



RHONDDA CYNON TAF COUNTY BOROUGH COUNCIL

FINANCE AND PERFORMANCE SCRUTINY COMMITTEE

Minutes of the meeting of the Finance and Performance Scrutiny Committee meeting held on Tuesday 11th December 2018 at 5.00 pm at the Council Chamber, The Pavilions, Cambrian Park, Clydach Vale, Tonypany, CF40 2XX.

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

County Borough Councillor J. Williams- Chair

G. Caple J. Cullwick G. R. Davies
J. Elliott A. Davies- Jones W. Lewis
G. Thomas R. Yeo

Other Members in Attendance

County Borough Councillor L. M. Adams- Chair of the Overview and Scrutiny Committee
County Borough Councillor M. Norris- Cabinet Member for Corporate Services

Non-Committee/ Education Co-Opted Members in Attendance

Mr J Fish - Elected Parent / Governor Representative

Officers in attendance

Mr C Hanagan, Director of Communications & Interim Head of Democratic Services
Mr C Jones, Director, Legal & Democratic Services
Mr B Davies, Director of Financial Services
Mr P Griffiths, Service Director, Performance & Improvement
Ms L. Davies - Head of Public Protection
Ms R. Hope - Food & Health Safety Manager
Ms P. McCarthy – Head of Legal Property and Estates

24. WELCOME

The Chair welcomed Members to the Committee and introduced herself as the new Chair of the Finance and Performance Scrutiny Committee.

25. DECLARATION OF INTEREST

In accordance with the Council's Code of Conduct, County Borough Councillor G. Davies informed the Committee that he is currently the Chair for one of the businesses under scrutiny. Members noted his declaration of interest.

26. APOLOGIES FOR ABSENCE

Apologies for absence were received from County Borough Councillors S. Bradwick, G. Holmes, M. J. Powell, S. Rees- Owen, A. Fox and T. Williams.

27. MINUTES

It was **RESOLVED** to approve the minutes of the 17th October 2018 as an accurate reflection of this meeting.

28. REPORT OF THE GROUP DIRECTOR - CORPORATE AND FRONTLINE SERVICES

The Service Director- Performance & Improvement provided Members with the Quarter 2 Council Performance Report (to 30th September 2018).

Members were asked to scrutinise the Council's financial and operational performance position as at the 30th September 2018 and to consider whether they wish to scrutinise in greater depth any matters contained in the report.

The Service Director referred Members to Appendix 1 of the report, which contained the Council's Quarter 2 Performance Report that was presented to Cabinet on the 21st November 2018. Members were informed that the report contains revenue and capital budget performance; treasury Management prudential indicators; Organisational Health information including staff turnover, sickness and Council strategic risks; Corporate Plan priority action plan updates; other national measures; and target setting.

The Service Director specifically highlighted for Members the 14 Corporate Plan performance measures that were 'Not on target' as at Quarter 2 and also indicated that out of 6 national measures reported at Quarter 2 (that do not form part of the Council's Corporate Plan), one measure was 'Not on Target', three were 'On Target' and two were 'Within 5% of target'.

The Service Director went on to provide Members with an overview of the key information included within the Executive Summary of the Report and in particular he brought Members attention to:

- The Council's Revenue Budget performance was projected to be £1.286M overspent at year-end primarily due to budget pressures within Adult Social Care. He added that the projected overspend position did not take account of additional funding announced by Welsh Government on 22nd October 2018 to support sustainable social services across Wales and that this would be built into Performance Reports later in the year.
- The Council's Capital Programme Budget, where generally positive progress had been made with expenditure totalling £42.7M as at Quarter 2.
- Organisational Health and specifically sickness absence levels showing an improved position compared to 30th September 2017 and 31st March 2018. He added that on-going attention will be afforded to this area to support staff health and well-being.
- Corporate Plan progress updates, where overall positive progress had been

made during Quarter 2 in areas such as school attainment results, Extra Care development, the new Resilient Families Programme, Public Space Protection Order for Alcohol Controls and recycling. The Service Director also highlighted areas where further work is required due to quarter 2 performance being below that targeted; this included visitor numbers in leisure centres and libraries, the number of children looked after, the rate of delayed transfers of care for social care reasons and the successful prevention of people becoming homeless.

Following the update, Members asked a number of questions.

A Member noted that section 3.5 of the Report referenced 19 national measures that did not form part of the Council's Corporate Plan; however, only six measures were referenced in the Report's summary. The Service Director referred Members to Section 5e of the Report that set out the timecales for the remaining national measures to be reported during the year.

A Member referenced the Place priority update that noted six individuals were stopped for drinking alcohol in excluded areas, in line with the Public Space Protection Order for Alcohol Control, and asked what the outcome was for each. The Service Director informed Members that he would request an update from the relevant service area and feedback to Members following the meeting.

