPORTS	
10 Minutes	<p>ITEM 6. RHONDDA CYNON TAF PENSION FUND 2020/21 STATEMENT OF ACCOUNTS AND EXTERNAL AUDIT REPORT</p> <p>To receive the report of the Director of Finance & Digital Services.</p>	25 - 92
10 Minutes	<p>ITEM 7. WALES PENSION PARTNERSHIP (WPP) - INTER AUTHORITY AGREEMENT</p> <p>To receive the report of the Director of Finance & Digital Services.</p>	93 - 106
15 Minutes	<p>ITEM 8. 2021-22 MID-YEAR TREASURY MANAGEMENT STEWARDSHIP REPORT</p> <p>To consider the report of the Director of Finance & Digital Services.</p>	107 - 120
10 Minutes	<p>ITEM 9. NOMINATIONS FOR FREEDOM OF THE COUNTY BOROUGH</p> <p>To receive the report of the Service Director Democratic Services & Communications.</p>	121 - 124
10 Minutes	<p>ITEM 10. GAMBLING ACT 2005 - STATEMENT OF PRINCIPLES (LOCAL POLICY) 2022 - 2025</p> <p>To receive report of the Director of Public Health, Protection & Community Services.</p>	125 - 176
45 Minutes	<p>ITEM 11. NOTICES OF MOTION</p> <p>A. To consider the under-mentioned Notice of Motion standing in the names of Councillor L Hooper, S Trask and J James:</p> <p>“The aspiration of home ownership is a natural instinct for many individuals and families across Rhondda Cynon Taff County Borough Council, and it is an aspiration this Council endeavours</p>	

to support.

For many individuals and families, the aspiration of owning their own home looks increasingly difficult to achieve due to rising house prices and a shortage of properties. One major contributor to this is the increasing tendency of housing developers to engage in a practice which is commonly referred to as 'land-banking', whereby the developer succeeds in securing planning permission but does not deliver upon the proposed development.

This is an issue that affects the whole United Kingdom and in this County Borough alone could explain as many as 4,517 properties that were granted between 2012/13 and 2019/20 but have yet to be built.

Though there are a multitude of factors that can explain why a successful housing application isn't delivered upon, it is clear that a great many of these are as a result of the practice of 'land-banking'.

As well as preventing many of our residents in making the first step on to the housing ladder, it can also erode the trust of residents in the planning system when 'brownfield' sites are being 'land-banked' by developers - putting pressure on the Local Development Plan to propose new sites for housing allocations that may be less suitable for such development.

Therefore, this Council resolves:

-That the Leader of the Council writes to the Welsh Minister for Climate Change (whose portfolio includes housing) asking that Local Authorities in Wales are given the power to levy council tax charges on incomplete applications that have failed to materialise after an agreed timeframe set by the local authorities.

-To ask council officers to bring forward a report to Full Council in the New Year, setting out what actions can be taken in the short-term to reduce the impact of this harmful practice".

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

"This Council expresses concern at the policy of the UK government to recruit 16-year-olds into the army. The UK government is the only country in NATO or Europe to do this.

This policy has adverse consequences for recruits of 16 and 17 years of age. Evidence shows that: -

- 1) They are twice as likely to be killed in active service than older recruits.
- 2) They are more likely to suffer mental health problem such as PTSD, and depression.

	<p>3) They are more likely to have alcohol and drug related addictions</p> <p>4) They are more likely to commit suicide.</p> <p>5) 28% fail to complete the basic training.</p> <p>The policy has been opposed by the Children’s Commissioner for Wales on the ground that it conflicts with the United Nation’s Convention on the Rights for the Child.</p> <p>Council resolves to write to the UK Prime Minister requesting that the policy be changed as a matter of urgency. A copy of the letter will also be sent to the Welsh First Minister”.</p>	
	<p>ITEM 12. URGENT BUSINESS</p> <p>To consider any items which the Chair, by reason of special circumstances, is of the opinion should be considered as a matter of urgency.</p>	

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 October 2021 at 5.00 pm.

County Borough Councillors - Council Members in attendance: -

Councillor S Powderhill (Chair)

Councillor S Trask	Councillor R Williams
Councillor G Hughes	Councillor M Powell
Councillor H Boggis	Councillor J Bonetto
Councillor S Bradwick	Councillor R Bevan
Councillor A Calvert	Councillor T Williams
Councillor A Crimmings	Councillor D Williams
Councillor G Davies	Councillor L De Vet
Councillor S Rees	Councillor J Elliott
Councillor S Evans	Councillor M Forey
Councillor M Norris	Councillor E Webster
Councillor M Webber	Councillor M Griffiths
Councillor A Roberts	Councillor M Weaver
Councillor L Walker	Councillor K Morgan
Councillor R Yeo	Councillor P Jarman
Councillor R Turner	Councillor G Thomas
Councillor A Morgan	Councillor M Adams
Councillor G Stacey	Councillor R Lewis
Councillor C Leyshon	Councillor J Brencher
Councillor D Owen-Jones	Councillor W Owen
Councillor S Morgans	Councillor S Belzak
Councillor W Lewis	Councillor G Jones
Councillor W Treeby	Councillor K Jones
Councillor L Jones	Councillor L Hooper
Councillor J Harries	Councillor D Grehan
Councillor E George	Councillor H Fychan
Councillor J Williams	Councillor A Davies-Jones
Councillor J Davies	Councillor J Cullwick
Councillor A Cox	Councillor A Chapman
Councillor E Griffiths	Councillor G Caple
Councillor J Edwards	Councillor J Barton

Officers in attendance

Mr C Bradshaw, Chief Executive
Mr C Hanagan, Service Director of Democratic Services & Communication
Mr B Davies, Director of Finance & Digital Services
Mr P Mee, Group Director Community & Children's Services
Mr A Wilkins, Director of Legal Services
Mr R Evans, Director of Human Resources
Mr R Waters, Director Frontline Services
Mr P Griffiths, Service Director Performance & Improvement

64 Apologies

Apologies for absence were received from County Borough Councillors Sera Evans, A S Fox, M Fidler Jones, G Holmes, G Hopkins, P Howe, J James MS, W Jones, S Pickering, S M Powell, S Rees-Owen, J Rosser, E Stephens and M Tegg.

65 Declaration of Interest

In accordance with the Council's Code of Conduct, County Borough Councillor P Jarman declared the following personal interest in relation to the following agenda items:

Agenda item 6 - **COUNCIL TAX DISCOUNTS**

Agenda item 9 - **REVIEW OF REGULATION, AWARENESS AND ENFORCEMENT OF FLOOD AND WATER LEGISLATION**

"Dispensation to speak and vote on all matters for the duration and adoption of the 2021-22 Budget process in my capacity as Leader of the Opposition"

66 Announcements

Minute's Silence

The Leader led the Council in a Minute's silence in memory of MP Sir David Amess who had been tragically murdered recently and in memory of the 116 children and 28 adults who lost their lives in the Aberfan disaster 55 years ago.

Announcements

County Borough Councillor S A Bradwick wished to congratulate Sheppard's Chemist, Abercwmboi, Aberdare for being nominated for two Awards, the Independent Community Pharmacy Practice of the Year Award and the Excellence in Delivering Self-Care Agenda in Community Pharmacy Award. The Practice was nominated for these Awards due to the staff dedication and commitment during the pandemic and out of 500 nominations the Practice reached the final 3. The nominations are in recognition of the staff's hard work and support for the community during a very difficult time and Cllr Bradwick wished to thank the staff members Katherine Sweet, Katherine Whatberts, Anna Matthews and Councillor Tina Williams for continuing to do so. He requested that a letter of congratulations is sent to the Practice from the Mayor.

County Borough Councillor P Jarman wished to congratulate one of her resident's son, Flight Lieutenant Steve Jones who is currently serving in the Falklands Islands and has been awarded the Wally Marriot Royal Airforce Association Liaison award for his work with veterans during the Pandemic. The award recognises his work, commitment and dedication to supporting veterans. It was announced that Flight Lieutenant Steve Jones is a credit to the service and thoroughly deserved the award. Councillor Jarman also hoped the Mayor would send a letter of congratulations to Flight Lieutenant Steve Jones.

County Borough Councillor R Lewis announced that Hope Rescue in Llanharan has been recognised by the RSPCA's PawPrints Awards 2021, having achieved a Bronze Kennelling Award. PawPrints is run by the RSPCA to recognise local authorities, housing associations, contingency planners and other public sector organisations that go above and beyond basic or statutory requirements to ensure higher welfare standards for animals in the services they provide. Winning a PawPrints Award this year of all years is a huge achievement.

67 Minutes

The Council **RESOLVED** to approve the minutes of the 29th September 2021 as an accurate reflection of the meeting.

68 Members' Questions

Members' Questions

Members were advised that apologies of absence had been received from the Cabinet Member for Education & Inclusion Services, County Borough Councillor J Rosser, the Cabinet Member for Adult Services and the Welsh Language, County Borough Councillor G. Hopkins and the Chair of the Licensing Committee County Borough Councillor A S Fox and therefore written responses in respect of questions 4, 7, 8 and 10 would be circulated to all Members following the meeting.

Members were also asked to note that questions 5 and 18 would fall due to apologies offered on behalf of County Borough Councillors S M Powell and P Howe.

1. Question from County Borough Councillor R. Yeo to the Leader of the Council, County Borough Councillor A. Morgan:

"Can the Council Leader make a statement on the plans to develop the North West Transport Corridor?"

Response from County Borough Councillor A. Morgan:

The Leader advised that the initial phase of work had been commissioned by Transport for Wales, Rhondda Cynon Taf County Borough Council, Cardiff City Council and Welsh Government and produced a transport study on the North West Corridor which aims to improve travel connectivity between communities in RCT and north west Cardiff.

The Leader highlighted some of the specific plans which have been identified to improve walking, cycling and transport links along the Corridor by 2025 such as increasing the number of services on the City Line to at least four trains an hour between Cardiff Central and Radyr with a new station at Ely Mill, improvements to the Treforest Industrial Estate train station and a strategic bus park and ride service at Junction 33 of the M4. These packages of measures represent a more equitable way of travel.

Supplementary question from County Borough Councillor R Yeo:

I welcome the Beddau Spur Transport project, what does the Leader think the broader scheme will bring with it?

Response from County Borough Councillor A. Morgan:

The Leader stated that it is a significant project which will bring with it many benefits for the local residents and those who commute along the A4119 which is heavily congested, and he hoped it would bring with it a package of measures that would help bring with it a sustainable alternative to the increasingly pressurised road network.

2. Question from County Borough Councillor E George to the Leader of the Council, County Borough Councillor A. Morgan:

“Can the Leader of the Council outline what discussions are ongoing through the WLGA or directly through RCT in relation to next year’s Budget settlement?”

Response from County Borough Councillor A. Morgan:

The Leader advised that all 22 Council Leaders meet regularly with the Local Government and Finance Minister Rebecca Evans and the Leader had met with the Finance subgroup and Welsh Government recently. All discussions have been positive to date. He advised that next year, Welsh Government will see a substantial increase in their budget partly from the increase in National Insurance and on the 27th October 2021 the comprehensive spending review will be announced.

The Leader added that for Local Government across Wales, a large proportion of any additional funding received will go back to UK Government Treasury due to the National Insurance increase. There has been substantial extra in-year investment this year from Welsh Government to support the pressures on social care and there is likely be further funding for social care going forward.

The Leader advised that although the in-year funding is substantial and welcome it is indicative of the pressure felt by the social care sector and will have less impact this year due to base update requirements for Adult Social Care costs. The Leader advised that lobbying of both UK and Welsh Government ahead of the 27th October will take place to ensure that the additional funding is passported to local government.

In conclusion, the Leader stated that the Government is providing indicative grant values and distributions now so that local authorities are able to plan their budgets efficiently.

Supplementary question from County Borough Councillor E George:

“What are the Leader’s priorities for next year?”

Response from County Borough Councillor A. Morgan:

The Leader advised that social care will be the biggest priority of the Council next year and the biggest winner in terms of any additional funding. Schools have always been and continue to be protected and last year substantial funding was used to bolster support services such as Public Health & Protection Service

which has played a key role in ensuring the public health and wellbeing of our communities, and as well as the Council's Youth Services. The Leader concluded that the budget consultation process is underway and Members will soon receive a report on the implications of the Provisional Settlement.

3. Question from County Borough Councillor L. M. Adams to the Cabinet Member for Corporate Services, County Borough Councillor M. A. Norris:

"Will the Cabinet Member provide an update on the Council's Free Town Centre Wi-Fi rollout?"

Response from County Borough Councillor M. Norris:

Councillor Norris confirmed that the scheme forms part of the Council's wider support for the regeneration of town centres. It supports traders to operate digitally and helps increase their online presence to contact a larger customer base. It also provides additional incentives for residents to shop locally. The service has been fully accredited by the friendly Wi-Fi service, which is a government scheme which means a wide range of inappropriate web pages and content identified by the Internet Watch Foundation is blocked from appearing online when using the Council's Wi-Fi service. This provides confidence to residents that the service can be enjoyed and used safely.

Councillor Norris advised that recently free Wi-Fi was rolled out to Tonypanyd town centre and by the end of the month it is anticipated that the last town centre, Pontypridd, will also be completed. The target completion date for Pontypridd has slipped slightly due to complexities of connecting the Council's broadband service in Sardis House to the system, however, final testing of the signals is underway before the live launch.

In conclusion, Councillor Norris stated that the original pledge during the last Election was to pilot free Wi-Fi in 7 principal town centres and was one of 12 core pledges made and Pontypridd town centre will be the last one to be completed.

There was no supplementary question

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

"Can the Council Leader provide an update on what discussions have been held with Transport for Wales on the South Wales Metro plans and how far advanced is the preparation works for the electrification of the Valleys lines?"

Response from County Borough Councillor A Morgan:

The Leader explained that in his role as Leader of the Council, of the WLGA, and as Lead Spokesperson for Transport in Wales he holds regular discussions with Transport for Wales. Progress in some areas, as with all industries, has been delayed due to covid, but the piling works in the Valleys for the overhead stanchions has commenced. He advised that although the rotary piling is quiet work, unfortunately, the majority of the work is hammer piles which can be more

disruptive. Once work is completed in the Cynon Valley it will progress into the Rhondda Valley next year. Transport for Wales has indicated that the project has a 3–6-month delay but they are committed to the full electrification of the Valley line with new trains on order and the Depot work in Taffs Well underway.

Supplementary question from County Borough Councillor J Bonetto:

“Can the Leader provide information on the quality and some of the extra features the new trains will have?”

Response from County Borough Councillor A Morgan:

The Leader advised that he had recently had the opportunity to visit the new mock trains to see first-hand the improved quality and comfort and features such as WI-FI, phone chargers at every seat with three pinned plugs for laptops. There are also dedicated spaces for cycles for members of the public who want to use active travel and cycle to the train station.

The Leader explained that the new trains are quieter which will be of benefit to those residents who reside near the rail lines. Trains will operate later into the night, more frequently and offer a more efficient service on the weekends. He added that the new trains are faster, the service from Aberdare to Cardiff is approximately 14 minutes quicker than the existing service, likewise the service from Treherbert to Cardiff and the new trains will offer a more viable and attractive public service for commuters.

5. Question from County Borough Councillor G. P. Thomas to the Leader of the Council, County Borough Councillor A. Morgan:

“Can the Council Leader provide an update on the Zip World attraction in terms of jobs created visitor numbers to the attraction so far and the potential economic boost to the County?”

The Leader commented that Zip World has been a success to date and visitor numbers are 49,656 (participants taking part on the zip lines or the coaster ride) with 14,897 (spectators) which equates to almost 65,000 visitors in total since it opened. In terms of employment, 150 employees in total have been employed through Zip World with 105 currently employed (the drop in numbers being attributed to seasonal work and entering into the winter season). The turnover to date is £2.5 million. In terms of the forecasting, the local spend is approximately £16 ¼ million across the region (with restrictions affecting visitor numbers) which includes caterers, accommodation such as Airbnb, bus/travel providers and further investments may develop as a result of Zip World.

The Leader wished to put on record his thanks to several officers of the Council who have helped to drive the project forward.

69 Council Work Programme 2021/22

The Service Director Democratic Services and Communications presented an update regarding the adopted and published Council Work Programme for the 2021/22 Municipal Year advising that the Revised Local Development Plan (RLDP) 2020-2030 has been deferred to the Council meeting in January 2022. The Freedom of the Borough report would also be presented for Council’s consideration next month. The Cwm Taf University Health Board will attend the

November Council meeting to commence at 4pm to accommodate this item.

70 Council Tax Discounts

Through his report the Director of Finance & Digital Services provided Members with the opportunity to review the level of Council Tax discount for prescribed classes of dwellings within the County Borough and to review, amend or reaffirm the level prescribed.

Members were referred to section 4 of the report which outlined the requirements of the Council in respect of the Council Tax discount provision, with the Director advising that the Council has discretion to award up to 50% discount in respect of two prescribed classes of dwellings (usually described as second homes and holiday homes), i.e., Class A and Class B. Members were further advised that the Council had previously determined not to allow a discount in respect of Class A, B and C properties. In conclusion the Director advised that the Council proposes not to make any changes to its current arrangements.

The Leader advised that a review would be undertaken by the appropriate Scrutiny Committee in respect of the level of discount for prescribed classes of dwellings, namely long-term empty properties and second homes, which was welcomed.

In response to a query, the Director advised that since the removal of the empty property discount on the 1st April 2018 the number of long-term empty dwellings in RCT has fallen by 19%.

Following discussions, it was **RESOLVED to** agree the continuation of no Council Tax discount in respect of Class A, B and C properties.

71 Council's Draft Corporate Performance Report 2021/22

The Service Director Performance & Improvement presented Rhondda Cynon Taff's draft Corporate Performance Report (CPR) which contains progress for 2020/21 and plans for 2021/22 in respect of the Council's strategic priorities. It also sets out how the CPR satisfies the legal duty on the Council, as with all Councils in Wales, to publish objectives, take all reasonable steps to meet those objectives and produce an annual report.

The Service Director advised that the CPR is a balanced and evidence-based report and set in the context of the unprecedented challenges presented by the Covid 19 pandemic and ongoing recovery from Storm Dennis. He added that the information includes a range of sources, service information, external regulator reports and key regard has been given to the Council's year end performance report 2020/21 which was reported to Cabinet and scrutinised by the Finance and Performance Scrutiny Committee in July 2021.

The Service Director confirmed that Cabinet, at its meeting on the 18th October 2021, recommended the approval of the CPR by Council. Subject to Council's consideration the agreed action plans for the three priorities People, Place & Prosperity will form part of the Quarterly Performance Report which will be presented to Cabinet and scrutinised by the Finance & Performance Scrutiny Committee during the year. The Council's external regulators, Audit Wales, has a statutory duty to audit the CPR which will be formally reported to Council in

due course.

The Political Group Leaders paid tribute to all staff, frontline staff, social care workers and partners such as Cwm Taf Morgannwg University Health Board for their response during the covid 19 pandemic.

Following discussions, the Leader advised that the Council's scrutiny committees are continuing to scrutinise the Council's ongoing response to the pandemic and going forward he would likely, as Leader of the WLGA, be asked to provide evidence to a Welsh/UK enquiry into the Pandemic but stressed that it should not be about apportioning blame but more about lessons learned.

Where indicated, it was confirmed that information would be provided to the individual Members following the meeting. Further to other queries raised, the Chief Executive advised that a recent report regarding the Council's biodiversity projects had been presented to Cabinet to promote the sustainable management of natural resources, likewise a report is presented annually to Cabinet outlining the number and nature of complaints made in connection with the Local Authority which receives the second lowest number of complaints per head of population.

Following consideration, it was **RESOLVED** to approve the draft CPR as endorsed by Cabinet at its meeting on the 18th October 2021.

(Note: The Members present from the RCT Independent Group (County Borough Councillors M Powell, L Walker, K Jones, W Owen) and County Borough Councillor S Belzak wished to have their names recorded that they were opposed to approving the draft CPR)

72 Responses to the Boundary Commission for Wales' Initial Proposals

The Service Director Democratic Services & Communications presented his report which provided Council with the feedback following consideration by Members, on a cross party basis, through the Overview & Scrutiny Committee held on the 12th October 2021, of the initial proposals of the Boundary Commission for Wales, in respect of the proposed new parliamentary constituencies in Wales as referred by Council.

The Service Director advised that subject to any additions or amendments, the letter containing the feedback will form the basis of the Council's formal response to the Boundary Commission for Wales.

Following consideration of the responses, it was **RESOLVED** to adopt the comments contained within the draft letter as the formal response of the local authority subject to the following comments being inserted:

"Members felt strongly that as Aberaman once formed part of the Aberdare Urban District Council, the historical relationship of Aberaman (North and South) lends itself to Aberdare rather than the proposals to combine these electoral wards from the neighbouring Cynon Valley constituency with Pontypridd".

73 Review of Regulation, Awareness and Enforcement of Flood and Water Legislation

The Director of Frontline Services presented his report which detailed the review

of the regulation, awareness and enforcement of flood and water legislation within the Council following Storm Dennis. The report further advised of the implementation of an enhanced Flood Awareness and Enforcement team following agreement by Cabinet at its meeting on the 21st September 2021 and proposed increased regulation via the enactment of Land Drainage Byelaws under Section 66 of the Land Drainage Act 1991.

The Director referred Members to the recommendations of Cabinet in their entirety as set out at point 4.1.2 of the report and of the importance of the Member briefing that was held on the 28th September in respect of Flood Risk Management and Byelaws.

In conclusion, the Director explained how the ordinary watercourse byelaws have been designed as a model for local authorities to either use in their current format as a whole or to help develop their individual byelaws and will assist the Local Authority manage the increased risks of flooding.

Following discussion and responses to questions raised, Members **RESOLVED** to:

1. Note the recommendations that were approved by Cabinet at its meeting held on the [21st September 2021](#) and as set out at 4.1.2 of the report;
2. Note that a Members' briefing session in respect of the proposed adoption of Model Byelaws under the Land Drainage Act 1991 was held on the 28th September 2021, to which all Members were invited; and
3. Authorise Officers to commence the process of formally adopting the Model Land Drainage Byelaws as attached at Appendix 1 to the report (and as recommended by Cabinet at its meeting on 21st September 2021) in accordance with the Local Government Byelaws (Wales) Act 2012.

74 Appointment of additional Lay Members onto the Governance & Audit Committee

The Service Director Democratic Services & Communications presented his report to advise Council of the arrangements in respect of the appointment of Lay Members to the Governance & Audit Committee, in accordance with the relevant Local Government & Elections (Wales) Act 2021 provisions which come into force in May 2022.

The Service Director advised that with the introduction of the Local Government & Elections (Wales) Act 2021 further amendments now need to be taken forward in respect of the membership and role of the Governance and Audit Committee. He referred to the key points within his report.

Members were referred to section 5 of the report which set out the requirements of the Local Government & Elections (Wales) Act 2021 with regards to membership and chair arrangements for the Governance & Audit Committee.

The Service Director proposed that the membership configuration of the Governance & Audit Committee is reviewed and reduced to 9 for the Municipal Year 2022-2023 with 6 Elected Members and 3 lay persons. He sought Council's consideration for extending the term of office for the existing Lay Member on the Governance & Audit Committee for a further period, until the next ordinary Local

Government elections following May 2022.

Following consideration of the report it was **RESOLVED**:

1. To note the arrangements as set out in the report, relating to the appointment of new Lay Members to the Governance & Audit Committee for a term of office commencing from the beginning of the 2022-2023 Municipal Year until the next ordinary Local Government Elections;
2. To agree, that following the recruitment process detailed in the report, a further report be presented to Council in order to receive recommendations from the Appointments Committee in respect of the appointment of Lay Members to the Governance & Audit Committee; and
3. For the reasons set out in the report, agree an extension to the term of office of the current Lay Member appointed to the Governance & Audit Committee, Mr. Christopher Jones, until the ordinary Local Government Elections following May 2022 (currently scheduled for May 2027).

75 Hybrid Meetings- Review of Progress to Date

The Service Director Democratic Services & Communications, through his report, provided Members with details of the meetings undertaken during July – September through hybrid webcasting arrangements and updated Council in respect of future arrangements for implementation supported by the Democratic Services Committee.

The Service Director advised that following discussions at Council and following a review by the Democratic Services Committee of the progress of the hybrid meetings to date, it was the intention was to undertake a phased roll out of the hybrid approach with a series of mock demonstrations in advance of each meeting. This would ensure a steady timetable of meetings with consideration of the needs of each individual Committee.

In conclusion the Service Director referred Members to the timetable set out at 6.6 of the report which included the progression of a combination of scrutiny, regulatory and governance themed committees.

Following consideration of the report it was **RESOLVED** to note the further progress made with the phased roll out approach to hybrid meetings detailed within section 3 of the report.

76 Urgent Executive Decisions

In accordance with the Overview and Scrutiny Procedure Rules 17.2(a), the Service Director of Democratic Services and Communication presented an overview of the Urgent Decisions taken forward by the Cabinet Committee and Urgent Key Officer Delegated Decisions taken forward outside of the Cabinet Committee during the period June– September 2021

It was **RESOLVED** to note the information contained within the report.

77 Notice of Motion

The following Notice of Motion was received in the names of Councillors E. Webster, K. Morgan, P. Jarman, S. Evans, J. Williams, A. Cox, S. Rees Owen, M. Weaver, D. Grehan, E. Griffiths, H. Fychan, E. Stephens, L. Jones, G. Davies, A. Chapman, J. Davies, J. Cullwick:

That this Council urgently reconsiders its duty and implementation of its enforcement powers in relation to making our streets safe and accessible and free from the hazards caused by parking infringements in our communities

There is growing evidence that the safety of children is being put at risk because of indiscriminate parking on highways and lanes adjacent to schools across the County.

There are growing tensions in our communities and frustrations that public bodies, like this Council and the police are not doing enough to protect our children from harm.

Such opinions are also being expressed in communities generally where incidents of dangerous and inconsiderate parking are causing tensions.

In order that such matters are urgently addressed this Council resolves

To refer this matter to the relevant scrutiny committee, requesting the establishment of a scrutiny working group as a matter of urgency which will identify a range of sustainable measures together with proposals for implementation to address the issue, including (but not exclusive):'

Undertaking a review of what can be done to improve the use of the Council's current powers including the use of approved fixed cameras in hotspot locations and increasing mobile patrols.

Examining the benefit of a public information exercise reminding motorists to always park responsibly.

To consider calling on Welsh Government to legislate for moving traffic offences identified by approved cameras as a positive addition to current enforcement powers vested in local Councils

Following discussion in respect of the motion and in accordance with the Council Rules of Procedure 12.7, it was **RESOLVED** not to adopt the notice of motion.

(Note: The following Members present, wished to have it recorded as voting in favour of the Notice of Motion:

Plaid Cymru Group - County Borough Councillors A Cox, J Cullwick, G R Davies, H Fychan, D Grehan, E Griffiths, P Jarman, L Jones, K Morgan, M Weaver, E Webster and J Williams.

Conservative Group – County Borough Councillors L Hooper and S Trask

RCT Independent Group – County Borough Councillors L Walker and K Jones

County Borough Councillor S Belzak).

