



**To/
Councillor Rob Stewart
Cabinet Member for Economy and
Strategy**

BY EMAIL

*Please ask for:
Gofynnwch am:*

*Direct Line:
Llinell Uniongyrchol:*

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Dyddiad:*

Overview & Scrutiny

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12th February 2019

Summary: This is a letter from the Service Improvement and Finance Performance Panel to the Cabinet Member for Economy and Strategy. The Panel met on 12th February 2019. This letter relates to the Annual Budget 2019/20.

Dear Councillor Stewart,

On the 12th February 2019 the Panel met to discuss the Annual Budget 2019/20.

The Panel are grateful to Cabinet Members and officers who attended all Panels to provide information and answer questions.

Each Panel had the opportunity to scrutinise the Budget in relation to their performance panels. Each Panel was then asked to produce the points they wish the raise.

Please find below the comments from each Performance Panel;

Development and Regeneration

- There is a risk associated with the governance review – if the governance review is unfavourable this may impact the money which is due to come to Swansea Council to offset what has already been spent.
- There is a risk in relation to the Business Case still not having been signed off. Until this has been done, no money can flow to Swansea Council – again this means that the money which has already been spent is at risk. This would be a significant problem. There is no indication of timescales of when the business case will be signed off, or if this will impact project timescales. Can you advise?
- There needs to be enough business support to deliver regeneration projects – clarification on how ‘top slicing’ works (taking a percentage from externally funded projects to fund business support roles) would be helpful.

OVERVIEW & SCRUTINY / TROSOLWG A CHRAFFU

SWANSEA COUNCIL / CYNGOR ABERTAWE

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Adult Services

- 80% of proposed savings have been achieved in this financial year. The savings target for next financial year therefore seems to be ambitious especially as much of the expenditure is demand-led.
- With us overspending by £1 million this year due to 'resistance from the LHB to discuss equitable and appropriate contributions towards identified packages of care' there was concern in the panel that this will be an ongoing issue in the next financial year. The panel felt that this needs to be resolved as soon as possible if we are to keep to budget for 2019-20
- It is not fully clear when savings kick in from each of the service commissioning reviews or which savings relate to which review. This process appears to be fairly opaque as far as the panel is concerned and we would welcome a more detailed breakdown.
- We will be revisiting the budget again in October so we can more closely monitor the outcomes of the planned efficiency savings.

Education

- The Panel were pleased to see that education has 'relative prioritisation' in the budget again this year.
- The Panel were concerned about the impact of the cost of the increase in teachers pensions not being covered (at present) by the UK Government. The panel want to ensure that Cabinet are doing everything possible to ensure that schools are not disadvantaged by this substantial amount.
- The Panel were pleased to hear that the school music service will receive extra funding this year from Welsh Government and were keen to emphasise the importance of pupils being able to access and be engaged in music.
- The Panel were pleased to hear about the planned improved clarity and transparency of grant funding that is distributed via ERW but they are keen for these improvements to be monitored moving forward.

Child and Family Services

- No real concerns as far as budget is concerned. All issues were addressed at the meeting.
- Pleased to see budget for CFS is increasing next year, we understand that it is not increasing in real terms as the increase is to cover increases in salary and accommodation costs.
- The Panel acknowledges that it is difficult to forecast what is going to transpire during the year as it is a demand driven service.
- The CFS Panel will continue to scrutinise the Service going forward and make suggestions and recommendations for improvement.

Service Improvement and Finance

- We are concerned about the potential £8m overspend projected for 2018/2019 and would like to know how this will be addressed. What is the contingency plan for not meeting targets?
- Regarding the Medium Term Financial Plan, we do not have indications of core government grant income over the next 3 years. This makes it very difficult to create meaningful strategies.
- The increase of funding of the NHS is detrimental to Local Authorities who have not had such an increase, there needs to be effective collaboration over cost sharing.
- 161 job posts being deleted is a concern. This links in with the issue around increased sickness. Job losses and sickness go hand in hand and the pressure on remaining staff in this difficult time leads to further sickness compounding the issue. What is the contingency plan for not meeting sickness targets?
- There should be a new profile of the Capital Borrowing envelope to reflect the £20m received from Welsh Government, making the sum £180m.
- We are concerned about the impact of this unsupported borrowing on the Council in general, despite reassurances.
- Finally, we cannot continue to accept continuing austerity when there is a risk that even protected services could now fail.

I will present these points at the meeting on 14th February 2019.

We would welcome comments on any aspect of this letter but would like answers on the following queries;

Development and Regeneration

1. There is a risk in relation to the Business Case still not having been signed off. Until this has been done, no money can flow to Swansea Council – again this means that the money which has already been spent is at risk. This would be a significant problem. There is no indication of timescales of when the business case will be signed off, or if this will impact project timescales. Can you advise?
2. There needs to be enough business support to deliver regeneration projects – clarification on how ‘top slicing’ works (taking a percentage from externally funded projects to fund business support roles) would be helpful.

Adult Services

3. With us overspending by £1 million this year due to ‘resistance from the LHB to discuss equitable and appropriate contributions towards identified packages of care’ there was concern in the panel that this will be an ongoing issue in the next financial year. The panel felt that this needs to be resolved as soon as possible if we are to keep to budget for 2019-20.

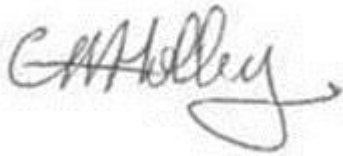
4. It is not fully clear when savings kick in from each of the service commissioning reviews or which savings relate to which review. This process appears to be fairly opaque as far as the panel is concerned and we would welcome a more detailed breakdown.

Service Improvement and Finance

5. We are concerned about the potential £8m overspend projected for 2018/2019 and would like to know how this will be addressed. What is the contingency plan for not meeting targets?
6. 161 job posts being deleted is a concern. This links in with the issue around increased sickness. Job losses and sickness go hand in hand and the pressure on remaining staff in this difficult time leads to further sickness compounding the issue. What is the contingency plan for not meeting sickness targets?
7. There should be a new profile of the Capital Borrowing envelope to reflect the £20m received from Welsh Government, making the sum £180m.

I would be grateful if you could respond to this letter by Tuesday 5th March 2019.

Yours sincerely,



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