

RHONDDA CYNON TAF COUNCIL FINANCE AND PERFORMANCE SCRUTINY COMMITTEE

Minutes of the meeting of the Finance and Performance Scrutiny Committee held on Wednesday, 29 January 2020 at 5.00 pm at the Council Chambers, The Pavilions, Cambrian Park, Clydach Vale, Tonypany, CF40 2XX.

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

Councillor M Powell (Chair)

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| Councillor G Thomas | Councillor G Holmes |
| Councillor S Bradwick | Councillor R Yeo |
| Councillor W Lewis | Councillor J Williams |
| Councillor T Williams | Councillor J Cullwick |
| Councillor G Caple | Councillor A Fox |

Officers in attendance:-

Mr A Wilkins, Director of Legal Services
Mr P Griffiths, Service Director – Finance and Improvement Services
Ms S Davies, Head of Finance – Education and Financial Reporting
Mrs Sarah Handy, Graduate Scrutiny Officer

County Borough Councillors in attendance:-

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

40 Declaration of Interest

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

41 Apologies

Apologies of absence were received from County Borough Councillors M. Diamond, A. Davies-Jones and S. Rees-Owen.

Extract from minutes

The Council's Draft 2020/21 Revenue Budget Strategy

With the aid of a PowerPoint presentation the Service Director – Finance and Improvement Services provided Members with an overview of the:

- 2020/21 Draft Revenue Budget Strategy;
- Council's Current Financial Position (2019/2020);

- Phase 1 Budget Consultation – Headlines;
- Provisional Local Government Settlement 2020/2021 – Headlines and Implications for RCT; and
- Phase 2 Budget Consultation.

The Service Director indicated that the overview provided the opportunity for the Committee to pre-scrutinise the draft Revenue Budget Strategy proposals for 2020/21 and also that the views of the Committee would be fed back to Cabinet at its meeting in February 2020 and incorporated into the Revenue Budget Strategy report presented to full Council in March 2020.

Members noted the overview and discussions ensued.

The Vice Chair referred Members to page 61 of the report and queried if the RCT rate of inflation differed from the Consumer Price Index (CPI) rate of inflation. The Service Director indicated that there is not an all-encompassing RCT rate of inflation and explained that the Council uses the CPI rate as a 'starting point' and the budget setting process takes account of local inflationary factors that impact on the cost of service delivery in Rhondda Cynon Taf, for example, changes in energy and food costs.

A further query was raised by Councillor Cullwick in respect of the increase in Welsh Government's Social Care Workforce and Sustainability Pressures Grant from £30Million to £40Million at an all Wales level for 2020/21. The Service Director confirmed that this funding is used to fund the Council's core base budget and the indicative allocation to the Council was £3.4Million.

Discussions continued and the following Budget Consultation questions were put to Members in order to obtain the Committee's feedback.

In respect of Council Tax, Members were asked whether they agreed with the increase of 2.85% for the next financial year. Overall, the majority of Members agreed with this increase; however, the Chair queried the difference between the majority of respondents in the Phase 1 consultation process agreeing to a 3% increase and the Council's proposal to increase by 2.85%. The Service Director fed back that overall 85% of respondents in the phase 1 consultation process supported a 3% or less increase and the draft strategy has taken this information into account together with the better than anticipated provisional settlement level from Welsh Government in proposing a lower Council Tax level.

Discussions ensued and Councillor Cullwick queried whether the United Kingdom General Election in December 2019 had impacted on the information included within the phase 1 budget consultation process or information fed back by respondents. The Director of Legal Services fed back that the Council's phase 1 consultation process provided opportunity for consultees to feedback their views on the key strategic building blocks

of the Council's budget for 2020/21 and noted that it commenced on 21st November 2019, prior to the United Kingdom General Election result, and closed on the 16th December 2019, the same day as the provisional local settlement was published by Welsh Government. The Director added that the phase 2 process takes account of the provisional local government settlement information as part of seeking feedback on Cabinet's draft revenue budget strategy for 2020/21.

In respect of Schools Budget, Members supported the proposal for the Council to fully fund schools for the next financial year.

With regard to efficiency savings, Members supported the proposed approach and agreed that the Council should continue to become more efficient going forward in future years. Councillor Yeo emphasised that there remain opportunities for the Council to become more efficient, for example, through the roll-out of agile working. The Vice Chair agreed that the Council needs to be as efficient as possible, stressed that the Council needs to define the word "efficiencies" as part of its consultation process and ensure that efficiency savings are carefully planned prior to implementation. The Service Director informed Members that the Council recognises the on-going delivery of efficiency savings at the level built into the 2020/21 draft budget strategy and also the levels delivered in previous years is becoming increasingly difficult to achieve, and added that clarity on what the Council defines as 'efficiency' is included within the consultation documentation i.e. budget savings that do not impact on frontline services. The Service Director went on to confirm that prior to efficiency savings being built into the Council's draft budget, they are robustly reviewed to ensure that they are deliverable and Members can monitor the Council's financial performance in-year as part of quarterly performance reports presented to the Finance and Performance Scrutiny Committee.

