



Report of the Section 151 Officer

Cabinet – 17 February 2022

Revenue Budget 2022/23

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| Purpose: | This report sets out the current position with regard to the Revenue Budget for 2022/23 for consideration by Cabinet. |
| Policy framework: | Medium Term Financial Plan and Budget Strategy |
| Consultation: | Cabinet Members, Legal, Access to Services & Corporate Management Team |
| Recommendations: | <p>It is recommended that:</p> <ol style="list-style-type: none">1) Cabinet considers the outcome of the formal consultation exercise, and agrees any changes to the Budget Proposals in Appendix D, together with the position regarding delegated budgets as set out in Sections 4.15 and 4.17 of this report.2) Cabinet note the current Total Funding Requirement identified in Section 4.6 of this report and, in line with the potential actions identified in Sections 9 and 10 of this report, agree a course of action to achieve a balanced Revenue Budget for 2022/23. In addition to a review of current savings proposals Cabinet will need to:<ul style="list-style-type: none">- Review and approve the Reserve transfers recommended in this report- Agree a level of Council Tax for 2022/23 to be recommended to Council3) Subject to these changes, Cabinet recommends to Council for approval:<ol style="list-style-type: none">a) A Revenue Budget for 2022/23;b) A Budget Requirement and Council Tax levy for 2022/23. |
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1. Introduction and Background

1.1. This report details:

- Financial monitoring 2021/22
- The Local Government Finance Settlement 2022/23
- Budget Forecast 2022/23
- Specific Savings Proposals
- Outcome of Budget Consultation
- Staffing Implications
- Reserves and Contingency Fund requirements
- The Budget Requirement and Council Tax 2022/23
- Summary of funding proposals
- Risks and uncertainties

1.2. The financial assessment in relation to 2023/24 – 2025/26 is contained in the ***Medium Term Financial Plan 2023/24 – 2025/26*** elsewhere on this agenda.

1.3. This report builds upon and needs to be read in conjunction with :

- The budget strategy agreed by Council on 22nd October 2013 – ***‘Sustainable Swansea: Fit for the Future’***.
- The report to Cabinet on 29th July 2014 – ***‘Sustainable Swansea: Fit for the Future: Delivery Programme’***.
- The update report on ***Sustainable Swansea – Fit for the Future*** as approved by Cabinet on 16th July 2015.
- The report to Cabinet on 15th October 2020 – ***‘From Recovery to Transformation’*** detailing the “Swansea – Achieving Better Together, Transformation Strategy & Programme Framework 2022 – 2026”
- The report to Cabinet on 20th January 2022 – ***Budget Proposals 2022/23 – 2025/26*** setting out the Council’s proposals for consultation.

1.4. The report sets out the latest budget estimates and invites Cabinet to consider any comments and feedback received as a result of the budget consultation. Cabinet are asked to consider any changes to the draft Budget proposals and proposed Council Tax level, prior to recommending the budget to Council. The report also includes an Integrated Impact Assessment statement so that Cabinet can be aware of the key issues before finalising budget proposals.

1.5. **Similarly, 2021/22 marked the first full year of required full compliance with the CIPFA Financial Management Code.** The new code is the first from the Institute in 15 years, and brings together many areas of local government good financial management into one place. It is based on a set of standards and principles, including organisational leadership, transparency, assurance and sustainability. Its aim is to place financial management at the heart of policy and decision making in local government. The Section 151 Officer will comply personally with the Code, as professionally obligated to do so, and has raised awareness with the wider political and managerial leadership of the Council of its significance and the obligations on all to ensure sound financial management. The code was taken into consideration during the recent Senior Management Review and the resulting restructure ensures compliance with the code.

1.6. **Whilst rightly emphasising what is proposed being removed in savings for transparency, at just under £5 million, it must equally be borne in**

mind that approximately £40 million is being added. Net service budgets are increasing substantially, and the overall revenue budget by a net £35 million.

2. Financial Monitoring 2021/22

- 2.1. Cabinet will see a report for consideration elsewhere on this agenda on the estimated Revenue Outturn for 2021/22. It is projected that the Council will outturn at an underlying directorate overspend position of £9.4m, which is an improved position compared to the forecast overspend at quarter 2.
- 2.2. The overspend is primarily in respect of the impact of COVID-19, aside from this the service position is an underspend of £4.0m, again improved from the second quarter position. Much of the COVID-19 related overspend is expected to be funded through grants from the Welsh Government, however there will be an element that isn't covered as it will be deemed a local decision.
- 2.3. In addition there is likely to be a shortfall on Council Tax collection, forecast at £2m. This could add to the forecast service overspend of £9.4m. Negotiations with Welsh Government continue over reimbursement of these losses and whilst some significant recompense will be achieved (85% average reimbursement nationally has been offered), the distribution by authority is not yet assured at this stage.
- 2.4. The contingency fund will be used to fund a list of approved items, leaving a balance of £12.9m to offset service overspending on COVID-19 items. In addition to this, non-service items such as the inflation provision will be released to mitigate the overspend.
- 2.5. If the COVID-19 losses are covered by the Welsh Government in line with that currently forecast then there is likely to be an overall underspend for the Council in the region of at least £12m, though it is likely to go higher. Although shown as an effective underspend it is more accurately a lower than expected draw from one off contingency sums and members will have the opportunity to consider in due course how to respond to that indicative figure.
- 2.6. One new proposal for these increasingly likely growing underspends is to create a new, centralised Place Directorate revenue reserve for targeted operational work in ward areas to supplement member initiatives from their own ward improvement budgets. It is hoped that sufficient sums will be available at outturn to establish a £2.5m reserve to allow spend of approximately £500,000 per annum for a period of 5 years. This will be considered and created as part of the outturn report to Cabinet in due course.
- 2.7. Any underspends on capital charges (at least a further £6 million) will be transferred to the capital equalisation reserve, a strategy previously agreed by Council.

3. The Local Government Finance Settlement 2022/23

- 3.1. The Minister for Housing and Local Government announced the provisional Revenue and Capital Settlement for 2022/23 on 21st December 2021 and the final settlement will be announced on 2nd March 2022.
- 3.2. At the time of writing this report the Welsh Government had not announced the final settlement, however the Minister for Finance and Local Government stated in the provisional settlement that there was no intention to make significant changes to either the methodology or the data underpinning the settlement. **As such any changes should only be minor and capable of being smoothed out by adjustments to the Contingency Fund.** Any other changes such as any new responsibilities transferred into the Revenue Support Grant will simply be passported to Services as usual. **If any more material announcements are made over elements regarding taxation policy (business rates, council tax, VAT, employers taxes etc.) or expectations for, or funding for helping with council tax levels, or indeed overall funding support to councils, this may need to be revisited at Council, which will be operationally and procedurally difficult given likely March timings of both Welsh Government and UK Government final budgets.**
- 3.3. For the purposes of this report there is assumed to be no change to the provisional settlement figure.
- 3.4. In respect of Schools and Social Services, although the provisional settlement does make it clear that the cost pressures in social care and schools are definitively recognised by the Welsh Government, there is no formal protection or funding guarantee within the settlement so any decision over funding is a local one to be made by Cabinet and ultimately by Council, having any due regard to any budget consultation responses received.
- 3.5. In revising the Medium Term Financial Plan and setting the Budget for 2022/23, it is essential that the Council adheres to the objectives in *Swansea – Achieving Better Together, Transformation Strategy & Programme Framework 2022 – 2026*. The Council made clear through *Sustainable Swansea* that the need to transform services, reduce or divert demand through prevention and to look for alternative models of delivery, including community action, is required for our future sustainability and to improve outcomes for citizens and this needs to be reinforced and strengthened under the new Transformation and Programme Framework.
- 3.6. **The longer term financial pressures and level of risk that we face and will continue to face make the need to implement these changes ever more urgent. The increase in Aggregate External Finance for next year should be seen as an opportunity to maintain investment in the Council’s priorities and preventative action in particular, and embracing wider scale transformational change, as part of the recovery plan, not to slow down the pace of change or the level of required savings in the medium term.**
- 3.7. It should be noted that, as highlighted in the Budget Proposals report to Cabinet in January, the provisional allocation for capital was reduced by £2.04m for 2022/23. Although it remains possible that the Welsh Government will announce further capital grants at the time of writing this report no details have been announced. Therefore, to maintain the level of the core capital

commitments it is proposed that the Capital Equalisation Reserve is used temporarily to fund the £2.04m shortfall in Welsh Government funding.

4. Budget Forecast 2022/23

Overview

- 4.1. The budget proposals for 2022/23 as submitted for consultation on 20th January 2022 highlighted pressures of £40.044m, resulting in a savings requirement of £4.758m once the provisional increase on Welsh Government Aggregate External Finance (AEF) of £33.943m was taken into account, together with estimated Council Tax rises of £1.343m.
- 4.2. The announcement of the final settlement will mean that the overall funding deficit forecast for 2022/23 will inevitably, but hopefully marginally, change.
- 4.3. In addition, the opportunity has arisen to review all aspects of the budget pressures and risks so far identified with a view to updating the forecast using the latest up to date assumptions.
- 4.4. The options for funding the deficit that is identified remain as:
- Savings on current service net expenditure (through a combination of expenditure reduction and additional income generation)
 - Increases in Council Tax levels (but weighing need for tax revenue sustainability with affordability for residents)
 - Use of Reserves and Balances more generally(not advised, but this explicitly does not include the already agreed full use of the materially large Economic Recovery Fund over 2 years to stabilise budgets and adjust and respond to Covid in the shorter term).

Forecast Funding Requirement 2022/23

- 4.5. The revised funding requirement previously identified in paragraph 4.1 above can now be updated and summarised in Table 1(a) below.
- 4.6. The items highlighted in **bold italic** in the table have changed since the budget proposals report in January 2021. These are discussed later in the report, but have resulted in no change to the Net Funding Requirement.

Table 1(a) – Projected Pressures 2022/23

| | Budget 2022/23 £'000 |
|---|-------------------------------------|
| Future cost of pay awards | |
| - LG Staff | 5,800 |
| - Teachers | 3,800 |
| National Living Wage – pay bill | 400 |
| National Living Wage – contracts | 700 |
| National Insurance Increase | 3,500 |
| Increase in Pension Costs | 0 |
| <i>Cumulative contract inflation</i> | 5,022 |

| | |
|---|---------------|
| Energy Price Inflation | 0 |
| Capital charges | 1,000 |
| Remove 2021/22 use of Capital Equalisation Reserve | 3,000 |
| Contribution to core capital programme to maintain existing spend | 2,040 |
| Temporary use of Capital Equalisation Reserve | -2,040 |
| Contingency | 103 |
| One-off funding for COVID-19 | -7,000 |
| Rebase ICT Cloud costs | 500 |
| Reinstate temporary Use of Insurance Reserve | 700 |
| Increase in Insurance Premiums | 200 |
| Demographic & Service pressures | 3,000 |
| Mid and West Wales Fire Authority Levy (independently decided by the Fire Authority) | 600 |
| Corporate Joint Committee – New Levy | 200 |
| Council Tax Support Scheme | 550 |
| MTFP Service pressures accepted | 2,250 |
| New service pressures accepted | 2,722 |
| Passed through AEF to Services | 497 |
| Social Care extra money for Adult Services | 2,500 |
| Additional funding for Social Care | 6,000 |
| Additional funding for Schools | 4,000 |
| Total Funding Requirement | 40,044 |
| Savings Requirement | -4,758 |
| Net Funding Requirement | 35,286 |
| Aggregate External Finance increase | 33,943 |
| Council Tax increase (including tax base changes) | 1,343 |
| Total Resource Investment | 35,286 |

Inflation

- 4.7. The 2021/22 Revenue Budget provided a corporate provision of £4.25m for general inflation (£3.25m) and the cost of the Apprenticeship Levy (£1m). It is expected that the full £1m will be required for the Apprenticeship Levy, the remainder of the provision will be used retained to contribute to the service overspend, if necessary.

Given current UK inflationary levels and forecasts to come through the year there is a strong case for increasing the corporate (General) provision for inflation in 2022/23. Mainly to cover the increase of costs associated with contracts, a further £1.37m will be currently provided in the corporate provision. This may need to be weighed with the impact upon, and affordability of, council tax levels and the amounts that may be able to be further set aside at year end outturn to mitigate temporarily some of those immediate inflationary pressures. It is the case, however, that the Council is nonetheless likely to experience significant ongoing cost pressures in specific areas as detailed in Table 1 (b) below and these have already been provided for as follows.

