

Report of the Section 151 Officer

Council – 23 February 2017

REVENUE BUDGET 2017/18

Purpose:	This report proposes a Revenue Budget and Council Tax Levy for 2017/18.
Policy framework:	Sustainable Swansea – Fit for the Future
Reason for decision:	To agree a Revenue Budget and Council Tax levy for 2017/18.
Consultation:	Cabinet Members & Executive Board
Recommendations:	Council is asked to approve a) A Revenue Budget for 2017/18 as detailed in Appendix 'A' b) A Budget Requirement and Council Tax levy for 2017/18 as detailed in Section 9 of this report.
Report Author:	Mike Hawes
Finance Officer:	Ben Smith
Legal Officer:	Tracey Meredith
Access to Services Officer:	Phil Couch

1 Introduction and background

1.1 This report details:

- Financial monitoring 2016/17
- The Local Government Finance Settlement 2017/18
- Budget Forecast 2017/18
- Specific Savings Proposals
- Outcome of Budget Consultation
- Staffing Implications
- Reserves and Contingency Fund requirements
- The Budget Requirement and Council Tax 2017/18
- Summary of funding proposals
- Risks and uncertainties

- 1.2 The financial assessment in relation to 2018/19 – 2020/21 is contained in the **Medium Term Financial Plan 2018/19 – 2020/21** report elsewhere on the agenda.
- 1.3 This report builds upon and needs to be read in conjunction with -
- The budget strategy agreed by Council on 22nd October 2013 – **‘Sustainable Swansea, Fit for the Future’** focusing on the principles and strategies to be adopted as part of the current and future budget process.
 - The report to Cabinet on 29th July 2014 – **‘Sustainable Swansea – Fit for the Future : Delivery Programme’** which agreed the specific objectives of the programme and set out an outline programme for delivery.
 - The update report on Sustainable Swansea – Fit for the Future as approved by Cabinet on 16th July 2015.
 - The report to Cabinet on 12th December 2016 – **Sustainable Swansea – Fit for the Future : Budget Proposals 2017/18 – 2019/20** setting out the Council’s proposals for budget consultation.
- 1.4 The report sets out the outcome of the budget consultation. Cabinet has considered the comments received from residents, community groups, partners, employees, School Budget Forum, Joint Phase Head Teachers, Trade Unions and others. The report also includes an Equality Impact Assessment statement so the Council can be aware of the key issues before finalising budget proposals.

2. Financial Monitoring 2016/17

- 2.1 Cabinet considered a report on the estimated Revenue Outturn for 2016/17 on 9th February 2017. It was projected that the Council will outturn at a position that reflects a very substantially improved position from the £4.5m forecast overspend at quarter 2.
- 2.2 That report for the 3rd quarter financial monitoring highlighted an improving picture for the Council overall but, as is the case in quarter 2, there was substantial variation in performance across Directorates.
- 2.3 There were also variations on budgets which are corporate in nature and not linked to direct service provision.
- 2.4 Current estimates are that the overspend is likely to be limited to around £1m (approximately 0.25% of original budget) as an upper figure, predominantly because of significant use of specific reserves to meet one off pay related costs on JE implementation.
- 2.5 2016/17 has seen continued significant progress in settling almost all outstanding matters relating to equal pay claims and backpay following the

Council's introduction of an equal pay compliant pay and grading structure from April 2014. The settling of liabilities in respect of these items has continued throughout 2016/17.

- 2.6 Settling these claims removes a substantial and open ended risk in respect of the Council's ability to manage its financial affairs going forward. Current forecasts show that costs relating to claims and back-pay can be contained within current resources (including significant use of specific reserves and provisions) but there remains a risk in that the final cost will not be known until all payments are processed.

3. The Local Government Finance Settlement 2017/18

- 3.1 The Minister for Local Government & Government Business announced the final Revenue and Capital Settlement for 2017/18 on 21st December 2016.
- 3.2 The final Revenue Settlement for 2017/18 provided an additional increase of £1.315m compared to the provisional settlement issued in October 2016, and included in the budget proposals report to Cabinet in December 2016. This is mainly due to an increase of £741k in respect of a new responsibility for Homelessness Prevention. Changes are as follows:

	<u>£'000</u>
Forecast increase in Welsh Government support 2017/18 per Cabinet report 12 th December 2016	1,618
Funding for Homelessness Prevention	+741
Increase due to updated data and assumed relative changes in tax base	+574

- 3.3 The result is an improvement on forecast Aggregate External Finance of some £1.3m. However, there are likely further reductions in several specific grant totals, which may affect actual grant received by the Council in due course. The overall outcome on specific grants will not be known for some time and as such the overall funding picture may not reflect the improvement evident on the settlement alone.
- 3.4 Implicit in the settlement is assumed partial protection in respect of Social Services. The local value of that protection is not particularly specified in terms of value but it is anticipated that funding in terms of known service pressures identified in Section 4 of this report will satisfy any ministerial funding expectation. Some further details have been announced by Welsh Government on additional funding to be made available for domiciliary care purposes to help mitigate cost pressures caused by the national living wage increases (which this Council has of course already prudently already budgeted for in its estimates).
- 3.5 In respect of Schools, there is no longer an ongoing formal ministerial protection or funding guarantee so any decision over schools funding is a

local one to be made by Cabinet and ultimately by Council, having any due regard to any budget consultation responses received.

3.6 In revising the Medium Term Financial Plan and setting the Budget for 2017/18, it is essential that the Council adheres to and continues to implement the objectives in *Sustainable Swansea – fit for the future*. The Council has made clear through *Sustainable Swansea* that the need to transform services, reduce or divert demand through prevention and to look for alternative models of delivery, including community action, is required for our future sustainability and to improve outcomes for residents.

3.7 **The financial pressures and level of risk that we face and will continue to face make the need to implement these changes ever more urgent. The further increase in AEF should be seen as an opportunity to increase investment in the Council's priorities and preventative action in particular, not to slow down the pace of change or the level of required savings.**

4. Budget Forecast 2017/18

Overview

4.1 The budget proposals for 2017/18 as submitted for consultation on 12th December 2016 resulted in a projected funding deficit of £15.269m. The funding deficit was made up of projected funding pressures of £16.887m partly offset by a provisional increase on Welsh Government Aggregate External Finance of £1.618m as set out in Section 3.2 above.

4.2 The announcement of the final settlement, together with an improved view on the financial position with regards to 2016/17 outturn, means that the overall funding deficit forecast for 2017/18 has changed.

4.3 In addition, the opportunity has arisen to review all aspects of the budget pressures and risks so far identified with a view to updating the forecast using the latest up to date assumptions.

4.4 The options for funding the deficit that is identified remain as:

- Savings on current service net expenditure (through a combination of expenditure reduction and additional income generation)
- Increases in Council Tax levels
- Potential reductions in contributions to the Contingency Fund (not considered necessary)
- Use of Reserves and Balances (not advised)

Forecast funding shortfall 2017/18

4.5 The revised shortfall in funding previously identified in Section 4.1 above can now be updated and summarised in Table 1(a) below:-

Table 1(a) – Projected pressures 2017/18

	2017/18
	£'000
Future cost of pay awards	1,800
Schools Pay Award	1,200
Pay and grading scheme	2,700
Increased Employers Pension Cost	1,300
Increased Employers Pension Cost – School based staff	200
<i>Costs imposed without funding by UK Government</i>	
- Apprenticeship Levy	900
- Apprenticeship Levy – Schools	400
- National Living Wage – contract inflation	1,400
Capital charges	750
Use of General Reserves	0
Passported through AEF to Services	1,293
Demographic and Service pressures	3,964
Investment in services (including EOTAS)	2,208
Council Tax Support Scheme	600
Fire Authority Levy/Port Health Levy	325
Total known pressures	19,040
Final increase in core Welsh Government Funding CASH	-2,934
Total Savings Requirement	16,106

- 4.6 The reasons for the increase in the overall savings target since Cabinet in December are detailed in Table 1(b) below:

Table 1b – Movement in projected pressures

	2017/18
	£'000
Target per Cabinet Report 12th December 2016	15,269
Increase in Aggregate External Finance from the Welsh Government	-1,316
New responsibilities/opportunities for Homelessness Prevention	741
Revised increased cost of living wage	400
Schools - apprenticeship levy/pensions	600
Other minor consequential estimate refinements	87
Projected increase in Levies	325
Cumulative revised target	16,106

Inflation

- 4.7 The 2016/17 revenue Budget provided a corporate provision of £3m for inflation, of which there has been a call of £1.6m during 2016/17. This was to cover specifically increased contract costs due to the rise in National Minimum Wage levels and increased costs on recoument and home to school transport.

Given current UK inflationary levels and forecasts to come through the year there is no case to be made for increasing the corporate (General) provision for inflation in 2017/18.

It is the case, however, that the Council is likely to experience significant cost pressures in specific areas as detailed in Table 2 below and these have already been provided for as follows.

Table 2 – Potential Service inflationary and cost pressures:

	£'000
Increased contract costs due to rise in National Minimum Wage levels (already in services)	1,400
Increased cost due to new Apprenticeship Levy (held centrally)	900

In the November 2015 Autumn Statement, the Chancellor first announced significant increases in the National Minimum wage to be introduced over the next three financial years. Whilst the actual increases will vary year to year there will be continued pressures. This is unlikely to affect direct employee costs incurred by this Council during 2017/18, it is highly probable that this will impact directly on wage costs of external contractors particularly in respect of contracted services within Social Services. To this extent a sum of £1.4m has already been set aside within the budget proposals in order to meet these potential costs.

Irrespective of increases in minimum wage, there is likely to be pressure from contracted areas in both Social Services and Transport Services for elements of cost increases. These will need to be funded from the Contingency Fund on a case by case basis as the need arises. Consequently the contingency fund contribution has been increased by £1 million to meet this and other general emerging inflationary pressures.

The Chancellor of the Exchequer continues to assume limited pay awards within the public sector at a level of no more than 1% per annum until 2020. This increase for 2017-18 has therefore been built into revenue budget proposals.

The Apprenticeship Levy is held centrally on this general provision for inflation line as we await further details of the how the scheme will operate in practice but we are certain it will happen so this sum has to be considered already fully

committed with the final sum uncertain rather than merely a general provision for a cost that might come to pass.

As in previous years, and as detailed below, it is assumed that any provision for increases in School pay budgets will be met directly from Schools' delegated budgets.

Schools Prioritisation

- 4.8 It remains the case that the forward financial plans for the Council will continue to show year on year savings requirements which are likely to be significant and sustained.

Given the scale of savings required, it is inevitable that it will be impossible to exempt schools' budgets fully from longer terms real terms cuts.

- 4.9 Reductions can be viewed in two ways:

- Cash reductions in levels of funding provided to Schools
- Real terms reduction in Schools funding, taking into account known spending needs

- 4.10 For 2017/18 there is no longer any Ministerial funding commitment to schools, however it is intended to provide funding for various service pressures as a local priority for Cabinet.

The net result of these proposals is an increase in the underlying cash settlement to Schools of some £1.8m for 2017/18.

In addition, the headline increase across Wales in respect of Pupil Deprivation Grant is 7.38% which, if applied uniformly, would result in an increase to Swansea Schools of around £0.5 million.

- 4.11 Table 3 below sets out the effective impact of the core funding increase as against expected funding pressures for Schools.

Table 3 – Impact on Schools delegated budgets

Item	£'000
<i>Cash position</i>	
Net core delegated base budget 2016/17	126,684
Increase for Pay Award (1%)	1,200
Increase for new Apprenticeship Levy (0.5%)	400
Increased Pension costs re non-teaching school based staff	200
Core delegated base budget 2017/18	128,484
+1.4%	

i.e. The above cash increase assumes that Schools will meet the additional costs of teachers pay awards, pension costs and apprenticeship levy increases for 2017/18.