This meeting closed at 7.10 pm

**Cllr S Powderhill
Chairman.**

RHONDDA CYNON TAF COUNTY BOROUGH COUNCIL

COUNCIL

24th NOVEMBER 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 15th May, 2019, Members agreed to amend Council Procedure Rule 9.2 in respect of Members Questions on Notice. A further amendment was made to Council Procedure Rule 9.2 at the Council AGM on the 26th May 2021 in respect of supplementary questions following expiry of the 20 minute time duration. [Council AGM 2021](#)

4. MEMBERS QUESTION ON NOTICE

- 4.1 The closing date for receipt of Members Questions on Notice to the Council Business Unit for the Council meeting on the 24th November 2021 was 5pm on the 11th November 2021.
- 4.2 Twenty-eight questions were received and put forward to the Council Ballot held on the 16th November 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>Question from County Borough Councillor R. Williams to the Cabinet Member for Children’s Services, County Borough Councillor C. Leyshon:</p> <p>“Will the Cabinet Member please make a statement on this year’s Santa Appeal and outline what role Members can play in supporting the initiative?”</p>
2	<p>Question from County Borough Councillor M. Forey to the Cabinet Member for Enterprise, Development and Housing, County Borough Councillor D. R. Bevan:</p> <p>“How is the Council supporting our town centres to recover from the COVID-19 pandemic, both in the immediate future and over the longer term?”</p>
3	<p>Question from County Borough Councillor D. Williams to the Cabinet Member for Education and Inclusion Services, County Borough Councillor J. Rosser:</p> <p>“Are you able to provide more information on the recent announcement that the Cabinet has approved further funding for 21st Century Schools improvements, specifically relating to the proposal for Glyncoch?”</p>
4	<p>Question from County Borough Councillor S. Pickering to the Cabinet Member for Environment, Leisure and Heritage Services, County Borough Councillor A. Crimmings:</p> <p>“Can the Cabinet Member of Environment, Leisure and Heritage Services provide an update on the investment in Ynysangharad War Memorial Park outline any future schemes that are planned?”</p>
5	<p>Question from County Borough Councillor P. Howe to the Cabinet Member for Environment, Leisure & Heritage Services, County Borough Councillor A. Crimmings:</p> <p>“Could you please give an update on the changing rooms at Ferndale Darren Park?”</p>
6	<p>Question from County Borough Councillor P. Jarman to County Borough Councillor L. Hooper, Chair of the Democratic Services Committee:</p> <p>“Please will you make a statement on diversity in Public Life?”</p>

7	<p>Question from County Borough Councillor J. Brencher to the Leader of the Council, County Borough Councillor A. Morgan:</p> <p>“Can the Council Leader update on the completion and subsequent marketing of Llys Cadwyn in Pontypridd?”</p>
8	<p>Question from County Borough Councillor J. Barton to the Leader of the Council, County Borough Councillor A. Morgan:</p> <p>“What action can the Council take to improve road safety and reduce speeding traffic in local communities?”</p>
9	<p>Question from County Borough Councillor D. Owen-Jones to the Leader of the Council, County Borough Councillor A. Morgan:</p> <p>“What implications does the recent Welsh Government announcement to pause major roadbuilding schemes in Wales have for Rhondda Cynon Taf?”</p>
10	<p>Question from County Borough Councillor J. Edwards to the Leader of the Council, County Borough Councillor A. Morgan:</p> <p>“Can the Leader please give an update on the improvement works to the culverts in Ynyshir, particularly above Heath Terrace?”</p>
11	<p>Question from County Borough Councillor G. Jones to the Leader of the Council, County Borough Councillor A. Morgan:</p> <p>“What are the Council’s priority areas for the 2022/23 Budget?”</p>
12	<p>Question from County Borough Councillor W. Treeby to the Cabinet Member for Adult Services and the Welsh Language, County Borough Councillor G. Hopkins:</p> <p>“Can the Cabinet Member please make a statement on the pressures facing social care services?”</p>
13	<p>Question from County Borough Councillor T. Williams to the Leader of the Council, County Borough Councillor A. Morgan:</p> <p>“Can the Leader provide an overview of the works completed to date to help protect residents of Bronallt Terrace in Abercwmboui from flooding, and can the Leader also outline whether further measures can be taken?”</p>

14	<p>Question from County Borough Councillor W. Jones to the Cabinet Member for Environment, Leisure & Heritage Services County Borough Councillor A. Crimmings:</p> <p>“Can the Cabinet Member please give an update on the delayed urgent replacement of the Pavilion and Changing facility at Blaenrhondda Park agreed in Cabinet pre-pandemic which is now long overdue”</p>
15	<p>Question from County Borough Councillor S. M. Powell to the Cabinet Member for Stronger Communities, Wellbeing and Cultural Services, County Borough Councillor R. Lewis:</p> <p>“How is this Council progressing plans for the introduction of Electric Charge Points throughout Rhondda Cynon Taf?”</p>
16	<p>Question from County Borough Councillor R. Turner to the Leader of the Council, County Borough Councillor A. Morgan:</p> <p>“Will the Cabinet Member with responsibility for Highways please give an update on the latest position with regards to the Llanharan Footbridge?”</p>
17	<p>Question from County Borough Councillor E. Griffiths to the Cabinet Member for Stronger Communities, Well-being and Cultural Services, County Borough Councillor R. Lewis:</p> <p>Mae hi bellach yn wybyddus i bawb fod anadlu awyr gwenwynig yn effeithio ar iechyd corfforol a meddyliol. Mae awyr llygredig yn ysylltiedig ag asthma, sgiliau gwybyddol gwanach, gor-dewdra ag anhwylderau a chyflyrrau meddyliol fel ADHD.</p> <p>All yr Aelod o'r Cabinet ar faterion Cymunedau Cadarn, Llesiant a Gwasanaethau Diwylliannol roi diweddariad am yr hyn mae'r Cyngor yn ei wneud o ran asesu lefelau llygredd awyr mewn amser 'go iawn' tu allan i bob ysgol yn Rhondda Cynon Tâf?</p> <p>It is now well recognised that breathing toxic air negatively impacts physical and mental health. Air pollution is associated with asthma, poorer cognitive function, obesity and mental disorders and conditions such as ADHD.</p> <p>Can the Cabinet Member for Stronger Communities, Well-being and Cultural Services provide an update on what action is the Council taking to assess real time air pollution levels around every schools in RCT?</p>
18	<p>Question from County Borough Councillor S. Bradwick to the Leader of the Council, County Borough Councillor A. Morgan:</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>

19	<p>Question from County Borough Councillor G. Caple to the Leader of the Council, County Borough Councillor A. Morgan:</p> <p>“Will the Leader please make a statement on how this Council is working with Trivallis and other social housing providers to deliver environmental improvements?”</p>
20	<p>Question from County Borough Councillor S. Rees to the Leader of the Council, County Borough Councillor A. Morgan:</p> <p>“Will the Leader please make a statement on the Council’s budget planning ahead of the next financial year?”</p>
21	<p>Question from County Borough Councillor A. S. Fox to the Deputy Leader of the Council, County Borough Councillor M. Webber:</p> <p>“How is this Council supporting the local Armed Forces community?”</p>
22	<p>Question from County Borough Councillor W. Lewis to the Cabinet Member for Environment, Leisure and Heritage Services, County Borough Councillor A. Crimmings:</p> <p>“Will the Cabinet Member make a statement on the Council’s investment in outdoor leisure facilities?”</p>
23	<p>Question from County Borough Councillor J. Williams to the Leader of the Council, County Borough Councillor A Morgan:</p> <p>“Will you make a statement on tip safety in the County?”</p>
24	<p>Question from County Borough Councillor J. Elliott to the Leader of the Council, County Borough Councillor A Morgan:</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>
25	<p>Question from County Borough Councillor A. Roberts to the Cabinet Member for Stronger Communities, Wellbeing and Cultural Services, County Borough Councillor R. Lewis:</p> <p>“Will the Cabinet Member please make a statement on the Council’s work with Voluntary and Third Sector organisations in Rhondda Cynon Taf?”</p>

26	<p>Question from County Borough Councillor Sheryl Evans to the Deputy Leader of the Council, County Borough Councillor M. Webber:</p> <p>“Can the Deputy Leader provide an update on the Council’s apprenticeship and graduate programmes, including the number of new places created since 2017 and could there be an overview of the recent awards the Council received in relation to this scheme?”</p>
27	<p>Question from County Borough Councillor J. Bonetto to the Cabinet Member for Corporate Services, County Borough Councillor M. A. Norris:</p> <p>“Can the Cabinet Member please outline the latest position on the Taff’s Well Thermal Spring project, in light of the good progress made to deliver the improvements to Ffynnon Taf Primary School?”</p>
28	<p>Question from County Borough Councillor L. Walker to the Cabinet Member for Education & Inclusion Services County Borough Councillor J. Rosser:</p> <p>“Can you explain why RCT Council is in 20th position in Welsh councils with its funding per head for children with special education needs. Are our children in this Council being treated unfairly through no fault of their own, due to their complex needs?”</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 amendments to the Council Procedure Rule in respect of Members Questions was considered and agreed at the Council’s AGM 2019 and AGM 2021, following consultation with the 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

24 NOVEMBER 2021

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

Item: MEMBERS QUESTIONS ON NOTICE

Background Papers

[Council AGM 2019.](#)

[Council AGM 2021](#)

Officer to contact: Emma Wilkins, Council Business Unit

Audit of Accounts Report – Rhondda Cynon Taf Pension Fund

Audit year: 2020-21

Date issued: November 2021

Document reference: 2704A2021-22

This document has been prepared as part of work performed in accordance with statutory functions.

In the event of receiving a request for information to which this document may be relevant, attention is drawn to the Code of Practice issued under section 45 of the Freedom of Information Act 2000. The section 45 code sets out the practice in the handling of requests that is expected of public authorities, including consultation with relevant third parties. In relation to this document, the Auditor General for Wales and the Wales Audit Office are relevant third parties. Any enquiries regarding disclosure or re-use of this document should be sent to the Wales Audit Office at infoofficer@audit.wales.

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.

Contents

We intend to issue an unqualified audit report on your Accounts. There are some issues to report to you prior to their approval.

Audit of accounts report

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Audit of accounts report

Introduction

- 1 We summarise the main findings from our audit of your 2020-21 annual report and accounts in this report.
- 2 We have already discussed these issues with the Director of Finance and Digital Services.
- 3 Auditors can never give complete assurance that accounts are correctly stated. Instead, we work to a level of 'materiality'. This level of materiality is set to try to identify and correct misstatements that might otherwise cause a user of the accounts into being misled.
- 4 We set this level at £44 million for this year's audit. There are some areas of the accounts that may be of more importance to the reader and we have set a lower materiality level for these, such as related party transactions.
- 5 In our professional view, we have complied with the ethical standards that apply to our work; remain independent of yourselves; and, our objectivity has not been compromised in any way. There are no relationships between ourselves and yourselves that we believe could undermine our objectivity and independence.

Impact of COVID-19 on this year's audit

- 6 The COVID-19 pandemic has had a significant impact on all aspects of our society and continues to do so. You are required by law to prepare accounts and it is of considerable testament to the commitment of your accounts team that you have succeeded in doing so this year in the face of the challenges posed by this pandemic. We are extremely grateful to the professionalism of the team in supporting us to complete our audit in such difficult circumstances.
- 7 The pandemic has unsurprisingly affected our audit and we summarise in **Exhibit 1** the main impacts. Other than where we specifically make recommendations, the detail in **Exhibit 1** is provided for information purposes only to help you understand the impact of the COVID-19 pandemic on this year's audit process.

Exhibit 1 – impact of COVID-19 on this year's audit

Timetable	<ul style="list-style-type: none">• We received the draft accounts on 2 July 2021.• In line with the other pension fund audits in Wales, we undertook the audit in Autumn 2021.
Electronic signatures	Electronic signatures are permissible.

Audit evidence

We have been unable to conduct our audit at your premises due to the Covid-19 pandemic. The audit has been conducted remotely via use of Microsoft TEAMS, emails and we have direct access to the Council's ledger.

- 8 We will be reviewing what we have learned for our audit process from the COVID-19 pandemic and whether there are innovative practices that we might adopt in the future to enhance that process.

Proposed audit opinion

- 9 We intend to issue an unqualified audit opinion on this year's accounts once you have provided us with a Letter of Representation based on that set out in **Appendix 1**.
- 10 We issue a 'qualified' audit opinion where we have material concerns about some aspects of your accounts; otherwise we issue an unqualified opinion.
- 11 The Letter of Representation contains certain confirmations we are required to obtain from you under auditing standards along with confirmation of other specific information you have provided to us during our audit.
- 12 Our proposed audit report is set out in **Appendix 2**.

Significant issues arising from the audit

Uncorrected misstatements

- 13 There are no misstatements identified in the accounts, which remain uncorrected.

Corrected misstatements

- 14 There were initially misstatements in the accounts that have now been corrected by management. These were presentational or typographical in nature.

Other significant issues arising from the audit

- 15 In the course of the audit, we consider a number of matters relating to the accounts and report any significant issues arising to you. There were no issues arising this year.

Appendix 1

Final Letter of Representation

[Audited body's letterhead]

Auditor General for Wales
Wales Audit Office
24 Cathedral Road
Cardiff
CF11 9LJ

[Date]

Representations regarding the 2020-21 financial statements

This letter is provided in connection with your audit of the financial statements of Rhondda Cynon Taf Pension Fund for the year ended 31st March 2021 for the purpose of expressing an opinion on their truth and fairness and their proper preparation.

We confirm that to the best of our knowledge and belief, having made enquiries as we consider sufficient, we can make the following representations to you.

Management representations

Responsibilities

We have fulfilled /our responsibilities for:

- The preparation of the financial statements in accordance with legislative requirements and CIPFA Code of Practice on Local Authority Accounting; in particular the financial statements give a true and fair view in accordance therewith.
- The design, implementation, maintenance and review of internal control to prevent and detect fraud and error.

Information provided

We have provided you with:

- Full access to:
 - all information of which we are aware that is relevant to the preparation of the financial statements such as books of account and supporting documentation, minutes of meetings and other matters;
 - additional information that you have requested from us for the purpose of the audit; and

- unrestricted access to staff from whom you determined it necessary to obtain audit evidence.
- The results of our assessment of the risk that the financial statements may be materially misstated as a result of fraud.
- Our knowledge of fraud or suspected fraud that we are aware of and that affects Rhondda Cynon Taf Pension Fund and involves:
 - management;
 - employees who have significant roles in internal control; or
 - others where the fraud could have a material effect on the financial statements.
- Our knowledge of any allegations of fraud, or suspected fraud, affecting the financial statements communicated by employees, former employees, regulators or others.
- Our knowledge of all known instances of non-compliance or suspected non-compliance with laws and regulations whose effects should be considered when preparing the financial statements.
- The identity of all related parties and all the related party relationships and transactions of which we are aware.

Financial statement representations

We confirm that:

- All transactions, assets and liabilities have been recorded in the accounting records and are reflected in the financial statements.
- The methods, the data and the significant assumptions used in making accounting estimates, and their related disclosures are appropriate to achieve recognition, measurement or disclosure that is reasonable in the context of the applicable financial reporting framework.
- Related party relationships and transactions have been appropriately accounted for and disclosed.
- All events occurring subsequent to the reporting date which require adjustment or disclosure have been adjusted for or disclosed.
- All known actual or possible litigation and claims whose effects should be considered when preparing the financial statements have been disclosed to the auditor and accounted for and disclosed in accordance with the applicable financial reporting framework.
- The financial statements are free of material misstatements, including omissions.

Representations by those charged with governance being Rhondda Cynon Taf County Borough Council as administering authority for the Rhondda Cynon Taf Pension Fund

We acknowledge that the representations made by management, above, have been discussed with us.

We acknowledge our responsibility for the preparation of true and fair financial statements in accordance with the applicable financial reporting framework. The financial statements were approved by Council on 24 November 2021.

We confirm that we have taken all the steps that we ought to have taken in order to make ourselves aware of any relevant audit information and to establish that it has been communicated to you. We confirm that, as far as we are aware, there is no relevant audit information of which you are unaware.

Signed by:

[Officer who signs on behalf of management]

Date:

Signed by:

[Officer or Member who signs on behalf of those charged with governance (director only for companies)]

Date:

Appendix 2

Proposed Audit Report

The independent auditor's report of the Auditor General for Wales to the members of Rhondda Cynon Taf CBC as administering authority for Rhondda Cynon Taf Pension Fund

Opinion on financial statements

I have audited the financial statements of Rhondda Cynon Taf Pension Fund for the year ended 31st March 2021 under the Public Audit (Wales) Act 2004. Rhondda Cynon Taf Pension Fund financial statements comprise the fund account, the net assets statement and the related notes, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and international accounting standards as interpreted and adapted by the Code of Practice on Local Authority Accounting in the United Kingdom 2020/21.

In my opinion the financial statements:

- give a true and fair view of the financial transactions of the pension fund during the year ended 31st March 2021, and of the amount and disposition at that date of its assets and liabilities,
- have been properly prepared in accordance with legislative requirements and international accounting standards as interpreted and adapted by the Code of Practice on Local Authority Accounting in the United Kingdom 2021.

Basis of opinion

I conducted my audit in accordance with applicable law and International Standards on Auditing in the UK (ISAs (UK)) and Practice Note 10 'Audit of Financial Statements of Public Sector Entities in the United Kingdom'. My responsibilities under those standards are further described in the auditor's responsibilities for the audit of the financial statements section of my report. I am independent of the pension fund in accordance with the ethical requirements that are relevant to my audit of the financial statements in the UK including the Financial Reporting Council's Ethical Standard, and I have fulfilled my other ethical responsibilities in accordance with these requirements. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.

Conclusions relating to going concern

In auditing the financial statements, I have concluded that the use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work I have performed, I have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the pension fund's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from when the financial statements are authorised for issue.

My responsibilities and the responsibilities of the responsible financial officer with respect to going concern are described in the relevant sections of this report.

Other information

The other information comprises the information included in the annual report other than the financial statements and my auditor's report thereon. The Responsible Financial Officer is responsible for the other information. My opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in my report, I do not express any form of assurance conclusion thereon. My responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or knowledge obtained in the course of the audit, or otherwise appears to be materially misstated. If I identify such material inconsistencies or apparent material misstatements, I am required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work I have performed, I conclude that there is a material misstatement of this other information, I am required to report that fact.

I have nothing to report in this regard.

Report on other requirements

Opinion on other matters

In my opinion, based on the work undertaken in the course of my audit:

- the information contained in the introduction for the financial year for which the financial statements are prepared is consistent with the financial statements and the annual report has been prepared in accordance with the Local Government Pension Scheme Regulations 2013.

Matters on which I report by exception

In the light of the knowledge and understanding of the pension fund and its environment obtained in the course of the audit, I have not identified material misstatements in the pension fund accounts.

I have nothing to report in respect of the following matters, which I report to you, if, in my opinion:

- adequate accounting records have not been kept, or returns adequate for my audit have not been received from branches not visited by my team;
- the financial statements are not in agreement with the accounting records and returns; or
- I have not received all the information and explanations I require for my audit.

Responsibilities

Responsibilities of the responsible financial officer for the financial statements

As explained more fully in the Statement of Responsibilities for the financial statements set out on pages 4 to 5, the responsible financial officer is responsible for the preparation of the financial statements, which give a true and fair view, and for such internal control as the responsible financial officer determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the responsible financial officer is responsible for assessing the pension fund's ability to continue as a going concern, disclosing as applicable, matters related to going concern and using the going concern basis of accounting unless deemed inappropriate.

Auditor's responsibilities for the audit of the financial statements

My objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes my opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. I design procedures in line with my responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud.

The extent to which my procedures are capable of detecting irregularities, including fraud, is affected by the inherent difficulty in detecting irregularities, the effectiveness of the Rhondda Cynon Taf Pension Fund's controls, and the nature, timing and extent of the audit procedures performed.

A further description of the auditor's responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website www.frc.org.uk/auditorsresponsibilities. This description forms part of my auditor's report.

Certificate of completion of audit

I certify that I have completed the audit of the accounts of Rhondda Cynon Taf Pension Fund in accordance with the requirements of the Public Audit (Wales) Act 2004 and the Auditor General for Wales' Code of Audit Practice.

Adrian Crompton
Auditor General for Wales
29 November 2021

24 Cathedral Road
Cardiff
CF11 9LJ



Audit Wales
24 Cathedral Road
Cardiff CF11 9LJ

Tel: 029 2032 0500
Fax: 029 2032 0600
Textphone: 029 2032 0660

E-mail: info@audit.wales
Website: www.audit.wales

We welcome correspondence and telephone calls in Welsh and English. Rydym yn croesawu gohebiaeth a galwadau ffôn yn Gymraeg a Saesneg.



**RHONDDA CYNON TAF COUNTY BOROUGH COUNCIL
COUNCIL**

24th November 2021

**STATEMENT OF ACCOUNTS FOR THE RHONDDA CYNON TAF PENSION
FUND 2020/21**

REPORT OF THE DIRECTOR OF FINANCE AND DIGITAL SERVICES

AUTHOR: Barrie Davies (01443) 424026

1.0 PURPOSE OF REPORT

- 1.1 This report ensures that Rhondda Cynon Taf CBC, as administering authority, complies with the legal requirements relating to the production of a “Statement of Accounts” for the financial year ended 31st March 2021 with regard to the Rhondda Cynon Taf Pension Fund.

2.0 RECOMMENDATIONS

It is recommended that Members:

- (a) Approve and note the Statement of Accounts for the Rhondda Cynon Taf Pension Fund (Appendix 1), and associated Letter of Representation (Appendix 2).
- (b) Note the outcome of the 12th July 2021 Governance and Audit Committee meeting as required by the Local Government Measure (paragraph 8.2).

3.0 STATUTORY APPROVAL PROCESS

- 3.1 Section 13 of the Public Audit Wales Act 2004 requires Rhondda Cynon Taf, as the administering authority, to prepare the Statement of Accounts for the Pension Fund and for these accounts to be audited by the Auditor General for Wales.

- 3.2 The Accounts and Audit (Wales) (Amendment) Regulations 2018 removes the requirement to include the Pension Fund Statement of Accounts within the Statement of Accounts of the administering authority.

4.0 IMPACT OF COVID 19 UPON THE STATUTORY APPROVAL PROCESS

- 4.1 Officers have maintained regular dialogue with Audit Wales with regard to timescales for the production and audit of the Statement of Accounts for the Rhondda Cynon Taf Pension Fund. Finance teams have continued to work effectively (generally from home) and the target date was re-set in light of continued pressures as a result of the pandemic.
- 4.2 The draft Statement of Accounts for the Rhondda Cynon Taf Pension Fund was subsequently certified by the Director of Finance and Digital Services on the 2nd July 2021.

5.0 STATEMENT OF ACCOUNTS

- 5.1 The approval of this year's accounts provides Members with the continued assurance that the Council operates within the statutory requirements and builds further upon the robust financial management arrangements which the Council has in place.
- 5.2 The 2020/21 Statement of Accounts for the Rhondda Cynon Taf Pension Fund is attached at Appendix 1. These accounts are "final" and the external audit process has been completed in line with statutory timescales.

6.0 LETTER OF REPRESENTATION

- 6.1 It is normal practice for Audit Wales to request that the Responsible Finance Officer provides a "Letter of Representation", which highlights material issues relating to the completeness and/or accuracy of the information included in their financial statements and could, therefore, influence his audit opinion. This is to ensure that the accounts properly reflect financial standing and is consistent with the approach taken by Audit Wales in prior years.

7.0 INTERNATIONAL STANDARD ON AUDITING (ISA) 260

- 7.1 The External Auditor is required, under ISA260, to report to "those charged with governance", relevant matters relating to the audit of the financial statements. This is to be provided to those charged with governance, as distinct from management, before an opinion is given on the financial statements.
- 7.2 The auditor, in his ISA260 report on the Statement of Accounts of Rhondda Cynon Taf Pension Fund, states there were initially misstatements in the

accounts that have now been corrected by management, these being presentational / typographical in nature. There are no misstatements identified in the accounts which remain uncorrected.

- 7.3 Accordingly, Audit Wales intend to issue an unqualified auditor's report on the financial statements of the Rhondda Cynon Taf Pension Fund.

8.0 LOCAL GOVERNMENT MEASURE REQUIREMENTS

- 8.1 The Statutory Guidance from the Local Government Measure 2011 was published in June 2012 which provided clarity on the role of Audit Committees in the approval process of a Council's Statement of Accounts. The relevant excerpt is shown below:

Financial statements

*9.21 Before their approval by the authority, the audit committee should consider and comment on the authority's certified draft financial statements. They will want to see to what extent the statements take cognisance of audit reports during the year, and changes in accounting policy and internal control mechanisms. Audit committees may approve the financial statements themselves where local authorities have delegated that power to them under regulation 9 of the Accounts and Audit Regulations (Wales) 2005 (as amended).**

* The Statutory Guidance referred to above references regulation 9 of the Accounts and Audit Regulations (Wales) 2005 (as amended). However, this has now been replaced by regulation 10 of the Accounts and Audit Regulations (Wales) 2014. Welsh Government have advised that references to the 2005 regulations in subordinate legislation and statutory guidance will be replaced with the 2014 regulation references in due course.

- 8.2 The Council's Governance and Audit Committee considered the draft 2020/21 Pension Fund Accounts on 12th July 2021. The Governance and Audit Committee did not raise any issues at this meeting that would prevent Council from approving the Pension Fund Statement of Accounts.

9.0 EQUALITY AND DIVERSITY IMPLICATIONS AND SOCIO-ECONOMIC DUTY

- 9.1 The report provides the legal requirements for the approval of the Rhondda Cynon Taf Pension Fund's Statement of Accounts in accordance with the Local Government Pension Scheme Regulations 2013 (as amended). As a result, there are no equality and diversity or socio-economic duty implications to report.

10.0 CONSULTATION

- 10.1 There are no consultation requirements emanating from the recommendations set out in the report.

11.0 FINANCIAL IMPLICATION(S)

- 11.1 The financial and investment performance of the Pension Fund has been considered and reported to the Pension Fund Committee and to the Investment and Administration Advisory Panel in line with the Fund's governance policy.
- 11.2 The Pension Board has also remained in place and continued to discharge its responsibilities during the year.
- 11.3 There are no additional financial implications as a result of the recommendations set out in the report.

12.0 LEGAL IMPLICATIONS OR LEGISLATION CONSIDERED

- 12.1 The report ensures the Council complies with the Local Government Pension Scheme Regulations 2013 (as amended) and the Public Audit Wales Act 2004, and in doing so is in line with the CIPFA Local Government Pension Scheme Code of Practice.

13.0 CONCLUSION

- 13.1 The certification of the draft Pension Fund Statement of Accounts by 2nd July demonstrates the continued effective financial management arrangements at this Council despite the challenges of COVID 19.
- 13.2 The completion of the external audit and sign off of the 2020/21 final accounts provides further assurance on the robustness of the arrangements in place for the Rhondda Cynon Taf Pension Fund.

LOCAL GOVERNMENT ACT 1972

AS AMENDED BY

THE LOCAL GOVERNMENT (ACCESS TO INFORMATION) ACT 1985

RHONDDA CYNON TAF COUNTY BOROUGH COUNCIL

COUNCIL 24TH NOVEMBER 2021

REPORT OF THE DIRECTOR OF FINANCE AND DIGITAL SERVICES

Item: STATEMENT OF ACCOUNTS FOR THE RHONDDA CYNON TAF PENSION FUND 2020/21

Background Papers

- None.

Officer to contact: Barrie Davies (Director of Finance and Digital Services)

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Rhondda Cynon Taf Pension Fund Statement of Account

2020/21

Pension Fund Accounts

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Rhondda Cynon Taf Pension Fund Accounts

Introduction

The Rhondda Cynon Taf Pension Fund was established with effect from 1st April 1996, upon the reorganisation of Local Government in Wales under the Local Government Pension Scheme (Local Government Reorganisation in Wales) Regulations, 1995. The Local Government Pension Scheme (LGPS) is open to all employees in Local Government apart from teachers, who have their own scheme. It is also open to employees of other organisations that have been accepted into the Fund.

The Rhondda Cynon Taf Pension Fund provides pension benefits for employees of Rhondda Cynon Taf, Bridgend and Merthyr Tydfil County Borough Councils, together with employees from around 40 other bodies. Organisations participating in the Fund include:

- Scheduled bodies, which are local authorities and similar bodies whose staff are automatically entitled to be members of the Fund.
- Admitted bodies, which are other organisations that participate in the Fund under an admission agreement between the Fund and the relevant organisation. Admitted bodies include voluntary, charitable and similar bodies or private contractors undertaking a local authority function following outsourcing to the private sector.

These accounts have been prepared in accordance with the requirements of the CIPFA Code of Practice on Local Authority Accounting 2020/21 which is based upon International Financial Reporting Standards (IFRS) as amended for the UK public sector. A more detailed Pension Fund Annual Report is available on request from the Director of Finance and Digital Services.

The scheme is governed by the Public Service Pensions Act 2013 and administered in accordance with the following secondary legislation:

- The Local Government Pension Scheme Regulations 2013 (as amended);
- The Local Government Pension Scheme (Transitional Provisions, Savings and Amendment) Regulations 2014 (as amended); and
- The Local Government Pension Scheme (Management and Investment of Funds) Regulations 2016.

Fund Administration and Investments

Rhondda Cynon Taf CBC, as administrating authority has responsibility for the interpretation of pension legislation, the creation and maintenance of records, the calculation and payment of benefits and the provision of information to employees, employers and other relevant bodies.

The Pension Fund Committee is responsible for the strategic management of the Rhondda Cynon Taf Pension Fund in accordance with its Terms of Reference.

The Director of Finance and Digital Services (in their capacity as S151 officer) supported by an Investment and Administration Advisory Panel, has delegated responsibility for all day to day operational matters.

The Pension Fund Investment and Administration Advisory Panel is chaired by the Director of Finance and Digital Services and consists of two independent Investment Advisors and other Senior Finance Officers.

The Panel meets quarterly to consider both administration and investment issues, to determine policy in light of market movements and to question and challenge the Investment Managers on their activities and performance. At the Net Assets Statement date there were three Investment Managers and the operator of the Wales Pension Partnership (WPP) carrying out the day-to-day investment management of the Fund's assets:

- Baillie Gifford (Global Equities);
- BlackRock (Passive Low Carbon Equities and Passive Gilts);
- CBRE (Property); and
- Link (Operator of the WPP).

The Pensions Board was established in accordance with the Public Service Pensions Act 2013 to assist Rhondda Cynon Taf CBC as 'scheme manager' in achieving effective and efficient governance and administration of the Rhondda Cynon Taf Pension Fund.

Wales Pension Partnership (WPP)

On the 15th March 2017 Council approved the establishment of a Joint Governance Committee to oversee the pooling of the investments of the eight Local Government Pension Scheme (LGPS) funds in Wales. The link to the report can be found here: [All Wales Pension Fund Investment pooling-joint Governance Committee and Inter Authority Agreement](#).

Link Fund Solutions Ltd (Link) have established an Authorised Contractual Scheme (ACS) (a tax efficient UK collective investment vehicle) on behalf of the WPP. The ACS continues to develop a range of asset classes to meet the needs of the LGPS funds in Wales, to allow them to execute their differing asset allocation strategies. The LGPS funds retain full control over strategic asset allocation decisions.

Positive progress has been made by the WPP in the establishment of four sub-funds for the collective investing of assets. The prospectus for Global High Alpha Equities, comprising of two mandates with differing risk / return characteristics, was approved by the Financial Conduct Authority (FCA) in July 2018. The prospectus for the second sub-fund for UK Equities was approved by the FCA in September 2019. The third sub-fund relating to Fixed Interest, was approved by the FCA in February 2020, with the launch of this fund being July 2020. The fourth sub-fund relates to Emerging Market Equities and was approved by the FCA in March 2021.

Statement of Responsibilities for the Pension Fund Accounts

Rhondda Cynon Taf County Borough Council's Responsibilities

The Council is required:

- To make arrangements for the proper administration of the Pension Fund's financial affairs and to ensure one of its Officers has the responsibility for the administration of those affairs. In the Council, that Officer is the Director of Finance and Digital Services.
- To manage the Pension Fund's affairs to ensure economic, efficient and effective use of resources and safeguard its assets.
- To approve the Pension Fund Accounts.

I confirm that these accounts were approved by Council on:

Signature: _____ Date: _____

Cllr.

Presiding Officer

Rhondda Cynon Taf County Borough Council
The Pavilions, Cambrian Park
Clydach Vale
Tonypany
CF40 2XX

The Director of Finance and Digital Services' Responsibilities

The Director is responsible for the preparation of the Pension Fund Accounts which, in terms of the CIPFA Code of Practice on Local Authority Accounting in the United Kingdom, is required to present a true and fair view of the financial position of the Pension Fund at the accounting date and its income and expenditure for the year.

In preparing the Pension Fund Accounts, the Director has:

- Selected suitable accounting policies and applied them consistently.
- Made judgements and estimates that were reasonable and prudent.
- Complied with the code.

