



APPENDIX 3

RHONDDA CYNON TAF COUNCIL FINANCE AND PERFORMANCE SCRUTINY COMMITTEE

Minutes of the meeting of the Finance and Performance Scrutiny Committee held virtually on
Thursday, 4 February 2021 at 5.00 pm

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

Councillor M Powell (Chair)
Councillor G Thomas Councillor S Bradwick
Councillor R Yeo Councillor S. Rees-Owen
Councillor J Williams Councillor T Williams
Councillor J Cullwick Councillor A Fox
Councillor T Williams Councillor W Owen
Councillor J Edwards Councillor S Rees

Co-Opted Members

Mr Jeff Fish

Officers in attendance

Mr Paul Griffiths – Service Director – Finance and Improvement Services
Ms Stephanie Davies – Head of Finance – Education and Financial Reporting
Mr Christian Hanagan – Service Director Democratic Services and Communication
Mr Andy Wilkins – Director of Legal Services
Ms Julia Nicholls – Principal Democratic Services Officer
Mrs Sarah Daniel – Senior Democratic Services Officer

Apologies

Councillor M Adams
Councillor G Caple

30 Declaration of Interest

Cllr S Bradwick declared a personal interest in item 3 as Chair of Governors of Aberdare Community School. He further declared a personal interest as the levy for the South Wales Fire and Rescue Authority was mentioned during the meeting and Cllr Bradwick is a member of the Board which sets this budget.

Extract from minutes

THE COUNCIL'S DRAFT 2021/22 REVENUE BUDGET STRATEGY

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

- The Council's current financial position (2020/21);
- Feedback from phase 1 of the Budget Consultation process that ran from 26 October to 7 December 2020;
- The provisional Local Government Settlement for 2021/ 22; and
- Cabinet's proposed Budget Strategy 2021/22 – which included proposals around Council Tax, School Budgets, Efficiencies, Fees and Charges, Targeted Investment and Use of Reserves.

The Chairman thanked the Officer and the following questions were raised.

The Co-opted Member referred to the legislative changes that will come into effect in 2021/22 in respect of Additional Learning Needs (ALN) and requested clarity on whether the anticipated additional costs would relate to the Council or Schools. The Service Director fed back that the proposed Budget Strategy builds in additional resources for the forthcoming year to support the preparation and implementation of the changes that come into force from September 2021. The Service Director added that this budget is proposed to be allocated to the Education and Inclusion Services Directorate within the Council and that the Council and Schools will continue to work together to plan and assess resource requirements on an on-going basis.

The Co-opted Member also referred to ALN virements and asked if this was in relation to the recently announced Transformation Grant funding of up to £1,000 from Central South Consortium or if this was additional funding from another source. The Service Director fed back that specific grants received by schools would sit outside the Cabinet's budget strategy proposals and the Head of Finance – Education and Financial Reporting added that Schools had been informed that they can access different grants for this area if specific training or activities are undertaken.

A Member referred to the General Fund Balances which currently stood at £8.709M, with plans to replenish to £10M over the next 3 years, and stated that this was a good idea and requested clarity on whether this was a set requirement from the external auditor.

The Service Director fed back that the plan to replenish General Fund balances to £10M over the next 3 years was a Council led decision as part of its Medium Term Financial Planning arrangements. The Service Director went on to indicate that the Council's Section 151 Officer keeps this position under on-going review and takes into account a number of factors in determining the minimum level of general fund balances to be maintained, including, the Council's financial position and financial environment it is operating within. The Service Director added that the Council provides on-going updates to Audit Wales, the Council's external auditor, in this regard.

The Chairman referred to waste management costs increasing and asked the Service Director to explain why this was.

The Service Director fed back that waste management costs had increased throughout the pandemic due to more people working from / staying at home resulting in more residential kerbside collection. The Service Director added that there has also been a change in the composition of waste collected and this was

resulting in an increase in the volume of residual waste. The Service Director went on to indicate that the Council's Waste Management Service had recommenced engaging with residents, where safe to do so and observing social distancing requirements, to promote the importance of recycling.

A Member stated that this was also discussed at a recent Public Service Delivery, Communities and Prosperity Scrutiny Committee.

