

PRE-SCRUTINY OUTCOMES

RHONDDA CYNON TAF COUNCIL FINANCE AND PERFORMANCE SCRUTINY COMMITTEE

Minutes of the meeting of the Finance and Performance Scrutiny Committee meeting held on Monday, 28 January 2019 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:-**

Councillor G. Thomas- In the Chair

Councillor G Davies	Councillor S Bradwick
Councillor R Yeo	Councillor W Lewis
Councillor T Williams	Councillor J Cullwick
Councillor G Caple	Councillor A Fox

Other Members in Attendance;

Councillor M. Adams - Chair of the Overview and Scrutiny Committee

Non-Committee / Education Co-opted Members in Attendance

Mr J Fish – Elected Parent / Governor Representative

Officers in attendance

Mr C Jones, Director, Legal & Democratic Services
Mr B Davies, Director of Financial Services
Ms A Richards, Head of 21st Century Schools
Ms S Davies, Head of Finance: Education and Financial Reporting
Ms L Gorringe, Business Manager Catering Services
Mr P Griffiths, Service Director, Performance & Improvement

33 WELCOME

The Vice-Chair introduced himself to the Committee and advised Members that he would be Chairing the meeting and that Councillor J. Williams (Chair) had given her apologies.

34 APOLOGIES

Apologies for absence were received from County Borough Councillors J. Williams, A. Davies-Jones, J. Elliott, G. Holmes, M. J .Powell and S. Rees-Owen.

35 DECLARATION OF INTEREST

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

36 MINUTES

It was **RESOLVED** to approve the minutes of the 11th of December 2018 as an accurate reflection of the meeting.

Extract from Minutes

37 THE COUNCIL'S DRAFT 2019/20 REVENUE BUDGET STRATEGY

The Director of Financial Services provided Members with a presentation in respect of the Council's draft 2019/20 Revenue Budget Strategy, which contained the views of the Council's Senior Leadership Team under the following headings:-

- Council's Current Financial Position
- The 2019/20 Final Local Government Settlement
- The Starting Point Budget Gap
- Budget Consultation Outcomes
- Key Building Blocks
 - Council Tax
 - Schools
- The Final Budget Gap and Strategy Options
- Conclusion and Next Steps

The Director indicated that the overview provided the opportunity for the Committee to pre-scrutinise the draft Revenue Strategy proposals for 2019/20 and also that the views of the Committee would be fed back to Cabinet at its meeting in February 2019 and incorporated into the Revenue Budget Strategy report presented to full Council in March 2019.

Members noted the overview and discussions ensued.

In relation to the School Budget, a Member highlighted the importance for schools to receive information on their budgets for the forthcoming financial year as soon as possible. The Director of Financial Services advised the Committee that the Council's overall budget, that includes schools, will be reported to Council on 6th March 2019 and that work is

currently taking place with schools to ensure they are able to plan in readiness for the new financial year. Efforts will be made to issue draft allocations to schools before the February half term break, as has been the case for a number of years.

Another Member commended the proposed funding increase to schools and requested whether public communication could reflect the requirement that whilst a very positive proposal, there would still be the need for some savings to be made at an individual school level to balance their budgets. The Director of Financial Services acknowledged this and indicated that the proposed increase in funding to schools, should it be approved, will result in a significantly more positive treatment of schools in comparison with other Council Services and as compared to the Council's Welsh Government settlement level. In addition, another Member also commended the proposed treatment to school budgets but indicated the need to recognise that an increase in funding in one area can mean a reduction in another, and stressed the importance of Community Services such as adult social care and children's services. The Member added that he would support a specific question being included within future budget consultation exercises covering these areas.

The Director of Financial Services went on to update Members that confirmation is awaited from Welsh Government around funding for the Teachers' Pension increase. The Director added that the proposed Budget Strategy assumes that additional resources to cover the increase in Teacher's Pension costs will be funded via Welsh Government.

In respect of Fees and Charges, a Member requested whether further information could be provided on non-statutory services, such as the level of Council subsidy, when the Committee is considering proposals on fees and charges. The Director of Financial Services informed the Committee that detailed budget information on all Council Services is set out in its annual Budget Book, that is available on the website, and updates on financial performance are reported on a quarterly basis during the year as part of the Council's Performance Report. The Director added that Members may wish to consider further information requirements on the level of subsidy across Council services as part of scrutinising the Council's quarterly Performance Report.

In relation to the Council Tax Reduction Scheme (CTRS), the Chair of the Overview and Scrutiny Committee requested clarity on whether the roll-out of Universal Credit will impact on the Council's Council Tax Reduction Scheme (CTRS). The Director of Financial Services advised Members that whilst both schemes are separate, with the CTRS administered by the Council and Universal Credit administered by the Department for Work and Pensions, the Council is mindful of the potential risk of delays in Universal Credit claimants receiving payments. The Director went on to remind Members that following the Committee providing feedback at its December 2018 meeting (as part of the budget consultation process) to support the backdating of CTRS claims from 3 months to 6 months, this

proposal was subsequently agreed by Council in January 2019. The Director added that this change will help minimise any council tax liability accrued because of delays in people receiving payments of Universal Credit.

With regard to Council Tax, a Member highlighted the importance of clearly communicating to the public the respective increases in council tax that relate to the Council, South Wales Police and Crime commissioner and Community Councils where applicable.

A Member supported the investment in state of the art technology at the Materials Recovery Facility and, in addition to the estimated budget saving, considered the development will have a positive impact on the Council's recycling performance.

The Vice-Chair requested clarity on whether the Transformation Reserve represented additional funding and how it was topped up. The Director of Financial Services indicated that the Council's approach to budget setting is an on-going process and as savings are identified early and implemented in-year, the one-off cash saved is allocated to the Transformation Reserve and represents additional one-off funding for the Council. The Director added that in addition to the in-year cash benefit of this approach, the permanent base budget savings are then included in the proposed budget strategy for the following year.

A Member referred the Committee to the Budget Consultation Outcomes and in particular the feedback from consultees that showed the Music Service receiving the largest percentage decrease in average budget. The Member emphasised the importance of the Music Service as being a key part of the overall education offer for young people and indicated that the Council should not make any budget cuts in this area.

In conclusion, the Director of Financial Services stated that the views of Members of this Committee would be fed back to Cabinet at its meeting in February 2019, which would be incorporated into the 2019/20 Revenue Budget Strategy Report to full Council in March 2019.

The Chair thanked the Director of Financial Services for his in depth report.

Following a discussion, Members **RESOLVED**;

- To acknowledge the content of the Council's Draft 2019/20 Revenue Budget Strategy.
- To agree that the views expressed by Members, as set out above, are fed back to Cabinet in respect of budget strategy proposals.
