



City and County of Swansea

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

Council Chamber - Guildhall, Swansea

Tuesday, 12 February 2019 at 9.30 am

Present: Councillor C A Holley (Chair) Presided

Councillor(s)

P M Black
M H Jones
I E Mann
D W W Thomas

Councillor(s)

P R Hood-Williams
P K Jones
B J Rowlands

Councillor(s)

L James
J W Jones
R C Stewart

Other Attendees

Rob Stewart

Cabinet Member - Economy & Strategy (Leader)

Officer(s)

Bethan Hopkins
Ben Smith

Scrutiny Officer
Chief Finance Officer / Section 151 Officer

Apologies for Absence

Councillor(s): P Downing

Co-opted Member(s):

Other Attendees:

1 Disclosure of Personal and Prejudicial Interests.

- None

2 Public Questions

- None

3 Scrutiny of the Annual Budget

- £8m overspend predicted with some improvement expected in Q4
- Ongoing pressures in social care
- Local Government is not funded well enough – austerity is not over
- Looked after children is still a pressure area in financial terms
- Ongoing discussions over care costs between local health board and Swansea Council

- As Central Government funding reduces the burden goes onto the local tax payer
- Uncertainty around funding for the next few years
- Would like to see grants moved into the Revenue Support Grant
- Other authorities are in the same position
- Biggest risk is the ability at pace and scale to achieve the savings
- Teachers Pay Award, Pensions, General Inflation and Living Wage are all unfunded centrally
- Some of the 161 posts at risk are already vacant
- Reserves are at lowest advisable level
- Some additional capital monies from Welsh Government
- Having flexibility in revenue grants has been very helpful
- Reduction in capital financing charge costs this year due to MRP review
- Costs remain the same over lifetime - but timing affected – lower repayments to start with, then increasing, then stopping earlier
- No allowance has been made for income yet on city regeneration schemes – as a result the maximum public sector subsidy has been assumed
- Limiting debt to 40 years rather than letting it run on indefinitely
- There is a process for filling critical frontline services
- Looking at changes for sickness and how it is managed
- The Housing Revenue Account -revenue and capital investment is supported by rent levels
- There needs to be a reasonable level of rent increase to maintain housing stock
- There is a school building and transformation agenda for the City, the amount needs adjusting to account for the £20m extra grant from Welsh Government
- There will be a consultation period for the increase of Council Tax on empty and holiday/second homes
- Discussed non domestic rates re: HMOs

4 Summarising Views and Making Recommendations

- The Panel discussed the content of the letter based on the discussion from the previous item
- Points from each Panel as follows;

Development and Regeneration Budget

1. There is a risk associated with the governance review – if the governance review is unfavourable this may impact the money which is due to come to Swansea Council to offset what has already been spent.
2. There is a risk in relation to the Business Case still not having been signed off. Until this has been done, no money can flow to Swansea Council – again this means that the money which has already been spent is at risk. This would be a significant problem.
3. There needs to be enough business support to deliver regeneration projects – clarification on how 'top slicing' works (taking a percentage from externally funded projects to fund business support roles) would be helpful.

Adult Services Budget

1. 80% of proposed savings have been achieved in this financial year. The savings target for next financial year therefore seems to be ambitious especially as much of the expenditure is demand-led.
2. With us overspending by £1 million this year due to 'resistance from the LHB to discuss equitable and appropriate contributions towards identified packages of care' there was concern in the panel that this will be an ongoing issue in the next financial year. The panel felt that this needs to be resolved as soon as possible if we are to keep to budget for 2019-20
3. It is not fully clear when savings kick in from each of the service commissioning reviews or which savings relate to which review. This process appears to be fairly opaque as far as the panel is concerned and we would welcome a more detailed breakdown.
4. We will be revisiting the budget again in October so we can more closely monitor the outcomes of the planned efficiency savings.

Education - Budget

1. The Panel were pleased to see that education has 'relative prioritisation' in the budget again this year.
2. The Panel were concerned about the impact of the cost of the increase in teachers pensions not being covered (at present) by the UK Government. The panel want to ensure that Cabinet are doing everything possible to ensure that schools are not disadvantaged by this substantial amount.
3. The Panel were pleased to hear that the school music service will receive extra funding this year from Welsh Government and were keen to emphasise the importance of pupils being able to access and be engaged in music.
4. The Panel were pleased to hear about the planned improved clarity and transparency of grant funding that is distributed via ERW but they are keen for these improvements to be monitored moving forward.

Child and Family - Budget

1. No real concerns as far as budget is concerned. All questions were answered at the meeting.
2. Although pleased to see budget for CFS is increasing next year, we understand that it is not increasing in real terms as the increase is to cover increases in salary and accommodation costs.
3. The Panel acknowledges that it is difficult to forecast what is going to transpire during the year as it is a demand driven service.
4. The CFS Panel will continue to scrutinise the Service going forward and make suggestions and recommendations for improvement.

The meeting ended at 10.25 am

Chair