



## **RHONDDA CYNON TAF COUNCIL FINANCE AND PERFORMANCE SCRUTINY COMMITTEE**

Minutes of the virtual meeting of the Finance and Performance Scrutiny Committee held on  
Tuesday, 13 April 2021 at 5.00 pm.

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

Councillor M Powell (Chair)

Councillor G Thomas	Councillor S Bradwick
Councillor R Yeo	Councillor S. Rees-Owen
Councillor T Williams	Councillor J Cullwick
Councillor G Caple	Councillor A Fox
Councillor S Evans	Councillor S Rees
Councillor J Edwards	Councillor W Owen

### **Officers in attendance:-**

Mr P Griffiths, Service Director – Finance & Improvement Services  
Mr A Wilkins, Director of Legal Services  
Mr D Powell, Director of Corporate Estates  
Ms W Edwards, Service Director – Community Services  
Ms S Davies, Head of Finance – Education & Financial Reporting

### **County Borough Councillors in attendance:-**

Councillor L M Adams, Chair Overview & Scrutiny Committee

#### **47 Apology**

An apology of absence was received from County Borough Councillor J Williams.

#### **48 Minute's Silence**

Members undertook a minute's silence in memory of His Royal Highness, the Prince Philip, Duke of Edinburgh.

#### **49 Declaration of Interest**

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

#### **50 Minutes**

It was **RESOLVED** to approve the minutes of the 15<sup>th</sup> March 2021 as an accurate reflection of the meeting.

## 51 Consultation Links

The Chair referenced the consultation links, which were available through the 'RCT Scrutiny' website. Members were reminded that information is provided in respect of relevant consultations for consideration by the Committee, which are circulated on a monthly basis.

## 52 Rhondda Cynon Taf's Employment and Skills Strategy and Action Plan 2019 - 2021

The Service Director Community Services presented a Power Point presentation outlining the Employment and Skills Strategy 2019/2021 under the following headings:

- Where we were/where do we want to be/How do we get there?
- Delivering on Priorities
- Provision
- Delivery During Lockdown
- Support for Employers
- Impact of Provision on Customers
- Looking Ahead – Challenges
- Impact of COVID-19 on Employment
- Looking Ahead – Opportunities

The presentation was accompanied by a video which demonstrated how a Communities for Work participant received the appropriate support to work in the care sector and how this support was provided.

Following the presentation, the Service Director responded to a number of queries regarding the impact of Covid-19 on the level of support provided to enable young people to access and retain jobs in the county borough and beyond. The Service Director explained that the Council's Youth Engagement and Participation Service has targeted support and youth work provision over the last twelve months as the impact of Covid-19 on this age group has been significant. The Council provide a range of employment schemes and promote its Graduate and Apprenticeship Schemes which offer a wealth of opportunities to young people to gain and retain employment with the local authority. In addition, schemes such as the DWP Kickstart programme are available for 16-24-year olds. The Service Director advised that collaboration between the ten South East Wales Regions will provide joint support and opportunities for joint funding applications such as to the Shared Prosperity Fund which focuses on increasing productivity, inclusive and sustainable growth, economic development and employment/skills support.

A discussion ensued regarding the support available to those on the shielding list during the pandemic, the Service Director Community Services provided an update on the means by which residents who were shielding were approached and contacted with offers of support based on information supplied by the Health Board. Many personal accounts of the process were relayed, and Members sought clarification as to whether there would be a review in the future highlighting the mechanisms that worked well and lessons learned. The Service Director reported that the Community Support Steering Group had already undertaken some work which has identified key issues and challenges in this area through its partnerships, which could form the basis of a report to a future meeting.

The Service Director advised that there are a number of considerations for Adult Community Services in conjunction with its partners going forward such as pathways into other employment provisions that meet a green economy and technological advances in addition to changes in the labour market and employment that requires a higher level of skills set.