The increase in core delegated budget would therefore be 1.4%.

Further delegated funding increases for Specialist Teaching Facilities plus additional delegation and/or devolvement of some existing budgets to schools over both 2016-17 and 2017-18 (school meals, cleaning, part of breakfast clubs, kitchen repairs) means that the total amount available to school governing bodies and head teachers to decide to spend locally and flexibly has significantly increased from the 2016-17 original budget. The total gross school cost centre budgets set out in Appendix H have increased by more than £4.5m for 2017-18.

It remains the case, however, that substantial elements of Schools Funding (c£12m) are now being delivered via specific Grant (Pupil Deprivation Grant and Education Improvement Grant) which results in a substantial annual risk to overall School's funding which is not in the control of this Council.

Social Care protection

- 4.12 The Welsh Government overall Revenue Settlement for 2017/18 included a notional all-Wales allocation of £10m to fund further pressures in Social care. Consultation is taking place as to whether this sum is available to Local Authorities or is ringfenced to Health and is to be allocated at a regional level. There has been a further announcement of £10m available to local authorities for domiciliary care purposes (predominantly national living wage related cost increases). Further information will be provided on this in due course.

Overall the cash budget proposed for social services increases by around 0.3% or £0.3m.

Capital Financing Charges

- 4.13 There is a base line increase of a net £750,000 compared to the 2016/17 approved budget reflecting the potential requirement to externalise elements of borrowing during 2017/18 dependent on expected movements in borrowing rates.

As at 1st April 2015, and to date, a significant element of the Capital Financing requirement has been met by the allocation of internal funds (Internal borrowing). This is highly dependent on cash-flows of the Council and it is anticipated that, during 2017/18, as has happened in 2016/17, there may be a further need to externally borrow to replace elements of current internal borrowing.

Whether or not that need arises, I am mindful that we continue to enjoy historically low rates of interest on borrowing, and that a decision may be required to externalise further elements of current internal borrowing should there be a predicted and marked increase in forecast rates in order to best serve the Council's interests in the medium to long term.

Furthermore the authority has a potential range of ambitious and challenging investment plans and opportunities in the shape of 21st Century Schools Band B programme, the City Region Deal, City Centre redevelopment, and new housing plans. It is therefore prudent to start anticipating some of the financial costs of this investment and to that end an initial just over £1m of additional capital financing costs on top of the base increase of £750,000 has been provided for in the proposed budget for 2017/18.

Fire Authority Levy

- 4.14 Since the 9th February 2017 Cabinet report we have been notified of a proposed final increase in the Fire Authority Levy of £0.363m (3.0%). The final figure reflects an overall average 2.8% increase in the levy and some redistribution of shares of the levy between contributing authorities (£0.029m).

Pay & Grading Settlement and the Living Wage

- 4.15 A single pay and grading structure was introduced across the Authority with effect from 1st April 2014.

The introduction of a single pay and grading scheme is a positive achievement and in future years will add certainty to pay estimates. The Council has made considerable progress in terms of completing the Appeals process arising out of implementation and in making payments of back pay to those who gained under the new scheme and/or were successful in the appeals process.

The current budget proposals do not set aside any additional sum in respect of pay and grading based on the progress that the Council is making to settle all outstanding liabilities by 31st March 2017.

In line with previous reports, the budget proposals for 2017/18 allow for increased employee costs of some £2.7m for 2017/18 in relation to incremental progression for those staff who were originally assimilated to the bottom of their pay scale on implementation of the pay and grading scheme.

Council Tax Reduction Scheme

- 4.16 The Authority received a baseline adjustment to its Revenue Support Grant allocation of £18.883m for 2014/15 which has been notionally included as part of future grant settlements. The effect of this base grant allocation is that any future increases in Council tax levels would have to be discounted by any potential increases in Council Tax Support costs. Where appropriate the yield will also have to take account of any increase in Council Tax Support Costs arising from increases in the Council Tax applied by the South Wales Police Commissioner.

The effects of funding additional Council tax support have been taken into account when calculating the funding in respect of the overall budget shortfall highlighted in table 1(a) in section 4.5 of this report in the sum of £0.6m.

5. Specific Savings Proposals: Update

- 5.1 In determining its budget proposals, the Authority has embarked on a specific long-term strategy – ‘*Sustainable Swansea – Fit for the Future*’ - as a means of setting Council priorities, transforming services and addressing current and future deficits.

Details of that strategy, including the budget principles that the Authority has adopted together with a description of the key elements that underpin the service savings proposals, was presented and approved by Council on 22 October 2013 and subsequently reviewed by Cabinet on 16th July 2015.

- 5.2 The strategy as adopted underpinned the decision taken at the Council’s Cabinet on 12th December 2016 to recommend specific savings proposals totaling £15.701m in 2017/18 for consultation. Cabinet on 9th February 2017 has now considered what changes be made to these proposals in light of the outcome of the consultation and these are set out in section 6.18.
- 5.3 The overall savings proposals, totaling some £15.701m as detailed below include the previously agreed senior staff reductions, specific service proposals and a reduction in the insurance reserve.

Table 4 – Summary of Savings proposals (as at 12th December 2016)

Savings	Savings £'000
Service Savings as submitted for budget consultation	12,536
Senior Staff reductions	2,465
Reduction to Insurance Reserve *	700
Total	15,701

* Made possible by efficiencies in procurement and administration of insurance, this reduction is per annum for 3 years.

- 5.4 As with previous years, the Corporate Management Team will ensure that the Sustainable Swansea workstream savings targets are allocated to specific Heads of Service and cost centres for delivery during the course of 2017/18.
- 5.5 Details around the currently assumed proposals for Council Tax levels are shown in section 9 of this report.
- 5.6 Details around use of the Council's Reserves, contingency and inflation provisions are shown in section 8 of this report.

6 Outcome of Budget Consultation Process

Budget consultation Results

- 6.1 The annual budget consultation ran from 24th December 2016 to 23 January 2017. The consultation included a public survey available online and in hard-copy in council venues. Overall we received 670 responses to the survey. We also held a children and young people's Big Conversation event attended by 75 pupils. A full summary of consultation results can be found in Appendix E.
- 6.2 The EIA process has been running continually through the budget process. The EIA **Statement** is attached as Appendix F. Cabinet and Council will be kept updated on any potential issues that may arise as part of the budget implementation process. We will continue to publish each EIA report as it reaches completion at: <http://www.swansea.gov.uk/eia>
- 6.3 Council will need to consider the response to consultation and the EIA report and demonstrate how we are taking account of the feedback. This is particularly the case, of course, if we are minded to proceed with any proposals where there is a significant majority of those responding opposed to

this, bearing in mind that consultation feedback is just one of the factors that we need to consider when making difficult budget choices.

Main Results from the survey:

6.4 The survey provided the opportunity for people to have their say on:

- Events – a review of the events we currently undertake as a council
- Specific budget proposals
- The Council's future spend

Events

Events which are perceived least and most important are outlined below:

Unimportant

71% unimportant - Skate and Street Festival
69% unimportant - Olympic Fanzones Castle Square
69% unimportant - Silence in the Square

Important

77% important - Wales National Airshow
67% important - St David's Day Festival
65% important - Major sporting events

Specific proposals

6.5 There were a small number of proposals where there was less than 50% support from the public:

67% disagree – Average 5% increase to Council car park charges

61% disagree – Charging for Sunday Parking in City Centre car parks during off peak periods

51% disagree – Remove the remaining Council subsidy to the school music service

51% disagree – National waterfront museum remove grant for floating exhibits

6.6 The majority of specific budget proposals were supported by respondents, the most supported proposals are listed below:

92% - Further implement the Safe Looked After Children Reduction Strategy
87% - Review all existing and new care packages

86% - Increase charges for wedding venue facility at Civic Centre by approx. 5%

80% - Restructure of our tourism and marketing services so that more is delivered digitally

Future Spend

6.7 There are a number of areas that we are looking to review spend over the next year. Views were sought on these areas as part of the budget consultation. Results from the consultation are outlined in the table below:

	Reduce spend	Maintain spend	Increase spend
Keeping our streets clean	8%	63%	29%
Improving the look and feel of the Kingsway	37%	34%	29%
Our programme of high-profile and community events	42%	51%	8%
Investment in sports pitches	26%	60%	14%
Road and pavement repairs	4%	50%	46%
Maintenance and repairs of our key public buildings	15%	67%	18%

Children and young people event: The Big Conversation

6.8 The Big Budget Conversation was the 4th annual consultation with children and young people on the City and County of Swansea budget proposals. The event gave 75 pupils from 12 secondary schools across Swansea an opportunity to consider a number of budget proposals that the City and County of Swansea have to make in order to meet the required savings target. The full outcome of the Big Conversation can be found within summary of consultation results.

6.9 The City and County recognises every child's right to be heard in decisions that affect them, and to ensure a quality experience for children and young people, a comprehensive exercise was undertaken to assess which of the full list of budget proposals:

- Have been identified as important and relevant to children and young people, by children and young people, and;
- Have already been consulted upon with children and young people

6.10 As such, young people have considered proposals relating to cultural services and events, education (specifically in relation to school meal charges), transport and future spend.

Events

Events which are perceived least and most important during the Big Conversation are outlined below:

Unimportant

100% unimportant - Skate and Street Festival

60% unimportant – Outdoor theatre

40% unimportant - City Centre/Castle Square events – e.g. Roadshows/Films etc.

Important

100% important - Wales National Airshow

100% important - Large scale music events

100% important - Major sporting events

100% important - Showing major sporting events on the Big Screen in Castle Square

Specific Proposals

6.11 We invited the group to comment on 2 of our specific budget proposals:

1. **Increase the price of school meals** – 100% of those attending disagreed with this proposal
2. **Integrate the park and ride service with commercial local bus services** - 52% agreed and 48% disagreed

Future Spend

6.12 There are a number of areas that we are looking to review spend over the next year. Views were sought on these areas as part of the budget **consultation**. Results from the Big Conversation are outlined in the following table:

	Reduce	Maintain	Increase
Keeping our streets clean		45(60%)	30(40%)
Improving the look and feel of the Kingsway	30(40%)		45(60%)
Our programme of high-profile and community events		60(80%)	15(20%)
Investment in sports pitches	15(20%)	45(60%)	15(20%)
Road and pavement repairs		30(40%)	45(60%)
Maintenance and repairs of our key public buildings		30(40%)	45(60%)

Schools Budget Forum

- 6.13 The views of the Schools Budget Forum have been received and need to be taken into account by Council before the budget is finalised. See letter at Appendix G.

Summary

- 6.14 Finally, Council is asked to note that, as part of the budget consultation process:
- A full account of the consultation responses will be placed on the Council's website
 - The detailed consultation responses have been sent to the relevant Head of Service to:
 - Reply to any particular responders as appropriate, for example, community groups, Assembly Members
 - Where appropriate, build the comments into the implementation of the proposals, subject to these being agreed by Council
- 6.15 Council is requested to consider the outcome of consultation and to agree whether or not to make any further change to the savings proposals in Appendix D.
- 6.16 As previously agreed, engagement on the delivery of the objectives in *Sustainable Swansea, fit for the future* will continue during 2017. Specific consultation will also be required on proposals from further Commissioning Reviews as they come forward during 2017.

Changes proposed to the budget in this report

- 6.17 As a result of initial feedback the following changes to the budget were proposed to Cabinet at its meeting on 9th February 2017.

