

RHONDDA CYNON TAF COUNTY BOROUGH COUNCIL
FINANCE AND PERFORMANCE SCRUTINY COMMITTEE

Minutes of the Finance and Performance Scrutiny Committee held at the County Borough Council Offices, The Pavilions, Cambrian Park, Clydach Vale on Wednesday, 7th December 2016 at 5 p.m.

PRESENT

County Borough Councillor M.J.Watts – Chair

County Borough Councillors

G.R.Davies	R.W.Smith	C.J.Willis
S.Evans	P.Wasley	R.Yeo
P.Griffiths	E.Webster	

Also in Attendance

Mr.R.Hull – Chair of Audit Committee
Mr.C.Davies – Vice Chair of Audit Committee
Mr.J.Fish – Elected Parent/Governor Representative

Officers in Attendance

Mr.P.J.Lucas – Director, Legal & Democratic Services
Mr.B.Davies – Director of Financial Services
Mr.P.Griffiths – Service Director, Performance & Improvement
Mr.M.Jones – Democratic Services Officer

30. **APOLOGIES FOR ABSENCE**

Apologies for absence were received from County Borough Councillors S.Bradwick, (Mrs) C.Leyshon, (Mrs) S.Rees, B.Stephens and (Mrs) J.S.Ward.

31. **DECLARATIONS OF INTEREST**

RESOLVED – to note that in accordance with the Members' Code of Conduct there were no declarations of interest made at the meeting pertaining to the agenda.

32. **MINUTES**

RESOLVED to approve as an accurate record, the Minutes of the meeting of the Finance and Performance Scrutiny Committee held on 17th October, 2016 and the Minutes of the Special meeting held on 16th November, 2016,

subject to it being noted that County Borough Councillor G.R.Davies' name was omitted from the list of apologies for absence.

Matters Arising – Minute No. 25 (17th October 2016)

At the meeting verbal updates were given in respect of the following:

- The Service Director, Public Health & Protection had completed a report in respect of the Divert Project and a hard copy of the report was provided to the Chair of Health & Wellbeing Scrutiny Committee at the 7th December 2016 meeting.
- County Borough Councillor G.R.Davies had received a written response from the Head of Leisure, Parks & Countryside in respect of access to the pool at Ystrad.
- County Borough Councillor C. Davies had received a written response from the Service Director, Highways & Streetcare Services in respect of an update on the highways investments within Treorchy as referred to in the Economy Priority action plan.

Members were informed that 6 Syrian refugee families had been resettled within Rhondda Cynon Taf, all are settling in well and feedback from the families has indicated that their health has improved since being in the UK. Members were also informed that adult family members are attending 'English as a second language' classes, School Support Assistants have been employed, who are able to speak Arabic, to support children at school and an overall approach is being applied that provides the families with the space and privacy to help their full integration into communities of the County Borough.

33. **PRESENTATION – REVENUE BUDGET CONSULTATION**

With the aid of PowerPoint slides, the Director of Financial Services provided Members with a presentation in respect of the 2017/18 Revenue Budget Strategy Consultation and updated the Committee under the following headings:

- General Approach for 2017/18.
- Provisional Local Government Settlement – Headlines.
- Implications for Rhondda Cynon Taf.
- Consultation.
 - Budget
 - Simulator
 - Corporate Plan
 - Council Tax Reduction Scheme
- Budget Setting Timetable.

The Director of Financial Services explained that the consultation process would take place between the 7th November 2016 and the 19th December 2016 with a number of consultation exercises being undertaken during this period.

The Director of Financial Services reported that Welsh Government had announced its 2017/18 provisional Local Government Settlement on 19th October 2016, with the final Local Government Settlement expected to be announced on the 21st December 2016. The Director added that for Rhondda Cynon Taf the provisional settlement, comprising the Revenue Support Grant and National Domestic Rates, and taking account of transfers in / out of the settlement, represented a +0.2% increase in funding compared to an average across Wales of +0.1%.

The Director of Financial Services went on to inform Members of the proactive work that has been undertaken by the Council as part of its Medium Term Financial Planning arrangements and in particular in preparation for the 2017/18 financial year. The Director explained that this on-going programme of work has enabled a previously modelled initial forecasted budget gap of £21.519M for the 2017/18 financial year to be reduced to £2.819M.

A Member queried whether other Scrutiny Committees would be consultees as part of the 2017/18 Revenue Budget Strategy consultation process. In response the Director, Legal & Democratic Services reported that the Finance and Performance Scrutiny Committee, in line with its agreed terms of reference, is the designated Scrutiny Committee consultee for the revenue budget consultation process. The Director added that as the membership of the Finance and Performance Scrutiny Committee comprises the Chairs and Vice Chairs of other Scrutiny Committees (with the exception of the Overview and Scrutiny Committee), there was opportunity for feedback from other Scrutiny Committees to be channelled through these Members.

The Director of Financial Services set out further information around how the budget is constructed, budget pressures and the on-line budget simulator / budget consultation questions, and welcomed Members comments.

A Member sought clarity around is there a 'cut-off date' for considering Voluntary Redundancy (VR) / Voluntary Early Retirement (VER) applications linked to the Council making further efficiency savings? The Director of Financial Services indicated that consideration of VR / VER applications is an on-going process as part of the Council's workforce planning arrangements and work to reconfigure services to reduce costs and / or support improvement.

A Member requested further information on the new Apprenticeship levy that was highlighted as a budget pressure. The Director of Financial Services confirmed that the levy is a UK Government employment tax that is due to come into force in April 2017 and all employers with a pay bill of more than £3 million each year will be required to pay the levy. The Director added that the levy rate is 0.5% of the pay bill and is paid to HM Revenue and Customs through the PAYE process, and the financial implications of the Apprenticeship levy have been built into the Council's forecasted budget gap for 2017/18.

