



To:
Councillor Rob Stewart
Cabinet Member for Economy,
Finance & Strategy

Please ask for: Overview & Scrutiny
Gofynnwch am:

Direct Line: 01792 636292
Llinell
Uniongyrchol:

BY EMAIL

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Date 29 November 2022
Dyddiad:

Summary: This is a letter from the Service Improvement and Finance Scrutiny Performance Panel to the Cabinet Member for Economy, Finance and Strategy. The letter concerns the meeting held on 8 November 2022 and the Review of Revenue Reserves.

Dear Councillor Stewart,
On the 8 November, the Service Improvement and Finance Scrutiny Performance Panel met to discuss the Review of Revenue Reserves. The Panel are grateful to Ben Smith, Chief Finance Officer / S.151 Officer, for attending to discuss and answer our questions.

The Officer highlighted to us the advice to Council which is that all functions and services are under pressure and draws from reserves will be made in the current year. Also that £100m has been added to the earmarked reserves in the last few years with the general fund at £10m and revenue reserves at £158m.

The Officer told us that the pay award remains unfunded and is likely to be a significant draw from the reserves. Schools are likely to use their delegated reserves and although they are high the rate of use of these reserves will be the concern.

We asked for an up to date figure of the reserves as the data given is now a few months old, the Officer reminded us that you have announced a pause on Economic Recovery Fund activity for a short period given inflation pressures but £20m was planned to be committed and this still remains the case. Overall there is a possibility of using 20/25% of reserves in the current year. The issue for schools may get more pronounced as the teacher's pay award has yet to be decided and could affect the draw on reserves.

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With the reserves at a significant sum the Officer reassured us that there is no scenario where all the reserves will be used in the current year.

We had some concerns about the risk of capital overspends, especially with the rising cost of materials, the Officer informed us that it is likely some schemes will overspend but equally there will be some underspends with an overall underspend that will add to the reserves. Any additional capital decisions which require future borrowing will need to be funded through revenue contributions not the Capital Equalisation Reserve. Officers warned us that further borrowing will come at a cost and is inevitable at some point.

We asked how high the level of borrowing could go. We are aware there are some difficult choices for Cabinet, for instance whether the capital programme is funded from revenue, leaving less revenue for other projects, or to borrow more.

The Officer gave advice that if the Council want to fund significant additional capital expenditure this would need further funding (revenue or borrowing) rather than just reserves. The last borrowing round timed well and secured rates of under 2%, it is unlikely in the near future to have access to interest rates as low as that. Using cash backed reserves in the short term avoids the council borrowing rates at higher rate and we agree that additional external borrowing in the current climate should be postponed for as long as possible.

Further advice given from the Officer was for the Council to prepare for significant change in service delivery, we asked for a timescale on this but understand that this is unclear until further statements are made from National and Welsh Governments.

We appreciate that difficult decisions and circumstances are ahead for the Council and await the draft budget proposals in December for further information.

Your Response

We are interested in any thoughts you may have on the contents of this letter but, in this instance, we require no formal written response.

Yours sincerely,



Councillor Chris Holley
Convener, Service Improvement and Finance Scrutiny Performance Panel
✉ cllr.chris.holley@swansea.gov.uk



**Councillor Elliot King
Cabinet Member for Equalities
and Culture**

To: *Please ask for:
Gofynnwch am:*

*Direct Line:
Llinell Uniongyrchol:*

*e-Mail
e-Bost:*

*Date
Dyddiad:*

Overview & Scrutiny

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scrutiny@swansea.gov.uk

29 November 2022

BY EMAIL

Summary: This is a letter from the Service Improvement and Finance Scrutiny Performance Panel to the Cabinet Member for Equalities and Culture. The letter concerns the meeting held on 8 November 2022 and the Welsh Public Libraries Standards Annual Performance Report.

Dear Councillor King,

On the 8 November, the Service Improvement and Finance Scrutiny Performance Panel met to discuss the Welsh Public Libraries Standards Annual Performance Report. The Panel are grateful to you, Karen Gibbins, Library Services Manager and Karen Davies, Principal Librarian, for attending to discuss and answer questions.

We understand the reporting period for this report was 2020/21 and therefore covers the Covid pandemic time when libraries were temporarily closed. We were pleased to hear that despite this, Swansea Libraries met all of the 12 core entitlements during this time and are meeting the obligations of the Public Libraries Act.

We recognise the importance of the library services but particularly during the pandemic and that as soon as was possible, access to free broadband and Wi-Fi in public libraries was provided to members of the public.

We also heard that use of E audio book services increased by 63% due to an investment by Welsh Government of £500,000 and we heard your concern that this number will drop unless the investment in eBooks is continued.

You made us aware that borrower numbers have reduced but were pleased to hear that you understand of some of the causes of this and are looking to address those issues.

We asked how you share best practice across library sites and you assured us that due to the challenge to learn and adapt and that best practice is shared within the context of using each libraries strengths. You made us aware of recruitment challenges and staff turnover and expressed your concern that this may be in part,

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due to the wages attached to library posts. We were pleased to hear that you are utilising apprenticeship and funded opportunities to grow and develop library staff.

Overall we recognise libraries are a very important part of their local communities and we recognise the impact they have had during the pandemic with limited resources.

