



Report of the Section 151 Officer

Council – 2 March 2023

Revenue Budget 2023/24

Purpose:	This report proposes a Revenue Budget and Council Tax Levy for 2023/24.
Policy framework:	Medium Term Financial Plan and Budget Strategy
Consultation:	Cabinet Members, Legal, Access to Services & Corporate Management Team
Recommendations:	It is recommended that: 1) Council approves a Revenue Budget for 2023/24 as detailed in Appendix A. 2) Council Approves a Budget Requirement and Council Tax Levy for 2023/24 as detailed in Section 9 of this report.
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1. Introduction and Background

1.1. This report details:

- Financial monitoring 2022/23
- The Local Government Finance Settlement 2023/24
- Budget Forecast 2023/24
- Specific Savings Proposals
- Outcome of Budget Consultation
- Staffing Implications
- Reserves and Contingency Fund requirements
- The Budget Requirement and Council Tax 2023/24
- Summary of funding proposals
- Risks and uncertainties

- 1.2. The financial assessment in relation to 2024/25 – 2026/27 is contained in the **Medium Term Financial Plan 2024/25 – 2026/27** elsewhere on this 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’**.
 - The report to Cabinet on 29th July 2014 – **‘Sustainable Swansea: Fit for the Future: Delivery Programme’**.
 - The update report on **Sustainable Swansea – Fit for the Future** as approved by Cabinet on 16th July 2015.
 - The report to Cabinet on 15th October 2020 – **‘From Recovery to Transformation’** detailing the “Swansea – Achieving Better Together, Transformation Strategy & Programme Framework 2022 – 2026”
 - The report to Cabinet on 17th November 2022 – ‘Transformation Goals and Strategy’ detailing the Council’s transformation strategy, vision and goals for 2022 – 2027.
 - The report to Cabinet on 22nd December 2022 – **Budget Proposals 2023/24 – 2026/27** setting out the Council’s proposals for consultation.
- 1.4. The report sets out the latest budget estimates. Cabinet has considered any comments and feedback received as a result of the budget consultation. The report also includes an Integrated Impact Assessment statement so that Council can be aware of the key issues before finalising budget proposals.
- 1.5. 2021/22 marked the first full year of required full compliance with the CIPFA Financial Management Code. The code was taken into consideration during the 2021 Senior Management Review and the resulting restructure ensuring compliance with the code has been in place for just over a year.
- 1.6. **Whilst rightly emphasising what is proposed being removed in savings for transparency, at just under £25 million, it must equally be borne in mind that approximately £60 million is being added, making a net £35 million being added. Net service budgets are increasing even though substantial one off funding is being removed.**

2. Financial Monitoring 2022/23

- 2.1. Cabinet considered a report on the estimated Revenue Outturn for 2022/23 at its meeting of 16th February 2023. It was projected that the Council will outturn at an underlying directorate overspend position of £8.995m, which is an improved position compared to the forecast overspend at quarter 2.
- 2.2. The overspend is primarily in respect of the impact of the recently approved 2022/23 pay award. There is only a 3% pay award budgeted for so there will be in excess of £12 million additional payroll costs that are unfunded by the UK/Welsh Governments. There is also a residual element of COVID-19 costs currently reflected in the overspend.

- 2.3. In addition there is likely to be a shortfall on Council Tax collection, forecast at £2m. This will add to the forecast service overspend of £8.995m. There is no indication of repeats of the past two years support, so this is likely to crystallise in full for 2022/23 and steps have already been taken by Council to rectify the shortfall in collection by reducing the assumed tax base in future.
- 2.4. The contingency fund will be used to fund a list of approved items, leaving a balance of £5.457m to offset service overspending on the pay award. In addition to this, non-service items such as the inflation provision will be released to mitigate the overspend.
- 2.5. If the COVID-19 losses are covered by the Welsh Government in line with that currently forecast then there is likely to be an overall underspend for the Council in the region of at least £1.3m, though it is likely to increase. Although shown as an effective underspend it is more accurately a lower than expected draw from one off contingency sums and members will have the opportunity to consider in due course how to respond to that indicative figure.
- 2.6. Any underspends on capital charges (at least a further £8 million) will be transferred to the capital equalisation reserve, a strategy previously agreed by Council, to meet future expected liabilities.

3. The Local Government Finance Settlement 2022/23

- 3.1. The Minister for Housing and Local Government announced the provisional Revenue and Capital Settlement for 2022/23 on 14th December 2022 and the final settlement is expected, subject to confirmation, to be announced on 28th February 2023.
- 3.2. At the time of writing this report the Welsh Government had not announced the final settlement, however the Minister for Finance and Local Government stated in the provisional settlement that there was no intention to make significant changes to either the methodology or the data underpinning the settlement. There will be a change to fire service funding to reflect some aspects of specific grant changes and one transfer (this will manifest as an increase in block grant and an increase in the fire levy but the two are not likely to match exactly). **As such any changes should only be minor and capable of being smoothed out by adjustments to the Contingency Fund.** Any other changes such as any new responsibilities transferred into the Revenue Support Grant will simply be passported to Services as usual. **If any more material announcements are made over elements regarding taxation policy (business rates, council tax, VAT, employers taxes etc.) or expectations for, or funding for helping with council tax levels, or indeed overall funding support to councils, this may need to be revisited at Council, which will be operationally and procedurally difficult given likely March timings of both Welsh Government and UK Government final budgets.**
- 3.3. For the purposes of this report there is assumed to be no change to the provisional settlement figure, bar an estimated fire service grant transfer.

- 3.4. In respect of Schools and Social Services, although the provisional settlement does make it clear that the cost pressures in social care and schools are definitively recognised by the Welsh Government, there is no formal protection or funding guarantee within the settlement so any decision over funding is a local one to be made by Cabinet and ultimately by Council, having any due regard to any budget consultation responses received.
- 3.5. In revising the Medium Term Financial Plan and setting the Budget for 2023/24, it is essential that the Council adheres to the objectives in *Swansea – Achieving Better Together, Transformation Strategy 2023 - 2027*. The Council 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 citizens and this needs to be reinforced and strengthened under the new Transformation Strategy.
- 3.6. **The longer term financial pressures and level of risk that we continue to face make the need to implement these changes ever more urgent. The increase in Aggregate External Finance for next year should be seen as a further opportunity to maintain investment in the Council's priorities and preventative action in particular, and embracing wider scale transformational change, as part of the recovery plan, not to slow down the pace of change or the level of required savings in the medium term.**

4. Budget Forecast 2023/24

Overview

- 4.1. The budget proposals for 2023/24 as submitted for consultation on 22nd December 2022 highlighted pressures of £60.666m, resulting in a savings requirement of £25.244m once the provisional increase on Welsh Government Aggregate External Finance (AEF) of £31.182m was taken into account, together with estimated Council Tax rises of £4.240m.
- 4.2. The announcement of the final settlement will mean that the overall funding deficit forecast for 2023/24 will inevitably, but hopefully marginally, change.
- 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 (but weighing need for tax revenue sustainability with affordability for residents)
 - Use of Reserves and Balances more generally (not advised, but this advice explicitly does not include the very firm advice to make use of the remaining balance on the Economic Recovery Fund over 2 years to

stabilise energy price rises and avoid otherwise potentially unnecessary reductions to base service budgets).

Forecast Funding Requirement 2023/24

- 4.5. The revised funding requirement previously identified in paragraph 4.1 above can now be updated and summarised in Table 1(a) below.
- 4.6. The items highlighted in **bold italic** in the table have changed since the budget proposals report in December 2022. Those shaded are changes recommended by Cabinet. These are discussed later in the report, and have resulted in a slight change to the Net Funding Requirement.

Table 1(a) – Projected Pressures 2023/24

	Budget 2023/24 £'000
Future cost of pay award	
- LG Staff	14,908
- Teachers	7,973
Impact of flat rate pay award 2022/23	
- LG Staff	7,720
- Teachers	3,700
National Living Wage – pay bill	1,200
National Living Wage – contracts	2,600
Increase in Pension Costs	0
Cumulative contract inflation	1,350
Energy Price Inflation	15,000
Temporary use of Recovery Fund to partially cover Energy Inflation	-9,100
Capital charges – CRMP	1,556
Contingency	2,335
Rebase ICT Cloud costs	500
Demographic & Service pressures	3,000
Mid and West Wales Fire Authority Levy (independently decided by the Fire Authority)	2,430
Other Levies (Swansea Bay Port Health Authority and The Corporate Joint Committee)	13
Council Tax Support Scheme	1,500
MTFP Service pressures accepted	1,925
New service pressures accepted	895
Passed through AEF to Services	0
Social Care extra money for Adult Services	2,500
Total Funding Requirement	62,005
Savings Requirement	-24,839
Net Funding Requirement	37,166
Aggregate External Finance increase	30,082

Aggregate External Finance increase (CRMP)	1,556
Council Tax increase (including tax base changes)	5,528
Total Resource Investment	37,166

Inflation

- 4.7. The 2022/23 Revenue Budget provided a corporate provision of £4.130m for general inflation (£3.130m) and the cost of the Apprenticeship Levy (£1m). It is expected that the full £1m will be required for the Apprenticeship Levy, the remainder of the provision will be used retained to contribute to the service overspend, if necessary.

Given current UK inflationary levels and forecasts, particularly around energy price increases, there is a strong case for increasing the corporate (General) provision for inflation in 2023/24. As such, as well as providing an additional sum of £1.2m compared to the December 2022 report to Cabinet, a fund of £15m has been created to ease the impact of energy prices during 2023/24. Giving full consideration to the impact upon, and affordability of, council tax levels this provision has been funded in the short term from temporary resources (earmarked reserves), this is to smooth the impact over the short term peak whilst allowing for a gradual inclusion in base funding. It is the case, however, that the Council is nonetheless likely to experience significant ongoing cost pressures in specific areas as detailed in Table 1 (b) below and these have already been provided for as follows

Table 1 (b) – Potential Service Inflationary and Cost Pressures

	£'000
Increase to central inflation provision	16,200
Increased contract costs due to rise in National Minimum Wage levels (already in services)	2,600
Increased contract costs	1,350

- 4.8. In the November 2015 Autumn Statement, the Chancellor first announced significant increases in the National Minimum wage. Whilst the actual increases will vary year to year there will be continued pressures. The rise anticipated for 2023/24 could affect direct employee costs. There is some uncertainty around the impact as the 2023/24 pay award is as yet unknown, however the latest estimate has been included above. It will impact directly on wage costs of external contractors particularly in respect of contracted services within Social Services. It should also be noted that the local government finance settlement this year places an expectation on local government to move to become an always better than living wage employer in own right and with targeted parts of contracted social care in the first instance. The pay policy was considered at Council in February and those likely policy decisions on future national minimum pay levels to come, relative to general inflationary pay increases provided for, are already fully afforded within the overall budget envelope proposed. For the avoidance of doubt the pay policy proposals and decision to come will not likely need to be otherwise constrained by the budgetary position provided for.

Irrespective of increases in minimum wage, there is likely to be pressure from contracted areas in both Social Services care generally and Transport Services for elements of cost increases. These will need to be funded from the inflation provision allocated to both services as the need arises.

- 4.9. In his Autumn Statement presented to Parliament in November 2022, the Chancellor of the Exchequer made no reference to public sector pay and given the high levels of general inflation it can reasonably be expected that pay rises can continue to be in line with the award this year (i.e. 7% average)
- 4.10. The Apprenticeship Levy is still held centrally on the general provision for inflation line as it is currently a cost that is in effect a corporate tax. This makes the total central provision for inflation just over £20m, although £1m of this is already fully committed for that levy and £15m is the new fund for energy price increases. The provision has been increased this year because of the current economic uncertainty surrounding inflationary levels.
- 4.11. 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

- 4.12. 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 term real terms cuts.
- 4.13. Budget movements can be viewed in two ways:
- Cash increases or reductions in levels of funding provided to Schools
 - Real terms changes in Schools funding, taking into account known spending needs.
- 4.14. For 2023/24 there continues to be no Ministerial funding commitment to schools, although the provisional settlement does make it clear that the cost pressures in schools are specifically recognised by the Welsh Government and were a material factor in the overall settlement. It is intended to provide funding for various service pressures as a local priority for Cabinet.
- 4.15. The net result of these proposals is an increase in the underlying base budget cash settlement to Schools of just over £10m (5.9%) for 2023/24, (including anticipated Pupil Development Grant and Post 16 funding changes which come separately from Welsh Government), which is only slightly less favourable than the 8.2% increase in this Council's funding from Welsh Government. It must be remembered that once council tax levels are set by Council the overall council funding envelope will be a weighted average of the two increases and likely materially lower than the headline grant increase alone.

- 4.16. This year the headline figures across Wales in respect of Pupil Development Grant has marginally increased and the Post-16 funding has remained the same, so a slightly improved position. However the Regional Consortia School Improvement Grant has decreased, which may have an effect on Swansea Schools when allocated.
- 4.17. Table 1 (c) below sets out the effective impact of the core funding increase against expected funding pressures for Schools.

Table 1 (c) – Impact on Schools Delegated Budgets

Item	£'000	£'000
<i>Cash position</i>		
Gross core delegated base budget 2022/23		179,046
Increase for Pay Award - all staff	7,973	
Increase for 2022/23 Pay Award – all staff	3,700	
Increased demographics and other pressures	1,200	
Increased budget delegation	681	
Total Pressures added		13,554
Schools contribution to reduced resources		-2,930
Core delegated base budget 2023/24		189,670
		+5.9%

The above cash increase substantially covers most, but not all, of the known pressures for Schools, with energy costs underpinned temporarily centrally on top of this direct support, and continues to support the enhancement of mainstream provision within schools as part of the existing education budget strategy.

There are no further delegated funding changes expected for 2023/24 and so the total school cost centre budgets set out in Appendix H have increased by £10.624m for 2023/24 or 5.9% in respect of schools core funding.

It remains the case, however, that substantial elements of Schools Funding (c£17m) are now being delivered via specific Grant (Pupil Development Grant and Regional Consortia School 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

- 4.18. Similarly to Schools, the Welsh Government overall Revenue Settlement for 2023/24 no longer includes a protection or prioritisation of funding for social care. Although the settlement does make it clear that elements of Social Care pressures (pay) are recognised in the settlement.

