

RHONDDA CYNON TAF COUNTY BOROUGH COUNCIL
FINANCE AND PERFORMANCE SCRUTINY COMMITTEE

Minutes of the meeting of the Finance and Performance Scrutiny Committee held at the County Borough Council Offices, The Pavilions, Cambrian Park, Clydach Vale on Monday, 24th September 2018 at 5 p.m.

PRESENT

County Borough Councillor M. Powell – Chair

County Borough Councillors

S. Bradwick	L. Hooper	T. Williams
G. Cagle	S. Rees-Owen	R. Yeo
J. Cullwick	G. Thomas	
G.R. Davies	J. Williams	

Other Members in Attendance

County Borough Councillor L. M. Adams – Chair of Overview & Scrutiny Committee

Non Committee/ Education Co-Opted Members in Attendance

Mr J Fish – Elected Parent / Governor Representative

Also in Attendance

Mr.R.Hull – Chair and Lay Member of the Audit Committee

Officers in Attendance

Mrs S. Davies – Head of Finance - Education & Financial Reporting
Mr R. Evans – Director, Human Resources
Mr S. Gale - Service Director, Planning
Mr P. Griffiths - Service Director, Performance & Improvement
Mr A. Wilkins - Head of Legal – Corporate & Democratic Services

10. DECLARATIONS OF INTEREST

RESOLVED – to note that there were no declarations made at the meeting pertaining to the agenda.

11. APOLOGIES FOR ABSENCE

Apologies for absence were received from County Borough Councillors J. Elliott, A. Davies- Jones, G. Holmes and W. Lewis

12. MINUTES

RESOLVED - to approve as a correct record the minutes of the meeting of the

Finance and Performance Scrutiny Committee held on the 23rd July 2018 subject to the wording in 'Matters Arising' (Minute No. 7 refers) being altered to read:-

'The figure for the number of private sector dwellings which had been vacant for over 6 months *would be* corrected in the final version of the Report'; and

'The % of children that live in workless households figure, sourced from Stats Wales, *would be* removed from the report due to a lack of clarity on its basis and consistency with unemployment statistics included.

13. MATTERS ARISING

Minute No. 7 - *The % of children that live in workless households figure, sourced from Stats Wales, had been removed from the Report due to a lack of clarity on its basis and consistency with unemployment statistics included* –It was confirmed that the Service Director, Performance & Improvement would refer back to Stats Wales and retrieve further information to aid the understanding of this area and its potential correlation with unemployment statistics.

REPORTS OF THE GROUP DIRECTOR, CORPORATE & FRONTLINE SERVICES

14. 2018/19 PERFORMANCE INDICATOR TARGETS

The Service Director, Performance & Improvement presented his report in respect of the Council's performance indicator targets for 2018/19 as set out in the Corporate Performance Report.

The Service Director made reference to the recommendations and asked Committee to review and challenge the performance indicators set out at Appendix 1 of the report and consider whether any specific targets require review in more detail. He suggested that should Members be minded to, a review of a smaller selection of indicators could be undertaken which could be considered in a separate report.

The Chair proposed that all Chairs of Scrutiny Committees consider which of the performance indicator targets they consider will be scrutinised as part of agreed work programmes and of the remaining targets, the Finance and Performance Scrutiny select a number of targets to review in more detail. The Chair added that this proposed approach would help ensure there would be no duplication in the work undertaken by each of the Council's scrutiny committees.

A Member raised a query in respect of the 2018/19 target for the '% of customer interaction via the web and mobile devices' and also why the target had dropped in relation to the number of new affordable homes delivered. The Service Director provided clarity in respect of the customer interaction performance indicator, in that the 2018/19 target of 80% represented an improved position when compared to the 2017/18 target of 50%. The Service Director went on to inform Members that with regard to the number of new affordable homes delivered, the 2018/19 target (130) had been set at a lower level than 2017/18 actual performance (200) due to the estimated timing of larger schemes becoming available.

Following on, the Chair of the Health and Wellbeing Scrutiny Committee provided Members with an up date on the work programme of this committee in that its October 2018 meeting is scheduled to consider the area of Empty Properties.

A number of Members requested clarity around how footfall information had been calculated to measure the average weekly number of visitors to town centres across the County Borough, particularly with regard to whether vehicles had also been counted which would present an over inflated picture and whether footfall had been double counted in some areas. The Service Director, Planning confirmed that he would clarify how the footfall counters had recorded data and their locations, and report the findings back to the Committee.