A Member referred to page 15 of the Phase 1 Budget Consultation report, which set out feedback from respondents on which Council Services to protect and prioritise, and was disappointed to note that the bottom three services were 'Cultural, Tourism and Heritage Services', 'Music Services' and 'Leisure Services'. The Member stated that it was very important to remember that without these services throughout the lockdown periods many people would have struggled further and felt they provided an invaluable service and hoped there will be a level of protection built into the budget strategy for these areas. The Chairman supported these comments.

Feedback on the Cabinet's proposals for Council Tax:

A Member referred to the Council Tax increase proposal of 2.65% which was lower than the originally modelled Council Tax increase of 2.85%. The Member raised concerns of litter throughout the County Borough and stated that there was a need to improve the cleanliness of villages and towns, and indicated that if the Council Tax was increased to the originally proposed 2.85%, the extra funding raised could go towards street cleansing.

A Member fed back that officers from the Council's Streetcare Service were re-purposed for a temporary period during the pandemic to aid the delivery of other immediate priorities and indicated that these officers have now returned to their streetcare roles that focus on maintaining the cleanliness of the County Borough.

Two members agreed with the proposal of a 2.65% increase in Council Tax and fed back that it should not be increased any higher due to the impact the global pandemic has, and is continuing to have, on residents in terms of employment and reduced pay where individuals have been furloughed. The Members added that they anticipated the proposed Council Tax increase would be favourable when compared to Council Tax increases proposed by other local authorities across Wales.

The Service Director advised the Committee that the existing Street Cleansing budget was approximately £2.5 million and the proposed budget strategy includes specific additional investment in this area to further enhance the Council's Overgrowth Team.

Feedback on the Cabinet's proposal for the Schools Budget

The Co-opted Member expressed concern on the requirement for efficiency planning for decisions taken locally by schools. The Service Director advised that the proposed schools increase built into the Budget Strategy covers all inflationary pressures, pupil number changes and Non-Domestic Rate increased costs, and indicated that where schools make local decisions, for example, changes to the staffing establishment, delivery of specific projects, the financial impacts would be the responsibility of schools to manage and fund.

The Co-opted Member referred to the increase in budget of £2.2million for schools and asked how this equates in percentage terms.

The Service Director fed back that this equated to a 1.35% increase and went on to provide further context to the Committee on the Council viewing schools as a key priority and its long-term commitment to protect this sector as much as possible. The Service Director added that between financial years 2012/13 to 2020/21 the Schools budget had increased, in cumulative terms, by 22% compared to non-schools budgets reducing by 1% over the same period, and also noted that over this time there has been a requirement for efficiency planning at an individual school level.

Some Members added that the proposed increase for schools was less than in previous years and should there be the requirement for schools to deliver efficiency savings as a result of local decisions made, this will be challenging.

The Head of Finance – Education and Financial Reporting advised that efficiency savings may need to take place where individual schools have a historical deficit, with this work being supported through a deficit recovery plan being put in place for these schools covering a 3 to 5 year period.

Another Member shared the concern on the proposed increase compared to previous years and requested clarity on the extent of work undertaken with Headteachers to support schools in their recovery from the Covid-19 pandemic including children catching up.

The Service Director advised that the Council's Finance staff continue to work closely with all schools as part of in-year budget monitoring arrangements and, with regard to Covid-19, specific work is on-going with schools to identify and claim for additional costs incurred in the current year via the Welsh Government's Hardship Fund. The Service Director added that the Council and Schools also positively engage as part of the Rhondda Cynon Taf School Budget Forum, where key issues such as the challenge of supporting children catching up are considered. In this regard, the Head of Finance – Education and Financial Reporting advised Members that specific grant funding has been made available to schools for both 2020/21 and 2021/22, and, more recently there had been an addition to the grant for learners in exam years. The Head of Finance added that schools had already been informed of their allocation.

A Member asked if further clarification on this matter could be shared at a future meeting as this was still a major concern for many Members.

A Member commented that school staff and parents should be praised for their recent efforts in ensuring children still had access to learning whilst schools were closed. He added that officers need to be mindful of the impact on children not being in school and there will need to be funding available for a catch-up programme for all learners.