Overall the cash budget proposed for social services (including poverty & prevention) increases by around 8% or £11.6m.

Capital Financing Charges

- 4.19. There is a base line increase of £1.6m compared to the 2022/23 approved budget reflecting the additional funding agreed with the Welsh Government from the Coastal Risk Management Programme for Mumbles seawall.
- 4.20. In line with the Treasury Management Strategy, 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 minimises capital costs to the Council whilst appraising the opportunities to externalise funding. That approach was vindicated by the historically low cost borrowing secured by the S151 Officer in 2018/19 and 2021/22, which represents the cheapest borrowing ever secured by the Authority. In hindsight this strategy was well timed noting the effect of the post COVID-19 inflationary environment, we now find ourselves in with financing costs more than doubling in the interim.
- 4.21. The current market and inflationary environment, makes funding the capital programme even more challenging, alongside the more stringent PWLB guidance outlining what PWLB can and cannot be used for. The most economically / operationally advantageous form of borrowing shall be determined by the Section 151 Officer as cashflow and opportunities dictate, and could also include the following alternative sources of capital:
- Local authorities
 - Financial institutions
 - Municipal Bonds Agency

Furthermore the authority has outlined a range of ambitious and challenging investment plans and opportunities in the shape of 21st Century Schools Band B programme, the continuing City Region Deal, City Centre redevelopment, and new housing plans, which are set out in the report on Capital elsewhere on this agenda.

- 4.22. Whilst the short term costs have been built into annual budgets to date, and forecast general fund capital borrowing requirements have been de-risked as outlined above with PWLB borrowing, there remains a longer term requirement to anticipate additional capital financing costs because elements of the Band B schools programme will not be funded by traditional capital borrowing but through the Mutual Investment Model (revenue funding). The authority continues to materially benefit from the substantial increases in current and medium term specific capital grant funding from the Welsh Government and as a direct result of the change to MRP policy which was approved by Council in December 2018.
- 4.23. The S151 officer has carefully considered the impact of the many variables and unknowns inherent in the funding of the presented capital programme (e.g. Brexit impact, volatility of markets, inflation, timing of City deal funding, variability of direct capital grant funding, impact of MRP review on equalising principal repayments in later years) and has sought to mitigate the impact of the funding of the capital programme on the revenue account with the

establishment of the capital equalisation reserve. The utilisation of the reserve recognises the future obligations arising out of the committed capital programme whilst prudently mitigating that impact on the revenue account by adopting professional judgement in reserving appropriately at this time in the capital equalisation reserve, which has due regard to the Well-being of Future Generations.

Fire Authority Levy and Port Health Authority Levy

- 4.24. Since the 16th February 2023 Cabinet report we have been notified of the overall increase in the Fire Authority Levy. The final figure reflects an overall average 16.54% increase in the levy. This is the same figure as estimated in the report to Cabinet. The levy for 2023/24 will be £17.122m.
- 4.25. There has been a minor increase in the Swansea Bay Port Health Authority Levy of 1.5%, the levy for 2023/24 has been set at £88,713 for Swansea.
- 4.26. There has also been a minor reduction to the increase in the relatively new Corporate Joint Committee levy estimated in the February Cabinet report. The increase will now be 6% and the levy for 2023/24 has been set at £212,431 for Swansea.

Council Tax Reduction Scheme

- 4.27. The Authority received a baseline adjustment to its Revenue Support Grant of £18.883m for 2014/15 which has been notionally included as part of all future settlements. The effect of this 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 paragraph 4.6 of this report. This has been set at £1.5m for 2023/24.

Discretionary Rate Relief

- 4.28. The Authority is responsible for funding an element of any discretionary rate relief awarded to local businesses. No increase to this budget has been anticipated for 2023/24.

Service Pressures and Additional Investment

- 4.29. It can be seen from Table 1(a) above that there is a continued investment in pressures identified and approved as part of the budget process last year. In addition to this there have been a number of new pressures and new investment opportunities identified as part of this year's budget process. The funding of these items has been possible partly through a better than expected settlement from the Welsh Government and partly through efficiencies (savings) made elsewhere within the Authority. Since the December 2022 report these pressures have been revised and the final list is shown in part 2 of Appendix D.

5. Specific Savings Proposals: Update

- 5.1. As a strategy for determining its budget proposals, the Authority has, since 2013, used the principles embedded within ‘*Sustainable Swansea: Fit for the Future*’ as a means of setting Council priorities, transforming services and addressing current and future deficits.

Since October 2020, when Cabinet approved the new “From Recovery to Transformation” report detailing the “Swansea – Achieving Better Together, Transformation Strategy & Programme Framework 2022 – 2026”, the Authority has used this strategy to inform and shape the budget process, ensuring the budget assists the strategic aims and outcomes of the framework. It is essential that the recovery programme and its associated delivery and governance is now delivered rapidly to ensure savings plan in train and expected to be needed in the future are more fully assured.

- 5.2. The strategy as adopted underpinned the decision taken at the Council’s Cabinet on 22nd December 2022 to recommend specific savings proposals totalling £25.244m in 2023/24 for consultation. Cabinet on 16th February has now considered what changes to make to these proposals in light of the outcome of the consultation, and the latest forecasts, and these are set out in paragraph 6.5.
- 5.3. Since the February report the overall savings requirement has remained the same, as detailed in Table 1 (a) above, still totalling some £24.839m. Consequently no permanent changes to the service specific savings have been made, as summarised below. These are detailed in Appendix D.

Table 2 – Summary of Savings Proposals

Savings	2023/24 £'000
Service specific savings as at 16 th February 2023 (As per Appendix D)	21,909
Sub-total	21,909
Schools*	2,930
Total	24,839

*Schools savings and pressures fall entirely to the delegated budgets and are shown separately as these are decisions for schools to take

- 5.4. Details around the currently assumed proposals for Council Tax levels are shown in Section 9 of this report.
- 5.5. 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 3rd January 2023 to 31st January 2023. A summary of the consultation results is attached at Appendix E.
- 6.2. The IIA process has been running continually through the budget process. The IIA report is attached as Appendix F. Cabinet will be kept updated on any potential issues that may arise as part of the budget implementation process.
- 6.3. Cabinet and Council will need to consider the response to consultation and the IIA report and demonstrate how we are taking account of the feedback.
- 6.4. Finally, Council is asked to note that, as part of the budget consultation process an account of the consultation responses will be placed on the Council's website

Changes Proposed to the Budget in this Report

- 6.5. Following consultation, and as a result of the latest updates to forecasts, Cabinet decided to make a number of changes to the recommended budget at that stage. Council will now need to consider whether it is minded to make any further changes to the final proposals for the 2023/24 budget. The changes agreed by Cabinet are detailed in the table below:

Description	2023/24 £'000
Minor amendment to Corporate Joint Committee Levy	-3
Minor amendment to Community Council precepts following a substitution. (An increase to the precept (£2,000) with a corresponding increase to Council Tax, a net nil)	0
Amendment to Council Tax Reduction Scheme following proposed increase to Council Tax	250
Addition to Contingency Fund	1,095
Proposal to increase Council Tax from 4.95% to 5.95%	-1,342
Total Changes	0

- 6.6 In addition Cabinet agreed to recommend further changes to its own proposals and a temporarily defer £901,000 of saving proposals for one year only and these are to be funded one off in 2023/24 only from contingency. These changes are highlighted in Appendix D. in light of the broad scale, late timing and one off nature, base budgets have not been reduced but will be offset in year by the equivalent amount from contingency before reverting to

being required in full, unless and until Cabinet and Council make future decisions when setting the 2024/25 budget.

7. Staffing Implications

Background

- 7.1. The Cabinet Report of 16th February 2023 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 2023/24, these have been updated in **Table 3** (shown as Full Time Equivalents (FTEs))

Table 3 – Potential Impact of Savings Proposals on FTEs 2023/24

Potential Headcount Reduction (likely vacant posts or volunteers for ER/VR)	Headcount Number
Finance	10
Corporate Services	22
Place	17
Education (excluding schools)	1
Social Services	0
Total	50
Indicative schools figure	FTEs
Schools	TBC

- 7.2. The Council will remain committed to continue to work closely with Trade Unions to minimise the number of compulsory redundancies in the future.
- 7.3. Trade Unions will be consulted on budgetary proposals and the S188 letter was issued on 22nd December. Consultation formally commenced on 10th January and will last for a minimum of 30 days.
- 7.4. 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.
- 7.5. A reduction in posts in 2023/24 will be unavoidable, given that the Council spends just over 50% of its overall budget on employees (significantly more in some Service Areas) and the national pay award remains unknown whilst inflation is also very high and will have to be funded from the Council's own resources.

7.6. 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 wherever possible*
- *Further encouragement of staff to consider ER/VR options, including bumped redundancies*
- *Encouraging staff to work flexibly e.g. reduce hours or job share*
- *Flexible retirement*

7.7. 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 in Corporate Services, Finance and Place.

Issues

7.8. Consultation will take place with the Trade Unions as required and any issues raised will be considered.

Based on current information it is anticipated that there will be 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
- Residual very limited risk of compulsory redundancies but work to mitigate this to the absolute minimum continues

These figures will be updated on an ongoing basis.

7.9. HR & OD 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, where applicable.

In addition, all posts are placed on the list of posts for employees at risk in the first instance. Director and CMT 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. In the event of organisational change that impacts on employees, the formal consultation period will last for a minimum of 30 days; although formal consultation meetings with staff and 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 that could range from a 4 week period up to 12 weeks, which depends on the employee's length of service. As indicated above there is no expectation at this stage that the budget in itself should cause any material compulsory redundancies.

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
- 8.3. The Section 151 Officer continues, as set out below, to view General Reserves as already being at the absolute minimum safe level. Furthermore as the revenue budget continues to grow, the relative value and thus acceptability to the Section 151 Officer of the already low absolute level of General Reserves diminishes further, albeit mitigated to some extent by the growth in temporary earmarked reserves. Any consideration on use of reserves to fund the 2023/24 Revenue Budget is dependent on the level of confidence in predicting 2022/23 Revenue Outturn and the overall draw from those reserves. At present it remains the case therefore that there should ordinarily be no planned use of general reserves for any future budgets and indeed an expectation of the Section 151 Officer that longer term, General Reserves will need to be bolstered to maintain their relative value when compared to the overall growth in budgets and risks and uncertainties faced.

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.

- 8.4. In considering reserve levels Members should have specific regard to:-
- The report of the Section 151 Officer to Council on 6th October 2022 '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

- 8.5. The General Reserve amounted to £10.000m at 1st April 2022.
- 8.6. The Revenue Budget for 2022/23 approved by Council on 3rd March 2022 assumed no transfer from General Reserves and there is no movement in the General Reserve currently expected during 2022/23, although any final determination on the use of reserves will depend on the outturn position for 2022/23.
- 8.7. In the opinion of the S151 Officer the level of the General Reserve is currently at the very minimum recommended level and as such there is no assumed transfer from the reserve to support the 2023/24 budget.

Therefore the level of General Fund balances estimated at 31st March 2024 would be £10.000m.

Longer term the Section 151 Officer expects there to be a need to increase General Reserves to maintain their relative and proportionate value as revenue budgets and risks and uncertainties grow significantly.

Contingency Fund

- 8.8. The 3rd quarter financial monitoring report details several forecast uses of the Contingency Fund in 2022/23. At this time, it is anticipated that the original £3.731m 2022/23 budgeted contribution, plus the additional £4.554m carried forward from 2021/22, will be expended and/or used to fund the Council's final outturn position, mainly funding the 2022/23 additional pay award. Given the overall position as forecast in the 3rd quarter budget monitoring report for 2022/23 considered elsewhere on this agenda, the forecast Fund balance as at 31st March 2023 is subject to final confirmation on outturn, but is currently expected to be nil.
- 8.9. In assessing the value of the Contingency Fund requirement in 2023/24, the following potential requirements are relevant:
- The risks and issues detailed in Section 11 below.
 - The need to provide a substantial potential source of finance for repeated potential overspending in services given past performance, bearing in mind the Council has now likely exhausted all other Earmarked Reserves.
 - The continuing uncertainty for Public Finances as set out in the Cabinet report on 22nd December and summarised in the MTFP report elsewhere on the agenda.

- The expectation that any emerging additional inflationary pressures beyond the large already budgeted items (National Living Wage, pay awards and energy costs) will be a call on the fund in year.
- 8.10. Bearing the above in mind, together with the proposals in respect of funding current year service pressures within the 2023/24 base budget, and the reduced risk of repeating overspending from 2022/23, it is now recommended that the contribution to the base budget Contingency Fund in respect of 2023/24 is increased by £2.335m to £6.066m depending upon any further budget decisions Cabinet is also minded to recommend. Again this is considered the absolute minimum range necessary to be maintained in light of the likely risks and issues facing this Council.
- 8.11. It should however be noted that no COVID-19 grants awarded during 2022/23 have been announced for 2023/24. Should the wider economic effects continue into 2023/24 this will be a significant risk. There was £144m available in 2022/23 at an all Wales level for local government. The budget advice of the Section 151 Officer is given with the explicit statement of that fundamental uncertainty risk.
- 8.12. 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 any reduction in associated expenditure may have a detrimental effect in meeting service targets with a consequential increase in future financial penalties.

There are no remaining reserves specifically to protect against grant losses so any reductions will fall firstly to the Service department to manage or if significant will have to be considered for funding from the Contingency Fund.

Earmarked Reserves

- 8.13. 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. There are continuing material draws, as planned, from the time limited Economic Recovery Fund and some other reserves.
- 8.14. On 6th October 2022 Council received and approved a report detailing a formal review and re-allocation of Earmarked Revenue Reserves.
- 8.15. From the usual list of specific grants announced by the Welsh Government for 2023/24 it appears that where there are reductions to grants these are not significant so it is unlikely that there will be a significant impact on Swansea.