The Director has also throughout the financial year:

- Maintained proper accounting records that were kept up to date.
- Taken reasonable steps for the prevention and detection of fraud and other irregularities.

Certificate of the Director of Finance and Digital Services on the Accounts of Rhondda Cynon Taf Pension Fund for 2020/21

I certify that the accounts present a true and fair view of the financial position of Rhondda Cynon Taf Pension Fund as at 31st March 2021 and its income and expenditure for the year.

Signature: _____ Date: _____

Barrie Davies

Director of Finance and Digital Services

Rhondda Cynon Taf County Borough Council

The Pavilions, Cambrian Park

Clydach Vale

Tonypandy

CF40 2XX

Fund Account

2019/20 £'000 Reclassified		Note:	2020/21	
			£'000	£'000
	Contributions			
(106,927)	Employer contributions	13.0	(97,624)	
(28,210)	Member contributions	13.0	(29,766)	
(135,137)				(127,390)
	Transfers in from other Pension Funds			
(4,243)	Group Transfers in from other schemes or funds		(3,643)	
(3,835)	Individual Transfers from other schemes or funds		(4,605)	
				(8,248)
(4,135)	Other income		(2,443)	
				(2,443)
	Benefits			
109,078	Pensions	13.0	110,855	
20,072	Commutation of pensions and lump sum retirement benefits	13.0	16,252	
2,431	Lump sum death benefits	13.0	3,875	
131,581				130,982
	Payments to and on account of leavers			
245	Refunds to members leaving scheme or fund		177	
4	Payments for members joining state scheme or fund		(2)	
11,804	Individual transfers to other schemes of funds		4,702	
12,053				4,877
143,634				135,859
(3,716)	Net (addition)/withdrawals from dealings with members			(2,222)
13,121	Management Expenses	14.0	13,084	
				13,084
9,405	Net (additions)/withdrawals including fund management expenses			10,862
	Investment income			
(16,063)	Dividends from equities		(14,278)	
(23,806)	Income from bonds		(15,785)	
0	Dividends from WPP Global Equities		(39,607)	
0	Income from WPP UK Credit Fund		(3,992)	
(11,733)	Income from Pooled Property		(7,018)	
(45)	Interest on cash deposits		1	
(51,647)				(80,679)

140,724	(Profits) and losses on disposal of investments and changes in the value of investments	12.0	(1,068,829)	
				(1,068,829)
131	Taxes on income		87	
				87
89,208	Net Returns on Investments			(1,149,421)
98,613	Net (increase)/decrease in net assets available for benefits during the year			(1,138,559)
(3,458,635)	Opening Net Assets			(3,360,022)
(3,360,022)	Closing Net Assets			(4,498,581)

The Fund Account has been reclassified for comparability in line with the latest CIPFA guidance. Similar reclassification has been made in notes 7, 11 and 14.

Net Assets Statement

31/03/2020 Reclassified £'000		Note:	31/03/2021	
			£'000	£'000
	Investment Assets	7.0		
722,158	Equities		1,192,224	
896,429	Bonds		0	
	Pooled Funds			
1,270,900	WPP Global Equities		1,867,855	
0	WPP UK Credit Fund		550,961	
	Other Pooled Investments			
0	Passive UK Gilts		372,929	
144,462	Passive Equities		200,829	
287,697	Pooled Property		282,289	
3,321,646				4,467,087
25,885	Cash deposits			24,964
	Other investment balances			
7,392	Accrued interest		0	
5,357	Investment debtors		5,232	
2,018	Tax recoverable		1,147	
14,767				6,379
3,362,298				4,498,430
	Investment Liabilities			
(11,612)	Investment creditors			(5,023)
(462)	Derivative contracts			0
3,350,224	Net Investment Assets			4,493,407
	Current assets			
6,366	Contributions due from employers and employees		6,113	
6,808	Other current assets		1,314	
13,174				7,427
	Current Liabilities			
(3,376)	Current liabilities			(2,253)
3,360,022	Net assets of the scheme available to fund benefits at period end			4,498,581

Notes to the Accounts

1.0 Significant Accounting Policies

1.1 Accruals of Expenditure and Income

Where material, accruals are made for employee and employer contributions, investment income, benefits paid, administration costs, investment management fees and advisors fees. Transfer values are accounted for on a cash basis, with the exception of material group transfers, which are accounted for during the year of effective date of transfer or the year in which the actuary values the transfer, if later.

1.2 Investment Valuation of Financial Instruments

In terms of "Fair Value", all investments have quoted prices in active markets, with the exception of Pooled Investment Vehicles managed by the WPP and Pooled Property Funds.

Listed securities are valued in accordance with IAS 39 – Financial Instruments, using bid prices as at 31st March 2021 obtained from recognised Stock Exchanges.

Fixed interest securities are valued "clean", excluding accrued interest. Sterling valuations of securities denominated in foreign currencies are based on closing exchange rates as at 31st March 2021.

Pooled Investment Vehicles managed by the WPP are valued using net asset values provided by Link, the WPP operator. These are reported at the closing single price.

Pooled Property Funds are valued by Fund Managers using reliable valuation techniques to determine Fair Value. Property valuations are represented by unit prices, based on underlying independent professional valuations. No assets require significant judgements or assumptions to determine Fair Value.

1.3 Acquisition and Disposal Costs

Transaction costs incurred in acquiring or disposing of investments are included as part of the purchase cost or netted off against sales proceeds, as appropriate. Transaction costs include fees, commissions and duties. Transaction costs incurred during 2020/21 amounted to £1.48m (£1.90m in 2019/20).

In addition to the direct costs disclosed above, indirect costs are incurred through the bid-offer spread on investments within pooled investment vehicles. The amount of indirect costs is not separately provided to the scheme.

1.4 Taxation

As a registered public service scheme, the Pension Fund is exempt from UK income tax and capital gains tax. Overseas investment income incurs withholding tax in the country of origin unless exemption is granted.

Irrecoverable tax is accounted for as an expense in the Fund Account, with any recoverable tax shown as an asset in the Net Assets Statement.

There is a small liability to income tax on refunds of contributions and compounded pensions (small pensions converted into lump sums). These amounts are paid to HMRC on a quarterly basis.

VAT is recoverable on all activities, so the accounts are shown exclusive of VAT.

1.5 Derivatives

The Fund used derivative financial instruments to manage exposure to specific risks arising from its investment activities in its fixed interest mandate prior to pooling. The Fund does not hold derivatives as at 31st March 2021.

1.6 Cash and Cash Equivalents

Cash and Cash Equivalents are sums of money available for immediate use by the Pension Fund. Such items are deemed to be cash balances held in the Pension Fund's bank accounts and any overdrawn bank balances.

Short-term investments are deemed to be cash and cash equivalents. These funds are invested on a short-term basis by Rhondda Cynon Taf CBC until it is required to meet its liabilities, or to transfer surplus cash to the Investment Managers for reinvestment.

1.7 Contingent Liabilities

A contingent liability is a possible item of expenditure that arises from past events and whose existence will be confirmed only by the occurrence of one or more uncertain future events not wholly within the organisation's control. Such contingent liabilities are not reflected in the Net Assets Statement as it may not be probable that an outflow of resources will be required, or the amount of the obligation cannot be measured reliably.

2.0 Accounting Standards Issued but not Adopted

The standards introduced by the 2021/22 Code and relevant for additional disclosures that will be required in the 2020/21 financial statements in accordance with the requirements of paragraph 3.3.4.3 of the Code are:

- Definition of a Business: Amendments to IFRS 3 Business Combinations.
- Interest Rate Benchmark Reform: Amendments to IFRS 9, IAS 39 and IFRS 7.
- Interest Rate Benchmark Reform – Phase 2: Amendments to IFRS 9, IAS 39, IFRS 7, IFRS 4 and IFRS 16.

3.0 Critical Judgements in Applying Accounting Policies

The Fund's liability is calculated every three years by the appointed actuary. The methodology used is in line with accepted guidelines. Assumptions underpinning the valuations are agreed with the actuary. The estimate is subject to significant variances based on changes to the underlying assumptions.

4.0 Assumptions Made about the Future and other major Sources of Estimation Uncertainty

The Pension Fund accounts contain estimated figures based on assumptions made taking into account historical experience, current trends and other factors. As balances cannot be determined with certainty, actual costs could be materially different from the assumptions and estimates.

Item	Uncertainties	Effect if actual results differ from assumptions
Actuarial present value of promised retirement benefits	Estimations of the liability to pay pensions depends on a number of complex judgements relating to the discount rate used, the rate at which salaries increase, changes in mortality rates and expected returns on pension fund assets. The actuary provides the Fund with advice regarding the assumptions to be used.	The effects on the net pension liability of changes in individual assumptions can be measured. For instance, an increase in the discount rate assumption would result in a decrease in the pension liability. An increase in assumed earnings inflation or assumed life expectancy would increase the value of the liabilities.

The actuarial present value of promised retirement benefits includes the potential impact of the McCloud judgement. Refer to Note 6 for further details.

5.0 Events after the Reporting Date

The draft, unaudited Statement of Accounts was authorised for issue by the Director of Financial and Digital Services, as Chief Finance Officer, on 30th June 2021. Events taking place after this date are not reflected in the financial statements or notes.

Where events taking place before this date provide information about conditions existing at 31st March 2021, the figures in the financial statements and notes have been adjusted in all material respects to reflect the impact of this information. There are no events that took place after 31st March 2021 requiring disclosure providing information that is relevant to an understanding of the Pension Fund's financial position.

6.0 Actuarial Position

The Fund's Actuary, AON Hewitt carried out an actuarial valuation of the Fund as at 31st March 2019 in compliance with Regulation 36 of the Local Government Pension Scheme (Administration) Regulations 2013. Actuarial valuations take place on a triennial basis with a number of key assumptions being made.

The methodology to calculate the Pension Fund liability reflects assumptions and estimates depending on a number of complex judgements relating to the discount rate used, the rate at which salaries are projected to increase, changes in retirement ages, mortality rates and expected return on Pension Fund assets.

Where a valuation reveals a deficiency (or surplus), employer contribution rates are adjusted to seek restoration of a 100% funding ratio. The recovery period for each employer is set by the Administering Authority in consultation with the Actuary.

The funding policy of the Scheme is to ensure that:

- Employer contribution rates are kept as nearly constant as possible and at reasonable cost to the employers and taxpayers.
- Sufficient resources are available to meet all liabilities as they fall due.
- Employers' liabilities are managed effectively by seeking regular actuarial advice.
- Income from investments is maximised within reasonable risk parameters.

The results of the 2016 and 2019 valuations are shown in the table below:

	31/03/2019	31/03/2016
	£'m	£'m
Funding Target	3,515	3,064
Market Value of Assets	3,459	2,485
Funding Deficit	56	579
Funding Ratio	98%	81%

The aggregate employer future service contribution rate is 19.6% of pensionable pay. To restore the funding ratio to 100% using a recovery period of 19 years the aggregate employer contribution rate is calculated to be 21.0%.

Contribution rates payable by each scheme employer will vary depending on their particular circumstances. Some employers will also phase in contribution increases over a maximum period of 3 years. Further details are available in the actuarial report.

Contribution rates have been calculated using the Projected Unit Method for most employers. The Attained Age Method has been used for some employers who do not permit new employees to join the Fund. The key assumptions made are listed in the following table:

Assumption	2019 Valuation	2016 Valuation
	% p.a.	% p.a.
Average in service discount rate	4.18%	4.5%
Average left service discount rate	3.79%	4.5%

CPI inflation	2.10%	2.0%
Pensionable Pay increases	3.35%	3.25%
Post-retirement mortality assumption – base table (for retirements in normal health)	S2N heavy tables with best-estimate scaling factors derived from experience analysis combined with postcode analysis	S2P tables with best-estimate scaling factors derived from experience analysis
Post-retirement mortality assumption – future improvements	CMI 2018 projections with Sk=7.5, A=0.0 and long term improvement rate of 1.5% p.a. for men and women	CMI 2014 core projections with long term improvement rate of 1.5% pa for men and women

In addition to the triennial funding valuation, the Fund's actuary also undertakes a valuation of the Pension Fund liabilities, on an IAS 19 basis, every year using the same base data as the funding valuation rolled forward to the current financial year, taking account of changes in membership numbers and updating assumptions to the current year. This valuation is not carried out on the same basis as that used for setting Fund contribution rates and the Fund accounts do not take account of liabilities to pay pensions and other benefits in the future.

In order to assess the value of the benefits on this basis, the actuary has updated the actuarial assumptions (set out below) from those used for funding purposes. The actuary has also used valued ill health and death benefits in line with IAS 19.

The CIPFA Code of Practice on Local Authority Accounting also requires the disclosure of the relationship between the actuarial present value of promised retirement benefits and the net assets.

	Value as at 31/03/2019	Value as at 31/03/2016
	£'m	£'m
Fair Value of net assets	3,458.6	2,485.4
Actuarial present value of promised retirement benefits	4,645.0	3,470.8
Surplus/(deficit) in the Fund for IAS 26 purposes	(1,186.4)	(985.4)

As noted above, the liabilities above are calculated on an IAS 19 basis and therefore will differ from the results of the 2019 triennial funding valuation because IAS 19 stipulates a discount rate rather than a rate which reflects market rates.

Equalisation and Indexation of Guaranteed Minimum Pensions (GMPs)

The actuarial present value of the defined benefit obligation includes an estimated liability in relation to the equalisation and indexation of GMPs beyond the arrangements already formally in place, which apply to members whose State Pension Age (SPA) is between 6th April 2016 and 5th April 2021 inclusive. Those arrangements require the LGPS to pay pension increases on GMPs at the full rate of CPI for those members, whereas GMP legislation only requires limited price increases to be applied. The additional liability included within the table assumes

those arrangements for fully indexing GMPs will be extended to members whose SPA is after 5th April 2021. This has increased the defined benefit obligation in the region of 0.1% to 0.2%

Cost Management Process

The actuarial present value of the defined benefit obligation does not allow for any potential additional liability which may arise from cost management valuations. Legislation requires HM Treasury and the Scheme Advisory Board (SAB) to undertake periodic valuations to monitor the cost of the LGPS to ensure it remains sustainable and affordable. HM Treasury and the Scheme Advisory Board had paused their reviews following the McCloud judgement in the Court of Appeal. These have now been unpaused and HMT Directions are expected during 2021 allowing reviews to proceed. It is unlikely the outcome of those reviews will be known in 2021 and no changes in benefits or contributions are expected until 2024.

7.0 Analysis of Investments at Fair Value

Reclassified	2019/20		2020/21	
	£'000	£'000	£'000	£'000
Equities				
Global	722,158		1,192,224	
		722,158		1,192,224
Bonds				
Bonds	896,429		0	
		896,429		0
Pooled funds				
WPP Global Equities	1,270,900		1,867,855	
WPP UK Credit Fund	0		550,961	
Overseas - other	0		0	
		1,270,900		2,418,816
Other Investments				
Pooled UK Gilts	0		372,929	
Pooled Passive Equities	144,462		200,829	
Pooled Property	287,697		282,289	
		432,159		856,047
Total long-term investments		3,321,646		4,467,087

The Fund has participated in stock lending arrangements through its investments in the WPP. The total income received by the WPP from stock lending in 2020/21 is £631k.

All investments held are quoted investments with the exception of property, which is valued at Fair Value and no assets reclassified. Carrying values of assets held in the Net Assets Statement are the same as the Fair Values shown above.

All investments above are deemed to be Financial Instruments designated “Fair Value through Profit and Loss”. All investment income, profits/losses on disposals of investments, and changes in the value of investments recognised in the Fund Account arise from Financial Instruments designated “Fair Value through Profit and Loss”, with the exception of interest on cash deposits. Cash deposits are deemed to be Financial Instruments designated “Loans and Receivables”.

Quoted equities and cash are classed as fair value hierarchy level 1. Bonds, pooled property and pooled investments within the WPP are classified as fair value hierarchy level 2.

8.0 Fund Manager Asset Allocation

The market values of investments held by the Fund Managers employed by the Fund are detailed in the following table:

Fund Manager	Market Value		Proportion of Fund	
	31/03/2020 £'000	31/03/2021 £'000	31/03/2020 %	31/03/2021 %
Baillie Gifford (Equities)	728,101	1,197,175	21.7	26.6
BlackRock (Passive Low Carbon Equities)	144,528	200,880	4.3	4.5
BlackRock (Passive Gilts)	0	372,929	0.0	8.3
BMOgam (Bonds)	903,811	0	27.0	0.0
CBRE (Property)	290,497	287,956	8.7	6.4
Link (Global Growth)	1,011,978	1,501,146	30.2	33.4
Link (Global Opportunities)	258,922	366,709	7.7	8.2
Link (UK Credit Fund)	0	550,961	0.0	12.3
Internal	12,387	15,651	0.4	0.3
Total	3,350,224	4,493,407	100	100

No single investment accounted for more than 5% of the Fund’s assets.

The market value of investments shown in this table includes short-term investments such as cash balances and money deposits, and so differs from the total of long-term investments only, as shown in note 7.0.

Investment risk is mitigated by employing a number of fund managers to diversify manager risk, with mandates covering a variety of assets including equities, bonds and property. Managers must maintain a diversified portfolio of investments and comply with the LGPS investment regulations, and any additional restrictions within their mandates. The underlying investments are further diversified by country and industry sector.

Each manager’s performance is monitored quarterly against a target linked to an asset allocation benchmark, effectively constraining managers from deviating significantly from the intended approach, while still permitting some flexibility to enhance returns.

9.0 Geographical Spread of the Fund

The Fund Managers invest in shares in a number of countries. The table below shows the value of stocks and shares held by the Fund Managers as at 31st March 2021:

Area	£'000	%
UK Equities	463,406	10.30%
European Equities	242,544	5.40%
US and Canadian Equities	233,229	5.20%
Japanese Equities	78,416	1.70%
Pacific Equities	44,580	1.00%
Other International Equities	130,049	2.90%
Passive Low Carbon Pooled Equities	200,829	4.40%
Global Pooled Equities	1,867,855	41.60%
UK Credit	550,961	12.30%
UK Gilts	372,929	8.30%
Property	282,289	6.30%
Cash & Equivalents	26,320	0.60%
Total	4,493,407	100%

10.0 Contingent Liabilities

There is a contingent liability of £987k (£968k in 2019/20) in respect of refundable contributions for leavers who have not yet claimed refunds.

11.0 Reconciliation of Investment Asset Valuation

A reconciliation of the opening and closing investment valuations is given below:

Reclassified	Market Value 01/04/20	Purchases	Sales at Historic Book Cost	Change in Market Value	Market Value 31/03/21
	£'000	£'000	£'000	£'000	£'000
Bonds	896,429	199,350	(1,038,606)	(57,173)	0
Equities	722,158	261,116	(117,591)	326,541	1,192,224
Pooled Global Equities	1,270,900	39,607	0	557,348	1,867,855
Pooled UK Credit	0	562,763	0	(11,802)	550,961
Other Pooled UK Gilts	0	405,920	0	(32,991)	372,929
Other Pooled Equities	144,462	192,159	(124,239)	(11,553)	200,829
Other Pooled Property	287,697	20,686	(13,450)	(12,644)	282,289
	3,321,646	1,681,601	(1,293,886)	757,726	4,467,087
Cash Deposits	25,423			311,103	24,964
Investment Debtors	14,767				6,379
Investment Creditors	(11,612)				(5,023)
Total	3,350,224			1,068,829	4,493,407

Comparative note for 2019/2020:

	Market Value 01/04/19	Purchases	Sales at Historic Book Cost	Change in Market Value	Market Value 31/03/20
	£'000	£'000	£'000	£'000	£'000
Bonds	843,928	270,841	(235,015)	16,675	896,429
Equities	795,421	129,965	(81,374)	(121,854)	722,158
Pooled Global Equities	1,363,745	0	0	(92,845)	1,270,900
Other Pooled Equities	153,737	0	0	(9,275)	144,462
Other Pooled Property	260,851	33,614	(3,362)	(3,406)	287,697
	3,417,682	434,420	(319,751)	(210,705)	3,321,646
Cash Deposits	27,514			69,981	25,423
Investment Debtors	15,440				14,767
Investment Creditors	(3,992)				(11,612)
Total	3,456,644			(140,724)	3,350,224

12.0 Profits and Losses on Investments

	2019/20	2020/21
	£'000	£'000
Profit on sales	102,515	169,241
Loss on sales	(41,542)	(19,443)
Net profit / (loss) on sales	60,973	149,798
Change in market value	(201,697)	919,031
Net increase/ (decrease) in value	(140,724)	1,068,829

13.0 Contributions Receivable and Benefits Payable

Contributions received and benefits paid are shown in the table below:

Type of Body	Member Contributions		Employer Contributions		Pensions, Lump Sums and Death Benefits	
	2019/20	2020/21	2019/20	2020/21	2019/20	2020/21
	£'000	£'000	£'000	£'000	£'000	£'000
Administering	9,025	9,671	38,100	33,596	34,967	36,513
Admitted	3,620	3,778	17,109	16,852	16,255	16,501
Scheduled	15,565	16,317	51,718	47,176	80,359	77,968
Total	28,210	29,766	106,927	97,624	131,581	130,982

Included in employer contributions are £3,663k of deficit funding contributions (£11,428k in 2019/20). There are no augmented contributions.

14.0 Management Expenses

The management expenses borne by the Fund in 2020/21 are set out below:

	2019/20	2020/21
	£'000	£'000
Administrative Costs	1,845	1,870
Investment Management Expenses	11,001	10,836
Oversight and Governance Costs	275	378
Total	13,121	13,084

Investment management expenses represent 0.24% (0.33% in 2019/20) of the value of the Pension Fund as at 31st March 2021.

2020/21 Audit Fees of £39k are included in Oversight and Governance Costs (£39k in 2019/20).

The investment management expenses borne by the Fund in 2020/21 are set out below:

	£'000	£'000	£'000
	Total	Management Fees	Transaction Costs
Bonds	433	433	0
Equities	2,889	2,183	706
Pooled Funds			
WPP Global Equities	6,011	4,729	1,282
WPP UK Credit Fund	291	291	0
Other Pooled Investments			
UK Gilts	13	13	0
Passive Equities	11	11	0
Pooled Property	455	441	14
	10,103	8,101	2,002
Custody Fees	733		
Total	10,836		

Comparative note for 2019/20:

Reclassified	£'000	£'000	£'000
	Total	Management Fees	Transaction Costs
Bonds	1,271	1,271	0
Equities	2,872	2,039	833
Pooled Funds			
WPP Global Equities	5,858	4,761	1,097
WPP UK Credit Fund	0	0	0
Other Pooled Investments			
UK Gilts	0	0	0
Passive Equities	19	19	0
Pooled Property	508	500	8
	10,528	8,590	1,938
Custody Fees	473		
Total	11,001		

The Fund incurs no performance related fees.

During 2019/20, assets were moved from the segregated bond manager, into the WPP. Transaction costs amounted to £214k, which are reflected in the NAV.

Included in the management expenses above, is the cost of the Fund's involvement in the WPP collective investment pooling arrangement, as set out below:

	2019/20	2020/21
	£'000	£'000
WPP Oversight and Governance Costs		
Running Costs	58	99
WPP Investment Management Expenses		
Fund Managers Fees	4,317	5,520
Transaction Costs	1,538	763
Custody Fees	215	578
Total	6,128	6,960

The oversight and governance costs are the annual running costs of the Pool, which includes the Host Authority costs and other external advisor costs. These costs are funded equally by all eight of the Local Authority Pension Funds in Wales. The investment management expenses are fees payable to Link Fund Solutions (the WPP operator) and include fund manager fees, transaction costs (which also includes the operator fee) and custody fees. These costs are based on each Fund's percentage share of the WPP pooled assets and are deducted from the Net Asset Value (NAV).

15.0 Transactions with Related Parties

In the course of fulfilling its role as Administering Authority to the Fund, Rhondda Cynon Taf CBC provided services to the Fund for which it charged £1.4m (£1.5m in 2019/20). These costs are mainly in respect of those staff employed in ensuring that the pension service is delivered.

At the year-end, contributions outstanding from the Employing Bodies in the Fund amounted to £6.1m (£6.4m in 2019/20), of which £4.6m related to employer contributions and £1.5m to employee contributions.

There are members of the Pension Fund Investment and Administration Advisory Panel, the Pensions Board and the Pension Fund Committee who are also members of the Rhondda Cynon Taf Pension Fund.

The administration of the Rhondda Cynon Taf Pension Fund is a function of full Council, with responsibility for day to day decisions being delegated to the Director of Finance and Digital Services. As such, the post holders are required to declare any interests with related parties. The disclosure can be found in the Statement of Accounts of Rhondda Cynon Taf County Borough Council.

The Committee Members and Senior Officers that advise the Committee are required to declare their interest at each meeting.

Officer remuneration and Members allowances can be found in the Statement of Accounts of Rhondda Cynon Taf County Borough Council.

16.0 Membership of the Fund

Fund membership at 31st March is as follows:

	2020	2021
Active Employers	53	51
Contributors	23,696	23,931
Pensioners	17,512	17,728
Dependants	2,726	2,786
Deferred Beneficiaries	28,108	28,868

17.0 Nature and Extent of Risks Arising From Financial Instruments

A financial instrument is defined as any contract that gives rise to a financial asset of one entity and a financial liability (or equity instrument) of another entity. There are three main ways in which the Pension Fund is exposed to risk from financial instruments:

- Credit Risk;
- Liquidity Risk; and
- Market Risk.

The overall objective is to minimise the risk of a reduction in the value of the Fund, and to maximise the opportunity for gains within reasonable risk parameters.

The Funding Strategy Statement identifies key risks to the Pension Fund together with the countermeasures undertaken to mitigate the risks.

17.1 Credit Risk

Credit risk is the possibility that a counterparty will fail to discharge its obligation to the Pension Fund, causing a financial loss. Counterparties considered are banks and financial institutions with whom investments are placed, employers within the Fund and Investment Managers. The risk of counterparties failing to discharge obligations is managed in a number of ways:

- Counterparties for cash investments made by the Administering Authority must meet the strict credit criteria set out in the Rhondda Cynon Taf CBC Treasury Management Strategy.
- Participating employers may be required to provide a bond to cover the risk to the Fund should they be unable to meet their pension contribution obligations.
- Investment Managers manage funds that are held in the name of the Pension Fund, not in the name of the Investment Managers. In the event of the Investment Manager being unable to fulfil their obligations the Fund's investments will not be considered part of their asset portfolio.

The Pension Fund has had no experience of counterparty default in the last five years. Cash deposits held by the Administering Authority for the Pension Fund as at 31st March 2021 amounted to £9.5m with the institution shown in the table below:

Institution	Balance at 31/03/21 £'000	Maturity Date
Debt Management Office	9,500	01/04/2021
Total	9,500	

17.2 Liquidity Risk

Liquidity risk is the risk that the Pension Fund will not be able to meet its financial obligations as they fall due. This risk is managed by:

- Maintaining a robust cash flow monitoring and forecasting model.
- Ensuring that the Pension Fund has access to cash in the short and medium-term to pay pensions by managing cash flow from money-market investments.

- Taking actuarial advice to set employer contribution rates at triennial valuations in order to meet the long-term funding requirements to pay pensions and other commitments.

The Administering Authority has immediate access to internally managed Pension Fund cash balances held with its own bank, Barclays. The Authority also invests Pension Fund cash in short-term deposits with the Debt Management Office or other UK public bodies for periods normally less than 3 months.

17.3 Market Risk

Market risk is the risk of a loss in the value of investment assets from movements in investment markets e.g. asset prices, interest rates and currency exchange rates. This risk is managed by ensuring that the Fund invests in a broad range of assets diversified by Investment Manager, asset class and geographical region.

Following analysis of historic data, Pensions & Investment Research Consultants (PIRC), the Fund's pension performance analytics company, has provided a view of potential market movements for the 2020/21 financial year. The possible impact of movements in each asset type is shown in the following table:

Asset type	31/03/21 Value	Change %	Value on increase	Value on decrease
	£'000		£'000	£'000
Equities	1,197,175	15.9	1,387,406	1,006,944
Cash	15,651	0.4	15,706	15,596
Pooled Funds - Global Equity	1,867,855	15.9	2,164,844	1,570,866
Pooled Funds UK Credit	550,961	5.7	582,366	519,556
Other Pooled - Gilts	372,929	5.7	394,186	351,672
Other Pooled - Passive Equities	200,880	15.9	232,820	168,940
Other Pooled Property	287,956	2.4	294,896	281,016

PIRC also advised that the potential market movement for the Fund as a whole, could be 10.6%. The possible impact is shown below:

	31/03/21 Value	Change %	Value on increase	Value on decrease
	£'000		£'000	£'000
Fund Asset Total	4,493,407	10.6	4,969,709	4,017,106

The Fund's interest rate risk is monitored regularly with the advice of the Administering Authority's treasury advisors. Interest rate changes can affect Fund income and asset values.

Assuming that all other variables, particularly exchange rates, remain unchanged, a movement in interest rates of 1% for the 2021/22 financial year would have the following effect:

Asset type	31/03/21 Value	Value on increase	Value on decrease
	£'000	£'000	£'000
Pooled Funds UK Credit	550,961	556,471	545,451
Other Pooled - Gilts	372,929	376,658	369,200
Cash deposits & balances	26,320	26,583	26,057
Total	950,210	959,712	940,708

Currency risk is the risk to income and investment asset values from changes in exchange rates. The Fund is exposed to this risk from non-sterling denominated investments in a range of assets.

A movement in currency exchange rates of 8.4% would have the following effect:

Asset type	31/03/21 Value	Value on increase	Value on decrease
	£'000	£'000	£'000
Overseas Equities	728,818	790,039	667,597
Overseas Pooled Funds - Global Equities	172,941	187,468	158,414
Overseas Pooled Property	127	138	116
Total	901,886	977,645	826,127

The independent auditor's report of the Auditor General for Wales to the members of Rhondda Cynon Taf County Borough Council as administering authority for Rhondda Cynon Taf Pension Fund

Report on the audit of the financial statements

Opinion

I have audited the financial statements of Rhondda Cynon Taf Pension Fund for the year ended 31 March 2021 under the Public Audit (Wales) Act 2004. Rhondda Cynon Taf Pension Fund financial statements comprise the fund account, the net assets statement and the related notes, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and the Code of Practice on Local Authority Accounting in the United Kingdom 2020-2021 based on International Financial Reporting Standards (IFRSs).