Table 1 (b) – Potential Service Inflationary and Cost Pressures

| | |
|--|--------------|
| | £'000 |
|--|--------------|

| | |
|--|-------|
| Increased central inflation provision | 1,372 |
| Increased contract costs due to rise in National Minimum Wage levels (already in services) | 700 |
| Increased inflationary costs in Schools | 1,000 |
| Increased contract costs in Social Services | 2,000 |
| Increased contract costs in Place | 850 |

4.8. In the November 2015 Autumn Statement, the Chancellor first announced significant increases in the National Minimum wage. Whilst the actual increases will vary year to year there will be continued pressures. The rise anticipated for 2022/23 could affect direct employee costs. There is some uncertainty around the impact as the 2021/22 pay award hasn't been settled yet, however the latest estimate has been included above. It will impact directly on wage costs of external contractors particularly in respect of contracted services within Social Services. It should also be noted that the local government finance settlement this year places an expectation on local government to move to become a living wage employer in own right and with targeted parts of contracted social care in the first instance. The pay policy will be considered at Council in March and those likely policy decisions on minimum pay levels, relative to general inflationary pay increases provided for, are already fully afforded within the overall budget envelope proposed. For the avoidance of doubt the pay policy proposals and decision to come will not likely need to be otherwise constrained by the budgetary position provided for.

Irrespective of increases in minimum wage, there is likely to be pressure from contracted areas in both Social Services and Transport Services for elements of cost increases. These will need to be funded from the inflation provision allocated to both services as the need arises.

4.9. In his Spending Review presented to Parliament in November 2021, the Chancellor of the Exchequer announced a stop to the freeze on public sector pay. Whilst the Chancellor doesn't control local government pay, this announcement will inform pay rises to some extent. Since the proposals report in January there has been no update on the 2021/22 pay award and therefore no further change to the 2022/23 estimated increase.

4.10. The Apprenticeship Levy is still held centrally on the general provision for inflation line as it is currently a cost that is in effect a corporate tax. This makes the total central provision for inflation just over £5.6m, although £1m of this is already fully committed for that levy. The provision has been increased this year because of the current economic uncertainty surrounding inflationary levels.

4.11. As detailed below, it is assumed that any provision for increases in School pay budgets will be met directly from Schools' delegated budgets.

Schools Prioritisation

4.12. It remains the case that the forward financial plans for the Council will continue to show year on year savings requirements which are likely to be significant and sustained. Given the scale of savings required, it is inevitable

that it will be impossible to exempt schools' budgets fully from longer term real terms cuts.

- 4.13. Budget movements can be viewed in two ways:
- Cash increases or reductions in levels of funding provided to Schools
 - Real terms changes in Schools funding, taking into account known spending needs.
- 4.14. For 2022/23 there continues to be no Ministerial funding commitment to schools, although the provisional settlement does make it clear that the cost pressures in schools are specifically recognised by the Welsh Government and were a material factor in the overall settlement. It is intended to provide funding for various service pressures as a local priority for Cabinet.
- 4.15. The net result of these proposals is an increase in the underlying base budget cash settlement to Schools of some £11.742m (7%) for 2022/23, (including anticipated Pupil Development Grant and Post 16 funding changes which come separately from Welsh Government), which is only slightly less favourable than the 9.6% increase in this Council's funding from Welsh Government. It must be remembered that once council tax levels are set by Council the overall council funding envelope will be a weighted average of the two increases and likely materially lower than the headline grant increase alone.
- 4.16. This year the headline figures across Wales in respect of Pupil Development Grant has increased and the Post-16 funding has remained the same, so an improved position. However the Regional Consortia School Improvement Grant has decreased, which may have an effect on Swansea Schools when allocated.
- 4.17. Table 1 (c) below sets out the effective impact of the core funding increase against expected funding pressures for Schools.

Table 1 (c) – Impact on Schools Delegated Budgets

| Item | £'000 |
|---|----------------|
| <i>Cash position</i> | |
| Gross core delegated base budget 2021/22 | 167,304 |
| Increase for Pay Award - all staff (3%) | 3,800 |
| Increased National Insurance Levy (1.25%) | 1,500 |
| Increased demographics and other cost pressures | 4,600 |
| General Inflation | 1,000 |
| Increased budget delegation | 842 |
| Core delegated base budget 2022/23 | 179,046 |
| | +7.0% |

The above cash increase more than fully covers known pressures for Schools and further supports the enhancement of mainstream provision within schools as part of the existing education budget strategy.

There are no further delegated funding changes expected for 2022/23 and so the total school cost centre budgets set out in Appendix H have increased by £11.742m for 2022/23 or 7.0% in respect of schools core funding.

It remains the case, however, that substantial elements of Schools Funding (c£17m) are now being delivered via specific Grant (Pupil Development Grant and Regional Consortia School Improvement Grant) which results in a substantial annual risk to overall School's funding which is not in the control of this Council.

Social Care Protection

- 4.18. Similarly to Schools, the Welsh Government overall Revenue Settlement for 2022/23 no longer includes a protection or prioritisation of funding for social care. Although the settlement does make it clear that Social Care pressures are recognised in the settlement.

Overall the cash budget proposed for social services (including poverty & prevention) increases by around 12.4% or £15.9m.

Capital Financing Charges

- 4.19. There is a base line increase of £1.0m compared to the 2021/22 approved budget reflecting both additional unsupported borrowing (for existing and new capital schemes) and the effect of the MRP review carried out in 2018/19.

- 4.20. As at 1st April 2015, and to date, a significant element of the Capital Financing requirement has been met by the allocation of internal funds (internal borrowing). This is highly dependent on cash-flows of the Council and it is now the case that the overall borrowing envelope debt is now fully externalised, which will feed through into significantly higher base capital financing costs in 2022/23.

- 4.21. Regardless, we continue to enjoy historically low rates of interest on borrowing, and it should be noted that the 1% premium imposed on PWLB borrowing was removed in November 2020 with stringent guidance outlining what PWLB can and cannot be used for. The most economically / operationally advantageous form of borrowing shall be determined by the Section 151 Officer, and could include the following:

- Local authorities
- Financial institutions
- Municipal Bonds Agency

Furthermore the authority has a potential range of ambitious and challenging investment plans and opportunities in the shape of 21st Century Schools Band B programme, the City Region Deal, City Centre redevelopment, and new housing plans, which are set out in the report on Capital elsewhere on this agenda.

- 4.22. Whilst the initial costs have been built into annual budgets to date, and forecast general fund capital borrowing requirements have been externalised with PWLB borrowing already there is a longer term requirement to anticipate additional capital financing costs because elements of the Band B schools programme will not be funded by traditional capital borrowing but through the

Mutual Investment Model (revenue funding). The authority continues to materially benefit from the substantial increases in current and medium term specific capital grant funding from the Welsh Government and as a direct result of the change to MRP policy which was approved by Council in December 2018 and continued appropriate use of the Capital Equalisation Reserve to smooth future costs and have due regard to the Wellbeing of Future Generations. .

Fire Authority Levy and Port Health Authority Levy

- 4.23. Since the 20th January 2022 Cabinet report we have been notified of the overall increase in the Fire Authority Levy. This figure reflects an overall average 3.95% increase in the levy. We will need to await the final notification, which will include changes expected due to the relative allocation across each levied Authority, before finalising the budget, however no significant changes are expected at this stage.
- 4.24. There has been a minor decrease in the Swansea Bay Port Health Authority Levy, the levy for 2022/23 has been set at £87,399 for Swansea.
- 4.25. From 2022/23 there will be a new Corporate Joint Committee levy. A budgetary provision of £0.200m has been made, based on their final budget, which has been apportioned based on population. This is a decrease of £0.050m from the estimate included in the budget proposals report to Cabinet.

Council Tax Reduction Scheme

- 4.26. The Authority received a baseline adjustment to its Revenue Support Grant of £18.883m for 2014/15 which has been notionally included as part of all future settlements. The effect of this is that any future increases in Council tax levels would have to be discounted by any potential increases in Council Tax Support costs. Where appropriate the yield will also have to take account of any increase in Council Tax Support Costs arising from increases in the Council Tax applied by the South Wales Police Commissioner.

The effects of funding additional Council tax support have been taken into account when calculating the funding in respect of the overall budget shortfall highlighted in Table 1(a) in paragraph 4.6 of this report. This has been set at £0.55m for 2022/23 building on the larger increase provided last year to take account of the estimated impact of the COVID-19 pandemic.

Discretionary Rate Relief

- 4.27. The Authority is responsible for funding an element of any discretionary rate relief awarded to local businesses. No increase to this budget has been anticipated for 2022/23.

Service Pressures and Additional Investment

- 4.28. It can be seen from Table 1(a) above that there is a continued investment in pressures identified and approved as part of the budget process last year. In addition to this there have been a number of new pressures and new investment opportunities identified as part of this year's budget process. The funding of these items has been possible partly through a better than

expected settlement from the Welsh Government and partly through efficiencies (savings) made elsewhere within the Authority. These are listed in part 2 of Appendix D.

5. Specific Savings Proposals: Update

- 5.1. As a strategy for determining its budget proposals, the Authority has, since 2013, used the principles embedded within ‘*Sustainable Swansea: Fit for the Future*’ as a means of setting Council priorities, transforming services and addressing current and future deficits.

Details of that strategy, including the budget principles that the Authority has adopted together with a description of the key elements that underpin the service savings proposals, was presented and approved by Council on 22 October 2013 and subsequently reviewed by Cabinet on 16th July 2015.

On 15th October 2020 Cabinet approved the new “From Recovery to Transformation” report detailing the “Swansea – Achieving Better Together, Transformation Strategy & Programme Framework 2022 – 2026”. This has been the second year that this strategy has informed and shaped the budget process, ensuring the budget assists the strategic aims and outcomes of the framework. It is essential that the recovery programme and its associated delivery and governance is now delivered rapidly to ensure savings plan in train and expected to be needed in the future are more fully assured.

- 5.2. The strategy as adopted underpinned the decision taken at the Council’s Cabinet on 20th January 2022 to recommend specific savings proposals totalling £4.758m in 2022/23 for consultation. Cabinet now needs to consider whether or not to make any changes to these proposals in light of the outcome of the consultation.
- 5.3. Since the January report the overall savings requirement has remained the same, as detailed in Table 1 (a) above and paragraphs 4.7 to 4.28 above, still totalling some £4.758m. Consequently no changes to the service specific savings have been made, as summarised below. These are detailed in Appendix D (Part 1).

Table 2 – Summary of Savings Proposals

| Savings | 2022/23 £'000 |
|--|--------------------------|
| Service specific savings as at 20 th January 2022 | 4,758 |
| | |
| Sub-total (as detailed in Appendix D) | 4,758 |
| Schools* | 0 |
| Total | 4,758 |

*Schools savings and pressures fall entirely to the delegated budgets and are shown separately as these are decisions for schools to take

- 5.4. Details around the currently assumed proposals for Council Tax levels are shown in Section 9 of this report.

5.5. Details around use of the Council's Reserves, contingency and inflation provisions are shown in Section 8 of this report.

