



City and County of Swansea

Notice of Meeting

You are invited to attend a Meeting of the

Scrutiny Inquiry Panel – Regional Working

At: Committee Room 4, Guildhall, Swansea

On: Monday, 30 October 2017

Time: 2.00 pm

Convenor: Councillor Lyndon Jones MBE

Membership:

Councillors: V M Evans, J A Hale, C A Holley, O G James, M H Jones, B J Rowlands, M Sykes and T M White

Agenda

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|----------|---|--------------|
| 1 | Apologies for Absence. | |
| 2 | Notes from previous meeting on 2 October 2017 | 1 - 3 |
| 3 | Disclosure of Personal and Prejudicial Interests.
www.swansea.gov.uk/disclosuresofinterests | |
| 4 | Regional Working: The Financial Picture (report to follow)
The Panel have requested a breakdown of the following financial costs and contributions: <ul style="list-style-type: none">• for the big three regional partners Western Bay, ERW and City Regions and;• financial contributions by Swansea to any other collaboration/partnership activities Geoff Dong, Chief Treasury and Technical Officer will attend to present the report and answer questions | 4 |
| 5 | Project Plan Work Programme | 5 |

Next Meeting: 13 November 2017 at 2.00pm

A handwritten signature in black ink that reads 'Huw Evans'.

Huw Evans
Head of Democratic Services
Wednesday, 25 October 2017

Contact: Michelle Roberts, Scrutiny Officer



City and County of Swansea

Notes of the **Scrutiny Inquiry Panel – Regional Working**

Committee Room 5, Guildhall, Swansea

Monday, 2 October 2017 at 4.00 pm

Present: Councillor L R Jones (Chair) Presided

Councillor(s)

J A Hale
B J Rowlands

Councillor(s)

C A Holley
R C Stewart

Councillor(s)

M H Jones
T M White

Officer(s)

Phil Roberts
Sarah Caulkin

Chief Executive
Director Resources

Apologies for Absence

Councillor(s): M Sykes

1 Disclosure of Personal and Prejudicial Interests.

Cllr Joe Hale and Cllr Mary Jones declared a personal interest for the Regional Working Overview.

2 Overview of Regional Working Report and Q&A

Cllr Rob Stewart (Leader), Phil Roberts (Chief Executive) and Sarah Caulkin (Director Resources) attended the panel and presented [an overview of Regional Working](#) in order to inform and support this Inquiry. The following points were noted:

- Why do we need to reform was discussed including: austerity and affordability of council services; there is currently a confusing pattern of footprints; limitations on collaboration and importantly ensuring the focus is on citizen outcomes.
- Significant change is underway Regional level following the announcements and subsequent Welsh Government meeting around Local government Reform (LGR) in Wales. The Welsh Government set out its proposal for mandatory regional working and Joint governance Committees (JGC) emerging from the White Paper Consultation process:
- The mandated service areas for Regional Working include:
 - Economic development
 - Transport
 - Strategic land use planning and building control
 - Social Services
 - Education improvement and additional learning needs

- Public protection
- JGCs would be responsible for the effective planning and delivery of these. There will be two types of JGCs: Governance and Service. Governance JGC for each region will be made up of elected members. They will be decision making bodies with consistent levels of delegation from each LA. New legislation will set out their duties and powers.
- Existing partnership structures will be maintained within the new framework and will co-exist.
- It is proposed that there are three large regions
 - North Wales, Mid and West Wales and South East Wales.
 - Swansea would be part of Mid and West Wales along with Powys, Ceredigion, Pembrokeshire, Carmarthenshire and Neath Port Talbot.
- There is likely to be many service JGCs under these proposals on both regional and sub-regional footprints. These will oversee planning, budgeting, funding etc. The panel did have concerns about the potential of another layer of bureaucracy.
- The panel were informed that there is a move away from merger to more of a framework model.
- The panel highlighted the need for the panel to consider Scrutiny arrangements within these partnership models as this remains unclear at present.
- A summary of Swansea council's responses to the White Paper was attached to the report for awareness and information.
- A review of the current partnerships highlights that the council is currently involved in around 100 partnership/collaboration areas but the big three are: ERW, the City Region and Western Bay.
- Excluding the big three the Council also makes an annual cash contribution of around £150 to partnerships. Council Officer time equates to just under 600 days per year (excluding those posts that are specifically grant funded for regional work)
- The Panel agreed that it is important to understand what is working well in current arrangements, what needs improvement and what collaborations add no value. The panel plan to consider this when speaking to officers and partners throughout this inquiry,
- The key benefits and disadvantages to collaborative working were discussed including:
 - *Benefits include:* sharing of good practice, ideas and innovation; pooling of resources to enable greater capacity; sharing of information and business intelligence; joint planning and performance management at regional level; joint management of major/high risk project/s; training and development and networking opportunities.
 - *Disadvantages* can include: often meeting are in Llandrindod Wells, which involves significant travel for all partners. The Panel agreed that better use of new and remote working technology needed; staff time; diverse groups with different priorities and drivers can make decision making and progress slow; little formal financial contribution so may operate on existing stretched resources; some groups meet rarely so it is difficult to drive a meaningful agenda.
- Firm arrangement for scrutiny have not been discussed yet, however the White Paper summary highlighted that the JGC approach should be coupled with a joint regional scrutiny committee. Work should not be duplicated between