A Member referred the Committee to the Children Services section of the Revenue Budget and the significant underspend around staffing levels, and requested clarity on the potential impact of this position on the Resilient Families Programme. The Service Director advised Members that temporary staffing vacancies are being managed across all areas of Children's Services, including the Resilient Families Service, to ensure the appropriate capacity is in place to meet service needs.

Following discussion, Members **RESOLVED** to;

1. Endorse the Council's financial and operational performance position as at 30th September 2018 (Quarter 2).
2. Receive feedback on the outcomes of the 6 individuals stopped as part of the Council's Public Space Protection Order for Alcohol Controls.

29. REGISTER OF FOOD BUSINESSES IN RCT

The Director of Communications & Interim Head of Democratic Services began by explaining to Members that at the Council meeting on the 24th of October 2018, a Notice of Motion was received and it was resolved to refer the matter to the Finance and Performance Committee for further consideration;

"We should all play our part in supporting our local economy and SMEs who make up the majority of it. In an effort to better support our local food production companies; this Council will create a food produce register. The register will list all local food and drink producers in the County Borough of Rhondda Cynon Taf with the aim of encouraging and promoting an increase in the marketing and consumption of local produce, thereby supporting the local economy."

The Director of Communications & Interim Head of Democratic Services advised Members that in order to progress the Notice of Motion, it will be up to Members to decide if they want to proceed by referring the matter back to a future meeting of the Committee or by establishing a Working Group to consider the matter in greater depth.

Following discussion, it was **RESOLVED** to establish a Working Group so that Members may consider the Notice of Motion in more detail.

30. PRESENTATION - REVENUE BUDGET CONSULTATION 2019/20

With the aid of a PowerPoint presentation, the Director of Financial Services provided Members with an overview of the 2019/20 Revenue Budget Strategy Consultation and updated Committee on the following areas:

- General approach for 2019/20
- Provisional Local Government Settlement – Headlines
- Implications for Rhondda Cynon Taf
- Consultation
 - Budget
 - Simulator
 - Corporate Plan
 - Council Tax Reduction Scheme
- Budget Setting Timetable

Following the update, the Director of Financial Services indicated that the overview intended to assist Members in formulating their responses to a number of questions to be posed to the Committee, in line with its Terms of Reference and as a consultee as part of the 2019/20 Revenue Budget Strategy Consultation process. The Director added that the feedback provided by Members would be presented to Cabinet alongside the feedback from all other consultees as part of Cabinet agreeing a proposed Budget Strategy for 2019/20.

The Director of Financial Services sought feedback from the Committee on a number of areas and the views of Members are noted below.

For a number of consultation questions, some Members considered that the wording of questions was too simplistic and misleading, for example:

- Question 1 (addressing the Council's budget gap) - it could imply that an increase in Council Tax would mean no further cuts to services;
- Question 2 (Council Tax) - it would be more informative for the annual cost of each Council Tax option to be included to help inform consultees feedback; and
- Question 3 (Schools Budget) – further information should accompany the question to set out the financial challenges facing schools.

The Director of Communications & Interim Head of Democratic Services noted Members feedback and advised that questions have been written in a simplified way to help make them understandable to the wide audience that partake in the budget consultation process, including consultees providing feedback via social media.

With regard to Question 1, a Member fed back that he would lean more toward maintaining as many services at the current level as possible even if it meant a reasonable increase in Council Tax to contribute towards closing the budget gap rather than cutting services to keep any increase in Council Tax to a minimum.

A Member queried the reference on page 125 of the report to a “young persons consultation event” and asked for further information as to what this involved. The Director of Financial Services advised that this involved a YEPs officer leading discussions at a youth club, a discussion with Year 6 pupils at a primary school in addition to engaging directly with young people via social media forums.

In respect of Question 2 on Council Tax, Members were asked to consider their preferred level of Council Tax increase for the next financial year i.e. 0%, 1%, 3%, 5% or over 5%, noting that a 3% increase has been factored into the modelled budget gap. Following discussion, the views expressed by some members were:

- I think most people would prefer a 0% increase;
- Around a 3% increase; and
- Council Tax is an unfair tax and does not raise much money, and there should be a local income tax instead linked to how much people can pay.

With regard to Question 3 around whether the proposal to protect and increase the schools budget by £2.2M was ‘reasonable’, ‘not reasonable’ or ‘don’t know’, Members feedback was:

- Although the proposal will represent an increase to the school budget, there will still be a gap in real terms;
- The proposed increase is reasonable for schools and it is important to set in the context of the financial pressures that other Council Services are operating within such as Adult Social Care; and
- More financial support should be provided to new schools, particularly in years 1 and 2, to help put them on a stable footing.