In my opinion the financial statements:

- give a true and fair view of the financial transactions of the pension fund during the year ended 31 March 2021, and of the amount and disposition at that date of its assets and liabilities;
- have been properly prepared in accordance with legislative requirements and the Code of Practice on Local Authority Accounting in the United Kingdom 2020-2021.

Basis for opinion

I conducted my audit in accordance with applicable law and International Standards on Auditing in the UK (ISAs (UK)). My responsibilities under those standards are further described in the auditor's responsibilities for the audit of the financial statements section of my report. I am independent of the pension fund in accordance with the ethical requirements that are relevant to my audit of the financial statements in the UK including the Financial Reporting Council's Ethical Standard, and I have fulfilled my other ethical responsibilities in accordance with these requirements. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.

Conclusions relating to going concern

I have nothing to report in respect of the following matters in relation to which the ISAs (UK) require me to report to you where:

- the use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the responsible financial officer has not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the pension fund's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

Other information

The responsible financial officer is responsible for the other information in the pension fund accounts. The other information comprises the information included in the pension fund accounts other than the financial statements and my auditor's report thereon. My opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in my report, I do not express any form of assurance conclusion thereon.

In connection with my audit of the financial statements, my responsibility is to read the other information to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by me in the course of performing the audit. If I become aware of any apparent material misstatements or inconsistencies I consider the implications for my report.

Report on other requirements

Opinion on other matters

In my opinion, based on the work undertaken in the course of my audit:

- the information contained in the introduction for the financial year for which the financial statements are prepared is consistent with the financial statements.

Matters on which I report by exception

In the light of the knowledge and understanding of the pension fund and its environment obtained in the course of the audit, I have not identified material misstatements in the pension fund accounts.

I have nothing to report in respect of the following matters, which I report to you, if, in my opinion:

- adequate accounting records have not been kept;
- the financial statements are not in agreement with the accounting records and returns;
or
- I have not received all the information and explanations I require for my audit.

Certificate of completion of audit

I certify that I have completed the audit of the accounts of Rhondda Cynon Taf Pension Fund in accordance with the requirements of the Public Audit (Wales) Act 2004 and the Auditor General for Wales' Code of Audit Practice.

Responsibilities

Responsibilities of the responsible financial officer for the financial statements

As explained more fully in the Statement of Responsibilities for the financial statements set out on pages 4 to 5, the responsible financial officer is responsible for the preparation of the financial statements, which give a true and fair view, and for such internal control as the responsible financial officer determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the responsible financial officer is responsible for assessing the pension fund's ability to continue as a going concern, disclosing as applicable, matters related to going concern and using the going concern basis of accounting unless deemed inappropriate.

Auditor's responsibilities for the audit of the financial statements

My objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes my opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

A further description of the auditor's responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website www.frc.org.uk/auditorsresponsibilities. This description forms part of my auditor's report.

Adrian Crompton
For and on behalf of the Auditor General for Wales
(Date)

24 Cathedral Road
Cardiff
CF11 9LJ

Glossary of Terms

Accrual

An accrual is a sum shown in the accounts representing income or expenditure relating to the accounting period, which had not actually been received or paid as at the date of the net asset statement.

Active/Passive Management

Active management is the traditional form of investment management involving a series of individual investment decisions that seek to maximise returns by exploiting price inefficiencies i.e. 'beat the market'.

Passive management is a low-cost alternative where managers normally hold stocks in line with a published index, such as the FTSE All-Share, not seeking to outperform but to keep pace with the index being tracked.

Actuary

An actuary is an individual or organisation that calculates insurance premiums and liabilities and pension obligations.

Actuarial Gains and Losses

For a defined benefit pension scheme, the changes in actuarial deficits or surpluses that arise because events have not coincided with the actuarial assumptions made for the last valuation, or the actuarial assumptions have changed.

Admitted Body

An organisation, whose staff can become members of the Fund by virtue of an admission agreement made between the Council and the organisation. It enables contractors who take on the Council's services with employees transferring, to offer those staff continued membership of the Fund.

Asset Allocation

Apportionment of investment funds among categories of assets, such as Bonds, Equities, Cash and Property. Asset allocation affects both risk and return.

Attained Age Method

An Actuarial method of calculating a contribution rate to the Pension Fund. It calculates the present value of the benefits estimated to accrue to members over their expected remaining membership, expressed as a percentage of their expected future pensionable pay.

Audit

An audit is an independent examination of activities.

Cash and Cash Equivalents

Sums of money available for immediate use and deposits with financial institutions repayable without penalty on notice of not more than 24 hours.

Chartered Institute of Public Finance and Accountancy (CIPFA)

CIPFA is responsible for issuing financial guidance to public bodies.

Contingent Liabilities or Assets

These are amounts potentially due to or from individuals or organisations which may arise in the future but which at this time cannot be determined accurately and for which provision has not been made in the Pension Fund's accounts.

Creditor

A creditor is an organisation/individual owed money by the Pension Fund at the end of the financial year for goods/services received.

Custodian

Bank or other financial institution that keeps custody of stock certificates and other assets of a client, collects dividends and tax refunds due and settles any purchases and sales.

Current Assets

These are short-term assets that are available for the Pension Fund to use in the following accounting period.

Current Liabilities

These are short-term liabilities that are due for payment by the Pension Fund in the following accounting period.

Debtor

A debtor is an organisation/individual who owes the Pension Fund money at the end of the financial year for goods/services received.

Debt Management Office (DMO)

The DMO is an Executive Agency of Her Majesty's Treasury. Its responsibilities include debt and cash management for the UK Government, lending to Local Authorities and managing certain public sector funds.

Defined Benefit Scheme (Pensions)

This is a pension or other retirement benefit scheme other than a defined benefit contribution scheme. Usually, the scheme rules define the benefits independently of the contributions payable and the benefits are not directly related to the investments of the scheme. The scheme may be funded or unfunded (including notionally funded).

Defined Contribution Scheme (Pensions)

A Defined Contribution Scheme is a pension or other retirement benefit scheme into which an employer pays regular contributions as an amount or as a percentage of pay and will have no legal or constructive obligation to pay further contributions if the scheme does not have sufficient assets to pay all employee benefits relating to employee service in the current and prior periods.

Derivatives

A derivative instrument is a contract whose value is based on the performance of an underlying financial asset, index, or other investment.

Employer Contribution Rates

The percentage of the salary of employees that employers pay as a contribution towards the employees' pension.

Equities

Ordinary shares in UK and overseas companies traded on a recognised stock exchange. Shareholders have an interest in the profits of the company and may normally vote at shareholders' meetings.

Fair Value Hierarchy

Level 1 – Assets and liabilities at level 1 are those where fair values are derived from unadjusted quoted prices in active markets for identical assets or liabilities.

Level 2 – Assets and liabilities at level 2 are those where quoted market prices are not available.

Level 3 – Inputs not based on observable market data. The values of investment in private equity are based on valuations provided by the general partners to the private equity funds. If the company's year-end does not coincide with the Pension Fund's year end, the valuation is updated with regard to the calls and distributions made between the Private Equity Fund's audited account date and the Pension Fund's year end.

Financial Assets

Financial assets are cash, equity instruments within another entity e.g. shares, or a contractual right to receive cash or another asset from another entity e.g. debtors, or exchange financial assets or financial liabilities under favourable conditions e.g. derivatives.

Financial Year

This is the accounting period. For local authorities it starts on 1st April and finishes on 31st March of the following year.

Fixed Interest Securities/Bonds

Investments, especially in government stocks, with a guaranteed rate of interest. Conventional bonds have fixed rates, whilst Index Linked vary with inflation. They represent loans repayable at a stated future date and which can be traded on a stock exchange in the meantime.

Fund of Funds

A pooled fund that invests in other pooled funds. They are able to move money between the best funds in the industry and thereby aim to lower stakeholder risk with greater diversification than is offered by a single fund.

GMP

Guaranteed Minimum Pension.

Impairment

Impairment occurs when the value of a long-term asset falls below the value it is currently held at in the Fund Account.

International Accounting Standard (IAS)

Financial Regulations to be followed as set by the International Accounting Standards Board (IASB).

International Financial Reporting Standards (IFRS)

International Financial Reporting Standards are produced by the IASB (International Accounting Standards Board) with the aim of ensuring consistency within the countries adopting the standards.

Liability

A liability is an obligation to transfer economic benefits as a result of past transactions or events.

Net Asset Value (NAV)

The net asset value (NAV) represents the net value of an entity and is calculated as the total value of the entity's asset minus the total value of its liabilities.

Pooled Funds

Pooled investment vehicles issue units to a range of investors. Unit's prices move in response to changes in the value of the underlying portfolio and investors do not own directly the assets in the fund. The main types are: unit trusts, open-ended investment companies (OEICs), insurance linked vehicles and investment trusts.

Portfolio

A collective term for all the investments held in a fund, market or sector. A segregated portfolio is a portfolio of investments of a specific type held directly in the name of the investor e.g. Global Bonds, or a specific market e.g. UK Equities, Far East Equities.

Prior Year Adjustment

Material adjustments applicable to prior years arising from changes in accounting policies or from the correction of material errors.

Provision

A provision is an obligation to transfer economic benefits as a result of past events where a reliable estimate can be made of the obligation, but the amount or timing of which cannot yet be determined accurately.

Related Party

A related party exists where there is control or influence by one party over another.

Return

The total gain from holding an investment, including both income and any increase or decrease in market value. Returns over periods longer than a year are usually expressed as an average annual return.

Scheduled Bodies

An organisation that has the right to become a member of the Local Government Pension Scheme under the scheme regulations. Such an

organisation does not need to be admitted, as its right to membership is automatic.

Unrealised Gains/Losses

The increase or decrease in the market value of investments held by the Pension Fund since the date of their purchase. Note: values throughout these accounts are presented rounded to whole numbers. Totals in supporting tables and notes may not appear to cast, cross-cast, or exactly match to the core statements or other tables due to rounding differences.

Strain on Funds

When an employee retires early and is immediately paid a pension, without actuarial reduction, the lost contribution income and interest cost arising from the associated earlier increased cash flow is referred to as pension strain cost. The pension strain cost is determined by actuarial calculation.

Wales Pension Partnership (WPP)

The WPP was established in 2017. The WPP is a collaboration of the eight LGPS funds (Constituent Authorities) covering the whole of Wales and is one of eight national Local Government Pension pools.

Appendix 2

Date/Dyddiad:
24th November 2021

Please ask for/Gofynnwch am:
Barrie Davies
(01443) 424026

Auditor General for Wales
24 Cathedral Road
Cardiff
CF11 9LJ

Dear Adrian,

Representations regarding the 2020/21 Rhondda Cynon Taf Pension Fund Financial Statements

This letter is provided in connection with your audit of the financial statements of the Rhondda Cynon Taf Pension Fund (the Pension Fund) for the year ended 31st March 2021 for the purpose of expressing an opinion on their truth and fairness and their proper preparation.

We confirm that to the best of our knowledge and belief, having made enquiries as we consider sufficient, we can make the following representations to you.

In addition we have completed the questionnaires (Appendix A) provided to us regarding;

- ISA240 The auditor's responsibilities relating to fraud in an audit of financial statements
- ISA250 Consideration of laws and regulations in an audit of financial statements
- ISA550 Related parties

Management Representations

Responsibilities:

We have fulfilled our responsibilities for the preparation of the financial statements in accordance with legislative requirements and the Code of Practice on Local Authority Accounting in the United Kingdom 2020/21; in particular the financial statements give a true and fair view in accordance therewith.

We have fulfilled our responsibilities for the design, implementation, maintenance and review of internal control to prevent and detect fraud and error.

Information Provided:

We have provided you with:

- Full access to:
 - all information of which we are aware that is relevant to the preparation of the financial statements such as books of account and supporting documentation, minutes of meetings and other matters;
 - additional information that you have requested from us for the purpose of the audit; and
 - unrestricted access to staff from whom you determined it necessary to obtain audit evidence.
- the results of our assessment of the risk that the financial statements may be materially misstated as a result of fraud;
- our knowledge of fraud or suspected fraud that we are aware of and that affects the Pension Fund and involves:
 - management;
 - employees who have significant roles in internal control; or
 - others where the fraud could have a material effect on the financial statements.
- our knowledge of any allegations of fraud, or suspected fraud, affecting the financial statements communicated by employees, former employees, regulators or others;
- our knowledge of all known instances of non-compliance or suspected non-compliance with laws and regulations whose effects should be considered when preparing the financial statements; and
- the identity of all related parties and all the related party relationships and transactions of which we are aware.

Financial Statement representations:

All transactions, assets and liabilities have been recorded in the accounting records and are reflected in the financial statements.

The methods, the data and the significant assumptions used in making accounting estimates, and their related disclosure that is reasonable in the context of the applicable financial reporting framework.

Related party relationships and transactions have been appropriately accounted for and disclosed.

All events occurring subsequent to the reporting date which require adjustment or disclosure have been adjusted for or disclosed.

All known actual or possible litigation and claims whose effects should be considered when preparing the financial statements have been disclosed to the auditor and accounted for and disclosed in accordance with the applicable financial reporting framework.

The financial statements are free of material misstatements, including omissions.

Representations by those charged with governance being Rhondda Cynon Taf County Borough Council as administrating authority for the Rhondda Cynon Taf Pension Fund:

We acknowledge that the representations made by management, above, have been discussed with us.

We acknowledge our responsibility for the preparation of true and fair financial statements in accordance with the applicable financial reporting framework. The financial statements were approved by the Members of Rhondda Cynon Taf County Borough Council on 24th November 2021.

We confirm that we have taken all the steps that we ought to have taken in order to make ourselves aware of any relevant audit information and to establish that it has been communicated to you. We confirm that, as far as we are aware, there is no relevant audit information of which you are unaware.

Signed by

Director of Finance & Digital Services
(S.151 Officer)

Leading Member

Date

Date

Appendix 1

Matters in relation to fraud

International Standard for Auditing (UK and Ireland) 240 covers auditors responsibilities relating to fraud in an audit of financial statements.

The primary responsibility to prevent and detect fraud rests with both management and 'those charged with governance', which for the Council is the Full Council. Management, with the oversight of those charged with governance, should ensure there is a strong emphasis on fraud prevention and deterrence and create a culture of honest and ethical behaviour, reinforced by active oversight by those charged with governance.

As external auditors, we are responsible for obtaining reasonable assurance that the financial statements are free from material misstatement due to fraud or error. We are required to maintain professional scepticism throughout the audit, considering the potential for management override of controls.

What are we required to do?

As part of our risk assessment procedures we are required to consider the risks of material misstatement due to fraud. This includes understanding the arrangements management has put in place in respect of fraud risks. The ISA views fraud as either:

- the intentional misappropriation of assets (cash, property, etc); or
- the intentional manipulation or misstatement of the financial statements.

We also need to understand how those charged with governance exercises oversight of management's processes. We are also required to make enquiries of both management and those charged with governance as to their knowledge of any actual, suspected or alleged fraud, for identifying and responding to the risks of fraud and the internal controls established to mitigate them.

Enquiries of management - in relation to fraud	
Question	2020-21 Response
<p>1. What is management's assessment of the risk that the financial statements may be materially misstated due to fraud and what are the principal reasons?</p>	<p>As "Scheme Manager" for the Rhondda Cynon Taf Pension Fund, the controls applied in Rhondda Cynon Taf CBC also apply to the administration of the Pension Fund.</p> <p>Good governance flows from a shared ethos and culture, as well as from systems and structures. The Council expects all representatives (i.e. Members and Officers) to conduct their duties with the highest levels of honesty and integrity.</p> <p>Policies underpin the culture in place and the Regional Internal Audit Shared Service test compliance with relevant Policies linked to the core financial systems (in line with the approved Annual Audit Plan).</p> <p>To ensure a consistent approach to working practices and processes, all officers are subject to the Council's terms and conditions of employment. A comprehensive suite of information such as policies and procedures are available for officers on "The Source" such as:</p> <ul style="list-style-type: none"> • Financial Procedure Rules • Contract Procedure Rules • Human Resources policies • Anti-Fraud, Bribery & Corruption Strategy • Whistleblowing Policy • Gifts and Hospitality Policy. <p>New employees attend a virtual corporate induction and an induction checklist encompasses key policies and procedures.</p> <p>All Members receive Code of Conduct training and newly elected Member and refresher training is available annually. Code of conduct training is also provided to co-opted Members. The following codes and protocols are included as part of the member induction programme and provided on a one to one basis if requested by a Member via the Council Business Unit.</p> <p>Codes and Protocols</p> <ul style="list-style-type: none"> • Members' Code of Conduct • Protocol Standard of Conduct to be followed by Members • Officers' Code of Conduct

Enquiries of management - in relation to fraud	
Question	2020-21 Response
	<ul style="list-style-type: none"> • Protocol for Member/Officer Relations <p>Where Members and/or Officers do not undertake their duties in accordance with the expected standards then governance arrangements are in place within the Council to manage this process in an equitable, fair and transparent manner.</p> <p>Taking all of the above into account, our assessment of the risk of fraud arising and having a material impact on the financial statements is considered to be low.</p>
2. What processes are employed to identify and respond to the risks of fraud more generally and specific risks of misstatement in the financial statements?	<p>The Council has a number of governance arrangements in place that help in the prevention and detection of fraudulent and/or improper activities. These include:</p> <ul style="list-style-type: none"> • Financial & Contract Procedure Rules • Systems of Internal Control • Recruitment Policies • Whistleblowing Policy • Local procedures within departments, for example, authorisation arrangements and quality assurance processes (a number of which were undertaken remotely during 2020/21 due to revised working arrangements as a result of the pandemic) • An independent Internal Audit Service (the 'scopes' for audit assignments included in the 2020/21 Audit Plan took account of revised working arrangements / potential risks as a result of the pandemic). • An independent Corporate Fraud Team • Combining with Others to Prevent and Fight Fraud, for example, Participation in the National Fraud Initiative <p>The Anti-Fraud, Bribery & Corruption Strategy provides a clear path for raising concerns and facilitating 'tip-offs', and the fraud response arrangements outlined enables such information or allegations to be properly dealt with and reported.</p> <p>The Council's Whistleblowing Policy also gives advice on how to raise a concern, as well as providing information on the safeguards and support that are available to those who raise concerns.</p> <p>Given the governance arrangements in place, management can give assurance that the risk of material misstatement is low.</p>

Enquiries of management - in relation to fraud	
Question	2020-21 Response
3. What arrangements are in place to report fraud issues and risks to the Audit Committee?	<p>Rhondda Cynon Taf County Borough Council is resolute in its determination to maintain its reputation as a Council that will not tolerate fraud, bribery, corruption or abuse of position for personal gain, wherever it may be found in any area of Council activity.</p> <p><u>Arrangements in place to report fraud issues</u></p> <p><u>Whistleblowing</u></p> <p>An updated Whistleblowing Policy and Procedure for Rhondda Cynon Taf County Borough Council was reported to and approved by the Council's Audit Committee at its meeting held on 26th April 2021 together with the Whistleblowing Annual Report 2020/21. With regard to the Whistleblowing Policy and Procedure, it was noted at the meeting that the approved Policy and Procedure would be published on the Council's website and awareness raising undertaken across the Council.</p> <p>The purpose of the Policy is to provide a means by which complaints of malpractice or wrongdoing can be raised by those who feel that other avenues for raising such issues are inappropriate. The Policy confirms that so far as possible, those raising concerns under the Policy will be treated confidentially.</p> <p>Workers are encouraged to report any concerns they have via the Council's <u>Whistleblowing webpage "Get Involved"</u>.</p> <p><u>Anti-Fraud, Bribery & Corruption Strategy</u></p> <p>The purpose of the Strategy is to communicate the Council's main principles for countering fraud, bribery and corruption. It sets out the:</p> <ul style="list-style-type: none"> • Council's zero tolerance approach against fraud, bribery & corruption; • Reporting avenues for suspected irregularities; • Resources that are in place to support a counter fraud, bribery & corruption culture; and • Governance arrangements in respect of reporting to Audit Committee. <p>In the Council's <u>Report It</u> section of the website, instructions for those who wish to raise anti-fraud, bribery or corruption concerns are provided along with the means to complete an on-line form.</p> <p><u>Arrangements in place to report to Audit Committee:</u></p>

Enquiries of management - in relation to fraud	
Question	2020-21 Response
	<p>At the <u>2nd November 2020 Audit Committee meeting</u>, an Anti-fraud, Bribery and Corruption Progress Report 2020/21 was presented and at the 12th July 2021 Governance and Audit Committee¹, the Anti-Fraud Annual Report 2020/21 was reported that set out progress during 2020/21 and a workplan for 2021/22 (both of which were noted and agreed). This update helps to ensure the Council continues to operate within an effective anti-fraud culture across the organisation, with resilient preventative measures capable of identifying and addressing new threats.</p> <p>The <u>1st February 2021 Audit Committee meeting</u> (that reported an update on the '2019/20 Annual Governance Statement Recommendations – Progress update') noted that the review of the Whistleblowing Policy will be reported to the April 2021 Audit Committee (at the same time as the Whistleblowing Annual Report for 2020/21).</p> <p>At the 26th April 2021 Audit Committee meeting, whistleblowing activity during 2020/21 was reported (as part of the Whistleblowing Annual Report) and concluded that arrangements were appropriate (note: the updated Whistleblowing Policy and Procedure was also reported to this meeting).</p> <p>Related information is also included under question 5 'Enquiries of management - in relation to fraud'.</p> <p>The Pension Fund has its own governance structure which includes the Council's Audit Committee and also details that the Pensions Board may report directly to the Pensions Regulator in the event of non compliance with the Code of Practice or in the event of breaches. A diagram showing the links between each forum/body within the governance structure can be found at this link. Governance Structure</p>

¹ Governance and Audit Committee – previously named Audit Committee up to the Council's Annual General Meeting in May 2021 where at this meeting it was agreed for the Committee to be re-named to the Governance and Audit Committee in line with the requirements of the Local Government and Election (Wales) Act 2021

Enquiries of management - in relation to fraud	
Question	2020-21 Response
4. How has management communicated expectations of ethical governance and standards of conduct and behaviour to all relevant parties, and when?	<p><u>Elected Councillors</u></p> <p>Following the Local Government elections held on 4th May 2017, all elected Councillors were provided with an induction and an on-going programme of support that included an overview of the Council's Code of Conduct.</p> <p>Every elected Councillor has signed up to his/her individual Role Description, a copy of which is retained by the Council's Democratic Services division.</p> <p>The Council's Scrutiny Committee meeting minutes and the Pension Fund Committee meeting minutes were examined to determine whether proceedings were conducted in line with the Council's Code of Conduct. Declarations of interest were sought and declarations were made by elected Councillors, as a standard agenda item, where appropriate.</p> <p>On 17th November 2020 Cabinet received the report on the Public Services Ombudsman for Wales – Annual Report and Letter 2019/20. In addition, a Standards Committee was in place during 2020/21 and received a <u>summary of complaints against Members</u> submitted to the Ombudsman. Also, on 27th November 2020, the Standards Committee received information on proposed arrangements for Code of Conduct refresher training for County Borough Councillors.</p> <p><u>Pensions Board</u></p> <p>The Pensions Board has its own Terms of Reference which details the expectation that Board members comply with the Seven Principles of Public Life and also provides information on the legal duty of members to disclose conflicts of interest.</p> <p><u>Pensions Board Terms of Reference</u></p> <p><u>Council Employees</u></p> <p>The Council has a number of recruitment and selection Policies in place that help to ensure that new recruits have the integrity and ethical values of the organisation and also the competencies to undertake the duties required of them.</p> <p>Employees have contracts of employment and competency based job descriptions which set out grade, roles and responsibilities. The Human Resources Service oversees terms and conditions of employment, and the Council have a suite of policies and procedures that are available for officers to access.</p>

Enquiries of management - in relation to fraud	
Question	2020-21 Response
	<p>Each new recruit is provided with a 'Basic Rules – A Guide for Employees' booklet, via The Source, that gives each employee information in relation to (amongst other things) expected behaviour, use of social media, appearance and attendance. The expectations of each employee are set out from the outset.</p> <p>The Council describes what excellent behaviour looks like for each type of job, for example, 'always treat people with respect', and this information is used to test candidates suitability for jobs at interview and is used to inform discussions managers have with their staff as part of their development.</p>
5. Are you aware of any instances of actual, suspected or alleged fraud within the council since 1 April 2020?	<p>To support transparency and openness, the Council's arrangements during 2020/21 included:</p> <p><u>Whistle-blowing arrangements</u> A new Regulation came into force during April 2017 which placed a requirement upon the Council to report annually on whistle-blowing disclosures. The Regulation required the Council to publish the annual report on its website or by other means appropriate for bringing the report to the attention of the public. For Rhondda Cynon Taf, this requirement was met for the 2020/21 financial year via an Annual Report to Audit Committee on 26th April 2021.</p> <p><u>Anti-fraud, Bribery & Corruption arrangements</u></p> <p>As set out for question 3 above, the Anti-Fraud Annual Report for 2020/21 was reported to the Governance and Audit Committee on 12th July 2021 and an in-year Anti-Fraud, Bribery and Corruption progress report was presented to the 2nd November 2020 Audit Committee meeting. Both updates included references / information on the specific work around financial probity in relation to the award of flooding support to businesses and residents (i.e. Storm Dennis related) and Covid-19 business support payments, and also the inclusion of data matching for Covid-19 business support payments paid by local authorities as part of the 2020/21 National Fraud Initiative programme of work.</p> <p>The Council included a payslip insert to all employees in August 2020 providing information on how Council employees could report any suspicions regarding Anti-fraud, Bribery and Corruption.</p>

Enquiries of management - in relation to fraud	
Question	2020-21 Response
6. Are you aware of any fraud within the council since 1 April 2020?	Please refer to the response to question 5, above.
7. Are you aware of any instances of actual, suspected or alleged fraud within the council since 1 April 2020?	Please refer to the response to question 5, above.

Enquiries of those charged with governance – in relation to fraud	
Question	2020-21 Response
1. How does the Full Council, exercise oversight of management's processes for identifying and responding to the risks of fraud within the audited body and the internal control that management has established to mitigate those risks?	<p>Full Council has ensured that the Audit Committee's Terms of Reference are comprehensive and compliant with the Local Government Measure 2011.</p> <p>Audit Committee has a detailed <u>work plan</u> for each Municipal Year that helps them ensure they meet their Terms of Reference.</p> <p>The Rhondda Cynon Taf Pension Fund Accounts are reported to full Council, alongside the external auditor's report, for consideration and if appropriate, approval.</p> <p>Audit Wales reports its Annual Audit Summary Report to full Council setting out, amongst other things, the results of its work undertaken within the Authority in the previous financial year. The most recent being reported <u>10th March 2021</u>. Further to review by Council, this report is scrutinised by the Council's overview and scrutiny arrangements to monitor progress and is also reported to Audit Committee.</p>
2. Are you aware of any instances of actual, suspected or alleged fraud with the audited body since 1 April 2020?	Please refer to response within "Enquiries of Management" section, Question 5.

Appendix 2

Matters in relation to laws and regulations

International Standard for Auditing (UK and Ireland) 250 covers auditors responsibilities to consider the impact of laws and regulations in an audit of financial statements.

Management, with the oversight of those charged with governance (Full Council), is responsible for ensuring that the Council's operations are conducted in accordance with laws and regulations, including compliance with those that determine the reported amounts and disclosures in the financial statements.

As external auditors, we are responsible for obtaining reasonable assurance that the financial statements are free from material misstatement due to fraud or error, taking into account the appropriate legal and regulatory framework. The ISA distinguishes two different categories of laws and regulations:

- laws and regulations that have a direct effect on determining material amounts and disclosures in the financial statements;
- other laws and regulations where compliance may be fundamental to the continuance of operations, or to avoid material penalties.

What are we required to do?

As part of our risk assessment procedures we are required to make inquiries of management and the Full Council as to whether the Council is in compliance with relevant laws and regulations. Where we become aware of information of non-compliance or suspected non-compliance we need to gain an understanding of the non-compliance and the possible effect on the financial statements.

Enquiries of management – in relation to laws and regulations	
Question	2020-21 Response
1. How have you gained assurance that all relevant laws and regulations have been complied with?	The accounts are prepared in accordance with the Accounts & Audit Regulations and Pensions Statement of Recommended Practice. In addition, the Pension Fund has undertaken an assessment of its compliance with the Pensions Regulator Code of Practice.
2. Have there been any instances of non-compliance or suspected non-compliance with relevant laws and regulations since 1 April 2020, or earlier with an ongoing impact on the 2020-21 financial statements?	There are no instances of non-compliance with relevant laws and regulations. Full Council receives assurance on this from the appointed External Auditor.
3. Are there any potential litigations or claims that would affect the financial statements?	Any potential litigations and/or claims are accounted for in accordance with the Code of Practice and where appropriate, disclosed in the letter of representation.
4. Have there been any reports from other regulatory bodies, such as HM Revenues and Customs which indicate non-compliance?	No.
5. Are you aware of any non-compliance with laws and regulations within the council since 1 April 2020?	No.

Enquiries of those charged with governance – in relation to laws and regulations	
Question	2020-21 Response
1. How does the Full Council, in its role as those charged with governance, obtain assurance that all relevant laws and regulations have been complied with?	<p>Full Council appoints Audit Committee and sets its Terms of Reference.</p> <p>Full Council ratifies the appointment of the Section 151 Officer and the Council's Monitoring Officer, whose roles are defined by statute and referenced within the Constitution.</p> <p>Full Council receives assurance from the appointed External Auditor.</p> <p>Also refer to the reporting arrangements on the governance structure as detailed below: <u>Governance Structure</u></p>
2. Are you aware of any instances of non-compliance with relevant laws and regulations?	There are no instances of non-compliance with relevant laws and regulations. Full Council receives assurance on this from the appointed External Auditor.