regional and local authority scrutiny committees and one authority should be the lead for an individual scrutiny committee.

- It was also suggested that scrutiny function should be based upon good practice at a regional and national level. Local elected members must have a voice and be able to hold regional bodies to account on behalf of local citizens. There is also suggestion of public and stakeholder groups being part of the scrutiny process.
- Issues around harmonisation were highlighted for example: the co-existence of JGCs and Public Service Boards; harmonisation across different regional clusters that are already in place like city regions.
- There is a risk that Welsh Government may introduce a framework which is either not aligned to or has detrimental effect on those current partnerships which are proving highly beneficial. The Panel heard that the WLGA is urging Welsh Government to work with local authorities to review current arrangements and make improvement where needed; review current binding agreements between councils; consider regional variations and not take 'one size fits all' approach; consider regional framework agreements early in the process before everything is formalised.
- There is also a risk the regional decisions will require LA decision making process which could take time and making change slow to implement.
- The panel agreed that we must learn lessons from experience including local government reorganisations and attempts at shared services, for example:
 - The need to have a guiding coalition and shared vision.
 - The Council and partners need to be able to commit time and resources to progress ideas
 - Need for clear leadership, time, priority and focus
 - Need to harmonise training and skills of staff
 - Need to harmonise terms and conditions and other workforce related policies as they vary significantly and this takes time
 - Harmonisation between different teams working together as culture in different organisations can be very different

3 Discuss and Plan Scrutiny Inquiry into Regional Working

The following was agreed:

- a) A set of dates for the agreed work programme
- b) Scrutiny activities as per the circulated draft work programme
- c) To publish a 'call for evidence' blog and send via twitter
- d) Scrutiny Team to complete some desk based research looking at the different mechanisms of scrutiny used in various partnerships
- e) That next meeting will take place on 30 October and will look at the financial picture in relation to regional working

The meeting ended at 5.00 pm



Report of the Head of Financial Services and the Service Centre

Scrutiny Inquiry Panel – Regional Working – 30th October 2017

Financial Overview on Regional Working

Purpose:	The report presents a summary of the regional working financial arrangements involving Swansea Council
Report Author:	Ben Smith
Finance Officer:	Ben Smith
Legal Officer:	Tracey Meredith
Access to Services Officer:	Sherill Hopkins

For Information

1. Background

- 1.1 The Scrutiny Inquiry Panel – Regional Working met on 2nd October and agreed the work programme. This included receiving an overview of the financial picture of Swansea Council's part in regional working.
- 1.2 This report summarises the financial position for the three larger regional partnerships and outlines the smaller examples of regional working.

2. The City Deal

- 2.1 The City Deal is in the development stages of practical formation and detailed agreement, notwithstanding the main heads of agreement being signed between government and local partners, and as such there isn't a level of detail yet agreed that confirms and clarifies the final position for Swansea individually.
- 2.2 There is a Joint Working Agreement Panel for Finance and Legal, Swansea's financial representative is the Section 151 Officer. No final formal agreement has been reached yet but recent good progress is

accelerating rapidly and it is anticipated all local partner councils will take reports back to their respective Cabinets, probably in November.

- 2.3 The overall financial position for the City Deal is shown in the following table, Swansea's contribution will form part of the Public contribution, however the exact amount hasn't yet been confirmed (no detailed grant offer made with extant terms and conditions).