In addition, a Member enquired whether the Teachers Pay Award Agreement is incorporated into the proposed £2.2M increase for schools as if so, a significant proportion of the additional funding would be required to fund this area. The Director of Financial Services confirmed that the Teachers Pay Award Agreement would be a cost to be funded from the proposed additional funding to schools. The Director added that Welsh Government are allocating additional resources for schools in this regard and these are proposed to be fully passported to the sector. The Director went on to highlight that the Council proposes in 2019/20 to continue the long term strategy for schools to be treated more favourably than other Council Services and indicated that the proposed additional funding would not fully cover all forecasted cost pressures facing schools and schools would need to make important decisions to balance their budgets.

Another Member sought clarity around whether the position in England whereby the UK Government has not announced the final settlement figure for Local Government because of the uncertainty surrounding Brexit also applied to Wales. The Director of Financial Services confirmed to Members that the final settlement is expected from the Welsh Government on the 19th December 2018.

In relation to Question 4 on fees and charges, a Member enquired whether increased fees means a decrease in use and whether the Council conducts research on the impact increased fees would have on larger service areas. The Director of Financial Services advised Members that market testing and comparisons with neighbouring local authorities are taken into account when fees and charges are reviewed.

Another Member enquired whether Leisure Centre membership prices are taken into account in terms of freezing charges. The Director of Financial Services confirmed that the Council's Leisure Centre Membership price has been frozen since January 2018 and in parallel a significant programme of on-going investment is being made into Centres to further improve the standard of facilities available.

The Director of Financial Services asked Members if there was any other feedback they would like to provide on the Council's budget, as part of Question 5 of the presentation. A Member commented that there should be a National Care System along a similar line to the National Health Service.

In terms of questions 6, 7 and 8 around should the Council focus on the areas of Digitalisation, Early Intervention and Prevention, Commercialisation, Efficiency and Independence, and also invest in specific areas to support the delivery of Corporate Plan priorities, some Members indicated that they would like to have had further information to inform their feedback and is an area for consideration as part of formulating the Committee's work programme for the forthcoming year.

With specific regard to the questions around the Council Tax Reduction Scheme, the following responses were fed back by Members:

- Do you think that 4 weeks is a reasonable period to continue paying Council Tax Reduction when someone returns to work?
 - Yes, this is a good system; and
 - Yes, would support the continuation of this approach.
- Do you think that it is reasonable for the Council to continue to totally exclude War Disablement and War Widow's Pensions income when assessing entitlement to CTR scheme?
 - Yes, these elements should continue to be excluded.
- Do you think that 3 months is a reasonable period to backdate claims for working age and pensioner claimants?
 - Members would support the backdating of claims being increased to 6 months.

In addition, a Member enquired whether the Council Tax Reduction Scheme would be affected by the changeover to Universal Credit. The Director of Financial Services informed Members that there could be delays during the changeover to Universal Credit and the Council has the option to extend the backdating period.

In conclusion, the Director of Financial Services informed Members that the Committee would have opportunity to pre-scrutinise the draft 2019/20 Budget Strategy in January 2019 and the Committee's feedback would be included in the draft Budget Strategy to be presented to Cabinet in February 2019.

The Director of Communications & Interim Head of Democratic Services also highlighted the opportunity for the Finance and Performance Scrutiny Committee to have oversight of the proposed questions for the 2020/21 Revenue Budget Consultation process to help ensure they are both meaningful and understandable for consultees.

Following discussion, it was **RESOLVED** that the views of Members as outlined above be fed into the consultation process.

31. TO CONSIDER PASSING THE FOLLOWING RESOLUTION:-

RESOLVED – that the press and public be excluded from the meeting under Section 100A(4) of the Local Government Act, 1972 (as amended) for the following items of business on the grounds that they involve the likely disclosure of exempt information, as defined in paragraph 12 of Schedule 12A of the Act, namely, information relating to a particular individual. Transparency in the conduct of Local Authority business is desirable; however personal data relating to the conduct and capabilities of individuals will be discussed and considered. Consequently, it is considered the public interest in maintaining the exemption outweighs the public interest in disclosing information

32. REPORT OF THE GROUP DIRECTOR - CORPORATE AND FRONTLINE SERVICES

The Director of Legal and Democratic Services reminded Members to treat the report, from pages 155 to 240, as confidential in nature.

The Head of Legal Property and Estates presented the Corporate Asset Management Plan 2018-2023 (CAMP) to Members. The report informed Members of the strategic direction and policy framework of CAMP.

Following consideration, Members **RESOLVED** to acknowledge the content of the report.

This meeting closed at 6.40pm

**Cllr J Williams
(Chair)**