Appendix 3

Matters in relation to related parties

International Standard for Auditing (UK and Ireland) 550 covers auditors responsibilities relating to related party relationships and transactions.

The nature of related party relationships and transactions may, in some circumstances, give rise to higher risks of material misstatement of the financial statements than transactions with unrelated parties.

Because related parties are not independent of each other, many financial reporting frameworks establish specific accounting and disclosure requirements for related party relationships, transactions and balances to enable users of the financial statements to understand their nature and actual or potential effects on the financial statements. An understanding of the entity's related party relationships and transactions is relevant to the auditor's evaluation of whether one or more fraud risk factors are present as required by ISA (UK and Ireland) 240, because fraud may be more easily committed through related parties.

What are we required to do?

As part of our risk assessment procedures, we are required to perform audit procedures to identify, assess and respond to the risks of material misstatement arising from the entity's failure to appropriately account for or disclose related party relationships, transactions or balances in accordance with the requirements of the framework.

Enquiries of management – in relation to related parties	
Question	2020-21 Response
<p>1. Confirm that you have disclosed to the auditor:</p> <ul style="list-style-type: none"> • the identity of any related parties, including changes from the prior period; • the nature of the relationships with these related parties; • details of any transactions with these related parties entered into during the period, including the type and purpose of the transactions. 	<p>Related party transactions are disclosed within the notes to the statement of accounts in accordance with the Code of Practice on Local Authority Accounting.</p>
<p>2. What controls are in place to identify, authorise, approve, account for and disclose related party transactions and relationships?</p>	<p>Governance arrangements are in place to ensure that a Register of Members Interests is in place and also that Declarations of Interest at each committee are asked for as a standard agenda item.</p> <p>Within the Annual Statement of Accounts of the Pension Fund, there is a requirement for the disclosure of “Related Party Transactions”. This relates to payments made to, or income received from, any organisation in which a Member or Chief Officer (who sits on the Senior Leadership Team) of the Council has an interest, financial or otherwise.</p> <p>Independent checks are also undertaken by finance officers against publicly available national databases to minimise the risk of non-disclosure.</p> <p>Additional controls are in place to ensure records of related parties are captured prior to a Member or officer of the Senior Leadership team leaving the local authority.</p> <p>Further additional Controls in place include:</p> <ul style="list-style-type: none"> • Gifts & Hospitality Policy • Contract Procedure Rules • The Anti-Fraud, Bribery & Corruption Strategy

Enquiries of the those charged with governance – in relation to related parties	
Question	2020-21 Response
1. How does the Council, in its role as those charged with governance, exercise oversight of management's processes to identify, authorise, approve, account for and disclose related party transactions and relationships?	<p>Governance arrangements are in place to ensure that a Register of Members Interests is in place and also that Declarations of Interest at each committee are asked for as a standard agenda item.</p> <p>Within the Annual Statement of Accounts of the Pension Fund, there is a requirement for the disclosure of "Related Party Transactions". This relates to payments made to, or income received from, any organisation in which a Member or Chief Officer (who sits on the Senior Leadership Team) of the Council has an interest, financial or otherwise.</p> <p>Additional Controls in place include:</p> <ul style="list-style-type: none"> • Gifts & Hospitality Policy • Contract Procedure Rules • The Anti-Fraud, Bribery & Corruption Strategy.



RHONDDA CYNON TAF COUNTY BOROUGH COUNCIL

MUNICIPAL YEAR 2021/22

COUNCIL

24th NOVEMBER 2021

WALES PENSION PARTNERSHIP (WPP) – INTER AUTHORITY AGREEMENT

REPORT OF: THE DIRECTOR OF FINANCE AND DIGITAL SERVICES

Author: Barrie Davies (01443 424026)

1.0 PURPOSE OF THE REPORT

1.1 This report provides Council with details of proposed amendments to the Wales Pension Partnership (WPP) Inter Authority Agreement (IAA).

2.0 RECOMMENDATIONS

2.1 It is recommended that Council:

- i) Note and agree the proposed amendments as set out at paragraph 5 and at Appendix 1.

3.0 REASON FOR RECOMMENDATION

3.1 To agree proposed amendments to the WPP Inter Authority Agreement necessary to reflect current ways of working; requirements for further investment arrangements; and to agree the appointment of a (non-voting) Scheme Member Representative onto the Joint Governance Committee (JGC).

4.0 BACKGROUND

- 4.1 The Wales Pension Partnership (WPP) is a Local Government Pension Scheme (LGPS) investment pool, comprising of investment assets from all eight LGPS funds in Wales.
- 4.2 The Welsh Funds have a long history of working in collaboration and were already moving toward opportunities for the collective investment of assets. This positioned the Welsh Funds well when the UK Government mandated the creation of investment pools in 2015.
- 4.3 The Wales Pension Partnership was consequently established as the Wales pool, governed by an Inter Authority Agreement (IAA) and decision making vested in a Joint Governance Committee (JGC), with reserved matters retained for each local Pension Fund Committee. Council considered and agreed these arrangements on the 15th March 2017.

5. PROPOSED AMENDMENTS TO THE INTER AUTHORITY AGREEMENT (IAA)

- 5.1 The Joint Governance Committee (JGC) is made up of an elected member of each of the eight funds in Wales, generally the Chair of the Pensions Committee or a nominated deputy.
- 5.2 It is proposed that this arrangement is supplemented by the appointment of a Pension Board Scheme Member Representative. It is considered that this will enhance transparency of decision making. The Scheme Member Representative will be a non-voting member of the JGC.
- 5.3 WPP has successfully launched a number of sub-funds to satisfy the investment requirements of the Welsh Funds, with approximately 70% of the Rhondda Cynon Taf Fund now invested through such vehicles. To allow for and to optimise the development of the next phase of sub-funds (for Infrastructure, Property and Private Debt / Private Equity), following legal advice it has been recommended that the appointment of an "Allocator" is required (note, this is in addition to the current "Operator").
- 5.4 The opportunity has also been taken to make other minor changes to the IAA to reflect more fully the current operational working arrangements.
- 5.5 These amendments are set out in full at Appendix 1.

6.0 EQUALITY AND DIVERSITY IMPLICATIONS / SOCIO-ECONOMIC DUTY

- 6.1 A full Equality Impact Assessment is not required at this time.

7.0 CONSULTATION

- 7.1 There are no consultation requirements; Pension Boards continue to be effectively engaged as part of the WPP governance arrangements.

8.0 FINANCIAL IMPLICATION(S)

8.1 There are no financial implications.

9.0 LEGAL IMPLICATIONS OR LEGISLATION CONSIDERED

9.1 Legal advice has been provided to the WPP to confirm that the proposal is compliant with relevant legislation.

10.0 LINKS TO CORPORATE AND NATIONAL PRIORITIES AND THE WELL-BEING OF FUTURE GENERATIONS ACT

10.1 This report supports the Council's Corporate Plan 2020-24 – "Making a Difference", in particular through supporting the 'Living Within Our Means' theme.

10.2 The report also supports the Well-being of Future Generations Act in particular 'a globally responsible Wales' through responsible management of Pension Fund Investments.

11.0 CONCLUSION

11.1 This report recommends that Council approves the proposed amendments to the Wales Pension Partnership Inter Authority Agreement.

LOCAL GOVERNMENT ACT 1972
AS AMENDED BY
THE LOCAL GOVERNMENT (ACCESS TO INFORMATION) ACT 1985
RHONDDA CYNON TAF COUNTY BOROUGH COUNCIL
COUNCIL
24th November 2021

REPORT OF THE DIRECTOR OF FINANCE AND DIGITAL SERVICES

Item: **WALES PENSION PARTNERSHIP (WPP) – INTER AUTHORITY AGREEMENT**

Background Papers

None.

Officer to contact: Barrie Davies

Amendment to the Inter-Authority Agreement between

- Carmarthenshire County Council (1)
- City & County of Swansea Council (2)
- City of Cardiff Council (3)
- Flintshire County Council (4)
- Gwynedd Council (5)
- Powys County Council (6)
- Rhondda Cynon Taff County Borough Council (7)
- Torfaen County Borough Council (8)

Made on

2021

By

- (1) **CARMARTHENSHIRE COUNTY COUNCIL** of County Hall, Carmarthen, Carmarthenshire, SA31 1JP
- (2) **CITY & COUNTY OF SWANSEA COUNCIL** of The Guildhall, Swansea, SA1 4PE
- (3) **THE COUNTY COUNCIL OF THE CITY AND COUNTY OF CARDIFF** of County Hall, Atlantic Wharf, Cardiff, CF10 4UW
- (4) **FLINTSHIRE COUNTY COUNCIL** of County Hall, Mold, Flintshire, CH7 6NA.
- (5) **GWYNEDD COUNCIL** of Shirehall Street, Caernarfon, Gwynedd LL55 1SH
- (6) **POWYS COUNTY COUNCIL** of County Hall, Llandrindod Wells, Powys, LD1 5LG
- (7) **RHONDDA CYNON TAFF COUNTY BOROUGH COUNCIL** of The Pavilions, Clydach Vale, Tonypany, CF40 2XX
- (8) **TORFAEN COUNTY BOROUGH COUNCIL** of Civic Centre Pontypool Torfaen NP46YB

(together referred to as the “**Constituent Authorities**” and individually as a “**Constituent Authority**”)

2 BACKGROUND

- 2.1 The Constituent Authorities are all councils responsible for the administration of local government within their areas as set out in the Local Government Act 1972. The Department for Communities and Local Government in its letter dated 23 November 2016 confirmed that the Constituent Authorities have been granted permission for each Constituent Authority to continue to collaborate with every other Constituent Authority to form a pool of assets in respect of each of their respective funds under the LGPS.
- 2.2 The Constituent Authorities entered into the Agreement to create a formal joint committee pursuant to section 101 and section 102 of the Local Government Act 1972 by Deed dated 26 June 2017. The Agreement in clause 34 allows for amendment of its terms provided that the amendment is made in writing and is signed on behalf of all the Constituent Authorities by duly authorised representatives.
- 2.3 This Amendment is made under clause 34 in order to amend the Agreement to:
 - (a) allow the participation of a co-opted member in the Joint Governance Committee; and
 - (b) allow for a number of changes which support the development and effectiveness of the pooling collaboration.

AGREED TERMS

3 INTERPRETATION

- 3.1 In this Amendment terms shall have the same meaning as set out in the Agreement where:
 - (a) **Agreement** means the deed titled Inter-Authority Agreement made between the Constituent Authorities on 26 June 2017.
 - (b) **Amendment** means this document amending the terms of the Agreement.

4 COMMENCEMENT

This Amendment shall take effect on [] 2021. For the avoidance of doubt, this Amendment is only effective when each Constituent Authority has signed it in accordance with clause 34 of the Agreement.

5 AMENDMENT OF THE AGREEMENT

The Agreement is amended as set out in Schedule 1 to this Amendment.

6 SEVERANCE

6.1 If any provision or part-provision of the Agreement or this Amendment is or becomes invalid, illegal or unenforceable, it shall be modified to the minimum extent necessary to make it valid, legal and enforceable. If such modification is not possible, the relevant provision or part-provision shall be deemed deleted. Any modification to or deletion of a provision or part-provision under this clause shall not affect the validity and enforceability of the rest of this Agreement.

6.2 If one Constituent Authority gives notice to the other Constituent Authorities of the possibility that any provision or part-provision of this Agreement is invalid, illegal or unenforceable, the Constituent Authorities shall negotiate in good faith to amend such provision so that, as amended, it is legal, valid and enforceable, and, to the greatest extent possible, achieves the intended result of the original provision.

7 COUNTERPARTS

This Amendment may be executed in any number of counterparts by the Constituent Authorities, all of which taken together, shall constitute one and the same agreement, and any Constituent Authority (including any duly authorised representative of a Constituent Authority) may execute this Amendment by executing a counterpart.

Schedule 1

Amendments to the Agreement

The following amendments are made to the Agreement:

1 CLAUSE 1 INTERPRETATION

1.1 In clause 1, the following definition is inserted at the start of the list of definitions:

Allocator means the, one or more, allocator for [private market] asset classes who will facilitate the preferred investment structure and select sub-managers, underlying funds and/or direct investments for the purposes of the Pooling Collaboration appointed by the Joint Governance Committee.

1.2 In clause 1, following the definition of “Constituent Authorities”, the following definitions are inserted:

Contact List means the document circulated periodically by the Host Authority setting out relevant contact details for each of the Constituent Authorities.

Co-opted Member means a person, nominated by a Constituent Authority or the Pension Board of a Constituent Authority, and appointed as a Co-opted Member of the Joint Governance Committee by the Members; who is not an elected member of a Constituent Authority but is a Pension Member Representative of a Constituent Authority.

1.3 In clause 1 (and throughout the document thereafter, but including the contents pages), the definition “Host Council” is changed to “**Host Authority**” but retains its meaning throughout the document, being:

Host Authority means the Constituent Authority appointed in accordance with clause 7 and whose duties are described within that clause.

1.4 In clause 1, the definition of Member is delete and replaced by the following definition:

Member means each of the elected members of the Constituent Authorities nominated to be Members of the Joint Governance Committee in accordance with clause 3.3(a).

1.5 In clause 1, following the definition of “Pension Board”, the following definition is inserted:

Pension Member Representative means a person appointed to a Pension Board as a member representative further to regulation 107(2)(b) of the Local Government Pension Scheme Regulations 2013.

2 CLAUSE 3

2.1 Clause 3.3 is delete and replaced by the following:

3.3 The membership of the Joint Governance Committee shall be:

(a) one elected member nominated by each of the Constituent Authorities, provided that the nominated person is an elected member of that Constituent Authority and a member of that Constituent Authority’s pensions committee (or equivalent body) for the purposes of the Local Government Pension Scheme Regulations 2013; and

(b) one Co-opted Member appointed by decision of the Members (or a sub-group of the Members where such a sub-group is formed to consider the candidates), and which Co-opted Member shall be selected from a pool of candidates nominated by each of the Constituent Authorities or their Pension Boards.

2.2 Clause 3.4 is delete and replaced by the following:

- 3.4 For the purposes of clause 3.3, each Constituent Authority may appoint a named deputy for each Member, which deputy must be an elected member of the same Constituent Authority and the same Constituent Authority's pension committee (or equivalent body) for the purposes of the Local Government Pension Scheme Regulations 2013 as the Member for whom they are acting as deputy; and

3.4 A In the case of the Co-opted Member, a deputy shall be appointed by decision of the Members (or a sub-group of the Members where such a sub-group is formed to consider the candidates), and which deputy for the Co-opted Member shall be selected from a pool of candidates nominated by each of the Constituent Authorities or their Pension Boards.

- 2.3 A new clause 3.8 as follows is inserted:

- 3.8 The Co-opted Member shall be invited to and is expected, where possible, to attend all training provided to Members under clause 3.7.

3 CLAUSE 31

- 3.1 Clause 31.1 is amended by deleting the words "Schedule 1" and replacing them with "the Contact List".

4 SCHEDULE 1

- 4.1 In Schedule 1, the content of the schedule is held delete and replaced by the following:

As of [date], the Host Authority maintains a list of the relevant contact details for each of the Constituent Authorities. This will be issued periodically by the Host Authority to the Constituent Authorities and is also available on request.

5 SCHEDULE 2

- 5.1 In Schedule 2, new items are added to the numbered list as follows:

12. Nomination of a Co-opted Member to the Joint Governance Committee (except where that role is carried out by a Pension Board, in which case it is reserved to that Pension Board) .

13. Approval of changes to the terms of reference of the Joint Governance Committee as set out in Schedule 4.

6 SCHEDULE 4

- 6.1 In Schedule 4 Joint Governance Committee – Terms of Reference the bullet points are replaced with numbering.

- 6.2 In Schedule 4, item 8 is held delete and replaced by the following:

8. From time to time reviewing policies in respect of environmental, social and governance matters and where appropriate make recommendations to the Constituent Authorities as to any changes deemed necessary.

- 6.3 In Schedule 4, item 13 is held delete and replaced by the following:

13. Monitoring the implementation and effectiveness of the policies described in Schedule 5 and initiating reviews of these where required.

- 6.4 In Schedule 4, item 19 is held delete and replaced by the following:

19. Agreeing criteria for the evaluation of bids or tenders for any procurement of the Operator (including for the avoidance of doubt, a replacement Operator) to be put forward for the approval of the Constituent Authorities.

6.5 In Schedule 4, new items are inserted as follows:

20. Any reference in this schedule to the Joint Governance Committee taking any action including agreeing, approving or making recommendations, shall be determined subject to the voting provisions set out in Schedule 6.
21. Approval of an appointment of an Allocator following a recommendation by the OWG, reviewing the performance of an Allocator(s), and reporting on the performance of the Allocator(s) to the Constituent Authorities.
22. Approval of the termination of the appointment of an Allocator following a recommendation by the OWG.

7 SCHEDULE 5

7.1 In Schedule 5, the existing wording is held delete and replaced by the following:

The Joint Governance Committee, with the support of the OWG, will formulate, review and revise on an ongoing basis policies and procedures as deemed appropriate to support robust and effective governance arrangements for the Pooling Collaboration, including the following (which for the avoidance of doubt, is non-exhaustive):

- (a) Responsible Investment Policy
- (b) Climate Risk Policy
- (c) Voting Policy
- (d) Training Policy & Plans
- (e) Communication Policy
- (f) Governance Decision Matrix
- (g) Risk Policy and Risk Register
- (h) Conflict of Interest and Procedure Policy
- (i) Rebalancing and Alteration Policy
- (j) Responsibilities Matrix
- (k) Complaints Policy
- (l) Whistleblowing Policy
- (m) Breaches and Errors Policy
- (n) Business Continuity Plan

8 SCHEDULE 6

8.1 Paragraph 1 of Schedule 6 is held delete and replaced by the following:

1 MEMBERSHIP

1.1. The membership of the Joint Governance Committee shall consist of one Member per Constituent Authority and one Co-opted Member.

1.2 No substitutes other than deputies shall be allowed.

8.2 A new section 1A, ROLE OF THE CO-OPTED MEMBER, is inserted following section 1 of schedule 6 as follows:

1A ROLE OF THE CO-OPTED MEMBER

1A.1 The primary role of the Co-opted Member is to provide scheme member representation on the Joint Governance Committee.

1A.2 The Co-opted Member is entitled to attend all meetings of the Joint Governance Committee, including exempt items, to be provided with copies of all papers, and to speak on any item during meetings of the Joint Governance Committee.

1A.3 The Co-opted Member may ask the Chair to include any matter on the agenda which they consider should be discussed by the Joint Governance Committee.

8.3 Clause 2.3 is amended in the first line by insertion of the words 'executive summaries of following 'agendas,'.

8.4 Clause 2.4 is held delete and replaced by the following:

2.4 The Joint Governance Committee may decide to allow remote participation in meetings via video-conference or any similar medium having regard to any applicable guidance issued from time to time by the Welsh Government. Any Member or Co-opted Member attending by video-conference shall be held to be in attendance at the meeting for the purposes of this Schedule.

8.5 Paragraph 2.5 of Schedule 6 is held delete and replaced by the following:

2.5 A meeting of the Joint Governance Committee may be called by a proper officer of the Host Authority on the request of the Chair. Members and the Co-opted Member must declare any conflict of interest in respect of any business being conducted at the meeting which would likely to be regarded to prejudice the exercise of a person's function as a participant in the meeting.

8.6 Paragraph 2.6 of Schedule 6 is held delete and replaced by the following:

2.6 The Chair is responsible for the running of meetings. The Chair shall invite Members and the Co-opted Member expressing a desire to speak in turn. All discussion and debate shall be held through the Chair and the Chair may draw a discussion to a vote at any time where they consider that every Member and the Co-opted Member has been given a fair opportunity to speak.

8.7 Sub-paragraph 2.9(a) of Schedule 6 is held delete and replaced by the following:

Where any item to be discussed forms exempt information, the Chair shall move that the public and press are excluded from the meeting for the duration of the discussion and voting on that item. The Co-opted Member is entitled to remain in the meeting and shall not be excluded. Motions to exclude the press and public do not require to be seconded and shall be determined by simple majority vote of the Members present.

8.8 Paragraph 6.2 of Schedule 6 is held delete and replaced by the following:

6.2 A Member or the Co-opted Member may raise a point of order at any time. The Chair will hear them immediately. A point of order may only relate to an alleged breach of the provisions of this Schedule, or the law or other competent authority. The Member or Co-opted Member must indicate the provision or law or regulation and the way in which he/she considers it has been broken. The ruling of the Chair on the matter will be final. The Chair may take advice on the point of order from the appropriate officer.

8.9 Section 7 of Schedule 6 is held delete and replaced by the following:

7 VOTING

7.1 The Chair shall seek consensus wherever possible however where a vote is required the provisions of this section shall apply.

- 7.2 Each Member present will have one vote and voting will be by means of a show of hands or such other method as the Chair may decide is appropriate in the circumstances, including a roll call. The Co-opted Member may not vote. In the event of a tied vote, the Chair shall have a second or casting vote.
 - 7.3 All decisions will be determined by simple majority of Members present.
 - 7.4 In the event that a vote is taken, the voting positions and any abstentions of Members will be recorded in the minutes.
- 8.10 Paragraph 8.1 of Schedule 6 is held delete and replaced by the following:
- 8.1 The Joint Governance Committee shall form such sub-committees and working groups as it considers expedient to performing its function. The Joint Governance Committee shall at the time of forming sub-committees or working groups set out the remit of the sub-committees or working groups, what the sub-committees or working groups are required to deliver and the timescale for that delivery.. The Co-opted Member may be a member of any sub-committee or working group.

Paragraph 8.4 of Schedule 6 is held delete and replaced by the following:

- 8.4 Working groups may invite any person who is not a Member or Co-opted Member to join the group in order to assist in carrying out its function.

9 SCHEDULE 8

- 9.1 In Schedule 8, letters a-o are replaced with numbers 1-17.
- 9.2 In Schedule 8, the following items are inserted after item 14 (with semi-colons and full stops updated accordingly):
 - 15. establishing sub-groups and/or working groups of the OWG if the OWG consider such sub-group or working group would assist the effectiveness of the OWG to progress a particular project or workstream;
 - 16. reviewing, formulating or evaluating governance arrangements and policies for the Pooling Collaboration (including for the avoidance of doubt the policies and procedures described in Schedule 5);
 - 18. managing the procurement process for the procurement of an Allocator, or the replacement of an Allocator, including determining the criteria for the evaluation of bids or tenders;
 - 19. monitoring and reviewing the performance of the Allocator(s) in meeting relevant objectives, service levels and key performance targets.

IN WITNESS whereof the parties have executed this Agreement on the date and year first above written.

THE COMMON SEAL of)
 Carmarthenshire County Council)
 was affixed hereto in the)
 presence of:-)
 Authorised Officer

THE COMMON SEAL of)
Council of the City and County of Swansea)
was affixed hereto in the)
presence of:-)
Authorised Officer

THE COMMON SEAL of)
County Council of the City and County of Cardiff)
was affixed hereto in the)
presence of:-)
Authorised Officer

THE COMMON SEAL of)
Flintshire County Council)
was affixed hereto in the)
presence of:-)
Chair / Legal Services Manager / Chief Officer Governance

THE COMMON SEAL of)
Gwynedd County Council)
was affixed hereto in the)
presence of:-)
Authorised Officer

THE COMMON SEAL of)
Powys County Council)
was affixed hereto in the)
presence of:-)

Authorised Officer

THE COMMON SEAL of)
Rhondda Cynon Taf County Borough Council)
was affixed hereto in the)
presence of:-)

Authorised Officer

THE COMMON SEAL of)
Torfaen County Borough Council)
was affixed hereto in the)
presence of:-)

Authorised Officer



RHONDDA CYNON TAF COUNTY BOROUGH COUNCIL

MUNICIPAL YEAR 2021/22

COUNCIL

24th November 2021

2021/22 MID YEAR TREASURY MANAGEMENT STEWARDSHIP REPORT

REPORT OF THE DIRECTOR OF FINANCE AND DIGITAL SERVICES : Barrie Davies (01443) 424026

1.0 PURPOSE OF REPORT

1.1 The CIPFA Code of Practice on Treasury Management requires a Mid Year Review to be presented to Council. This report provides Members with information on:-

- The Council's Treasury Management activity during the first six months of 2021/22; and
- Prudential and Treasury Indicators for the same period.

2.0 RECOMMENDATIONS

2.1 It is recommended that Members note the content of this report.

3.0 INTRODUCTION

3.1 This report meets the requirements of both the CIPFA Code of Practice on Treasury Management and the CIPFA Prudential Code for Capital Finance in Local Authorities.

- 3.2 The Treasury Management function operates within the Treasury Management Strategy and Capital Strategy, both approved by Council on the 10th March 2021.
- 3.3 Treasury Management is defined as:
“The management of the organisation’s borrowing, 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.”
- 3.4 The Council sets a balanced budget to ensure that all planned expenditure is financed by various sources of income / reserves. Treasury Management is concerned with monitoring the cash flows of such income and expenditure and planning investments and borrowing prudently.
- 3.5 This report includes the following areas of treasury activity during the first six months of 2021/22:
- Economic background;
 - Borrowing activity and results;
 - Estimated and actual treasury position, treasury management and prudential indicators; and
 - Investment strategy, activity and results.

4.0 ECONOMIC BACKGROUND

4.1 General Economic Background

- 4.2 The economic recovery from Covid-19 pandemic dominated the first half of the financial year, alongside an easing of restrictions and the on-going roll-out of the vaccination programme. Over this period, Government initiatives continued to support the economy, notably through the Coronavirus Job Retention Scheme (Furlough), to the 30th September 2021.
- 4.3 GDP growth increased by 5.5% for the quarter ending 30th June 2021 and by 1.3% for the quarter ending 30th September 2021, and year-on-year GDP growth to the 30th September was 6.6%. In the 3 months June to August 2021, the unemployment rate fell to 4.5% (4.8% March to May 2021) and the Bank of England has indicated a high degree of uncertainty for the labour market in the short-term, with initial indicators suggesting a marginal rise in unemployment.
- 4.4 The 12 month Consumer Price Index (CPI) inflation fell slightly from 3.2% in August 2021 to 3.1% in September 2021 and the Bank of England expects inflation to rise to 4.5% through the winter, peaking at around 5% in April 2022. The upward pressure is expected to cease over time as supply disruption improves, global demand rebalances and energy prices stabilise, with the inflation rate target being maintained at 2%.

- 4.5 The Council's investment income is subject to changes in short term interest rates. The level of the Bank Base Rate or 'Bank Rate' is one of the main determinants of the rate of interest the Council receives on its short-term investments. The Bank of England Monetary Policy Committee has maintained the Bank Rate at 0.1% throughout this financial year to date. Following the November 2021 Monetary Policy Report, market implied expectations are that the Rate could rise to around 1% by the end of 2022.
- 4.6 The majority of the Council's borrowing is from the PWLB (Public Works Loans Board). Long-term borrowing rates are influenced by gilt yields and these have risen but are expected to stay constant before falling as inflation decreases.
- 4.7 PWLB maturity rates (certainty rate) during the first half of the financial year were as follows:

	5 years	10 years	20 years	50 years
Average	1.21%	1.63%	1.99%	1.81%
Highest	1.46%	1.84%	2.24%	2.06%
Lowest	1.08%	1.42%	1.74%	1.49%

- 4.8 Estimates of future rates are as follows:

	Base Rate	PWLB Maturity Rates			
		5 years	10 years	20 years	50 years
2021/22 (Act 6 mth Average)	0.10%	1.21%	1.63%	1.99%	1.81%
31/03/22	0.10%	1.45%	1.85%	2.20%	2.10%
31/03/23	0.50%	1.40%	1.85%	2.15%	2.05%

5.0 BORROWING ACTIVITY AND RESULTS

- 5.1 The borrowing strategy for 2021/22, approved by Council in March 2021, reported that the Director of Finance and Digital Services, as Section 151 Officer (or in his absence the Deputy Section 151 Officer), under delegated powers, will take the most appropriate form of borrowing depending upon the prevailing interest rates at the time, and taking into account advice provided by our advisors.
- 5.2 In March, the borrowing requirement was estimated to be £19.3m based on the Capital Programme at that time. The borrowing requirement has slightly increased for 2021/22 due to revised delivery timescales, and is now £21.0m as at 30th September 2021.
- 5.3 It was also reported that the Council would monitor prevailing PWLB rates for any opportunities to reschedule debt to generate savings. I can report that to the 30th September this financial year, the Council has not had a

viable option to reschedule debt. Affordability and the cost of carry remained important influences on the Council's borrowing strategy. No short-term or long-term borrowing was taken during the first half of 2021/22.

- 5.4 In line with the above strategy, this Council has not borrowed in advance of need during the first 6 months of the year and has no current intention to borrow in advance during the remainder of 2021/22.
- 5.5 No variance is being reported for net capital charges which have a budget for 2021/22 of £19.950m.

6.0 CERTAINTY RATE

- 6.1 The "certainty rate", whereby local authorities are able to access borrowing at 0.2% below published PWLB rates was available from HM Treasury again for this year. Authorities were required to provide an indication of their potential borrowing requirements for the next 3 years. This Council provided such information to HM Treasury and will continue to be able to access the discounted rate up to 31st March 2022.

7.0 ESTIMATED AND ACTUAL TREASURY POSITION AND PRUDENTIAL AND TREASURY MANAGEMENT INDICATORS

- 7.1 During the six months to 30th September 2021, the Council operated within its prudential limits set out in the Prudential Code report approved by Council in March 2021. Details of limits and actual performance are as follows:

7.2 Capital Expenditure and the Capital Financing Requirement

- 7.2.1 The Capital Expenditure plans of the Council are primarily financed by capital receipts and capital grants. The remaining element which cannot be immediately financed from other resources will constitute our borrowing requirement. The estimated level of available capital resources is provided in summary as the Capital Expenditure Indicator below.

