



CITY AND COUNTY OF SWANSEA

Dinas A Sir Abertawe

Councillor Rob Stewart
Leader and Cabinet Member for Finance &
Strategy

Please ask for:
Gofynnwch am:
Direct Line:
Llinell
Uniongyrochol:

Scrutiny

01792 636292

e-Mail
e-Bost:

scrutiny@swansea.gov.uk

BY EMAIL

Our Ref
Ein Cyf:

Your Ref
Eich Cyf:

Date
Dyddiad:

15 January 2015

Dear Leader,

Service Improvement and Finance Scrutiny Performance Panel – 7 January

We are grateful to you and Mike Hawes for attending our meeting on 7 January to discuss draft budget proposals and answer the panel's questions. This letter reflects the main issues we discussed.

It is clear from the Sustainable Swansea - Fit for the Future Strategy, the draft budget proposals and our discussion with you that the impact of funding reductions will profoundly affect the way local services are delivered over the medium to long term, and that the challenge is becoming more difficult each year. Therefore it is even more important that the decision making process includes arrangements for constructive challenge. Scrutiny is a key part of this and we appreciate your willingness to engage with us on this issue.

Some specific points that we would like to make include:

Timing of savings

We highlighted a number of queries regarding the timing of savings on various proposals. Whilst the proposals for some services indicate that savings will not be made in the first year, you clarified that where reviews of services are underway, if savings are identified then there should not be a delay in implementing them. We take this to mean that savings identified for later years may be brought forward if possible. Is this correct?

Cost analysis

We raised the point that it is essential that the Council is able to accurately forecast the unit cost of services, particularly in the area of Social Services, as important decisions on future service delivery are being made on this basis. You agreed with

this point and advised us that work has been on-going by the Finance Department to ensure that this discipline and skill is incorporated into the budget setting for all departments. This approach has been reflected by the improvement in the overall overspend in the Council's budget to within 1% variance over recent years. In addition, you advised us that the forthcoming appointment of a Commercial Manager will further advance progress in this area.

Delegated Schools Budget

You confirmed that the planned reduction in the delegated schools budget (which accounts for 80% of the overall education budget) will be 5% each year over a 3 year period. Despite the Council's prioritisation of education (along with social services), it will not be possible to ring fence it from budget cuts if the savings required are to be met (although the level of cuts required are much lower than in other service areas).

We were pleased to hear that the Council is actively engaging with schools through the School Budget Forum and that you have been clear with them from an early stage what budget reductions they can expect in order to enable them to plan ahead. We were also pleased to hear about the collaborative approach that you will be taking forward to work with schools on how best to deliver the savings.

Clarity of the report

We felt that whilst the report is comprehensive, further clarity should be provided on the revenue available to the Council over the next 3 years. For example, the report presents the anticipated cumulative budget reduction over 3 years (£81.7m) but only provides the revenue figure for year 1 (£346.8m). In order to provide a clear comparison the report should also reflect what the anticipated cumulative revenue will be over 3 years.

Community Councils

A concern was raised regarding the ability of Community Councils to take on responsibility for local services that the Council is no longer able to provide. The point was made that if Community Councils decide to take over the delivery of some services then they may require additional funds. If this is anticipated during the next financial year then this should be included in their budget calculations and may affect the level of precept that they charge. However it is not yet clear which services will cease. The deadline for Community Councils to submit their precept levels for 2015/16 to the Council is 31 January; therefore it would be difficult for Community Councils to take this into account when setting their budgets for 2015/16.

You advised that until the consultation period is completed then no definite decisions can be confirmed. We accepted the explanation regarding the required deadlines for the submission of Community Council precepts, which cannot be extended past 31 January, as they are required to ensure that the deadlines for agreeing the overall Council Tax levels for Swansea and issuing bills can be met.

However, we wish to make the wider point that clear communication will be essential with Community Councils and other organisations in order to ensure that they are able to make well informed decisions about their future role in service delivery. It is

particularly important that a stream-lined, efficient decision making process is in place to facilitate hand over of services, whilst at the same time maintaining an appropriate level of due diligence. We were pleased to hear that a toolkit is in development in order to assist this process.

Learning from elsewhere

We identified the importance of learning from other local authorities who have effectively dealt with budget cuts of this magnitude. We were pleased to hear of the wide range of approaches that you take to engage with others, for example: work with neighbouring authorities through the WLGA; discussions with Nottingham and Leicestershire Councils; quarterly meetings of the Welsh Treasurers group.

Finally, there were some questions that required further clarification that you agreed to respond to. These included:

- Have town and community councils been issued with the full draft budget proposals?
- Clarify what is included the proposed reductions in Childcare and Early Years Support and child care apprenticeships?
- Confirm how much of the Community Action Fund has been allocated so far?
- Confirm what percentage change there has been in the Welsh Government's settlement received from Westminster?

In view of the timescales for publication of the Cabinet papers we have arranged to meet with you on 5 February at 12pm in order to discuss the final budget ahead of the Cabinet and Council meetings in February.

We would be grateful for your response to this letter so that the Panel is informed of your consideration of the views expressed. It would be helpful to receive your reply to this letter by 4 February.

Yours sincerely,



Councillor Mary Jones

Convenor, Service Improvement and Finance Scrutiny Performance Panel

✉ Mary.Jones@swansea.gov.uk