

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, 29th January 2015 at 4.00 pm.

Present:

County Borough Councillor M Norris – in the Chair

County Borough Councillors:

S Carter	(Mrs) J Cass	J David
P Griffiths	S Rees-Owen	G Stacey
(Mrs) M Tegg	C Willis	R A Yeo

Officers:

Mr P J Lucas – Director of Legal & Democratic Services
Mr B Davies – Director of Financial Services
Mr P Howells – Head of Community Housing Services
Ms C Emery – Housing Options, Homelessness & Supporting People Manager
Ms S Davies – Head of Education & Financial Reporting
Ms Ann Edwards – Scrutiny Support Officer

42. APOLOGIES

Apologies for absence were received from County Borough Councillors H Boggis, (Mrs) M E Davies, S :Lloyd, (Mrs) J S Ward, E Webster, P Wasley and D W Weeks.

43. DECLARATIONS OF INTEREST

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

44. MINUTES

RESOLVED that the minutes of the meeting of the Corporate Services Scrutiny Committee held on 3rd December 2014 be approved as a correct record.

45. GENERAL BUDGET CONSULTATION

The Director of Financial Services provided the Committee with a presentation which provided feedback on Stage 1 of the General Budget Consultation and set out the process for Stage 2 of the consultation which he explained would conclude on 4th February 2015 with the meeting of the Overview & Scrutiny Committee.

The Director of Financial Services reported on the final funding levels for 2015/16 and explained that there was no indication as to the funding levels for 2016/17. He also highlighted the reduction in capital funding. He pointed out that given the current financial climate it was no longer appropriate to have a one-off annual budget setting process and referred to actions taken before Christmas with regard to service changes and the recent changes to base budgets arising from the senior management restructure, expressions of interest from staff in relation to voluntary redundancy/reduced hours or flexible retirement and changes in customer care. The nationally agreed staff pay award at 2.2% against a backdrop of the reduction in the revenue budget of 3.7% left an overall (starting point) budget gap for Cabinet consideration of £16.526M for 2015/16.

The key elements of the strategy were explained to Members, in particular the use of the Medium Term Financial Planning & Service Transformation Reserve to support the implementation of service cuts and changes. He explained that the balance of this Reserve stood at £7.1M and that it was proposed to use £6.592M to help support the budget gap but pointed out that this would significantly reduce the value of the Reserve and reduce flexibility in future years without a focus on actions to replenish it.

The Director of Financial Services welcomed Members' comments and feedback in relation to the points for discussion:

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 2015-2016 as set out below.

1. **Is the uplift proposed reasonable for schools?**

A Member asked whether the Council would be able to 'top-slice' the balances held by schools if they were holding very large amounts. The Director of Financial Services explained that the Council did have the power to ask Headteachers and the Governing Bodies for their plans for the use of their reserves and pointed out that the overall balance of reserves across primary and secondary schools had reduced in recent years. Members also pointed out that often the money was being saved to fund a significant programme of work in future years.

A Member pointed out that the Council has no alternative other than to provide the uplift to schools. He asked whether the £2.554M reduction in the overall schools' budget requirement had been included in the previous slide. The Director of Financial Services confirmed and explained that the overall schools' 'requirement' will reduce by £2.554M based on the 0.6% uplift after including future cost pressures.

A Member commented that given the circumstances the uplift was reasonable.

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

A Member referred to the current reduction in energy costs and asked if the Council was taking advantage of this. The Director of Financial Services confirmed that this would be the case and that it would be done through national procurement arrangements.

A Member asked at what point do efficiencies become cuts. The Director of Financial Services responded by explaining that this would be when they impacted on front line services. However, he agreed that it would be more difficult year on year to make these efficiency savings going forward.

A Member referred to schools not being asked to make efficiency savings. The Director of Financial Services explained that around 80% of school costs relate to staff and as a result there is often limited opportunity to make savings other than in employee related costs.

A Member sought clarification with regard to the 'Expressions of Interest' mentioned on the slide and the Director duly explained.

A Councillor questioned what measures were being put in place to generate revenue and suggested that more should be done to promote tourism in the area.

