

## **CABINET SCRUTINY COMMITTEE**

**(Council Chamber - Port Talbot Civic Centre)**

**Members Present:**

**23 January, 2019**

**Chairperson:** Councillor A.N.Woolcock

**Vice Chairperson:** Councillor S.Rahaman

**Councillors:** M.Crowley, S.E.Freeguard, M.Harvey,  
N.T.Hunt, S.K.Hunt, L.Jones, S.A.Knoyle,  
A.Llewelyn, S.Miller, J.D.Morgan, S.Paddison,  
S.M.Penry and A.L.Thomas

**Officers In Attendance** A.Evans, A.Jarrett, H.Jenkins, S.Phillips,  
K.Jones, C.Griffiths and C.Davies

**Cabinet Invitees:** Councillors C.Clement-Williams, D.Jones,  
R.G.Jones, E.V.Latham, A.R.Lockyer,  
P.A.Rees, P.D.Richards, A.J.Taylor and  
A.Wingrave

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### **1. DECLARATIONS OF INTERESTS**

The following Member made a declaration of interest at the commencement of the meeting:

Cllr. S.K.Hunt      Re: Report of the Director of Finance and Corporate Services on the Provision of Loan Funding to Blaengwrach and Seven Sisters Community Council's as he is the Ward Member for Seven Sisters.

### **2. MINUTES OF THE PREVIOUS MEETING**

The Committee noted the Minutes of the Cabinet Scrutiny Committees held on the 27 November and 5 December, 2018.

### 3. **PRE-SCRUTINY**

The Committee scrutinised the following matters:-

#### Cabinet Proposals

##### 3.1 Ethical Employment in Supply Chain Policy

Members received information on adopting the Welsh Government Ethical Employment in Supply Chains Code of Practice.

Members asked for reassurance that the Trade Unions would be included within the Neath Port Talbot Ethical Employment in Supply Chain Policy as it was detailed within the Welsh Government's Policy. Officers confirmed that the Trade Unions were detailed within the draft of the Policy at Point 9 of the Action Plan.

Members asked whether there would be any workforce impacts from adopting this Policy and were advised that there were a couple of elements within the document on which Officers would require training. The Chief Executive highlighted that a balance was required as the Policy could cause resource issues for the Council.

The Cabinet Member explained to the Committee that the Policy is a further example of our role as Corporate Parents.

Following scrutiny, the Committee was supportive of the proposals to be considered by the Cabinet.

##### 3.1 Provision of Loan Funding to Blaengwrach and Seven Sisters Community Councils

(Cllr.S.K.Hunt re-affirmed his interest at this point and withdrew from the Meeting).

Members received information on granting a loan to Blaengwrach and Seven Sisters Community Councils.

Members raised concerns regarding the interest rate that was being offered and therefore requested clarity. Officers explained that the loan was anticipated to be for a short period and that

the interest rate was slightly higher than the bank base rate. Members were advised that should they wish to propose an increase to the proposed rate this could be taken into account.

Members asked why the two Community Councils did not use the facility within their precept. Officers explained that the Community Councils would have to make the payments for the Mining Themed Play area first before being able to recover the VAT. As VAT is recovered Community Councils do not need to include VAT in their Precept.

Members asked why the Community Councils had not asked Welsh Government for a loan. Officers explained that as the grant was coming from Welsh Government they would not also provide the facility for a loan.

Members were concerned that this proposal could set precedence for other Community Councils to make similar applications to the Authority. They were advised that all applications would be considered on their own merit.

Members asked whether the Community Councils had spoken with the contractors prior to applying for a loan as previously other Community Councils and Organisations had been able to reach an agreement without requiring a loan.

Members asked whether Groups or Organisations that did not have Community Councils could request a loan under section 2 of the Local Government Act. At this point the Leader asked the Head of Legal Services for advice as it was felt that the question raised could be perceived as a personal interest and the issue of the Community Council loans was the matter that should be considered today. The Head of Legal Services agreed with this. The question was therefore dismissed.

Following the discussion the Deputy Leader suggested that a Policy be produced in order to have a clear and consistent approach for any future requests of a similar nature.

Officers suggested an amendment to the recommendation as concern was raised in relation to the interest rate offered being too low. It was suggested that should the bank rate increase by the time the Loan Agreement was signed then the interest rate would increase by the same amount.

Members were concerned that if interest rates were to increase dramatically would this cause an issue for the Community Councils. Officers explained that if interest rates were to increase by a quarter of a percent the increase in payment would be small.

Following scrutiny, it was agreed that Cabinet be asked to consider the following recommendations:-

1. That a maximum loan of £37,000 to Blaengwrach Community Council Limited at an interest rate of 1% for a maximum period of 15 months, be approved, and should the bank base rate increase before the loan is taken out, the interest rate would increase by the same percentage rise;
2. That a maximum loan of £156,000 to Seven Sisters Community Council at an interest rate of 1% for a maximum period of 9 months, be approved, and should the bank base rate increase before the loan is taken out, the interest rate would increase by the same percentage rise;
3. That delegated authority be granted to the Director of Finance and Corporate Services (in consultation with the Head of Legal Services) to enter into a loan agreement detailing the arrangements between the Council and each Community Council as specified above.

4. **FORWARD WORK PROGRAMME 18/19**

The Forward Work Programme for 2018/19 was noted.

**CHAIRPERSON**