PROJECT NAME	Private £m	Public £m	Revenue £m	Gov £m	Total Project £m
Internet of Economic Acceleration					
Digital Infrastructure	£ 30.0	£ -	£ -	£ 25.0	£ 55.0
Skills & Talent Initiative	£ 4.0	£ 16.0	£ -	£ 10.0	£ 30.0
Swansea City & Waterfront Digital District	£ 61.4	£ 56.8	£ -	£ 50.0	£ 168.2
Centre of Excellence of Next Gen Digital Services (CENGS) & technology Centre	£ 22.0	£ 5.5	£ 5.0	£ 23.0	£ 55.5
Yr Egin	£ 3.0	£ 16.3	£ -	£ 5.0	£ 24.3
Internet of Life Science, Health & Wellbeing					
Life Science & Wellbeing Campus Network	£ 10.0	£ 20.0	£ -	£ 15.0	£ 45.0
Life Science & Wellbeing Village	£ 127.5	£ 32.0	£ -	£ 40.0	£ 199.5
Internet of Energy					
Homes and Power Stations	£ 382.9	£ 119.2	£ -	£ 15.0	£ 517.1
Pembroke Dock Marine	£ 24.2	£ 24.1	£ -	£ 28.0	£ 76.3
Smart Manufacturing					
Active Factory of the Future	£ 3.0	£ 10.5	£ -	£ 10.0	£ 23.5
Street Science Centre	£ -	£ 60.0	£ -	£ 20.0	£ 80.0
	£ 668.0	£ 360.4	£ 5.0	£ 241.0	£ 1,274.4

- 2.4 As an example, as part of the Swansea City & Waterfront Digital District it is anticipated that Swansea Council will receive approximately £35m of the £50m Governments contribution for this project.

- 2.5 At the moment, the only cash contribution Swansea makes is an annual payment of £50,000 to Carmarthenshire County Council as the host/accountable body on behalf of the Joint Governance Committee. Seven other partners agreed to make identical cash contributions.

- 2.6 Senior officer and Member time involvement has been and will remain significant.

3. Western Bay

- 3.1 Western Bay is a partnership between the Local Authorities of Swansea Council, Bridgend County Borough Council and Neath Port Talbot County Borough Council together with the ABMU Health Board.

- 3.2 The primary purpose of the partnership is to provide a strategic mechanism for co-ordinating a programme of change in a suite of projects that partners have identified as a common concern.

- 3.3 There is an annual to Swansea Council of £223,000 for the administration of the partnership. The total cost of the administration is

£1.5m per annum. This is mostly funded by Integrated Care Fund grant of £1.3m, with the residual cost of £223,000 being funded by Swansea. It should be noted however that this residual cost was previously funded by a Welsh Government Delivering Transformation grant, which was transferred into Swansea's block grant in 2017/18. So although Swansea now bears this cost, the funding has been ultimately provided by Welsh Government.

- 3.4 This partnership enables regional working on areas of common concern such as Adoptions and Youth Offending Services.
- 3.5 For Adoptions, Swansea leads on this service and each of the three local authorities contribute an equal amount of £949,000 per annum.
- 3.6 Bridgend is the lead on the Youth Offending Service, and the funding arrangements for this are slightly more complicated as this is partly core funded and partly grant funded. Swansea's core element is £743,500 per annum, with grant being received of £791,600, so total spend of £1.535m per annum.
- 3.7 This is classed as spend on Services, rather than spend on Western Bay. Further information on other Services benefitting from the Western Bay partnership can be provided if required.

4. Education through Regional Working (ERW)

- 4.1 ERW is a partnership of 6 local authorities including Swansea. For 2016/17 the total spend of the group came to £68.3m, £68.1m of which was grant funded (mainly by the Welsh Government).
- 4.2 Of the £68.3m spend, £63.5m of this was passported directly to the individual authorities. In 2016/17 Swansea received £17.9m, and this includes the Pupil Deprivation Grant – which is paid directly to schools, and the Education Improvement Grant.
- 4.3 In addition to this, each authority is required to ring-fence a level of financial contribution to the regional provision – in Swansea's case this currently amounts to £1.3m in core education budgets but almost all is still Swansea spending on Swansea staff supporting Swansea schools directly. From this total, Swansea contributed a total of £68,750 towards the cost of the central team. Each Authority's contributions are based on percentage of pupil numbers.

5. Smaller Partnerships

- 5.1 Swansea has a number of smaller regional working arrangements. The total of these is estimated to be around 100, the ones where a direct cash contribution is made each year are listed at Appendix A, but there are far more where the arrangement is for officer time only.

