



CITY AND COUNTY OF SWANSEA

Dinas A Sir Abertawe

Councillor Rob Stewart
Leader and Cabinet Member for Finance
and Strategy

BY EMAIL

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13/10/14

Dear Councillor Stewart,

Service Improvement and Finance Scrutiny Performance Panel 17 September 2014

As you have retained responsibility for finance within your portfolio as Leader of the Council, we will continue to correspond with you on the observations and recommendations of this scrutiny panel's deliberations.

The Service Improvement and Finance Scrutiny Performance Panel met on 17 September and we are grateful to the officers who attended namely Lee Wenham (Head of Communications & Customer Engagement), Mike Hawes (Head of Finance & Performance) and Steve Barry (from the Wales Audit Office), for the advice and information they provided.

Public Engagement Strategy

We received a detailed report from the Head of Communications regarding the Council's plans to engage with the public in order to raise awareness of our significant budgetary challenges and to gain understanding of what the public consider to be priorities. We were interested to learn that the consultation is also focussing on what services members of the public and community groups would be willing to take over and run themselves. Swansea Tennis Centre was cited as an example of a facility that has been taken over by its members from the Council and is now run as a social enterprise, as an alternative to it closing down.

We were informed that this stage of the consultation is not about any specific budget cuts, but is rather intended to help the Council understand what is most important to the community and what people are prepared to do for themselves. Therefore the engagement sessions will be focusing on community groups and individuals over the future of council services and their potential role in helping to maintain/run services. This is certainly something that Ward Members can contribute to and we look forward to receiving the engagement packs to enable us to participate in this important conversation. This is alongside a wider campaign of awareness raising through the Swansea Voices Questionnaire and on-line methods, plus engagement with council staff and Members.

We understand that the next stage of the process will be the specific budget proposal, which this Panel expects to be consulted on in due course (as was agreed in previous correspondence with you).

During our discussions on this topic we made a number of specific observations including:

- We previously wrote to you about the Panel having sight of the consultation results as soon as possible in order for us to fully digest the findings before we comment on the budget proposals. We appreciate your agreement to this and look forward to receiving the results in due course.
- We felt that it was important that Ward Members are advised on the groups that are being contacted/engaged within their areas so that they can advise on any gaps/omissions.
- We also felt that whilst there is a launch event planned for early October, it would be beneficial to hold a number of such events in community locations (e.g. leisure centres) to help spread the message further. All local events should include Ward Members.
- Whilst Swansea Tennis Centre has been cited as an example of community members taking control of an asset when the Council could no longer provide it, we expressed concern that the processes are not in place across the Council to facilitate the handover of services to the community. We were advised that where interest for running services/facilities is expressed then the relevant head of service will start negotiations and the needs of each area/service will be different. This is an area that we believe requires further development to ensure there is a standard approach and understanding across the Council.
- We were made aware of the development of the Community Action Fund (with a budget of £300k) in order to aid this work. We wish to emphasise that it is important that Ward Members are fully aware of this fund and how it can be accessed so that they can properly advise their communities.

Wales Audit Office (WAO) Annual Improvement Report

We met with Steve Barry from the WAO, who discussed the Council's Annual Improvement Report. In particular he focused on the forthcoming Corporate Governance Inspection and the importance that the WAO will place on scrutiny arrangements. He identified some issues which had been highlighted regarding our current scrutiny arrangements, in particular the public availability of information regarding the content and outcomes of scrutiny meetings and whether our current arrangements are sufficient. We look forward to participating in the inspection and to hearing the outcomes.

End of Year Financial Monitoring report and 1st Quarter Budget monitoring

As part of our ongoing monitoring of finance performance information we looked at the End of Year Financial Monitoring report and 1st Quarter budget monitoring report.

We noted that 1st Quarter is currently showing a predicted end of year overspend of £1.8m. The Head of Finance informed us that Directors are expected to take action on this. He advised us the Executive Board has strengthened current arrangements for budget monitoring in particular focusing on: quicker reporting; focus on corrective action; increased control; and a specific focus on the large scale savings required. As a result we were advised that Quarter 2 is looking more promising with predicted overspends down to £500-£600k. We will monitor this prediction when we receive 2nd Quarter report in December.

We also looked at the Budget Savings tracker which provided us with a clear picture of progress towards achieving the challenging savings targets. We will continue to monitor the budget savings tracker as part of our quarterly budget monitoring.

A number of questions were raised as a result of this discussion including:

- What is the reason for the overspend in Home/Domiciliary Care older People & Direct Payments?
- What is the reason for the overspend in Mental/Health/Learning Disability placement costs?
- What is the reason for the underspend in Residential Care Older People (*is it linked to the overspend in Home/domiciliary care*)?
- What is the reason for the net increased cost in Leisure Centres provision?
- What is the reason for LAWDC overspend?
- What is the reason for waste staffing overspend?
- Can it be confirmed that the underspend in the Member's Environmental Improvement Budget is carried forward and not used for other purposes?

The Head of Finance has agreed to provide responses to these queries, therefore a response is not required directly from you on these matters.

Future meetings

Turning to our upcoming meetings, we are due to receive the Mid-Year Budget Statement at our meeting on 12 November, therefore please could you confirm if you will be able to attend to discuss this with us?

Finally, as previously directed by the Scrutiny Programme Committee, we have included space in our work plan to hold question sessions with a range of Cabinet Members to monitor the implementation and impact of budget decisions within their portfolios. We plan to invite the Cabinet Member for Education to our November meeting for this purpose. We will be interested in receiving a general update on progress towards achieving savings targets within the education portfolio and the Cabinet Member's views on whether there are any areas of concern or any significant performance issues. We will contact her separately to arrange this.

In summary we recommend that:

- As part of the Budget Engagement Strategy, Ward Members are advised on the groups that are being contacted/engaged within their areas so that they can advise on any gaps/omissions.
- Launch events for the budget engagement process should be held in a number of in community locations to help spread the message further. All local events should include Ward Members.
- Development work is undertaken to ensure there is a standard approach to deal with requests from community groups/social enterprises/members of the public to take over council services/assets and common understanding amongst Councillors and staff of the Council's approach to this.
- Details on the new Community Action Fund are circulated to all Councillors and relevant staff at the earliest opportunity.
- We invite you to attend our meeting on 12 November to discuss the Mid-Year Budget Statement.

It would be helpful to receive your reply to this letter by 10 November. Scrutiny Letters and responses are also included in the agenda of the Scrutiny Programme Committee as the committee maintains an overview of all scrutiny activities, and monitors correspondence. We look forward to receiving your response.

Yours sincerely,



Councillor Mary Jones

Convenor, Service Improvement and Finance Performance Panel

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Overview & Scrutiny / Trosolwg a chraffu

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