



RHONDDA CYNON TAF COUNCIL FINANCE AND PERFORMANCE SCRUTINY COMMITTEE

Minutes of the meeting of the Finance and Performance Scrutiny Committee held on Tuesday, 2 April 2019 at 5.00 pm at the Council Chamber, The Pavilions, Cambrian Park, Clydach Vale, Tonypany, CF40 2XX.

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

Councillor J Williams (Chair)

Councillor G Thomas	Councillor G Holmes
Councillor G Davies	Councillor J Elliott
Councillor R Yeo	Councillor W Lewis
Councillor J Cullwick	Councillor G Caple

Officers in attendance:-

Mr A Wilkins, Director, Legal Services
Mr P Griffiths, Service Director – Finance and Improvement Services
Ms S Davies, Head of Finance - Education and Financial Reporting
Mr M Hughes, Head of Finance – Prosperity, Development and Frontline Services and Chief Executive's Group

County Borough Councillors in attendance:-

Councillor M Adams – Chair of the Overview and Scrutiny Committee

Co-Opted Members in attendance:-

Mr J. Fish – Elected Parent/Governor Representative

40 WELCOME

The Chair welcomed Members to the Finance and Performance Scrutiny Committee and thanked everyone for attending.

41 APOLOGIES

Apologies of absence were received from County Borough Councillors S. Bradwick, M. J. Powell, S. Rees-Owen, A. Fox and T. Williams.

42 DECLARATION OF INTEREST

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

43 MINUTES

It was **RESOLVED** to approve the minutes of the 28th of January 2019 as an accurate reflection of the meeting.

44 REPORT OF THE DIRECTOR OF FINANCE AND DIGITAL SERVICES

The Service Director, Finance and Improvement Services presented Members with the Quarter 3 Council Performance Report to the 31st December 2018.

The report included information in respect of Revenue and Capital budget performance; Treasury Management prudential indicators; Organisational Health information including staff turnover, sickness and Council strategic risks; Corporate Plan priority action plan up dates; other national measures; and target setting.

The Service Director provided the Committee with an overview of the key information included within the report in respect of financial data and progress against the Council's Corporate Plan priorities. Members were also provided with information regarding exceptions highlighted within each of the detailed sections and in conclusion the Service Director reported that out of 68 Corporate Plan performance indicators measured and reported during quarter 3, 26 were on target, 8 were within 5% of the target and 19 were not on target by more than 5%.

In response, Members raised a number of questions with the Service Director.

In respect of the rate of delayed transfers of care, a Member highlighted below target performance for quarter 3 along with a significant revenue budget overspend within the area of Adult Services. The Service Director fed back that although the number of delays due to social work assessment is improving, the Service is experiencing increasing demand as the Council supports more people to live at home rather than residential care. The Service Director added that this position is resulting in on-going budget pressures that are being partly supported in 2018/19 through one-off Welsh Government funding.

A Member queried below target performance for the number of visits to leisure centres. The Service Director indicated that visitor levels had been affected by the temporary closure of specific facilities within some Leisure Centres to enable refurbishment works to take place. Another Member requested further information on usage and membership levels across centres to consider if there has been any impact in centres where refurbishment work has not taken place. The Service Director fed back that he did not have this detail at hand and would provide an update in readiness for the next meeting.

A Member sought clarity for below target performance for the number of visits to libraries and whether usage of the mobile library service and visitors to community run libraries were also included within the performance information. The Service Director fed back that physical visits to libraries experienced a downturn over the summer 2018 primarily due to the good weather during this period and, based on the quarter 3 position, meeting the year-end target will be challenging. The Service Director went on to confirm that mobile library usage is included within the Council's performance indicator information and that he would check with the Library Service in respect of whether visits / usage of

community run libraries are also included within the reported position. The Service Director added that with regard to virtual visits to libraries, usage information for a number of areas is reported annually, for example, Ancestry, and therefore a full year position would be included in the year-end Performance Report.

A Member requested an explanation for the level of recycling being 60.87% compared to a target of 63%. The Service Director fed back that as at 31st December 2018 not all Christmas recyclable waste had been processed and as such had not been included within the reported quarter 3 position; the Service Director confirmed that this would be incorporated into the quarter 4 performance position. The Service Director added that in-year changes to the percentage of wood that can be classed as recyclable has also adversely affected the overall position.

A Member queried the cost in relation to the Pontrhondda Bridge in light of the main contractor going into administration. The Head of Finance – Prosperity, Development and Frontline Services and Chief Executive’s Group explained that any cost implications would be considered with the appointment of a new contractor and that retention amounts had been withheld from payments to the main contractor, which would also be considered when reviewing the total cost of the scheme.