Committee requested further information be circulated following the meeting in respect of the numbers of Graduates that acquire and sustain employment with the local authority and beyond and the estimated ESF Grant Value for 2021-22.

Following further discussions, it was **RESOLVED** to note the information contained within the presentation.

### **53 To consider the report of the Director of Finance & Digital Services.**

The Service Director, Performance and Improvement presented Members with the Quarter 3 Council Performance Report to the 31<sup>st</sup> December 2020.

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; and Corporate Plan priority action plan updates (including investment updates).

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 as well as signposts to other reports presented to committees during the period. Committee was referred to the Executive Summary which provided information relating to the Revenue Budget Performance, projected as £1.049M overspend at Quarter 3. Committee was advised that the full year projection of additional costs and income losses associated with Covid 19 will continue to be fully funded by Welsh Government through its Covid Hardship Fund. The Council is working closely with Welsh Government Officials to ensure it recovers all eligible additional costs and losses.

The Service Director advised of some of the key areas within the subsequent sections within the report such as the key pressures continue within the demand led services particularly within Adult Social Care and Children Services. He also reported that work is ongoing across all council service areas with the aim of reducing the underspend position and bringing the Council's revenue budget position in line with budget.

The Service Director provided a summary of the Capital Programme at Quarter 3 which is £57M against a total budget for the year of £108M, representing a 53% completion rate and comparative with a similar position last year. The Service Director advised on some key areas of investment such as Llys Cadwyn and Coedely Business Unit which focus on regeneration, continued investment in infrastructure through highways and structural improvements, a continued focus on vulnerable clients with regards to disabled facilities grants and investment in schools across the county borough. A number of grant approvals have also been built into the Capital Programme.

The Service Director reported that the Council's turnover of sickness absence, which excludes Covid related sickness absence, is 3.84% which represents an improved position overall from previous years. He added that the Council continues to provide specific support to areas such as Adult Social Care, a service area which has a number of challenging circumstances in which staff continue to work.

The Service Director advised that section 4 sets out the Council's Strategic Risk Register, which has been updated. He confirmed that risk 25, which relates to the financial implications of the Covid-19 Pandemic, has been included due to Committee's request as part of the scrutiny of the Quarter 2 Performance report. Section 5 covers the Corporate Plan priority progress updates together with the inclusion of summary progress updates and electronic links to more detailed action plans.

The Service Director explained that the purpose of the narrative is to provide a balanced picture of progress, within the context of the unprecedented circumstances which the Council's services continue to operate. Section investment priority updates have been provided from across 27 areas with additional investment totalling over £55M.

In conclusion, the Service Director advised that the first progress update include the Council's response to the extreme weather events, as agreed by Cabinet on the 18<sup>th</sup> December 2020 with further updates to be considered by the Overview & Scrutiny Committee in due course.

In response to a number of queries raised, the Service Director provided clarification with regards to the long-term care & support within Adult Services (£0.593M overspend) and the short-term intervention services (£0.840M underspend), the latter having been accrued in the concluding part of the year. The Chair suggested that an additional addendum to the report would provide better clarity and reasoning behind the data for the benefit of Committee.

Further clarification was provided regarding the overspend in Children's Services as a result of an increase in demand for residential care to accommodate children looked after and the additional complexities associated with the demand. The Service Director confirmed that additional information relating to the following areas would be provided to Committee in due course following consultation with the relevant service areas:

- Investment in town centres, specifically around leveraging in private sector investment for projects in Porth; and
- Delayed Transfer of Care-the key stages of the process before hospital discharge with an appropriate care package in place

Following consideration of the report it was **RESOLVED** to acknowledge the Council's financial and operational performance position as at 31<sup>st</sup> December 2020 (Quarter 3).

The report of the Service Director Democratic Services & Communications provided Members with the opportunity to scrutinise the 2021/22 Capital Strategy Report and 2021/22 Treasury Management Strategy Report which were both approved by Council on the 10<sup>th</sup> March 2021.