6. Outcome of Budget Consultation Process

Budget Consultation Results

- 6.1. The annual budget consultation will run from 21st January 2022 to 11th February 2022. As such the consultation was ongoing at the time of writing this report. An interim summary of the consultation results is attached at Appendix E, which will be updated for Council on 3rd March.
- 6.2. The IIA process has been running continually through the budget process. The IIA report is attached as Appendix F. Cabinet will be kept updated on any potential issues that may arise as part of the budget implementation process.
- 6.3. Cabinet and Council will need to consider the response to consultation and the IIA report and demonstrate how we are taking account of the feedback.
- 6.4. Finally, Cabinet is asked to note that, as part of the budget consultation process:
- An account of the consultation responses will be placed on the Council's website

Changes Proposed to the Budget in this Report

- 6.5. As a result of the latest updates to forecasts, Cabinet is able to consider an increased level of service investment and will now need to consider further whether it is minded to make any further recommendations to Council on its final proposals for the 2022/23 budget. The following items have been added to the proposals since the January report and are accommodated within the existing funding:

| Director | Head of Service | Description | 2022/23 £'000 |
|--------------------|-------------------------------|--|------------------|
| Corporate Services | Legal and Democratic Services | Members ICT costs – Inflationary increase to allowance to reflect Democratic Services Committee and Council determinations | 5 |
| Social Services | Poverty and Prevention | Support for implementing the recommendations and actions flowing from the Mayhill Inquiry | 100 |
| Place | Corporate Property Services | Boundary Changes - 3 additional Councillors – increased ward budgets to maintain spending power per ward | 30 |
| Place | Corporate Property Services | Further increase in Member Ward budgets from £10k to £15k per annum each | 375 |
| Place | Waste, Cleansing and Parks | Additional multi use bin provision to especially accommodate and tackle dog waste | 100 |
| Place | Directorate/Capital programme | Temporary funding for continued spend on core capital programmes | 2,040 |

7. Staffing Implications

Background

- 7.1. The Cabinet Report of 20th January 2022 set out the latest estimate (**work on this is continuing and the number is likely to change**) of the impact of the current proposals on total staffing numbers for 2022/23, these have been updated in **Table 3** (shown as Full Time Equivalents (FTEs))

Table 3 – Potential Impact of Savings Proposals on FTEs 2022/23

| Potential Headcount Reduction (likely vacant posts or volunteers for ER/VR) | Headcount Number |
|--|-----------------------------|
| Finance | 2 |
| Corporate Services | 0 |
| Place | 0 |
| Education (excluding schools) | 2 |
| Social Services | 0 |
| Total | 4 |
| Indicative schools figure | FTEs |
| Schools | 0 |
| | |

The 4 posts do not pose compulsory redundancy risks.

- 7.2. The Council will remain committed to continue to work closely with Trade Unions to minimise the number of compulsory redundancies in the future.
- 7.3. Trade Unions will be consulted on budgetary proposals.
- 7.4. In the event of changes to employee numbers, a S188 Letter may be issued and consultation with Trade Unions on individual proposals will continue throughout the process.
- 7.5. It should be noted that consultation will be undertaken on a rolling basis outside the normal budget cycle, as the outcomes from commissioning and other reviews are presented to Cabinet. Consequently, in some Service Areas, it was not possible at the time of the formal meetings with the Trade Unions to give details of the precise impact on staff and the figures quoted were, therefore, overall estimates. Future meetings with Trade Unions will be used to provide more detail when this becomes available as future options are agreed.
- 7.6. A reduction in posts in 2022/23 may still be unavoidable, given that the Council spends around 40% of its overall budget on employees (significantly more in some Service Areas) and the national pay awards for 2 years remain unknown whilst inflation is also relatively high and will have to be funded from the Council's own resources.

- 7.7. As achieved and evidenced in previous years, and continuing the Council's current policy, every effort will be made to minimise compulsory redundancies. Management action includes:
- *Tight management of vacancies so that we manage the deletion of posts via natural wastage over time*
 - *The use of fixed term appointments where a post needs to be covered*
 - *Stopping the use of agency staff unless a clear business case can be made*
 - *Redeployment and retraining wherever possible*
 - *Further encouragement of staff to consider ER/VR options, including bumped redundancies*
 - *Encouraging staff to work flexibly e.g. reduce hours or job share*
 - *Flexible retirement*
- 7.8. The groups of staff likely to be most at risk (no options can be ruled out at this stage) are those affected by service savings in Finance and Education.

Issues

- 7.9. Consultation will take place with the Trade Unions as required and any issues raised will be considered.

Based on current information it is anticipated that there will some changes to the staffing figures as a result of:

- ERVR applications
- Not filling vacant posts
- Flexible Working requests, i.e. reduced hours
- Flexible Retirement
- Redeployment
- Bumped redundancies

These figures will be updated on an ongoing basis.

- 7.10. HR & OD are constantly working with redeployees to secure them alternative positions. Employees at risk, i.e. those who have not been served notice, can also be considered for redeployment.

In addition, all posts are placed on the list of posts for employees at risk in the first instance. Director and CMT approval is required in order for the posts to be advertised either on the Vacancy Bulletin or externally.

Consultation Period and Notice Periods

- 7.11. In the event of organisational change that impacts on employees, the formal consultation period will last for a minimum of 30 days; although formal consultation meetings with staff and Trade Unions will continue as and when necessary.

Assuming that Council approves the budget, it will be after this date that the workforce implications of the budget can be implemented.

After any redundancy selection process has been completed, displaced staff will then be served with their contractual notice which could range from a 4

week period up to 12 weeks, which depends on the employee's length of service. As indicated above there is no expectation at this stage that the budget in itself should cause any compulsory redundancies.

8. Reserves and Contingency Fund Requirement

Background

- 8.1. It is a requirement of the Local Government Finance Act 1992 that authorities have regard to the level of reserves when calculating their Budget Requirement. Whilst there is no prescribed statutory minimum level of reserves, account should be taken of the strategic, operational and financial risks facing the Council.
- 8.2. In assessing the adequacy of reserves account needs to be taken of the following general factors:
- treatment of inflation and interest rates
 - level and timing of capital receipts
 - treatment of demand led pressures
 - expected performance against challenging budget requirements
 - treatment of planned efficiency savings / productivity gains
 - financial risks inherent in major capital developments and funding
 - the availability of reserves, government grants and other funds
 - general financial climate to which the authority is subject
- 8.3. The Section 151 Officer continues, as set out below, to view General Reserves as already being at the absolute minimum safe level. Furthermore as the revenue budget continues to grow, the relative value and thus acceptability to the Section 151 Officer of the already low absolute level of General Reserves diminishes further, albeit mitigated to some extent by the growth in temporary earmarked reserves. Any consideration on use of reserves to fund the 2022/23 Revenue Budget is dependent on the level of confidence in predicting 2021/22 Revenue Outturn and the overall draw from those reserves. At present it remains the case therefore that there should ordinarily be no planned use of general reserves for any future budgets and indeed an expectation of the Section 151 Officer that longer term, General Reserves will need to be bolstered to maintain their relative value when compared to the overall growth in budgets and risks and uncertainties faced.

Setting the level of reserves is just one of several related decisions in the formulation of the Medium Term Financial Strategy i.e. it is more than a short term decision.

- 8.4. In considering reserve levels Members should have specific regard to:-
- The report of the Section 151 Officer to Council on 7th October 2021 'Review of Revenue Reserves'
 - The guidance issued by Welsh Government and circulated to all Members advising on methods that might be employed when reviewing the overall reserves of the Council.

General Reserves

- 8.5. The General Reserve amounted to £10.000m at 1st April 2021.

- 8.6. The Revenue Budget for 2021/22 approved by Council on 4th March 2021 assumed no transfer from General Reserves and there is no movement in the General Reserve currently expected during 2021/22, although any final determination on the use of reserves will depend on the outturn position for 2021/22.
- 8.7. In the opinion of the S151 Officer the level of the General Reserve is currently at the very minimum recommended level and as such there is no assumed transfer from the reserve to support the 2022/23 budget.

Therefore the level of General Fund balances estimated at 31st March 2023 would be £10.000m.

Longer term the Section 151 Officer expects there to be a need to increase General Reserves to maintain their relative and proportionate value as revenue budgets and risks and uncertainties grow significantly.

Contingency Fund

- 8.8. The 3rd quarter financial monitoring report details several forecast uses of the Contingency Fund in 2021/22. At this time, it is anticipated that the original £3.621m 2021/22 budgeted contribution, plus the additional £10.000m carried forward from 2020/21, will be expended and/or used to fund the Council's final outturn position. Given the overall position as forecast in the 3rd quarter budget monitoring report for 2021/22 considered elsewhere on this agenda, the forecast Fund balance as at 31st March 2022 is subject to final confirmation on outturn, but the recommended option is to retain £4.5m for future use in future years.
- 8.9. In assessing the value of the Contingency Fund requirement in 2022/23, the following potential requirements are relevant:
- The risks and issues detailed in Section 11 below.
 - The need to provide a substantial potential source of finance for repeated potential overspending in services given past performance, bearing in mind the Council has now likely exhausted all other Earmarked Reserves.
 - The continuing uncertainty for Public Finances as set out in the Cabinet report on 20th January and summarised in the MTFP report elsewhere on the agenda.
 - The expectation that any emerging additional inflationary pressures beyond the large already budgeted items (National Living Wage, pay awards) will be a call on the fund in year.
- 8.10. Bearing the above in mind, together with the proposals in respect of funding current year service pressures within the 2022/23 base budget, and the reduced risk of repeating overspending from 2021/22, it is now recommended that the contribution to the base budget Contingency Fund in respect of 2022/23 is marginally increased by £0.103m to £3.724m depending upon any further budget decisions Cabinet is also minded to recommend. Again this is considered the absolute minimum range necessary to be maintained in light of the likely risks and issues facing this Council.

- 8.11. It should however be noted that the grants awarded during 2021/22 in respect of COVID-19 have either not been announced yet or have been reduced dramatically in 2022/23. Should the effects of the pandemic continue into 2022/23 this will be a huge risk. The scale is such that of those grants confirmed there is a drop from nearly £900m available in 2021/22 to just £105m in 2022/23 at an all Wales level for local government. The budget advice of the Section 151 Officer is given with the explicit statement of that fundamental uncertainty risk.
- 8.12. Past experience has shown that whilst it is extant Council policy that any reduction in specific grant should be met from an equal reduction in service expenditure, there is often a lag between loss of grant and reduction in costs/change in service levels.

It is also clear that in respect of some specific grants any reduction in associated expenditure may have a detrimental effect in meeting service targets with a consequential increase in future financial penalties.

There are no remaining reserves specifically to protect against grant losses so any reductions will fall firstly to the Service department to manage or if significant will have to be considered for funding from the Contingency Fund.

Earmarked Reserves

- 8.13. The Council retains earmarked reserves for specific purposes. The reasons for holding these reserves are documented and are subject to ongoing review and scrutiny. The forecast transfers to and from reserves are summarised in Appendix C. There are material draws, as planned, from the time limited Economic Recovery Fund
- 8.14. As detailed in paragraph 3.7 above, it is proposed that the gap in the Welsh Government capital funding allocation is temporarily replaced with funding from the Capital Equalisation Reserve. This is on a temporary, one-off basis and may not be drawn upon should the Welsh Government announce further increases and/or top-up grants.
- 8.15. On 7th October 2021 Council received and approved a report detailing a formal review and re-allocation of Earmarked Revenue Reserves.
- 8.16. From the usual list of specific grants announced by the Welsh Government for 2022/23 it appears that where there are reductions to grants these are not significant so it is unlikely that there will be a significant impact on Swansea.
- 8.17. As mentioned in paragraph 2.6 above it is intended to create a new revenue reserve at outturn, subject to funds being available. This reserve will fund targeted work in ward areas, and will be available for 5 years.

Review of Insurance Fund

- 8.18. A review was completed of the sums set aside to provide for future claims which are not known or only partly known at this time. Such claims can be very significant and can relate to past periods going back many years.

- 8.19. In the light of that assessment £700k was released for the three years starting with 2017/18 and was already reflected in the budget proposals previously considered by Cabinet. This was extended as part of the budget processes for 2018/19 and 2019/20, so will now end in 2022/23.

Adequacy of Reserves

- 8.20. Whilst the proposed use of Earmarked Reserves in 2022/23 funds one off and some recurring expenditure, taking into account the level of General and Earmarked Reserves which would be available should there be an overriding financial requirement, and the arrangements in place to monitor and manage financial risk in 2022/23 and future years, I am satisfied that the proposed management of reserves in 2022/23 will result in a forecast level of General Reserves, Earmarked Reserves and Provisions which may be considered adequate, subject to the potential financial implications of the risks described in Section 11 below and the final budget proposals recommended by Cabinet to Council.
- 8.21. Given the considerable risks and uncertainties facing the Council in 2022/23 and future years, it remains my advice as the officer designated with responsibility for the overall finances of the Council that the above represents reasonable prudent financial management having due regard to service pressures and funding constraints. Nevertheless, increasingly the risks associated with the budget, especially any non-deliverability in practice of planned savings remains very pronounced. This is especially important when viewed in the context of draws from General Reserves in 2017/18 and Earmarked Reserves in 2018/19, which cannot be repeated. Put simply and bluntly both those routes are now all but fully exhausted going forward and Council will have to consider some or all of the following in future years:
- Service reductions
 - Reductions in future capital aspirations
 - Further council tax increases each year
 - Some short term draws from the earmarked reserves set up to manage budgets through to 2025/26, but with an explicitly acceptance and understanding that these are one off mitigations only to enable longer term adjustment to the highly likely tighter public sector funding environment

9. Budget Requirement and Council Tax 2022/23

- 9.1. The Council's recommended requirement is set out in Appendix A. The City and County of Swansea Requirement of £524.147m will be financed partly by Revenue Support Grant of £297.418m and National Non-Domestic Rates of £89.167m.