Review of Insurance Fund

- 8.16. Following a review of the insurance fund, the level of the sums set aside to provide for future claims which are not known or only partly known at this time are thought to be adequate. Such claims can be very significant and can relate to past periods going back many years. So there will be no further draws from the insurance fund in the short term beyond those already agreed during 2022/23 by Cabinet.

Adequacy of Reserves

- 8.17. Whilst the proposed use of Earmarked Reserves in 2023/24 funds one off and 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 2023/24 and future years, I am satisfied that the proposed management of reserves in 2023/24 will result in a forecast level of General Reserves, Earmarked Reserves and Provisions which may be considered 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.
- 8.18. Given the considerable risks and uncertainties facing the Council in 2023/24 and future years, it remains my advice as the officer designated with responsibility for the overall finances of the Council that the above represents reasonable prudent financial management having due regard to service pressures and funding constraints. Nevertheless, increasingly the risks associated with the budget, especially any non-deliverability in practice of planned savings remains very pronounced. This is especially important when viewed in the context of draws from General Reserves in 2017/18 and Earmarked Reserves in 2018/19, which cannot be repeated. Put simply and bluntly both those routes are now all but fully exhausted going forward and Council will have to consider some or all of the following in future years:
- Service reductions
 - Reductions in future capital aspirations
 - Further council tax increases each year
 - Some short term draws from the earmarked reserves set up to manage budgets through to 2026/27, but with an explicitly acceptance and understanding that these are one off mitigations only to enable longer term adjustment to the highly likely tighter public sector funding environment

9. Budget Requirement and Council Tax 2023/24

- 9.1. The Council's recommended requirement is set out in Appendix A. The City and County of Swansea Requirement of £559.900m will be financed partly by Revenue Support Grant of £339.228m and National Non-Domestic Rates of £79.002m.

In light of ongoing uncertainties over the final RSG, final levies, specific grants, the continuation or otherwise of emergency COVID-19 and economic support schemes, potentially unfunded excess costs of future pay awards and the long term capital spending aspirations set out in the Medium Term Financial Plan, the S151 Officer continues to be of the opinion that council tax for 2023/24 could prudently sit within a range of 4.95% to 6.95%, balancing affordability and the cost of living crisis today with the attendant growing risks and uncertainties of tomorrow and having due regard to the wellbeing of future generations.

Based on the report to Cabinet on 22nd December 2022, and in line with assumptions contained in the Welsh Government's spending assessment for Swansea, a Council Tax rise of 4.95% would have generated a sum of £4.186m including assumptions on council tax premiums. This is a band 'D' charge of £1,534.41.

However, following consultation indications and other matters, including the uncertainty of any funding mechanism for teachers pay over and above that included within the budget, the 16.54% increase in the Fire Authority levy, the level of savings to be found within Place and more generally the cost of living crisis (including the uncertainty of energy costs), Cabinet wished to set a Council Tax of 3.95% for Council Services, plus a further 2% to cover the increase in the Fire Authority Levy, a total Council Tax rate of 5.95%.

This will allow the funding of the Fire Authority Levy plus a sum to be set aside in Contingency to cover the above risks, with particular emphasis on being able to fund any increased teachers' pay increases and to defer some Place savings to allow sufficient time to implement them from 2024/25 onwards. The advice of the Section 151 Officer is that this is the minimum required to cover those increases to levies, plus the CTRS cost of those levies. This 5.95% Council Tax increase would generate a sum of £5.528m, a revised Band D charge of £1,549.08.

The impact will be an increase in proposed income of £1.342m. Taking consequential increased CTRS support costs into consideration, this increased income, together with a marginally reduced final Corporate Joint Committee Levy, will be set aside in Contingency for allocation during 2023/24.

This remains provisional pending the final local government finance settlement which is expected on 28th February (subject to confirmation) and it is envisaged that as long as there are no material changes at final settlement that this can be contained within the margins of error in the assumptions and estimates already used in this report and accommodated by adjusting contingency. Council will be advised of the final settlement figure before making a final determination on budget and Council Tax and any implications it may have to take into account.

- 9.2. Including Community Councils, the total requirement, after taking account of proposals in respect of reserve transfers and currently assumed savings, is £561.729m.
- 9.3. The above proposals are based on an indicative Council Tax rise which is within the range of planning assumptions of the Medium Term Financial Plan.

10. Summary of Funding 2023/24

- 10.1. The implications of Sections 4, 5, 6, 7 and 8 above, together with the assumed 5.95% rise in Council Tax identified in Section 9 above, results in a forecast additional funding of £62.005m in 2023/24 as detailed in Table 4:

Table 4 – Budget Proposals 2023/24

	£'000
Savings Requirement as per Table 1(a)	24,839
Net effect of Council tax base decrease and proposed charges	5,528
Aggregate External Finance increase	31,638
Overall resourcing	62,005

- 10.2. The S151 Officer is satisfied that the budget proposals detailed in this report represent a realistic and achievable financial plan for 2023/24 subject to the potential financial implications of the risks described in Section 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 :-

(a) Implications of Specific 2022/23 Overspends

The 3rd quarter financial monitoring report, discussed elsewhere on this agenda, highlights a number of service overspends, predominantly driven by the 2022/23 pay award. It is anticipated that sufficient funding has been built into the base budget for 2023/24 to mitigate the increased pay award. For any items over and above this, then adjustment via the Contingency Fund will have to be made for any items that are seen to re-occur.

(b) Unavoidable Spending Requirements

All services will need to meet a range of additional / new pressures in 2023/24. These include the implications of new legislation; demographic changes; final completion of the single status appeals process; and other requirements including heightened inflationary risks in pay and prices in all areas. Whilst reasonable provision has been made for these costs, there is a risk that some items will result in overspends. In particular it has previously been the case that the cost of pay protection arising out of single status implementation can be funded centrally, going forward any and all costs that

arise 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 2023/24 that further savings proposals are continuously developed as part of the *Achieving Better Together* programme and emerging transformation programme, and are **implemented over and above those proposed within this budget to provide some future headroom**. This will be a continuation of plans already underway and specifically include existing and the next waves of reviews which **must be rapidly turning recovery plans and assumptions into delivered reality, otherwise service savings will fail to be delivered and net spending pressure return to service budgets for which immediate corrective action will be required**.

The 2023/24 budget includes savings targets which must be fully achieved. **It is a fundamental 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, that alternative savings are fully achieved in year to meet approved Directorate Budgets.**

Given the nature and scale of the savings challenge during 2023/24, and more importantly further beyond, there will be continued monitoring and tracking of progress in achieving budget savings which will be reported to Corporate Management Team, Transformation Board and Cabinet through our usual performance and budget monitoring processes.

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

(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 a top up of £0.150m has been added to the substantial provision made last year for inflationary increases in areas where there is a significant element of contracted out services. Headline inflation is at the highest it has been for 30 years and remains a grave cause for concern for all, including the Council.

(e) Energy Price Inflation

Over and above the various provisions for inflation detailed above a fund has been created specifically for energy price increases. This fund will be available for Council Directorates, Schools and Strategic Partners to draw on where there is evidenced need.

The latest energy price forecast indicates that there may be scope to hold and divert up to £3.0m if necessary.

(f) Care Home Fees

Budget provision has been made for the 2023 contract settlement with care home providers. However, it is likely that fees will need to be further monitored 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.

(g) Specific Grants

In the event that the level of specific grants awarded for 2023/24 is less than that for 2022/23, 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.

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. Any future bids for funding to cover loss of specific grants will have to be made against the already pressured contingency fund.

(h) Equal Pay Back Payments

The bulk of equal pay claims both in number and value have now been fully settled. 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.

(i) Implementation of Single Status

Whilst the Council implemented a compliant pay and grading structure from 1st April 2014, there has been a continuing small 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, of which 2018/19 represented the last year and effectively this risk has now materially dropped out since 2019/20 but a minor residual one remains.

(j) 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.

(k) COVID-19 and COVID-19 Grants

There is a real risk that the ongoing effects of the pandemic could continue to affect national and indeed global finances.

The Welsh Government has effectively removed the grant funding available for the impact of COVID-19 in 2023/24. This is a significant financial risk as things are unlikely to return to normality that rapidly in practice.

(I) Capital Financing Charges

There is a risk that the funding ask (in respect especially of additional unsupported borrowing) 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 2022/23 – 2027/28 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. The risks of course are heavily mitigated by having externalised all anticipated medium term traditional capital borrowing requirements for the General Fund.

In additional mitigation, there was a report to Council on 20th December 2018 in respect of the formal review of the Minimum Revenue Provision. This has the benefit of reducing capital financing charges in the short to medium term, albeit at the expense of increases in the medium to longer term, before once again reducing in the very long term. These shorter-term fluctuations have been built into the budget for 2023/24 and beyond but appropriate use of the Capital Equalisation Reserve smooths future cost pressures.

The low interest rate and bond yield environment has resulted in historically low interest rates available from the PWLB in the past few years, which the Authority has previously already taken advantage of in funding its capital financing requirement. Although the PWLB have removed the 1% penalty premium on new local authority borrowing (subject to certain criteria), the overall material increases in interest rates over the past year means consideration will also need to be given to sourcing funding at cheaper rates from the following:

- Local authorities
- Financial institutions
- Municipal Bonds Agency
- Deferral of borrowing and material drawdowns of own cash backed reserves, especially the Capital Equalisation Reserve, in the mean time

The degree which any of these options proves cheaper than PWLB Certainty Rate is still evolving at the time of writing but the Section 151 Officer is delegated to identify the most economically advantageous funding and timing option.

11.2. The above risks are both substantial and potentially significant in value. Therefore during 2023/24 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 through the existing performance and finance management process.

- Ensuring compliance with the Council's Financial Procedure Rules, which require Responsible Officers to manage budgets within the limits set by Council.
- The impact of any changes to specific grant funding streams.

12. Integrated Impact Assessment Implications

12.1. The Council is subject to the Equality Act (Public Sector Equality Duty and the socio-economic duty), the Well-being of Future Generations (Wales) Act 2015 and the Welsh Language (Wales) Measure, and must in the exercise of their functions, have due regard to the need to:

- Eliminate unlawful discrimination, harassment and victimisation and other conduct prohibited by the Acts.
- Advance equality of opportunity between people who share a protected characteristic and those who do not.
- Foster good relations between people who share a protected characteristic and those who do not.
- Deliver better outcomes for those people who experience socio-economic disadvantage
- Consider opportunities for people to use the Welsh language
- Treat the Welsh language no less favourably than English.
- Ensure that the needs of the present are met without compromising the ability of future generations to meet their own needs.

12.2. The Well-being of Future Generations (Wales) Act 2015 mandates that public bodies in Wales must carry out sustainable development. Sustainable development means the process of improving the economic, social, environmental and cultural well-being of Wales by taking action, in accordance with the sustainable development principle, aimed at achieving the 'well-being goals'.

12.3. Our Integrated Impact Assessment (IIA) process ensures we have paid due regard to the above. It also takes into account other key issues and priorities, such as poverty and social exclusion, community cohesion, carers, the United Nations Convention on the Rights of the Child (UNCRC) and Welsh language.

12.4. 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 IIAs show potential significant impact with no possible mitigation, these proposals will be referred for further consideration
- for those IIAs 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 IIAs
- this is an ongoing process and as noted this statement and many IIAs 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
- 12.5. The council continues to deliver a wide range of services for all the citizens of Swansea. Many of these are of particular benefit to the areas covered by our IIA process, e.g. the protected characteristics defined within the Equality Act 2010.
- 12.6. As highlighted earlier in Appendix F, 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 ‘Swansea – Achieving Better Together’.

13. The Medium Term Financial Plan (MTFP) 2024/25 – 2026/27

- 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 2023/24

Appendix ‘B’ Net Directorate Budget Proposals

Appendix ‘C’ Earmarked Reserves

Appendix ‘D’ Specific Savings Proposals and Service Investment

Appendix ‘E’ Summary of Consultation Responses

Appendix ‘F’ Integrated Impact Assessment Statement

Appendix ‘G’ Response of the Schools’ Budget Forum

Appendix ‘H’ Directorate Budgets

REVENUE BUDGET SUMMARY 2023/24		APPENDIX A	
<i>DIRECTORATE</i>	RESTATED		ORIGINAL
	BUDGET		BUDGET
	2022/23		2023/24
	£'000		£'000
CORPORATE SERVICES	24,570		21,440
FINANCE (Including COUNCIL TAX REDUCTION SCHEME)	32,770		33,738
SOCIAL SERVICES (Including POVERTY AND PREVENTION)	145,328		156,975
EDUCATION	22,994		24,807
EDUCATION - DELEGATED TO SCHOOLS PLACE	179,046		189,670
	74,801		62,681
			0
<i>NET DIRECTORATE EXPENDITURE</i>	479,509		489,311
SPECIFIC PROVISION FOR INFLATION / APPRENTICESHIP LEVY	4,130		20,330
<i>OTHER ITEMS</i>			
LEVIES			
SWANSEA BAY PORT HEALTH AUTHORITY	88		89
CORPORATE JOINT COMMITTEE	200		212
CONTRIBUTIONS			
MID & WEST WALES COMBINED FIRE AUTHORITY	14,692		17,122
<i>CAPITAL FINANCING CHARGES</i>			
PRINCIPAL REPAYMENTS	16,868		15,574
NET INTEREST CHARGES	20,510		23,360
<i>NET REVENUE EXPENDITURE</i>	535,997		565,998
<i>MOVEMENT IN RESERVES</i>			
GENERAL RESERVES	0		0
EARMARKED RESERVES	-13,681		-6,516
<i>TOTAL BUDGET REQUIREMENT</i>	522,316		559,482
DISCRETIONARY RATE RELIEF	418		418
<i>TOTAL CITY AND COUNTY OF SWANSEA REQUIREMENT</i>	522,734		559,900
COMMUNITY COUNCIL PRECEPTS	1,697		1,829
<i>TOTAL REQUIREMENT</i>	524,431		561,729
<i>FINANCING OF TOTAL REQUIREMENT</i>			
REVENUE SUPPORT GRANT	297,425		339,228
NATIONAL NON-DOMESTIC RATES	89,167		79,002
COUNCIL TAX - CITY AND COUNTY OF SWANSEA	136,142		141,670
COUNCIL TAX - COMMUNITY COUNCILS	1,697		1,829
<i>TOTAL FINANCING</i>	524,431		561,729
<i>COUNCIL TAX BASE for the City and County of Swansea</i>	93,114		91,454
<i>COUNCIL TAX AT BAND 'D' (£) for the City and County of Swansea</i>	1,462.10		1,549.08
<i>GENERAL RESERVES</i>			
AT 1 APRIL	10,000		10,000
AT 31 MARCH	10,000		10,000