Indicator: Capital Expenditure

	2021/22 Original Estimate £M	2021/22 Projected Outturn £M	2022/23 Revised Estimate £M	2023/24 Revised Estimate £M
Supported spend	68.904	129.007	46.263	20.321
Unsupported spend	12.409	14.090	5.408	0.244
Total spend	81.313	143.097	51.671	20.565
Financed by:-				
Borrowing	19.282	20.963	12.281	7.117

Other Capital Resources (Grants, Capital Receipts)	62.031	122.134	39.390	13.448
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7.2.2 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.

7.2.3 The Council's expectation for the CFR for the next three years is shown below.

Indicator: Capital Financing Requirement (CFR)

	2021/22 31/03/22 Original Estimate £M	31/03/22 Projected Outturn £M	2022/23 31/03/23 Revised Estimate £M	2023/24 31/03/24 Revised Estimate £M
CFR	512.804	511.302	508.470	500.107
Net movement in CFR			(2.832)	(8.363)

7.2.4 The expected external debt for each year is as detailed below.

Indicator: External Debt

	30/09/21 Actuals £M	2021/22 31/03/22 Original Estimate £M	2021/22 31/03/22 Revised Estimate £M	2022/23 31/03/23 Revised Estimate £M	2023/24 31/03/24 Revised Estimate £M
Borrowing	310.017	477.807	361.807	367.842	363.876
Other long term liabilities	0.454	0.583	0.582	0.582	0.581
Total External Debt	310.471	478.390	362.389	368.424	364.457

7.2.5 Other Long Term Liabilities represents the Council's obligation under its finance leases.

8.0 LIMITS TO BORROWING ACTIVITY

8.1 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.

Borrowing Activity (Gross Borrowing)

	2021/22 30/09/21 Actuals £M	2021/22 31/03/22 Original Estimate £M	2021/22 31/03/22 Revised Estimate £M	2022/23 31/03/23 Revised Estimate £M	2023/24 31/03/24 Revised Estimate £M
Gross Borrowing (inc. Other Long Term Liabilities)	310.471	478.390	362.389	368.424	364.457
Capital Financing Requirement		512.804	511.302	508.470	500.107

- 8.2 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. It is proposed that these limits be amended in line with increases to the underlying need to borrow, that is, the Capital Financing Requirement.

Indicator: The Authorised Limit

	2021/22 30/09/21 Actuals £M	2021/22 Limit £M	2022/23 Limit £M	2023/24 Limit £M
Gross Borrowing	310.017	530.000	530.000	530.000
Other long term liabilities	0.454	2.000	2.000	2.000
Authorised Limit	310.471	532.000	532.000	532.000

- 8.3 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: The Operational Boundary

	2021/22 30/09/21 Actuals £M	2021/22 Estimate £M	2022/23 Estimate £M	2023/24 Estimate £M
Gross Borrowing Limit	310.017	480.000	480.000	480.000
Other long term liabilities	0.454	1.000	1.000	1.000
Operational Boundary	310.471	481.000	481.000	481.000

9.0 **AFFORDABILITY PRUDENTIAL INDICATORS**

- 9.1 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.
- 9.2 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: Ratio of Financing Costs to Net Revenue Stream

	2021/22 Original Estimate	2021/22 Revised Estimate	2022/23 Revised Estimate	2023/24 Revised Estimate
General Fund	5.10%	4.94%	5.01%	5.06%

- 9.3 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. It is the view of our Treasury Management Advisors that it is unlikely the LOBO's will be called within this financial year.
- 9.4 The amount of LOBO debt held in 2021/22 is £31m, 10% of total debt as at 30th September. 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

- 9.5 The maturity structure indicator sets gross limits to reduce the Council's exposure to large fixed rate sums falling due for refinancing annually. The Code of Practice requires LOBO's to be represented in the maturity structure at the next option date, hence the table below demonstrates a high maturity within 12 months.

Indicator: Maturity Structure

	2021/22 Actuals as at 30/09/21	Upper Limit	Lower Limit
Under 12 months	14%	70%	0%
12 months to 2 years	4%	70%	0%
2 years to 5 years	10%	60%	0%
5 years to 10 years	15%	70%	0%
10 years to 20 years	5%	90%	0%
20 years to 30 years	0%	90%	0%
30 years to 40 years	52%	90%	0%
40 years to 50 years	0%	90%	0%

- 9.6 In order to maximise investment returns there could 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.

10.0 FINANCIAL INVESTMENTS

- 10.1 The Investment Strategy enables lending to organisations upon which we undertake appropriate due diligence and put in place appropriate security arrangements. Such loans 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.
- 10.2 These investment decisions are classed as "Financial Investments" and are subject to S151 officer determination, following appropriate due diligence and subject to appropriate and acceptable security arrangements being in place as part of the commercial agreement.
- 10.3 The maximum exposure for this type of investment is set at £25m with a maximum maturity limit of 30 years.
- 10.4 Such transactions will be included in the indicators reported as part of the quarterly performance reports and statutory Treasury Management Reports.

Indicator: Total principal funds invested for periods longer than 1 year:

	Limit	30/09/21 Actual
Maximum principal sums invested over 1 year	£25m	£6.30m

10.5 The £6.30m represents a 10-year loan to Trivallis of £4.00m (£4.25m outstanding, £0.25m of which to be repaid within 12 months) and a 25-year loan to Cynon Taf Housing Community Group of £2.30m (£2.40m outstanding, £0.10m of which to be repaid within 12 months).

10.6 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 30th September 2021):

Interest Rate Risk	Impact £M
One year revenue impact of a 1% rise/fall in interest rates	0.108

11.0 INVESTMENT STRATEGY, ACTIVITY & RESULTS

11.1 The Council manages its investments in-house, investing in line with the Council's approved lender criteria as approved by Council on the 10th March 2021.

11.2 Members will recall that following the onset of the unprecedented national and international economic crisis in 2008, all of this Council's cash flows are currently being invested in the Debt Management Account Deposit Facility and other Government backed public sector bodies, in line with the aforementioned approved strategy. This strategy ensures we prioritise **S**ecurity (protecting monies invested), then **L**iquidity (cashflow) and finally **Y**ield (return on investment). The order of these "SLY" priorities are detailed in Investment Guidance produced by the Welsh Government.

11.3 I have kept this under constant review subsequently with a view to returning to market investment activity at an appropriate time. To date, the Council has not returned to market investments. Members will be kept informed of any changes as part of the Council's quarterly performance reports.

11.4 The following table shows the overall result of the investment activities undertaken by the Council:

	Interest Received £M	Average Cash Balance £M	Return on Investments %	Benchmark Return %
General Balances	0.002	20.678	0.01	-0.08

The benchmark for Local Authority internally managed funds is the average 7-day LIBID rate.

11.5 The Council also holds non-specified investments in Cynon Valley Waste Disposal Company Ltd, trading as Amgen Cymru Ltd and Amgen Rhondda Ltd. These are shown in the Council's 2020/21 balance sheet as £3.035m, under "Investments in Subsidiaries".

11.6 The Council also holds non-financial investments.

- Non-financial commercial investment in Ty Dysgu, Cefn Coed Business Park, Nantgarw. The building and site has a fair value of £3.6m, with an annual rental of £322k.
- The Council has investments it categorises as non-financial and other investments relevant to Council functions. These buildings have a fair value of £17.9m, 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; Llys Cadwyn, Pontypridd; and 96-102 Taff Street, Pontypridd.

11.7 Decision making on commercial activities will be regeneration led 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.

12.0 TREASURY MANAGEMENT ADVISORS

12.1 The Council appointed Arlingclose as its Treasury Management Advisors during March 2019 and they continue to support the Council's Treasury Management function. The initial period of the existing contract ends March 2022 and preparatory work is underway to assess whether or not to extend the current arrangements, in line with the contract in place.

13.0 TRAINING

13.1 Officers have attended webinars hosted by Arlingclose which provide an overview of the economic environment, investment advice, updates on Codes of Practice and technical guidance. A virtual online strategy meeting has also been held between Arlingclose and officers in July. Officers continue to receive interest rate information, economic data, credit ratings and general market environment information on a regular basis. All Elected

Members were invited to a virtual training event facilitated by Arlingclose on 8th September 2021.

14.0 MINIMUM REVENUE PROVISION (MRP)

14.1 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 that is funded by borrowing. This charge is known as Minimum Revenue Provision (MRP) and must be a prudent amount in accordance with Welsh Government Statutory Guidance.

14.2 The method of charging MRP for Supported Borrowing is a straight line policy over 40 years. With regard to finance leases MRP is equivalent to the principal value of repayments. With regard to the method of charging MRP to Council Fund Balances in respect of Unsupported Borrowing only, the method used is dependent upon the type of asset being created as set out in the approved MRP Policy statement approved by Council on the 10th March 2021.

15.0 EQUALITY AND DIVERSITY IMPLICATIONS AND SOCIO-ECONOMIC DUTY

15.1 The report provides an overview of the Council's Treasury Management activities during the first six months of 2021/22 in line with the Treasury Management and Capital Strategies approved by Council in March 2021. As a result, there are no equality and diversity or socio-economic duty implications to report.

16.0 CONSULTATION

16.1 Following consideration by Council, this report will be presented to the Finance and Performance Scrutiny Committee in line with the laid down code of practice "CIPFA Treasury management in the Public Services 2017" and also the Terms of Reference for this Committee.

17.0 FINANCIAL IMPLICATION(S)

17.1 The financial results / implications of the Council's Treasury Management arrangements during the first six months of 2021/22 have been incorporated into quarterly Performance Reports during the year.

18.0 LEGAL IMPLICATIONS OR LEGISLATION CONSIDERED

- 18.1 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.

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

- 19.1 This report evidences the progress made in delivering the Council's Corporate Plan 2020-24 – 'Making a Difference' in particular through supporting the 'Living Within Our Means' theme by pursuing optimum treasury management performance or return at the same time as managing associated risk.
- 19.2 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.

20.0 CONCLUSION

- 20.1 The 2021/22 financial year continues to be a challenging period for Treasury Management and this report highlights for Members the Treasury Management activities that have been undertaken between April and September 2021.

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 24TH NOVEMBER 2021

REPORT OF THE DIRECTOR OF FINANCE AND DIGITAL SERVICES

**Item: 2021/22 MID YEAR TREASURY MANAGEMENT STEWARDSHIP
REPORT**

Background Papers

- 10th March 2021 Council meeting – Reports:
 - Treasury Management Strategy Incorporating Investment Strategy, Treasury Management Indicators and Minimum Revenue Provision Statement for 2021/22.
 - 2021/22 Capital Strategy Report Incorporating Prudential Indicators.

Officer to contact: Barrie Davies (Director of Finance and Digital Services)

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RHONDDA CYNON TAF COUNTY BOROUGH COUNCIL

COUNCIL

24TH NOVEMBER 2021

NOMINATIONS FOR FREEDOM OF THE COUNTY BOROUGH

REPORT OF THE SERVICE DIRECTOR OF DEMOCRATIC SERVICES & COMMUNICATION

1. PURPOSE OF THE REPORT

- 1.1 The purpose of the report is to advise and seek Members' approval in respect of the recommendations of the Freedom of the Borough Working Group, which met on the 10th May 2021 and 11th October 2021.

2. RECOMMENDATIONS

It is recommended that Members:

- 2.1 Support the recommendations of the Freedom of the Borough Working Group in awarding the accolade of Freedom of the County Borough to:
- I. Neil Jenkins
 - II. Key Workers

3. BACKGROUND

- 3.1 The Freedom of the Borough is the highest accolade that the County Borough can bestow and is usually granted for outstanding service to, or achievement associated with, the County Borough of Rhondda Cynon Taf. It is generally considered that the number of people receiving this status should be few in number to maintain the importance of the accolade. To date, the Freedom of the County Borough of Rhondda Cynon Taf has been awarded to the Royal Welsh Regiment, Stuart Burrows, the Miners of South Wales, Elaine Morgan OBE, the Welsh Guards and Bernard Baldwin MBE, Matthew James, Dai Dower, The Cory Band and David Roberts CBE and RAF St Athan.
- 3.2 Conferring the Freedom of the Borough is a function of Full Council, which delegated the consideration and decision on nominations to a working group chaired by the Mayor, exercised by this group. The

Group is to then submit a recommendation to Full Council, which will decide on whether to award the Freedom of the County Borough to any individual or organisation.

4. PROPOSAL

- 4.1 At the meeting on the 10th May 2021 Members of the Working Group gave consideration to the nominations received.
- 4.2 Following consideration of the nominations put forward to the working group for the reasons outlined within the report, the group unanimously agreed to recommend to Council that the following nominations be awarded the accolade of Freedom of the Borough for 2020 – 2021:
- I. Neil Jenkins for his services to rugby
 - II. Key Workers for their selfless hard work and dedication that saved the lives of many through the Covid pandemic.
- 4.3 In respect of the accolade to Key workers it was suggested that a standalone outdoor event is taken forward, as a ‘thank you’ for their work and dedication throughout the pandemic. This event will be taken forward in the next Municipal year in accordance with Welsh Government and the Councils own covid safety standards / requirements.

5. CONSULTATION

- 5.1 The nominations have been considered by members of the Freedom of the Borough Council Working Group comprising the Mayor (Chair), the Leaders of each political group and the Cabinet Member for Council Business, with unanimous agreement as to the recommendations put forward for Council consideration.

6. EQUALITY AND DIVERSITY IMPLICATIONS INCLUDING SOCIO ECONOMIC DUTY / WELSH LANGUAGE IMPLICATION

- 6.1 It is important that the award of the Freedom of the Borough should reflect the exceptional contribution of those nominated as it is widely recognised that the Freedom of the Borough is the highest accolade that the County Borough can bestow.
- 6.2 Equality and diversity implications have been considered as part of the Working Group’s recommendations as well as any welsh language implications.

7 FINANCIAL IMPLICATIONS

- 7.1 There will be some costs aligned to the proposals, if the Key worker event is agreed to be taken forward, although it is proposed that this is taken out of existing budgets.

8. LEGAL IMPLICATIONS OR LEGISLATION CONSIDERED

8.1 Not applicable.

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

9.1 The report links to all of the Councils corporate priorities in respect of people, places and prosperity as we acknowledge the work of specific individuals linked to the County Borough and look to provide a 'thank you' gesture public event (when covid restrictions allow) which will hopefully be an opportunity for communities to come together after a difficult year).

10. CONCLUSION

10.1 Rhondda Cynon Taf has a proud record of recognising and honouring those who have given extraordinary service to the County Borough and has a well-established tradition of conferring the Freedom of the Borough on worthy candidates. This accolade is highly prestigious and is intentionally relatively scarcely awarded to preserve its importance.

10.2 Due to the current climate and social distancing restrictions greater consideration will need to be taken forward in respect of how these accolades are to be awarded.

10.3 The Freedom of the Borough Working Group has consulted on the nominations received and have put forward their recommendations for Council Consideration.

LOCAL GOVERNMENT ACT 1972

AS AMENDED BY

THE LOCAL GOVERNMENT (ACCESS TO INFORMATION) ACT 1985

RHONDDA CYNON TAF COUNTY BOROUGH COUNCIL

COUNCIL

24th NOVEMBER, 2021

**REPORT OF THE DIRECTOR OF DEMOCRATIC SERVICES &
COMMUNICATIONS**

NOMINATIONS FOR FREEDOM OF THE COUNTY BOROUGH

Background Papers

RHONDDA CYNON TAF COUNTY BOROUGH COUNCIL

COUNCIL

24th NOVEMBER 2021

**GAMBLING ACT 2005
STATEMENT OF PRINCIPLES (LOCAL POLICY) 2022 – 2025**

**REPORT OF DIRECTOR – PUBLIC HEALTH, PROTECTION &
COMMUNITY SERVICES**

Author: Martyn Owen, Assistant Licensing Manager

1. PURPOSE OF THE REPORT

- 1.1 The purpose of the report is to consider the revised Statement of Principles, under the provisions of the Gambling Act 2005 (i.e. the local policy statement for the management of gambling activity within the boundary of Rhondda Cynon Taf County Borough Council), for the period 2022 – 2025 in accordance with statutory requirements.

2. RECOMMENDATIONS

It is recommended that Full Council:-

- a) Approve the revisions to the policy as advocated by the Director of Public Health, Protection and Community Services; which were also considered and endorsed by,
- the Licensing Committee on [14th September 2021](#)
 - Cabinet on [18th October 2021](#).
- b) Adopt the revised Statement of Principles in line with statutory requirements.

3. REASONS FOR RECOMMENDATIONS

- 3.1 Section 349 of the Gambling Act 2005 dictates that a Licensing Authority, here being Rhondda Cynon Taf County Borough Council, shall before each successive period of three years:
- a) prepare a statement of the principles that they propose to apply in exercising their functions under this Act during that period, and
- b) publish the statement.

- 3.2 The recommendations set out in this report are to ensure Rhondda Cynon Taf County Borough Council delivers its obligations under the said Act.

4. BACKGROUND

- 4.1 The proposed Statement of Principles must be published by 3rd January 2022 in order to come into effect from 31st January 2022.
- 4.2 The Statement of Principles is the policy framework which sets out the expectations of the Licensing Authority in matters relevant to the Gambling Act 2005. (The title 'Statement of Principles' is used to differentiate the document from the Licensing Policy which refers specifically to matters determined under the Licensing Act 2003).
- 4.3 There is a statutory requirement to review the Statement of Principles on a 3 yearly basis and the current statement has therefore been subject to review. The process for the review is very prescriptive, in that the Gambling Commission have set out in their Statutory Guidance both the format and content of the Statement of Principles. Whilst it is recognised that the position of respective Licensing Authorities may vary according to the local needs of their area, the format of all policy statements will essentially be the same. This is considered to be in the interest of the trade to enable there to be effective assessment of the policy documents and ease of comparison between authorities.

Statement Review:

- 4.4 The gambling trade in Rhondda Cynon Taf is very well regulated. The trade is essentially static, with little change in trading position from month to month. Complaints are minimal; licence changes are rare and to date there have been no contested applications which have required determination by the Licensing Committee. As a consequence, there is a 'light touch' approach to enforcement. The Licensing Authority however works closely with the Gambling Commission in respect of complaints received, legislative change and best practice which may impact on gambling activity in our communities.
- 4.5 In view of the foregoing and having considered the very limited amendments to the legislation in the past three years, it is considered that the current Statement of Principles (2019-2022) remains broadly fit for purpose. It has however been reviewed to take account of legislative change and best practice. Such changes do not substantially affect the position of the Licensing Authority in the manner in which it regulates gambling activity in the public interest in Rhondda Cynon Taf.

4.6 The structure of the document remains similar to the current Policy, however there are minor amendments to details and some additions, these are highlighted below:

- Para 12.1 – Additional wording noting child protection requirements supersede data protection legislation limitations – this was requested by the child protection team following the consultation.
- Para 13.6 – Sources of reference added included South Wales Police and Bangor University.
- Para 16 – Whole section is new. This specifies Gambling Operational Risks, referring to how a premise should be run and considerations such as premises design risk, interior design risk, exterior design risk and control measures.
- Para 17.1 – Amendments to wording.
- Para 19.1 – Addition of wording ‘how to identify potential child sexual exploitation and grooming’.
- Appendix C – This is the summary of machine provisions by premises, added for ease of reference to note the gaming entitlement within the different type of premises.

4.7 A copy of the Draft Gambling Act 2005 Statement of Principles (Local Policy) for 2022 to 2025 is provided as **Appendix 1**.

4.8 **Liaison with Licensing Committee:**

In order to keep Members informed, the Director of Public Health, Protection & Community Services prepares a quarterly report for the Licensing Committee which includes:-

- an overview of general activity relevant to the gambling regime, during the specified period, with particular regard to complaint & enforcement matters as they arise;
- proactive work in the context of premises inspections,
- work undertaken by officers under delegated powers
- fees received

5. **EQUALITY AND DIVERSITY IMPLICATIONS**

5.1 An Equality Impact Assessment (EqIA) screening form has been prepared for the purpose of this report. It has been found that a full EqIA is not required.

- 5.2 The report does not impact on any one group more than others, except for in a positive nature towards children. The safeguarding of children is a significant consideration for Rhondda Cynon Taf County Borough Council as well our key stakeholders and partners. This report is compiled with the intention of keeping children safe and minimising the risk of them and vulnerable adults coming to harm through access to gambling.

6. WELSH LANGUAGE IMPLICATIONS

- 6.1 There are no positive or negative impacts within this report on the Welsh Language. The report is specifically set to abide with legislative requirements.

7. CONSULTATION

- 7.1 The statutory guidance sets out the format of consultation required for the document. The governing principle is proportionality of the type and scale of consultation to the potential impacts of the proposal or decision being taken. It is also accepted that there may be circumstances where consultation is not appropriate, for example, for minor or technical amendments to regulation or existing policy frameworks, particularly where adequate consultation has taken place at an earlier stage.

- 7.2 Based on agreements with the Gambling Commission for previous reviews and given the relatively minor changes introduced it was decided a consultation period of 4 weeks be conducted, which expired on 13th August 2021. The consultation has taken the format of direct contact with interested parties as specified in the draft document, a published notice on the Council's website as well as social media pages and premises where COVID vaccinations were being held to assist a larger input. This process highlighting the review and directing people to the website or to contact the licensing office to view a hard copy.

- 7.3 Only one representation was received during the consultation process, this coming from the Child Protection Team within Rhondda Cynon Taf County Borough Council.

- 7.4 Contact was also received from Poppleston Allen solicitors who were representing a number of clients within the industry. No additional comments were received.

8. FINANCIAL IMPLICATION(S)

- 8.1 There are no financial implications arising from this report.

9. LEGAL IMPLICATIONS OR LEGISLATION CONSIDERED

- 9.1 Section 349 of the Gambling Act 2005 dictates that a Licensing Authority, here being Rhondda Cynon Taf County Borough Council, shall before each successive period of three years,
- a) prepare a statement of the principles that they propose to apply in exercising their functions under this Act during that period, and
 - b) publish the statement.
- 9.2 Failure to prepare a statement of principles and publish it at least 4 weeks before 31st January 2022 may result in Rhondda Cynon Taf County Borough Council failing to exercise their Statutory functions.

10. LINKS TO THE CORPORATE AND NATIONAL PRIORITIES AND THE WELL-BEING OF FUTURE GENERATIONS ACT.

- 10.1 Gambling is a widespread and socially acceptable activity in the UK. While most people who participate in gambling activities do so without any significant problems, for others gambling is problematic, causing damage to their health and to wider society.
- 10.2 Gambling is an emerging public health issue in Wales. This Policy will help to achieve a transparent and cohesive approach by all gambling premises within Rhondda Cynon Taff and those responsible for the safe and effective management of those premises.
- 10.3 One of the key focus within the policy is the intention for betting establishments to give careful consideration to applications for premises located near schools or other venues frequented by children and young adults, as well as licensed premises selling alcohol and religious buildings. Each premises must compile a local area risk assessment and review these continuously.
- 10.4 These considerations within the Policy clearly contribute to delivering the Council's priority for improving health and supporting residents within the community.
- 10.5 Keeping children safe from harm is not just a local priority but a significant national concern. This policy assists in working towards this which in turn promotes the Well-being of Future Generations Act.

11. CONCLUSION

- 11.1 Having considered the highly regulated nature of the gambling trade in Rhondda Cynon Taf, together with the relatively minor changes to legislation in the preceding 3 years, the current Statement of Principles

continues to be broadly fit for purpose, requiring only minor amendment.

- 11.2 The amendments are reflected in the Draft Statement of Principles (Appendix 1) and it is recommended that this be accepted as the Statement of Principles for the forthcoming period 31st January 2022 – 2025.

Other Information:-

Relevant Scrutiny Committee

Health and Well-being Scrutiny Committee

LOCAL GOVERNMENT ACT 1972

AS AMENDED BY

THE LOCAL GOVERNMENT (ACCESS TO INFORMATION) ACT 1985

RHONDDA CYNON TAF COUNTY BOROUGH COUNCIL

COUNCIL

24th NOVEMBER 2021

**REPORT OF DIRECTOR – PUBLIC HEALTH, PROTECTION &
COMMUNITY SERVICES**

GAMBLING ACT 2005

STATEMENT OF PRINCIPLES (LOCAL POLICY) 2022 – 2025

Background papers

None

Officer to contact:

Martyn Owen, Assistant Licensing Manager

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**Rhondda Cynon Taff
County Borough Council**

**Gambling Act 2005
Statement of Principles
2022 - 2025**

Date effective from 31st January 2022

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1. Foreword

- 1.1 Apart from the National Lottery and Spread Betting, gambling is regulated by the Gambling Commission, whose duties include the licensing of operators and individuals involved in the provision of gambling & betting facilities.
- 1.2 Rhondda Cynon Taf CBC (the Licensing Authority) is responsible for certain types of premises in respect of the issue of licences, permits and temporary use notices (amongst other matters).
- 1.3 As part of this process, the Licensing Authority is required to determine and publish a 'Statement of Principles', which details the criteria to be applied when exercising its licensing functions and determining applications.
- 1.4 The 'Statement of Principles' is intended to set the context of the Licensing Authority's approach to gambling matters in its area and aid applicants, residents, businesses, statutory consultees and the Licensing Committee in decision making, based on relevant local issues.
- 1.5 This document accordingly sets out the Council's 'Statement of Principles', within the parameters of the Gambling Act 2005 (and the Statutory Guidance issued to accompany it), which will in turn provide the framework governing the Licensing Authority when considering applications.
- 1.6 The Council will have regard to the licensing objectives of the Gambling Act 2005 and the Gambling Commission's Guidance to Licensing Authorities in determining applications, and also reserves the right to amend this policy without consultation where it is necessary to ensure that it reflects any revised national legislation or statutory guidance.
- 1.7 This Statement of Principles was approved by Full Council at the meeting held on ***** and is effective from 31st January 2022, for a period of 3 years, (unless revised).

PART A

1. The Licensing Objectives

- 1.1 The Licensing Authority is required to exercise most of its functions under the Gambling Act 2005 with a view to promoting the licensing objectives, namely:-
- Preventing gambling from being a source of crime or disorder, being associated with crime or disorder or being used to support crime;
 - Ensuring that gambling is conducted in a fair and open way;
 - Protecting children and other vulnerable persons from being harmed or exploited by gambling.

2. Statement of Principles

- 2.1 This statement of principles is intended to meet the Council's obligations under S.349 of the Act. As per Section 153, in carrying out its' functions in relation to Premises Licences & Temporary Use Notices, the Council will generally aim to permit the use of premises for gambling as long as it is considered to be:
- In accordance with any relevant Codes of practice issued by the Gambling Commission
 - In accordance with any guidance issued by the Gambling commission
 - Reasonably consistent with the licensing objectives
 - In accordance with this statement of principles
- 2.2 It should be noted that this policy statement will not override the right of any person to make an application, make representations about an application, or apply for a review of a licence, as each will be considered on its own merits and according to the statutory requirements of the Gambling Act 2005.

3. The County Borough of Rhondda Cynon Taf

- 3.1 Rhondda Cynon Taff covers an area of the South Wales Valleys stretching from the Brecon Beacons in the north, to the outskirts of Cardiff in the south. It comprises a mixture of urban, semi-suburban and rural communities, situated in mountains and lowland farmland.
- 3.2 Rhondda Cynon Taf is the second largest Local Authority in Wales, formed in 1996 from the former Boroughs of Rhondda, Cynon Valley and Taff Ely (part). The County Borough covers an area of 424 square kilometres with an estimated population of 241,873 (2020). The area has 75 electoral wards.
- 3.3 Townships include Pontypridd, Llantrisant, Aberdare, Mountain Ash, Tonypany and Porth, however there are numerous smaller commercial areas situated throughout the Borough, consistent with the communities they serve.
- 3.4 The area is land locked and lies between the County Boroughs of Powys, Merthyr, Neath Port Talbot, Caerphilly, Vale of Glamorgan, Bridgend and Cardiff.
- 3.5 Strategic highway links with the wider regions are provided by the M4, A470 and A465. A range of bus and rail services provides public transportation links across the region.
- 3.6 A key priority for the Council is the consideration of the Well-being of Future Generations (Wales) Act 2015 and contribution to the seven associated national goals:
 1. A more prosperous Wales
 2. A resilient Wales
 3. A healthier Wales
 4. A more equal Wales
 5. A Wales of cohesive communities
 6. A Wales of vibrant culture and thriving Welsh language
 7. A globally responsible Wales

3.7 Map of Council Area



4. Consultation

4.1 The statement of principles has been subject to consultation with: -

- The Chief Officer of Police;
- One or more persons who appear to the Authority to represent the interests of persons carrying on gambling businesses in the Authority's area;
- One or more persons who appear to the Authority to represent the interests of persons who are likely to be affected by the exercise of the Authority's functions under the Gambling Act 2005.

4.2 A list (not exhaustive) of those persons consulted is provided at Appendix A.

4.3 Enquiries regarding this policy statement can be made to the following contact:

Name: Martyn Owen (Assistant Licensing Manager)

Address: Ty Elai, Williamstown, Tonypany CF40 1NY

Tel: 01443 425001

E-mail: licensing.section@rhondda-cynon-taff.gov.uk

Declaration

In producing this policy document, Rhondda Cynon Taff County Borough Council declares that it has had regard to the licensing objectives of the Gambling Act 2005, the Guidance to Licensing Authorities issued by the Gambling Commission and any responses from those consulted on the statement.

5. Responsible Authorities

The Licensing Authority is required by regulations to state the principles it will apply in exercising its powers under Section 157(h) of the Act to designate, in writing, a body which is competent to advise the Authority about the protection of children from harm. The principles are:

- a) The need for the body to be responsible for an area covering the whole of the Licensing Authority's area;
- b) The need for the body to be answerable to democratically elected persons, rather than any particular vested interest group.

5.3 In accordance with the suggestion in the Gambling Commission's Guidance for Local authorities, this Authority designates the Cwm Taf Morgannwg Safeguarding Board for this purpose.