Another Member commented that we need to ensure children can catch-up as they could be at a disadvantage, for example, if their parents are working from home and the challenges of home-schooling at the same time as working. The Member added there needs to be a provision to get the children back to where they need to be.

The Cabinet Member for Corporate Services stated that at the School Budget

Forum meeting on the 4th February 2021, this information had been presented to Head teachers and, overall, the £2.2 million uplift in their funding was welcomed. He added that they do have concerns around catch-up and it is currently being discussed at a national level.

The Chairman referred to the consultation document and indicated that it would have been useful for demographic information on respondents to be included within the document.

The Chairman also referred to the need to convey to residents the level of funding the Council receives from Welsh Government compared to the amount it raises from Council Tax and to provide information on where and how the Council spends the funding it receives.

The Chairman also requested for the breakdown of Council Tax by community area to be followed up.

Feedback on the Cabinet's proposal for Efficiencies:

A Member fed back that over the past 10 years the Council has identified and delivered significant levels of efficiency savings and this has been an important tool in helping to minimise Council Tax increases and protect frontline services during a challenging financial climate. The Member also fed back that there is likely to be a limit to the level of efficiency savings the Council can continue to deliver into the future and expressed his opinion that it is a misplaced perception that local government is inefficient. The Member went on to note that Adult and Community Services have and are continuing to face significant pressures, particularly during the Covid-19 pandemic.

Feedback on the Cabinet's proposals for Fees and Charges:

A Member asked how many meals are produced per week by the Meals on Wheels Service. The Service Director responded that a few hundred per day but would request up-to-date information from the Service and circulate to Committee Members.

A Member asked whether the proposed increase in the Day Centre meal price was linked to the Centres being closed and resulting income lost during the pandemic. The Service Director fed back that proposed price levels are based on setting an affordable and competitive price that contributes to the cost of maintaining and, where possible, improving services, and also having regard to estimated costs and level of inflation for the year ahead. The Service Director added that where the Council has lost income as a result of Covid-19, this is currently reclaimed via the Welsh Government's Hardship Fund.

A Member asked how much revenue the 10p proposed increase for Meals on Wheels and Day Centre meals would generate. The Service Director fed back that it would be approximately £4k in respect of Meals on Wheels and approximately £2.5k for Day Centres.

A Member asked what income would be generated if the Council increased car parking charges by 1.7% instead of applying a freeze. The Service Director fed back that this would generate approximately £11k of income and the Member indicated that he would favour the charges being raised on car parking rather than raising the cost of Meals on Wheels and Day Centre meals.

A Member asked how the Meals on Wheels charges compared to other local authorities in Wales. The Service Director fed back that the Council's charge is competitive compared to other local authority based provision, with prices ranging from £3.30 to £5.65 across Wales.

The Chairman stated that it was not always helpful to compare with other local authorities as each area has a different demographic, adding that Rhondda Cynon Taf was a socially deprived area. He stated that he would like to see if there had been a decrease in the uptake of the meals due to the increase.

A Member stated he could not support increasing the car parking charges as he believed it would be of detriment to the villages and towns as it would deter residents from visiting if they had to pay increased costs to park. The Service Director fed back that Pontypridd and Aberdare were chargeable car parks, with car parking already free in all other areas of the County Borough.

Another three members agreed that they could not support increasing car parking charges on the basis of it discouraging residents from shopping locally and potentially encouraging visits to out-of-town shopping centres where free car parking was provided. The Members fed back that encouraging residents back into local communities and not internet shopping should be prioritised as local jobs depended on it. One Member added that he would like to see the car parking charges abolished altogether.

A Member asked how much revenue the Authority generates through car parking charges at Pontypridd and Aberdare. The Service Director advised that the income budget was £640k and indicated that he would make enquiries on the breakdown between Pontypridd and Aberdare.

Feedback on the Cabinet's proposals on Additional Investment:

Two members commented on the Public Health and Protection Services and the Overgrowth Team, and stated that they do a brilliant job and they have faced an immense challenge during the pandemic; both Members fully supported the investment in these areas.

As there were no other comments on the presentation the Service Director thanked the Committee for their time and indicated that the feedback provided would form part of the report to Cabinet on 25th February 2021.

This meeting closed at 19:24

**Cllr M Powell
Chairman.**