Based on the report to Cabinet on 20th January 2022, and in line with assumptions contained in the Welsh Government's spending assessment for Swansea, a Council Tax rise of 2.0% will generate a sum of £1.343m including assumptions on council tax premiums. This is a band 'D' charge of £1,477.35.

This remains provisional pending the final local government finance settlement which is due on 2nd March and it is envisaged that as long as there are no material changes at final settlement that this can be contained within

the margins of error in the assumptions and estimates already used in this report and accommodated by adjusting contingency. Council will be advised of the final settlement figure before making a final determination on budget and Council Tax and any implications it may have to take into account.

- 9.2. Including Community Councils, the total requirement, after taking account of proposals in respect of reserve transfers and currently assumed savings, is £525.844m.
- 9.3. The above proposals are based on an indicative Council Tax rise which is within the range of planning assumptions of the Medium Term Financial Plan.

10. Summary of Funding 2022/23

- 10.1. The implications of Sections 4, 5, 6, 7 and 8 above, together with the assumed 2.0% rise in Council Tax identified in Section 9 above, results in a forecast additional funding of £40.044m in 2022/23 as detailed in Table 4:

Table 4 – Budget Proposals 2022/23

| | £'000 |
|--|---------------|
| Savings identified per Section 5.3 above | 4,758 |
| Net effect of Council tax base increase and proposed charges | 1,343 |
| Aggregate External Finance increase | 33,943 |
| Overall resourcing | 40,044 |

- 10.2. Cabinet is asked to consider whether, as a result of the consultation exercise, it wishes to make any further changes to the budget savings proposals for 2022/23 and, if so, any other consequential changes that may need to be addressed. The wholly expected and fully built in increase in AEF should be seen as an opportunity to maintain targeted investment in to the Council's priorities and preventative action in particular, not to slow down the pace of change or the level of required savings.

11. Assessment of Risks and Uncertainties

- 11.1. As in previous years, there are a number of potential costs which have been considered in the context of the budget proposals. In particular :-

(a) Implications of Specific 2021/22 Overspends

The 3rd quarter financial monitoring report, discussed elsewhere on this agenda, highlights a number of service overspends, albeit predominantly driven by the COVID-19 response. It is anticipated that remedial action already in place will serve to mitigate the overspends identified. Where this is not the case, then adjustment via the Contingency Fund will have to be made for any items that are seen to re-occur.

(b) Unavoidable Spending Requirements

All services will need to meet a range of additional / new pressures in 2022/23. These include the implications of new legislation; demographic changes; final completion of the single status appeals process; and other

requirements including heightened inflationary risks in pay and prices in all areas. Whilst reasonable provision has been made for these costs, there is a risk that some items will result in overspends. In particular it has previously been the case that the cost of pay protection arising out of single status implementation can be funded centrally, going forward any and all costs that arise as a result of the appeals process will have to be met from within specific existing Directorate budgets.

(c) Savings

It is essential in terms of the financial challenges facing the Council beyond 2022/23 that further savings proposals are continuously developed as part of the transition from the *Sustainable Swansea* to the *Achieving Better Together* programme and **implemented over and above those proposed within this budget to provide some future headroom**. This will be a continuation of plans already underway and specifically include existing and the next waves of reviews which **must be rapidly turning recovery plans and assumptions into delivered reality, otherwise service savings will fail to be delivered and net spending pressure return to service budgets for which immediate corrective action will be required**.

The 2022/23 budget includes savings targets which must be fully achieved. **It is a fundamental requirement of the Council's financial procedure rules that Responsible Officers are required to manage expenditure within approved budgets of the Council and to that extent it is essential, should specific proposed budget savings be delayed or postponed, that alternative savings are fully achieved in year to meet approved Directorate Budgets**.

Given the nature and scale of the savings challenge during 2022/23, and more importantly further beyond, there will be continued and enhanced monitoring and tracking of progress in achieving budget savings which will be reported to Corporate Management Team, Reshaping Board, Recovery Board and Cabinet.

As noted above, further proposals will be brought to Cabinet during the year as necessary.

(d) Inflation

Where there have been specific announcements around minimum wage increases an estimate has been included around the potential additional costs that may fall to the Council from external contractors. In addition £3.850m has been provided for potential inflationary increases in areas where there is a significant element of contracted out services. Headline inflation is at the highest it has been for 30 years and remains a grave cause for concern for all, including the Council.

(e) Care Home Fees

Budget provision has been made for the 2022 contract settlement with care home providers. However, it is likely that fees will need to be further monitored given that the Council has to undertake an annual review of

payments to care home providers which must be robust and evidenced – see specific provision for inflation above.

(f) Specific Grants

In the event that the level of specific grants awarded for 2022/23 is less than that for 2021/22, it is essential that Directorates take action to manage such reductions within the proposed spending limits – i.e. there is no ongoing corporate provision for meeting such shortfalls. There is a clear expectation that expenditure will be cut to match the level of grant.

It is, however, acknowledged based on past experience that where specific grants are reduced there may be a time lag between reduction in funding and the Council's ability to reduce costs. It is equally clear that in some areas currently funded by specific grant the Council will, for operational or service reasons, wish to maintain expenditure. Any future bids for funding to cover loss of specific grants will have to be made against the already pressured contingency fund.

(g) Equal Pay Back Payments

The bulk of equal pay claims both in number and value have now been fully settled. However, legislation is such that further claims cannot be precluded although the introduction of the compliant pay and grading structure from 1st April 2014 will significantly lessen risk in this area over time.

(h) Implementation of Single Status

Whilst the Council implemented a compliant pay and grading structure from 1st April 2014, there has been a significant number of appeals against grades awarded. Where these appeals have been successful, it will lead to additional costs over and above the grade initially allocated including incremental costs over a period of up to five years, of which 2018/19 represented the last year and effectively this risk has now dropped out from 2019/20.

(i) Council Tax Reduction Scheme

Provision has been made for the estimated costs which are now linked directly to any proposed increases in Council Tax Levels.

(j) COVID-19 and COVID-19 Grants

There is a real risk that the impact of the COVID-19 pandemic will continue into 2022/23 and beyond, at a level higher than that anticipated. There is also a risk that the ongoing effects of the pandemic could continue to affect national and indeed global finances.

The Welsh Government has reduced dramatically the grant funding available for the impact of COVID-19 in 2022/23 compared to that available in 2021/22. This is a significant financial risk as things are unlikely to return to normality that rapidly in practice.

(k) Capital Financing Charges

There is a risk that the funding ask (in respect especially of additional unsupported borrowing) highlighted in the Capital Budget report elsewhere on the agenda will result in additional charges over and above the agreed budget provision.

The report on the Capital Programme for 2021/22 – 2026/27 elsewhere on this agenda highlights specific actions that need to be taken to mitigate against future increases in revenue costs linked to increases in unsupported borrowing and further externalisation of current debt. The risks of course are heavily mitigated by having externalised all anticipated medium term traditional capital borrowing requirements for the General Fund.

In additional mitigation, there was a report to Council on 20th December 2018 in respect of the formal review of the Minimum Revenue Provision. This has the benefit of reducing capital financing charges in the short to medium term, albeit at the expense of increases in the medium to longer term, before once again reducing in the very long term. These shorter-term savings have been built into the budget for 2022/23 and beyond but appropriate use of the Capital Equalisation Reserve smooths future cost pressures. .

The low interest rate and bond yield environment has resulted in historically low interest rates available from the PWLB in the past few years, which the Authority has taken advantage of in funding its capital financing requirement. Although the PWLB have removed the 1% penalty premium on new local authority borrowing (subject to certain criteria), consideration will also need to be given to sourcing funding at cheaper rates from the following:

- Local authorities
- Financial institutions
- Municipal Bonds Agency

The degree which any of these options proves cheaper than PWLB Certainty Rate is still evolving at the time of writing but the Section 151 Officer is delegated to identify the most economically advantageous funding option.

11.2. Whilst reasonable assumptions have been made in relation to each of the above risks it is impossible to be certain that adequate funding will be available for every item. This re-enforces the need to have adequate reserves and balances available to meet any unexpected costs or shortfalls.

11.3. The above risks are both substantial and potentially significant in value. Therefore during 2022/23 specific actions are being put in place which will involve:-

- Monthly monitoring of specific savings targets against an agreed implementation timetable in order to identify any slippage and appropriate and equivalent compensating budget savings.
- Ensuring compliance with the Council's Financial Procedure Rules, which require Responsible Officers to manage budgets within the limits set by Council.
- The impact of any changes to specific grant funding streams.

12. Integrated Impact Assessment Implications

- 12.1. The Council is subject to the Equality Act (Public Sector Equality Duty and the socio-economic duty), the Well-being of Future Generations (Wales) Act 2015 and the Welsh Language (Wales) Measure, and must in the exercise of their functions, have due regard to the need to:
- Eliminate unlawful discrimination, harassment and victimisation and other conduct prohibited by the Acts.
 - Advance equality of opportunity between people who share a protected characteristic and those who do not.
 - Foster good relations between people who share a protected characteristic and those who do not.
 - Deliver better outcomes for those people who experience socio-economic disadvantage
 - Consider opportunities for people to use the Welsh language
 - Treat the Welsh language no less favourably than English.
 - Ensure that the needs of the present are met without compromising the ability of future generations to meet their own needs.
- 12.2. The Well-being of Future Generations (Wales) Act 2015 mandates that public bodies in Wales must carry out sustainable development. Sustainable development means the process of improving the economic, social, environmental and cultural well-being of Wales by taking action, in accordance with the sustainable development principle, aimed at achieving the 'well-being goals'.
- 12.3. Our Integrated Impact Assessment (IIA) process ensures we have paid due regard to the above. It also takes into account other key issues and priorities, such as poverty and social exclusion, community cohesion, carers, the United Nations Convention on the Rights of the Child (UNCRC) and Welsh language.
- 12.4. We know from previous years that, due to the scale of budget reductions, those with protected characteristics are likely to be affected. In assessing the impact of the budget proposals, we continue to attempt to ensure that any effect is not disproportionate and that we continue to focus on mitigation wherever possible. In this context the following should be noted:
- Where IIAs show potential significant impact with no possible mitigation, these proposals will be referred for further consideration
 - for those IIAs where potential significant impact has been identified and mitigation has been possible, the associated action plans will be monitored and reviewed
 - the outcomes of engagement will inform IIAs
 - this is an ongoing process and as noted this statement and many IIAs will remain open for varying periods of time
 - there is a focus on the council doing things differently in order to further deliver services that are flexible, citizen-centred, meet individual needs and are sustainable for the future
- 12.5. The council continues to deliver a wide range of services for all the citizens of Swansea. Many of these are of particular benefit to the areas covered by our IIA process, e.g. the protected characteristics defined within the Equality Act 2010.

12.6. As highlighted earlier in Appendix F, the council is committed to protecting the vital frontline services that matter most to the people of Swansea, tackling poverty and looking after the most vulnerable in our communities. The council will continue to do everything it can to meet this challenging commitment given the financial constraints it faces. However, services may be provided in a different way in line with 'Swansea – Achieving Better Together'.

13. The Medium Term Financial Plan (MTFP) 2023/24 – 2025/26

13.1. Many of the issues identified in this report have implications for future years. The MTFP report elsewhere on the agenda includes an assessment of likely shortfalls in future years and outline proposals for achieving savings.

14. Legal Implications

14.1. The Authority is under a duty to make arrangements for the proper administration of its financial affairs. Failure to do so will be a breach of that duty.