The Head of Finance, Education and Financial Reporting presented the contextual information which impacts upon Treasury Management decisions having its purpose and content defined by the Prudential Code for Capital Finance in Local Government.

The Head of Finance, Education and Financial Reporting advised that the report references the 3 year capital programme, also approved by full Council on 10<sup>th</sup> March, of just over £116M. Of this investment, £33M is funded by borrowing, the remainder being funded by other sources such as grants, capital receipts, third party contributions or revenue contributions. Key considerations for Treasury Management include the value and timing of the Council's borrowing.

It was reported that the Council pays due regard to three key areas when setting the Capital Programme, that plans are affordable, sustainable and prudent, as defined by the Prudential Code and indicators are set to assist with this process (as set out within the report). It was further clarified that within these indicators, the Authorised Limit is set which prohibits any borrowing beyond this limit. Indicators are monitored, reported and scrutinised in the half year and full year Treasury Management Reports and also reported in the quarterly performance reports.

The Head of Finance, Education and Financial Reporting presented the Treasury Management Strategy which set out the Council's borrowing strategy, investment strategy and Minimum revenue provision (MRP) strategy.

In presenting the Strategy, committee was advised that in November 2020 HM Treasury reduced the rates of the Public Works Loans Board (PWLB) by 1%, thereby reversing the previous increase in October 2019 which has enabled improved affordability for capital programmes. Clarification was provided regarding the Council's borrowing requirement to fund the 21/22 capital programme, which is currently £19.3M. It will continue to maximise its internal borrowing from other public bodies on a short-term basis which proves more cost effective and reduces the counterparty risk.

The Head of Finance, Education and Financial Reporting explained that the PWLB are now no longer able to lend to local authorities who are planning to buy investment assets primarily for profit or solely for exploiting commercial gains. This Council's risk averse approach ensures that any investments are subject to considerations of security, liquidity and finally yield (return) and the cash investments will continue to be held with other public sector bodies or the government's own Debt Management Office. The Head of Finance, Education and Financial Reporting advised that this approach is supplemented by approving lending to organisations where appropriate due diligence is undertaken, and security arrangements put in place and currently £6.65M is invested in such arrangements.

In conclusion, the Head of Finance, Education and Financial Reporting drew Members attention to the policy approved by Council on Minimum Revenue Provision (MRP) and explained that these loans need to be repaid over time by charging them to revenue budgets, the charge is known as MRP and are in line

with Welsh Government's statutory guidance.

Following consideration of the report it was **RESOLVED** to acknowledge the information contained within the report as set out below:

Appendix 1:

2021/22 Capital Strategy Report incorporating Prudential Indicators.

Appendix 2:

Treasury Management Strategy incorporating Investment Strategy, Treasury Management Indicators and Minimum Revenue Provision (MRP) Statement for 2021/22.

**55 To consider passing the following resolution:-**

**RESOLVED** – “That the press and public be excluded from the meeting under Section 100A(4) of the Local Government Act 1972 (as amended) for the following items of business on the grounds that they involve the likely disclosure of exempt information as defined in Paragraph 14 of Part 4 of Schedule 12A of the Act”.

**56 Corporate Asset Management Plan**

The Director of Corporate Services presented his report which set out progress against the key themes of the Corporate Asset Management Plan 2018/23.

Following consideration of the plan which provides a coordinated strategic approach to the management of the Council's property assets to deliver benefits to the Council, it was **RESOLVED** to acknowledge the content of the report.

**57 Chair's Review and Close**

The Chair reminded members that any requested information would be circulated in due course via the Scrutiny Support Officer.

As this was the last meeting of the Finance & Performance Scrutiny Committee for the 2020/21 Municipal Year, the Chair extended his thanks to Lead Officers and members of the Committee particularly to his Vice Chair, Councillor G Thomas for his support and guidance.

**This meeting closed at 7.32 pm**

**CLLR M. POWELL  
CHAIR.**