REVENUE BUDGET 2023/24							
NET DIRECTORATE BUDGET PROPOSALS							
	Corporate Services	Finance (Including Council Tax Reduction Scheme)	Social Services (Including Poverty and Prevention)	Education	Education - Delegated to Schools	Place	Total
	£000	£000	£000	£000	£000	£000	£000
Original estimate 2022/23	24,787	32,770	145,111	22,994	179,046	74,801	479,509
Directorate Transfers	-217	0	217	0	0	0	0
Original estimates following transfers	24,570	32,770	145,328	22,994	179,046	74,801	479,509
Transfer to (+) / from (-) reserves 2022/23	-3,094	0	-309	45	0	-14,054	-17,412
Original estimate 2022/23 excluding reserves	21,476	32,770	145,019	23,039	179,046	60,747	462,097
Transfers for specific items 2022/23	0	0	0	0	0	0	0
Baseline adjustments 2022/23	0	152	-159	7	0	0	0
Adjusted service budgets 2022/23	21,476	32,922	144,860	23,046	179,046	60,747	462,097
Baseline adjustments 2023/24	5	5	75	-650	681	-116	0
Spending Needs	705	1,600	7,050	2,305	1,200	210	13,070
Pay inflation provision	2,077	1,521	8,390	2,130	11,673	9,710	35,501
Savings:							
Specific proposals	-2,823	-2,310	-6,100	-1,971	-2,930	-8,705	-24,839
Original estimate 2023/24 excluding reserves	21,440	33,738	154,275	24,860	189,670	61,846	485,829
Transfer to (-) / from (+) reserves 2023/24	0	0	2,700	-53	0	835	3,482
Net Directorate budgets 2023/24	21,440	33,738	156,975	24,807	189,670	62,681	489,311

APPENDIX B

REVENUE BUDGET 2023/24

EARMARKED RESERVES

	Balance 31/03/22 £000	2022/23 £000	Balance 31/03/23 £000	2023/24 £000	Balance 31/03/24 £000
DIRECTORATE RESERVES					
Equalisation reserves	-14,502	5,713	-8,789	0	-8,789
Commuted sums	-7,597	75	-7,522	120	-7,402
Repair & renewal funds	-2,211	-109	-2,320	-200	-2,520
Profit share	-1,614	-65	-1,679	-67	-1,746
Service reserves	-36,425	10,581	-25,844	3,526	-22,318
TOTAL DIRECTORATE RESERVES	-62,349	16,195	-46,154	3,379	-42,775
CORPORATE RESERVES					
Contingency Fund	-4,554	-3,553	-8,107	-6,066	-14,173
Insurance	-17,776	0	-17,776	0	-17,776
Job Evaluation earmarked	0	0	0	0	0
Transformation/Efficiency	-42,083	12,840	-29,243	9,183	-20,060
TOTAL CORPORATE RESERVES	-64,413	9,287	-55,126	3,117	-52,009
UNUSABLE/TECHNICAL RESERVES	-2,869	200	-2,669	20	-2,649
SCHOOLS DELEGATED RESERVES*	-28,391	0	-28,391	0	-28,391
TOTAL RESERVES	-158,022	25,682	-132,340	6,516	-125,824

* There is no updated information available for schools for 2022/23 or 2023/24. However reserve use is expected to be substantial during both 2022/23 and 2023/24 (up to £18m)
 In addition to the above, there will be draws from both the Capital Equalisation Reserve and the Insurance Reserve to fund Highways Capital works (up to £4m over 2 years)
 Again in addition to the above, there could be further draws from the Capital Equalisation Reserve for future potential capital acquisitions

APPENDIX D

Part 1 – Savings Proposals

Director	Head of Service Budget	Description	2023/24 £'000
Corporate Services	Communications Service	Do not fill vacant post.	60
Corporate Services	Communications Service	Carry vacancy	60
Corporate Services	Communications Service	Recharge Finance for Council Tax printing and associated costs	20
Corporate Services	Communications Service	Refocus PR budget	25
Corporate Services	Communications Service	Remove post via ER/VR in Corporate Management Team support	0
Corporate Services	Communications Service	Remove underspend in Corporate Management support budget	56
Corporate Services	Communications Service	Review CMT support	60
Corporate Services	Communications Service	Review Design Print	105
Corporate Services	Communications Service	Review funding model of the Public Service Board support role	22
Corporate Services	Communications Service	Review Policy and Development Support	0
Corporate Services	Communications Service	Review Research and Information Team	0
Corporate Services	Digital and Customer Services	Licences saving	252
Corporate Services	Digital and Customer Services	Mobile Phone saving	11
Corporate Services	Digital and Customer Services	Move hardware replacement budget to the capital programme	450
Corporate Services	Digital and Customer Services	Phone contract charges saving	15
Corporate Services	Digital and Customer Services	Reduce in vehicle hire	5
Corporate Services	Digital and Customer Services	Support and maintenance contract saving	30
Corporate Services	Digital and Customer Services	Remove vacant post	48
Corporate Services	Digital and Customer Services	Review customer services function	36

Director	Head of Service Budget	Description	2023/24 £'000
Corporate Services	Digital and Customer Services	Review IT service desk service	42
Corporate Services	Digital and Customer Services	Supplies and Services	5
Corporate Services	Digital and Customer Services	15% increase to fees and charges	3
Corporate Services	Director	Reduce expenditure on senior management as part of review	25
Corporate Services	Director	Non-staff spend savings due to different ways of working	1
Corporate Services	HR & Service Centre	Local subscription saving	15
Corporate Services	HR & Service Centre	Bring Welsh language advertising in house	25
Corporate Services	HR & Service Centre	Deletion of vacant post	31
Corporate Services	HR & Service Centre	Remove surplus non staff budgets	47
Corporate Services	HR & Service Centre	Restructure Service Centre Management	50
Corporate Services	HR & Service Centre	Review funding for Trade Union Admin support	21
Corporate Services	HR & Service Centre	Review of merchant services	70
Corporate Services	HR & Service Centre	Review Service Level Agreement provision to schools	81
Corporate Services	HR & Service Centre	Staff restructure in Learning & Development Team	20
Corporate Services	HR & Service Centre	Staff restructure in service centre	77
Corporate Services	HR & Service Centre	Additional Saving post Oracle Cloud implementation	30
Corporate Services	Legal, Democratic Services & Business Intelligence	10% increase in fees and charges	10
Corporate Services	Legal, Democratic Services & Business Intelligence	10% increase on schools' Service Level Agreements	13

Director	Head of Service Budget	Description	2023/24 £'000
Corporate Services	Legal, Democratic Services & Business Intelligence	Reductions in non-staffing budgets	27
Corporate Services	Legal, Democratic Services & Business Intelligence	Remove vacant post	18
Corporate Services	Legal, Democratic Services & Business Intelligence	Remove vacant posts	87
Corporate Services	Legal, Democratic Services & Business Intelligence	Review Legal Services	32
Corporate Services	Legal, Democratic Services & Business Intelligence	Review of Legal Services - income adjustment	-8
Corporate Services	Legal, Democratic Services & Business Intelligence	Review Democratic Services and Scrutiny support staff	*86
Corporate Services	Legal, Democratic Services & Business Intelligence	Review Information and Governance Unit and Welsh Translation Unit	*82
Corporate Services	Legal, Democratic Services & Business Intelligence	Supplies & Services	33
Corporate Services		Employer saving on pension costs as advised by Pension S151 Officer	450
Corporate Services		Reversal of National Insurance 1.25%	195
		Corporate Services Total	2,823
Education	Non-Delegated	Explore construction of new Available Walking Routes to Schools providing savings	196
Education	Non-Delegated	Enhance in County provision reducing out of county costs	232
Education	Non-Delegated	Home to School Transport saving	100
Education	Non-Delegated	Further review of demand and service pressures	60
Education	Non-Delegated	Catering & Cleaning services full cost recovery	100
Education	Non-Delegated	Better targeting of Education otherwise than at school (EOTAS) spending following full implementation of new model of provision	120

Director	Head of Service Budget	Description	2023/24 £'000
Education	Non-Delegated	Wider review of Directorate staffing to refocus resources and enhance cost recovery from other funding streams	63
Education	Non-Delegated	Additional Learning Needs Post 16 Transport - promotion of independent travel	25
Education	Non-Delegated	Continuing review and rationalisation of the directorate.	125
Education	Non-Delegated	Saving from migration of pupil management information system to the cloud	300
Education		Employer saving on pension costs as advised by Pension S151 Officer	450
Education		Reversal of National Insurance 1.25%	200
		Education (Non-Delegated) Total	1,971
Finance	Accountancy	Review accountancy service	30
Finance	Audit/Fraud	Review audit and fraud service	45
Finance	Benefits	Remove vacant posts	94
Finance	Benefits	Remove vacant post	16
Finance	Commercial Services	Remove vacant post in Commercial Services	100
Finance	CTRS	Rebase Council Tax Reduction Scheme	1,541
Finance	Deputy Chief Finance Officer	Review of Finance management structure	25
Finance	Insurance/ Treasury	Review insurance/treasury service	104
Finance		Employer saving on pension costs as advised by Pension S151 Officer	250
Finance		Reversal of National Insurance 1.25%	105
		Finance Total	2,310
Place	Building Services	Additional income through significantly increased work programme	650
Place	Building Services	Reduce trading account budget, covered by increased income generation.	600
Place	Cultural Services	Implementation of income generation agreement within the Grand Theatre Arts Wing	*75
Place	Cultural Services	Increase fees and income targets in line with inflation	110
Place	Cultural Services	Review budget to deliver Cultural Activity	60
Place	Cultural Services	Review contract agreement with Waterfront Museum	*100

Director	Head of Service Budget	Description	2023/24 £'000
Place	Cultural Services	Review Service Management and Directorate Budget for development work and cross support for Dylan Thomas Centre and staff	130
Place	Cultural Services	Review the partnership agreement with Wales National Pool	*100
Place	Highways & Transport	Increase car park income	250
Place	Highways & Transport	Standardise charges in non-city centre car parks	*100
Place	Highways & Transport	Apply full cost recovery principles to day markets on car parks and highways	20
Place	Highways & Transport	Energy saving from implementing LED lamps from extra investment	80
Place	Highways & Transport	Increase fee charges against highways maintenance capital works	100
Place	Highways & Transport	Uplift foreshore parking charges	350
Place	Highways & Transport	Increase street works and licencing fees annually in line with inflationary levels	25
Place	Highways & Transport	Increased charges and income from Marina and Knab Rock	40
Place	Highways & Transport	Introduce charges for parking waivers	100
Place	Highways & Transport	Operate an Additional Parking Enforcement camera car	57
Place	Highways & Transport	Review Parking Services Team	75
Place	Housing & Public Health	Introduce paid for advice and approval service for businesses across Food Safety and Trading Standards functions	22
Place	Housing & Public Health	5% Increase in Fees for next 4 years Cemeteries and Cremations. Fees are controlled by statute (The Local Authorities' Cemeteries Order 1977)	130
Place	Housing & Public Health	5% Increase in Fees in next 4 years Registrars. Fees are controlled by statute (Marriage Act 1949) stating the income from charges should not exceed the costs of provision.	30
Place	Housing & Public Health	Building Control - Various reductions to running costs	6
Place	Housing & Public Health	Delete vacancy and put permanent revised Food team management structure in place	100
Place	Housing & Public Health	Remove surplus budget	17

Director	Head of Service Budget	Description	2023/24 £'000
Place	Housing & Public Health	Increase Food Safety and Trading Standards Fees by 15%	15
Place	Housing & Public Health	Increase in Fees for next 4 years Building Control (in accordance with Land Authority Building Charges Regulations 2010)	23
Place	Housing & Public Health	Increase pest control fees to 15% for schools' contract and general pest income	15
Place	Housing & Public Health	Licensing staff restructure	39
Place	Housing & Public Health	non staffing Budget reductions	17
Place	Housing & Public Health	Decommission Nowcaster air quality monitoring system	*28
Place	Housing & Public Health	Review of Urban Renewals Service	151
Place	Housing & Public Health	Review Public Health Service	45
Place	Planning and City Regeneration	Fee income from capital projects in City Regeneration to offset revenue costs	265
Place	Planning and City Regeneration	Increase Land Charges Income	30
Place	Planning and City Regeneration	Increase Planning Fee Income	100
Place	Planning and City Regeneration	Revise Swansea Market Rent Charges	*50
Place	Planning and City Regeneration	Review Nature Conservation, Regeneration, Economic Development, & Planning sections	60
Place	Property Services	Increase in Quadrant income	140
Place	Property Services	Increase in Service Level Agreement Income	100
Place	Waste, Parks & Cleansing	Apply full cost recovery principles to graffiti charges over 4 years	10
Place	Waste, Parks & Cleansing	Increase weighbridge charges	55
Place	Waste, Parks & Cleansing	Increase Bulky Waste Collections charges	15
Place	Waste, Parks & Cleansing	Increase Cleansing income due to 15% increase in charges to third parties	13
Place	Waste, Parks & Cleansing	Increase Grounds Maintenance income due to 15% increase in charges to HRA, schools and third parties	50

