



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

BY EMAIL

*Please ask for:
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Overview & Scrutiny

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14th December 2018

Summary: This is a letter from the Service Improvement and Finance Performance Panel to the Cabinet Member for Economy and Strategy. The Panel met on 13th November 2018. This letter relates to the Reserves Update, the Mid-Year Budget Statement 2018/19 and the Annual Review of Performance 2017/18.

Dear Councillor Stewart,

On the 13th November 2018 the Panel met to discuss the Reserves Update, the Mid-Year Budget Statement 2018/19 and the Annual Review of Performance 2017/18.

We are grateful to the Section 151 Officer and Corporate Performance Manager for presenting the reports and providing detail.

Reserves Update

The Panel heard that currently the general reserves are at the minimum acceptable level and that the current overspend position is still difficult. We also heard that earmarked reserves are allocated to specific purposes and cannot be used to support other spending. We were also told that the General Fund is for emergencies and there are no plans to use this for anything else.

It was explained that the Unusable Reserves don't have any 'cash' behind them. These relate to the value of an asset, for example the value of a road which has no use in cash terms. We also heard that the 18/19 contingency fund has been fully spent.

The Panel also heard that compensating savings will need to be made to afford the capital financing costs longer term and that out of the capital programme total, £45m related to the Band B Schools Project.

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We also heard that the outlook is challenging due to real terms austerity and that other Councils are in the same position.

Mid-Year Budget Statement 18/19

The Panel were told that the average financial settlement was -.3% for local authorities which has made a difficult financial position worse and we are still waiting to hear about the amount of Revenue Support Grant to be received. Health spending has increased and local government spending has decreased causing further pressures.

We also heard that there is an assumption from Welsh Government that the Council Tax increase will be 6.3% but this will ultimately be a policy decision for each Council to make.

Annual Review of Performance 17/18

The Panel heard how the annual report must be written and published to achieve the objectives under the Well-being of Future Generations Act 2015. It explores what we are doing, how we are doing it, how changes work as a result of the Act and explores governance and accountability. We also heard that as we move forward the detail will develop.

We heard how the aim now is to try and identify the appropriate performance indicators to report against, and identify relevant case studies which can be used as evidence of success. The panel were concerned about the amount of time and therefore cost it takes to gather this information but it was explained how information from other performance reports is used to mitigate the cost and impact of report development.

We also heard how the new environmental corporate priority will be reported on in next year's report and that the performance indicators for this are currently being developed. It was explained that the Well-being of Future Generations Act 2015 is currently being built into planning and governance and work is being done on embedding it going forward.

The report discussed European funding for a range of projects designed for young people who are NEET. The projects are Cynnydd (for 11-24 years), CAM Nesa (for 16-24 years) and Communities to Work (for 16-24 years). Can you please provide answers to the following questions;

1. What are the funding details of these projects?
2. What length of time is the funding for?
3. What will be doing after the funding ends?

We would be grateful if you could respond to the questions included in this letter by 11th January 2018.

Yours sincerely,

A handwritten signature in black ink, appearing to read 'CHolley', with a stylized flourish at the end.

Councillor Chris Holley
Convener, Service Improvement and Finance Scrutiny Performance Panel
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