5.4 The contact details of all the Responsible Authorities under the Gambling Act 2005 are available on request from the Licensing Team or via the Council's website at: www.rctcbc.gov.uk

6. Interested Parties

6.1 Interested parties can make representations about licence applications, or apply for a review of an existing licence. These parties are defined in the Gambling Act 2005 as follows:

“For the purposes of this Part a person is an interested party in relation to an application for or in respect of a premises licence if, in the opinion of the Licensing Authority which issues the licence or to which the applications is made, the person

- a) *Lives sufficiently close to the premises to be likely to be affected by the authorised activities,*
- b) *Has business interests that might be affected by the authorised activities, or*
- c) *Represents persons who satisfy paragraph (a) or (b)”*

6.2 The Licensing Authority is required by regulations to state the principles it will apply in exercising its powers under the Act to determine whether a person is an interested party. The principles are:

- Each case will be decided upon its merits. The Authority will not apply a rigid rule to its decision-making. In the case of doubt, the benefit will be given to the party making the representation until the contrary can be shown.
- Interested parties can include trade associations and residents'/tenants' associations, providing that they can show they represent someone who would be classed as an interested party in their own right. Councillors & MPs may also be interested parties, provided they act in respect of their own ward. Elected councillors may also represent interested parties, providing they do not also sit on the Licensing sub-committee determining the application in question.
- Other than these however, the Authority will generally require written evidence that a person/body (e.g. an advocate / relative) 'represents' someone who either lives sufficiently close to the premises to be likely to be affected by the authorised activities and/or has business interests that might be affected by the authorised activities. A letter from one of these persons, requesting the representation is sufficient.

- In determining whether someone 'lives sufficiently close' to a particular premises as to be likely to be affected by authorised activities, or has business interests likely to be affected, the Licensing Authority will have due regard to the Gambling Commission's Guidance to Local Authorities in this respect, together with any other matters it considers relevant to the particular application and /or locality.

7. Licensing Authority Functions

7.1 Licensing Authorities are required under the Act to:

- Be responsible for the licensing of premises where gambling activities are to take place by issuing *Premises Licences*
- Issue *Provisional Statements*
- Regulate *Members' Clubs and Miners' Welfare Institutes* who wish to undertake certain gaming activities via issuing Club Gaming Permits and/or Club Machine Permits
- Grant permits for the use of certain lower stake gaming machines at *unlicensed Family Entertainment Centres*
- Receive notifications from alcohol licensed premises (under the Licensing Act 2003) for the use of two or fewer gaming machines
- Issue *Licensed Premises Gaming Machine Permits* for premises licensed to sell/supply alcohol for consumption on the licensed premises, under the Licensing Act 2003, where there are more than two machines
- Register *small society lotteries* below prescribed thresholds
- Issue *Prize Gaming Permits*
- Receive and Endorse *Temporary Use Notices*
- Receive *Occasional Use Notices*
- Provide information to the Gambling Commission regarding details of licences issued (see section above on 'information exchange')
- Maintain registers of the permits and licences that are issued under these functions

7.2 It should be noted that local Licensing Authorities would not be involved in licensing remote gambling at all. This will fall to the Gambling Commission via operating licences.

7.3 The Council recognises that the licensing function is only one means of promoting delivery of the three objectives and should not therefore be seen as a means for solving all problems within the community. The Council will therefore continue to work in partnership with neighbouring authorities, South Wales Police, the Community Safety Partnership, Public Health, local businesses, local people and those involved in child protection to promote the licensing objectives as outlined. In addition, the Council recognises its duty under Section 17 of the Crime and Disorder Act 1998, with regard to the prevention of crime and disorder.

8. Exchange of Information

8.1 The Licensing Authority, in fulfilling its functions under sections 29, 30 & 350 of the Act, with respect to the exchange of relevant information with other regulatory bodies, will

- Ensure compliance with provisions of Data Protection Act (DPA) 2018 and the General Data Protection Regulation (GDPR) in accordance with Rhondda Cynon Taf existing policies;
- Have regard to any Guidance issued by the Gambling Commission to Local Authorities on this, as well as any relevant regulations issued by the Secretary of State under the powers provided in the Gambling Act 2005.

8.2 The Authority may, from time to time exercise its powers under S.115 of the Crime & Disorder Act to exchange data with the Police and other partners to fulfil its statutory objective of reducing crime in the area.

The Authority wishes to make its decision making process as transparent as possible and all representations made to it will be shared with all parties to an application.

9. Compliance & Enforcement

9.1 Licensing Authorities are required by regulation under the Gambling Act 2005 to state the principles to be applied by the Authority in exercising the functions under Part 15 of the Act with respect to the inspection of premises; and the powers under section 346 of the Act to institute criminal proceedings in respect of the offences specified.

9.2 The Authority has adopted the Government's principles of good enforcement, in accordance with the Regulator's Code. The Corporate Enforcement Policy is available on the Council's web site <http://www.rctcbc.gov.uk> and in hard copy from the Licensing Team.

9.3 The Licensing Authority will be guided by the Gambling Commission's Guidance for Local authorities and will endeavour to be:

- **Proportionate:** regulators should only intervene when necessary: remedies should be appropriate to the risk posed, and costs identified and minimised;
- **Accountable:** regulators must be able to justify decisions, and be subject to public scrutiny;
- **Consistent:** rules and standards must be joined up and implemented fairly;
- **Transparent:** regulators should be open, and keep regulations simple and user friendly; and

- **Targeted:** regulation should be focused on the problem, and minimise side effects.

9.4 As per the Gambling Commission's Guidance for Local authorities the Licensing Authority will endeavour to avoid duplication with other regulatory regimes so far as possible.

Officers of the Council may inspect licensed premises as follows: -

- As part of the application process to assess the risk they pose;
- Random visits following complaint;
- Routine monitoring to ensure premises are operating in accordance with licence provisions

9.5 The Licensing Authority has established a risk based inspection programme. This provides for the targeting of agreed problem and higher-risk premises, but with less regular inspections of those lower-risk premises which are well managed and maintained.

9.6 Test Purchase activities may be undertaken to determine compliance as a complimentary measure to the risk based inspection programme. Such activity will be carried out by Trading Standards Officers. When undertaking test purchase activities, the Licensing Authority (on behalf of the Trading Standards Team) will undertake liaison with the Gambling Commission and the Operator to determine what other, if any, test purchasing schemes may already be in place. Irrespective of the actions of the operator on their overall estate, test purchasing may be deemed to be an appropriate course of action.

9.7 The main enforcement and compliance role for the Licensing Authority in terms of the Gambling Act 2005 will be to ensure compliance with the premises licences and other permissions that it authorises.

9.8 The Gambling Commission will be the enforcement body for the Operating and Personal licences. Concerns regarding manufacture, supply or repair of gaming machines will not be dealt with by the Licensing Authority but will be notified to the Gambling Commission.

9.9 The local authority will conduct multi agency visits to licensed premises to ensure compliance with the licensing objectives.

10. Betwatch

10.1 The council encourage and will support local operators to create and maintain an information sharing network to discuss issues of problem gamblers that are identified. This will also be an opportunity for operators to discuss issues with the licensing officers.

11. Fees

- 11.1 Premises Licence fees are set within the prescribed maximum levels in accordance with The Gambling (Premises Licence) Fees (England and Wales) Regulations 2007 and will be limited to full cost recovery. Fees for Permits and other services are set by the Secretary of State.
- 11.2 Information regarding the fees to be charged will be made available to the public via the Council's website or in writing upon request.
- 11.3 Where the annual fee for a premises licence or permit is not paid the Licensing Authority will revoke that licence/permit unless we believe it is attributable to administrative error.
- 11.4 Where a payment of an application fee is not honoured by the applicant's bank, the Licensing Authority will not regard the application as properly made and any licensable activity undertaken will be considered unlawful.
- 11.5 All non-payment of annual premises licence and permit fees will be reported to the Gambling Commission.

12. Safeguarding of Children and Vulnerable Adults

- 12.1 There has been an increasing awareness of the problems in society generally connected with Child Sexual Exploitation. It is the Authority's opinion that Safeguarding of both children and vulnerable adults is everyone's responsibility and that gambling premises should be vigilant in this regard. Operators should have in place appropriate Safeguarding measures and should seek appropriate advice where necessary to ensure that they are aware of both national and local issues, best practice and/ or priorities.

13. Local Area Profiling

- 13.1 The Gambling Commission has introduced provisions in its social responsibility code within the Licence Conditions and Codes of Practice (LCCP), which require gambling operators to assess the local risks to the Licensing Objectives posed by the provision of gambling facilities at each of their premises, and to have policies, procedures and control measures to mitigate those risks. The change in national policy is intended to provide a well evidenced and transparent approach to considering and implementing measures to address the risks associated with gambling.
- 13.2 The risk based approach provides a better understanding of risk, and enables a proportionate response. This approach includes looking at future risks and thinking of probable risks. Risk is not necessarily related to an event that has happened. Risk is related to the probability of an event happening and the likely impact of that event. In this case it is the risk of the impact on the licensing objectives.

- 13.3 Gambling operators are required to undertake a risk assessment for all of their premises. Operators must also undertake a review of those assessments when circumstances change. These triggers, along with the Council's views on what would instigate either a new assessment or the review of an existing one are detailed within this part of the document.
- 13.4 The Council considers that these local risk assessments are a key component of the overall assessment and management of the local risks.
- 13.5 Risk assessments can make reference to the Council's area profile which may be compiled with respect to reported gambling-related problems in an area. At the time of preparing this edition of the Statement of Licensing Policy there has been no evidence presented to the Authority to support the assertion that any part had or is experiencing problems from gambling activities. This position will be kept under review and, in the event that it changes, further research will be carried out to discover the extent of the problems and to prepare an Area Profile accordingly.
- 13.6 Applicants and operators will need to consider factors such as:
- The types of premises and their operation in the local area surrounding these premises
 - The footfall in the local area, for example, does it predominately comprise residents, workers or visitors
 - Whether it is a family orientated area, popular with children and young people
 - Transport links and parking facilities
 - Educational facilities
 - Community centres
 - Hospitals, mental health or gambling care providers
 - Homeless or rough sleeper shelters, hostels and support services
 - The ethnicity, age, economic make-up of the local community
 - Significant presence of young children
 - High crime/unemployment area
 - Alcohol or drug support facility nearby
 - Pawn broker/pay day loan businesses in the vicinity
 - Other gambling premises in the vicinity
 - Community centres
 - Hospitals, mental health or gambling care providers

Crime data for local areas can be obtained from www.south-wales.police.uk

Bangor University has conducted an interactive map which explores area-based vulnerability to gambling related harm across Wales.
<https://www.bangor.ac.uk/psychology/research/gambling/gambling-and-health-in-wales>

14. Significant changes in local circumstances

- 14.1 Operators are required to review their local risk assessment if significant changes in local circumstances occur. Changes to local circumstances happen frequently and can be either temporary or permanent depending on the change, how long that change will remain in place and how it affects the local area. However, the requirement for review of the risk assessment is only applicable when that change is significant.
- 14.2 The following lists sets out some examples of what the Licensing Authority considers to be significant changes in local circumstances:
- The local area is classified or declassified by the Licensing Authority as being an area of heightened risk within its Statement of Licensing Principles.
 - Any substantial building development or conversion of existing premises in the local area which may increase or decrease the number of visitors. For example, where premises are converted to a local supermarket or a new office building is constructed nearby.
 - Any new pay day loan or pawn brokers open in the local area.
 - Changes are made to the provision, location and/or timings of public transport in the local area, such as a bus stop which is used by children to attend school is moved to a location in proximity to gambling premises.
 - Educational facilities increase in the local area. This may occur as a result of the construction of a new school/college or where a significant change is made to an existing establishment.
 - The local area is identified as a crime hotspot by the police and/or Licensing Authority.
 - Any vulnerable group is identified by the Licensing Authority or venues relating to those vulnerable groups are opened in proximity to gambling premises (e.g. additional homeless hostels or gambling or mental health care/support facilities are opened in the local area).
 - A new premises involving gambling activity opens in the local area.
- 14.3. The list above is not an exhaustive list of significant changes in local circumstances. The Licensing Authority will provide information to gambling operators when it feels a significant change has occurred in the local area. The Licensing Authority will set out what that change is and may provide information on any specific concerns it may have that should be considered by operators. However, operators must also consider what is happening in their local areas and it is their responsibility to identify significant changes which may require a review and possibly an amendment to their risk assessment. A significant change can be temporary and any temporary changes should be considered and adjustments made to the local risk assessment if necessary.

15. Significant changes to the premises

15.1 From time to time operators will undertake to refresh the premises' layout and décor, which is unlikely to prompt a review of the risk assessment for that premises. However, where there is a significant change at the premises that may affect the mitigation of local risks, then an operator must review its risk assessment and if necessary update it, taking into account the change and how it may affect one or more of the licensing objectives.

15.2 The following list sets out some examples of what the Licensing Authority considers to be significant changes to the premises (some of which may also require a variation to the existing premises licence). As with the examples of significant changes in local circumstances set out above, the following list is not an exhaustive list of significant changes to premises - operators must consider whether any change that they are proposing to their premises is one that may be considered significant.

- Any building work or premises refit where gambling facilities are relocated within the premises.
- The premises licence is transferred to a new operator who will operate the premises with its own procedures and policies which are different to those of the previous licensee.
- Any change to the operator's internal policies which as a result requires additional or changes to existing control measures; and/or staff will require retraining on those policy changes.
- The entrance or entrances to the premises are changed, for example, the door materials are changed from metal with glazing to a full glass door or doors are reallocated from egress to ingress or vice versa.
- New gambling facilities are made available on the premises which were not provided previously, for example, bet in play, handheld gaming devices for customers, Self-Service Betting Terminals, or a different category of gaming machine is provided.
- The premises operator makes an application for a licence at that premises to provide an activity under a different regulatory regime, for example, to permit the sale of alcohol or to provide sexual entertainment on the premises.

15.3 Gambling operational risks

When considering points 13, 14 and 15 above the gambling operation relates to how the premises will be or is run. This will include the operator's policies and procedures which have been put in place to meet the requirements of the business, the Act and/or specific code provisions within the LCCP.

Gambling operators should identify operational risks in the local area to the licensing objectives and then consider whether there are control measures in excess of those already in place that would mitigate the risk. For example if there is a known illegal drug use in the local area the gambling operator may consider using control measures such as maglocks on the toilet doors or change the design to the toilet to deter people from using it for illegal drug use. It is likely that the

identification of risks associated with this element of the assessment will be very similar for all premises with slight variations depending on any specific factors that relate to the premises or the local area.

The control measures that operators will put in place to mitigate any risk associated with the gambling operation will be dependent on the type of gambling activities provided, how the company operates and the size of the organisation.

Premises design risks

The design of the premises is an extremely important factor when considering local risks. For example, an Adult Gaming Centre which is located within an area which has a high number of children and young people present throughout the day may identify that the doors on either side of the premises are being used by local children as a short cut to access the adjacent street. The appropriate mitigation in this case may be that the gambling operator closes off one of the doors to prevent it being used as a short cut.

As part of the design process, the layout of the premises is a major consideration as poorly conceived design may create significant risks to one or more of the licensing objectives. Gambling operators are experienced in premises design and often these considerations are made during the planning phase. It is advisable that gambling operators ensure that there is a process in place to record these key decisions at an early stage of the planning process for the premises design so that this can be included in their risk assessment.

Interior design risks

The internal design and layout will reflect the premises operation and the type of gambling facilities that it offers. For some premises the design will be subject to certain limitations due to mandatory conditions on the gambling premises licence, such as the distance between gaming tables and other gambling facilities in casinos, and restrictions on the location of ATMs.

Operators should assess the risk presented by the internal layout of the premises and the location of gambling facilities within them. For example, if a gaming machine is placed within the direct line of sight of the cashier counter then staff will be able to monitor player behaviour and undertake interventions if there is a concern over the customers' spending habits. Staff can also monitor the use of the machines and can challenge any customers who are believed to be under the age of 18, or who damage the machines, or who appear to be attempting to launder money. By a simple assessment of the optimum location for these machines, operators can significantly reduce the risk to the licensing objectives.

Exterior design risks

The exterior of premises will be a major advertisement for the gambling operator. However, the design should be assessed based on the associated risk. Operators may identify a risk associated with the design and introduce control measures based on that perceived risk. For example, if the premises have a large amount of

glass frontage in an area prone to criminal damage, operators may consider the risk of damage to the standard toughened glass to be high and introduce a control measure such as roller shutters and/or external CCTV cameras.

Control measures

Depending on the nature of the risk factors, the control measures identified to mitigate the perceived risk may be a combination of systems, design and physical measure. Control measures that relate to systems may be measures that have been put in place through policies and procedures. These can either be systems that apply to all of the operator's premises or systems that have been developed specifically for particular premises to deal with a specific local risk factor. System control measures may include staff training, security policies and procedures. They may also relate to having security personnel on entrances, implementing membership criteria and/or providing support to local vulnerable groups through financial or other means.

Design control measures are measures that are built into the design of the premises. These can include the location of gambling facilities and the design and location of cashier counters within the premises, and the exterior design of premises. For example, a control measure for the interior of the premises could involve moving a cashier counter from the rear of the premises to the front of the shop next to the main entrance. An external design control measure may involve the exterior design being tailored to address local risks, for example, more open window displays to enable staff can see out of the premises or a design to avoid attracting children to the premises.

The control measures identified to mitigate a perceived risk may involve a combination of systems, design and physical measures. For example to address the risk factors relating to children gaining access to an over 18 restricted gambling premises, the operator may identify the following control measures:

Systems: PASS card or age verification policies, challenge 21 scheme, staff training and door staff.

Design: Exterior design which will not attract children into the premises, the entrance layout will enable staff and security to watch those entering the premises and challenge them on the grounds of age.

Physical: Magnetic door locks and ID scans.

PART B

PREMISES LICENCES

16. General Principles

- 16.1 Premises licences will be subject to the requirements set out in the Gambling Act 2005 and regulations, as well as specific mandatory and default conditions, which will be detailed in regulations issued by the Secretary of State. Licensing Authorities are able to exclude default conditions and also attach others, where it is believed to be appropriate.

Premises Licences authorise the provision of gambling facilities on the following:-

- Casino Premises;
- Bingo Premises;
- Betting Premises (including race tracks used by betting intermediaries);
- Adult Gaming Centres (AGCs);
- Family Entertainment Centres (FECs).

Except in the case of Tracks (where the occupier may not be the person offering gambling), Premises Licences will only be granted to those issued with an Operating Licence by the Gambling Commission.

(i) Decision Making

- 16.2 The Licensing Authority is aware that in making decisions about premises licences it should aim to permit the use of premises for gambling in so far as it thinks it:

- In accordance with any relevant code of practice issued by the Gambling Commission;
- In accordance with any relevant guidance issued by the Gambling Commission;
- Reasonably consistent with the licensing objectives; and
- In accordance with the Authority's statement of licensing policy.

It is appreciated that as per the Gambling Commission's Guidance for Local Authorities "moral objections to gambling are not a valid reason to reject applications for premises licences" (except as regards any 'no casino resolution' - see section on Casinos below – page 14) and also that unmet demand is not a criterion for a Licensing Authority.

- 16.3 The Licensing Authority also notes the Gambling Commission guidance on ensuring that betting is the primary activity of a licensed premise. Gaming machines may be made available for use in licensed betting premises only at

times when there are also sufficient facilities for betting available. Operators will need to demonstrate that betting will continue to be the primary activity of the premises when seeking variations to licences.

In making this determination, the licensing Authority will have regard to the six indicators of betting as a primary gambling activity, as follows:-

- The offer of established core products (including live event pictures & bet range);
- The provision of information on products & events;
- The promotion of gambling opportunities & products;
- The actual use made of betting facilities;
- The size of premises;
- The delivery of betting facilities.

(ii) Definition of “premises”-

- 16.4 Premises is defined in the Act as “any place”. Section 152 therefore prevents more than one premises licence applying to any place. However, it is possible for a single building to be subject to more than one premises licence, provided they are for different parts of the building and the different parts of the building can be reasonably regarded as being different premises.

This approach has been taken to allow large, multiple unit premises such as a pleasure park, pier, track or shopping mall to obtain discrete premises licences, where appropriate safeguards are in place. However, licensing authorities should pay particular attention if there are issues about sub-divisions of a single building or plot and should ensure that mandatory conditions relating to access between premises are observed.

The Gambling Commission states in its Guidance to Licensing Authorities that: “In most cases the expectation is that a single building / plot will be the subject of an application for a licence, for example, 32 High Street. But, that does not mean 32 High Street cannot be the subject of separate premises licences for the basement and ground floor, if they are configured acceptably. Whether different parts of a building can properly be regarded as being separate premises will depend on the circumstances. The location of the premises will clearly be an important consideration and the suitability of the division is likely to be a matter for discussion between the operator and the licensing officer. However, the Commission does not consider that areas of a building that are artificially or temporarily separated, for example by ropes or moveable partitions, can properly be regarded as different premises.”

- 16.5 **The Licensing Authority takes particular note of the Gambling Commission’s Guidance for Local Authorities which states that:**

- Licensing Authorities should take particular care in considering applications for multiple licences for a building and those relating to a discrete part of a

building used for other (non-gambling) purposes. In particular they should be aware of the following:

- The third licensing objective seeks to protect children from being harmed by gambling. In practice that means not only preventing them from taking part in gambling, but also preventing them from being in close proximity to gambling. Therefore premises should be configured so that children are not invited to participate in, have accidental access to or closely observe gambling where they are prohibited from participating.
- Entrances to and exits from parts of a building covered by one or more premises licences should be separate and identifiable so that the separation of different premises is not compromised and people do not “drift” into a gambling area. In this context it should normally be possible to access the premises without going through another licensed premises or premises with a permit.
- Customers should be able to participate in the activity named on the premises licence.

The Guidance also gives a list of factors which the licensing authority should be aware of, which may include:

- Do the premises have a separate registration for business rates
- Is the premises’ neighbouring premises owned by the same person or someone else?
- Can each of the premises be accessed from the street or a public passageway?
- Can the premises only be accessed from any other gambling premises?

This Authority will consider these and other relevant factors in making its decision, depending on all the circumstances of the case.

The Gambling Commission’s relevant access provisions for each premises type are reproduced below:

Casinos

- The principal access entrance to the premises must be from a street (as defined at 7.23 of the Guidance)
- No entrance to a casino must be from premises that are used wholly or mainly by children and/or young persons
- No customer must be able to enter a casino directly from any other premises which holds a gambling premises licence

Adult Gaming Centre

- No customer must be able to access the premises directly from any other licensed gambling premises

Betting Shops

- Access must be from a street (as per paragraph 7.23 Guidance to Licensing Authorities) or from another premises with a betting premises licence
- No direct access from a betting shop to another premises used for the retail sale of merchandise or services. In effect there cannot be an entrance to a betting shop from a shop of any kind and you could not have a betting shop at the back of a café – the whole area would have to be licensed.

Tracks

- No customer should be able to access the premises directly from:
 - a casino
 - an adult gaming centre

Bingo Premises

- No customer must be able to access the premise directly from:
 - a casino
 - an adult gaming centre
 - a betting premises, other than a track

Family Entertainment Centre

- No customer must be able to access the premises directly from:
 - a casino
 - an adult gaming centre
 - a betting premises, other than a track

Part 7 of the Gambling Commission's Guidance to Licensing Authorities contains further guidance on this issue, which this authority will also take into account in its decision-making.

(iii) Premises "ready for gambling"

- 16.7 The Guidance states that a licence to use premises for gambling should only be issued in relation to premises that the licensing authority can be satisfied are going to be ready to be used for gambling in the reasonably near future, consistent with the scale of building or alterations required before the premises are brought into use.

If the construction of a premises is not yet complete, or if they need alteration, or if the applicant does not yet have a right to occupy them, then an application for a provisional statement should be made instead.

In deciding whether a premises licence can be granted where there are outstanding construction or alteration works at a premises, this authority will determine applications on their merits, applying a two stage consideration process:-

- First, whether the premises ought to be permitted to be used for gambling
- Second, whether appropriate conditions can be put in place to cater for the situation that the premises are not yet in the state in which they ought to be before gambling takes place.

Applicants should note that this Authority is entitled to decide that it is appropriate to grant a licence subject to conditions, but it is not obliged to grant such a licence.

(iv) Location

- 16.8 The Licensing Authority is aware that demand issues cannot be considered with regard to the location of premises but that considerations in terms of the licensing objectives can. As per the Gambling Commission's Guidance for Local Authorities, this Authority will pay particular attention to the protection of children and vulnerable persons from being harmed or exploited by gambling, as well as issues of crime and disorder. Should any specific policy be decided upon as regards areas where gambling premises should not be located, this statement will be updated. It should be noted that any such policy does not preclude any application being made and each application will be decided on its merits, with the onus upon the applicant showing how potential concerns can be overcome.

(v) Duplication with other regulatory regimes (including Planning)

- 16.9 This Licensing Authority will seek to avoid any duplication with other statutory/regulatory systems where possible, including Planning. The Authority will not consider whether a licence application is likely to be awarded planning permission or building regulations approval, in its consideration of it. It will though, listen to, and consider carefully, any concerns about conditions, which cannot be met by licensees due to planning restrictions, should such a situation arise.

When dealing with a premises licence application for finished buildings, this authority will not take into account whether those buildings have to comply with the necessary planning or buildings consents. Fire or health and safety risks will not be taken into account, as these matters are dealt with under relevant planning control, buildings and other regulations and must not form part of the consideration for the premises licence.

(vi) Licensing objectives

16.10 Premises licences granted must be reasonably consistent with the licensing objectives. With regard to these objectives, the Licensing Authority has considered the Gambling Commission's Guidance to Local Authorities and some comments are made below.

(i) Preventing gambling from being a source of crime or disorder, being associated with crime or disorder or being used to support crime

The Gambling Commission will be taking a leading role in preventing gambling from being a source of crime. The Gambling Commission's Guidance does however envisage that licensing authorities should pay attention to the proposed location of gambling premises in terms of this licensing objective.

Thus, where an area has known high levels of organised crime this Authority will consider carefully whether gambling premises are suitable to be located there and whether conditions may be suitable such as the provision of door supervisors.

The Licensing Authority is aware of the distinction between disorder and nuisance and will consider factors such as whether police assistance was required and how threatening the behaviour was to those who could see it, so as to make that distinction. Issues of nuisance cannot be addressed via the Gambling Act provisions.

(ii) Ensuring that gambling is conducted in a fair and open way

The Gambling Commission does not generally expect Licensing Authorities to become concerned with ensuring that gambling is conducted in a fair and open way, as this will be addressed via operating and personal licences.

There is however, more of a role with regard to tracks, which is explained in more detail in the 'tracks' section.

(iii) Protecting children and other vulnerable persons from being harmed or exploited by gambling

Apart from limited exceptions, the intention of the Act is that children & young persons should not be allowed to gamble and should therefore be prevented from entering gambling premises, which are 'adult only' environments.

There may also be restriction of advertising so that gambling products are not aimed at or are, particularly attractive to children.

The Licensing Authority will therefore consider, as suggested in the Gambling Commission's Guidance, whether specific measures are required at particular premises, with regard to this licensing objective. Appropriate measures may include supervision of entrances / machines, segregation of areas etc.

This Licensing Authority will also make itself aware of the Codes of Practice, which the Gambling Commission issues as regards this licensing objective, in relation to specific premises.

The Licence Conditions and Codes of Practice (LCCP) issued in 2015 prescribe how Operators **must** prevent children from using age restricted gaming or gambling activities, particularly where gaming machines are licensed.

In particular, Operators must ensure that:

- All staff are trained;
- All customers are supervised when on gambling premises’;
- Procedures are in place for identifying customers who are at risk of gambling related harm.

The Council will expect all operators to have policies & procedures in place as required by LCCP in respect of social responsibility to cover all aspect of the code, in particular staff training and self-exclusion records.

As regards the term “**vulnerable persons**” it is noted that the Gambling Commission is not seeking to offer a definition but states that “it will for regulatory purposes assume that this group includes people who gamble more than they want to; people who are gambling beyond their means; and people who may not be able to make informed or balanced decisions about gambling due to a mental impairment, alcohol or drugs.”

(vii) Conditions

16.11 Any conditions attached to licences will be proportionate and will be:

- Relevant to the need to make the proposed building suitable as a gambling facility;
- Directly related to the premises and the type of licence applied for;
- Fairly and reasonably related to the scale and type of premises; and
- Reasonable in all other respects.

Decisions upon individual conditions will be made on a case by case basis, although there will be a number of measures this licensing Authority will consider utilising should there be a perceived need, such as the use of supervisors, appropriate signage for adult only areas etc. There are specific comments made in this regard under some of the licence types below. This Licensing Authority will also expect the licence applicant to offer his/her own suggestions as to way in which the licensing objectives can be met effectively.

16.12 This Licensing Authority will also consider specific measures which may be required for buildings which are subject to multiple premises licences. Such measures may include the supervision of entrances; segregation of gambling from non-gambling areas frequented by children; and the supervision of gaming machines in non-adult gambling specific premises in order to pursue the

licensing objectives. These matters are in accordance with the Gambling Commission's Guidance.

16.13 This Authority will also ensure that where category C or above machines are on offer in premises to which children are admitted:

- all such machines are located in an area of the premises which is separated from the remainder of the premises by a physical barrier which is effective to prevent access other than through a designated entrance;
- only adults are admitted to the area where these machines are located;
- access to the area where the machines are located is supervised;
- the area where these machines are located is arranged so that it can be observed by the staff or the licence holder; and
- at the entrance to and inside any such areas there are prominently displayed notices indicating that access to the area is prohibited to persons under 18.

These considerations will apply to premises including buildings where multiple premises licences are applicable.

16.14 This Licensing Authority is aware that tracks may be subject to one or more than one premises licence, provided each licence relates to a specified area of the track. As per the Gambling Commission's Guidance, this licensing authority will consider the impact upon the third licensing objective and the need to ensure that entrances to each type of premises are distinct and that children are excluded from gambling areas where they are not permitted to enter.

It is noted that there are conditions which the Licensing Authority cannot attach to premises licences which are:

- any condition on the premises licence which makes it impossible to comply with an operating licence condition;
- conditions relating to gaming machine categories, numbers, or method of operation;
- conditions which provide that membership of a club or body be required (the Gambling Act 2005 specifically removes the membership requirement for casino and bingo clubs and this provision prevents it being reinstated); and
- conditions in relation to stakes, fees, winning or prizes.