Director	Head of Service Budget	Description	2023/24 £'000
Place	Waste, Parks & Cleansing	Increased income due to 15% increase in cost of separately paid for Ward Operatives	22
Place	Waste, Parks & Cleansing	Increase income from Reuse Shop	10
Place	Waste, Parks & Cleansing	Increase income from Wood Project	10
Place	Waste, Parks & Cleansing	Increase weed spraying income due to 15% increase in charges to Housing, schools and third parties	25
Place	Waste, Parks & Cleansing	Reallocate current Cleansing Project Teams	230
Place	Waste, Parks & Cleansing	Remove 50% of additional funding for mechanical brush resource at leaf fall	*25
Place	Waste, Parks & Cleansing	Remove additional funding for litter bin replacements	*105
Place	Waste, Parks & Cleansing	Review breadth and scale of cleansing operations	*150
Place	Waste, Parks & Cleansing	Review individual missed collections service	0
Place	Waste, Parks & Cleansing	Review Street Cleaning	30
Place	Various	"Income earning" services to self-fund pay increase costs from increased fee charges on full cost recovery	750
Place		Employer saving on pension costs as advised by Pension S151 Officer	2,000
Place		Reversal of National Insurance 1.25%	800
		Place Total	8,705
Social Services	Adult Services	Realise saving in efficiencies through the Supported Living Framework and benefits of being located together (2.5% rather than 5% stated in contractual arrangements in light of Covid)	100
Social Services	Adult Services	Work though Complex Needs high-cost placements and establish a collaborative approach with Health for funding these packages of care to achieve a reduction in the overall costs of these packages due to more efficient and effective working with health in terms of new guidance around continuing health care cases	250
Social Services	Adult Services	Reduction in costs for external residential care by changing the business model and how we are funding voids in the system	50

Director	Head of Service Budget	Description	2023/24 £'000
Social Services	Adult Services	Increase client contribution and review of all fees and charges with a view to incorporating inflationary increases estimated at 10% in line with spending restrictions	1,000
Social Services	Adult Services	Review extra care services and recommission a different operating model to achieve efficiencies and better outcomes for individuals	100
Social Services	Child and Family Services	Continue to implement the new framework for the funding of children's complex needs placements to ensure continued equitable funding of these placements with Health	150
Social Services	Child and Family Services	Supported accommodation and floating support efficiency savings following a review and recommissioning exercise	100
Social Services	Child & Family Services	Reduce placement costs through negotiations with providers to achieve best value for children for both 4Cs framework and non-framework providers	500
Social Services	Directorate	Replacing core costs of non-statutory teams with Grant money which may become available through a range of local or regional opportunities	300
Social Services	Directorate	Do not fill vacant posts in Social Services	1,000
Social Services	Directorate	Employer saving on pension costs as advised by Pension S151 Officer	1,850
Social Services	Directorate	Reversal of National Insurance 1.25%	700
		Social Services Total	6,100
		Grand Total	21,909

Part 2 – Service Pressures and Investment

Director	Head of Service	Description	2023/24 £'000
Corporate Services	Legal and Democratic Services	Increase to Councillors costs due to IRPW Report	15
Social Services	Adults	Various Adult Services pressures including loss of income (grants), staff costs, inflationary contract costs and ongoing additional COVID-19 costs	50
Social Services	Child & Family	Various Child and Family Services pressures including loss of income (grants), staff costs, inflationary contract costs and ongoing additional COVID-19 costs	100

Director	Head of Service	Description	2023/24 £'000
Education	Non-Delegated	Unbudgeted and uncontrollable ER/VR and ongoing pension costs - beyond base budget assumptions re service pressures	600
Education	Non-Delegated	ALN Act Implications	600
Education	Non-Delegated	ALN - out of county placements and pupil support - beyond base assumptions re service pressures	200
Education	Non-Delegated	ALN (including Post 16) Transport cost pressures in excess of planning assumptions	360
Education	Non-Delegated	Home to School Transport (primary, secondary, post 16, ALN and special schools) - increased contract costs due to inflation, fuel etc.	0
Corporate Services	HR & Service Centre	Remove unachievable HR Saving	139
Corporate Services	Digital and Customer Services	JE Regrading	21
Corporate Services	Directorate	Remove unachievable Saving	30
Education	Non-Delegated	Catering - shortfall between universal free school meal grant and actual costs (manifesto commitment)	285
Education	Non-Delegated	Catering - difference between frozen paid meal price and actual costs (manifesto commitment)	260
Finance	Commercial Services	Additional resource to comply with procurement/supply requirements	100
Place	Waste, Parks & Cleansing	Additional toilet cleaning resource following the successful ERF funded pilot scheme	60
		Grand Total	2,820

Changes to the budget proposal report are shown in **Bold Italic**

Deferrals arising from the February Cabinet report are shown as *red

Budget Consultation Results 2023

Budget Consultation

Consultation on the specific budget proposals ran from 3rd January 2023 to 31st January 2023. A survey was produced detailing the council's budget proposals, giving people the opportunity to provide their feedback. In total 440 people took part in the general budget consultation survey.

The consultation was available online at www.swansea.gov.uk/budgetsurvey, hard copies were made available in all our Libraries.

908 visits to our Budget Consultation webpages. A link was also provided on our internal staff site Staffnet that went straight to the main budget page.

Communication and Social Media

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

- Three press releases resulting in twelve media and social media news mentions
- Seven social media mentions, reaching 18.4k on social media and 2.3k via the council's online weekly newsletter.

Budget Consultation Summary Results (full results Appendix A)

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

- Future funding of services
- Proposed spend 2023/24
- Future Spend
- Budget Proposals

Future funding of services

46% Would you be prepared to pay more for some services rather than lose them?

73% Would you prefer for the Council to deliver services in a different way rather than lose them?

50% Would you be prepared to accept a higher increase in Council Tax to fund services rather than lose them?

What level of Council Tax increase would you accept?

56% Below inflation level rise

41% A rise in line with inflation levels

3% Above inflation rise

Proposed Spend

87% Agree that Social Services and Education should remain the Council's priority in terms of future spend?

Future Spend

Respondents were asked: **If there was money available, in which areas would you like to see the Council invest in?**

Areas which were selected the most are outlined below:

63% Care for Older People and Disabled Adults

54% Street/Road Repairs

45% Housing and Homelessness

44% Keeping Children Safe

42% Tackling Poverty

39% Parks & Green Spaces

Budget Proposals

The majority of proposals were supported by respondents.

Council Fees and Charges

The survey asked a series of questions around proposed increase of fees and charges across the Council:

57% Agree with the proposal to increase our fees and charges with inflation rises

43% Agree with the proposal to increase our fees and charges to recover all costs of providing our services

68% Agree with the proposal to introduce a Resident App

75% Agree with the proposal to introduce a discounted residents' rate for some of our carparks

Social Care Services:

54% Would prefer to pay more for those services rather than see a reduced level of service

Other Proposals:

Areas which received the highest levels of objection and agreement are outlined below:

Agree

95% agree to keep the £1 Park and Ride tariff and not return to the price of £2.50 until April 2024

82% agree to review the funding arrangements for the National Waterfront Museum and look to reduce the Council's contribution.

80% agree to introduce a £3 charge in all City Centre car parks for overnight parking

78% agree to remove the facility to pick up individual missed rubbish collections.

77% agree to increase the charge of the disposal of non-household waste at the Bailing Plant in Llansamlet by 7.5.%

76% agree to review the funding arrangements of the National Pool when the current arrangement ceases. The Council currently contributes 50% of the funding for this venue

73% agree to the introduction of a charge per event for markets and car boots sales at Uplands Market, Dairy Car Park and High Street Multi Storey Car Park. The charge would be for event organisers.

Disagree

60% Disagree with the proposed car park charges for Copr Bay Car Parks?

54% Disagree with introducing charges in larger Council run car parks in Fendrod Lake

53% Disagree with introducing charges in larger Council run car parks in Gorseinon

53% Disagree with introducing charges in larger Council run car parks in Morriston

50% Disagree with introducing charges in larger Council run car parks in South Beach,
Trawler Road (Marina)

Budget Report

Comments on the overall budget report were sort 167 comments have been received.

Text comments provided in the survey have been presented in full to Cabinet members for consideration.

Other Correspondence

We received a number of letters in relation to the budget proposals:

- 1 letter from Swansea Trades Council
- 1 letter from Wales National Pool Swansea
- 1 letter from Amgueddfa Cymru-Museum Wales

These correspondence can be viewed in Appendix 2

Appendix 1

Are you ...

280 (63.6%)	A member of the public	4 (0.9%)	A third sector organisation/partner organisation (please specify)
149 (33.9%)	A council employee	2 (0.5%)	A private sector organisation/partner organisation (please specify)
5 (1.1%)	An elected member		
10 (100.0%)			

Postcode:

429 (100.0%)

Future funding of services

Due to the size of the budget challenge facing the Council in the coming years, we may not be able to provide the same number or level of services in the future.

We want your views on how we can provide services in the future:

Would you be prepared to pay more for some services rather than lose them?

192 (46.2%) Yes
224 (53.8%) No

If yes, please state in the box below which services you would be prepared to pay towards in the future:

157 (100.0%)

Would you be prepared to accept a higher increase in Council Tax to fund services rather than lose them?

214 (50.0%) Yes
214 (50.0%) No

If yes, what level of Council Tax increase would you accept?

144 (56.0%) Below inflation level rise
105 (40.9%) A rise in line with inflation levels
8 (3.1%) Above inflation level rise

Would you prefer for the Council to deliver services in a different way rather than lose them?

302 (72.9%) Yes
112 (27.1%) No

If yes, please state in the box below how would you like services delivered differently in the future:

172 (100.0%)

Proposed Spend 2023/24:

Do you agree or disagree that Social Services and Education should remain the Council's priority in terms of future spend?

212 (50.4%) Strongly Agree
154 (36.6%) Tend to Agree
32 (7.6%) Tend to Disagree
23 (5.5%) Strongly Disagree

If you disagree, please tell us why?

53 (100.0%)

Future Spend:

If there was money available, in which areas would you like to see the Council invest in?

270 (62.6%)	Care for Older People and Disabled Adults	125 (29.0%)	Council Housing
18 (4.2%)	Keeping people informed about the Council	37 (8.6%)	Improvements to Council buildings
45 (10.4%)	Engaging and consulting people on things the council does	195 (45.2%)	Housing & Homelessness
52 (12.1%)	Promoting and supporting Equality and Diversity	182 (42.2%)	Tackling Poverty
19 (4.4%)	Improving the Council's website	118 (27.4%)	Libraries
28 (6.5%)	Promoting and supporting Welsh Language	108 (25.1%)	Community Centres
63 (14.6%)	Making the Council more commercial	136 (31.6%)	Children's Play / Youth Services
191 (44.3%)	Keeping Children Safe	101 (23.4%)	Developing Swansea City Centre
154 (35.7%)	School improvements	96 (22.3%)	Refuse Collection
138 (32.0%)	Additional Learning needs	114 (26.5%)	Recycling services
135 (31.3%)	Education services	141 (32.7%)	Street cleaning
80 (18.6%)	Adult learning	168 (39.0%)	Parks & Green Spaces
234 (54.3%)	Street/Road Repairs	116 (26.9%)	Sports, Leisure & Cultural Facilities
69 (16.0%)	Traffic Management	91 (21.1%)	Transport services/ Bus station
69 (16.0%)	Car Parking	18 (4.2%)	Other (write in)
50 (100.0%)			

Budget Proposals: Council Fees and Charges

As a Council we charge for a number of services that we provide. This allows us to use the income from these services to provide them and allows us to recover the cost of providing services to help us fund other services we provide. The cost of living crisis has brought unprecedented challenges for households across the country. Swansea Council has been affected in the same way. The effects of higher energy bills has added an extra £15 million to our costs. On top of this inflation has reached more than 10 percent this year, which means the cost of everything we buy and use has increased during the year. At the same time, the UK Government has agreed national pay rises for Council and school staff without providing funding for them. To ensure that we can continue to provide our services we need to review how much we charge for them.

It is proposed that as a Council we adopt the principle of increasing our charges in line with increased inflation costs or to ensure we recover all cost of providing our services.

Do you agree or disagree with the proposed principles:

	Strongly Agree	Tend to Agree	Tend to Disagree	Strongly Disagree
Increase our fees and charges in line with inflation rises	58 (13.6%)	186 (43.7%)	109 (25.6%)	73 (17.1%)
Increase our fees and charges to recover all costs of providing our services	35 (8.9%)	132 (33.6%)	135 (34.4%)	91 (23.2%)

Are there any comments you would like to make about the proposed principles around increasing fees and charges

140 (100.0%)

To minimise the impact of the proposed increases to fees and charges the Council is proposing the introduction of a Residents App which will give people who live in Swansea access to offers and discounts.

Do you agree or disagree with the proposal to introduce a Resident App?

103 (24.0%)	Strongly Agree	189 (44.0%)	Tend to Agree	73 (17.0%)	Tend to Disagree	65 (15.1%)	Strongly Disagree
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This proposed principle to increase charges in line with increased inflation costs or to ensure we recover all costs of providing our services would also apply to car parking charges. To minimise the impact of the proposed increased the Council is proposing to introduce a discounted residents rates for some car parks.

Do you agree or disagree with the proposal to introduce a discounted residents' rates for some car parks?

143 (33.3%)	Strongly Agree	179 (41.7%)	Tend to Agree	61 (14.2%)	Tend to Disagree	46 (10.7%)	Strongly Disagree
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This proposed principle to increase charges in line with increased inflation costs or to ensure we recover all cost of providing our services would also apply to charges to Social Care Services. Our Social Services Charging Policy has been produced in accordance with the legal requirements set out in The Social Services and Well-being (Wales) Act 2014 ("the Act") and sets out Swansea Council's position on charging for social care. It is proposed that where services are currently charged, these charges will be increased by only 10%. Maximum charging and means testing will still apply as per the current policy. Details of the policy and list of charges current applied can be found here.

If you need any further information in relation to the proposed increase in charges for social care please contact us on the details below:

Email: SWInbox@swansea.gov.uk

Tel: 01792 636322

Do you currently pay for Social Care Services?

28 (6.6%)	Yes
397 (93.4%)	No

Would you prefer to pay more for those services rather than see a reduced level of service?

185 (54.4%)	Yes
155 (45.6%)	No

Are there any comments you would like to make about how this will affect you?