Councillor Cullwick sought clarity on the involvement of staff in respect of efficiency savings. The Service Director fed back that staff are encouraged to identify budget savings opportunities and, where relevant, are involved and supported as part of implementing budget saving measures.

In terms of the proposed treatment of fees and charges, Members agreed with the standard approach of a 1.5% increase together with the proposed specific exceptions. The Chair sought clarity on the £0.50 increase at the Pontypridd Lido and whether this also related to the use of the facility for children under 16. The Service Director feedback that the £0.50 increase related to the adult entry price only and that children under 16 will remain free of charge.

In the absence of Mr Fish, the Voting Elected Parent/Governor Representative, the Chair put forward questions that Mr Fish had provided to the Chair prior to the meeting. Mr Fish requested that whilst the proposal to increase the School Budget by 8.5% for the forthcoming

year is welcomed, assurance was sought that all schools would receive this level of increase without any subsequent efficiency saving requirement. The Head of Finance - Education and Financial Reporting advised Members that the 8.5% increase relates to the total school budget as a whole and a number of factors at an individual school level will impact on the increase received per school, for example, changes in pupil numbers. The Head of Finance added the requirement for a School to deliver an efficiency saving will depend on each individual school's spending plans for 2020/21, including its staffing requirement.

A further question was put forward from Mr Fish seeking clarity around the £0.05 increase in school meals and then the price frozen for 2 years compared to other fees and charges being frozen in 2020/21. The Service Director - Finance and Improvement Services provided context for Members in that school meal prices had been frozen for 3 of the last 5 years and the cumulative percentage increase over this period equated to just over 6%.

Discussions continued in respect of the Council borrowing to invest in its infrastructure. The Chair sought clarification as to the borrowing percentage (interest rate) that the Council would use and the Head of Finance - Education and Financial Reporting advised Members that the percentage would only be known at the point in time when the Council needs the investment. The Chair also sought clarity on the length of the repayment period for borrowing purposes and the Head of Finance advised that the repayment period would follow the expected life of the asset(s) acquired / enhanced.

In respect of other budget strategy proposals, Members agreed with the additional £250k investment in youth engagement and with the £50k investment in respect of paddling pools. Members also agreed with the Council's investment in the Muni Arts Centre; however, the Chair queried what the £105k would be spent on. The Service Director informed Members that the investment would support operational costs to enable the Centre to be re-opened in 2020. The Vice Chair praised the progress that has been made in respect of the Muni Arts Centre and emphasised that investment in the Arts is welcomed, particularly in light of the impact of austerity over a number of years.

The Service Director also informed Members that other budget strategy elements proposed related to:

- Local NDR Relief Scheme;
- Home to School Transport (Procurement efficiencies);
- Council Tax Reduction Scheme; and,
- Supported Accommodation Strategy.

The Service Director went on to advise Members that after taking into account all of the other budget strategy proposals, the remaining budget gap amounts to £0.804M. The Service Director indicated that the Council

has set aside a reserve of one-off funding to support balancing the annual budget and it is proposed that an allocation of £0.804M is made from this funding for 2020/21. The Service Director added that this proposal would provide a balanced budget for 2020/21 and would leave £3.6M in the reserve fund. Members agreed with the Council's use of the reserve fund as part of setting a balanced 2020/21 revenue budget strategy.

Members were then asked to provide any additional comments in respect of the proposed budget strategy:

- Councillor Yeo praised the budget strategy, particularly in light of the Council's investment in adult services.
- Councillor Cullwick queried whether an opposition party could put forward a different proposed budget strategy and the Service Director advised that alternative suggestions would be welcomed.
- Councillor Lewis sought clarification as to the methods being used by the Council to engage the public in the consultation process. The Service Director advised Members that a comprehensive approach is taken that includes: an on-line questionnaire; face to face 'public drop in events'; engaging with the Older Persons Advisory Group, Disability Forum, Young Persons engagement and the School Budget Forum; and promotion through social media. Councillor Lewis also sought clarity around how the results of the consultation are being fed back to the public. The Service Director informed Members that the results are fed back to specific groups as part of phase 2 of the consultation process and the full consultation report is available on the Council's website.

In conclusion, the Service Director stated that the views of Members of the Committee would be fed back to Cabinet at its meeting in February 2020 and would be presented to full Council in March 2020.

The Chair thanked the Service Director for the presentation.

Following a discussion, Members **RESOLVED**;

1. That the views expressed by the Members, as set out in the body of the minutes, are fed back to Cabinet in respect of their budget strategy proposals.

This meeting closed at 7.25 pm

**CLLR M. POWELL
CHAIR.**