



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

BY EMAIL

*Please ask for:
Gofynnwch am:*

*Direct Line:
Llinell Uniongyrchol:*

*e-Mail
e-Bost:*

*Date
Dyddiad:*

Overview & Scrutiny

01792 636292

scrutiny@swansea.gov.uk

2 January 2020

Summary: This is a letter from the Service Improvement and Finance Performance Panel to the Cabinet Member for Economy and Strategy. The letter concerns the Quarter 2 Budget Monitoring Report and the Mid-year Budget Statement.

Dear Councillor Stewart,

On the 9 December 2019, the Panel met to discuss the Quarter 2 Budget Monitoring Report and the Mid-year Budget Statement. The Panel are grateful to the Chief Finance Officer for attending to discuss both reports.

We heard that whilst the Sustainable Swansea Delivery Programme continues to develop service delivery plans that include savings requirements, the potential overspend remain a significant risk and needs to be addressed on a whole council basis.

We heard there is an in-year overspend forecast so Directors will redouble efforts to bring this down. Overspends are in Education and Social Services. Large inroads into reducing overspend across the council is expected to show in the Quarter 3 performance data. Chief Finance Officer will seek to balance the budget overall, so technically there will be a lawfully balanced budget by the end of the year.

In the budget monitoring report it refers, under the section Director of Resources, to 'stopping or reducing services through new ways of working', we are interested in finding out what this might include.

We also want to find out more about the section referring to '16/17 communications model and Corporate Health and Safety'. Can you tell us why the previously identified model of merging marketing and communications from across the council into one team, has not progressed. Also under that same item it refers to the increase in staff referrals to occupational health, we would be interested to hear about the reasons why there has been such an increase.

OVERVIEW & SCRUTINY / TROSOLWG A CHRAFFU

SWANSEA COUNCIL / CYNGOR ABERTAWE

GUILDHALL, SWANSEA, SA1 4PE / NEUADD Y DDINAS, ABERTAWE, SA1 4PE

www.swansea.gov.uk / www.abertawe.gov.uk

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We asked if the Council was getting to the stage where they cannot take money from the Insurance Reserve. Are we reaching the finite point in taking out of the reserves? The Chief Finance Officer said we are covered 90% (of all likely scenarios) and this is a level considered as prudent.

We discussed the Capital Budget and the 90m borrowing for the implementation of those issues identified in the Medium Term Financial Plan particularly referring to the City Deal and the Band B schools programme. We were pleased to hear that the Chief Finance Officer was able to borrow part of the funding required, £90 million before the UK Government raised the repayment cost by 50%. The Chief Finance Officer said to expect a large draw down on this 90m over the coming months to begin to progress with those projects, as recently agreed by Cabinet.

We are interested in any thoughts you may have on the issues contained in this letter but can we please have your formal written response to the following issues by 23 January 2020.

1. Can you detail budget reductions relating to each Council Department and timescales for achieving them? Can you particularly outline your
 - a. Confidence in Social Services meeting its in year overspend, particularly in relation to care fees, by the end of the financial year.
 - b. Confidence in Education meeting its in year overspend by the financial year-end.
2. Have we reached the position where we cannot put more funding in the capital reserve fund?
3. You refer in your report to the Director of Resources stopping or reducing service through new ways of working. Can you tell us what this has or might include?
4. Can you tell us why the previously identified model of merging marketing and communications from across the council into one team, has not progressed?
5. You refer to an increase in staff referrals to occupational health. Can you tell us the reasons why there has been such an increase?

Yours sincerely,



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