86 (100.0%)

Budget Proposals: Cultural Services

Do you agree or disagree with the following proposals:

	Strongly Agree	Tend to Agree	Tend to Disagree	Strongly Disagree
The Council currently contributes around £650,000 of funding to the National Waterfront Museum per year which makes up 35% of the total funding for this venue. We propose to review the current funding arrangements and look to reduce the Council's contribution by £100,000 a year for the next 3 years	200 (46.7%)	150 (35.0%)	49 (11.4%)	29 (6.8%)

The Council currently contributes around £300,000 of funding to the Wales National Pool per year which makes up 50% of the total funding for this venue. We proposed to review the current funding arrangements post December 2023 when the current arrangements cease.

176	149	62	39 (9.2%)
(41.3%)	(35.0%)	(14.6%)	

Budget Proposals: Waste, Parks and Cleansing

Do you agree or disagree with the following proposals:

	Strongly Agree	Tend to Agree	Tend to Disagree	Strongly Disagree
At present if individual collections are missed, often due to being put out late, people can ring up and the service will return to collect. The proposal is to remove this facility from April 2023. This will not include those who receive assisted collections, or instances where whole streets are missed. This will save the Council £30,000	230 (54.1%)	100 (23.5%)	42 (9.9%)	53 (12.5%)
Residents and businesses are currently charged for the disposal of non-household waste at the Baling Plant in Llansamlet. The weighbridge is used and charged applied by weight. We propose to increase this charge by 7.5%	153 (36.0%)	172 (40.5%)	48 (11.3%)	52 (12.2%)

Budget Proposals: Highways and Transport

Do you agree or disagree with the following proposals:

	Strongly Agree	Tend to Agree	Tend to Disagree	Strongly Disagree
To ensure consistency with other charging arrangements we proposed to charge for the use of public space. At present a number of markets and car boot sales take place across the city. We propose to introduce a charge per event to hold these at the following locations: Uplands Market, Dairy Car Park Market and High Street Multi Storey Car Park. The charge would be for those organising the events.	153 (35.7%)	160 (37.3%)	67 (15.6%)	49 (11.4%)
Proposal to purchase an additional Parking Enforcement Car. These are used to enforce parking measures in bus stops, schools, keep clear markings, taxi ranks, and areas where stopping or loading is prohibited. This will lead to increase levels of public safety on the highway due to higher levels of compliance.	117 (27.3%)	101 (23.5%)	82 (19.1%)	129 (30.1%)

Budget Proposals: Car Parking

We propose to introduce car parking charges in larger council-owned car parks that are currently free. We want to ensure that customers wanted to use these car parks have the opportunity to do so. This will contribute to the management and maintenance of the car parks and also encourage increased turnover freeing up spaces to allow more people to use them.

Do you agree or disagree with introducing charges in larger Council run car parks in the following areas:

	Strongly Agree	Tend to Agree	Tend to Disagree	Strongly Disagree
Morrison	82 (19.6%)	114 (27.2%)	104 (24.8%)	119 (28.4%)
Gorseinon	79 (18.9%)	115 (27.6%)	100 (24.0%)	123 (29.5%)

Fendrod Lake	82 (19.5%)	113 (26.8%)	99 (23.5%)	127 (30.2%)
South Beach, Trawler road (Marina)	84 (20.1%)	124 (29.7%)	89 (21.3%)	120 (28.8%)

Proposed Tariffs for Copr Bay Car Parks

Here are the proposed tariffs for Copr Bay Car Park including a discounted residents tariff for Swansea Residents. The residents' discount tariffs will be available if the new tariffs go live on 1st April.

Do you agree or disagree with the proposed car park charges for Copr Bay Car Parks?

59 (14.0%)	Strongly Agree	111 (26.4%)	Tend to Agree	124 (29.5%)	Tend to Disagree	127 (30.2%)	Strongly Disagree
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Proposed Tariffs for Park and Ride Services

During the Covid pandemic both Landore and Fabian Way Park and Ride sites were closed. As restrictions eased both sites reopened and the price of the service was reduced from £2.50 to £1.00.

Income and observations indicates that the uptake of this Park and Ride offer has been low with city centre workers appearing to be using the Mi Permit App to pay for 1 hour car parking at £1 and then pay £2 for all day parking after 9:30am. Whilst the car parks appear full each day the turnover of spaces is low. Rather than encouraging visitors into the city centre, spaces are being occupied by city centre workers. To encourage customers (including city centre workers) to return to using the service it is proposed to keep the £1 tariff and not return the price to £2.50 until 1st April 2024.

Do you agree or disagree with the proposals to to keep the £1 Park and Ride tariff and not return the price to £2.50 until 1st April 2024

153 (35.7%)	Strongly Agree	169 (39.5%)	Tend to Agree	56 (13.1%)	Tend to Disagree	50 (11.7%)	Strongly Disagree
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Overnight parking charges

We propose that a £3 charge be introduced in all city centre car parks for overnight parking (9pm to 8am) excluding Copr Bay (Arena car parks) where an overnight tariff is already proposed.

Do you agree or disagree with the proposals to introduce £3 charge in all city centre car parks for overnight parking (9pm to 8am) excluding Copr Bay where an overnight tariff is already proposed.

160 (37.6%)	Strongly Agree	181 (42.6%)	Tend to Agree	39 (9.2%)	Tend to Disagree	45 (10.6%)	Strongly Disagree
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Sunday Parking Charges

At present all city centre car parks and Copr Bay car park are free to customers on Sundays. It is proposed to introduce parking tariffs seven days a week to be consistent with the current beach and foreshore car park tariffs which include Sundays. To contribute to operational costs and ensure that the Car Parks are staffed and maintained properly, for the safety and convenience of our customers, it is considered appropriate that a modest charge should be applied in city centre car parks for Sunday parking. It is proposed that tariffs of £1 for up to one hour and £2 all day be introduced.

Do you agree or disagree with the proposals to introduce Sunday car park charges city centre car parks at a tariff of £1 for up to one hour and £2 all day.

120 (27.9%)	Strongly Agree	162 (37.7%)	Tend to Agree	52 (12.1%)	Tend to Disagree	96 (22.3%)	Strongly Disagree
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Other Comments

If you have any comments about the budget proposals or anything else contained in the Cabinet budget report please write in here:

167 (100.0%)

Welsh Language Impact:

Do you have any concerns or evidence to suggest that the Council is treating/using the Welsh language less favourably than English in relation to its proposed budget for 2022/23?

226 (100.0%)

If yes, please give details and state how the budget suggested will affect opportunities to use the Welsh language in your view?

20 (100.0%)

What changes could be made in order to have a more positive effect on the Welsh language?

81 (100.0%)

About You: Finding out who has taken part

In accordance with Data Protection law, any information requested on the following questions is held in the strictest confidence for data analysis purposes only. For further information about how Swansea Council uses your personal data, please see our corporate privacy notice on our website www.swansea.gov.uk/privacynotice.

Are you...?

159 (37.6%)	Male
227 (53.7%)	Female
2 (0.5%)	Prefer to self-describe (write in)
35 (8.3%)	Prefer not to say
2 (100.0%)	

Is your gender you identify with the same as that which you were assigned at birth?

375 (89.5%)	Yes
4 (1.0%)	No
40 (9.5%)	Prefer not to say

How old are you ...

0 (0.0%)	Under 16	80 (19.0%)	56 - 65
7 (1.7%)	16 - 25	38 (9.0%)	66 - 75
54 (12.9%)	26 - 35	12 (2.9%)	76 - 85
104 (24.8%)	36 - 45	4 (1.0%)	Over 85
91 (21.7%)	46 - 55	30 (7.1%)	Prefer not to say

How would you describe your national identity?

Please mark all that apply

217 (51.7%)	British	1 (0.2%)	Other British (please write in at end)
226 (53.8%)	Welsh	6 (1.4%)	Non British (please write in at end)
13 (3.1%)	English	0 (0.0%)	Refugee/Asylum Seeker (please write in current/last nationality at end)
4 (1.0%)	Irish	21 (5.0%)	Prefer not to say
2 (0.5%)	Scottish		

Write in here

5 (100.0%)

To what 'ethnic' group do you consider you belong...

368 (88.7%)	White - Welsh, English, Scottish, Northern Irish or British	1 (0.2%)	Asian or Asian British - Pakistani
3 (0.7%)	White - Irish	0 (0.0%)	Asian or Asian British - Bangladeshi
0 (0.0%)	White - Gypsy or Irish Traveller	0 (0.0%)	Asian or Asian British - Chinese
0 (0.0%)	White - Roma	0 (0.0%)	Any other Asian background (please write in at end)
7 (1.7%)	Any other White background (please write in at end)	0 (0.0%)	Black or Black British - Caribbean
0 (0.0%)	Mixed - White & Black Caribbean	1 (0.2%)	Black or Black British - African
0 (0.0%)	Mixed - White & Black African	0 (0.0%)	Any other Black background (please write in at end)
1 (0.2%)	Mixed - White & Asian	0 (0.0%)	Arab
1 (0.2%)	Any other Mixed background (please write in at end)	3 (0.7%)	Other ethnic group (please write in at end)
1 (0.2%)	Asian or Asian British - Indian	29 (7.0%)	Prefer not to say

Write in here

6 (100.0%)

What is your religion?**Please mark one box or write in**

189 (46.2%)	No religion	1 (0.2%)	Muslim
164 (40.1%)	Christian (all denominations)	0 (0.0%)	Sikh
4 (1.0%)	Buddhist	5 (1.2%)	Other
2 (0.5%)	Hindu	44 (10.8%)	Prefer not to say
0 (0.0%)	Jewish		

Any other religion or philosophical belief (please write in)

8 (100.0%)

What is your sexual orientation

18 (4.4%)	Bisexual	72 (17.7%)	Prefer not to say
18 (4.4%)	Gay/ Lesbian	2 (0.5%)	Other
297 (73.0%)	Heterosexual		

Please write in

4 (100.0%)

Can you understand, speak, read or write Welsh?**Please mark all that apply**

86 (20.6%)	Understand spoken Welsh	64 (15.3%)	Learning Welsh
47 (11.3%)	Speak Welsh	220 (52.8%)	None of these
46 (11.0%)	Read Welsh	47 (11.3%)	Prefer not to say
31 (7.4%)	Write Welsh		

Which languages do you use from day to day?**Please mark all that apply**

384 (92.1%)	English	4 (1.0%)	Other (write in)
42 (10.1%)	Welsh	31 (7.4%)	Prefer not to say

Please write in

9 (100.0%)

Do you have any physical or mental conditions or illnesses lasting or expecting to last 12 months or more?

96 (23.1%)	Yes
261 (62.9%)	No
58 (14.0%)	Prefer not to say

Do any of your conditions or illnesses reduce your ability to carry out day-today activities?

66 (16.2%)	Yes
280 (68.8%)	No
61 (15.0%)	Prefer not to say

Thank you for your participation

Appendix 2

Formal Response from Swansea Trades Council:

PROPOSALS 2023

Swansea trades council is the body that co-ordinates and joins together the TUC affiliated trade unions in the Swansea area. We are affiliated to the Wales TUC. We promote the interests of our affiliated trade union branches both in terms of defending the pay, jobs, terms and conditions of trade union members, but also the public services which they provide and upon which our community depends.

We note that the Council cabinet met to agree its 2023 budget proposals on the 22nd of December and initiated a public consultation exercise ending on 31st January. As this includes the Christmas and new year period, it allows very little time for organisations to meet and agree a comprehensive response. In addition, the consultation document appears to be targeted mainly at individuals and is framed to encourage members of the public to prioritise some services over others. There is an assumption throughout the document that some cuts to services will have to be made (although this is phrased as savings rather than cuts to make it appear less painful than it really is). The consultation also asks members of the public to indicate whether they would be prepared to pay charges for some services rather than lose them or to pay higher council tax for services rather than lose them.

Swansea council therefore presents the public with a choice between severe cuts to services or less severe cuts accompanied by new or increased charges and/or a higher than inflation council tax increase. We in Swansea trades council are not prepared to buy in to that scenario. Our starting point as a trade union body is to defend the services that the people of Swansea need and also to resist further attacks on living standards in the midst of a cost of living crisis. That is why we have chosen not to complete the survey produced by Swansea council, but instead we are presenting this written response and circulating it to the trade union movement in Swansea.

We note that the City and County of Swansea has been allocated an additional sum of around £30m in extra funding from Welsh Government for 2023/24, a rise of around 7%. This is similar to the £33.9m allocated for last year.

The council estimates that £45m would be needed to maintain services at current levels, leaving a shortfall of £15m. However, when we take into account spiralling costs, especially energy costs, the council estimates that 'savings' (cuts) of £25m will be needed this year. These 'savings' (cuts) could include the loss of 68 council posts which would be achieved by not filling existing vacancies or voluntary redundancy if possible. However, compulsory redundancy is not ruled out.

The only alternative posed by the council to mitigate this is charging for services or higher council tax.

This is not acceptable. The council admitted in the 2022 budget document that it had already made 'savings' (cuts) of £70m under the Sustainable Swansea strategy since 2013. The strategy of trimming back services year after year is no strategy at all. It is simply a capitulation to the underfunding of local authorities pursued by the Westminster Government and transmitted onwards by the Welsh Government.

We accept that the council is required by law to present a balanced budget, but we believe that this is possible without having to resort to cuts or large council tax rises. The council should explore every avenue including use of reserves, borrowing and zero impact income generation to ensure that services can be maintained and improved this year.

However, we also recognise that a strategy based on borrowing and use of reserves cannot be a long - term strategy either. The only way to resolve the crisis in local government funding is to demand and campaign for more funding from Welsh Government

(and ultimately from the Westminster Government). To achieve this, the Labour council in Swansea must adopt a totally different approach. They must abandon the submissive stance of simply administering and passing on Tory cuts. The trade unions are currently showing the way by fighting back against austerity. Health and education unions do not meekly accept the word of Welsh Government when they claim they cannot afford inflation – proof pay rises. They demand that Welsh Government fights for more funding.

We call on Swansea council to:-

- Use reserves and prudential borrowing powers to avoid making any further cuts to jobs and services this year. Reject the advice that current reserves cannot be touched.
- Reject any privatisation of council services and bring all services back in – house.
- Demand that Welsh Government provides adequate funding for this and future years. Campaign for sufficient funding to restore the services cut since 2013 as a minimum.

