

**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. Key Activities**

During 2020 there was disruption to the Panel’s work programme due to the Covid-19 pandemic. Since September 2020 the Panel has reconvened on a remote basis, recording meetings for publication online. These meetings have included a range of issues such as budget monitoring, annual performance reports and the Equality Plan Review. This has resulted in six convener’s letters to Cabinet Members. The issues covered were as follows:

<b>September 2020</b>	<ul style="list-style-type: none"> <li>• Corporate Performance and Financial Monitoring - Discussion on COVID-19 Impacts/Issues.</li> </ul>
<b>November 2020</b>	<ul style="list-style-type: none"> <li>• Q1 Budget Monitoring Report 2020/21</li> <li>• Review of Revenue Reserves</li> <li>• Mid Term Budget Statement (Verbal)</li> <li>• Recycling and Landfill - Annual Performance Monitoring Report 2019/20</li> </ul>
<b>December 2020</b>	<ul style="list-style-type: none"> <li>• Equality Plan Review 2019/2020</li> </ul>
<b>January 2021</b>	<ul style="list-style-type: none"> <li>• Budget Proposals</li> <li>• Q2 Budget Monitoring 2020/21</li> <li>• Q1 Performance Monitoring Report 2020/21</li> </ul>

**3. Achievements / Impact**

**Performance and Financial Monitoring - Discussion on COVID-19 Impacts/Issues.**

It was reported to the Panel that it has been difficult to achieve certainty over financial forecasts, given the uncertain and unprecedented challenges of Covid-19, and officers awaited clarity over funding announcements from Welsh Government. Since 23 March 2020, there have been numerous amendments to funding from Welsh and UK Governments with many new and continuously changing announcements throughout the pandemic. The national funding streams have ebbed and flowed continuously throughout the pandemic and has therefore added uncertainty to the forecast.

The Panel heard that it is expected all services to be over spent this year given the current circumstances; however, the Council is recouping some spending and will continue to apply for funding to recover spending as and when this becomes available.

**Capital and Revenue Budget Monitoring**

The Capital and Revenue budget has continued to be closely monitored; it continues to be a very challenging financial year for Councils. The monitoring of budget performance has remained a large part of the Panel’s work.

In November, the Chief Finance Officer and Director of Resources attended the Panel meeting where it was noted that Revenue and Capital Budget Monitoring Report Q1 2020/21 tries to bridge the normal budget reporting style for Q1 and the wider challenges of Covid-19.

The Panel heard that Council Tax arrears at the end of 2019-20 was £4.7m and the cumulative total is nearer £10m. Expectations are for a £2.5m shortfall in Council Tax this financial year, however, the Chief Finance Officer confirmed he is confident we will nevertheless be in a position to balance the overall budget. We have since heard that the Council have commenced proceedings for the recovery of such arrears, in line with the legal obligation to do so, whilst being mindful of current pressures on households.

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.

### **Performance Monitoring**

The Panel has received three performance monitoring reports so far. In September, we heard that, overall, the Corporate Performance indicators for 2019/20 show that 43 out of 78 (55%) Corporate Plan performance indicators (that had targets and where there was data) met their targets. 41 out of 66 (62%) comparable Corporate Plan performance indicators also showed improvement or stayed the same compared to 2018/19.

The Panel have also discussed the process of performance monitoring and how the councillors use and review that data; including what data is submitted to the Panel and collected, who the Panel speaks to either in writing or verbally, following up on areas of concern, the interface with other Scrutiny Panels; and how we avoid duplication of effort by officers and councillors.

It is now understood that there shall be no further performance monitoring reports presented to the Panel this year as no targets have been set for 2020/21 given the operational stresses of the pandemic.

The Panel have requested further information on the performance monitoring of major planning applications (with an economic imperative) that are approved. Panel Members queried whether this was an appropriate way to measure such performance and intend to review this current reporting mechanism.

At the most recent meeting, the Panel noted the exceptional staff efforts, commenting that many schools remained open and the work done by all staff has been exceptional.

### **Recycling and Landfill - Annual Performance Monitoring**

In November it was reported to the Panel that at the end of March 2020 the 64% recycling target was met; an increase of 2.1% from the previous year. 2000 tonnes of waste avoided landfill, likely due to the success of the Council's Keep It Out campaign. The Panel heard that Swansea mostly utilises landfill, whereas most other authorities send all their non-recyclable waste to incineration. It was understood that the recycling target of 64% may not be met this year (2020/2021). This situation is affecting all councils in Wales and can be attributed to shortfalls due to the impact of Covid-19. The Council is not expecting any fines or penalties and understand that Welsh Government are sympathetic to this situation.

## **Equality Plan Review**

This report was a cross-cutting whole-council review, highlighting the breadth and depth of work across the Council and with partner organisations, the aim being to make services as accessible and inclusive as possible. There was particular significance of the Review this year in light of the pandemic, which exposed many inequalities across the country.

The Panel felt that Community Cohesion should be a top priority and therefore the first item of future reporting. The Panel concluded that community leaders take responsibility for community cohesion and this principle should be used as a touchstone for equality. Members expressed views about how the pandemic has highlighted a greater sense of community cohesion and we should build on that.

## **Budget Proposals**

The Panel was interested to hear that, following the uplift in funding received from the Welsh Government (£13m), it is envisaged that all directorates will receive an overall increase in cash budgets for next year of at least 3%.

It is understood that planning assumptions have been made on Council Tax increases of up to 5%. Officers explained to the Panel that there is no Comprehensive Spending Review from UK Government so it had been difficult to plan for the future. Officers and Members are keen for this to be refreshed by the Treasury so the Council can plan with confidence.

The Panel heard that sums received to date demonstrate success in recovery of costs, seeing recovery of at least 85% on items where we are competing against other Councils. The Panel raised concerns over any contingency plan if we do not recover such costs. It was explained that general and earmarked reserves could be called upon, but the Council would be very reluctant not to pursue the full support from Welsh Government in the first instance. The Panel was assured that the Council is confident of recouping costs and claims are currently rolling in over a three-month period.

## **4. Future Work Programme**

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

- Budget Proposals 2021/22 – 2023/24 – *pre-decision scrutiny*
- Mid-Year Budget Statement 2020/21
- Q3 Budget Monitoring 2020/21
- Review of Byelaws
- Corporate Complaints Annual Report 2020/21
- Planning Annual Performance Report 2020/2021
- Overview/Summary of Commissioning Review Outcomes
- Budget Process
- Development of Council Management Structure