Background Papers: None

Appendices:

Appendix 'A' Revenue Budget Summary 2022/23

Appendix 'B' Net Directorate Budget Proposals

Appendix 'C' Earmarked Reserves

Appendix 'D' Specific Savings Proposals and Service Investment

Appendix 'E' Summary of Consultation Responses

Appendix 'F' Integrated Impact Assessment Statement

Appendix 'G' Response of the Schools' Budget Forum

Appendix 'H' Directorate Budgets

| | APPENDIX A | |
|--|--|--|
| REVENUE BUDGET SUMMARY 2022/23 | | |
| <i>DIRECTORATE</i> | ORIGINAL BUDGET 2021/22 £'000 | ORIGINAL BUDGET 2022/23 £'000 |
| CORPORATE SERVICES | 21,537 | 24,787 |
| FINANCE (Including COUNCIL TAX REDUCTION SCHEME) | 32,754 | 33,070 |
| SOCIAL SERVICES (Including POVERTY AND PREVENTION) | 128,694 | 144,711 |
| EDUCATION | 21,127 | 22,994 |
| EDUCATION - DELEGATED TO SCHOOLS PLACE | 167,304 64,469 | 179,046 74,801 |
| <i>NET DIRECTORATE EXPENDITURE</i> | 435,885 | 479,409 |
| SPECIFIC PROVISION FOR INFLATION / APPRENTICESHIP LEVY | 4,250 | 5,622 |
| <i>OTHER ITEMS</i> | | |
| LEVIES | | |
| SWANSEA BAY PORT HEALTH AUTHORITY | 88 | 88 |
| CORPORATE JOINT COMMITTEE | 0 | 200 |
| CONTRIBUTIONS | | |
| MID & WEST WALES COMBINED FIRE AUTHORITY | 14,120 | 14,720 |
| <i>CAPITAL FINANCING CHARGES</i> | | |
| PRINCIPAL REPAYMENTS | 16,368 | 16,868 |
| NET INTEREST CHARGES | 20,010 | 20,510 |
| <i>NET REVENUE EXPENDITURE</i> | 490,721 | 537,417 |
| <i>MOVEMENT IN RESERVES</i> | | |
| GENERAL RESERVES | 0 | 0 |
| EARMARKED RESERVES | -2,278 | -13,688 |
| <i>TOTAL BUDGET REQUIREMENT</i> | 488,443 | 523,729 |
| DISCRETIONARY RATE RELIEF | 418 | 418 |
| <i>TOTAL CITY AND COUNTY OF SWANSEA REQUIREMENT</i> | 488,861 | 524,147 |
| COMMUNITY COUNCIL PRECEPTS | 1,641 | 1,697 |
| <i>TOTAL REQUIREMENT</i> | 490,502 | 525,844 |
| <i>FINANCING OF TOTAL REQUIREMENT</i> | | |
| REVENUE SUPPORT GRANT | 269,725 | 297,418 |
| NATIONAL NON-DOMESTIC RATES | 82,917 | 89,167 |
| COUNCIL TAX - CITY AND COUNTY OF SWANSEA | 136,219 | 137,562 |
| COUNCIL TAX - COMMUNITY COUNCILS | 1,641 | 1,697 |
| <i>TOTAL FINANCING</i> | 490,502 | 525,844 |
| <i>COUNCIL TAX BASE for the City and County of Swansea</i> | 94,051 | 93,114 |
| <i>COUNCIL TAX AT BAND 'D' (£) for the City and County of Swansea</i> | 1,448.35 | 1,477.35 |
| <i>GENERAL RESERVES</i> | | |
| AT 1 APRIL | 9,352 | 10,000 |
| AT 31 MARCH | 9,352 | 10,000 |

| REVENUE BUDGET 2022/23 | | | | | | | | | |
|---|--------------------|--|--|---------------|-------------------------------------|---------------|-----------------|----------------|--|
| NET DIRECTORATE BUDGET PROPOSALS | | | | | | | | | |
| | Corporate Services | Finance (Including Council Tax Reduction Scheme) | Social Services (Including Poverty and Prevention) | Education | Education - Delegated to Schools | Place | To be allocated | Total | |
| | £000 | £000 | £000 | £000 | £000 | £000 | £000 | £000 | |
| Original estimate 2021/22 | 29,378 | 24,913 | 128,694 | 21,127 | 167,304 | 64,469 | 0 | 435,885 | |
| Directorate Transfers | -7,841 | 7,841 | 0 | 0 | 0 | 0 | 0 | 0 | |
| Original estimates following transfers | 21,537 | 32,754 | 128,694 | 21,127 | 167,304 | 64,469 | 0 | 435,885 | |
| Transfer to (+) / from (-) reserves 2021/22 | -1,784 | 0 | -200 | 35 | 0 | -250 | 0 | -2,199 | |
| Original estimate 2021/22 excluding reserves | 19,753 | 32,754 | 128,494 | 21,162 | 167,304 | 64,219 | 0 | 433,686 | |
| Transfers for specific items 2021/22 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | |
| Baseline adjustments 2021/22 | 191 | -194 | 37 | -41 | 0 | 7 | 0 | 0 | |
| Adjusted service budgets 2021/22 | 19,944 | 32,560 | 128,531 | 21,121 | 167,304 | 64,226 | 0 | 433,686 | |
| Baseline adjustments 2022/23 | -5 | 0 | 345 | -762 | 842 | 77 | 0 | 497 | |
| Spending Needs | 1,323 | 950 | 13,875 | 2,964 | 5,600 | -5,640 | 0 | 19,072 | |
| Pay inflation provision (including NI increase) | 725 | 375 | 2,900 | 900 | 5,300 | 3,300 | 0 | 13,500 | |
| Savings: | | | | | | | | | |
| Specific proposals | -403 | -815 | -1,140 | -1,184 | 0 | -1,216 | 0 | -4,758 | |
| Original estimate 2022/23 excluding reserves | 21,584 | 33,070 | 144,511 | 23,039 | 179,046 | 60,747 | 0 | 461,997 | |
| Transfer to (-) / from (+) reserves 2022/23 | 3,203 | 0 | 200 | -45 | 0 | 14,054 | 0 | 17,412 | |
| Net Directorate budgets 2022/23 | 24,787 | 33,070 | 144,711 | 22,994 | 179,046 | 74,801 | 0 | 479,409 | |

REVENUE BUDGET 2022/23

EARMARKED RESERVES

| | Balance 31/03/21 £000 | 2021/22 £000 | Balance 31/03/22 £000 | 2022/23 £000 | Balance 31/03/23 £000 |
|------------------------------------|-----------------------------|-----------------|-----------------------------|-----------------|-----------------------------|
| DIRECTORATE RESERVES | | | | | |
| Equalisation reserves | -17,634 | 8,034 | -9,600 | 4,540 | -5,060 |
| Commuted sums | -7,044 | 60 | -6,984 | 60 | -6,924 |
| Repair & renewal funds | -2,092 | -155 | -2,247 | -210 | -2,457 |
| Profit share | -1,575 | -66 | -1,641 | -66 | -1,707 |
| Recovery Fund | -20,000 | 6,855 | -13,145 | 6,487 | -6,658 |
| Service reserves | -24,678 | -7,246 | -31,924 | 6,401 | -25,523 |
| TOTAL DIRECTORATE RESERVES | -73,023 | 7,482 | -65,541 | 17,212 | -48,329 |
| CORPORATE RESERVES | | | | | |
| Contingency Fund | -10,000 | -3,279 | -13,279 | -3,724 | -17,003 |
| Insurance | -16,989 | 1,060 | -15,929 | 0 | -15,929 |
| Job Evaluation earmarked | 0 | 0 | 0 | 0 | 0 |
| Transformation/Efficiency | -3,015 | 127 | -2,888 | 200 | -2,688 |
| TOTAL CORPORATE RESERVES | -30,004 | -2,092 | -32,096 | -3,524 | -35,620 |
| UNUSABLE/TECHNICAL RESERVES | -3,262 | 800 | -2,462 | 0 | -2,462 |
| SCHOOLS DELEGATED RESERVES* | -20,780 | 0 | -20,780 | 0 | -20,780 |
| TOTAL RESERVES | -127,069 | 6,190 | -120,879 | 13,688 | -107,191 |

* There is no updated information available for schools for 2021/22 or 2022/23.

APPENDIX D

Part 1 – Savings Proposals

| Director | Head of Service | Savings Proposal | Savings 2022/23 £'000 |
|--------------------|-------------------------------|--|-----------------------------|
| Corporate Services | Comms and Marketing | Comms & Marketing various cross budget savings | 85 |
| Corporate Services | Digital and Customer Services | Development Fund replaced by use of reserves | 250 |
| Corporate Services | Director | Staff reward scheme (salary sacrifice) | 3 |
| Corporate Services | Director | Services recovering full cost recovery from regional, joint working or externally funded projects | 30 |
| Corporate Services | Director | Non-staff spend savings due to different ways of working | 35 |
| | | Corporate Services | 403 |
| Education | Non-Delegated | Further reductions in regional improvement service, consistent with funding settlements | 10 |
| Education | Non-Delegated | ALN - more costly out of County provision mitigated by further enhanced in County provision (so impact dependent on resourcing to deliver enhanced provision) | 150 |
| Education | Non-Delegated | Home to School Transport - savings identified as part of wider focused scrutiny of nature and spread of educational provision (unless savings are taken corporately and base budget reduced) | 100 |
| Education | Non-Delegated | ALN Transport - review of spread and nature of STF provision / review of assessment / processes to better promote independent travel and integrate provision with Social Services (unless savings are taken corporately and base budget reduced) | 100 |
| Education | Non-Delegated | Catering and Cleaning services - Continuing work towards full cost recovery through SLAs where schools are receiving additional funding to reflect such cost pressures | 100 |
| Education | Non-Delegated | Review of EOTAS spending to better target resources following full implementation of new model of provision | 180 |
| Education | Non-Delegated | ALN - more costly out of County provision (recoupment) further mitigated by enhanced in County provision | 24 |
| Education | Non-Delegated | Review of Directorate Leadership - net of additional corporate funding re Senior Management Review | 172 |
| Education | Non-Delegated | Wider review of Directorate staffing to refocus resources and enhance cost recovery from other funding streams | 205 |
| Education | Non-Delegated | Containment of cost of management of absence post within catering and cleaning budgets | 43 |

| Director | Head of Service | Savings Proposal | Savings 2022/23 £'000 |
|------------------|------------------------------|--|-----------------------|
| Education | Non-Delegated | ALN Post 16 Transport - tighter scrutiny of costs / review of assessment / processes to better promote independent travel (unless savings are taken corporately and base budget reduced) | 76 |
| Education | Non-Delegated | Efficiency savings to offset budget transfer to corporate centre re printing charges | 24 |
| | | Education | 1,184 |
| Finance and CTRS | Commercial Services | Commercial Services (Income from HRA contribution and other sources) | 16 |
| Finance and CTRS | Commercial Services | Commercial Services (Income from HRA contribution and other sources) | 15 |
| Finance and CTRS | CTRS | CTRS - Carefully managed use of CTRS budget | 400 |
| Finance and CTRS | CTRS | Increase CTRS saving by continued careful management | 165 |
| Finance and CTRS | Deputy Chief Finance Officer | Review of Finance management structure once Senior Management Review concluded - 1 net post ER/VR during 22/23 | 25 |
| Finance and CTRS | Director | Reduce historic pension costs to reflect actual costs - no direct staffing impact | 50 |
| Finance and CTRS | Director | CMT restructure whilst broadly cost neutral for finance places the S151 Officer at risk of redundancy This is shown as a negative cost (i.e a slight pressure) to reflect the post at risk | -1 |
| Finance and CTRS | Director | Finance - give up £100k of the £250k extra to shore up Finance (effectively not fill 3 posts) | 100 |
| Finance and CTRS | Revenues & Benefits | AI and automation/ robots across council e.g., revenues and benefits | 45 |
| | | Finance and CTRS | 815 |
| Place | Corporate Property Services | Additional income generated from the relating of released space in the Civic as a result of the agile programme | 50 |
| Place | Corporate Property Services | Additional income via existing investment properties and new property acquisitions | 50 |
| Place | Corporate Property Services | Additional Income from further commercial lettings (offset against St David's) | 150 |
| Place | Director | Savings temporarily on hold due to COVID (savings funded by additional COVID funding for one year) | -1,000 |
| Place | Highways and Transportation | Partial removal of school crossing patrols where suitable safe measures exist. (Also need to implement previous proposal) | 25 |
| Place | Highways and Transportation | Increase in car park income resulting from tariff increases linked to city centre regeneration | 500 |