Swansea trades council will be calling on trade unionists in Swansea to join a lobby of the full council meeting which will vote on the budget proposals on 2nd March to demand a legal needs - led budget for 2023/24 as per Wales TUC conference policy.



Wales National Pool Swansea
Pwll Cenedlaethol Cymru Abertawe

Swansea Council Budget Proposals 2023 – Public Consultation Response

on behalf of Wales National Pool Swansea (WNPS)

The response provided below refers to the budget proposal relating to Wales National Pool Swansea (WNPS) i.e. *“We propose to review the current funding arrangements post December 2023 when the current arrangements cease”*.

WNPS, its staff and its board of directors, fully understands the current financial pressures that Swansea Council is facing. We also understand why Swansea Council are proposing to review the current funding arrangements for WNPS as it could offer a cost saving opportunity for the Council.

WNPS have substantial concerns that if the Council were to withdraw their support for the pool and stop their current funding arrangement then this would have a significant negative impact on the ability of WNPS to continue operating in its current state and put at risk the provision of swimming we currently provide to the University, Swansea, and the people of Wales. Ultimately, we believe it could directly lead to the closure of the pool in its current state.

Since opening in 2003, Wales National Pool Swansea has been an important and successful asset for the Region, delivering a performance base for over twenty Olympians and Paralympians, attracting more than 5 million visitors, hosting a range of major international events, providing a home for a wide array of community groups, and supporting in excess of 25,000 children and adults from our community to learn to swim. This is vitally important for the city of Swansea as it is surrounded by coastline and rivers. These achievements are a direct result of the unique partnership between Swansea Council and Swansea University. Without such a partnership WNPS would have never come into existence and would not have been able to function as a world class aquatic center for the past 20 years.

Even though the pool currently operates at a loss to both Swansea University and Swansea Council, it is well documented in the industry (and was recognized by both Partners when the pool was built and the current funding model agreed) that Olympic swimming pools, in isolation, are not commercially sustainable, and require ongoing financial subsidy to run. WNPS supports the sporting ambition of the University, the City of Swansea, and the whole of Wales. It also raises the profile of Swansea, services our local population, attracts investment to the area and helps to make Swansea the vibrant, attractive city it is.

If the pool were to close or be unable to operate in its current state this would have a very real negative impact on the area and its population. It would limit potential investment in the city and the University, make the University a less attractive destination for potential students, severely impact the world class programs that Swim Wales and Sport Wales are able to offer,

and would have a very damaging impact on the health and wellbeing of our local population, particularly those people of all ages who want to learn to swim and be able to enjoy all our amazing beaches and coastline without fear of water and the sea. It would also put at risk the ambition of both the University and the Council to make Swansea the 'capital of sport' within Wales.

The current partnership arrangements for WNPS, between Swansea Council and Swansea University, finishes on Sunday 24th of December 2023. If either of the current partners were to withdraw their funding for the pool, it is the belief of the board of directors, senior management, and staff of WNPS, that the pool could face a significant risk of either closure, or at the very least redevelopment of the facility in its current state to reduce operating costs.

WNPS currently has over a hundred employees. Our staff are a professional, committed, and loyal team, many of whom have worked at the facility since it opened 20 years ago. The team are aware and very anxious about the ending of the current partnership arrangements and are very conscious of the fact that were the Council to end their partnership with the pool, then they will face the very real threat of job losses and redundancies. These job losses, coupled with the effects on the wider supply chain within the University and the surrounding area, would have a very real negative impact on the local economy and our people.

WNPS, and everyone who works within the pool and on behalf of the pool, is fully committed to working with both Swansea Council and Swansea University to explore options on how we can improve efficiencies across our business models, strategy and operational processes. This may include new ways of working, improving our current operating model, investing in green energy to reduce future operating costs, creating new strategic partnerships with other third-party organisations, and developing a strategy that is aligned with the long-term vision and strategy of both Swansea Council and Swansea University. We want to continue working with both the Council and University to achieve this.

The board of WNPS strongly urges Swansea Council to commit to their partnership with Swansea University beyond December 2023. We would welcome any opportunity to discuss the future of WNPS in greater detail with Swansea Council and its representatives and commit to working with the Council to find a future operating model that works for everyone and brings true benefit to the city of Swansea and the surrounding area.

Greg Garner, Chair Wales National Pool Swansea, on behalf of the Board of Directors, Senior Management and staff of WNPS.

Greg Garner

Amgueddfa Cymru
Parc Cathays
Caerdydd
CF10 3NP
Ffôn: 0300 111 2 333

Amgueddfa Cymru – Museum Wales
Cathays Park
Cardiff
CF10 3NP
Tel: 0300 111 2 333

25/01/2023

Amgueddfa Cymru response to Swansea Council budget proposal:

The Council currently contributes around £650,000 of funding to the National Waterfront Museum per year which makes up 35% of the total funding for this venue. We propose to review the current funding arrangements and look to reduce the Council's contribution by £100,000 a year for the next 3 years.

On behalf of Amgueddfa Cymru-Museum Wales (AC) I wish to respond to this proposal by making the following observations:

1. If this proposal were to be adopted by Swansea Council (SC), this would be in breach of the 25-year Operational Agreement between Amgueddfa Cymru and Swansea Council, signed on 6 October 2005. This agreement was brokered by the (then) Heritage Lottery Fund as a condition of their grant of c.£11.5m towards the building and fit-out of the museum.

Clause 3.1 of this agreement states:

'...this Agreement shall continue for a period of 25 years from 6th October 2005 and thereafter until such time as terminated by either NMGW [Amgueddfa Cymru] or the [Swansea] Council giving no less than two years' notice in writing to the other parties, such notice to expire on an Anniversary Date of this Agreement and not to be given prior to the twenty third Anniversary Date.'

As the Agreement was signed in October 2005, the 23rd Anniversary Date referred to here would fall on 6 October 2028.

2. The creation of the National Waterfront Museum between 1999 and 2005 was a project costing almost £34m. The funding for this came from a number of public organisations, which invested in the project with the assurance of the 25-year agreement between Amgueddfa Cymru and Swansea Council. If this agreement were to be ended then it is likely that some of these organisations could request a proportionate re-imburement of their contributions, which totalled around £19m.
3. If the proposed reduction in its share of funding by Swansea Council commences in April 2023, there is no time for Amgueddfa Cymru to respond to this cut to the operating budget in its upcoming financial year. Nor is there time for the partners and their holding charitable company, NWMS Ltd, to explore alternative sources of support to maintain the operation the museum under the terms of the agreement.
4. It is noted that Swansea Council will be meeting with Amgueddfa Cymru in early February to discuss the implications of this proposal and explore resolution collaboratively.



Janice Lane: Director of Visitor Experience

Mae croeso i chi gysylltu â ni yn Gymraeg, byddwn yn eich ateb yn Gymraeg ac ni fydd yn arwain at oedi.
We welcome correspondence in Welsh and we will answer you in Welsh. This will not lead to any delay.



Cofnogr gan
Lywodraeth Cymru
Supported by
Welsh Government

Llywydd Dros Dro | Acting President - Dr Carol Bell PhD DLitt FLSW FSA
Trysorydd | Treasurer – Hywel John FCA
Cyfarwyddwr Cyffredinol | Director General – David Anderson OBE

Rhif elusen | Charity number - 525774
Rhif TAW | VAT number – GB 783 4541 10

Integrated Impact Assessment (IIA) Statement for Swansea Council’s Budget 2023/24

1. Introduction

This statement provides an overall view of the budget IIA process for the Council, along with any specific relevant details for 2023/24.

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

We, like other local authorities, will be facing a 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.

The council has faced unprecedented financial pressures over the last few years due to government budget reductions, increased demand for services and extra costs such as teachers’ pay and pensions. We think our funding from Welsh Government, whilst substantially positive this year, will not increase our immediate real terms spending power, nor is it likely to increase significantly in future years. This means we will continue to have less to spend in real terms at a time when demand for services like social care is rising. The result of this is a need to find savings of £24.839m in 2023/24 next year and roughly a further £50m savings over the next three years.

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 IIA process as well as officer expertise.

During 2020, the authority updated and replaced the ‘Sustainable Swansea - Fit for the Future’ strategy with the new ‘Swansea – Achieving Better Together’ transformation strategy and programme framework as a means of setting Council priorities, transforming services and addressing current and future deficits.

In November 2022 there was a further report to Cabinet detailing the Council’s transformation strategy, vision and goals for 2022 – 2027.

The Council has adopted a number of Budget Principles that underpin the budget strategy:

<i>Everything is included</i>	<i>Increased income</i>
<i>Engagement</i>	<i>Different models of delivery</i>

<i>We will have less money</i>	<i>Supporting those at risk</i>
<i>Demonstrating efficiency</i>	<i>Evidence base</i>
<i>Cutting Red Tape</i>	<i>Sustainable outcomes/prevention</i>
<i>Full cost recovery</i>	<i>Personal Responsibility</i>

All Services must apply and be consistent with these Budget Principles. All Services are also required to address these Principles as part of business planning and developing savings proposals.

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 Integrated Impact Assessment (IIA) process

The council has had an EIA process in place for a number of years which was reviewed in 2021 and replaced with Integrated Impact Assessments (IIA). The process covers:

- The nine protected characteristics covered by the Equality Act 2010
- The Public Sector Equality Duty for Wales
- Well-being of Future Generations Act (Wales) 2015
- Consultation and engagement
- Poverty and social exclusion
- Welsh language
- United Nations Convention on the Rights of the Child (UNCRC)
- Carers
- Community cohesion
- Human rights principles.

In order to apply the IIA process, officers follow these steps:

- An initial screening exercise (to identify whether a full IIA report is necessary)
- Completion of a full IIA report (where required)
- Quality assurance and feedback
- Sign off at Head of Service level

- Publication on the Council's website alongside the relevant report
- Review.

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

The process does not change for specific budget proposals. All year 1 proposals have completed an IIA screening form and these have been provided to Cabinet for consideration.

3. Assessing impact

Due to both the nature of the proposals being considered and the regulatory framework around IIAs, 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.

Officers are always advised to undertake the initial screening as early as they can, with (if required) a full IIA 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 IIAs 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 IIA
- IIA 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 IIA process to focus on mitigation
- Where a proposal has potential adverse impacts that cannot be mitigated, the IIA is referred to senior managers for attention and consideration.

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 any point of implementation, particularly with the IIA process being a continuing feature as proposals are further developed.

Therefore, we will continue to publish each IIA report 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 'Swansea – Achieving Better Together' strategy contains a substantial emphasis on consultation and engagement too.

Corporate budget consultation takes place on the proposed budget as a whole, and when needed, a wide variety of specific proposals. Others specific proposals are consulted on using service-specific groups and/or activities if required.

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

5. Local information

The Council delivers services to all the citizens of the City & County of Swansea. The Council delivers services to all the citizens of the City & County of Swansea. The overall population profile from the latest population estimates (2021) and 2021 Census is as follows:

- Within an overall population of **237,800**, the gender split of the **City & County of Swansea** is **50.7% Female** (120,700 people) and **49.3% Male** (117,100 people).
- Children and young people **aged 0-25 years** represent **31.0%** of the population, or **73,700** people.
- **Over 50s** represent **40.2%** of the population (95,500 people), of which around **49,200** are over 65 (20.7% of the total population).
- In 2021, **8.6%** of the total population of Swansea (around **20,400** people) came from an ethnic minority background. In terms of religion, **11,300** people (**4.7%** of the population) belonged to non-Christian faiths with **47.3%** (112,700 people) having no religion.
- **22.4% (53,500 people)** were disabled under the Equality Act in 2021 **6.3%** of those aged 16+ (**12,500 people**) were economically inactive due to long term sickness or disability.
- There were **26,000** Welsh speakers in Swansea in 2021, or **11.2%** of the population aged 3+. **42,500** people (18.3%) had one or more skills in Welsh.

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

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

6. Staffing

The Cabinet report in December 2022 referred to 68 posts at risk throughout the Authority, not including any impact in schools (this figure has since reduced). Heads of Service have been provided with the same advice as in previous years that where post is at risk consideration should be given as to whether there is any potential adverse impact and to follow the IIA process. Unions to minimise the number of compulsory redundancies in the future.

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 in Corporate Services, Finance and Place.

Consultation will take place with the Trade Unions as required and any issues raised will be considered.

Based on current information it is anticipated that there will be 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
- Residual very limited risk of compulsory redundancies but work to mitigate this to the absolute minimum continues

These figures will be updated on an ongoing basis.

HR & OD 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 and CMT approval is required in order for the posts to be advertised either on the Vacancy Bulletin or externally.

7. Publication Arrangements

All IIA 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.

8. 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 IIAs show potential significant impact with no possible mitigation, these proposals will be referred for further consideration
- for those IIAs 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 IIAs
- this is an ongoing process and as noted this statement and many IIAs 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, people-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 Swansea. Many of these are of particular benefit to the areas covered by our IIA 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 'Swansea – Achieving Better Together'.

Response of the Schools Budget Forum



Ysgol Pen-Y-Bryn

Head Teacher - Mr Gethin Sutton

Primary and Secondary Campus - Glasbury Road, Morriston, Swansea SA6 7PA

Post 16 Campus - Heol Frank, Penlan, Swansea, SA5 7AH

Telephone: 01792 799064 Email: pen-y-bryn.school@swansea-edunet.gov.uk



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

18.01.2023

Dear Councillor Stewart,

School Budget Forum Response to Budget Consultation

As always, the School Budget Forum has sought to support the discussions that have already been held and which will be held over the coming weeks. **As a statutory consultative body, the Forum expects that the points made will be carefully considered as part of any forthcoming corporate discussion of future revenue and capital budgets.** The School Budget Forum represents a considerable body of statutory provision meeting the needs of a great many pupils, families, schools and communities within Swansea.

The School Budget Forum recognises the scale of the continuing financial challenges facing the Council. Nevertheless, it has a responsibility to seek to ensure that the full implications of any budget proposals on schools and the wider education service are properly recognised by the Council before any decisions are taken.

