

RHONDDA CYNON TAF COUNTY BOROUGH COUNCIL

FINANCE & PERFORMANCE SCRUTINY COMMITTEE

Minutes of the meeting of the Finance & Performance Scrutiny Committee held at the County Borough Council Offices, The Pavilions, Cambrian Park, Clydach Vale on Monday, 11th April, 2016 at 5 pm.

Present:

County Borough Councillor M A Norris – in the Chair

County Borough Councillors

(Mrs) J Bonetto	S Bradwick	G R Davies
S Evans	P Griffiths	(Mrs) S J Jones
(Mrs) S Rees	G Smith	(Mrs) J S Ward
P Wasley	E Webster	C J Williams
C J Willis	R Yeo	

In Attendance:

County Borough Councillor J Watts – Vice chairman of the Overview & Scrutiny Committee

Mr R Hull – Chairman of the Audit Committee

Officers in Attendance

Mr P Lucas – Director of Legal & Democratic Services

Mr P Griffiths – Service Director, Performance & Improvement

Ms S Davies – Head of Education & Financial Reporting

Mrs A Edwards – Scrutiny Support Officer

57. APOLOGIES FOR ABSENCE

Apologies for absence were received from County Borough Councillors (Mrs) C Leyshon and R W Smith.

58. DECLARATIONS OF INTEREST

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

59. MINUTES

RESOLVED – to approve as an accurate record the minutes of the meeting of the Finance and Performance Scrutiny Committee held on 9th March 2016.

REPORTS OF THE GROUP DIRECTOR, CORPORATE & FRONTLINE SERVICES

60. COUNCIL'S PERFORMANCE – QUARTER 3 (31ST DECEMBER 2015)

With the aid of PowerPoint presentation slides, the Service Director, Performance and Improvement provided Members with details of the

Council's performance for the period 1 April 2015 – 31st December 2015 in relation to the Revenue and Capital Budgets, Treasury and Prudential Indicators, WPI Action Plans and Performance Indicator information. In particular he drew Members' attention to the projected full year revenue budget under spend of £2.403M after funding for street lighting investment and 'Living Wage' costs had been taken out. He reported that £1.292M of this would go toward the 2016/17 revenue budget strategy with the remainder supporting transitional changes such as voluntary early retirement, street lighting and changes to the senior management structure. He drew Members' attention to overall performance for quarter 3 this year compared with quarter 3 performance in 2014/15 and referred to the work currently underway by scrutiny working groups who are evaluating the progress made this year in respect of the Council's improvement priorities.

During his detailed presentation, Members questioned the Service Director on various aspects as summarised below:

A Member questioned why there should be revenue under spends in areas which are not improving such as Disabled Facility Grants (DFGs) and Delayed Transfers of Care.

The Service Director pointed out that the trend in relation to Delayed Transfers of Care is improving and that the service continues to work with Health to seek further improvements. He also reported that performance in delivering DFGs remains positive at quarter 3 and is above target. He explained that the success of the work undertaken by the Reablement service had led to fewer people coming into the system and had resulted in the revenue savings. He also reported that work is being undertaken by the Health & Wellbeing Scrutiny Committee in this area.

Whilst sharing Members' concerns with some aspect of performance, the Vice Chair of the Health & Wellbeing Scrutiny Committee assured the Committee that the Health & Wellbeing Scrutiny Committee is reviewing these issues as part of a wider piece of work aimed at supporting people at home. She informed Members that their next steps would include the impact of the Choice Procedure for hospital in-patients moving to residential or nursing care homes.

With regard to the investment in street lighting, a Member referred to an issue which had arisen in his area and the Service Director Performance & Improvement reported that he would pass on the details of his concern to the relevant officer.

In relation to the re-profiling of project expenditure for corporate improvement, asbestos management and legionella management, a Member queried whether there had been new guidance issued in relation to the disposal of asbestos. A Member also referred to the costs of the removal of asbestos from the Ynys Sport Centre. Members were informed that the Director of Corporate Estates would be able to provide an update in relation to these matters.