A query was raised in respect of whether Brexit had been a factor as part of the 2018/19 target setting process. The Service Director Performance & Improvement confirmed that due to uncertainty around the outcome of Brexit negotiations at a UK wide level, it has had no material effect on the 2018/19 target setting process.

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

1. Acknowledge the targeted performance levels set for 2018/19;
2. Receive further detail on the process for calculating town centre footfall information and their locations;
3. Provide target setting information to the Chairs of each Scrutiny Committee and request feedback on those that are linked to agreed work programmes; and
4. Subject to (3) above, for the Finance and Performance Scrutiny Committee to select a number of targets to review in more detail (that are not being considered as part of other Scrutiny Committee work programmes).

15. **ANNUAL TREASURY MANAGEMENT REVIEW**

The Head of Finance - Education & Financial Reporting presented the report of the Group Director, Corporate & Frontline Services in respect of the Annual Treasury Management Review which had been presented to Council on 25th July 2018 (attached to the report at Appendix 1).

Following the observations made by the Head of Finance – Education & Financial Reporting, Committee raised a number of questions in respect of the report.

The term ‘re-profiling of the 21st Century Schools schemes’ was explained as being a method of budgeting as part of monitoring the progress of the Capital Programme with any slippage in expenditure being ‘re-profiled’ into later years.

Committee noted the now outdated Bank of England rates and inflation measures in the report (as reported originally to Council in July 2018 and being a retrospective report). Committee requested a forecast of the impact upon the Council of Bank of England interest rate rises by a ¼%, ½% and ¾%. As a matter of clarity the Head of Finance - Education & Financial Reporting pointed out that the loans set out at the PWLB table 7 are fixed rates so there would be no changes to the figures.

A Member also commended officers involved in Treasury Management and expressed agreement with the prudent approach outlined.

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

1. To acknowledge the information contained within the report; and
2. To receive a forecast of the Bank of England interest rises by ¼%, ½% and ¾%, and the effect each may have on the Local Authority.

REPORT OF THE DIRECTOR OF HUMAN RESOURCES

16. SICKNESS ABSENCE

The Director of HR presented his report in respect of Sickness Absence matters across the Council following initial discussions at the Overview & Scrutiny Committee held on the 18th April 2018 and the subsequent addition to the work programme of the Finance & Performance Scrutiny Committee in respect of the matter. Committee was provided with the Council's sickness absence data for the periods August 2016 to July 2017 and August 2017 to July 2018 and asked to scrutinise the data and the detail within the report.

A Member commented that having comparable data with other Welsh Local Authorities in respect of sickness absence would be of value and the Director of HR agreed that this would be provided.

A Member queried whether there is a correlation between the reduction in staffing levels and the increase in sickness levels, as with the Education & Lifelong Learning division the predominance is with long term sickness. The Director of HR explained that both long term and short term sickness are prioritised in the same way with earlier intervention strategies in place to address the levels. One example was the return to work scheme within Adult Services where staff can return to their place of work without having to undertake their full compliment of duties resulting in their earlier integration into the work place. It was reported that a number of options are available to those unable to return to work, such as ill health retirement or a mutually agreed termination.

The Director of HR confirmed that long term sickness absence is more difficult to manage but is monitored closely by the Council's Senior Leadership Team who discuss the details in respect of lost productivity and cover costs (the latter presenting the cost to cover the post in the employee's absence). Further to a query, he provided Committee with the definition of both short and long term sickness (the latter being 28 days and above) and outlined how the Council deals with the increasing numbers of phased returns. It was confirmed by the Head of Finance - Education and Financial Reporting that further consideration would be given to the in house schools insurance policy with regards to phased returns. Committee was assured that the Council's sickness policy is in place to support and consider the best interests of the individual and discretion is used at all times.

Members were keen for the Director to consider other organisations with which the Council could liaise in terms of accessing further training and support in the area of mental health such as the Local Health Boards and the University of South Wales who may be able to provide access to training programmes. They raised concern with regards to other associated issues relating to mental health such as eating disorders and concern as to whether staff would be able to self refer to the appropriate support. The Director reminded the Committee that a self referral avenue is available through the Council's Occupational Health Unit which offers an excellent service to its staff and has its own support staff as well as links to a wealth of external support.