We would suggest that the Council should take a very positive view of the outcomes achieved by schools in Swansea against the backdrop of the continuing challenges that have resulted from the global health crisis and national 'cost of living' concerns. Whilst recognising the challenges facing the council, learners' entitlement, experience and outcomes should not be jeopardised by forthcoming Council budget decisions.

Swansea schools do not fare well financially. As has been noted in previous years, the Council can do nothing about the fact that the settlement it receives from the Welsh Government is relatively poor, ranking it around 17/18th out of the 22 local authorities. The Forum is appreciative of the council's continuing relative prioritisation

of education spending which showed a net revenue increase of 6.8% in 2022-23 above the national average increase of 5.5% (Source: Welsh Government Statistical Bulletin 7 July 2022 SB 16/2022).

Schools' delegated funding within Swansea is lower than that of both of our Partneriaeth partner authorities, thus putting the city's schools at a disadvantage when compared with our regional partners. The Forum urges the council to lobby Welsh Government for a more equitable national funding formula for local authorities (and hence schools). The Forum recognises the council's commitment to the delegation of funding to schools with a delegation rate of 83.9% (87.6% excluding home to school transport) being the 5th highest of the 22 Welsh councils. However, per pupil budgeted education spending in Swansea is lower than 17 of the 22 Welsh councils and is £176 below the Welsh average (Source: Welsh Government Statistical Bulletin 7 July 2022 SB 16/2022).

It would be remiss of the Forum not to point out the impact of the global pandemic (much of which may not be fully visible for years to come), an exponential rise in energy costs, significant inflationary pressures and the resultant cost of living crisis.

The result being that despite a better than anticipated settlement and cash increase to both the Council budget and the proposed education budget, there remains a gap between this cash increase and cost pressures, requiring a significant draw on Council and school reserves. For schools, in spite of approximately £10M of cash uplift and a percentage of the Council wide £15M economic fund to meet the increase in energy costs, there remains a **real terms decrease** of around 2.2%. The Forum has concern that these pressures will increase and have a greater negative impact in years two and three of the Medium Term Financial Plan.

We have appreciated the positive response in Council Budgets over recent years to some of the recommendations previously made by the Forum, particularly:

- The recognition of the essential contribution of the Education service to the achievement of wider Council priorities
- The recognition of the severe financial pressures facing school delegated budgets and other statutory Education services

Through working closely with the Authority, schools have been better able to manage the significant pressures and increasing expectations placed upon them and to mitigate the effects of large scale redundancies on the Council.

The Forum recognises the positive work undertaken by the School Finance Group and the School Funding and Information Team (SFIT) in revising school funding formulas enabling SFIT to more swiftly calculate indicative school budgets.

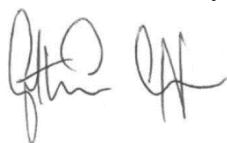
The Forum views positively the Council's stated aims of relative prioritisation of the delegated schools budget and welcomes the proposals made by the Leader in his presentation to headteachers in December. Furthermore the Forum appreciates the transparency and clarity of budgetary information the Forum receives from the Director of Finance & S151 Officer.

The Forum shares the council's belief that we must together keep up the pressure on both governments and continue to press for both fairer and better funding for education. This needs to be in two parts; firstly, the UK government needs to ensure Welsh Government is fairly funded; secondly, Welsh Government needs to address the inequity of funding for local government and secure a fairer funding model for education.

Future funding settlements must fully fund the significant areas of unavoidable cost pressures facing education services, as indeed must any future Welsh Government Budget. Decisions made by the UK or Welsh Governments that result in additional cost pressures for schools, must be wholly funded and maintained in base budget settlements. These would include teacher and other pay awards (including increases in the national minimum wage), teacher pension cost increases, changes to free school meal entitlement, revised ALN legislation against a context of already spiralling expectations of support for pupils with additional learning needs, as well as the impact of more general demographic trends. There also needs to be a more appropriate balance between the base education funding available through the revenue support grant and the increasing range of specific grants, many of which arrive late in the financial year, and all of which have their own terms and conditions. The percentage of education and schools' funding that grants currently represent is too high. However well-intentioned, such funding is inevitably time-limited, often inappropriately, with specific terms and conditions for use, and inevitably short-term focused. This method of providing funding is uncertain, inefficient and does not enable effective financial planning in the medium or longer term. Without equitable and adequate base funding for core statutory education provision, it is also potentially ineffective.

We share the council's commitment to fight for a better deal for education and welcome the assurance to continue to prioritise education within the council's budget and pass on all new monies made available for schools or education by either government.

Yours sincerely



Gethin Sutton
Chair of Swansea Budget Forum



Believe it! Achieve it!

Revenue Budget 2023/2024

Corporate Services

	ORIGINAL BUDGET 2022/2023 £	ORIGINAL BUDGET 2023/2024 £
Corporate Services Directorate		
Director of Corporate Services	150,000	191,800
	150,000	191,800
Chief Legal Officer		
Coroners	789,600	790,900
Democratic Services	3,075,000	3,259,400
Information Governance Unit	182,200	171,400
Legal Services	2,431,500	2,516,300
Overview and Scrutiny Unit	222,700	182,700
Welsh Translation Unit	325,600	286,600
	7,026,600	7,207,300
Head of Digital & Customer Services		
Customer Services & Complaints	987,800	1,038,300
Digital Services	9,537,900	7,050,600
	10,525,700	8,088,900
Head of Communications & Marketing		
Access to Services	111,300	118,600
Human Rights	44,200	47,100
Communications	457,000	458,700
Corporate Marketing	278,700	267,800
Corporate Mgt Team Support	420,400	322,400
Design and Print	216,700	-76,300
Health and Safety	1,129,200	1,193,500
Strategic Delivery Unit	766,465	667,800
	3,423,965	2,999,600
Head of Human Resources & Service Centre		
Human Resources & Organisational Development	1,113,500	776,300
Service Centre	2,330,500	2,176,100
	3,444,000	2,952,400
Total Corporate Services	24,570,265	21,440,000

Revenue Budget 2023/2024

Finance

	ORIGINAL BUDGET 2022/2023 £	ORIGINAL BUDGET 2023/2024 £
Deputy Section 151 Officer		
Audit	724,600	739,000
Finance DMT	505,400	972,200
Accountancy	1,367,600	1,412,400
Pensions	46,800	98,200
Treasury and Technical	642,700	583,000
	3,287,100	3,804,800
Head of Revenues & Benefits		
Revenues	861,500	949,000
Benefits	3,364,400	3,711,800
Council Tax Reduction Scheme	24,553,000	24,512,000
	28,778,900	29,172,800
Head of Commercial Services		
Commercial Team & Procurement	704,000	760,400
	704,000	760,400
Total Finance	32,770,000	33,738,000

Revenue Budget 2023/2024

Social Services

	ORIGINAL BUDGET 2022/2023 £	ORIGINAL BUDGET 2023/2024 £
Adult Services and Tackling Poverty		
External Domiciliary Care	3,661,700	5,105,856
Internal Staffing and Services - Hubs	3,383,900	4,024,009
Internal Staffing and Services - Other	2,242,500	4,046,965
Internal Staffing and Services - Service Provision	13,290,750	13,110,987
MH LD Complex Care	21,379,600	23,547,057
Tackling Poverty Service	813,400	1,027,092
Third Party Spend	1,368,000	1,349,719
	46,139,850	52,211,685
Child & Family Services		
Adolescent and Young People's Services	2,298,500	2,867,443
Adoption Services	2,126,900	2,014,881
Care & Support Services	6,969,100	6,458,705
Commissioned Services	1,647,300	2,763,114
Commissioned Services - Gower Activity	117,700	152,550
Commissioning and Care Services	5,907,600	7,270,817
Commissioning and Care Services (Fostering)	7,685,400	8,386,362
Commissioning and Care Services (Independent Placements)	10,729,000	9,878,000
Early Help and Single Point of Contact	985,200	1,135,054
Family Support Services	1,527,200	1,798,900
Internal Staffing and Services	5,936,700	5,046,514
Therapy	695,800	752,776
	46,626,400	48,525,116
Grants, Commissioning & Partnerships		
Commissioned Services	2,395,335	2,772,051
Internal Staffing and Services	646,400	1,178,517
	3,041,735	3,950,568
Integrated Services for Older People		
External Domiciliary Care	9,731,000	10,994,986
External Residential Care	19,971,450	21,897,299
Internal Staffing and Services - Homecare	6,092,250	5,827,487
Internal Staffing and Services - Hubs	6,669,300	4,470,414
Internal Staffing and Services - Other	1,086,550	2,371,162
	43,550,550	45,561,348
Resources Hub		
Internal Staffing and Services	5,969,200	6,726,283
	5,969,200	6,726,283
Total Social Services	145,327,735	156,975,000

Revenue Budget 2023/2024

Education

	ORIGINAL BUDGET 2022/2023 £	ORIGINAL BUDGET 2023/2024 £
Delegated Schools		
School Cost Centres	179,045,900	189,670,000
	179,045,900	189,670,000
Director of Education		
Mgt & Admin Effectiveness	159,000	163,500
Schools At Risk	109,000	109,000
	268,000	272,500
Head of Achievement & Partnership Service		
Education Improvement Service	974,500	963,700
Management Systems Unit	542,500	251,400
Welsh Service	0	0
	1,517,000	1,215,100
Head of Vulnerable Learner Service		
Additional Learning Needs and Inclusion Team	0	0
Behaviour, Learning Support & EOTAS	6,097,300	5,996,200
Cleaning Services	225,400	254,900
Ethnic Minority Achievement Unit	0	0
Miscellaneous Grants	215,400	228,500
Psychology Service	698,300	717,900
Recoupment/Out of County	761,000	761,000
School And Governor Unit	411,900	428,800
School Meals	1,177,600	1,840,300
SEN Statementing & Support	5,944,700	5,698,900
STF Additional Hours	1,090,700	1,092,300
Swansea Music Service	0	0
Transport	8,613,100	8,848,100
Welfare Service	507,500	522,600
	25,742,900	26,389,500

Revenue Budget 2023/2024

Education

	ORIGINAL BUDGET 2022/2023 £	ORIGINAL BUDGET 2023/2024 £
Head of Education Planning & Resources		
Additional School Support	78,100	78,100
Broadband & Cloud Technology	274,900	274,900
Capital Planning & Delivery Unit	346,700	386,600
Continuing Education & Pensions	418,700	409,300
Education Improvement Grant for Schools	714,000	714,000
Empty Properties	17,900	17,900
FIU Funding and Information Unit	0	0
Funding & Information Unit	200,000	164,600
Health & Safety	84,500	84,500
Learning Portal Team	40,400	41,400
Management & Admin-Planning & Resources	101,300	104,200
Non Delegated - Pensions, Insurance & Public Duties	6,669,475	9,751,450
Post 16 Funding	-5,279,500	-5,920,420
Pupil Deprivation Grant	-8,462,375	-9,598,030
Stakeholder Engagement Unit	262,100	421,400
	-4,533,800	-3,070,100
Total Education	202,040,000	214,477,000

Revenue Budget 2023/2024

Place

	ORIGINAL BUDGET 2022/2023 £	ORIGINAL BUDGET 2023/2024 £
Head of Building Services		
Property Preventative Maintenance	2,861,800	2,873,500
Building Services Trading	1,539,300	1,624,300
	4,401,100	4,497,800
Head of Property Services		
Facilities Management	2,025,685	2,198,401
Strategic Estates Properties	752,023	550,500
	2,777,708	2,748,901
Head of Highways & Transportation		
Car Parking and Enforcement	-3,054,700	-3,709,500
Transportation	5,197,400	5,417,000
Traffic Management	1,252,900	1,338,200
Central Transport	-619,600	-483,800
Engineering	610,175	693,675
Highways	8,922,425	7,740,725
Swansea Marina	-171,960	-172,260
Directorate and Other Costs	-361,800	-503,700
	11,774,840	10,320,340
Head of Waste Cleansing & Parks		
Household Waste Recycling Centres	1,563,434	1,635,734
Parks	4,619,926	5,038,686
Recycling and Residual Waste Collection	11,789,121	12,344,921
Trade Refuse	-424,155	-368,955
Neighbourhood Working	6,752,464	6,864,614
Directorate and Other Costs	729,000	806,600
	25,029,790	26,321,600
Place Directorate		
Place Directorate	4,309,728	1,357,119
Arena	-326,500	-282,300
Temporary COVID Impacts	6,000,000	0
Workstreams	-828,200	-828,200
	9,155,028	246,619

Revenue Budget 2023/2024

Place

	ORIGINAL BUDGET 2022/2023 £	ORIGINAL BUDGET 2023/2024 £
Head of Cultural Services		
Archives	215,350	250,550
Arts	2,393,910	2,227,099
Community Buildings	355,100	325,000
Development and Outreach	283,400	336,000
Libraries	3,162,600	3,352,400
Sport and Recreation	2,997,526	2,751,160
Tourism, Marketing & Events	1,985,600	1,824,968
Directorate and Other Costs	439,743	190,300
	11,833,229	11,257,477
Head of Planning & City Regeneration		
Business Support	618,419	675,519
Property Development	1,256,398	733,698
City Centre Management & Indoor Market	-39,600	-342,800
European & External Funding Team	1,705,000	0
Major Projects, Design and Conservation	132,500	154,900
Planning Control	542,031	525,200
Planning Policy and Environment	1,109,864	1,151,300
Directorate and Other Costs	152,483	102,183
	5,477,095	3,000,000
Head of Housing & Public Health		
Building Regulations	153,200	161,350
Burials and Cremations	-1,180,553	-1,283,750
Food Safety	695,900	619,390
Licensing	-30,100	-43,500
Pollution	644,600	632,900
Public Health	856,600	904,300
Registrars	-76,150	-67,950
Trading Standards	602,700	703,710
Housing Grants to the Independent Sector	40,500	40,500
Housing Renewals and Adaptations	84,300	12,800
Housing Strategy, Advice and Support	1,799,813	1,850,013
Other Housing Services	527,500	553,900
Directorate and Other Costs	233,900	204,600
	4,352,210	4,288,263
Total Place	74,801,000	62,681,000