A Member requested whether further contextual information could be included within the ‘Comments’ that accompany performance indicator results, where appropriate, to help better explain the positions reported. The Member provided specific examples: for the performance indicator ‘% of pupils looked after in year 11 (typically aged 16) who achieved the L2 threshold (5 GCSE grade A* - C or equivalent)’ where the cohort of pupils for this area is small and as such relatively minor changes in attainment can have a significant impact on the overall position reported and also for the area of ‘fixed term exclusions’ where the overall position can be distorted by exclusions in a small number of schools. The Service Director acknowledged the feedback and indicated that this would be relayed to the Service for consideration.

Following on, another Member highlighted that the headline information for school exclusions does not reflect local issues and that excluding a pupil does not always solve the issue, and requested more detailed information around permanent and fixed term exclusions. The Service Director confirmed that this information would be provided in readiness for the next meeting.

Following consideration of the report, it was **RESOLVED** to note the Council’s financial and operational performance position as at 31st December 2018 (Quarter 3).

45 2019/20 CAPITAL STRATEGY REPORT AND 2019/20 TREASURY MANAGEMENT STRATEGY REPORT

The Head of Finance - Education and Financial Reporting provided Members with the opportunity to scrutinise the 2019/20 Capital Strategy Report and 2019/20 Treasury Management Strategy Report.

Members were informed that the report would be dealt with in two parts:

1. 2019/20 Capital Strategy Report incorporating Prudential Indicators (Appendix 1); and
2. Treasury Management Strategy incorporating Investment Strategy, Treasury Management Indicators and Minimum Revenue Provision (MRP) Statement for 2019/20 (Appendix 2).

In respect of the Capital Strategy Report, Members were informed that the Prudential Code for Capital Finance in Local Authorities (updated 2017) introduces a requirement to produce a Capital Strategy containing Prudential Indicators previously incorporated within the Treasury Management Strategy. The Head of Finance - Education and Financial Reporting also advised Members that the Capital Strategy Report provides contextual information on future Council plans that impact upon Treasury Management activity.

Members were provided with an overview of how capital expenditure, capital financing and treasury management activity contribute to the provision of Council services along with an overview of the associated risk, its management and the implications for future financial sustainability.

Discussions ensued and a Member sought clarification on whether breaches relating to the Authorised Limit were addressed by the UK Central Government or Welsh Government. The Head of Finance - Education and Financial Reporting view was that this was addressed by the UK Central Government.

A Member queried whether the plans had already been adopted by Cabinet. The Head of Finance - Education and Financial Reporting confirmed that the Capital Strategy Report had been approved by Council on 27th March 2019 and was being reported to the Finance and Performance Scrutiny Committee for review.

The Head of Finance - Education and Financial Reporting went on to refer Members to Appendix 2 that set out the Treasury Management Strategy Report and were informed that the Treasury Management Strategy details the expected activities of the Treasury Management function for the 2019/20 financial year.

Members were provided with information in respect of:-

- Treasury Management Strategy 2019/20;
- Investment Strategy for 2019/20;
- Treasury Indicators for 2018/19 (actual to date) and 2019/20, 2020/21, and 2021/22; and
- Minimum Revenue Provision (MRP) policy statement.

The Head of Finance - Education and Financial Reporting also highlighted uncertainties around future economic growth, interest rates and the impact of Brexit.

Following consideration of the report, Members **RESOLVED** to support:

1. The 2019/20 Capital Strategy Report incorporating Prudential Indicators; and
2. The Treasury Management Strategy incorporating Investment Strategy, Treasury Management Indicators and Minimum Revenue Provision (MRP) Statement for 2019/20.

COUNCIL CORPORATE AND SERVICE SELF ASSESSMENTS

The Service Director – Finance and Improvement Services presented Members with the Corporate and Service Self-Assessments of the Council for 2018 and were informed that the observations and comments of the Finance and Performance Scrutiny Committee would form part of finalising the assessment process.

The Service Director advised Members that the corporate self-assessment considers the performance of the corporate body of the Council and were referred to Appendix B of the report. The Service Director went on to update Members that the Service self-assessments have been challenged, reviewed and signed off by the respective Cabinet Member and the Group Director, and have been subject to an independent challenge by the Chief Executive. Members were referred to Appendix C of the report for a list of the service areas that have completed self-assessments and were informed that the actions arising from the process will be incorporated into Service Delivery Plans of individual services.

Discussions ensued and a Member noted the importance for the Council to keep elected Members abreast of key service issues in line with the ‘involvement’ principle set out within the corporate assessment.

Another Member requested for the narrative used of ‘Worst in Wales’ to categorise where the Council’s performance is within the bottom quartile across Wales to be amended. The Member went on to provide the specific example of Children Looked After where the Council aims to provide the best possible support for children in the Council’s care and the description of ‘worst in Wales’ is not considered an appropriate descriptor. The Committee were in agreement with this request and considered that continued public sector austerity was one contributory factor that is adversely impacting on families and the most vulnerable within Rhondda Cynon Taf.

Following discussion, Members **RESOLVED** to approve the Council’s Corporate and Service Self Assessments Report.

This meeting closed at 6.10 pm

**CLLR J. WILLIAMS
CHAIR.**