

RHONDDA CYNON TAF COUNTY BOROUGH COUNCIL

CORPORATE SERVICES SCRUTINY COMMITTEE

MINUTES of the meeting of the Corporate Services Scrutiny Committee held at the County Borough Council Offices, The Pavilions, Cambrian Park, Clydach Vale, on Thursday, 30th January 2014 at 4.00 pm.

Present:

County Borough Councillor G Stacey – in the Chair

County Borough Councillors:

H Boggis	(Mrs) J Cass	J David
(Mrs) M E Davies	P Griffiths	S Lloyd
M A Norris	(Mrs) J S Ward	P Wasley
M Weaver	D W Weeks	R A Yeo

Officers:

Mr P J Lucas – Director of Legal and Democratic Services
Mr P Griffiths – Service Director, Performance & Improvement
Mr S Gale – Service Director, Planning
Ms S Davies – Head of Financial Reporting
Mr S Humphreys – Principal Solicitor
Ms Ann Edwards – Scrutiny Support Officer

32. APOLOGIES

Apologies for absence were received from County Borough (Mrs) M Tegg and E Webster.

33. WELCOME

The Chairman welcomed everyone to the meeting and introduced the officers to Members.

34. DECLARATIONS OF INTEREST

RESOLVED to note that in accordance with the Members' Code of Conduct there were no declarations of personal interest in relation to the agenda.

35 MINUTES

RESOLVED that the minutes of the meeting of the Corporate Services Scrutiny Committee held on the 10th December 2013 be approved as a correct record.

REPORT OF THE GROUP DIRECTOR CORPORATE SERVICES

36. GENERAL BUDGET CONSULTATION – STAGE 2

The Service Director, Performance and Improvement provided the Committee with a presentation which gave feedback on Stage 1 of the General Budget Consultation and set out the process for Stage 2. He pointed out that this process was separate from the Phase 2 consultation which was currently underway in relation to service change proposals. He explained that a report had been presented to Cabinet on 21st January 2014 which provided feedback on the Stage 1 consultation and set out Corporate Management Team's budget strategy proposals for 2014/15. He indicated that the outcome of the meeting was that Cabinet agreed with the proposals and also agreed for Stage 2 of the consultation process to run between 22nd January 2014 and 4th February 2014. He explained that for Stage 2 the Older People Advisory Group would be consulted; the whole consultation documentation would be available on-line; and electronic copies of the consultation documentation had been sent to those members of the Rhondda Cynon Taf Citizen's Panel that had provided the Council with an email address.

The Director of Performance and Improvement reported on the final funding levels for 2014/15 but urged cautioned around the 2015/16 indicative figure given by the Welsh Government as it was a forecast. He also highlighted the reduction in capital funding. The key elements of the strategy were explained to Members, in particular the use of a Medium Term Financial Planning & Service Transformation Reserve to support the implementation of service cuts and changes.

Members were asked for their views in relation to the key issues and were informed that their comments would be used to assist Cabinet in its deliberations before making their recommendations to Council.

RESOLVED that the views of the Corporate Services Scrutiny Committee be passed on to the Overview and Scrutiny Committee in consideration of the Council's Budget Proposals for 2014-2015 as follows:

1. Is the uplift proposed reasonable for schools?

A Member felt that it was unfair that schools would receive an uplift but would not be subject to making efficiency savings. She also commented that many schools held large balances.

A Member commented that by protecting schools other services would suffer.

The Committee agreed that it was unreasonable that schools were not required to make the same efficiency savings as other Council departments.

2. Is the efficiency expectation reasonable? Are there any specific areas / ideas / ways that efficiency actions could be delivered?

A Member asked at what point would efficiency savings become cuts. He felt that the Council was approaching that situation.

A Member commented that she felt that Council services had been efficient in recent years and questioned how much more could be squeezed out of the system.

The Service Director, Performance and Improvement indicated that the Council is continuing its work to deliver more efficient services through for example new technology and procurement opportunities. He indicated that it was likely that this would become more challenging over time but it was incumbent for the Council to do so to protect, as much as possible, front line services.

A Member commented that the Council needed to look to gain the best value from every pound spent.

A Member suggested that the Council needed to be better at generating wealth. He felt that there was a need to learn from companies that were good at generating income and develop the skills to take advantage of economic opportunities.

The Service Director, Performance and Improvement referred to the strategies in place under the remit of the Director of Regeneration and Planning.

A Member commented that it was important to review back office operations in line with the efficiencies or service changes otherwise there was a danger that the ratio of front line staff to back office staff would be out of kilter.

3. What are your views on the use of the Medium Term Financial Planning & Service Transformation Reserve as transitional funding?

A Member commented that it was worrying the £5.2m had to be used and questioned what would happen the following year.

A Member asked whether the use of the fund was to help because the savings from Phase 1 service changes would not start coming through until later in the year.

The Service Director Performance and Improvement confirmed that the reserve was intended to assist the Council in implementing agreed service changes and at the same time support the delivery of a balanced budget. He also pointed out that if service changes were implemented sooner than anticipated or additional in year efficiencies were identified, this could reduce the amount needed from the reserve in 2014/15.