- 5.2 Although listed as smaller partnerships, there are two with significant financial contributions by Swansea – the first is the WLGA and the second is the Joint Archives Service.

4. Equality and Engagement Implications

- 4.1 There are no Equality and Engagement Implications associated with this report.

5. Legal Implications

- 5.1 There are no legal implications associated with this report, although there are varying legal arrangements in place across the different regional partnerships.

6. Financial Implications

- 6.1 There are no financial implications associated with this report.

For Information

Background papers: *(Either use the word 'none' or list all the Background papers).*

Appendices: Appendix A – List of Smaller Partnerships

List of Smaller Partnerships			
Name of Regional Group / Working	Staff Time (Days per year)	Cash Contribution (£)	Comments
Audit of Regional Working - Corporate Resources Directorate			
Cymru WARP (Warning, Advice and Reporting Point) - ICT Security	4	500	
Society of Welsh Treasurers and Regional Treasurers	6	2,665	
Human Resources Directors Network (All Wales - WLGA)	10	123,745	The total cost the Council pays to the WLGA is £123,745 p.a. which includes a fee for Employment issues.
China	15	5,000	5,000 relates to travel
Customer Services, Web and Corporate & Socisla Care Complaints across all 22 Authorities in Wales	4	250	Each of the 22 LA's pay £250 per annum membership which contributes to the rooms etc at MRC for CFW, Complaints Group and Web Group Wales
TOTAL	39	132,160	
Audit of Regional Working - Place Directorate			
South West Wales Waste Management Group	6	8,000	
West Glamorgan Joint Archives Service		183,900	68% contribution towards the total cost of the service
CLAW	24	1,500	Tome commitment figure includes; BONO, Steering Group and Sub-working Groups i.e. Energy, M&E, Architectural Design etc.
Cardiff/Swansea joint working arrangement	6	1,500	Number of days can vary
Institute of Licensing (Wales Region)	3	450	
LABC Cymru (Local Authority Building Control Wales)	2	400	
All Wales Registration Services Group.	3	100	
TOTAL	44	195,850	
Audit of Regional Working - People Directorate			
Western Bay Regional Community Cohesion	4	1,000	As we are the hosts this covers travel expenses, IT equipment, pay increments to the top of grade as grant is only 45K. This cost is born by CCS only, not the region. It has been raised with partners and WG
TOTAL	4	1,000	
Council Total		329,010	

Agenda Item 5

Project Plan/Timetable of work Scrutiny Inquiry into Regional Working

When / Where	What / Who
Pre Inquiry Working Group 2 October 2017	<ul style="list-style-type: none"> • Overview/strategic picture (Cabinet member and lead officer) • The Corporate landscape with regards to regional working / partnerships • Agreeing the inquiry project plan: discuss the key question, lines of inquiry, evidence gathering and work programme.
Background information to be sent to the panel throughout inquiry <ul style="list-style-type: none"> • Legislation and relevant directives/announcements • Good practice examples • Desk based research of scrutiny activities across partnership Swansea and other examples 	
Evidence gathering phase	
Session 1 30 Oct at 2pm	<ul style="list-style-type: none"> • Financial picture of Swansea Councils part in regional working. (Details of what are we contributing to and how much)
Session 2 13 Nov at 2pm	<ul style="list-style-type: none"> • Place Directorate – Consider the picture of regional working/partnerships within this Directorate
Session 3 1 Dec at 10.30am	<ul style="list-style-type: none"> • Education Directorate – Consider the picture of regional working/partnerships within this Directorate
Session 4 26 Jan at 10.30am	<ul style="list-style-type: none"> • Social Services Directorate – Consider the picture of regional working/partnerships within this Directorate
Session 5 Feb 2018 TBA	<ul style="list-style-type: none"> • Roundtable meeting 1 - with representatives from regional working partnerships including Western Bay, ERW and City Regions
Session 6 Feb/Mar 2018 TBA	<ul style="list-style-type: none"> • Roundtable meeting 2 - with representatives from regional working partnerships other than the big three
Session 7 Mar 2018 TBA	<ul style="list-style-type: none"> • Speak to Welsh Government representative about current and future regional working
Finalising Inquiry phase	
Session 8 Apr 2018 TBA	<ul style="list-style-type: none"> • Start to draw together evidence and discuss emerging themes arising from the inquiry. (Start to put together final report for SPC and then Cabinet)
Session 9 TBA	<ul style="list-style-type: none"> • Discuss Final report