(viii) Door Supervisors

16.15 The Gambling Commission advises in its Guidance to Licensing Authorities that if a licensing authority is concerned that a premises may attract disorder or be subject to attempts at unauthorised access (for example by children and young persons) then it may require that the entrances to the premises are controlled by a door supervisor, and is entitled to impose a premises licence condition to this effect.

Where it is decided that supervision of entrances/machines is appropriate for particular cases, a consideration of whether these need to be SIA licensed or not will be necessary. It will not be automatically assumed that they need to be licensed, as the statutory requirements for different types of premises vary (as per the Guidance, Part 33).

17. Adult Gaming Centres (AGC's)

17.1 The Licensing Authority will specifically have regard to the need to protect children and vulnerable persons from harm or being exploited by gambling and will expect the applicant to satisfy the Authority that there will be sufficient measures to, for example, ensure that under 18 year olds do not have access to the premises.

17.2 The Licensing Authority will expect applicants to offer their own measures to meet the licensing objectives however appropriate measures / licence conditions may cover issues such as:

- Proof of age schemes
- CCTV
- Supervision of entrances / machine areas
- Physical separation of areas
- Location of entry
- Notices / signage
- Specific opening hours
- Self-barring schemes
- Provision of information leaflets/helpline numbers for organisations such as GamCare.

This list is not mandatory, nor exhaustive, and is merely indicative of example measures.

18. Licensed Family Entertainment Centres:

18.1 The Licensing Authority will have specific regard to the need to protect children and vulnerable persons from harm or being exploited by gambling and will expect the applicant to offer their own measures to promote the licensing objectives and ensure that under 18 year olds do not have access to the 'Adult Only' gaming machines. However appropriate measures / licence conditions may cover issues such as:

- CCTV
- Supervision of entrances / machine areas
- Physical separation of areas
- Location of entry
- Notices / signage

- Specific opening hours
- Self-barring schemes
- Provision of information leaflets / helpline numbers for organisations such as GamCare.
- Measures / training for staff on how to deal with suspected truant school children on the premises

This list is not mandatory, nor exhaustive, and is merely indicative of example measures.

- 18.2. The Licensing Authority will, as per Gambling Commission's guidance, refer to the commission's website to see any conditions that apply to operating licences covering the way in which the area containing the 'category C' machines should be delineated. The Licensing Authority will also make itself aware of any mandatory or default conditions on these premises licences, when they have been published.

19. Casinos

There are currently no casinos operating within Rhondda Cynon Taf, it not being a designated area under the provisions of the Gambling Act 2005.

Rhondda Cynon Taf has not passed a resolution to prohibit casinos at this time. The Licensing Authority reserves the right to review the position on casinos at any time.

20. Bingo premises

- 20.1 This Licensing Authority notes that the Gambling Commission's guidance states:
- 20.2 Licensing authorities will need to satisfy themselves that bingo can be played in any bingo premises for which they issue a premises licence. This will be a relevant consideration where the operator of an existing bingo premises applies to vary their licence to exclude an area of the existing premises from its ambit and then applies for a new premises licence, or multiple licences, for that or those excluded areas.
- 20.3 This Authority also notes the Guidance at paragraph 18.8 which states S.172(7), as amended, provides that the holder of a bingo premises licence may make available for use a number of category B gaming machines not exceeding 20% of the total number of gaming machines on the premises. For example, a premises with a total of 25 gaming machines available for use can make five or fewer category B3 gaming machines available on that premises. Premises that were licensed before 13 July 2011 are entitled to make available eight category B gaming machines, or 20% of the total number of gaming machines, whichever is the greater. There are no restrictions on the number of

category C or D machines that can be made available. Regulations state that category B machines at bingo premises are restricted to sub-category B3 (SI 2007/2158: Categories of Gaming Machine Regulations 2007) (but not B3A) and B4 machines.

- 20.4 Children and young people are allowed into bingo premises; however they are not permitted to participate in the bingo and if category B or C machines are made available for use these must be separated from areas where children and young people are allowed.

21. Betting Premises

Persons wishing to operate a Betting Premises will require a betting premises licence from the Licensing Authority and any premises holding such licence must not be accessible to children & young persons.

Betting Machines (bet receipt terminals) in Betting Premises

The Licensing Authority will, as per Gambling Commission's Guidance, take into account the size of the premises, the number of counter positions available for person to person transactions, and the ability of the staff to monitor the use of the machines by vulnerable adults, children & young persons (it is an offence for those under 18 to bet), when considering the number/nature/circumstances of betting machines an operator wishes to offer.

22. Tracks

- 22.1 There are currently no opportunities for betting at tracks within Rhondda Cynon Taf.
- 22.2 Tracks may be subject to one or more than one premises licence, provided each licence relates to a specified area of the track. As per the Gambling Commission's Guidance, this Licensing Authority will especially consider the impact upon the third licensing objective (i.e. the protection of children and vulnerable persons from being harmed or exploited by gambling) and the need to ensure that entrances to each type of premises are distinct and that children are excluded from gambling areas where they are not permitted to enter.
- 22.3 The Authority will therefore expect the premises licence applicant to demonstrate suitable measures to ensure that children do not have access to adult only gaming facilities. It is noted that children and young persons will be permitted to enter track areas where facilities for betting are provided on days when dog-racing and/or horse racing takes place, but that they are still prevented from entering areas where gaming machines (other than category D machines) are provided.

22.4 This Licensing Authority will expect applicants to offer their own measures to meet the licensing objectives however appropriate measures / licence conditions may cover issues such as:

- Proof of age schemes
- CCTV
- Supervision of entrances / machine areas
- Physical separation of areas
- Location of entry
- Notices / signage
- Specific opening hours
- Self-baring schemes
- Provision of information leaflets / helpline numbers for organisations such as GamCare

This list is not mandatory, nor exhaustive, and is merely indicative of example measures.

22.5 **Gaming machines** - Where the applicant holds a pool betting operating licence and is going to use the entitlement to four gaming machines, machines (other than category D machines) should be located in areas from which children are excluded.

22.6 **Betting machines** - This Licensing Authority will, as per the Gambling Commission's Guidance, take into account the size of the premises and the ability of staff to monitor the use of the machines by children and young persons (it is an offence for those under 18 to bet) or by vulnerable people, when considering the number/nature/circumstances of betting machines an operator wants to offer.

22.7 **Applications and plans** - The Gambling Act (S.151) requires applicants to submit plans of the premises with their application, in order to ensure that the licensing authority has the necessary information to make an informed judgement about whether the premises are fit for gambling. The plan will also be used for the licensing authority to plan future premises inspection activity..

Plans for tracks do not need to be in a particular scale, but should be drawn to scale and should be sufficiently detailed to include the information required by regulations.

Some tracks may be situated on agricultural land where the perimeter is not defined by virtue of an outer wall or fence, such as point-to-point racetracks. In such instances, where an entry fee is levied, track premises licence holders may erect temporary structures to restrict access to premises.

In the rare cases where the outer perimeter cannot be defined, it is likely that the track in question will not be specifically designed for the frequent holding of sporting events or races. In such cases betting facilities may be better provided through occasional use notices where the boundary premises do not need to be defined.

This Authority appreciates that it is sometimes difficult to define the precise location of betting areas on tracks. The precise location of where betting facilities are provided is not required to be shown on track plans, both by virtue of the fact that betting is permitted anywhere on the premises and because of the difficulties associated with pinpointing exact locations for some types of track. Applicants should provide sufficient information that this authority can satisfy itself that the plan indicates the main areas where betting might take place. For racecourses in particular, any betting areas subject to the “five times rule” (commonly known as betting rings) must be indicated on the plan.

23. Travelling Fairs

- 23.1 It will fall to the Licensing Authority to decide whether, where category D machines and / or equal chance prize gaming without a permit is to be made available for use at travelling fairs, the statutory requirement that the facilities for gambling amount to no more than an ancillary amusement at the fair is met.
- 23.2 The Licensing Authority will also consider whether the applicant falls within the statutory definition of a travelling fair.
- 23.3 It has been noted that the 27 day statutory maximum for the land being used as a fair, is per calendar year, and that it applies to the piece of land on which the fairs are held, regardless of whether it is the same or different travelling fairs occupying the land. The Licensing Authority will work with its neighbouring authorities to ensure that land, which crosses our boundaries, is monitored so that the statutory limits are not exceeded.

24. Provisional Statements

- 24.1 Developers may wish to apply to this authority for provisional statements before entering into a contract to buy or lease property or land to judge whether a development is worth taking forward in light of the need to obtain a premises licence. There is no need for the applicant to hold an operating licence in order to apply for a provisional statement.

S.204 of the Gambling Act provides for a person to make an application to the licensing authority for a provisional statement in respect of premises that he or she:

- expects to be constructed;
- expects to be altered; or
- expects to acquire a right to occupy.

- 24.2 The process for considering an application for a provisional statement is the same as that for a premises licence application. The applicant is obliged to give notice of the application in the same way as applying for a premises licence.

Responsible authorities and interested parties may make representations and there are rights of appeal.

- 24.3 In contrast to the premises licence application, the applicant does not have to hold or have applied for an operating licence from the Gambling Commission (except in the case of a track) and they do not have to have a right to occupy the premises in respect of which their provisional application is made.
- 24.4 In terms of representations about premises licence applications, following the grant of a provisional statement, no further representations from relevant Authorities or interested parties can be taken into account unless they concern matters which could not have been addressed at the provisional statement stage, or they reflect a change in the applicant's circumstances. In addition, the Authority may refuse the premises licence (or grant it on terms different to those attached to the provisional statement) only by reference to matters:
- (a) which could not have been raised by objectors at the provisional licence stage; or
 - (b) which is in the Authority's opinion reflect a change in the operator's circumstances.
 - (c) where the premises has not been constructed in accordance with the plan submitted with the application. This must be a substantial change to the plan and this licensing authority notes that it can discuss any concerns it has with the applicant before making a decision.

25. Reviews:

- 25.1 Interested parties or Responsible Authorities can make requests for a review of a premises licence.
- 25.2 However, it is for the Licensing Authority to decide whether the review is to be carried-out. This will be on the basis of whether the request for the review is
- relevant to the matters listed below,
 - frivolous,
 - vexatious,
 - will certainly not cause the Authority to wish to alter/revoke/suspend the licence,
 - whether it is substantially the same as previous representations or requests for review.
 - in accordance with any relevant code of practice issued by the Gambling Commission;
 - in accordance with any relevant guidance issued by the Gambling Commission;
 - reasonably consistent with the licensing objectives; and
 - in accordance with the Authority's statement of licensing policy.
- 25.3 The Licensing Authority can also initiate a review of a licence on the basis of any reason that it thinks is appropriate.

25.4 Once a valid application for a review has been received by the licensing authority, representations can be made by responsible authorities and interested parties during a 28 day period. This period begins 7 days after the application was received by the licensing authority, who will publish notice of the application within 7 days of receipt.

The Licensing Authority must carry out the review as soon as possible after the 28 day period for making representations has passed.

25.5 The purpose of the review will be to determine whether the licensing authority should take any action in relation to the licence. If action is justified, the options open to the licensing authority are:-

- (a) add, remove or amend a licence condition imposed by the licensing authority;
- (b) exclude a default condition imposed by the Secretary of State or Scottish Ministers (e.g. opening hours) or remove or amend such an exclusion;
- (c) suspend the premises licence for a period not exceeding three months; and
- (d) revoke the premises licence.

25.6 In determining what action, if any should be taken following a review, the licensing authority must have regard to the principles set out in section 153 of the Act, as well as any relevant representations.

25.7 In particular, the licensing authority may also initiate a review of a premises licence on the grounds that a premises licence holder has not provided facilities for gambling at the premises. This is to prevent people from applying for licences in a speculative manner without intending to use them.

25.8 Once the review has been completed, the licensing authority must, as soon as possible, notify its decision to:

- the licence holder
- the applicant for review (if any)
- the Commission
- any person who made representations
- the chief officer of police or chief constable; and Her Majesty's Commissioners for Revenue and Customs

PART C

Permits / Temporary & Occasional Use Notice

26. Unlicensed Family Entertainment Centre (FEC) Gaming Machine Permits

26.1 Where a premise does not hold a premises licence but wishes to provide gaming machines, it may apply to the Licensing Authority for this permit. It should be noted that the applicant must show that the premises will be wholly or mainly used for making gaming machines available for use (Section 238).

26.2 The Act states that a Licensing Authority may prepare a *statement of principles* that they propose to consider in determining the suitability of an applicant for a permit and in preparing this statement, and/or considering applications, it need not (but may) have regard to the licensing objectives and shall have regard to any relevant guidance issued by the Commission under section 25.

26.3 An FEC gaming machine permit cannot be granted unless the Chief Officer of Police has been consulted and no conditions may be imposed upon grant of the permit. Therefore the Licensing Authority will wish to be satisfied as to the applicant's suitability before granting a permit.

26.4 Statement of Principles

Applicants will be expected to show that there are policies and procedures in place to protect children from harm. Harm in this context is not limited to harm from gambling but includes wider child protection considerations. The efficiency of such policies and procedures will each be considered on their merits, however, they may include appropriate measures/training for staff as regards suspected truant school children on the premises, measures/training covering how staff would deal with unsupervised very young children being on the premises, or children causing perceived problems on/around the premises.

26.5 Applicants will be expected to demonstrate: -

- a full understanding of the maximum stakes and prizes of the gambling that is permissible in unlicensed FECs;
- that the applicant has no relevant convictions (those that are set out in Schedule 7 of the Act); and
- that staff are trained to have a full understanding of the maximum stakes and prizes
- an awareness of local school holiday times and how to liaise with relevant Education Welfare Officers regarding truancy.

26.6 A plan of the premises will need to be provided indicating any entrances and any areas where gaming machines are located.

27. (Alcohol) Licensed premises Gaming Machine Permits

- 27.1 There is provision in the Act for premises licensed to sell alcohol for consumption on the premises, to automatically have 2 gaming machines, of categories C and/or D. The premises merely need to notify the Licensing Authority.
- 27.2 The Licensing Authority can remove the automatic authorisation in respect of any particular premises if:
- provision of the machines is not reasonably consistent with the pursuit of the licensing objectives;
 - gaming has taken place on the premises that breaches a condition of section 282 of the Gambling Act (i.e. that written notice has been provided to the Licensing Authority, that a fee has been provided and that any relevant code of practice issued by the Gambling Commission about the location and operation of the machine has been complied with);
 - the premises are mainly used for gaming; or
 - an offence under the Gambling Act has been committed on the premises.
- 27.3 If a premises wishes to have more than 2 machines, then it needs to apply for a permit and the Licensing Authority must consider that application based upon the licensing objectives, any guidance issued by the Gambling Commission issued under Section 25 of the Gambling Act 2005, and “*such matters as they think relevant.*”
- 27.4 Statement of principles
- This Licensing Authority considers that “such matters” will be decided on a case by case basis but generally there will be regard to the need to protect children and vulnerable persons from harm or being exploited by gambling and will expect the applicant to satisfy the Authority that there will be sufficient measures to ensure that under 18 year olds do not have access to the adult only gaming machines.
- 27.5 Measures which will satisfy the Authority that there will be no access may include the adult machines being in sight of the bar, or in the sight of staff who will monitor that the machines are not being used by those under 18. Notices and signage may also be help. As regards the protection of vulnerable persons applicants may wish to consider the provision of information leaflets / helpline numbers for organisations such as GamCare.
- 27.6 It is recognised that some alcohol-licensed premises may apply for a premises licence for their non-alcohol licensed areas. Any such application would most likely need to be applied for, and dealt with as an Adult Gaming Centre premises licence.
- 27.7 It should be noted that the Licensing Authority could decide to grant the application with a smaller number of machines and/or a different category of

machines than that applied for. Conditions (other than these) cannot be attached.

- 27.8 It should also be noted that the holder of a permit must comply with any Code of Practice issued by the Gambling Commission about the location and operation of the machine.

28. Prize Gaming Permits

- 28.1 The Licensing Authority may “prepare a statement of principles that they propose to apply in exercising their functions under this Schedule” which “may, in particular, specify matters that the Licensing Authority propose to consider in determining the suitability of the applicant for a permit”.

28.2 Statement of Principles

The applicant should set out the types of gaming that he or she is intending to offer and that applicant should be able to demonstrate:

- that they understand the limits to stakes and prizes that are set out in Regulations;
- and that the gaming offered is within the law.
- Clear policies that outline the steps to be taken to protect children from harm.

- 28.3 In making its decision on an application for this permit the Licensing Authority does not need to have regard to the licensing objectives but must have regard to any Gambling Commission guidance.

- 28.4 It should be noted that there are conditions in the Gambling Act 2005 by which the permit holder must comply, but that the Licensing Authority cannot attach conditions. The conditions in the Act are:

- the limits on participation fees, as set out in regulations, must be complied with;
- all chances to participate in the gaming must be allocated on the premises on which the gaming is taking place and on one day; the game must be played and completed on the day the chances are allocated; and the result of the game must be made public in the premises on the day that it is played;
- the prize for which the game is played must not exceed the amount set out in regulations (if a money prize), or the prescribed value (if non-monetary prize); and
- participation in the gaming must not entitle the player to take part in any other gambling.

29. Club Gaming and Club Machines Permits

29.1 Members Clubs and Miners' Welfare Institutes may apply for a Club Gaming Permit or a Club Gaming Machine Permit. Commercial Clubs cannot apply for a Club Gaming Permit.

29.2 Club Gaming Permit

The Club Gaming Permit will enable the premises to provide gaming machines:

- Up to 3 machines of categories B, C or D,
- equal chance gaming and
- games of chance as set out in regulations.

29.3 Club Gaming Machine Permit

A Club Gaming machine permit will enable the premises to provide gaming machines:

- 3 machines of categories B, C or D; and
- Equal chance gaming as set out in regulations

The Licensing Authority will wish to be satisfied that applicants for these permits meet the statutory criteria for qualifying member's clubs contained in sections 266 & 267 of the Act.

30. Temporary Use Notices

30.1 Temporary Use Notices allow the use of premises for gambling where there is no premises licence but where a gambling operator wishes to use the premises temporarily for providing facilities for gambling. Premises that might be suitable for a Temporary Use Notice, according to the Gambling Commission, would include hotels, conference centres and sporting venues.

The licensing authority can only grant a Temporary Use Notice to a person or company holding a relevant operating licence, i.e. a non-remote casino operating licence.

30.2 The Secretary of State has the power to determine what form of gambling can be authorised by Temporary Use Notices, and at the time of writing this Statement the relevant regulations (SI no 3157: The Gambling Act 2005 (Temporary Use Notices) Regulations 2007) state that Temporary Use Notices can only be used to permit the provision of facilities for equal chance gaming, where the gaming is intended to produce a single winner, which in practice means poker tournaments.

- 30.3 There are a number of statutory limits as regards Temporary Use Notices. The meaning of "premises" in Part 8 of the Act is discussed in Part 7 of the Gambling Commission Guidance to Licensing Authorities. As with "premises", the definition of "a set of premises" will be a question of fact in the particular circumstances of each notice that is given. In the Act "premises" is defined as including "any place". In considering whether a place falls within the definition of "a set of premises", the licensing authority needs to look at, amongst other things, the ownership/occupation and control of the premises.
- 30.4 This Licensing Authority expects to object to notices where it appears that their effect would be to permit regular gambling in a place that could be described as one set of premises, as recommended in the Gambling Commission's Guidance to Licensing Authorities.

31. Occasional Use Notices:

The Licensing Authority has very little discretion as regards these notices aside from ensuring that the statutory limit of 8 days in a calendar year is not exceeded. This Licensing Authority will though consider the definition of a 'track' and whether the applicant is permitted to avail him/herself of the notice.

32. Small Society Lotteries

This Licensing Authority will adopt a risk based approach towards its enforcement responsibilities for small society lotteries. The Authority considers that the following list, although not exclusive, could affect the risk status of the operator:

- submission of late returns (returns must be submitted no later than three months after the date on which the lottery draw was held)
- submission of incomplete or incorrect returns
- breaches of the limits for small society lotteries

Non-commercial gaming is permitted if it takes place at a non-commercial event, either as an incidental or principal activity at the event. Events are non-commercial if no part of the proceeds is for private profit or gain. The proceeds of such events may benefit one or more individuals if the activity is organised:

- by, or on behalf of, a charity or for charitable purposes
- to enable participation in, or support of, sporting, athletic or cultural activities.

Proceeds must not exceed £20,000 for a single draw and aggregate proceeds from lotteries must not exceed £250,000 in any one year.

Charities and community groups are advised to contact the Licensing Team at licensing.section@rctcbc.gov.uk for further guidance on their specific proposals.

33. Licensing Conditions & Codes of Practice 2015 (LCCP)

The Gambling Commission released an LCCP in February 2015, (commencement date May 2015), the effect of which is to strengthen the social responsibility code requirements. Details regarding the LCCP and Social Responsibility code can be accessed via the Gambling Commission website at www.gamblingcommission.gov.uk

33.1 The Code requires operators to:

- Supervise customers effectively on gambling premises and identify customers who are at risk of gambling related harm;
- Have in place, (with effect from April 2016), schemes to allow customers to self-exclude themselves from all operators of a similar type in the area where they live and work;
- To have a range of measures with regard to marketing to ensure social responsibility that are transparent and not misleading;
- Produce a risk assessment on individual premises, (with effect from April 2016) and have policies, procedures and control measures in place to mitigate local risks to the licensing objectives.

33.2 Risk assessment – Betting Premises

The Social Responsibility Code (SRC) requires all operators of Casinos, Adult Gaming Centres (AGC); Bingo premises; Family Entertainment Centres (FEC's); Betting Shops and Remote Betting Intermediaries to assess local risks to the licensing objectives and to have policies, procedures and control measures in place to mitigate those risks.

Operators are required by the SRC to make such risk assessments available to Licensing Authorities on request, (as of 1st April 2016) and this will form part of the Council's inspection regime and may be requested when Officers are investigating complaints.

33.3 The SRC requires the Council to set out in their Statement of Principles, the matters they expect the operator to take account of in the risk assessment. This Council expects the following general matters to be considered by Operators when making risk assessments:-

- **Information held by the Licensee regarding self-exclusions and incidences of under-age gambling;**
- **Gaming trends that may reflect benefit payments;**
- **Arrangements for localised exchange of information regarding self-exclusion and gaming trends;**

- Urban setting such as proximity to schools, commercial environment, factors affecting footfall;
- Facilities in proximity to the licensed premises such as other gambling outlets, Banks, Post Offices, refreshment and entertainment type facilities;
- Regard to local problems in the area such as anti social behaviour arising from street drinkers, youth annoyance, substance misuse etc.

33.4 Matters relating to children & young persons specifically including:-

- Premises, places or areas where presence of children and young persons should be expected such as schools, youth clubs, parks, playgrounds and entertainment venues such as Bowling Alleys, Cinemas etc;
- Any premises where children are likely to congregate including Bus Stops; Cafes, shops or any other place where children are attracted;
- Areas that are prone to issues of youths participating in anti social behaviour, including such activities as graffiti/tagging, underage drinking etc
- Recorded incidents of attempted underage gambling.

33.5 Matters relating specifically to vulnerable adults including:-

- Information held by the licensee regarding self-exclusions and incidences of underage gambling;
- Gaming trends that mirror days for financial payments such as pay days or Benefit Payments;
- Arrangements for localised exchange of information regarding self-exclusion and gaming trends;
- Proximity of premises which may be frequented by vulnerable people such as Hospitals; Residential Care Homes; medical facilities; Doctor's Surgeries; Housing Offices Addiction Clinics or Help Centres and other places where persons experiencing substance misuse may congregate.

33.6 This list is not exhaustive and there may be other matters identified that will require consideration , such as matters of faith, including all religious & faith denominations including proximity of churches, mosques, temples or any other place of worship.

List of Consultees

A list of persons consulted is provided below. It should be noted that unsolicited comments may have been received from other persons but have not been listed.

The Gambling Act requires that the following parties be consulted by Licensing Authorities:

One or more persons, who appear to the Authority to represent the interests of persons carrying on gambling businesses in the Authority's area.

The Authority has therefore consulted:

- William Hill plc
- Done Bros T/A 'Betfred'
- The Ladbrokes Coral Group
- British Beer & Pub Association
- BACTA
- Top Ten Bingo / Castle Bingo / Cashino Gaming
- BALPPA
- Association of British Bookmakers (ABB)
- Gamcare
- Bingo Association of Great Britain
- Independent Bookmakers in the area

One or more persons who appear to the Authority to represent the interests of persons who are likely to be affected by the exercise of the Authority's functions under the Gambling Act 2005:

- Gambling Commission
- South Wales Police
- South Wales Fire & Rescue Service
- Head Of Planning & Development, RCT CBC
- Head of Child Protection & Reviewing Services RCT CBC
- Environment Team RCT CBC
- Workingmen's Clubs & Institute Union
- HM Revenue & Customs
- Public Health Wales

Appendix B

Table of Delegations of Licensing Functions

MATTER TO BE DEALT WITH	FULL COUNCIL	SUB-COMMITTEE	OFFICERS
Three year statement of principles	X		
Policy not to permit casinos	X		
Fee setting - when appropriate			X (to be approved by the Executive)
Application for premises licences		Where representations have been received and not withdrawn	Where no representations received/representations have been withdrawn
Application for a variation to a licence		Where representations have been received and not withdrawn	Where no representations received/representations have been withdrawn
Application for a transfer of a licence		Where representations have been received from the Commission	Where no representations received from the Commission
Application for a provisional statement		Where representations have been received and not withdrawn	Where no representations received/representations have been withdrawn
Review of a premises licence		X	
Application for club gaming/club machine permits		Where representations have been received and not withdrawn	Where no representations received/representations have been withdrawn
Cancellation of club gaming/club machine permits		X	
Applications for other permits			X
Cancellation of licensed premises gaming machine permits			X
Consideration of temporary use notice			X
Decision to give a counter notice to a temporary use notice		X	
<i>*Duty to comply with requirement to provide information to Gambling Commission</i>			X
<i>*Functions relating to exchange of information</i>			X
<i>*Registration & regulation of small society lotteries</i>			X

X indicates at the lowest level to which decisions can be delegate

* as per Local Authorities(Executive Arrangements)(Functions & Responsibilities)(Wales)(Amendment) Regulations 2009

Summary of Machine Provisions by Premises

Machine category							
Premises type	A	B1	B2	B3	B4	C	D
Large casino (machine/table ratio of 5-1 up to maximum)				Maximum of 150 machines Any combination of machines in categories B to D (except B3A machines), within the total limit of 150 (subject to machine/table ratio)			
Small casino (machine/table ratio of 2-1 up to maximum)				Maximum of 80 machines Any combination of machines in categories B to D (except B3A machines), within the total limit of 80 (subject to machine/table ratio)			
Pre-2005 Act casino (no machine/table ratio)				Maximum of 20 machines categories B to D (except B3A machines), or any number of C or D machines instead			
Betting premises and tracks occupied by pool betting				Maximum of 4 machines categories B2 to D (except B3A machines)			
Bingo premises¹			Maximum of 20% of the total number of gaming machines which are available for use on the premises categories B3 or B4			No limit on category C or D machines	
Adult gaming centre²			Maximum of 20% of the total number of gaming machines which are available for use on the premises categories B3 or B4			No limit on category C or D machines	
Licensed family entertainment centre³				No limit on category C or D machines			
Family entertainment centre (with permit) ³				No limit on category D machines			
Clubs or miners' welfare institute (with permits) ⁴				Maximum of 3 machines in categories B3A or B4 to D			
Qualifying alcohol-licensed premises				1 or 2 machines of category C or D automatic upon notification			
Qualifying alcohol-licensed premises (with licensed premises gaming machine permit)				Number of category C-D machines as specified on permit			
Travelling fair			No limit on category D machines				

¹ Bingo premises licence are entitled to make available for use a number of category B gaming machines not exceeding 20% of the total number of gaming machines on the premises. Where a premises licence was granted before 13 July 2011, they are entitled to make available eight (The Gambling Act 2005 (Gaming Machines in Bingo Premises) Order 2009) category B gaming machines, or 20% of the total number of gaming machines, whichever is the greater. Category B machines at bingo premises are restricted to sub-category B3 and B4 machines, but not B3A machines.

² Adult gaming centres are entitled to make available for use a number of category B gaming machines not exceeding 20% of the total number of gaming machines which are available for use on the premises and any number of category C or D machines. Where a premises licence was granted before 13 July 2011, they are entitled to make available four category B gaming machines, or 20% of the total number of gaming machines, whichever is the greater. Category

B machines at adult gaming centres are restricted to sub-category B3 and B4 machines, but not B3A machines.

³ Only premises that are wholly or mainly used for making gaming machines available may hold an unlicensed FEC gaming machine permit or an FEC premises licence. Category C machines may only be sited within licensed FECs and where an FEC permit is in force. They must be in a separate area to ensure the segregation and supervision of machines that may only be played by adults. There is no power for the licensing authority to set a limit on the number of machines under the FEC permit.

⁴ Members' clubs and miners' welfare institutes with a club gaming permit or with a club machine permit, are entitled to site a total of three machines in categories B3A to D but only one B3A machine can be sited as part of this entitlement.

⁵ Commercial clubs with club machine or gaming permits are entitled to a total of three machines in categories B4 to D.

Useful Contacts

Further information about the Gambling Act 2005, this Statement of Principles or the application process can be obtained from:-

Martyn Owen (Assistant Licensing Manager)
Rhondda Cynon Taf County Borough Council
Ty Elai
Dinas Isaf East
Williamstown
Tonypandy CF40 1NY

Tel: 01443 425001

E-mail: licensing.section@rctcbc.gov.uk

Website : www.rctcbc.gov.uk

Information is also available from:-

Gambling Commission

Victoria Square House
Victoria Square
Birmingham
B2 4BP

Tel: 0121 230 6666
Fax: 0121 237 6720

E-mail: info@gamblingcommission.gov.uk

Website : www.gamblingcommission.gov.uk

Department of Culture, Media and Sport

2-4 Cockspur Street
London
SW1Y 5DH

Tel: 020 7211 6200

E-mail: enquiries@culture.gov.uk

Website : www.culture.gov.uk