| Director | Head of Service | Savings Proposal | Savings 2022/23 £'000 |
|-----------------|-------------------------------|--|-----------------------|
| Place | Housing and Public Protection | Above inflation (5%) increase to fees and charges and increased income generation activity across Bereavement Services, Registration Services, Building Control, Trading Standards, Food & Safety, HMO licensing and Housing Renewals. Main risk in Burials and Registrations is terms of remaining competitive with direct local authority neighbours | 156 |
| Place | Housing and Public Protection | Introduce paid for advice and approval service for businesses across Food Safety and Trading Standards functions | 15 |
| Place | Housing and Public Protection | Proceeds of Crime (POCA) income to be reinvested in core Trading Standards Service | 10 |
| Place | Various | "Income earning" services to self-fund pay increase costs from increased fee charges on full cost recovery. Assuming all charge increases passed on | 1,250 |
| Place | Waste, Cleansing and Parks | Increase graffiti charges by 200% over 4 years to ensure full cost recovery | 10 |
| | | Place | 1,216 |
| Social Services | Adult Services | Realise saving in efficiencies through the Supported Living Framework and benefits of being located together (2.5% rather than 5% stated in contractual arrangements in light of COVID-19) | 70 |
| Social Services | Adult Services | Work through Complex Needs high cost placements and establish a collaborative approach with Health for funding these packages of care (aligning with C&F) to achieve Reduction in high cost packages of care due to more efficient and effective working with health in terms of new guidance around CHC cases | 200 |
| Social Services | Adult Services | Reduction in costs for external residential care by changing the business model and how we are funding voids in the system | 60 |
| Social Services | Adult Services | Non-staffing spend savings due to different ways of working | 50 |
| Social Services | Child and Family Services | Continue to reduce residential placements (There is a risk around this proposal which has been exacerbated by COVID-19, as cases coming through the systems are more complex, and there are limited placement options for adolescents, which is a growing area of demand | 200 |
| Social Services | Child and Family Services | Work through Complex Needs high cost placements and establish a criteria and equitable formula for funding these placements with Health (Aligning with Adults) | 200 |
| Social Services | Child and Family Services | Supported accommodation and floating support efficiency savings following review and recommissioning exercise | 150 |

| Director | Head of Service | Savings Proposal | Savings 2022/23 £'000 |
|-----------------|---------------------------|---|-----------------------|
| Social Services | Child and Family Services | External therapies efficiency savings following review and creating an internal offer through upskilling staff | 70 |
| Social Services | Child and Family Services | Non-staffing spend savings due to different ways of working | 50 |
| Social Services | Child and Family Services | Replacing core costs of non-statutory teams with Grant money which may become available through local or regional opportunities | 60 |
| Social Services | Poverty & Prevention | Non-staffing spend savings due to different ways of working | 30 |
| | | Social Services | 1,140 |
| | | Grand Total | 4,758 |

Part 2 – Service Pressures and Investment

| Director | Head of Service | Description | 2022/23 £'000 |
|--------------------|-------------------------------|---|---------------|
| Corporate Services | Legal and Democratic Services | Increase to Councillors costs due to IRPW Report | 15 |
| Corporate Services | Legal and Democratic Services | Remove one-off funding for Local Elections | -300 |
| Corporate Services | Digital and Customer Services | Net revenue cost of ERP Oracle Cloud (ultimately to be offset by staffing reductions) | 330 |
| Corporate Services | Legal and Democratic Services | Additional posts (Cabinet and Members Support) | 95 |
| Corporate Services | Comms and Marketing | Additional posts (Corporate Planning, Performance and Policy Team) | 109 |
| Corporate Services | Legal and Democratic Services | Further IRPW (draft) recommendations | 250 |
| Corporate Services | Legal and Democratic Services | Boundary Changes 3 additional Councillors | 50 |
| Corporate Services | Comms and Marketing | Performance Management System | 37 |
| Corporate Services | Senior Management Review | Senior Management Review | 80 |
| Corporate Services | Chief Executive | Pension Costs (Chief Executive) | 40 |
| Corporate Services | Legal and Democratic Services | Increased Coroner's costs (as determined by the Coroner) | 43 |
| Corporate Services | HR and the Service Centre | Evaluation and alignment of Unison posts | 69 |

| Director | Head of Service | Description | 2022/23 £'000 |
|---------------------------|--------------------------------------|--|------------------|
| Corporate Services | Legal and Democratic Services | Members ICT Inflationary Allowance | 5 |
| Finance | Commercial Services | Strengthen commercial activity expand resources for GPOC, strengthen procurement per Head of Service | 155 |
| Finance | Deputy Chief Finance Officer | Start accountancy trainee/apprenticeship scheme posts x 3 new - future proofing | 100 |
| Finance | Revenues and Benefits | Expand work on council tax and NDR reform - build management capacity by 1 post | 55 |
| Finance | Deputy Chief Finance Officer | Expand Audit Fraud Team | 90 |
| Social Services | Poverty and Prevention | Armed Forces Veterans Fund | 25 |
| Social Services | Poverty and Prevention | Support for implementing the recommendations and actions flowing from the Mayhill Inquiry | 100 |
| Social Services | Adults | Various Adult Services pressures including loss of income (grants), staff costs, inflationary contract costs and ongoing additional COVID-19 costs | 50 |
| Social Services | Senior Management Review | Senior Management Review | 20 |
| Social Services | Child & Family | Various Child and Family Services pressures including loss of income (grants), staff costs, inflationary contract costs and ongoing additional COVID-19 costs | 680 |
| Education | Non-Delegated | Unbudgeted and uncontrollable ER/VR and ongoing pension costs - beyond base budget assumptions re service pressures | 600 |
| Education | Non-Delegated | ALN Act Implications | 800 |
| Education | Non-Delegated | ALN - out of county placements and pupil support - beyond base assumptions re service pressures | 200 |
| Education | Senior Management Review | Senior Management Review | 100 |
| Education | Non-Delegated | ALN (including Post 16) Transport cost pressures in excess of planning assumptions | 222 |
| Education | Non-Delegated | Budget transfer to corporate centre re printing charges | 24 |
| Education | Non-Delegated | Increasing entitlement to Free School Meals (transitionally protected) | 335 |
| Education | Non-Delegated | Additional post within HR to support management of absence within catering and cleaning and deliver longer term benefits following successful temporary assignment - as part of wider corporate strategy | 43 |
| Education | Non-Delegated | Additional post within Performance Team to take on the essential statutory duty re Educational Visits transferred from Social Services | 40 |
| Place | Highways and Transportation | TRF19 Partial removal of school crossing patrols where suitable safe measures exist | 25 |
| Place | Cultural Services | Remove temporary funding for the City's 50th Anniversary celebrations and other events | -150 |

| Director | Head of Service | Description | 2022/23 £'000 |
|--------------|------------------------------------|--|------------------|
| Place | Corporate Property Services | Viking Way | 130 |
| <i>Place</i> | <i>Corporate Property Services</i> | <i>Boundary Changes 3 additional Councillors - Place budgets</i> | <i>30</i> |
| <i>Place</i> | <i>Corporate Property Services</i> | <i>Increase in Member Ward budgets</i> | <i>375</i> |
| <i>Place</i> | <i>Waste, Cleansing and Parks</i> | <i>Bin provision to accommodate dog waste</i> | <i>100</i> |
| | | Grand Total | 4,972 |

Changes to the budget proposal report are shown in ***Bold Italic***

Interim Budget Consultation Results 2022

1. Budget Consultation

Consultation on the specific budget proposals ran from 21st January 2022 to 11th February 2022. A survey was produced detailing the council's budget proposals, giving people the opportunity to provide their feedback. In total 79 people took part in the general budget consultation survey. **(Please note the survey is still ongoing at the time of writing this report and results are interim as of 7th February)**

The consultation was available online at www.swansea.gov.uk/budgetsurvey

107 visits to our Budget Consultation webpages. The link on Staffnet went straight to the main budget page.

Communication and Social Media (up to 7th February)

The consultation was promoted across Swansea within the press and social media. This resulted in:

- One press releases resulting in two media mentions
- Four social media mentions, reaching 5.8k on social media and 4.8k via the council's online weekly newsletter.

Budget Consultation Summary Results (full results Appendix 1)

The survey provided the opportunity for people to have their say on:

- Future funding of services
- Proposed spend 2022/23
- Future Spend
- Budget Report

Future funding of services

51% Would you be prepared to pay more for some services rather than lose them?

83% Would you prefer for the Council to deliver services in a different way rather than lose them?

Proposed Spend

77% Agree that Social Services and Education should remain the Council's priority in terms of future spend?

Future Spend

Respondents were asked: **If there was money available, in which areas would you like to see the Council invest in?**

Areas which were selected the most are outlined below:

64% Care for Older People and Disabled Adults

50% Tackling Poverty

49% Street/Road Repairs

47% Housing and Homelessness

44% Parks & Green Spaces

42% Keeping Children Safe

41% Children's Play / Youth Services

Budget Report

Due to the nature of this year's budget there were no specific budget proposals which required public consultation at this time. Comments on the overall budget report were sorted, to date 24 comments have been received.

Text comments provided in the survey have been presented in full to Cabinet members for consideration.

Appendix 1

Are you ...

| | | | |
|------------|------------------------|----------|---|
| 42 (53.2%) | A member of the public | 3 (3.8%) | A third sector organisation/partner organisation (please specify) |
| 34 (43.0%) | A council employee | 0 (0.0%) | A private sector organisation/partner organisation (please specify) |
| 0 (0.0%) | An elected member | | |
| 6 (100.0%) | | | |

Future funding of services

Due to the size of the budget challenge facing the Council in the coming years, we may not be able to provide the same number or level of services in the future.

We want your views on how we can provide services in the future:

Would you prefer to be prepared to pay more for some services rather than lose them?

39 (50.6%) Yes
38 (49.4%) No

If yes, please state in the box below which services you would be prepared to pay towards in the future:

35 (100.0%)

Would you prefer for the Council to deliver services in a different way rather than lose them?

62 (82.7%) Yes
13 (17.3%) No

If yes, please state in the box below how would you like services delivered differently in the future.

46 (100.0%)

Proposed Spend 2022/23:

Do you agree or disagree that Social Services and Education should remain the Council's priority in terms of future spend?

33 (45.2%) Strongly Agree
23 (31.5%) Tend to Agree
11 (15.1%) Tend to Disagree
6 (8.2%) Strongly Disagree

If you disagree, please tell us why?

19 (100.0%)

Future Spend:

If there was money available, in which areas would you like to see the Council invest in?

| | | | |
|-------------|---|------------|---------------------------------------|
| 50 (64.1%) | Care for Older People and Disabled Adults | 30 (38.5%) | Council Housing |
| 5 (6.4%) | Keeping people informed about the Council | 10 (12.8%) | Improvements to Council buildings |
| 14 (17.9%) | Engaging and consulting people on things the council does | 37 (47.4%) | Housing & Homelessness |
| 16 (20.5%) | Promoting and supporting Equality and Diversity | 39 (50.0%) | Tackling Poverty |
| 6 (7.7%) | Improving the Council's website | 24 (30.8%) | Libraries |
| 4 (5.1%) | Promoting and supporting Welsh Language | 29 (37.2%) | Community Centres |
| 11 (14.1%) | Making the Council more commercial | 32 (41.0%) | Children's Play / Youth Services |
| 33 (42.3%) | Keeping Children Safe | 13 (16.7%) | Developing Swansea City Centre |
| 28 (35.9%) | School improvements | 26 (33.3%) | Refuse Collection |
| 22 (28.2%) | Additional Learning needs | 30 (38.5%) | Recycling services |
| 28 (35.9%) | Education services | 29 (37.2%) | Street cleaning |
| 17 (21.8%) | Adult learning | 34 (43.6%) | Parks & Green Spaces |
| 38 (48.7%) | Street/Road Repairs | 26 (33.3%) | Sports, Leisure & Cultural Facilities |
| 16 (20.5%) | Traffic Management | 22 (28.2%) | Transport services/ Bus station |
| 17 (21.8%) | Car Parking | 12 (15.4%) | Other (write in) |
| 21 (100.0%) | | | |

Budget

If you have any comments about the budget proposals or anything else contained in the budget Cabinet report please write in here:

24 (100.0%)

Welsh Language Impact:

Do you have any concerns or evidence to suggest that the Council is treating/using the Welsh language less favourably than English in relation to its proposed budget for 2022/23?

45 (100.0%)

If yes, please give details and state how the budget suggested will affect opportunities to use the Welsh language in your view?

6 (100.0%)

What changes could be made in order to have a more positive effect on the Welsh language?

19 (100.0%)

About You: Finding out who has taken part

You don't have to answer these questions, but we need to ask them to understand if our survey has reached the right people and to understand how different groups feel allowing us to address this if we can.

