

Councillor Chris Holley
Convenor
Service Improvement & Finance
Scrutiny Performance Panel

Please ask for: Councillor Rob Stewart
Direct Line: 01792 63 6366
E-Mail: cllr.rob.stewart@swansea.gov.uk
Our Ref: RS/CM
Your Ref:
Date: 28 November 2022

SENT BY EMAIL

Dear Councillor Holley

**SERVICE IMPROVEMENT & FINANCE SCRUTINY PERFORMANCE PANEL
4TH OCTOBER 2022**

Thank you for your letter dated 27 October 2022. I agree with much of what the scrutiny panel has concluded and have sought updates on.

Due to unfortunate timing, given the national volatility, the irony of a 17th November deadline for my response will not now be lost on any of us and I have accordingly delayed my response which I am sure you will understand. Clearly those national moves have the widest of bearings on future years and the outlook remains extremely challenging. I will repeat for the avoidance of doubt what we all know, only UK government has the financial firepower to help navigate the public finances the UK collectively faces, and it has a moral obligation to do so given it created some and exacerbated all of the current turmoil by its own actions. It has chosen not to help with wage or service pressures, and has excluded schools, care homes and community buildings from future energy help.

Turning to the current year I am pleased to acknowledge the national pay award for local government staff has been concluded and about to be implemented. A sum of £1925 a member of local government staff will go part way but only part way to recompensing them for the work they do and compensating, again only partially, for the existential cost of living crisis facing everyone in the UK. Likewise for teachers at an "imposed" 5%. Regrettably there remains silence, as feared, on any funding from UK government to Welsh Government to us in local government to fund the cost. This means we remain in a very difficult and frustrating position. Whilst pressures can be temporarily

absorbed one off by use of reserves they simply cannot be covered in the base budget without cuts or tax rises. U.K. government could have helped but have chosen to ignore the pressures faced by key workers, and have left the costs firmly with Swansea taxpayers. That is unacceptable. There is a simple reason all 22 Councils in Wales are reporting overspends, lack of funding for costs being borne now and expected to continue in the future.

The in year budget strategy remains one of enforced spending restrictions, regrettably trying to limit new pressures by attempting to contain spending outside the pay award. The second quarter update will go to Cabinet on 15 December and I do anticipate that even after allowing for the confirmed pay award the position will have improved slightly, but remains one of fundamental concern for future budget setting.

The latest position will be set out more fully in December and again at third quarter in February 2023, with outturn expected around May 2023 when the success or otherwise of the containment strategy will be proven.

The focus is very much on a range of scenarios for next year and now we know the UK government announcement on 17 November did little to help with funding pressures, and did nothing to help on energy pressures, therefore we await the Welsh Government budget due 13 December and the local government finance settlement 14 December. There is a reason all 22 councils are clear the position is unsustainable, unprecedented and unacceptable.

Yours sincerely



**Y CYNGHORYDD/COUNCILLOR ROB STEWART
ARWEINYDD/LEADER**