Committee was provided with more detail in respect of the Mental Health Working Group which is being led by the Head of Employer Relations and consists of representatives from HR and Occupational Health with a view to Trade Unions also participating in the group. Key to the work of the group is making line managers and others aware of the signs and symptoms in respect of mental health issues amongst staff and having the ability to refer and signpost staff to the appropriate help and support. The key message is to remove the stigma associated with Mental Health.

It was confirmed that the £130,000 identified to support the work to minimise the impact that sickness absence has on service delivery had been invested in the newly established sickness absence team. The role of the team is to support the Council's early intervention strategy and to provide support for managers and head teachers to reduce the overall levels of sickness absence within their own areas. The Director of HR advised Committee that through the work of the team the sickness levels had been reduced from 8.4% to 6.6% within an Older Persons Residential setting.

The Chair requested that in future reports the number of actual staff as well as percentages could be included as a reminder that individuals are being discussed. He also asked for a breakdown into topical areas so that Committee has a greater understanding of the reasons behind the sickness levels. In conclusion, the Chair also requested a breakdown of the actual costs reported and the financial impact of the sickness levels on the Council.

RESOLVED:

1. To acknowledge the report in relation to sickness absence;
2. To provide Committee with comparable data with other Welsh Local Authorities;
3. To provide further consideration to the in house schools insurance sickness policy with regards to phased returns;
4. In future, the actual number of staff which equates to the percentage figures are to be included in the report;
5. Undertake further research on the underlying factors for the increase in sickness absence figures for the Education & Lifelong Learning division; and
6. To provide the actual costs and financial impact of the sickness levels on the Council for the years analysed.

REPORT OF THE DIRECTOR OF REGENERATION, PLANNING & HOUSING

17. CIL ANNUAL MONITORING REPORT

In accordance with the Community Infrastructure Levy Regulations 2010 (as amended), the Director, Regeneration and Planning attached to her report at Appendix A the CIL Annual Monitoring Report 2017/18 detailing the CIL income and expenditure. At the meeting, the Service Director, Planning explained that the Regulations require that CIL income is split into three parts. That relating to the Community/Town Councils i.e. the distribution of 15% of the CIL receipts was set out as shown at Appendix B to the report.

It was reported that CIL has only been in operation for three full financial years so the amount collected is still relatively small with many large developments currently under construction having been approved through the old Section 106 process. However, there was an expectation for the amount to increase over the next few years. The Service Director commented that there is a small amount of 'Local' CIL yet to be spent which was collected in an area that did not have a Community Council. This money would be spent in consultation with the relevant local Member. In response to a query, the Service Director confirmed that the Regulation List 123 is updated as and when required following a period of public and stakeholder consultation and Cabinet approval.

A Member clarified that it is Hirwaun & Penderyn Community Council for future reference and queried the formula used to allocate the CIL as there seems to be a clear accumulation of CIL. The Service Director reported that the CIL does not need to be spent in the same area as it is collected but will be targeted to an area which most

needs the investment. He outlined the procedure that is followed prior to allocation of the CIL and confirmed that if it is passed to a Community Council there is a 5 year time limit in which to spend the allocation. If held by the Council there is no timescale to which to adhere.

Following a query in respect of potential duplication on the Regulation 123 List, the Service Director confirmed that he would check the detail and report any changes to the Committee. He further clarified that the Ystrad Bargwig development will remain on the list until the situation is finalised, following a rejection by the Planning Inspector and he confirmed that the CIL from the Station Street had been transferred to Llantwit Fardre Community Council in a previous financial year.

The Chair enquired as to whether the Council would be able to receive CIL from a development close to the Council boundary to make improvements to the infrastructure on a County wide basis. The Service Director explained that this could happen and that improvements to highway infrastructure in RCT are outlined in Cardiff's draft 123 List. However, there was little clarity on how and when this would happen. He further confirmed that no CIL will be produced as a result of the Taff Vale Precinct development as it does not accommodate any retail or residential development.

It was **RESOLVED** to agree the contents of the CIL Annual Monitoring Report subject to the confirmation in respect of potential duplication on the Regulation 123 list.

**CLLR M. POWELL
CHAIR**

The meeting closed at 6.45 p.m.