In accordance with Data Protection law, any information requested on the following questions is held in the strictest confidence for data analysis purposes only. For further information about how Swansea Council uses your personal data, please see our corporate privacy notice on our website www.swansea.gov.uk/privacynotice

Are you...?

| | |
|------------|------------------|
| 33 (44.0%) | Male |
| 39 (52.0%) | Female |
| 3 (4.0%) | Other (write in) |
| 2 (100.0%) | |

Is your gender the same as that which you were assigned at birth?

| | |
|------------|-------------------|
| 67 (91.8%) | Yes |
| 1 (1.4%) | No |
| 5 (6.8%) | Prefer not to say |

How old are you ...

| | | | |
|------------|----------|------------|-------------------|
| 1 (1.4%) | Under 16 | 14 (18.9%) | 56 - 65 |
| 1 (1.4%) | 16 - 25 | 8 (10.8%) | 66 - 75 |
| 5 (6.8%) | 26 - 35 | 1 (1.4%) | 76 - 85 |
| 13 (17.6%) | 36 - 45 | 0 (0.0%) | Over 85 |
| 23 (31.1%) | 46 - 55 | 8 (10.8%) | Prefer not to say |

Would you describe yourself as...

Please mark all that apply

| | | | |
|------------|----------|----------|---|
| 41 (55.4%) | British | 0 (0.0%) | Other British (please write in at end) |
| 38 (51.4%) | Welsh | 1 (1.4%) | Non British (please write in at end) |
| 3 (4.1%) | English | 0 (0.0%) | Gypsy/traveller |
| 2 (2.7%) | Irish | 1 (1.4%) | Refugee/Asylum Seeker (please write in current/last nationality at end) |
| 0 (0.0%) | Scottish | 4 (5.4%) | Prefer not to say |

Write in here

0 (0.0%)

To what 'ethnic' group do you consider

| | | | |
|------------|--|----------|--|
| 61 (84.7%) | White - British | 0 (0.0%) | Asian or Asian British - Bangladeshi |
| 3 (4.2%) | Any other White background (please write in at end) | 0 (0.0%) | Any other Asian background (please write in at end) |
| 0 (0.0%) | Mixed - White & Black Caribbean | 0 (0.0%) | Black or Black British - Caribbean |
| 0 (0.0%) | Mixed - White & Black African | 0 (0.0%) | Black or Black British - African |
| 1 (1.4%) | Mixed - White & Asian | 0 (0.0%) | Any other Black background (please write in at end) |
| 0 (0.0%) | Any other Mixed background (please write in at end) | 0 (0.0%) | Arab |
| 0 (0.0%) | Asian or Asian British - Indian | 0 (0.0%) | Other ethnic group (please write in at end) |
| 0 (0.0%) | Asian or Asian British - Pakistani | 7 (9.7%) | Prefer not to say |

Write in here

3 (100.0%)

What is your religion, even if you are not currently practicing?

Please mark one box or write in

| | | | |
|---|--|------------|-------------------|
| 26 (36.1%) | No religion | 0 (0.0%) | Muslim |
| 29 (40.3%) | Christian (including Church of England, Catholic, Protestant, and all other Christian denominations) | 0 (0.0%) | Sikh |
| 2 (2.8%) | Buddhist | 4 (5.6%) | Other |
| 0 (0.0%) | Hindu | 11 (15.3%) | Prefer not to say |
| 0 (0.0%) | Jewish | | |
| <i>Any other religion or philosophical belief (please write in)</i> | | | |
| 1 (100.0%) | | | |

What is your sexual orientation

| | |
|------------|-------------------|
| 3 (4.2%) | Bisexual |
| 1 (1.4%) | Gay/ Lesbian |
| 54 (76.1%) | Heterosexual |
| 11 (15.5%) | Prefer not to say |
| 2 (2.8%) | Other |

Please write in

2 (100.0%)

Can you understand, speak, read or write Welsh?

Please mark all that apply

| | | | |
|-----------|-------------------------|------------|----------------|
| 8 (10.7%) | Understand spoken Welsh | 6 (8.0%) | Write Welsh |
| 9 (12.0%) | Speak Welsh | 14 (18.7%) | Learning Welsh |
| 6 (8.0%) | Read Welsh | 50 (66.7%) | None of these |

Which languages do you use from day to day?

Please mark all that apply

| | |
|------------|------------------|
| 73 (98.6%) | English |
| 4 (5.4%) | Welsh |
| 2 (2.7%) | Other (write in) |

Please write in

3 (100.0%)

Do you have any long-standing illness, disability or infirmity?

By long-standing we mean anything that has troubled you over a period of time or that is likely to affect you over time.

This could also be defined Under the Disability Discrimination Act 1995 as: "Having a physical or mental impairment which has a substantial and long term adverse effect on your ability to carry out normal day to day activities."

| | |
|------------|-----|
| 31 (43.1%) | Yes |
| 41 (56.9%) | No |

Does this illness or disability limit your activities in any way?

| | |
|------------|-----|
| 23 (36.5%) | Yes |
| 40 (63.5%) | No |

Thank you for your participation

Integrated Impact Assessment (IIA) Statement for Swansea Council's Budget 2022/23

1. Introduction

This statement provides an overall view of the budget IIA process for the Council, along with any specific relevant details for 2022/23.

The budget is set for the council's operation which covers a wide range of services delivered to the citizens of Swansea. This includes both providing and commissioning of services from other organisations and agencies.

We, like other local authorities, will be facing a reduction in budgets every year for the foreseeable future. We also need to manage increased expectation and demand for services and financial pressures in a number of areas across the Council.

The council has faced unprecedented financial pressures over the last few years due to government budget reductions, increased demand for services and extra costs such as teachers' pay and pensions. We think our funding from Welsh Government, whilst substantially positive this year, will not increase our immediate real terms spending power, nor is it likely to increase significantly in future years. This means we will continue to have less to spend in real terms at a time when demand for services like social care is rising. The result of this is a need to find savings of £4.8m next year and roughly £21m savings over the next four years.

Change is already taking place and over the last few years the council has cut costs by being more efficient and more effective in what we do. But this is not enough to meet the scale of cuts and ensure council services are sustainable and fit for the future. Clearly, the sheer amount of savings required means that difficult decisions and potential impacts are inevitable. However, we continue to focus on mitigating any adverse impacts via our IIA process as well as officer expertise.

During 2020, the authority updated and replaced the 'Sustainable Swansea - Fit for the Future' strategy with the new 'Swansea – Achieving Better Together' transformation strategy and programme framework as a means of setting Council priorities, transforming services and addressing current and future deficits.

The council agreed a set of budget principles to help guide the debate and provide an approach driven by council policy.

There are four key issues:

- Improving efficiency
- New models of delivery
- Prevention
- Future service provision

In terms of equality, the council is committed to protecting the vital frontline services that matter most to the people of Swansea, tackling poverty and looking after the most

vulnerable in our communities. This will continue, although services may be delivered in different ways in future.

2. The Integrated Impact Assessment (IIA) process

The council has had an EIA process in place for a number of years which was reviewed last year and replaced with Integrated Impact Assessments (IIA). The process covers:

- The nine protected characteristics covered by the Equality Act 2010
- The Public Sector Equality Duty for Wales
- Well-being of Future Generations Act (Wales) 2015
- Consultation and engagement
- Poverty and social exclusion
- Welsh language
- United Nations Convention on the Rights of the Child (UNCRC)
- Carers
- Community cohesion
- Human rights principles.

In order to apply the IIA process, officers follow these steps:

- An initial screening exercise (to identify whether a full IIA report is necessary)
- Completion of a full IIA report (where required)
- Quality assurance and feedback
- Sign off at Head of Service level
- Publication on the Council's website alongside the relevant report
- Review.

Officers have access to dedicated departmental support from members of the Access to Services Team who co-ordinate the quality assurance of IIAs whilst also offering advice and guidance.

The process does not change for specific budget proposals.

3. Assessing impact

Due to both the nature of the proposals being considered and the regulatory framework around IIAs, many now take a number of months to reach a conclusion. The budget planning process operates over a 3-year period, with many proposals being considered, designed and altered prior to implementation over this time period.

Officers are always advised to undertake the initial screening as early as they can, with (if required) a full IIA report then opened as soon as possible. This is then completed as proposals are worked through and means that we are now working on budget IIAs throughout the year.

As a result, the assessment of impact is not a one-off exercise – it is a continuing process.

To ensure an ongoing rigorous process, the following elements are of note:

- Where officers have concerns and/or queries, meetings are held with the Access to Services Team to look at both the proposal and the IIA
- IIA reports are often added to over a period of time, e.g. following consultation and engagement activities, following changes to the detail of proposals
- Quality assurance is carried out by officers with expertise in the areas of equality, Welsh language, poverty and the UNCRC
- Where a proposal has potential adverse impacts, officers utilise the IIA process to focus on mitigation
- Where a proposal has potential adverse impacts that cannot be mitigated, the IIA is referred to senior managers for attention and consideration.

In addition, with a number of both commissioning and other reviews underway across the organisation, the total or overall impact of the proposed budget is difficult to fully assess at any point of implementation, particularly with the IIA process being a continuing feature as proposals are further developed.

Therefore, we will continue to publish each IIA report with the relevant corporate report at: <http://democracy.swansea.gov.uk/ieDocHome.aspx?bcr=1&LLL=0?Lang=eng>

4. Consultation and engagement

Whilst there is a specific regulation around engagement (contained within the Public Sector Equality Duty for Wales), our 'Swansea – Achieving Better Together' strategy contains a substantial emphasis on consultation and engagement too.

Corporate budget consultation takes place on the proposed budget as a whole, and when needed, a wide variety of specific proposals. Others specific proposals are consulted on using service-specific groups and/or activities if required.

Corporately, the consultation results are reported separately via the budget reports themselves.

5. Local information

The Council delivers services to all the citizens of the City & County of Swansea. The overall population profile from the latest population estimates (2020) and 2011 Census is as follows:

- Within an overall population of **246,600**, the gender split of the **City & County of Swansea** is **50.2% Female** (123,900 people) and **49.8% Male** (122,700 people).
- Children and young people **aged 0-25 years** represent **31.8%** of the population, or **78,500** people.
- **Over 50s** represent **38.3%** of the population (94,500 people), of which around **49,000** are over 65 (19.9% of the total population).
- In 2011, **6.0%** of the total population of Swansea (**14,300** people) came from an ethnic minority background. In terms of religion, **8,530** people (**3.6%** of the population) belonged to non-Christian faiths with 34% (81,219 people) having no religion.
- **23.3% (55,718 people)** had a long term health problem or disability including 17.4% of people of working age (26,988 people). **6.9%** of those aged 16-74 (**12,146 people**) were economically inactive due to long term sickness or disability.
- There were **26,332** Welsh speakers in Swansea in 2011, or **11.4%** of the population aged 3+. **44,659** people (19.3%) had one or more skills in Welsh.

Further information about Swansea's population can be found at www.swansea.gov.uk/keyfacts

Officers consider the particular service users or groups affected when applying the IIA process.

6. Staffing

The Cabinet report in February 2022 referred to 4 posts at risk throughout the Authority, not including any impact in schools. Heads of Service have been provided with the same advice as in previous years that where an application is made for early retirement/voluntary redundancy consideration should be given as to whether there is any potential adverse impact and to follow the IIA process.

7. Publication Arrangements

All IIA reports will be published as they are finalised. As mentioned earlier in this statement, due to the nature of many of the proposals this is likely to take time as assessment of impact continues to be undertaken as proposals are further developed.

8. Conclusion

We know from previous years that, due to the scale of budget reductions, those with protected characteristics are likely to be affected. In assessing the impact of the budget proposals, we continue to attempt to ensure that any effect is not disproportionate and that we continue to focus on mitigation wherever possible. In this context the following should be noted:

- where IIAs show potential significant impact with no possible mitigation, these proposals will be referred for further consideration

- for those IIAs where potential significant impact has been identified and mitigation has been possible, the associated action plans will be monitored and reviewed
- the outcomes of engagement will inform IIAs
- this is an ongoing process and as noted this statement and many IIAs will remain open for varying periods of time
- there is a focus on the council doing things differently in order to further deliver services that are flexible, citizen-centred, meet individual needs and are sustainable for the future.

The council continues to deliver a wide range of services for all the citizens of Swansea. Many of these are of particular benefit to the areas covered by our IIA process, e.g. the protected characteristics defined within the Equality Act 2010.