	2017/18
	£'000
Revised savings target – per Table 1 a/b	16,106
Remove existing stop services saving from the 16-17 base budget and realign the 17-18 budget accordingly	2,000
Provide extra revenue funding to support capital investment - to start to recognise future costs	1,119
Ensure completely free child burials – the majority of which are already free	1
Cumulative TOTAL revised target	19,226

6.18 At the meeting of Cabinet on 9th February 2017 a number of further amendments to the budget, taking further into account the public consultation responses received, and considering wider priorities were approved for recommendation to Council as follows:

	2017/18
	£'000
Cumulative savings target – as above	19,226
REMOVE City Centre Sunday parking and increased car parking charges savings proposals	100
REMOVE the proposed reduction in the music service subsidy	97
SLOW the increase in the price of school meals, raising by 5p not 10p per meal per day	40
Additional investment:	
City Events (Christmas Parade, sports events, fan zones, pride, cohesion events)	200
Housing and City Deal pump priming	250
Feasibility study for electric bikes	20
Place based task forces – additional fly-tipping teams	100
Place based taskforces – continue funding to maintain pothole team	150
Expand Local Area Co-ordination work	80
Make all events for Veterans free	10
Targeted free parking in urban areas to boost visits	20
Funding changes advised by S151 officer to meet those revised spending and savings proposals:	
Higher than expected final Fire Authority Levy	29
Lower final local cost of providing for CTRS scheme	-50
Lower the increased funding made available to start to support the funding cost of future capital schemes	-308
Remove planned increase in contingency funding	-1,000
Cumulative TOTAL revised target	18,964

6.19 The Scrutiny Programme Committee and the Service Improvement and Finance Panel have discussed the budget proposals with the Leader of the Council. Following a meeting of the Service Improvement and Finance Panel to discuss the budget on the 7th February 2017, the Convenor of the panel attended Cabinet on 9th February 2017 to outline the views of the Scrutiny Panel.

6.20 Council will need to consider whether it is minded to make any further recommendations beyond this in its final proposals for the 2017-18 budget.

7 Staffing Implications

Background

7.1 The Cabinet Report of 9th February 2017 set out the latest estimate (**work on this is continuing and the number is likely to change**) of the impact of the current proposals on total staffing numbers for 2017/18 is set out in **Table 6** (shown as Full Time Equivalents (FTEs))

Table 6 – Impact of Savings Proposals on FTEs 2017/18

		FTEs
Service Saving Proposals		
	Corporate Services	7
	Business Support – Corporate Services leads	60
	Place	12
	People	17
	Total	96
Senior Staff Savings		
	Corporate Services	12
	Place	18
	People	18
	Total	48
	Grand Total	144

7.2 The Council is committed to continue to work closely with Trade Unions to minimise the number of compulsory redundancies.

7.3 The S188 Letter was sent out on 13th December 2016 and consultation with Trade Unions ran until 31st January 2017.

7.4 Six meetings have taken place with the Trade Unions since the S188 was issued; with further meetings scheduled as and when required.

7.5 It should be noted that consultation will be undertaken on a rolling basis outside the normal budget cycle, as the outcomes from commissioning and other reviews are presented to Cabinet. Consequently, in some Service Areas, it was not possible at the time of the formal meetings with the Trade Unions to give details of the precise impact on staff and the figures quoted were, therefore, overall estimates. Future meetings with Trade Unions will be used to provide more detail when this becomes available as future options are agreed.

- 7.6 A reduction in posts in 2017/2018 will be unavoidable, given that the Council spends 40% of its overall budget on employees (significantly more in some Service Areas).
- 7.7 As achieved and evidenced in previous years, and continuing the Council's current policy, every effort will be made to minimise compulsory redundancies. Management action includes:
- *Tight management of vacancies so that we manage the deletion of posts via natural wastage over time*
 - *The use of fixed term appointments where a post needs to be covered*
 - *Stopping the use of agency staff unless a clear business case can be made*
 - *Redeployment and retraining where ever possible*
 - *Further encouragement of staff to consider ER/VR options, including bumped redundancies and a time limited enhanced ER/VR offer*
 - *Encouraging staff to work flexibly e.g.: reduce hours or job share*
 - *Flexible retirement*
 - *Redeployment Open Days for staff*
 - *Enhanced redundancy payment (maximum of 45 weeks). This is currently applies to applications approved before 31st March 2017 and with end dates up to 30th September 2017.*
- 7.8 The groups of staff likely to be most at risk (no options can be ruled out at this stage) are those affected by service savings, those in management/supervisory posts and those employed in business support functions.

Issues

- 7.9 To date, the Trade Unions have not raised any concerns in relation to the level of information provided to them which includes the service savings proposals for each service area, which includes details of where the posts at risk are.
- The Trade Unions have been asked whether they will be providing a formal response to the proposals. However, to date they have not yet confirmed whether they intend doing so.

Based on current information it is anticipated that there will some changes to the staffing figures as a result of:

- ERVR applications
- Not filling vacant posts
- Flexible Working requests, i.e. reduced hours
- Flexible Retirement
- Redeployment
- Bumped redundancies

These figures will be updated on an ongoing basis.

HR are constantly working with redeployees to secure them alternative positions. Employees at risk, i.e. those who have not been served notice, can also be considered for redeployment.

In addition, all posts are placed on the list of posts for employees at risk in the first instance. Director approval is required in order for the posts to be advertised either on the Vacancy Bulletin or externally.

Consultation Period and Notice Periods

- 7.10 The formal staff consultation period ended on 31st January 2017; although consultation meetings with the Trade Unions will continue as and when necessary.

Assuming that Council approves the budget, it will be after this date that the workforce implications of the budget can be implemented.

After any redundancy selection process has been completed, displaced staff will then be served with their contractual notice which could range from a 4 week period up to 12 weeks, which depends on the employee's length of service.

8 Reserves and Contingency Fund Requirement

Background

- 8.1 It is a requirement of the Local Government Finance Act 1992 that authorities have regard to the level of reserves when calculating their Budget Requirement. Whilst there is no prescribed statutory minimum level of reserves, account should be taken of the strategic, operational and financial risks facing the Council.
- 8.2 In assessing the adequacy of reserves account needs to be taken of the following general factors:
- treatment of inflation and interest rates
 - level and timing of capital receipts
 - treatment of demand led pressures
 - expected performance against challenging budget requirements
 - treatment of planned efficiency savings / productivity gains
 - financial risks inherent in major capital developments and funding
 - the availability of reserves, government grants and other funds
 - general financial climate to which the authority is subject

In addition, whilst the Council is making substantial progress towards achieving a balanced budget for 2016/17, there remains potential volatility until March 2017. Any consideration on use of reserves to fund the 2017/18 Revenue Budget is dependent on the level of confidence in predicting

2016/17 Revenue Outturn. At present it remains the case that there should be no planned use of reserves for the 2017/18 budget.

Setting the level of reserves is just one of several related decisions in the formulation of the Medium Term Financial Strategy i.e. it is more than a short term decision.

- 8.3 In considering reserve levels Members should have specific regard to:-
- The report of the Section 151 Officer to Council on 1st November 2016 'Review of Revenue Reserves'
 - The guidance issued by Welsh Government and circulated to all Members advising on methods that might be employed when reviewing the overall reserves of the Council.

General Reserves

- 8.4 The General Reserve amounted to £12.360m at 1st April 2016.
- 8.5 The Revenue Budget for 2016/17 approved by Council on 25th February 2016 assumed no transfer from General Reserves to support the budget. Any final determination on the use of reserves will depend on the outturn position for 2016/17.
- 8.6 At this point in time it is not proposed to transfer any further element of the General Fund Balance to support the 2017/18 Revenue Budget.

The level of General Fund balances therefore estimated at 31st March 2018, assuming achievement of the 2016/17 Revenue Budget, would also be £12.360m.

Contingency Fund

- 8.7 The 3rd quarter financial monitoring report detailed several forecast uses of the Contingency Fund in 2016/17. At this time, it is anticipated that the £5.4m budgeted contribution in 2016/17 will be fully expended and/or used to fund the Councils outturn position. Given the overall position as forecast in the 3rd quarter budget monitoring report for 2016/17 considered elsewhere on this agenda, the forecast Fund balance as at 31st March 2017 is nil.
- 8.8 In assessing the value of the Contingency Fund requirement in 2017/18, the following potential requirements are relevant:
- (a) The risks and issues detailed in Section 11 below.
 - (b) The need to provide a potential source of finance for the ER/VR scheme (if it is extended beyond 31 March 2017), together with the need to fund any redundancy costs arising from service reorganisation bearing in mind the Council has now retained Earmarked Reserves for this purpose.

(c) The poor outlook for Public Finances as set out in the Cabinet report on 12th December and summarised in the MTFP report elsewhere on the agenda.

(d) The expectation that any emerging additional inflationary pressures beyond the large already budgeted items (National Living Wage, Apprenticeship Levy) will be a call on the fund in year.

8.9 Bearing the above in mind, together with the proposals in respect of funding current year service pressures within the 2017/18 base budget, which continues to maintain reduced levels of risk, it is recommended that the contribution to the Contingency Fund in respect of 2017/18 is maintained at £5.4m.

Earmarked Reserves

8.10 The Council retains earmarked reserves for specific purposes. The reasons for holding these reserves are documented and are subject to ongoing review and scrutiny. The forecast transfers to and from reserves are summarised in Appendix C.

On 1st November 2016 Council received and approved a report detailing a formal review and re-allocation of Earmarked Revenue Reserves of the Council.

8.11 The Revenue Budget for 2016/17 approved by Council on 25th February 2016 included budget provision for two separate transfers to reserves as follows:-

- £1.6m to fund the Council's contribution to the Intermediate Care Fund replacing loss of Welsh Government core funding for that project.
- £1.7m to mitigate any loss of specific grants that could have detrimental effects on service targets.

It is intended that the contribution to the ICF Reserve now be fully allocated to Social Services budget totals and indeed is already built in on that basis.

8.12 It is clear from analysis of specific grant approvals so far received in respect of 2017/18 that the Council is likely to face a significant reduction across a number of services in terms of specific grants.

Past experience has shown that whilst it is extant Council policy that any reduction in specific grant should be met from an equal reduction in service expenditure, there is often a lag between loss of grant and reduction in costs/change in service levels.

It is also clear that in respect of some specific grants (e.g. waste grant) that any reduction in associated expenditure may have a detrimental effect in meeting service targets with a consequential increase in future financial penalties.

It is therefore proposed that a contribution of £0.95m is made to a one off reserve in order to mitigate the loss of specific grants and/or deal with timing issues, with application being made on an individual basis as each grant notification is received.

In addition, whilst not explicitly budgeted for on the face of the revenue account, there is an underlying planning assumption that £2m of the Restructuring Costs Reserve provisionally be committed towards meeting part of the cost of actual staffing reductions as they fall due in 2017-18 as part of the evolving reviews of senior staffing, business support, stopping lower priority services and the wider commissioning reviews.

To complement that planning assumption of a provisional need to take from the Restructuring Costs Reserve it is also proposed that £1m of revenue base budget is used to contribute back into the same reserve. This will help slow the overall use of that reserve but more importantly is also intended to be 'ring-fenced' to achieving requirements to implement on a regional basis a national replacement IT solution (WCCIS – Welsh Community Care Information System) for social care case and record management and to further improve customer, client and patient data integration with the NHS. This will be intended to fund one off implementation costs and potentially fund for up to one year initial increased running costs on system implementation and changeover.

Review of Insurance Fund

- 8.13 A further review has been completed of the sums set aside to provide for future claims which are not known or only partly known at this time. Such claims can be very significant and can relate to past periods going back many years.
- 8.14 In the light of that assessment £700k has been released for the next three years, starting with 2017-18 and is already reflected in the budget proposals previously considered by Cabinet in December 2016.

