



City and County of Swansea

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

Remotely, via MS Teams

Wednesday 20 January 2020 at 10.30 am

Present: Councillor C A Holley (Chair) Presided

Councillor(s)

P Black
L James
P Jones
B Rowlands

Councillor(s)

P Hood-Williams
P Downing
D Thomas

Councillor(s)

J Jones
M Jones
I Mann

Other Attendees

Cllr Rob Stewart

Cabinet Member - Economy, Finance & Strategy (Leader)

Officer(s)

Ben Smith
Adam Hill
Richard Rowlands
Emily Davies

Section 151 Officer & Chief Finance Officer
Deputy Chief Executive / Director of Resources
Corporate Performance Manager
Scrutiny Officer

Apologies for Absence

None

1. Disclosure of Personal and Prejudicial Interests

No disclosures of interest were made

2. Prohibition of Whipped Votes and Declaration of Party Whips

No declarations were made.

3. Minutes

The Panel considered letters and minutes from previous meetings and agreed the minutes of the meeting on 14th December 2020 as an accurate record of the meeting.

4. Public Questions

No questions were submitted by members of the public.

Budget Proposals

The Chief Finance Officer and Director of Resources attended the meeting to present the report and answer questions. It was noted that:

- The report has a view to medium and long-term plans (over the next 5yrs).
- In October 2020, Cabinet approved the new Swansea Achieving Better Together Transformation Strategy and Programme Framework to strengthen the changes now needed moving on from the Sustainable Swansea Strategy.
- Following the welcome uplift in funding received from the Welsh Government (£13m), it is envisaged that all directorates will receive an overall increase in cash budgets for next year of at least 3%.
- The Chief Finance Officer drew the Panel's attention to *Table 1* – Indicative Investment and Savings Requirement for 2021/22 to 2025/26
- *Table 1* has been formatted differently to accommodate figures. Focus on what is going in as much as what is going out.
- Approximately £90m in and £30m out from services over 5 year planning assumptions.
- Planning assumptions made on Council Tax increase of up to 5%, although no decisions made yet.
- Settlement for Swansea is 3.94% being average.
- The Leader stated this year's budget is positive, considering impacts of the pandemic.
- Noted as the second best settlement seen in 10 years from Welsh Government, providing for £13m of additional cash into the Council.
- There will be, in all, an investment of net £22m of additional cash into services next year.
- An investment of £60m net is projected over the next 4 years.
- Both education and schools have been at forefront of pandemic response.
- Council is proposing record investment in *Place* based services. More details to follow in March.
- Assumptions made on Council Tax, as position not yet known – there is no comprehensive spending review from UK Government so difficult to plan for future. Officers and Members are keen for this to be refreshed by the Treasury so can plan with confidence.
- Capital programme – largest ever schools investment. New and better facilities across the County progressing at speed despite pandemic.
- The Leader spoke of major investments covered by the Capital Equalisation Reserve this year, at no cost to the taxpayer.
- Panel queried the planned savings in Social Services – how confident is this plan? Officers explained that our local response has been to open two additional facilities to expand capacity and recruit new staff. Expected to have the majority of this cost back from Welsh Government.
- The Leader reiterated that Covid-related costs are being kept separate from day to day social care costs. The report shows an improved position – Council is confident that we will achieve these savings and be in a balanced budget position (Covid costs aside).
- The Council is now pursuing Council Tax arrears, being mindful of impact of all bills on residents/families. The Leader stated have deliberately not taken

action to add further pressure; however, we also have a legal obligation to pursue this arrears.

- General income from parking – officers are pursuing some recovery of these costs from Welsh Government. In *Place* directorate, a gap of up to £10m of income not realised. Confident we will receive majority back.
- Council Tax shortfall of £4m anticipated in current year. Pressing Welsh Government for some reimbursement.
- *Table 1* sets out assumptions about Council Tax reduction scheme costs. Includes a substantial uplift in that amount, recognising real economic pressures on households.
- Panel raised concerns over any contingency plan if we do not recover costs. It was explained that general and earmarked reserves could be called upon, but would be very reluctant not to pursue the full support from Welsh Government first. Confident we will get those costs back and claims are rolling in over a three-month period.
- Sums received to date demonstrate success in recovery of costs. We are seeing recovery of at least 85% on items where we are competing against other Councils.
- £100m received this year in business grants and reimbursement support.
- Welsh Government has a smaller sum allocated for next year to local government (£13m) although further announcements likely. Some presumption that further sums will be available in due course.
- Members questioned what Swansea's share of the regional funding is in reality. It was understood that wider budget reports in February will indicate these figures.
- 'Achieving Better Together' – Members queried this change in strategy. Officers explained that we have come to the end of the 'Sustainable Swansea' programme and we need to adopt a slightly different plan now.
- The new 'General Powers of Competence' will allow us to be ambitious in our strategies, inclusive of all partners – third sector, communities, private sector, all stakeholders working together for a better Swansea.
- Socio Economic Duty – supporting and engaging communities to ensure they are part of decision-making. The Council's role being to lead and bring communities together.
- Short-term budget process – Panel queried the public consultation process here. It was heard process is in line with requirements under public sector consultation. There will be a general consultation in terms of how people view priorities; there are no new large-scale proposals that are not already in the public domain.
- Panel queried why *Table 1* format has changed. Officers explained that underlying numbers are broadly the same. Format now includes available sums of aggregate external finance. It is to present £90m of pressure proposed technically funded; one third from Council Tax, one third aggregate external finance, one third savings.
- *Table 1* – pension costs see nothing added for next two years. The Panel heard about fantastic investment return performance; subsequently avoiding millions of pounds worth of (cumulative) pressures. Current valuation certificate assures no increase in costs for 3 years.

