



Councillor Chris Holley
Convener – Service Improvement and
Finance Scrutiny Performance Panel

BY EMAIL

Please ask for: Councillor Rob Stewart
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Our Ref: RS/KH
Your Ref:
Date: 22nd November 2017

Dear Councillor Holley

Thank you for your letter of 14th November, as Convenor of the Service Improvement and Finance Performance Panel.

I respond as follows to the questions raised.

Recycling and Landfill – Annual Performance Monitoring

I share your positive views and echo some of your concerns. Clearly, we will continue to work closely with all residents, landlords, homeowners, business and regional partners including other councils to maximise recycling and minimise landfill. It is good for the environment, good for the economy and good business sense given the landfill tax rates. We continue to encourage take up through education, advice, engagement and by challenging at disposal/source the contents of black bags and where necessary through appropriate enforcement action.

Financial Matters

In relation to the following, whilst the matters have been addressed to me, and I am expressing my views back to you, I have of course fully sought the views of the S151 Officer, who has also clearly advised me directly on the more technical aspects of the reply.

Mid-Year Budget Statement

The mid-year budget statement is an opportunity for Council to hear directly from its professional adviser, the S151 Officer, as to his assessment of the budget outlook for the year ahead and into the medium term. This report is discharging his duty to both the whole Council and to the general taxpayer. It is the S151 Officer view that this is a report discharged under his duty to report on such matters to whole Council and solely reflects his views and opinions, and that it is therefore not appropriate for it to be pre- considered at Service Improvement and Finance Panel. He is equally of the view it is perfectly right and proper for members at Council or in any scrutiny panel to ask questions of him, other chief Officers or Cabinet Members, as they see fit on the report, of course.



The timing of the report is impacted upon by outside factors including the timing of the UK government budget and Welsh Government budget announcements. The move from a traditional March to a November UK government budget and a mid-October and late October two stage Welsh Government budget meant that this year the report needed to be verbal for it to be considered in good time.

The quarter 2 budget monitoring report is an in year “half term” report to Cabinet from the Cabinet member with responsibility for operational finance, the Cabinet Member for Service Transformation and Business Operations. It is of course prepared under the direction of the S151 Officer and his staff and is co-produced with all Directors and Heads of Service, and reviewed by the Corporate Management Team. Timing is key. The more review processes that are built in, the longer it takes to get a quarter’s report through Council business.

I have sought the views of the S151 officer and he is content that the current approach achieves a robust output in a timely enough fashion. The S151 officer also notes that the report is predominantly one for Cabinet to note with remedial in year actions to be taken effectively delegated to the S151 officer and the rest of the Corporate Management Team rather than one that seeks Cabinet or ultimately Council approval to change the budget in year. Nevertheless, it forms a useful record wholly in the public domain of the actions agreed and put in place in year by Cabinet Members and their Chief Officers and any functions exercised by way of delegation specifically by the S151 Officer in year. Again the S151 officer view is that given the nature of the report, pre-decision scrutiny is not the most appropriate course of action, but is again content that questions of him or other Chief Officers or Cabinet Members as a result of the contents of the report, is wholly appropriate.

Unusable Reserves

The reference in the report to unusable reserves reflects the full disclosures made in the Statement of Accounts approved at Council in September and would refer you, and the rest of the Panel, to that document.

Planned savings in Social Services

The report references the 2017-18 budget as set. The overall budget for social services for the year was relatively cash flat. We put money in for pay awards, care home pressures, demographic pressures and service improvements. Nevertheless, the continued UK government insistence on austerity has starved this Council of additional resource and we had little option but to equally seek compensating savings elsewhere, including within social services.

The Section 151 officer advises that the reference in this section is to cross-refer back to the second quarter monitoring report, which describes and explains the reasons for the in-year over spending in social services.

Use of the restructuring reserve

I don’t decide this underlying planning assumption, the S151 officer does, based on his assessment of the likely costs due to fall in the forthcoming year. You will see in the second quarter monitoring report on the 2017-18 budget that the S151 officer has increased his assumption of the need to call on this reserve given the number of individuals who are taking up our enhanced ER/VR offer.

This offer is made by this Council to maximise volunteers for early departure over what would otherwise be compulsory redundancies that are being forced upon this Council by the continued UK government insistence of seemingly never ending austerity driven by dogmatic ideology. We do it only where it makes financial sense (payback is normally around one year) and because we are mindful of our importance and reputation as a large employer in the area. Where, as Leader, I am forced by others to make hard choices and decisions I will make them, but as compassionately and considered as I can, whilst equally focussing my efforts on city wide and city region wide regeneration and ultimately job creation.

Yours sincerely



**COUNCILLOR ROB STEWART
LEADER & CABINET MEMBER FOR ECONOMY & STRATEGY**

