



City and County of Swansea

Minutes of the **Scrutiny Performance Panel – Service Improvement & Finance**

Remotely via Microsoft Teams

Monday, 20 September 2021 at 2.00 pm

Present: Councillor C A Holley (Chair) Presided

Councillor(s)

P M Black
L James
J W Jones

Councillor(s)

P Downing
M H Jones
I E Mann

Councillor(s)

P R Hood-Williams
P K Jones
D W W Thomas

Other Attendees

Andrew Stevens
Ben Smith
Adam Hill
Richard Rowlands
Emily-Jayne Davies

Cabinet Member - Business Improvement & Performance
Chief Finance Officer and S.151 Officer
Deputy Chief Executive / Director of Resources
Strategic Delivery and Performance Manager
Scrutiny Officer

Apologies for Absence

Councillor(s): B J Rowlands and R C Stewart

20 Disclosure of Personal and Prejudicial Interests

In accordance with the Code of Conduct adopted by the City and County of Swansea, no interests were declared.

21 Prohibition of Whipped Votes and Declaration of Party Whips

In accordance with the Local Government (Wales) Measure 2011, no declarations of Whipped Votes or Party Whips were declared.

22 Minutes of Previous Meeting(s)

The minutes of the Service Improvement and Finance Scrutiny Performance Panel meeting, held on 23 June 2021, were agreed as an accurate record.

23 Public Questions

There were no public questions

24 Q1 Budget Monitoring Report - 2021/22

The Panel received an update from Ben Smith, Chief Finance Officer / S.151 Officer, regarding the Q1 Budget Monitoring Report - 2021/22.

Discussions focused on:

- Other than projected variations on Directorate expenditure, it is still too early to confidently forecast final variations that may arise on some significant Corporate items, including the level of Council Tax collection (which posted a deficit in 2020-21 of £2.4m and 2019-20 of £0.7m).
- Given the ongoing impact of COVID and based on the 2020-21 final position on collection an optimistic forecast is that there will be a shortfall in the region of £2.0m in 2021-22.
- Within the Recovery Plan Service Transformation Programme, work continues to develop service delivery plans linked to savings targets and prioritisation of services.
- S2.7 - Currently, monthly claims against additional COVID expenditure (April to July) and a first quarter claim for loss of income as a result of COVID in relation to the services has been submitted to Welsh Government (WG).
- Welsh Government have amended the eligibility criteria for 2021-22 to reflect the relevant easing of restrictions during the financial year. Based on last year it is likely that the eligibility criteria will be further refined as the year progresses.
- Grant claims to Welsh Government in relation to TTP and the Welsh Vaccination Certificate Service (WVCS) are ongoing and are anticipated to cover all additional costs arising.
- S.2.9 range of centrally held inflation pressure can be used short term to remediate service over spending. Inflation outlook uncertain.
- The remaining additional cost forecast (after grants received) are included under Resources and currently amount to £6m in 2021/22.
- S.3 - The contingency fund budgeted contribution was set at £3.621m contribution for 2021/22 as set out in the budget report approved by Council in March 2021. As a result of the favourable outturn position, this was added to on a one off basis, to bring the total available in 2021/22 to £13.621m.
- To date, some £4.8m has actually been received from WG in relation to additional costs/loss of income.
- S.5 Capital budget forecast. Spending relatively low this time of year.
- S.6 – HRA: The economic impact of the Covid pandemic on rent collection rates is being closely monitored. During Quarter 1, collection rates have not been significantly affected however; it is difficult to forecast the longer-term impact.
- Members queried ongoing issues with Council Tax, referred to the £2M shortfall reported. Members questioned whether WG will meet shortfall. Officers acknowledged this was an on-going issue, given strain on people's finances. WG continue to monitor.
- Forecast overspend of £21M – members queried if the Council Tax figures formed part of this. Officers explained that, no, this was a separate figure.
- Assumptions cannot be made on grant funding, bids are made in arrears.

- Officers clarified to the Panel that there will be substantial short fall in non-domestic rates due to reliefs at source again. However, no material impact on Authority expected, given Welsh Government adjustments to pooling.
- Panel requested a lay explanation regarding the £20M deficit in budget, explaining why this prediction has been made. Officers clarified that there was technically no deficit as funded temporarily by 2021-22 actions but the longer term implications and outlook will become clearer following the Mid Term budget review.
- Members queried the increase in NI contributions and why this is costing more than the 1.5% increase. Officers explained that in effect it was actually a 10% increase (1% on a 10% tax).
- The Panel requested a statement regarding the energy price increases, and effect on Swansea Council. Written advice note to follow.

25 Peer Review & Self-Assessment (Local Government and Elections (Wales) Act 2021)

The Panel received an overview regarding Peer Review & Self-Assessment, presented by Richard Rowlands – Strategic Delivery and Performance Manager. Cllr Andrew Stevens, Cabinet Member for Business Improvement & Performance, and Adam Hill, Deputy Chief Executive / Director of Resources, also attended for this item.

Discussions focused on:

- Part 6 Performance and Governance provisions of the Local Government & Elections (Wales) Act 2021 is to see local Council's as 'self-improving organisations through a system based on self-assessment and panel performance assessment'. Ways in which now preparing for implementation of Part 6.
- Part 6 imposes 5 new statutory duties on the Council:
 - Keep performance under review
 - Consult on performance
 - Report on performance
 - Duty to arrange a panel performance assessment
 - Duty to respond to a panel performance assessment report
- Need to meet these duties in line with the Wellbeing of Future Generations Act (Wales) 2015.
- Council will likely merge existing reports to create one applicable report for this purpose.
- The Welsh Local Government Association (WLGGA) will offer assistance with the organisation and recruitment of the Performance Panel based on their tried and tested corporate peer challenge concept.
- Audit Wales will review if the Council is putting sufficient arrangements in place to discharge its performance duties.
- Officers explained that a steering group has been established to oversee process.
- Officers acknowledged that timescales and resources did pose a challenge.
- Officers hope there will be a limited effect on additional resources / officer time,

hoping to embed this into existing process and procedure.

- Members noted this was a substantial piece of work, alongside business as usual.
- An independent Chief Executive / Panel Members will have charges / expenses. There will likely be a sharing of resources, and an evolving process. The approach has been to build in to what already exists.
- Members queried the timetable of work planned, as a continuous and constant process, and the measurements of strategic performance. Officers explained that this will have to be relevant and understandable.
- Officers view this as an opportunity to further improve / learn from this process.
- Members queried the pressure this new requirement places on resources and front line services.
- Members commented on the nature of this, challenging the role of Scrutiny in this process and Councillors in general. Officers explained that the Panel will be assessing the Council as a whole, via the panel performance assessment.
- Concerns over WGLA support – exactly what will be available and in what form?
- Audit Wales – if not going to audit process, only the outcome, is this feasible?
- Officers outlined that the Scrutiny panels / Governance & Audit Committee have clear respective roles.
- The Panel requested that a specific reference to the scrutiny function be incorporated / added into this report.

26 Work Plan 2021-22

The Panel noted the Work Plan. Officers requested deferment of the Mid-Term Budget Statement to November. The Panel agreed.

The meeting ended at 3.20 pm