



City and County of Swansea

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

Remotely via Microsoft Teams

Friday, 11 June 2021 at 2.00 pm

Present: Councillor C A Holley (Chair) Presided

Councillor(s)

P Downing
J W Jones

Councillor(s)

P R Hood-Williams
I E Mann

Councillor(s)

P K Jones
B J Rowlands

Other Attendees

Rob Stewart
Ben Smith
Emily Davies

Cabinet Member for Economy, Strategy & Finance
Chief Finance Officer / S.151 Officer
Scrutiny Officer

Apologies for Absence

Councillor(s): P M Black, L James, M H Jones and D W W Thomas

5 Confirmation of Panel Convener

Cllr Chris Holley was confirmed as Convener of the Service Improvement and Finance Scrutiny Performance Panel.

6 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.

7 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.

8 Minutes of Previous meeting(s)

The minutes of the Service Improvement and Finance Scrutiny Performance Panel meeting, held on 10 May 2021, were agreed as an accurate record.

9 Public Questions

There were no public questions

10 Overview: Understanding Financial Reporting

The Panel received an overview from the Chief Financial Officer, focused on understanding and interpreting Council financial reports. This included a brief summary of financial terminologies and concepts used throughout general reporting.

11 Revenue Outturn, HRA Outturn and Capital Outturn and Financing 20-21

Ben Smith, Chief Finance Officer / S.151 Officer, attended the meeting to present the Revenue Outturn, HRA Outturn and Capital Outturn and Financing Report 20-21 and answer questions. Cllr Rob Stewart, Cabinet Member for Economy, Finance and Strategy also attended to present to the Panel and answer questions.

Discussions included:

- **Revenue Outturn Report** presents outstanding results.
- S.2 details Services underspend of £20M.
- Welsh Government compensation for failure to deliver planned savings and also for extra digital costs to remain agile and flexible during lockdown.
- 2.9.1 – Table summarises scale of flows of money that came in and out, both to us as a Council and also as an Agent of Welsh Government providing support to businesses.
- S4.4 School Reserves – already highest in Wales, now significantly added to as surplus at outturn. Council expect schools to significantly spend in current year. Schools hold these monies.
- Future economic wash through unknown / longer-term impacts unknown.
- Appendix A – Council did not deliver planned £194,000 additional savings, however grant money has been awarded to more than compensate for this sum.
- Capital Financing costs – in short to medium term significant underspends, due to deferring the financing of the capital programmes by externalised borrowing.
- Council Tax deficit of £2.5M, however this is neutralised due to grant compensation from Welsh Government.
- The Panel commented on the positive figures within the report.
- Members queried what the next year will bring regarding Welsh Government funding and economic outlook.
- Brexit uncertainty, inclusive of supply pressures currently being experienced, for example the shortage in construction materials.
- Levelling up this year in Wales circa £40M. The Shared Prosperity Fund will be a competitive process.
- Exceptional £50M reserves figure noted.
- **Capital Outturn and Financing Report** demonstrated sheer scale of finances. Panel noted astonishing figures.
- Largest ever capital programme continued despite Covid-related challenges.
- The Leader highlighted that a large field hospital was also built, together with the continuation of major city developments alongside lockdown restrictions.

- We were told that to have delivered the school builds and housing programmes was admirable, and the Leader paid tribute to all staff and contractors involved.
- P.3 Financing 2020-21: the Panel queried revenue contributions to capital of £33M. Officers clarified that HRA and general funds are pooled here (£29M of this being HRA contribution).
- The **Housing Revenue Account** (HRA) report is modest at outturn in terms of variations. Modest underspend, most services kept running.
- Focus on essential and immediate housing repairs only, given Covid-related restrictions.
- Wider concerns on economic scarring and possible bad debts amongst tenants.
- The Leader commented on the hard work put in by the finance team, to ensure payments were processed to support the wider economy during the pandemic.

The Panel commented on the unprecedented nature of this report and the astonishing figures presented. The Panel considered the information provided, asked questions, and gave views on the available information. The Chair thanked all for their input.

12 Draft Work Plan 2021-22

The Panel considered the draft work plan and agreed the items for the forthcoming municipal year, noting possibility of some changes and flexibility to items.

13 Letter(s)

The meeting ended at 3.05 pm