Your Response

We are interested in any thoughts you may have on the contents of this letter but in this instance, we require no formal written response.

Yours sincerely,



Councillor Chris Holley

Convener, Service Improvement and Finance Scrutiny Performance Panel

✉ cllr.chris.holley@swansea.gov.uk



To:
Councillor David Hopkins,
Cabinet Member for
Corporate Services and
Performance

Please ask for:
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Overview & Scrutiny

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scrutiny@swansea.gov.uk

BY EMAIL

29 November 2022

Summary: This is a letter from the Service Improvement and Finance Scrutiny Performance Panel to the Cabinet Member for Corporate Services and Performance. The letter concerns the meeting held on 8 November 2022 and the Annual Review of Performance 2021/22.

Dear Councillor Hopkins,
On the 8 November, the Service Improvement and Finance Scrutiny Performance Panel met to discuss the Annual Review of Performance 2021/22. The Panel are grateful to yourself and Richard Rowlands, Corporate Performance Manager, for attending to discuss and answer questions. Our observations focused on the following areas.

We were informed that the report is a requirement of the Well-being Future Generations Act and the Local Government and Elections Act. We were also made aware that this 2020/21 covers the time period including the Covid pandemic with high risk to staff sicknesses. It was explained to us that the report showed the Council had maximised contributions to the national goals by meeting the steps in the corporate plan to deliver corporate priorities. It also reviews the use of resources and the effectiveness of the Council's governance arrangements. The report summarises with the areas of improvement.

We asked what time scales are used to measure these targets and you explained that for the corporate plan it is usually 5 years and the other targets are ongoing.

We also highlighted the work of the procurement inquiry and brought to your attention that recommendations within it were not covered sufficiently in this report. You responded that the Annual Review of Performance was as at 31 March 22 before the full procurement recommendations were presented to Cabinet and therefore this report does not cover this item in full.

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Your Response

We are interested in any thoughts you may have on the contents of this letter but in this instance, we require no formal written response.

Yours sincerely,

A handwritten signature in dark ink, appearing to read 'CHolley', with a stylized flourish at the end.

Councillor Chris Holley

Convener, Service Improvement and Finance Scrutiny Performance Panel

✉ cllr.chris.holley@swansea.gov.uk



To:

**Councillor Andrea Lewis
Cabinet Member for Service
Transformation**

Please ask for:

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Date

29 November 2022

BY EMAIL

Dyddiad:

Summary: This is a letter from the Service Improvement and Finance Scrutiny Performance Panel to the Cabinet Member for Service Transformation. The letter concerns the meeting held on 8 November 2022 and the Welsh Housing Quality Standards Annual Update.

Dear Councillor Lewis,

On the 8 November, the Service Improvement and Finance Scrutiny Performance Panel met to discuss the Welsh Housing Quality Standards Annual Update. The Panel are grateful to you, Dave Meyrick, Programme Planning and Delivery Manager, Carol Morgan, Head of Housing and Public Health and Dave Bratley, Housing Asset Manager for attending to discuss and answer questions.

We were interested to hear details of the Welsh Housing Quality Standards (WHQS) and that the standards aim to make sure houses are in a good state of repair, safe and secure, adequately heated, fuel efficient, well insulated, contain up-to-date kitchens and bathrooms, are well managed, located in attractive and safe environments and try to meet the specific needs of individuals, particularly people with disabilities, providing adaptations.

We recognise that not all properties can meet this standard and this is known as an acceptable fail. You informed us that 70% of our homes are now fully compliant, which is up 13% from the previous year and you explained that the 30% of acceptable fails broke down into 15% being due to residents declining the opportunity to have a Council kitchen or bathroom installed and the other 15% being due to program planning.

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You highlighted to us the economic impact that the WHQS work has had in the locality, as well as apprenticeship and employment opportunities created as a part of the program. You also demonstrated resident satisfaction with the work and improvement to quality of life.

We were pleased to acknowledge the progress made on WHQS and the work of Officers involved. You also alerted us to additions to WHQS due for implementation on 1 April 2022. The next standards will include decarbonisation, fire safety and property safety measures amongst others. This has the potential for a major financial challenge as delivering the new standards could cost in the region on £875m. £423m is currently set aside to meet the current standard but falls short of what will be required for new standards.

We ask what the timescales in achieving the new WHQS were and we were informed the consultation document indicates 10 years, however due to Councils highlighting the difficulty financing the program, there may be a revision of this target.

We also asked about sprinkler systems as we are aware they can be expensive and wondered whether they formed part of the new standards. You informed us that they have already been installed in high rise properties and sheltered housing complexes but installing these into ordinary domestic dwellings isn't a requirement. You have also trained an in house specialist team and used that team to install the fire sprinkler systems. The bigger pressures on the new standards will be more around decarbonisation and an increase in inspections.

We clarified that the current spend on WHQS so far (£546m) has been a mix of revenue rental contributions (£381m) and Welsh Government funding (£165m). This money has not come from council tax which is important to note as this is a common misinterpretation.

Your Response

We are interested in any thoughts you may have on the contents of this letter but in this instance, we require no formal written response.

Yours sincerely,



Councillor Chris Holley

Convener, Service Improvement and Finance Scrutiny Performance Panel

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