Q2 Budget Monitoring 2020/21

- Report went to Cabinet in December. Slightly later reporting cycle due to bidding for recovery funding.
- S2.7 – sets out monies back and forth from Welsh Government. Not guaranteed grants – some money comes in later, there is an in-built 3 month delay.
- S.3 contingency fund summary – base £3.6m in contingency fund.
- S.4 – up to £10m draw from earmarked reserves if necessary.
- Capital section - The figures for *Place* (General Fund) includes £20.46m of expenditure for the Bay Studio Surge Hospital.
- Appendix A – budget remains balanced overall. No draw from general reserves: advice being this should go no lower.
- Cardiff University is helping to track movements of monies.
- Welsh Government, under devolved powers, has decided to allocate money differently in different areas. Swansea Council has had significant pledges of support. This results in the most generous scheme of all four nations in the UK.
- Council does not administer all the support – some goes through other avenues, e.g. Business Wales. Local Government is only part of the bigger picture.

Q1 Performance Monitoring Report 2020/21

The Corporate Performance Manager presented the report to Members. It was noted that:

- Paragraph 2.1-2.6 (P61) of the report setting out context and highlighting the unprecedented nature of the pandemic and its impact.
- The report itself is later than usual, due to suspension of reporting during March/June (focus and diversion of resources elsewhere).
- Such reporting has been suspended again under latest wave of the pandemic and subsequent pressures on staff.
- This is likely to be the only performance report this year. Likewise, no targets set for 2020/21 due to uncertainty of situation.
- P71 – 52% of indicators improved or stayed the same as comparable period last year.
- Safeguarding: Page 72 – summary of impact of Covid. Chart shows 52% of indicators improved or stayed the same as comparable period last year.
- Adult Services: Page 74 (AS11) more adults aged 65+ received support. Increase of 77% compared to same period last year.
- Children's Services: Page 80 (CFS2) increases in looked after children.
- Page 85, measure 24, shows fewer assessments of children completed within statutory guidelines. Impact on social services being able to meet with families and complete assessments.
- Education remains a key priority and concern. The effect of non-attendance is significant.

- No final SENs issued due to impact of Covid. Alternative arrangements are now in place.
- The Panel noted the exceptional staff efforts, commenting that many schools remained open and the work done by all staff has been exceptional.
- Economy & Infrastructure Page 96 – Majority of indicators improved or stayed the same as comparable period last year.
- Page 99 - EP28: percentage of (performance) planning applications fell by nearly 13% due to impact of pandemic.
- The Panel queried EC2 – planning applications approval: Is this correct way to report this? Members raised concerns over reporting data in this context, i.e it seems that performance is measured against number of positive approvals.
- Tackling Poverty, Page 101 – graph shows majority of indicators declined. Page 102/3 – shows longer processing times for Council Tax reduction claims and new housing benefit claims. Claims increased as a consequence of the lockdown.
- POV5 – shows disruption caused to appeals. Welfare benefit fell by nearly 10% compared to same period last year.
- Inability to provide training during lockdown - accredited qualifications attained by adults with support of Council decreased.
- Transforming / Future Council – majority of indicators improved or stayed the same as comparable period last year.
- Resources were redirected to the Covid response, including digital developments.
- Page 108 (CUST2a) 8% reduction in online payments. CUST2b shows large increase in the use of online processes, such as online recycling requests. Illustrates changes needed to respond to lockdown.
- Nature and Biodiversity – Page 113: slight fall in recycling rate by 1.1%.
- Broader appreciation of having access to recreational and green space.
- The leader commented on how staff embraced extra duties whilst maintaining standards, helping to deliver services during very difficult times.

Actions:

- The Panel would like further information on the performance monitoring of major planning applications (with an economic imperative) that are approved. Councillors queried whether this was an appropriate way to measure such performance. We would welcome your views on this indicator and how this data might be better presented.

The meeting ended at 12.06