Adequacy of Reserves

- 8.15 Whilst the proposed use of Earmarked Reserves in 2017/18 funds some recurring expenditure, taking into account the level of General and Earmarked Reserves which would be available should there be an overriding financial requirement, and the arrangements in place to monitor and manage financial risk in 2017/18 and future years, I am satisfied that the proposed management of reserves in 2017/18 will result in a forecast level of General Reserves, Earmarked Reserves and Provisions which is adequate, subject to the potential financial implications of the risks described in Section 11 below and the final budget proposals recommended by Cabinet to Council.
- 8.16 Given the considerable risks and uncertainties facing the Council in 2017/18 and future years, it remains my advice as the officer designated with

responsibility for the overall finances of the Council that the above represents prudent financial management.

9. Budget Requirement and Council Tax 2017/18

- 9.1 The Council's recommended requirement is set out in Appendix A. The City and County of Swansea Requirement of £418.797m will be financed partly by Revenue Support Grant of £231.170m and National Non-Domestic Rates of £79.531m.

Based on the recommendations made at Cabinet on 9th February 2017, a Council Tax rise of 2.75% would generate an additional sum of £3.263m, a band 'D' charge of £1,208.25.

- 9.2 Including Community Councils, the total requirement, after taking account of proposals in respect of reserve transfers and currently assumed savings, is £419.762m.

10. Summary of Funding 2017/18

- 10.1 The implications of sections 4, 5, 6, 7 and 8 above, together with the assumed 2.75% rise in Council Tax identified in Section 9 above, results in a forecast additional funding of £19.226m in 2017/18 as detailed in Table 7 below.

Table 7 – Budget Proposals 2017/18

	£'000
Savings originally identified per Section 5.3 above	-15,701
Net effect of Council tax base increase and proposed charges	-3,263
<hr/> Overall resourcing – to meet target set out in section 6.18	<hr/> 18,964

- 10.2 I am satisfied that the budget proposals detailed in this report represent a realistic and achievable financial plan for 2017/18 subject to the potential financial implications of the risks described in paragraph 11 below.

11. Assessment of risks and uncertainties

- 11.1 As in previous years, there are a number of potential costs which have been considered in the context of the budget proposals. In particular, the following items:

(a) Implications of specific 2016/17 overspends

The 3rd quarter financial monitoring report on this agenda highlighted a number of service overspends. It is anticipated that remedial action already in place will serve to mitigate many of the overspends identified. Where this is not the case, then adjustment via the Contingency Fund will have to be made for any items that are seen to re-occur.

(b) New Unavoidable Spending Requirements

All services will need to meet a range of additional / new pressures in 2017/18. These include the implications of new legislation; demographic changes; final completion of the single status appeals process; and other requirements. Whilst reasonable provision has been made for these costs, there is a risk that some items will result in overspends. In particular it is assumed that whilst the cost of pay protection arising out of single status implementation can be funded centrally, any additional costs that will have arisen as a result of the appeals process will have to be met from within specific existing Directorate budgets.

(c) Savings

It is essential in terms of the financial challenges facing the Council beyond 2017/18 that further savings proposals are continuously developed as part of the *Sustainable Swansea* programme and implemented over and above those proposed within this budget. This will be a continuation of plans already underway and specifically include existing and the next waves of commissioning reviews and a further particular focus on more cross cutting themes.

The 2017/18 budget includes significant and extensive savings targets which must be achieved. It is a requirement of the Council's financial procedure rules that Responsible Officers are required to manage expenditure within approved budgets of the Council and to that extent it is essential, should specific proposed budget savings be delayed or postponed, alternative savings are achieved in year to meet approved Directorate Budgets.

Given the nature and scale of the savings challenge during 2017/18, there will be continued and enhanced monitoring and tracking of progress in achieving budget savings which will be reported to Corporate Management Team, Budget Performance Review Group and Cabinet.

As noted above, further proposals will be brought to Cabinet during the year.

(d) Inflation

Where there have been specific announcements around minimum wage increases an estimate has been included around the potential additional costs that may fall to the Council from external contractors. In addition £1.4m has been provided for potential specific increases in areas where there is a significant element of contracted out services.

(e) Care Home Fees

Budget provision has been made for the 2016 contract settlement with care home providers. However, it is likely that fees will need to be further increased over and above the budget provision given that the Council has to undertake an annual review of payments to care home providers which must be robust and evidenced – see specific provision for inflation above.

(f) Specific Grants

A number of specific grants are yet to be announced. In the event that the level of specific grants awarded for 2017/18 is less than that for 2016/17, which is highly likely based on limited announcements made so far, it is essential that Directorates take action to manage such reductions within the proposed spending limits – i.e. there is no ongoing corporate provision for meeting such shortfalls. There is a clear expectation that expenditure will be cut to match the level of grant. Recent experience suggests that there may be substantial in-year reductions to grant funding streams that will require urgent and concerted action in terms of mitigation.

It is, however, acknowledged based on past experience that where specific grants are reduced there may be a time lag between reduction in funding and the Council's ability to reduce costs. It is equally clear that in some areas currently funded by specific grant the Council will, for operational or service reasons, wish to maintain expenditure.

The proposals on earmarked reserves detailed in Section 8.12 of this report propose setting up a one-off fund of £0.95m against which service bids can be made to offset timing issues or as a basis for baseline increases in budget to mitigate against losses in specific grants.

(g) Equal Pay Back Payments

It is envisaged that the bulk of equal pay claims both in number and value will have been settled by 31st March 2017. However, legislation is such that further claims cannot be precluded although the introduction of the compliant pay and grading structure from 1st April 2014 will significantly lessen risk in this area over time.

(h) Implementation of Single Status

Whilst the Council implemented a compliant pay and grading structure from 1st April 2014, there has been a significant number of appeals against grades awarded. Where these appeals have been successful, it will lead to additional costs over and above the grade initially allocated including incremental costs over a period of up to five years.

(i) Council Tax Reduction Scheme

Provision has been made for the estimated costs which are now linked directly to any proposed increases in Council Tax Levels.

(j) Capital Financing Charges

There is a risk that the funding shortfalls highlighted in the Capital Budget report elsewhere on the agenda will result in additional charges over and above the agreed budget provision. The Report on the Capital Programme for 2017/18-2021/22 elsewhere on this agenda highlights specific actions that need to be taken to mitigate against future increases in revenue costs linked to increases in unsupported borrowing and further externalisation of current debt.

- 11.2 Whilst reasonable assumptions have been made in relation to each of the above risks it is impossible to be certain that adequate funding will be available for every item. This re-enforces the need to have adequate reserves and balances available to meet any unexpected costs or shortfalls.
- 11.3 The above risks are both substantial and potentially significant in value. Therefore during 2017/18 specific actions are being put in place which will involve:-
- Monthly monitoring of specific savings targets against an agreed implementation timetable in order to identify any slippage and appropriate and equivalent compensating budget savings.
 - Ensuring compliance with the Council's Financial Procedure Rules which require Responsible Officers to manage budgets within the limits set by Council
 - Early and ongoing monitoring of the effect of pay and grading implementation and in particular the cumulative effect of the initial appeals procedure
 - The impact of any changes to specific grant funding streams

12. Equality Impact Assessment (EIA)

- 12.1 Budget proposals continue to be subject to the Council's Equality Impact Assessment (EIA) process. Appendix F contains the Equality Impact

Assessment (EIA) Statement for the Budget. The focus continues to be on mitigation of impact on the community.

- 12.2 As the budget EIA process is now ongoing throughout the year, the majority of EIA reports remain open as proposals are considered, undergo relevant engagement and develop further as a result of feedback, ongoing developments and reviews. Thus, EIA reports will be updated over a period of time to take account of impact and the outcomes of service specific engagement where required. As they are completed each report will be published on the Council's website at:

<http://www.swansea.gov.uk/eia>

13. The Medium Term Financial Plan (MTFP) 2018/19 – 2020/21

- 13.1 Many of the issues identified in this report have implications for future years. The MTFP report elsewhere on the agenda includes an assessment of likely shortfalls in future years and outline proposals for achieving savings.

14. Legal Implications

- 14.1 The Authority is under a duty to make arrangements for the proper administration of its financial affairs. Failure to do so will be a breach of that duty.

Background Papers: None

Appendices:

Appendix 'A' Revenue Budget summary 2017/18
Appendix 'B' Net Directorate budget proposals
Appendix 'C' Earmarked Reserves
Appendix 'D' Specific savings proposals
Appendix 'E' Summary of consultation responses
Appendix 'F' Equality Impact Assessment Statement
Appendix 'G' Response of the Schools' Budget Forum
Appendix 'H' Directorate Budgets

(Note that in respect of Appendix H prior year comparatives for 2016/17 include a number of cross cutting and service specific themes for which an allowance of overlap between the two savings schedules was needed – the presentation for 2017/18 is significantly simplified as a result of the consistent Commissioning Review approach to identifying and developing future Sustainable Swansea savings.)

	<i>Appendix 'A'</i>	
REVENUE BUDGET SUMMARY 2017/18		
<i>DIRECTORATE</i>		
	BUDGET	BUDGET
	2016/17	2017/18
	£000	£000
CORPORATE SERVICES	42,951	42,708
PEOPLE - POVERTY AND PREVENTION	5,101	6,068
PEOPLE - SOCIAL SERVICES	103,510	103,814
PEOPLE - EDUCATION	159,097	164,716
PLACE	50,999	50,763
ADDITIONAL SAVINGS STRANDS - TO BE ALLOCATED	-2,000	0
<i>NET DIRECTORATE EXPENDITURE</i>	359,658	368,069
SPECIFIC PROVISION FOR INFLATION / APPRENTICESHIP LEVY	3,000	1,000
<i>OTHER ITEMS</i>		
<i>LEVIES</i>		
SWANSEA BAY PORT HEALTH AUTHORITY	93	84
<i>CONTRIBUTIONS</i>		
MID & WEST WALES COMBINED FIRE AUTHORITY	11,912	12,275
<i>CAPITAL FINANCING CHARGES</i>		
PRINCIPAL REPAYMENTS	14,916	15,316
NET INTEREST CHARGES	14,732	15,893
<i>NET REVENUE EXPENDITURE</i>	404,311	412,637
<i>MOVEMENT IN RESERVES</i>		
GENERAL RESERVES	0	0
EARMARKED RESERVES	7,914	5,760
<i>TOTAL BUDGET REQUIREMENT</i>	412,225	418,397
DISCRETIONARY RATE RELIEF	375	400
<i>TOTAL CITY AND COUNTY OF SWANSEA REQUIREMENT</i>	412,600	418,797
COMMUNITY COUNCIL PRECEPTS	967	965
<i>TOTAL REQUIREMENT</i>	413,567	419,762
<i>FINANCING OF TOTAL REQUIREMENT</i>		
REVENUE SUPPORT GRANT	234,543	231,170
NATIONAL NON-DOMESTIC RATES	73,224	79,531
COUNCIL TAX - CITY AND COUNTY OF SWANSEA	104,833	108,096
COUNCIL TAX - COMMUNITY COUNCILS	967	965
<i>TOTAL FINANCING</i>	413,567	419,762
<i>COUNCIL TAX BASE for the City and County of Swansea</i>	89,151	89,465
<i>COUNCIL TAX AT BAND 'D' (£) for the City and County of Swansea</i>	1,175.90	1,208.25
<i>GENERAL RESERVES</i>		
AT 1 APRIL	12,360	12,360
AT 31 MARCH	12,360	12,360