In respect of the Public Health & Protection WPI Action Plan, the Committee noted that the launch of the pilot Women's Pathfinder Programme which is being introduced to study anti social behaviour is behind target. Members also discussed the below target performance with regard to the percentage of clients that reported feeling safer as a result of Independent Domestic Violence Advisor Intervention(IDVA). It was agreed that this measure is complicated with the result being dependent on the victim's perception at the time of asking. A Member informed the Committee of the IRIS programme (Identification and Referral to Improve Safety) which has been introduced at GP surgeries in her area and is a general practice based domestic violence and abuse training support and referral programme.

The Committee considered performance in respect of the Education WPI Action Plan and discussed the attainment gap between children eligible for free school meals and their peers. A Member asked whether more comparative information could be provided such as comparing the results of those children eligible for free school meals in Rhondda Cynon Taf with the result of those children eligible for free school meals in neighbouring authorities. It was pointed out that any appropriate information regarding the background of the children might also be useful in analysing and determining any action to address the problem.

The Service Director, Performance & Improvement informed the Committee that the Children & Young People Scrutiny Committee had considered the latest education performance results and had also been concerned at the performance gap and had asked for more comparative information in the future. Rather than duplicate effort he suggested that the Finance & Performance Scrutiny Committee could link into the work being undertaken by the Children & Young People Scrutiny Committee.

The Committee considered the information in relation to the Children's Services WPI Action plan 'keeping children safe'. The Chairman referred to the evaluation of the Multi Agency Safeguarding Hub which was yet to be carried out and informed Members that the Corporate Parenting Board also planned to carry out a piece of work in relation to MASH.

With regard to the WPI Action Plan 'Supporting Adults & Older People to Live Independently the Committee considered the data in relation to the number of people the Authority supports in care homes. It was noticed that some small improvement had been made but that the Council's performance is still below the Welsh Average. The Chairman pointed out that in the past there had been a focus on residential care home provision which the Council is now moving away from. However, this needed to be balanced against the hospital discharge position.

The Vice Chair of the Health & Wellbeing Scrutiny Committee also reported on the dip in performance in relation to the take-up of Direct Payments. She explained that this issue had been discussed at the recent scrutiny working group meeting held to evaluate the performance in relation to the WPI action plan. She explained that whilst direct payments are beneficial for some, there

are a range of factors which make people reluctant to take on the responsibility of using this method to meet their care needs and the service feels that it is more important to ensure that people's needs are met appropriately rather than pursue this indicator.

The Committee considered performance in relation to the 'Improving Our Communities' WPI action plan and the Service Director Performance & Improvement reported on the work undertaken by the Public Service Delivery, Communities and Prosperity Scrutiny Committee in relation to the awarding of bids and tenders to local contractors. He explained that the committee's work had identified the volatility of the indicator which can depend on the type of contracts being let in a particular quarter – some lending themselves more to local contractors than others. Because of this the Scrutiny Committee had proposed that the measure should be reported annually rather than quarterly.

The Chairman of the Public Service Delivery, Communities and Prosperity Scrutiny Committee added that he still had some concerns that a contract opportunity could be lost.

The Service Director, Performance & Improvement reported that as at Quarter 3, 85% of total expenditure on contracts had gone to local suppliers, ie CF, NP and SA post code areas.

The Committee considered the sickness absence data for the Council and asked whether this data included maternity leave.

The Service Director explained that maternity leave is not included as it is not classed as sickness absence.

A Member questioned the rate of sickness in service areas within the Community & Children's Services Group.

The Service Director explained that the Council is improving its workforce intelligence to provide early support for those workers suffering illness. Whilst he did not have the specific details, he was aware that those service areas tended to have an older work force and the type of work they were exposed to tended to be manual work which has in the past lent itself to higher sickness rates. He also informed Members that the Audit Committee had considered the effect of sickness absence on the management of rotas and provision of cover. He reported that the new sickness policy placed an emphasis on providing accelerated support.

Members suggested that a piece of work could be undertaken to determine the costs to the authority of sickness absence. The Service Director explained that it would be difficult to gauge due to the different nature of posts, some might not be filled for some time with the work back filled by other colleagues whilst other posts, such as those providing direct care to service users needed to be filled immediately.

In response to queries, the Service Director also explained that sick pay is governed by a national agreement. He also reported that the Council's Occupational Therapy and Counselling services are well used and also provides in-work support.