4. What are your views on the proposed increase in Council Tax?

A Member felt that it was too simplistic to say that the increase would mean an additional £1 per week for Band D properties when someone could be paying

£120 a month. He pointed out that a good many people did have to pay their Council Tax and it was now costing them more than it had cost them to buy the properties. He pointed out that this was unsustainable in retirement and many were considering selling their homes.

The Director of Performance and Improvement reported that the economic climate continued to be a difficult one and the Council always aimed to balance a responsible approach to Council Tax increases with the need to protect services.

A Member commented that the Council also collected the police precept and the town/community council precepts. She pointed out that the police intended to increase theirs by 5% and she felt that it was important that people were aware that not all the money collected by the Council was retained.

It was pointed out that this was explained in the leaflets accompanying the Council Tax bill but it was agreed that most people did not read this information.

A Member commented that whilst nobody wanted to increase Council Tax he was in favour if it meant protecting, as far as possible, services.

A Member asked if the increase in the Police precept would tip the overall rise over the threshold set by the Welsh Government.

The Service Director, Performance & Improvement explained that whilst there was no specific cap in place it was likely that the Government Minister would be keeping the 2014/15 Council Tax increases of all local authorities in Wales under close scrutiny.

A Member pointed out that with reference to the public responses to the Stage 1 consultation process a large proportioned felt that a rise in Council Tax should be kept within the 0-3%.range.

Another Member responded to point out that the public did say that they were prepared to see a rise if it protected, as far as possible, front line services.

5. Any other comments?

A Member suggested that savings could be made by reducing employee terms and conditions with regard to sickness.

The Service Director, Performance and Improvement noted this point and added that many of the Council's terms and conditions are set nationally.

37. 2013/14 MID YEAR TREASURY MANAGEMENT STEWARDSHIP REPORT

The Head of Financial Reporting provided the Committee with an overview of the Council's Treasury Management activity during the first six months of 2013/14 and the Prudential Indicators for the same period.

The Head of Financial Reporting explained that the economic environment meant there was continued low investment income for the Council and the Council was continuing with its low risk strategy. The Council had not undertaken any borrowing for the year to date and was funding its Capital Programme borrowing requirement through internal borrowing which was more cost effective in the current climate. However, she pointed out that there may be a point in the future when there might be a need to borrow from outside sources.

A Member commented that there was a danger that interest rates could rise sharply and it was a difficult balancing act to determine when to change strategy. The Head of Financial Reporting agreed that there was always a risk but explained that the Council receives regular forecasts and daily PWLB rates which do not usually change a great deal on a daily basis, more commonly there would be a gradual change and there would be time to react.

The Head of Financial Reporting updated Members with regard to the £3m investment which the Council had made in the Icelandic Heritable Bank and reported that the total value recovered is now £2.829m which is 94% of the original principal invested. She added that it was unlikely that any further amount of any note would be recovered.

The Head of Financial Reporting updated Members on the Local Authority Mortgage Scheme reporting that to date there had been 65 completed loans which had taken up £899k of the £1m indemnity.

The Head of Financial Reporting reported that the Council's contract with the current Treasury Management advisors would expire on 31st March 2014 and explained that there would be a tender process for the new 3 year contract.

RESOLVED to note the content of the report.

REPORT OF THE DIRECTOR OF PLANNING AND REGENERATION

38. PLANNING APPEAL STATISTICS

The Chairman announced that given the content of the report, in his opinion, the issue warranted greater attention than could be given in a committee setting and proposed that a working group of the Committee be set up to consider the matter in depth. The Committee agreed with this proposal and as a result the Chairman asked the Service Director of Planning to present his report but explained that any detailed questioning would be reserved for the working group.

The Service Director of Planning presented Members with a report which had been prepared at the request of the Committee following consideration of the Quarter 2 Council Performance (Exception) report. The report explored the relationship between the outcome of appeals and whether or not the planning decision had been contrary to the recommendation of officers. The report also highlighted that the majority of appeals that were lost following refusals

contrary to officers' recommendation involved highways reasons for refusal. The conclusion of the report pointed out that statistically there was a high probability of appeals resulting from Member overturns being allowed and that Rhondda Cynon Taf makes more decisions contrary to recommendation compared to the rest.

The Director of Legal and Democratic Services advised Members that a report would shortly be presented to the Cabinet in respect of the Welsh Government's new draft Planning (Wales) Bill and he suggested that any working group would need to consider the proposals being put forward in the Bill if looking to the future.

Following discussion it was **RESOLVED**:

- (i) to note the content of the report;
- (ii) that a Working Group be formed from Members of the Committee to consider the issues raised by the Service Director of Planning's report in relation to the Council's performance in planning appeals and the proposals contained within the draft Planning (Wales) Bill.
- (iii) that the Scrutiny Support Officer write to the Members of the Committee to seek nominations to the Working Group.

G Stacey
Chairman

The meeting closed at 17:05 pm.