REVENUE BUDGET 2017/18							
NET DIRECTORATE BUDGET PROPOSALS							
	Corporate Services	People - Poverty and Prevention	People - Social Services	People - Education	Place	To be allocated	Total
	£000	£000	£000	£000	£000	£000	£000
Original estimate 2016/17	42,951	5,101	103,510	159,097	50,999	-2,000	359,658
Directorate Transfers	0	0	0	0	0	0	0
Original estimates following transfers	42,951	5,101	103,510	159,097	50,999	-2,000	359,658
Transfer to (+) / from (-) reserves 2016/17	-554	-179	-250	-28	225	0	-786
Original estimate 2016/17 excluding reserves	42,397	4,922	103,260	159,069	51,224	-2,000	358,872
Transfers for specific items 2016/17	1	0	620	-73	745	0	1,293
Baseline adjustments 2016/17	-129	697	1,150	-394	630	0	1,954
Adjusted service budgets 2016/17	42,269	5,619	105,030	158,602	52,599	-2,000	362,119
Baseline Adjustments 2017/18	416	-66	2,933	429	-925	2,000	4,787
Spending Needs	1,202	799	2,537	4,622	2,881	0	12,041
Pay inflation provision	282	105	505	1,415	693	0	3,000
Savings:							
Specific consultation proposals	-1,565	-243	-6,712	-314	-3,465	0	-12,299
Senior Staff Savings	-735	-146	-764	-98	-722	0	-2,465
Original estimate 2017/18 excluding reserves	41,869	6,068	103,529	164,656	51,061	0	367,183
Transfer to (-) / from (+) reserves 2017/18	839	0	285	60	-298	0	886
Net Directorate budgets 2017/18	42,708	6,068	103,814	164,716	50,763	0	368,069

APPENDIX B

REVENUE BUDGET 2017/18					
EARMARKED RESERVES					
	Balance	2016/17	Balance	2017/18	Balance
	31/03/16		31/03/17		31/03/18
	£000	£000	£000	£000	£000
DIRECTORATE RESERVES					
Equalisation reserves	-52	0	-52	0	-52
Commutated sums	-5,122	404	-4,718	-21	-4,739
Repair & renewal funds	-2,935	-345	-3,280	-371	-3,651
Profit share	-1,121	-66	-1,187	-66	-1,253
Service reserves	-3,907	1,082	-2,825	569	-2,256
TOTAL DIRECTORATE RESERVES	-13,137	1,075	-12,062	111	-11,951
CORPORATE RESERVES					
Contingency Fund	0	0	0	-5,400	-5,400
Insurance	-14,092	15	-14,077	700	-13,377
Job Evaluation earmarked	0	0	0	0	0
Transformation/Efficiency	-12,723	1,361	-11,362	-1,215	-12,577
TOTAL CORPORATE RESERVES	-26,815	1,376	-25,439	-5,915	-31,354
UNUSABLE/TECHNICAL RESERVES	-1,027	40	-987	44	-943
SCHOOLS DELEGATED RESERVES*	-9,547		-9,547		-9,547
TOTAL RESERVES	-50,526	2,491	-48,035	-5,760	-53,795
* No updated information available - balances held by individual schools					

Appendix D

Specific Savings Proposals

HoS Budget	Proposal	Savings 2017/18 £'000
Cultural Services	Tourism and Marketing Services - remove direct sales marketing as part of commissioning alternative management, remodel campaigns and staff. Special Events restructure and programme revision. Staffing efficiencies across Archives, Grand Theatre, Service Development, Business Partnership Unit	610
Cultural Services	Swansea Museum restructure and repurpose Exhibits. National Waterfront Museum remove grant for Floating Exhibits	140
Cultural Services	Transfer Management of Dylan Thomas Centre	134
Cultural Services	Remodel all leisure centre running costs through efficiencies, increased income as part of tender package. The LC - continue to negotiate reduced management fees with Bay Leisure and include in tender proposals	300
Cultural Services	Agree the strategy for Parc Tawe; seek an alternative operator	100
Cultural Services	Development & Outreach - cease free use, restructure staff, remodel programmes. Community Centres - transfer costs increase support	47
Cultural Services	Water Safety - revise contracts with the LC, NPS, SLAs, service RNLI	31
Cultural Services	New income streams - Foreshore, car parking income, charges in caravan parks, licences at St Helens	59
Total of Previously Agreed Savings		1,421
Savings achievable for 17/18 @ 50%		711
CB&PS	Optimisation of Assets, develop mobile working and technological support, accommodation savings	450
CB&PS	Increase efficiencies, income & commercialism in Strategic Estates and Facilities Management, Fleet, in house operational works and technical services. Explore invest to save projects from Energy Report	200
Econ & Regen	Commissioning Savings to be more fully developed as review progresses	225
Housing and Public Protection	Review management and staffing across Public Protection and Housing Options	86
Housing and Public Protection	Reduce dredging requirement in Tawe impoundment	25
Housing and Public Protection	Pollution Control Monitoring - Remodel level of survey and evaluation work	30
Housing and Public Protection	Housing options – grants to the housing voluntary - saving ultimately not taken 16-17, to be implemented 17-18	45

Housing and Public Protection	Increase charges for wedding venue facility at Civic centre by approximately 5% per year for the next 3 years. Charges will increase by an average of £25 per year. Increase burial and cremation fees by 5% per year for next 3 years. Burial fee will increase by approximately £40 and new graves by £75 each year.17/18 is the third year	103
Highways & Transportation	Staffing efficiencies and other contract savings and management action across highways & transportation	381
Highways & Transportation	Remove budget for implementing residents parking schemes. Reduction of Private Streets and Un-adopted areas budget.	115
Highways & Transportation	Reduction in Winter Gritting Routes resulting from Thermal Mapping works.	10
Highways & Transportation	Park and ride cost reductions and re-tender local bus services. Withdraw funding for bespoke Park & Ride services and divert existing commercial local bus services via the Park & ride sites	402
Highways & Transportation	Charge for Sunday Parking within city centre. Review car parking tariffs to match demand patterns resulting in overall 5% increase in income CABINET RECOMMENDED REMOVE	100
Highways & Transportation	Increase income from mooring fees and electronic management of contracts	31
Highways & Transportation	Increase in costs recovered from Coring Programme works. Systems Thinking review of the 'Charging for Waivers' process. Highway Licensing Charges increase of 3%	42
Highways & Transportation	Efficiencies and increased sales of telematics services to neighbouring authorities.	30
Highways & Transportation	Bus Station – Review Departure Charges, achieve IT Hardware & Software Maintenance savings via collaboration with NPT, reduced premises maintenance costs	94
Parks & Cleansing	Changes to internal staffing and weekly/seasonal working patterns. Efficiencies in costs of disposal, storage costs	265
Parks & Cleansing	Increased commercial, partnership, sponsorship and franchise, and income opportunities	220
Adult Services	Restructure the management and staffing arrangements (agency/overtime), review all contracts and costs to drive down spend where possible through efficiencies and management action	547
Adult Services	Improve processes by consolidating financial arrangements with Corporate Finance to include introduction of prepaid cards, increase the recourse to direct payments to clients, review charging for clients and maximise grant income	2,226
Adult Services	Review all packages of domiciliary care to ensure fit for purpose and minimise double handed calls through better use of equipment	1,000
Adult Services	Effective implementation of the Western Bay optimum model for intermediate care services to further reduce recourse to residential care	160

Adult Services	Implement outcome based assessments to ensure proportionate and enabling care packages are in place for all citizens	1,000
Adult Services	Review eligibility criteria for Social Services transport and remodel transport provided	250
Adult Services	Maximise health contribution to packages of care	529
Child & Family	Further implementation of the Safe LAC Reduction Strategy in Child & Family Services	1,000
Poverty & Prevention	Gain economies of scale and efficiencies by management action and maximise grant funding	128
Poverty & Prevention	Poverty & Prevention - develop the Food not-for-profit Enterprise	70
Poverty & Prevention	Complete the Rights Respecting Schools Award	20
Poverty & Prevention	Reduce third sector funding via the Change Fund by 10%	25
Education	Efficient management of staffing, catering and cleaning budgets through sound vacancy management and maximising recovery of costs through grants	224
Education	Continue tapering reduction of Council contribution to Ethnic Minority Achievement Service	50
Education	Full implementation of the full cost recovery model for the Music Service CABINET RECOMMENDED REMOVE	97
Education	Increase price of school meals from September 2017 by 10p CABINET RECOMMENDED HALVE TO 5p (£40,000)	80
Resources	Provision of common support services, digitalisation of processes, digital on-line forms, resulting in reduced staffing levels	1,000
Resources	More efficient use of cross Council ICT platforms and programmes	250
Resources	Efficiencies through procurement and administration of insurance	700
Resources	Consolidation of Communications and Marketing, Equalities and Access to Services and Performance Reporting Functions into a unified single Council structure	315
All	Senior Staff Review savings across all functions	2,465
	Total savings before council tax increase	15,701

NOTE that Cabinet has recommended to Council that £237,000 of these original savings be removed as highlighted in bold. These have been taken into account in setting the revised final budget recommended to Council for approval but are shown here for completeness.

Budget Consultation Results 2017

1. Budget Consultation

Consultation on the specific budget proposals ran from 24th December 2016 to 23rd January 2017. A survey was produced detailing the council's budget proposals, giving people the opportunity to provide their feedback. In total 670 people took part in the budget consultation survey.

The consultation was available online at www.swansea.gov.uk/budgetsurvey and hard copies have been made available in Libraries and Council venues across the City. We had 1868 visits to our Budget Consultation webpages (up 2% from last year) with 905 clicks through to the survey itself during this consultation and 1784 visit to staffnet pages.

Communication and Social Media

The consultation was widely promoted across Swansea within the press and social media. This resulted in:

- Eight press releases in total
- 17 media mentions, including six page leads and one double-page spreads in Evening Post plus mentions on local radio, Swansea Bay TV and BBC Online.
- 16 number of Facebook posts - 2237 Facebook clicks on posts to find out more and 259 reactions and comments (examples presented in Appendix 1).
- 2 Facebook adverts (one English, 1 Welsh) – 58 clicks through to the website costing 17p per click
- 5 Facebook videos promoting the budget consultation resulting in 6157 views
- 25 bilingual tweets sent out on Twitter - 113 re-tweets, likes and conversations = 50,102 impressions and 1101 engagements
- Social media activity resulted in 592 page visits to the budget survey webpage

2. Budget Consultation Summary Results (full results Appendix 2)

The survey provided the opportunity for people to have their say on:

- Events – a review of the events we currently undertake as a council
- Specific budget proposals
- The Council's future spend

Events

Events which are perceived least and most important are outlined below:

Unimportant

71% unimportant - Skate and Street Festival
69% unimportant - Olympic Fanzones Castle Square
69% unimportant - Silence in the Square
61% unimportant - Swansea Special Festival
60% unimportant - Annual Fireworks Display
60% unimportant - City Centre/Castle Square events – e.g. Roadshows/Films etc.

Important

77% important - Wales National Airshow
67% important - St David's Day Festival
65% important - Major sporting events
63% important - Waterfront Winterland
61% important - Large scale music events
61% important - Christmas Lights Switch on/ Christmas Parade

Specific Proposals

The majority of proposals were supported by respondents. Areas which are receiving the highest levels of objection and agreement, are outlined below:

Disagree

67% disagree – Average 5% increase to Council car park charges
61% disagree – Charging for Sunday Parking in City Centre car parks during off peak periods
51% disagree – Remove the remaining Council subsidy to the school music service
51% disagree – National waterfront museum remove grant for floating exhibits

Agree

92% - Further implement the Safe Looked After Children Reduction Strategy
87% - Review all existing and new care packages
86% - Increase charges for wedding venue facility at Civic Centre by approx. 5%
80% - Restructure of our tourism and marketing services so that more is delivered digitally

Future Spend

There are a number of areas that we are looking to review spend over the next year. Views were sought on these areas as part of the budget consultation. Results from the consultation are outlined in the table below:

	Reduce spend	Maintain spend	Increase spend
Keeping our streets clean	8%	63%	29%
Improving the look and feel of the Kingsway	37%	34%	29%
Our programme of high-profile and community events	42%	51%	8%
Investment in sports pitches	26%	60%	14%
Road and pavement repairs	4%	50%	46%
Maintenance and repairs of our key public buildings	15%	67%	18%

3. Children and Young People (full results Appendix 3)

On Friday 20th January 2017, 75 young people participated in the 4th Annual Big Budget Conversation, where they had an opportunity to consider a number of budget proposals that the City and County of Swansea have to make in order to meet the required savings target.