As highlighted earlier in this statement, the council is committed to protecting the vital frontline services that matter most to the people of Swansea, tackling poverty and looking after the most vulnerable in our communities. The council will continue to do everything it can to meet this challenging commitment given the financial constraints it faces. However, services may be provided in a different way in line with 'Swansea – Achieving Better Together'.

Response of the Schools Budget Forum

None received at time of publication.

Revenue Budget 2022/2023

Corporate Services

| | ORIGINAL BUDGET 2021/2022 £ | ORIGINAL BUDGET 2022/2023 £ |
|--|--|--|
| Corporate Services Directorate | | |
| Deputy Chief Executive | 194,800 | 150,000 |
| | 194,800 | 150,000 |
| Chief Legal Officer | | |
| Coroners | 731,600 | 789,600 |
| Democratic Services | 2,923,100 | 3,075,000 |
| Information Governance Unit | 173,700 | 182,200 |
| Legal Services | 2,296,400 | 2,431,500 |
| Overview and Scrutiny Unit | 211,500 | 222,700 |
| Welsh Translation Unit | 312,100 | 325,600 |
| | 6,648,400 | 7,026,600 |
| Head of Digital & Customer Services | | |
| Customer Services | 939,500 | 987,800 |
| Digital Services | 8,142,300 | 9,537,900 |
| | 9,081,800 | 10,525,700 |
| Head of Communications & Marketing | | |
| Access to Services | 112,600 | 111,300 |
| Human Rights | 50,000 | 44,200 |
| Communications | 477,300 | 457,000 |
| Community Integration Team | 104,300 | 216,735 |
| Corporate Marketing | 281,000 | 278,700 |
| Corporate Mgt Team Support | 350,900 | 420,400 |
| Design and Print | 4,500 | 216,700 |
| Health and Safety | 1,048,900 | 1,129,200 |
| Strategic Delivery Unit | 454,700 | 766,465 |
| | 2,884,200 | 3,640,700 |
| Head of HR & Service Centre | | |
| Human Resources & Organisational Development | 591,700 | 1,113,500 |
| Service Centre | 2,136,300 | 2,330,500 |
| | 2,728,000 | 3,444,000 |
| Total Corporate Services | 21,537,200 | 24,787,000 |

Revenue Budget 2022/2023

Finance

| | ORIGINAL BUDGET 2021/2022 £ | ORIGINAL BUDGET 2022/2023 £ |
|---------------------------------------|--|--|
| Deputy Section 151 Officer | | |
| Audit | 596,100 | 724,600 |
| Finance DMT | 933,500 | 505,400 |
| Financial Services | 1,323,800 | 1,367,600 |
| Pensions | 12,500 | 46,800 |
| Treasury and Technical | 613,200 | 642,700 |
| | 3,479,100 | 3,287,100 |
| Head of Revenue & Benefits | | |
| Revenues | 751,000 | 861,500 |
| Benefits | 3,063,100 | 3,364,400 |
| Council Tax Reduction Scheme | 24,913,000 | 24,853,000 |
| | 28,727,100 | 29,078,900 |
| Head of Commercial Services | | |
| Commercial Team & Procurement | 547,600 | 704,000 |
| | 547,600 | 704,000 |
| Total Finance | 32,753,800 | 33,070,000 |

Revenue Budget 2022/2023

Social Services

| | ORIGINAL BUDGET 2021/2022 £ | ORIGINAL BUDGET 2022/2023 £ |
|--|--------------------------------------|--------------------------------------|
| Child and Family Services | | |
| Adolescent and Young People's Services | 2,708,500 | 2,298,500 |
| Adoption Services | 2,052,150 | 2,126,900 |
| Care & Support Services | 6,676,100 | 6,969,100 |
| Central Services | 4,512,200 | 7,565,200 |
| Commissioning and Care Services | 5,242,700 | 6,378,300 |
| Commissioning and Care Services (Fostering) | 7,628,500 | 7,685,400 |
| Commissioning and Care Services (Independent Placements) | 11,372,950 | 10,629,000 |
| Early Help and Single Point of Contact | 753,400 | 985,200 |
| Family Support Services | 1,621,700 | 1,752,300 |
| | 42,568,200 | 46,389,900 |
| Head of Adult Services | | |
| Community Services -Commissioned Domiciliary Care | 8,803,400 | 10,103,000 |
| Mental Health and Learning Disability | 18,697,500 | 23,028,700 |
| Prevention and Wellbeing | 6,110,600 | 7,029,200 |
| Regional Services, Central Administration & Grants | 949,850 | 471,550 |
| Safeguarding | 1,267,950 | 1,050,300 |
| Service Provision | 12,245,400 | 13,927,550 |
| | 48,074,700 | 55,610,300 |
| Head of Integrated Services | | |
| Community Services | 13,872,200 | 14,607,200 |
| Community Services -Commissioned Residential Care | 17,510,850 | 19,846,450 |
| Regional Services, Central Administration & Grants | -1,030,700 | 91,850 |
| | 30,352,350 | 34,545,500 |
| Poverty & Prevention | | |
| Commissioned Services | 3,745,900 | 3,968,600 |
| Tackling Poverty Service | 714,200 | 788,400 |
| | 4,460,100 | 4,757,000 |
| Whole Directorate Services | | |
| Regional Services, Central Administration & Grants | 3,238,650 | 3,408,300 |
| | 3,238,650 | 3,408,300 |
| Total Social Services | 128,694,000 | 144,711,000 |

Revenue Budget 2022/2023

Education

| | ORIGINAL BUDGET 2021/2022 £ | ORIGINAL BUDGET 2022/2023 £ |
|--|--|--|
| Delegated Schools | | |
| School Cost Centres | 167,304,000 | 179,045,900 |
| | 167,304,000 | 179,045,900 |
| Director of Education | | |
| Mgt & Admin Effectiveness | 145,400 | 159,000 |
| Schools At Risk | 109,100 | 109,000 |
| | 254,500 | 268,000 |
| Head of Achievement & Partnership Service | | |
| Education Improvement Service | 1,043,700 | 974,500 |
| Management Systems Unit | 310,500 | 542,500 |
| Welsh Service | 0 | 0 |
| | 1,354,200 | 1,517,000 |
| Head of Vulnerable Learner Service | | |
| Additional Learning Needs and Inclusion Team | 0 | 0 |
| Behaviour, Learning Support & EOTAS | 6,236,300 | 6,097,300 |
| Cleaning Services | 135,800 | 225,400 |
| Ethnic Minority Achievement Unit | 0 | 0 |
| Miscellaneous Grants | 103,800 | 215,400 |
| Psychology Service | 664,400 | 698,300 |
| Recoupment/Out of County | 885,000 | 761,000 |
| School And Governor Unit | 342,700 | 411,900 |
| School Meals | 968,400 | 1,177,600 |
| SEN Statementing & Support | 5,312,100 | 5,944,700 |
| STF Additional Hours | 1,041,900 | 1,090,700 |
| Swansea Music Service | 0 | 0 |
| Transport | 8,370,200 | 8,613,100 |
| Welfare Service | 518,200 | 507,500 |
| | 24,578,800 | 25,742,900 |

Revenue Budget 2022/2023

Education

| | ORIGINAL BUDGET 2021/2022 £ | ORIGINAL BUDGET 2022/2023 £ |
|---|--|--|
| Head of Education Planning & Resources | | |
| Additional School Support | 78,200 | 78,100 |
| Broadband & Cloud Technology | 284,900 | 274,900 |
| Capital Planning & Delivery Unit | 344,800 | 346,700 |
| Continuing Education & Pensions | 402,300 | 418,700 |
| Education Improvement Grant for Schools | 714,000 | 714,000 |
| Empty Properties | 16,000 | 17,900 |
| Funding & Information Unit | 99,600 | 200,000 |
| Health & Safety | 84,500 | 84,500 |
| Learning Portal Team | 38,500 | 40,400 |
| Management & Admin-Planning & Resources | 105,000 | 101,300 |
| Non Delegated - Pensions, Insurance & Public Duties | 6,387,775 | 6,669,475 |
| Post 16 Funding | -5,279,500 | -5,279,500 |
| Pupil Deprivation Grant | -8,462,375 | -8,462,375 |
| Stakeholder Engagement Unit | 125,800 | 262,100 |
| | -5,060,500 | -4,533,800 |
| Total Education | 188,431,000 | 202,040,000 |

Revenue Budget 2022/2023

Place

| | ORIGINAL BUDGET 2021/2022 £ | ORIGINAL BUDGET 2022/2023 £ |
|--|--------------------------------------|--------------------------------------|
| Head of Corporate Building | | |
| Property Preventative Maintenance | 2,901,200 | 2,861,800 |
| Building Services Trading | 1,174,700 | 1,539,300 |
| | 4,075,900 | 4,401,100 |
| Head of Corporate Property | | |
| Facilities Management | 1,944,101 | 2,025,685 |
| Strategic Estates Properties | 391,000 | 752,023 |
| | 2,335,101 | 2,777,708 |
| Head of Highways & Transportation | | |
| Car Parking and Enforcement | -3,186,800 | -3,054,700 |
| Transportation | 5,106,400 | 5,197,400 |
| Traffic Management | 1,206,800 | 1,252,900 |
| Central Transport | -849,200 | -619,600 |
| Engineering | 650,900 | 610,175 |
| Highways | 7,460,800 | 8,922,425 |
| Swansea Marina | -195,860 | -171,960 |
| Directorate and Other Costs | -120,500 | -361,800 |
| | 10,072,540 | 11,774,840 |
| Head of Waste Cleansing & Parks | | |
| Household Waste Recycling Centres | 1,511,134 | 1,563,434 |
| Parks | 5,350,696 | 4,619,926 |
| Recycling and Residual Waste Collection | 10,554,051 | 11,789,121 |
| Trade Refuse | -469,855 | -424,155 |
| Neighbourhood Working | 5,298,404 | 6,752,464 |
| Directorate and Other Costs | 687,270 | 729,000 |
| | 22,931,700 | 25,029,790 |
| Place Directorate | | |
| Place Directorate | 1,099,800 | 4,309,628 |
| Arena | 200,000 | -326,500 |
| Temporary COVID Impacts | 6,000,000 | 6,000,000 |
| Workstreams | -828,200 | -828,200 |
| | 6,471,600 | 9,154,928 |

Revenue Budget 2022/2023

Place

| | ORIGINAL BUDGET 2021/2022 £ | ORIGINAL BUDGET 2022/2023 £ |
|---|--------------------------------------|--------------------------------------|
| Head of Cultural Services | | |
| Archives | 223,350 | 215,350 |
| Arts | 2,177,999 | 2,393,910 |
| Community Buildings | 282,200 | 355,100 |
| Development and Outreach | 259,400 | 283,400 |
| Libraries | 3,059,400 | 3,162,600 |
| Sport and Recreation | 2,831,760 | 2,997,526 |
| Tourism, Marketing & Events | 1,609,900 | 1,985,600 |
| Directorate and Other Costs | 568,400 | 439,743 |
| | 11,012,409 | 11,833,229 |
| Head of Planning & City Regeneration | | |
| Business Support | 353,619 | 618,419 |
| Property Development | 1,279,598 | 1,256,398 |
| City Centre Management & Indoor Market | -375,500 | -39,600 |
| European & External Funding Team | 0 | 1,705,000 |
| Major Projects, Design and Conservation | 120,700 | 132,500 |
| Planning Control | 463,000 | 542,031 |
| Planning Policy and Environment | 997,600 | 1,109,864 |
| Directorate and Other Costs | 393,383 | 152,483 |
| | 3,232,400 | 5,477,095 |
| Head of Housing & Public Health | | |
| Building Regulations | 131,150 | 153,200 |
| Burials and Cremations | -1,110,400 | -1,180,553 |
| Food Safety | 662,700 | 682,300 |
| Licensing | -41,500 | -16,400 |
| Pollution | 630,000 | 644,600 |
| Public Health | 757,600 | 856,600 |
| Registrars | -79,400 | -76,150 |
| Trading Standards | 593,600 | 602,700 |
| Housing Grants to the Independent Sector | 40,500 | 40,500 |
| Housing Renewals and Adaptations | 46,500 | 84,300 |
| Housing Strategy, Advice and Support | 1,892,500 | 1,799,813 |
| Other Housing Services | 511,000 | 527,500 |
| Directorate and Other Costs | 303,100 | 233,900 |
| | 4,337,350 | 4,352,310 |
| Total Place | 64,469,000 | 74,801,000 |