



City and County of Swansea

Minutes of the **Scrutiny Performance Panel – Service Improvement & Finance**

Committee Room 5, Guildhall, Swansea

Monday, 9 December 2019 at 10.00 am

Present: Councillor C A Holley (Chair) Presided

Councillor(s)

P R Hood-Williams
P K Jones

Councillor(s)

L James
J W Jones

Councillor(s)

M H Jones
D W W Thomas

Other Attendees

Cllr D Hopkins

Cabinet Member Environment and Infrastructure
Management

Officers

Phil Holmes
Ian Davies
Ben Smith
Michelle Roberts

Head of Planning and City Regeneration
Area Team Leader for Development Management
Chief Finance Officer
Scrutiny Officer

Apologies for Absence

Councillor(s): P Downing and B J Rowlands

1 Disclosure of Personal and Prejudicial Interests.

None

2 Prohibition of Whipped Votes and Declaration of Party Whips

None

3 Minutes and Letters

Two items were raised:

1. Query on berthing fees for Swansea Marina.
2. Electricity and Street lighting costs.

The minutes and letters were accepted.

4 Public Questions

There were no public questions.

5 Q2 Budget Monitoring 2019/20

The Chief Finance Officer attending the Panel meeting to discuss the Budget Monitoring Quarter 2 Performance report. The following was noted:

- Whilst the Sustainable Swansea Delivery Programme continues to develop service delivery plans that include savings requirements, the potential overspend remains a significant risk and needs to be addressed on a whole council basis.
- There is an in-year overspend forecast so Directors will redouble efforts to bring this down. Overspends in Education and Social Services. Large inroads into reducing overspend across the council is expected to show in the Quarter 3 performance data
- 80% of saving achieved, so 20% to find which equates to approximately 4m. If current savings do not achieve this 20% other mitigations will need to be found. A number of overspends areas follow on from the outturn position for 2018/19 and need to be considered in savings moving forward.
- Corporate Management Team has re-enforced the current arrangements for budget monitoring.
- The Panel heard that offsetting opportunities do exist to temporarily ameliorate the currently identified service demand and price pressures.
- Chief Finance Officer will seek to balance the budget overall, so technically there will be a lawfully balanced budget by the end of the year.
- Contingency Fund Provision for 2019/20 is 7.072 and the potential call on this were given.
- The panel asked about the confidence and ability of Social Services in meeting overspend relating to fee levels. Also the confidence and ability in reducing the overspend in Education. *Director of Social Services and of Education will be contacted to give more clarify to these questions.*
- The Panel asked if the Council was getting to the stage where they cannot take money from the Insurance Reserve. Are we reaching the finite point in taking out of the reserves? The Chief Finance Officer said we are covered 90% (of all likely scenarios) and this is a level considered as prudent.
- The issue of VAT was raised and it was noted that there is no certainty of windfalls from VAT refunds in this current year.
- The Capital Budget and the £90m borrowing for the implementation of those issues identified in the Medium Term Financial Plan was discussed particularly referring to the City Deal and discussed the Band B schools programme.
- The Chief Finance Officer said to expect a large draw down on this £90m over the coming months to begin to progress with those projects, as recently agreed by Cabinet.

6 Mid-year Budget Statement 19/20 (Treasury Management)

- This report gave details of the local authority's investments and cash flows, its banking, money market and capital market transactions; the effective control of the risks associated with those activities; and the pursuit of optimum performance consistent with those risks.
- The report gave:
 - Economic Update – UK and Worldwide
 - Review of the Treasury Management Strategy Statement and Investment Strategy
 - Review of Investment Portfolio 2019/20
 - Review of Borrowing Strategy
 - Review of Debt Strategy

- Review of Compliance with Treasury and Prudential Limits
- The Council borrowed £90 million pounds before the UK Government raised repayment cost by 50% without any notice. This Loan will help finance the Swansea Central Phase 1 The timing of this decision has saved the council a large amount in repayment costs.
- A further £90m will need to be borrowed to finance the Band B Schools Programme the Council has made a commitment to.
- Commercial capital spend was also discussed and how some local authorities are purchasing property to bring in commercial revenue. The Chief Finance Officer said that Swansea borrowing for such things must be proportionate and have more than one driver other than simply increasing commercial revenue, like being part of our economic development and place shaping strategy.

7 Wales Audit Office Report and Response - The effectiveness of local planning authorities in Wales

The Wales Audit Office carried out a review of the effectiveness of Local Planning Authorities in Wales in 2018/19. The Head of Planning and City Regeneration and the Area Team Leader for Development Management attended the meeting to discuss the report.

The Wales Audit Officer report drew four main conclusions, a full action plan was presented to the panel and the points of the discussion were noted as follows:

1. Planning Authorities find it challenging to balance competing demands because of the complexities of the planning system
Council accepts this.
 2. Insufficient capacity and reducing capacity are eroding planning authorities resilience
Council concurs with this Planning has had to live within its means as with every other council department.
 3. Timeliness and quality of decision making varies widely and performance on managing applications is poor
Do not agree with this as performance has improved in Swansea and fair well on Welsh Government indicators (it was noted that the Wales Audit Office did not use the WG indicators to assess this)
 4. Further work is required to deliver the wellbeing aspects of the Planning (Wales) Act and Planning Policy Wales
Swansea is ahead of the curve in relation to this because we have recently adopted the Local Development Plan so these aspects are incorporated into it.
- The Panel heard that that Audit reports are useful exercises and can assist services by deep diving into certain aspects. Although this report did not do that, it was based on a small number of in depth consultations with some authorities and via questionnaires with the majority of authorities, including Swansea. With most Audit reports, the inspectors come back to authorities to discuss outcomes before it is published. This did not happen with this particular audit.
 - The panel did agree that the Audit Report was not reflective of Planning in Swansea and that it does not show enough technical knowledge to make assessment useful. The Panel would like to see the Welsh Government's response to the report in due course. Officers to supply when available.

8 Planning Annual Performance Report 2018/19

The Head of Planning and City Regeneration and the Area Team Leader for Development Management attended the meeting to discuss the Planning Annual Performance Report 2018/19. The following was noted:

- The Planning Annual Performance Report is a mechanism used by Welsh government for monitoring Local Planning Authority performance against a key set of national performance indicators and as a means of driving its agenda for modernising the planning system in Wales.
- The Cabinet Member thanked Planning Committee Councillors for their work over the past year.
- The Panel agreed that the Special Planning Guidance for Houses in Multiple Occupation will be a help in guiding planning in how they move forward in this area, will back up the decisions of the Planning Committee.
- Heard that Planning work closely with partners and consult fully. The planning process is now more streamlined and speeds up process.
- Call-in for Planning is very difficult. Cllr Holley and Cabinet Member Cllr Thomas to discuss this further.
- A lot of work is taking place around wellbeing and diversity.
- Panel expressed concerns about Welsh Government over riding local decisions in appeals...therefore overriding local views.
- Capacity of the Nature Conservation Team to enforce around ecological issues and regulations was raised. The Panel will ask the Cabinet Member in the Conveners letter 'what is being done to ensure there is capacity to regulate and ensure ecological constraints are followed'.

9 Work Plan 2019/20

The Panel were informed that a tentative meeting date of the 26 February has been arranged for the budget to complete pre-decision scrutiny on the Sustainable Swansea – Fit for the Future Budget Proposals.

The meeting ended at 11.30 am