Young people attended from the following schools:

- Birchgrove
- Bishopston
- Bishop Gore
- Bishop Vaughan
- Cefn Hengoed
- Dylan Thomas
- Gowerton
- Morriston
- Olchfa
- Pentrehafod
- Pontarddulais

The City and County recognises every child's right to be heard in decisions that affect them, and to ensure a quality experience for children and young people, a comprehensive exercise was undertaken to assess which of the full list of budget proposals:

- Have been identified as important and relevant to children and young people, by children and young people, and;
- Have already been consulted upon with children and young people

As such, young people have considered proposals relating to cultural services and events, education (specifically in relation to school meal charges), transport and future spend.

The consultation was aligned to the corporate public budget consultation and the key results are as follows:

Events

Events which are perceived least and most important are outlined below:

Unimportant

100% unimportant - Skate and Street Festival

60% unimportant – Outdoor theatre

40% unimportant - City Centre/Castle Square events – e.g. Roadshows/Films etc.

Important

100% important - Wales National Airshow

100% important - Large scale music events

100% important - Major sporting events

100% important - Showing major sporting events on the Big Screen in Castle Square

Specific Proposals

We invited the group to comment on 2 of our specific budget proposals:

1. **Increase the price of school meals** – 100% of those attending disagreed with this proposal
2. **Integrate the park and ride service with commercial local bus services** - 52% agreed and 48% disagreed

Future Spend


There are a number of areas that we are looking to review spend over the next year. Views were sought on these areas as part of the budget consultation. Results from the Big Conversation are outlined in the table below:

	Reduce spend	Maintain	Increase
Keeping our streets clean		45(60%)	30(40%)
Improving the look and feel of the Kingsway	30(40%)		45(60%)
Our programme of high-profile and community events		60(80%)	15(20%)
Investment in sports pitches	15(20%)	45(60%)	15(20%)
Road and pavement repairs		30(40%)	45(60%)
Maintenance and repairs of our key public buildings		30(40%)	45(60%)

Appendix 1 Social media examples – budget consultation 2016 / 2017

Dinas a Sir Abertawe - City and County of Swansea
Published by Greg Jones [?] · 9 January at 12:15 · €

VIDEO: Here's some great historic footage of Kingsway, but should we now be investing in its look and feel?
Let us know at www.swansea.gov.uk/budgetsurvey



Get more likes, comments and shares
Boost this post for £20 to reach up to 8,300 people.

8,393 people reached Boost post

12 likes · 9 Comments · 2 Shares

8,393 People Reached

2,963 Video Views

54 Likes, Comments & Shares

32 Likes	12 On Post	20 On Shares
17 Comments	9 On Post	8 On Shares
5 Shares	3 On Post	2 On Shares

839 Post Clicks

140 Clicks to Play	31 Link clicks	668 Other Clicks
-----------------------	-------------------	---------------------


NEGATIVE FEEDBACK

2 Hide Post	0 Hide All Posts
0 Report as Spam	0 Unlike Page

Big Conversation Facebook post

Dinas a Sir Abertawe - City and County of Swansea added 4 new photos.
Published by Maxine Anne Bromfield [?] · 20 January at 11:51 · €

Today the 'Big Conversation' is taking place.
70 pupils from 12 secondary schools across Swansea have come together to discuss the things that are important to them, take part in our budget conversation and to have their say on the future of the city centre 😊



2,264 People Reached

9 Reactions, comments & shares

7 Like	7 On post	0 On shares
1 Love	1 On post	0 On shares
0 Comments	0 On Post	0 On Shares
1 Shares	0 On Post	1 On Shares

216 Post Clicks

159 Photo views	1 Link clicks	56 Other Clicks
--------------------	------------------	--------------------

NEGATIVE FEEDBACK

3 Hide Post	1 Hide All Posts
0 Report as Spam	0 Unlike Page

Council Budget 2017/18: Have Your Say

Cultural Services

Events

We will be carrying out a review of the events we currently undertake as a Council. To help inform our review we would like to find out how important our events are to the people of Swansea.

1. How important or unimportant would you rate the following events?

	Very important	Fairly important	Fairly unimportant	Very unimportant
Annual Fireworks Display	65 (10.3%)	190 (30.1%)	184 (29.1%)	193 (30.5%)
Armed Forces Day	132 (20.8%)	240 (37.7%)	137 (21.5%)	127 (20.0%)
BBC Proms in the Park	68 (10.8%)	216 (34.3%)	192 (30.5%)	153 (24.3%)
City Centre/Castle Square events – e.g. Roadshows/Films etc..	61 (9.7%)	192 (30.5%)	212 (33.7%)	165 (26.2%)
Large scale music events in Singleton Park Concerts e.g. MTV, Noel Gallagher, Paolo Nutini, Alfie Boe, Status Quo, Busted, Escape, Steps, Party in the Park etc	149 (23.5%)	238 (37.5%)	139 (21.9%)	108 (17.0%)
Major sporting events e.g. Tour of Britain Cycling Race, Olympic / Commonwealth Torch Relay	155 (24.5%)	254 (40.2%)	121 (19.1%)	102 (16.1%)
Major sporting events on the Big Screen in Castle Square e.g. European/World Cup Football/Rugby World Cup/ Wimbledon/ Olympics	83 (13.1%)	193 (30.4%)	196 (30.9%)	162 (25.6%)
Military /Freedom/Civic Parades	106 (16.8%)	209 (33.1%)	173 (27.4%)	144 (22.8%)
Olympic Fanzones - Castle Square	37 (5.9%)	159 (25.2%)	231 (36.7%)	203 (32.2%)
Outdoor Theatre	59 (9.4%)	212 (33.7%)	217 (34.4%)	142 (22.5%)
Silence in the Square	57 (9.2%)	138 (22.3%)	211 (34.1%)	213 (34.4%)
Skate and Street Festival	28 (4.5%)	154 (24.6%)	231 (36.9%)	213 (34.0%)
St David's Day Festival	162 (25.6%)	263 (41.5%)	113 (17.9%)	95 (15.0%)
Swansea Bay 10k	170 (27.0%)	271 (43.0%)	94 (14.9%)	95 (15.1%)

Swansea Special Festival	41 (6.8%)	193 (32.0%)	210 (34.8%)	160 (26.5%)
Wales National Airshow	293 (46.3%)	197 (31.1%)	64 (10.1%)	79 (12.5%)
Waterfront Winterland	153 (24.2%)	243 (38.5%)	122 (19.3%)	113 (17.9%)
Xmas Lights Switch-On / Christmas Parade	148 (23.8%)	230 (37.0%)	132 (21.3%)	111 (17.9%)

2. Do you agree or disagree with the proposals listed below?

	Strongly Agree	Tend to Agree	Tend to Disagree	Strongly Disagree
Restructure of our tourism and marketing services so that more is delivered digitally e.g. online, social media etc	218 (34.5%)	286 (45.3%)	88 (13.9%)	39 (6.2%)
National Waterfront Museum remove grant for floating exhibits	104 (16.9%)	198 (32.1%)	200 (32.4%)	115 (18.6%)

3. Please provide us with additional views on any of the above proposals:
163 (100.0%)

Housing and Public Protection

4. Do you agree or disagree with the proposals listed below?

	Strongly Agree	Tend to Agree	Tend to Disagree	Strongly Disagree
Increase burial and cremation fees by 5% for 17/18. Burial fee will increase by approximately £35 and new graves by £40. This was a 3-year proposal and 17/18 is the final year of implementation.	133 (21.0%)	232 (36.7%)	131 (20.7%)	136 (21.5%)
Increase charges for wedding venue facility at Civic Centre by approximately 5% in 17/18. Charges will increase by an average of £25. This was a 3-year proposal and 17/18 is the final year of implementation.	321 (51.0%)	222 (35.3%)	52 (8.3%)	34 (5.4%)

5. Please provide us with additional views on any of the above proposals:
104 (100.0%)

Highways and Transportation

6. Do you agree or disagree with the proposals listed below?

	Strongly Agree	Tend to Agree	Tend to Disagree	Strongly Disagree
Average 5% increase to Council car park charges. The council will take a graduated approach to charging so those car parks with lower levels of usage will see lower increases in charges.	86 (13.6%)	126 (19.9%)	162 (25.6%)	260 (41.0%)
Charging for Sunday Parking in City Centre Council car parks during off-peak periods (8am-11am and after 5pm) to ensure adequate free parking is available for shoppers during peak times	99 (15.6%)	148 (23.3%)	138 (21.7%)	251 (39.5%)
Introduce a park and ride service integrated with commercial local bus services. This will increase flexibility of the service by increasing the frequency of services operating from the sites and the number of city centre locations where passengers can be dropped off and picked up on their return.	230 (36.6%)	250 (39.7%)	78 (12.4%)	71 (11.3%)

7. Please provide us with additional view on any of the above proposals:

176 (100.0%)

People - Education and Poverty and Prevention

8. Do you agree or disagree with the proposals listed below?

	Strongly Agree	Tend to Agree	Tend to Disagree	Strongly Disagree
Align the third sector Change Fund to council priorities and reduce by 10%	88 (16.3%)	237 (43.8%)	140 (25.9%)	76 (14.0%)
Increase the price of school meals from September 2017 by 10p from £2.20 per day to £2.30 per day	145 (23.1%)	207 (32.9%)	138 (21.9%)	139 (22.1%)
Remove the remaining Council subsidy to the school music services service so that the service is fully funded by the Schools Service Level Agreement and other funding streams.	142 (22.8%)	162 (26.0%)	140 (22.5%)	179 (28.7%)

9. Please provide us with additional views on any of the above proposals:

135 (100.0%)

Social Services

The Social Services and Well-being (Wales) Act ('the Act') is a new law that changes the way that local councils in Wales provide social care and support. It came into force in April 2016 and means that councils must provide information, support and services in the way that the Act sets out. The Act gives individuals and their carers more of a say in the care and support they receive. The Act focuses on helping people to stay well, to be safe from harm, to be as independent as possible and to be supported within and by their local community.

The Act has five principles:

Promoting Well-being: Working with people to understand what matters to them and helping them achieve what is important for their well-being

Voice and control: Putting people at the centre of their care; giving people a voice in making decisions about their life and control over reaching the outcomes that matter to them

Prevention and early intervention: Increasing preventative services within the community to help people to keep well and help us to know when you may need extra support to prevent problems reaching a critical stage

Co production: Providing opportunities for you to be involved in how your care and support is designed and provided

Collaboration: Strong partnership working between the various organisations and people that support you, helping you live the life you choose for longer

In order to meet the requirements of the Act we have to do some things differently...

10. Do you agree or disagree with the proposals listed below?

	Strongly Agree	Tend to Agree	Tend to Disagree	Strongly Disagree
Review all existing and new care packages in line with the new requirements of the Social Services and Wellbeing Act. Care packages will become more focussed on achieving the outcomes that matter to people depending on their circumstances and needs; including through effective use of equipment and telecare services. This may mean that some people have either more or less care, depending on their individual circumstances and needs, but we will ensure that nobody is left without the care that they need.	269 (43.0%)	275 (44.0%)	49 (7.8%)	32 (5.1%)
In order to increase citizens voice and give people direct control over the care they receive we propose to actively promote the use of direct payments as an alternative to traditional care provided by local authority services. We will make it easier to use direct payments by introducing a pre-paid card service.	196 (31.9%)	264 (43.0%)	96 (15.6%)	58 (9.4%)
The Safe Looked After Children Reduction Strategy in Child & Family Services has reduced the number of children becoming looked after, reduced the number of children living within institutionalised care settings and has ensured that where children do need to become looked after that they are cared for within families in or as close to Swansea as possible. We propose to further implement this strategy resulting in further reductions and savings.	271 (44.2%)	291 (47.5%)	30 (4.9%)	21 (3.4%)

11. Please provide us with additional views on any of the above proposals:
97 (100.0%)

12. Do you think that any of the proposals would negatively affect you because of your age, disability, gender, gender identity, race, religion / belief or sexual orientation? If yes, please tell us why below:
201 (100.0%)

Future Spend

There are a number of areas that we are looking to review spending over the next year:

13. For each of the following areas, do you feel we should reduce spend, maintain the same level of spend, or increase spend?