3. Do you agree with the other elements of the budget strategy ?

In relation to the Trade Waste charges, a Member asked how the Council compared with other authorities. The Director of Financial Services reported that the Council's current charges are significantly lower and that the proposals would bring them more in line with other authorities. He added that it was difficult to obtain direct comparative costs for commercial contractors but explained that should traders wish to move to private contractors it would still be beneficial to the Council as their residual waste would not be counted against the Council in terms of recycling performance.

A Member questioned whether these commercial contractors were required to pay a licence fee.

4. What are your views on the use of the transition funding?

A Member pointed out that if the Transition Reserve was not used the money would have to come from the Council's General Reserves and he therefore agreed with its use.

Another Member suggested that the Council had no option but to use the Transformation Reserve,

The Chairman commented that ideally the Council would not need to use a Reserve and that for the future the Council needed to reduce its core budget.

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

A Member suggested that under the circumstances it was reasonable.

A Member referred to the potential difficulties which could result in the future with regard to council mergers and differing rates of Council Tax.

The Director of Financial Services reported that based on the information currently available the Council's proposed 3.8% increase would put the Authority in the bottom quartile for Council Tax increases.

A Member commented that there was a need to compare the actual level of Council Tax paid.

Members commented that due to the Council Tax base of the Authority, a 1% increase in Cardiff would generate much greater income than a 1% increase in Rhondda Cynon Taf.

A Member voiced his concern that over time the public would become more and more disenfranchised with local government if there are yearly above inflation rises in Council Tax whilst at the same time services are reduced. He also referred to the police precept which again is increasing whilst the public perception is that the level of policing is being reduced.

6. Any other comments?

A Member questioned the effectiveness of the public engagement process for the budget consultation and the Director of Financial Services explained that there had been a mixed level of response to the organised service change consultation events despite efforts to raise awareness.

A Member suggested that the public were suffering from consultation fatigue especially so as they felt that they were not being listened to.

The Chairman commented that several of the service change proposals had been modified as a result of the public consultation exercises. Another Member pointed out that someone affected by a proposal is more likely to take part in a consultation exercise than someone who is not.

The Members discussed the use of new methods of consultation such as Twitter and the Chairman also pointed to the use of the Cwm Taf Consultation Hub and the Council Leader's recent take over of the Council's Twitter account was also noted.

46., **PRESENTATION – THE COUNCIL’S HOUSING ADVICE SERVICE**

The Head of Community Housing Services introduced himself and his colleague, Ms Cheryl Emery, the Housing Options, Homelessness & Supporting People Manager and explained that the presentation would provide Members with an overview of the service, including current performance, services provided and preparation for changes to legislation in respect of service delivery which will come into force on 27th April 2015.

The Housing Options, Homelessness & Supporting People Manager thanked Members for the invitation to provide information on the work of the Housing Advice Centre and with the aid of PowerPoint slides proceeded to make her presentation.

The Manager outlined how her service worked in partnership with other departments of the Council such as Housing Benefits and also worked in partnership with six social housing providers as well as providing a housing support service to vulnerable people.

The Committee was provided with an overview of the performance of the service which is performing above the Wales Average. The Manager explained that the service is a highly regulated area and is also liable to scrutiny from organisations such as Shelter Cymru. She explained that some time ago a decision had been taken to reconfigure the service toward a more proactive preventative approach which will stand them in good stead for the requirements of the Housing (Wales) Act 2014 which requires local authorities to;

- Take reasonable steps to prevent homelessness to those presenting;
- Earlier intervention - within 56 days;
- Undertake a Housing and Support needs assessment;
- Discharge of duty into the Private rented sector;
- Opt into Intentionality.

The Manager explained that the service is fortunate to have a purpose built Housing Advice Resource which benefits from a high street location and provides a multi agency service. She also explained that they provided help and advice across tenure and will not turn anyone away with help not only targeted at the homelessness. The service does not operate in isolation, for example, Shelter Cymru have a clinic at the Centre and that the Gofal mental health charity have three members of staff linked to the Advice Centre, one based at the Royal Glamorgan Hospital to ensure that there were no unsafe patient discharges and two others who support those attending the Advice Centre with mental health issues.