A Member queried whether changes had recently been made with regard to sickness benefits which placed the costs with employers and not the government.

The Service Director reported that he would need to obtain this information from Human Resources colleagues.

The Committee considered the updates provided on previous exceptions highlighted at quarter 1 and quarter 2.

A Member voiced her concern at the amount of head teacher time which appears to be wasted attending child care meetings which are then cancelled due to the absence of the social worker. It was agreed that this should be brought to the attention of the service but that to support this further details be provided to the Service Director for Performance & Improvement.

A Member referred to the indicator 'Number of visits to local authority sport and leisure centres during the year where the visitor will be participating in physical activity per 1,000 population' which is down by 6% and asked if more information could be provided.

The Service Director reported that he would speak to the relevant officers and obtain the information.

A Member wished to commend the staff of Aberdare swimming pool for their helpfulness.

In conclusion, the Committee discussed areas of work to take forward.

The Committee discussed the drop in the number of adoptive parent approvals and the introduction of the Regional Adoption agency

The Vice Chairman of the Health & Wellbeing Scrutiny Committee informed Members that she is a member of the Regional Adoption Panel and she reported on some of the issues which are affecting performance, such as a greater emphasis by the Courts on the use of Special Guardianship Orders and the difficulties encountered in the first year of operation in bringing together four different local authorities with different ways of working. She reported that prior to regionalisation, Rhondda Cynon Taf's Adoption service had been very successful and she agreed that it is an area of concern.

The Committee agreed that the Children and Young People Scrutiny Committee should continue to monitor progress.

Members also agreed that the inclusion of more qualitative information within the report would be useful.

A Member also questioned the level of scrutiny support given the wide breadth of scrutiny areas within each committee.

Following consideration it was **RESOLVED**:

- (i) that the Finance & Performance Scrutiny Committee be kept informed of the work undertaken by the Children & Young People Scrutiny Committee in relation to closing the attainment gap between those pupils eligible for free school meals and their peers;
- (ii) that the Children & Young People Scrutiny Committee be requested to continue to monitor the performance of the Regional Adoption Agency.
- (iii) that where possible, more contextual information be included in future performance reports.

61. TREASURY MANAGEMENT STRATEGY INCORPORATING THE INVESTMENT STRATEGY, PRUDENTIAL INDICATORS AND MRP STATEMENT FOR 2016/17

The Head of Education & Financial Reporting presented the Committee with a detailed report on the Treasury Management Strategy for 2016/17; the Investment Strategy for 2016/17; Prudential and Treasury Indicators for 2015/16 (actuals to January 2016) and 2016/17, 2017/18 and 2018/19; and the Minimum Revenue Provision (MRP) Policy Statement, which had been presented to Council on 23rd March 2016.

The Head of Education & Financial Reporting explained that the Treasury Management Strategy was based on the assumption that interest rates would remain low with any rise being gradual and consequently investment income would remain low. She highlighted the continued low risk investment strategy adopted by the Council and reported that there would be continued monitoring of the interest rate environment. The Prudential Indicators would be monitored throughout the financial year with details reported to Members as part of the Council's quarterly performance reporting framework and reporting to scrutiny as required by the CIPFA Treasury Management Code of Practice.

The Head of Education & Financial Reporting advised the Committee of a change to the Council's Minimum Revenue Provision (MRP) policy as a result of a review. She explained that the review resulted in Council approval to amend the basis on which the Council repays its debt and to introduce a method which is more prudent and ensures that the debt is fully extinguished over the life of the assets which it has been used to acquire and/or enhance. The policy change is to move from a "reducing balance" basis to a "straight line" basis and provides for revenue savings over the first 12 years with longer term increased costs which, when taking into account the remaining

outstanding debt at the end of the 40 year period still results in a positive Net Present Value (NPV).

A Member queried the current debt position pointing out the high interest rates of debt incurred prior to 2008.

The Head of Education & Financial Reporting explained that the rates were appropriate for pre 2008 interest rates and that the PWLB penalties for debt redemption meant that it would be uneconomical to redeem. It was also explained that if we included our "internal borrowing" rate into the calculation, it would significantly lower the average rate.

Following consideration of the report it was **RESOLVED** to accept the report.

M A Norris
Chairman

The meeting closed at 6.40 pm.