	Reduce spend	Maintain spend	Increase spend
Keeping our streets clean	51 (8.0%)	399 (62.6%)	187 (29.4%)
Improving the look and feel of the Kingsway	236 (37.1%)	218 (34.3%)	182 (28.6%)
Our programme of high-profile and community events	263 (41.7%)	318 (50.5%)	49 (7.8%)
Investment in sports pitches	160 (25.5%)	377 (60.1%)	90 (14.4%)
Road and pavement repairs	23 (3.6%)	319 (50.2%)	293 (46.1%)
Maintenance and repairs of our key public buildings	94 (14.9%)	425 (67.2%)	113 (17.9%)

Are there any other areas we need to review our spending?

14. Areas we should reduce our spending
268 (100.0%)
15. Areas we should increase our spending
318 (100.0%)

Tell us a little about you: We will use this information to see if we have gathered a range of view across the city and to find out if any proposal impacts on one group of people more than another. These questions are optional.

16. Are you
281 (45.0%) Male
309 (49.5%) Female
34 (5.4%) Prefer not to say
17. Is your gender identity the same as you were assigned at birth (i.e. born male and currently living as a man or born female and currently living as a woman)?
583 (93.1%) Yes
4 (0.6%) No
39 (6.2%) Prefer not to say

18. How old are you ...

6 (1.0%)	under 16	103 (16.5%)	56 - 65
31 (5.0%)	16 - 25	59 (9.5%)	66 - 75
92 (14.7%)	26 - 35	17 (2.7%)	76 - 85
128 (20.5%)	36 - 45	3 (0.5%)	over 85
149 (23.9%)	46 - 55	36 (5.8%)	Prefer not to say

19. What is your sexual orientation?

10 (1.6%)	Bisexual
17 (2.8%)	Gay/Lesbian
510 (82.5%)	Heterosexual/Straight
2 (0.3%)	Other
79 (12.8%)	Prefer not to say

20. Would you describe yourself as... (Please cross all that apply or write in)

240 (39.0%)	British	8 (1.3%)	Other British (please write in)
292 (47.4%)	Welsh	5 (0.8%)	Non-British (please write in)
23 (3.7%)	English	1 (0.2%)	Refugee (please write in current/last nationality below)
3 (0.5%)	Irish	0 (0.0%)	Asylum Seeker (please write in current/last nationality below)
13 (2.1%)	Scottish	31 (5.0%)	Prefer not to say

21. What is your ethnic group? (Please cross one box)

583 (93.0%)	White - British, any other White background
2 (0.3%)	Mixed - White & Black Caribbean, White and Black African, White & Asian, any other Mixed background
2 (0.3%)	Asian or Asian British - Indian, Pakistani, Bangladeshi, Chinese any other Asian background
0 (0.0%)	Black or Black British - Caribbean, African, any other Black
2 (0.3%)	Other ethnic group - Gypsy or traveller, Arab, any other
38 (6.1%)	Prefer not to say

22. What is your religion or (non) belief, even if you are not currently practising?

253 (40.7%)	No religion/belief	2 (0.3%)	Jewish
295 (47.5%)	Christian (including Church of England, Catholic, Protestant and all other Christian denominations)	3 (0.5%)	Muslim
3 (0.5%)	Buddhist	0 (0.0%)	Sikh
0 (0.0%)	Hindu	65 (10.5%)	Prefer not to say

23. Do you consider that you are actively practising your religion or belief?

157 (26.8%)	Yes
331 (56.6%)	No
97 (16.6%)	Prefer not to say

24. Can you understand, speak, read or write Welsh?

Please mark all that apply

- 98 (15.7%) Understand spoken Welsh
- 62 (10.0%) Speak Welsh
- 71 (11.4%) Read Welsh
- 50 (8.0%) Write Welsh
- 78 (12.5%) Learning Welsh
- 377 (60.5%) None of these
- 64 (10.3%) Prefer not to say

25. Which languages do you use from day-to-day

- 586 (93.5%) English
- 55 (8.8%) Welsh
- 3 (0.5%) British Sign Language
- 8 (1.3%) Other (please write in)
- 38 (6.1%) Prefer not to say

26. Do you have any long-standing illness, disability or infirmity?

By long-standing we mean anything that has affected you over a period of time or that is likely to affect you over time.

This could also be defined Under the Equality Act 2010 as: "Having a physical or mental impairment which has a substantial and long term adverse effect on your ability to carry out normal day to day activities."

- 100 (16.2%) Yes
- 469 (75.8%) No
- 50 (8.1%) Prefer not to say

27. Does this illness or disability limit your normal day-to-day activities in any way?

- 68 (12.8%) Yes
- 406 (76.5%) No
- 57 (10.7%) Prefer not to say

THANK YOU FOR TAKING THE TIME TO COMPLETE THIS QUESTIONNAIRE.

Appendix 3

Big Budget Conversation 2017

On Friday 20th January 2017, 75 young people participated in the 4th Annual Big Budget Conversation, where they had an opportunity to consider a number of budget proposals that the City and County of Swansea have to make in order to meet the required savings target.

Young people attended from the following schools:

- Birchgrove
- Bishopston
- Bishop Gore
- Bishop Vaughan
- Cefn Hengoed
- Dylan Thomas
- Gowerton
- Morriston
- Olchfa
- Pentrehafod
- Pontarddulais

The City and County recognises every child's right to be heard in decisions that affect them, and to ensure a quality experience for children and young people, a comprehensive exercise was undertaken to assess which of the full list of budget proposals:

- Have been identified as important and relevant to children and young people, by children and young people, and;
- Have already been consulted upon with children and young people

As such, young people have considered proposals relating to cultural services and events, education (specifically in relation to school meal charges), transport and future spend. The consultation was aligned to the corporate public budget consultation and the results are as follows:

Cultural Services

Events

We will be carrying out a review of the events we currently undertake as a Council. To help inform our review we would like to find out how important our events are to the people of Swansea.

	Very important	Fairly important	Fairly unimportant	Very unimportant	Haven't heard of it
Annual Fireworks Display	30(40%)	30(40%)	15(20%)		
Armed Forces Day	30 (40%)	30(40%)	15(20%)		
BBC Proms in the Park	45(60%)		15(20%)		15(20%)
City Centre/Castle Square events – e.g. Roadshows/Films etc.	15(20%)	30(40%)	15(20%)	15(20%)	
Large scale music events in Singleton Park Concerts e.g. MTV, Noel Gallagher, Paolo Nutini, Alfie Boe, Status Quo, Busted, Escape Stage	45(60%)	30(40%)			
Major sporting events e.g. Tour of Britain Cycling Race, Olympic / Commonwealth Torch Relay	45(60%)	30(40%)			
Major sporting events on the Big Screen in Castle Square e.g. European/World Cup Football/Rugby World Cup/ Wimbledon/ Olympics	60(80%)	15(20%)			
Military /Freedom/Civic Parades	15(20%)	45(60%)	15(20%)		
Olympic Fanzones - Castle Square		60(80%)			15(20%)
Outdoor Theatre		15(20%)	45(60%)		15(20%)
Silence in the Square	60(80%)				15(20%)
Skate and Street Festival			75(100%)		
St David's Day Festival	45(60%)	15(20%)			15(20%)
Swansea Bay 10k	60(80%)	15(20%)			
Swansea Special Festival	30(40%)	15(20%)	15(20%)		15(20%)
Wales National Airshow	45(60%)	30(40%)			
Waterfront Winterland	45(60%)	15(20%)	15(20%)		
Xmas Lights Switch-On / Christmas Parade	30(40%)	30(40%)	15(20%)		

People - Education and Poverty and Prevention

Do you agree or disagree with the proposal listed below?

	Strongly Agree	Tend to Agree	Tend to Disagree	Strongly Disagree
Increase the price of school meals from September 2017 by 10p from £2.20 per day to £2.30 per day			33(44%)	42(66%)

Highways and Transportation

Do you agree or disagree with the proposal listed below?

	Strongly Agree	Tend to Agree	Tend to Disagree	Strongly Disagree
Introduce a park and ride service integrated with commercial local bus services. This will increase flexibility of the service by increasing the frequency of services operating from the sites and the number of city centre locations where passengers can be dropped off and picked up on their return.	4(5%)	35(47%)	33(44%)	3(4%)

Please provide us with additional view on any of the above proposals:

- If events are continuing, more needs to be done to promote some of them, e.g. special festival. We didn't know what some of the events were.
- Swansea Christmas lights = bad
- Airshow creates too much pollution and endangers lives. We must think about our environment.
- School meal charges may not seem a lot, but per day, per week, per person could add up to be a lot, particularly for families with several children
- Park and ride doesn't really affect us. If the council has to make savings, this makes sense, but we recognise there is an impact on people who use buses and park and ride services more than we do. They are better placed to answer.

Future Spend

There are a number of areas that we are looking to review spending over the next year:

For each of the following areas, do you feel we should reduce spend, maintain the same level of spend, or increase spend?

	Reduce	Maintain	Increase
Keeping our streets clean		45(60%)	30(40%)
Improving the look and feel of the Kingsway	30(40%)		45(60%)
Our programme of high-profile and community events		60(80%)	15(20%)
Investment in sports pitches	15(20%)	45(60%)	15(20%)
Road and pavement repairs		30(40%)	45(60%)
Maintenance and repairs of our key public buildings		30(40%)	45(60%)

Are there any other areas we need to review our spending?

Areas where we should reduce our spending

- Improving the Kingsway – the more it gets changed the more confusing it gets

Areas we should increase our spending

- Beach activities – tourism
- Singleton park – more event to draw people in
- Increase police
- Schools – should advise each other
- Youth clubs – get people off the street
- Road and pavement repairs because of safety
- Improving buildings to make sure they're safe
- Schools – because education need to be improved x3
- Parks
- Beaches
- Charity based organisations

**Equality Impact Assessment (EIA) Statement for City & County of Swansea
Budget 2017/18**

1. Introduction

This statement provides an overall view of the budget EIA process for the Council, along with any specific relevant details for 2017.

The budget is set for the council's operation which covers a wide range of services delivered to the citizens of the City & County of Swansea. This includes both providing and commissioning of services from other organisations and agencies.

As reported previously, the council has needed to take substantial action to respond to the wide range of service and financial pressures that it faces, including the reduction in external grant.

We, like other local authorities, will be facing a significant reduction in budgets every year for the foreseeable future. We also need to manage increased expectation and demand for services and financial pressures in a number of areas across the Council.

Although the amount of money we receive from Welsh Government is likely to increase next year by £1million, this has to be balanced by the fact that we expect £16.3million of additional expenditure (which is outside our control) such as the new apprenticeship levy, for example. We also believe that our funding from Welsh Government will reduce significantly in the coming years which means we'll have £55m less to spend at a time when demand for services like social care is rising.

Change is already taking place and over the last few years the council has cut costs by being more efficient and more effective in what we do. But this is not enough to meet the scale of cuts and ensure council services are sustainable and fit for the future. Clearly, the sheer amount of savings required means that difficult decisions and potential impacts are inevitable. However, we continue to focus on mitigating any adverse impacts via our EIA process as well as officer expertise.

