



CITY AND COUNTY OF SWANSEA
DINAS A SIR ABERTAWE

**To/
Councillor Rob Stewart
Cabinet Member for Finance &
Strategy (Leader)**

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SPC/2015-16/6

BY EMAIL

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*Date
Dyddiad:*

7 January 2016

Summary: This is a letter from the Scrutiny Programme Committee to the Cabinet Member for Finance & Strategy following the meeting of the Committee on 14 December 2015. It is about the budget, city centre, regional working, poverty, and local government reorganisation.

Dear Councillor Stewart,

Cabinet Member Question Session – 14 December

Thank you for your attendance at the Scrutiny Programme Committee on 14 December 2015 answering questions on your work as both Leader and Cabinet Member for Finance & Strategy. We wanted to explore priorities, actions, achievements and impact in relation to your areas of responsibility.

We are writing to you in order to reflect on what we learnt from the discussion, share the views of the committee, and, where necessary, raise any outstanding issues / actions for your response. The main issues discussed are summarised below:

Budget

You referred to your recent report which considered budget proposals for 2016-2017 to 2018-2019 as part of the Council's Budget Strategy Sustainable Swansea - Fit for the Future. You stated that despite a better than anticipated provisional local government settlement from the Welsh Government the detail behind the budget indicated that the net result for the council was not as good as it may seem. This was because the Welsh Government has included a previous improvement grant of £2.7m in the sum. Whilst the settlement was welcome you explained it did not solve any problems.

OVERVIEW & SCRUTINY / TROSOLWG A CHRAFFU

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You stressed that the bigger picture was still the need to meet significant savings target for the next three years (well over £80m) therefore recent announcements did not make a huge difference and there was need to continue with the change programme. The funding gap for the next year was £35.8m. You talked about delivery of savings against the previous year and stated that around 85% of the £26.7m had been achieved to date. We asked about the implication of not achieving 100%. Although it would add pressure to next year's budget you were confident that this will be achieved by the end of this financial year.

We noted pressures on the budget and financial challenges ahead. This included managing pressures from Adult Social Services to bring down an overspend, but you reported a better picture of Child & Family Services, particular because of a drop in numbers of Looked After Children. There was also a need to honour commitments to Education as the Government intended to continue protecting schools and social care, so the final picture remained unclear. You also mentioned impacts from the recent UK budget e.g. decisions made about National Insurance rebate changes, National Living Wage adding over £8m to the budget pressures. We acknowledged that the overall position was not fully known because the council was still waiting for information about various grants e.g. Communities First, Pupil Deprivation Grant, Flying Start, Families First etc. You stated that the budget plan was working but there was a need to keep working to ensure savings are delivered.

We also asked about the impact of the budget on schools, given a 5% reduction. You stated that you have highlighted a clear message to Head Teachers and Governors that they need to prepare for the longer term, at least the next 3 years. You warned that more cuts were to be expected and it would be unwise for schools to take too much comfort from the 1.85% protection from the Welsh Government, particularly with additional pressures from National Insurance changes being introduced in 2016 and Teachers pay award and pensions costs. You also pointed out that the impact will be different for each school as a result of decisions made by the Welsh Government about grants e.g. pupil deprivation. We understood that you were talking to schools to help mitigate the implications of austerity. You stated that 5% was a planning assumption not necessarily a real cut across all schools. Nevertheless you painted a bleak future and stated that mergers or closures, in the future could not be ruled out.

We also asked about the capital budget and situation with the 21st Century Schools Programme. We asked about any funding gap and work to close that. You stated that a funding gap was normal and much effort was being directed at the disposal of assets to raise capital receipts, and you argued this should include consideration of every part of the school estate.

There was some concern from the point of view of Community Councils about when it would be made known what cuts are to be made to services and what buildings closed / disposed of. Community /Town Councils were concerned because they will be fixing their budgets by January 2016 and thereafter will have no free money to pick up services etc. You responded that whilst it was not yet known what cuts are to be made to services and what buildings would be closed / disposed of prior to January 2016 when Community Councils set their budgets, the authority was happy to speak to communities about specific services / buildings / facilities of interest and provide advice and support regarding asset transfer if required. You added that there was already information in the public domain about specific service savings proposals although more decisions will be taken as a result of the outcome of various commissioning reviews underway.

Leader / Cabinet Member responsibilities

We asked about the burden of being both Leader of the Council and Cabinet Member with responsibilities for the Finance & Strategy. You told us that it was a conscious decision to ensure continuity with the Finance & Strategy portfolio since becoming Leader last September, given the financial challenges faced and work in progress to meet this. We noted that more recently you have made changes so that although you retain responsibility and oversight for strategy, the Cabinet Member for Transformation & Performance is now responsible for day to day management of the financial portfolio and financial monitoring across the Council. Your view was that it was really important to understand the financial challenges and need for strategy, therefore it should be a part of a Leader's portfolio.

City Centre

You spoke about progress on city centre development referring to the St David's and Civic Centre sites. We of course had the opportunity to discuss this in more detail with our pre-decision scrutiny of the cabinet report that went to the meeting on 17 December, and give our views.

Regional Working

In terms of regional working generally you were pleased with the way the Swansea Bay City Region was working to get investor confidence in the area, and spoke about a 'Team Swansea' approach, and how collaboration between agencies has never been stronger.

We asked about the role played by Sir Terry Matthews in the City Region and his influence. You confirmed that he was investing around £1m (via his Alacrity Foundation) into providing support for budding entrepreneurs / business start-ups, in particular to help new graduates to develop business locally.

You talked about the move from the existing Local Service Board to a statutory Public Services Board and welcomed the inclusion of Natural Resources Wales as one of the four statutory partners. You felt that the work being done in Swansea regarding the Wellbeing of Future Generations Act made Swansea well placed for the transition to a Public Services Board and associated challenges. Opening up Local Service Board meetings to the public was something both you and the Committee were very pleased about.

Poverty

You underlined the Council's continuing commitment to tackling poverty – the challenge remains severe in the context of austerity. You highlighted the rise in the number of food banks in Swansea. You pointed out that inroads have been made within Target Areas however recognised that poverty existed across other parts of Swansea. You argued that the approach to deal with the worst affected areas was correct but the challenge was to widen the scope.

Cabinet Advisory Committees

We had previously raised issue about the need for clarity about the role of Cabinet Advisory Committees, particularly with concern about duplication with scrutiny. You highlighted that this was about the wider engagement of councillors with Cabinet business, taking the best of a committee system way of working so that members from all parties can participate more directly in policy development / formulation and report creation, and improve Cabinet work and the decision-making process.

Ward Visits

Further to our previous discussion with you we asked about progress. You confirmed that visits will continue in the New Year, but after work on the budget has been completed, from March.

Local Government Re-organisation

You talked about local government reform and felt that realistically any reorganisation may take until 2020 to implement. You stated that in principle the Council was still open to merging with Neath Port Talbot, and will continue to explore opportunities for collaboration. However, there were outstanding issues about funding and democratic representation that needed to be answered by the Welsh Government before progress can be made.

Your Response

We hope that you find the contents of this letter useful and would welcome any further comments however **we do not expect you to provide a response.**

Finally, we look forward to meeting you again to follow up on portfolio developments and hearing about achievements and impact.

Yours sincerely,

A handwritten signature in black ink that reads "Mary Jones". The signature is written in a cursive style with a large initial 'M' and 'J'.

COUNCILLOR MARY JONES

Chair, Scrutiny Programme Committee

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