

Appendix 1 – Update No. 2 (January 2020)

Service Improvement & Finance Scrutiny Performance Panel Update

1. Remit of the Panel

The overarching purpose of the Panel is to ensure that the Council's budget, corporate and service improvement arrangements are effective and efficient.

2. Introduction

The Panel is focused on contributing to the budget process and annual improvement process by providing a critical friend to the Cabinet while helping to ensure accountability.

3. Key Activities

The Panel held four meetings between August 2019 and December 2020. These meetings included a range of issues like budget monitoring, Annual Reports and Wales Audit Office Reports. This has resulted in seven convener's letters to Cabinet Members. The issues covered were as follows:

August	<ul style="list-style-type: none">• End of year performance monitoring 2018/19• Q1 Revenue and Budget Monitoring 2019/20• Revenue Outturn and Savings Tracker• Capital Outturn and Financing
September	<ul style="list-style-type: none">• Archives Service• Council Charges
October	<ul style="list-style-type: none">• Reserve Update• Recycling and Landfill Annual Monitoring Report 2018/19• Q1 Performance Monitoring Report 2019/20
December	<ul style="list-style-type: none">• Mid-year Budget Statement 2019/20• Q1 Revenue and Budget Monitoring 2019/20• Wales Audit Office Report and Action Plan – Planning• Planning Annual Performance Report 2018/19

4. Achievements / Impact

Capital and Revenue Budget Monitoring

The Capital and Revenue budget has continued to be closely monitored and as stated previously it continues to be a very challenging financial year for Councils. The monitoring of budget performance and the impact of savings has continued to be a large part of the Panel's work.

In December, we heard that whilst the Sustainable Swansea Delivery Programme continues to develop service delivery plans that include savings requirements, the potential overspend remain a significant risk and need to be addressed on a whole council basis. We understand there is an in-year overspend forecast so Directors will be redoubling their efforts to bring this down. Overspends are in Education and Social Services. Large inroads into reducing overspend across the council is

expected to show in the Quarter 3 performance data. Chief Finance Officer told us he will seek to balance the budget overall, so technically there will be a lawfully balanced budget by the end of the year.

The Panel understand that difficult decisions need to be made in respect to the budget again this year but the Panel will be looking intently at the changes and impact of these decisions including the formal budget meetings in February.

We discussed the Capital Budget and the 90m borrowing for the implementation of those issues identified in the Medium Term Financial Plan particularly referring to the City Deal and the Band B schools programme. We were pleased to hear that the Chief Finance Officer was able to borrow part of the funding required, £90 million before the UK Government raised the repayment cost by 50%. The Chief Finance Officer said to expect a large draw down on this 90m over the coming months to begin to progress with those projects, as recently agreed by Cabinet.

Performance Monitoring

The Panel received quarterly performance monitoring reports. This enables them to closely monitor the Councils performance but also to dig deeper in some areas. For example, in October they looked at the indicator on *Swansea Working employment gained and qualifications achieved* because targets have been missed and results were the lowest achieved since results started being recorded at the beginning of last year. The Panel heard about low engagement numbers and other factors affecting performance due to the newness of the programme. They heard that this is expected to improve as the programme matures.

Reserves: The Panel looked at the report detailing the Council's reserves and what they are allocated for. The Panel have expressed concern in the past with regard to this issue and therefore plan to revisit it on a regular basis.

Wales Audit Office Reports: A Report on Planning came to the Panel in December and was accompanied by an Action Plan designed to address the issues that have been raised. The Panel also took this opportunity to take a look at the Planning Annual Performance report for 2018/19 at the same time. The Panel were very pleased with all of the progress made to date in Planning and praised the team for their hard work but they did feel that the WAO report on Planning did not fully reflect the issues faced in Swansea as it was a pan Wales report.

Well-being and Future Generations Act: As a SIF Panel we are looking to see how the WBFGA principles are being addressed and embedded into policies and decisions from a finance and performance perspective.

5. New Items

The Panel also have some new items coming to the Panel for monitoring in the remainder of this year, including but not limited to;

- Libraries Annual Report 2018/19
- Wales Audit Office Reports
- Corporate Complaints Annual Report 2018/19
- Wales Audit Office Report on the Local Government use of Data