The authority embarked on a specific strategy 'Sustainable Swansea - Fit for the Future' as a means of setting Council priorities, transforming services and addressing current and future deficits.

The council agreed a set of budget principles to help guide the debate and provide an approach driven by council policy.

There are four key issues:

- Improving efficiency
- New models of delivery
- Prevention
- Future service provision

Further information on 'Sustainable Swansea - Fit for the Future' is available at: <http://www.swansea.gov.uk/sustainableswansea>

In terms of equality, the council is committed to protecting the vital frontline services that matter most to the people of Swansea, tackling poverty and looking after the most vulnerable in our communities. This will continue, although services may be delivered in different ways in future.

2. The Equality Impact Assessment (EIA) process

The council has had an EIA process in place for a number of years which was reviewed and streamlined about six years ago. The process covers:

- The nine protected characteristics covered by the Equality Act 2010
- The Public Sector Equality Duty for Wales
- Consultation and engagement
- Poverty and social exclusion
- Welsh language
- United Nations Convention on the Rights of the Child (UNCRC)
- Carers
- Community cohesion.

In order to apply the EIA process, officers follow the following steps:

- An initial screening exercise (to identify whether a full EIA report is necessary)
- Completion of a full EIA report (where required)
- Quality assurance and feedback
- Sign off at Head of Service level
- Publication on the Council's website
- Review.

Officers have access to dedicated departmental support from members of the Access to Services Team who co-ordinate the quality assurance of EIAs whilst also offering advice and guidance.

The process does not change for specific budget proposals, although additional information is provided to Directors and Heads of Service by way of briefings, reminders and updates.

3. Assessing impact

Due to both the nature of the proposals being considered and the regulatory framework around EIAs, many now take a number of months to reach a conclusion. The budget planning process operates over a 3-year period, with many proposals being considered, designed and altered prior to implementation over this time period. As a result, proposals that were put forward in previous years are still being worked through, with a number of EIA reports still being worked upon.

Officers are always advised to undertake the initial screening as early as they can, with (if required) a full EIA report then opened as soon as possible. This is then completed as proposals are worked through and means that we are now working on budget EIAs throughout the year.

As a result, the assessment of impact is not a one-off exercise – it is a continuing process.

To ensure an ongoing rigorous process, the following elements are of note:

- Where officers have concerns and/or queries, meetings are held with the Access to Services Team to look at both the proposal and the EIA
- EIA reports are often added to over a period of time, e.g. following consultation and engagement activities, following changes to the detail of proposals
- Quality assurance is carried out by officers with expertise in the areas of equality, Welsh language, poverty and the UNCRC
- Where a proposal has potential adverse impacts, officers utilise the EIA process to focus on mitigation
- Where a proposal has potential adverse impacts that cannot be mitigated, the EIA is referred to senior managers for attention and consideration.

During the last 12 months, a number of EIAs have continued to progress following feedback from stakeholders and identification of different options for impact mitigation wherever possible.

In addition, with a number of both commissioning and other reviews underway across the organisation, the total or overall impact of the proposed budget is difficult to fully assess at this stage of implementation, particularly with the EIA process being a continuing feature as proposals are further developed.

Therefore, we will continue to publish each EIA report as it reaches completion at: <http://www.swansea.gov.uk/eia> and/or with the relevant corporate report at: <http://democracy.swansea.gov.uk/ieDocHome.aspx?bcr=1&LLL=0?Lang=eng>

4. Consultation and engagement

Whilst there is a specific regulation around engagement (contained within the Public Sector Equality Duty for Wales), our 'Sustainable Swansea - Fit for the Future' strategy contains a substantial emphasis on consultation and engagement too.

Corporate budget consultation takes place on a wide variety of specific proposals. This includes consultation with children and young people. Others are consulted on using service-specific groups and/or activities.

Corporately, the consultation results are reported separately via the budget reports themselves.

5. Local information

Our stakeholders are:

- All citizens of, and visitors to, the City & County of Swansea
- Council staff
- Partner organisations
- Council Tax Payers.

The Council delivers services to all the citizens of the City & County of Swansea. The overall population profile from the latest population estimates (2015) and 2011 Census is as follows:

- The gender split of the **City & County of Swansea** is **50.1% Female** (121,500 people) and **49.9% Male** (120,900 people).
- Children and young people **aged 0-25 years** represent **32.8%** of the population, or **79,500** people.
- **Over 50s** represent **37.5%** of the population (90,900 people), of which **46,800** are over 65 (around 19.3% of the total population).
- **6.0%** of the total population of Swansea (**14,300** people) came from an ethnic minority background. In terms of religion, **8,530** people (**3.6%** of the population) belonged to non-Christian faiths with 34% (81,219 people) having no religion.
- **23.3% (55,719 people)** had a long term health problem or disability including 11.3% of people of working age (26,988 people). **6.9%** of those aged 16-74 (**12,146 people**) were economically inactive due to long term sickness or disability.
- In 2011, there were **26,332** Welsh speakers in Swansea, or **11.4%** of the population. **44,659** people had one or more skills in Welsh.

Further information about Swansea's population can be found at <http://www.swansea.gov.uk/keyfacts>

Officers consider the particular service users or groups affected when applying the EIA process.

6. Staffing

Heads of Service have been provided with the same advice as in previous years that where an application is made for early retirement/voluntary redundancy, consideration should be given to whether there is any potential equality impact or effect and, if there is, to follow the EIA process. To date, no concerns have been raised in this area.

7. Third Sector Impact

Any reduction in grants to external bodies may impact Third Sector organisations. There could also be other proposals that may impact the sector which, if agreed, may require re-configuring or re-commissioning of services. In this context there may be opportunities for Third Sector organisations to be involved in this work. There could also be proposals that look to Third Sector support in the continuation of services through different means of delivery.

8. Publication Arrangements

All EIA reports will be published as they are finalised. As mentioned earlier in this statement, due to the nature of many of the proposals this is likely to take time as assessment of impact continues to be undertaken as proposals are further developed.

9. Conclusion

We know from previous years that, due to the scale of budget reductions, those with protected characteristics are likely to be affected. In assessing the impact of the budget proposals, we continue to attempt to ensure that any effect is not disproportionate and that we continue to focus on mitigation wherever possible. In this context the following should be noted:

- where EIAs show potential significant impact with no possible mitigation, these proposals will be referred for further consideration
- for those EIAs where potential significant impact has been identified and mitigation has been possible, the associated action plans will be monitored and reviewed
- the outcomes of engagement will inform EIAs
- this is an ongoing process and as noted in this statement and many EIAs will remain open for varying periods of time
- there is a focus on the council doing things differently in order to further deliver services that are flexible, citizen-centred, meet individual needs and are sustainable for the future.

The Council continues to deliver a wide range of services for all the citizens of the City & County of Swansea. Many of these are of particular benefit to the areas covered by our EIA process, e.g. the protected characteristics defined within the Equality Act 2010.

As highlighted earlier in this statement, the council is committed to protecting the vital frontline services that matter most to the people of Swansea, tackling poverty and looking after the most vulnerable in our communities. The council will continue to do everything it can to meet this challenging commitment given the financial constraints it faces. However, services may be provided in a different way in line with 'Sustainable Swansea - Fit for the Future'.

Response of the School Budget Forum

PONTYBRENIN PRIMARY SCHOOL

HEADTEACHER/PRIFATHRO: Mr P S Williams



Glyn Rhosyn

SWANSEA

SA4 6HX

Tel/Ffôn: 01792 891151

Fax/Ffacs: 01792 891053

Email/E-bost: Pontybrenin.Primary@swansea-edunet.gov.uk

Web Site/Gwefan: www.pontybreninprimary.com

11 January 2017

Councillor Rob Stewart
City and County of Swansea
Civic Centre
Oystermouth Road
Swansea
SA1 3SN

Dear Councillor Stewart,

School Budget Forum Response to Budget Consultation

As always, the School Budget Forum has sought to support the discussions that have been made relating to the cabinet report, shared with councillors on the 12th December, 2016.

As a consultative body, the forum expects that the points made will be carefully considered as part of any forthcoming corporate discussion of future revenue and budgets.

The School Budget Forum recognises that every year it is getting harder to use the available funding from the block grant, sent from Welsh Assembly to Swansea to cover all areas of service pressure.

Nevertheless, it is our responsibility to highlight the implications of the budget proposals on schools and the wider education service and that they are properly recognised by the council before any decisions are made. This year our discussions are set out in the following manner.

POSITIVES

- Recognition by the council of the outcomes achieved by schools in Swansea, in particular ESTYN outcomes being the best out of 22 local authorities.
- The proposal to continue to prioritise delegated school budgets.
- The proposal for additional cash funding to transform provision e.g. Education Other Than At School and further specialist teaching facilities.
- The recognition that although Swansea schools receive relatively low funding (21st out of 22) compared to other councils, there is a clearly communicated message that there is commitment to bridge the funding gap over time.

- The recognition of the essential contribution of the Education service to wider council priorities.
- The transparency and improved communication, particularly by the Leader and Cabinet Member, 'to say it as it is' and give schools chance to plan for the cuts in good time.
- The significant work of headteachers and officers of the council to model and evaluate the serious implications of potential alternative funding scenarios for schools (5% every year).

NEGATIVES

- The poor funding position of schools in Swansea compared to other councils, in that the education budget as a whole ranks at 21st in 2016 and £444 per pupil less than the Wales average. If Swansea schools results are already in the top rankings for ESTYN and Standards, think about how much more they can do with an extra £15.3m. Urban areas such as Cardiff do better than their Swansea counterparts.
- Regionalisation of the Education Improvement Service (ERW) does not help schools funding, rather it hinders – Swansea receives significantly lower amounts of monies than that of all our ERW partners – Is there a better model out there to ensure the appropriate funding for schools so that Swansea schools are not penalised in comparison with other neighbouring areas. Are our ERW partners more rural orientated? If so, should we be banded with them?
- Specific Grants, a life line for many schools are being drastically cut, causing an extremely challenging position for schools, especially nursery provision, the local anti-poverty strategy and the wider learning opportunities of pupils. Additionally, some Service Level Agreements for schools will become a thing of the past as schools look inwardly to cover statutory duties.
- Setting a balanced budget each year is getting harder each year with many schools seeking to utilise their workforce (e.g. part time challenge advisors) to generate income for the school.
- The cabinet report appears confusing on the pressures facing schools. Appendix B we have been told is more accurate (2% to 2.5% real terms reductions per year) rather than table 1 which suggests 5% year on year. During the most recent school budget forum it was clarified that Appendix B is the one to use, so Table 1 needs to be removed as it no longer stands.
- Non Delegated Education Budgets are facing drastic cuts to a wide range of services. This is likely to have a direct impact on the delegated budget.

Concluding, the council must be congratulated on their proposed additional funding to transform the model of EOTAS provision, both in terms of revenue funding and also capital investment in enhanced accommodation and facilities. Many headteachers consider this to be a much needed and indeed visionary proposal, reflecting the hard work undertaken to fundamentally review the existing provision. The additional £1m investment in structural repairs in the current year has also been very valuable and the Forum would welcome any further capital injection in 2017/18, together with the continuing investment in school facilities through the 21st Century Schools Programme.

The strength of the education service and children's outcomes compared to other councils is borne out of a desire from all stakeholders to secure the very best for the young people of Swansea. If, collectively, we appreciate that education and qualifications are the key principal drivers in moving pupils and families out of deprivation and into a skilled workforce with better standards of living, then putting schools first in the queue for appropriate funding is imperative.

We trust that you will seriously consider these points as you decide future Council budget allocations. We invite you to attend the next School Budget Forum to respond to the issues raised in this letter.

Philip Williams
Chair, School Budget Forum