A number of Members fed back that the Corporate Plan 2016-2020 priorities and investment priorities were the right ones and also fed back that they were 'difficult to argue with'. Another Member commented that consideration should be given to all street lights being lit in certain areas rather than alternate lighting, particularly if the locations are known as hot spots for accidents, and more investment should be allocated to tackle empty properties.

A Member commented that more needs to be done to raise residents' awareness and understanding of how the Council funds its work and investment programme, for example, the difference between how revenue and capital expenditure is funded, and the one-off nature of investment funding that cannot be used year on year to fund services such as refuse collection, homecare services.

A number of Members commented that consideration should be given to the wording of future revenue budget consultation questions to ensure they are as clear and meaningful as possible to residents / external stakeholders taking part.

The Chairman requested clarity on what opportunity would be afforded to the Finance and Performance Scrutiny Committee to scrutinise the results of the consultation process. The Director of Financial Services indicated that the results of the consultation, including the number of consultees that provided feedback, would be compiled into a report and presented back to this Committee in January 2017 for consideration.

Members indicated that they welcomed the opportunity to scrutinise the results of the 2017/18 Revenue Budget Strategy consultation process at a forthcoming meeting and the Committee requested that a copy of the presentation delivered by the Director of Financial Services be circulated to Members.

Following consideration of the presentation it was **RESOLVED –**

1. That Members of the Finance & Performance Scrutiny Committee scrutinise the results of the 2017/18 Revenue Budget Strategy consultation process at its January meeting.

REPORT OF THE DIRECTOR, LEGAL & DEMOCRATIC SERVICES

34. QUARTER 2 COUNCIL PERFORMANCE REPORT

The Director of Financial Services provided Members with details of the Council's performance for the period 1st April 2016 – 30th September 2016 in relation to Revenue and Capital Budgets, Treasury Management Prudential Indicators, Organisational Health Information (including turnover, sickness absence, investment and risk) and Corporate Plan priority action plans (that include performance indicator information).

The Director of Financial Services initially drew Members attention to the 8 performance measures out of a total of 32 measures that did not meet target by more than 5% as at the second quarter.

The Director of Financial Services set out for Members a significant issue regarding the Council's Revenue Budget, namely, that on 23rd March 2016, full Council agreed to an amended Minimum Revenue Provision (MRP) Policy which was applicable from the 2015/16 financial year. The Director informed Members that the amended policy was approved after the agreement of the revenue budget and as such the savings were not built into the revenue budget for 2016/17. The Director added that the Council meeting on 28th September 2016 received the 2015/16 audited statement of accounts and no issues were raised with regard to the amended MRP policy; therefore, it was possible to consider the release of the MRP savings made for 2015/16 (£3.974M) and the 2016/17 underspend (£3.550M), with the latter not being built into the quarter 2 position reported.

The Director went on to explain for Members that the release of the MRP savings was considered by means of a separate report at the 24th November 2016 Cabinet meeting where it was resolved to recommend to full Council for the savings to be allocated to support further one-off investment in priority areas. The Director confirmed that full Council endorsed this recommendation at its meeting on the 30th November 2016 and concluded his overview of the report by inviting questions from Members.

A Member requested clarity around how sickness absences are budgeted for within services across the Council. The Director of Financial Services fed back that an allowance for sickness cover is built into many frontline service budgets, for example, homecare services, to ensure provision to residents continues as normal during periods of staff absence. The Director added that no allowance for sickness is incorporated into back-office service budgets, this instead being managed through re-prioritisation of workloads. The Director also highlighted for Members that the sickness position as at 30th September 2016 of 4.23% represented an improvement compared to the 30th June 2016 (4.31%) and the 2015/16 year-end position of 4.68%.

A Member sought clarity on the reasons for the increase in the rate of delayed transfers of care. The Chair of the Health and Well Being Scrutiny Committee fed back that this area is being closely monitored by the Health and Well Being Scrutiny Committee where a Powerpoint presentation was jointly delivered by Council officers and officers from the Cwm Taf University Health Board on 15th November 2016. The Chairman of the Health and Well Being Scrutiny Committee suggested that a copy of the presentation and Minutes of the 15th November 2016 meeting be forwarded to Members of the Finance and Performance Scrutiny Committee.

A Member queried the period that the information for performance measure 'No. of fixed term exclusions per 1,000 pupils in Primary Schools' related to. The Service Director, Performance & Improvement confirmed that the

performance information related to the 2015/16 academic year (i.e. September 2015 to July 2016).

A Member requested further information in respect of performance measure 'the number of visits to local authority sports and leisure centres per 1,000 population where the visitor had participated in Physical Activity', where performance as at 30th September 2016 was below target by more than 5%. The Service Director, Performance & Improvement fed back that the service had seen an increase in membership numbers with further review work needed to assess pay and play users and also the impact on customer numbers during periods when refurbishment work was being undertaken at specific centres as part of the Council's programme of investment. Further to considering the above feedback, Members requested that a more detailed update be provided by Leisure Services at a forthcoming Finance and Performance Scrutiny Committee meeting.

Following a discussion it was **RESOLVED**:

1. To receive and acknowledge the contents of the report.
2. That Members be provided with a copy of the joint presentation delivered to the Health and Well Being Scrutiny Committee on 15th November 2016 in respect of Delayed Transfers of Care along with a copy of the minutes of the meeting.
3. That Members be provided with an update in respect of the number of visits to local authority sports and leisure centres at a forthcoming meeting.

**M.J.WATTS
CHAIR**

The meeting closed at 7.05 p.m.