Members were informed of the staff structure which is based around three teams, the Supporting People Team, the Common Housing Register Team and the Housing Solutions Team. The Manager also explained the importance of the specialist roles which have been introduced ie a specialist prison link officer and a private rented sector development officer. She explained that the high level of offenders returning to the community is a pressure on the service but

that the introduction of the post has proved to be very successful over a short period of time and had won the Cymorth Homelessness Prevention Award. It was reported that the shortage of 1 and 2 bedroom properties in the social housing sector had driven the move toward working with the Private Rented Sector. However, there is a shortage of affordable accommodation especially in the Southern areas of the County Borough and a low Local Housing Allowance made it difficult to find suitable accommodation. She explained that the under 35's are experiencing particular difficulties due to the single person's rent allowance and the Service is exploring innovative ways to address this problem such as the development of three shared properties. She also explained that a Housing Management Service is provided for landlords as well.

The Manager explained that as well working with Shelter Cymru and Gofal, the Centre also hosted a Social Services After Care Worker and Support Worker as well as a Housing Law Surgery and Debt Advice Surgery and a Llamau Family Mediation Officer.

Members were provided with statistics which highlighted the success of the service in preventing homelessness and made aware of the links with a number of Supporting People projects and the ongoing challenges of securing suitable and affordable accommodation in areas of high demand alongside an increasing number of single people presenting with complex needs.

The Chairman thanked the Housing Options, Homelessness & Supporting People Manager for the very informative presentation.

A Member commented on the lack of affordable accommodation and the absence of any real construction under way other than in the private sector.

The Housing Options, Homelessness & Supporting People Manager agreed that it was a challenging environment and that social housing was not an option for many. The Head of Community Housing added that the ability to now expand the Housing Advice Service into the private sector provided them with a further opportunity to discharge their duty and provided that the accommodation was suitable and managed well it was beneficial to everyone. Responding to Members he agreed that it was important the properties were managed properly and explained that work was underway to introduce a licensing and registration policy which would involve a training process.

A Member remarked that what he had heard was excellent and that the Housing Advice Service was a good example of a service which had proactively planned and analysed what was needed and had developed a very successful model.

RESOLVED: to note the good work being undertaken by the Housing Advice Service.

REPORT OF THE GROUP DIRECTOR, CORPORATE AND FRONTLINE SERVICES

47. 2014/15 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 2014/15 and the Prudential Indicators for the same period.

The Head of Financial Reporting provided an overview of the general economic environment and explained that the Council was continuing with its low risk investment strategy. The Council was continuing to fund its Capital Programme borrowing requirement through short term internal borrowing which is more cost effective in the current climate. However, she advised that this approach may change if longer term interest rates are at risk of increasing significantly, in which case long term borrowing may be undertaken.

The Head of Financial Reporting drew Members' attention to paragraph 10.2 of the report which referred to the possibility of some of the major UK banks having their credit ratings lowered to BBB (good credit quality) from A (high credit quality). Whilst it did not directly impact on the Council as it did not invest in high streets banks it was an issue which would need to be taken into account when preparing the Treasury Management Strategy for 2015/16.

Members questioned the use of interest from Cash Balances to fund the Capital Programme and were informed that the return rate could be as low as 0.3%.

Members were referred to the Local Authority Mortgage Scheme which was launched in 2012 with £1m being held as an indemnity deposit with Lloyds for a period of 5 years. A Member asked for the rate of interest being charged under the scheme and the Head of Financial Reporting reported that she would obtain this information.

A Member raised his concern that paragraph 4.3 of the report painted an overly optimistic picture of the economic climate and he hoped that the Treasury Management Strategy was not being influenced by this portrayal of UK growth. The Head of Financial Reporting assured Members that the Council's strategy remained low risk and that they would not be taking an optimistic approach regardless of national reports.

RESOLVED: to note the content of the report.

M Norris
Chairman

The meeting closed at 5.35 pm