



City and County of Swansea

Minutes of the Scrutiny Performance Panel – Service Improvement & Finance

Multi-Location Meeting - Gloucester Room, Guildhall / MS

Teams

Tuesday, 14 February 2023 at 10.00 am

Present: Councillor C A Holley (Chair) Presided

Councillor(s)

P M Black
L James
M W Locke

Councillor(s)

R Fogarty
D Jenkins
B J Rowlands

Councillor(s)

P R Hood-Williams
J W Jones

Cabinet Member(s)

Cllr Rob Stewart
(Leader)

Cabinet Member for Economy Finance and Strategy

Officer(s)

Ben Smith
Brij Madahar

Director of Finance and Section 151 Officer
Scrutiny Team Leader

Apologies for Absence

Councillor(s): M Jones

46 Disclosure of Personal and Prejudicial Interests

In accordance with the Code of Conduct adopted by the City and County of Swansea, the following interests were declared:

Cllrs Chris Holley, Dai Jenkins and Jeff Jones declared a Personal Interest relating to Minute 50.

47 Prohibition of Whipped Votes and Declaration of Party Whips

None.

48 Minutes

Minutes of previous meeting were agreed.

49 Public Questions

There were no public questions received.

50 Pre Decision Scrutiny of Cabinet Reports: Annual Budget

The Leader and Ben Smith the Director of Finance and Section 151 Officer attended. They talked through the following:

Overall

- The Council faces cost pressures of £60m with a net of £35m being added to the budget which includes £31m from Welsh Government Aggregate External Finance and £4m from estimated Council Tax rises. This results in a savings requirement of £25m.
- While £35m is a significant investment it must be seen in the context of high energy prices and inflation.
- A fund of £15m has been redirected from the Economic Recovery Fund to cover energy costs to support service providers, for instance schools and care providers.
- The long term outlook remains challenging with a real terms impact for all.
- The budget assumes an increase in council tax of 4.95% to be considered by Cabinet and Council in due course but with advice to consider a range of increases.
- Notification has been received that fire authority levy will be an overall average increase of 16.5%. Although awaiting final notification of the Revenue Support Grant adjustment, no significant changes are expected. This equates to a 2% council tax rise.
- 61 full time equivalent local government posts are still at risk after however an estimated 40/50% of these are made up of vacant posts and early retirement/voluntary redundancies. Compulsory redundancies will be avoided where possible.
- City centre parking charges are due to increase while a citizen's app will reduce the cost for residents with a reduction applied at the meter to be rolled out this year.
- The budget proposes an increase of Swansea Market rents creating a saving of £50,000. This reflects inflationary pressures, balanced with additional support for market traders in difficult trading conditions.

Education

- Regarding schools, it remains the case that forward financial plans for the Council will continue to require significant and sustained savings. It is not possible to exempt schools' budgets fully from longer term real terms cuts. This has been discussed in the Schools Budget Forum.
- Pay awards for teachers this year and next, plus the local government pay award for next year are still unknown cost pressures.
- Pest control fees include a proposed increase of 15% which could put additional pressure on for schools and contracts however the fee is consistent with other increases for charges and pressures on the service and additional resources are required for the service to continue.

Social Services

- The national living wage will be under pressure due to legal obligations on all employers and real living wage expectations from social care providers to deliver Welsh government aspirations of us as a funder of care.
- While Social Services receive the biggest proportionate share increase of 8%, further longer term investment and significant structural change is required in social care.
- Recruitment remains a challenge within Social Services.

Reserves

- Earmarked and general reserves are adequate given the cost of living crisis but the often unchanged general reserves may need to be grown to be relative and proportionate to the overall revenue budget which has grown materially over the years.
- An estimated £60m is to be drawn down from cash backed reserves during this and next financial year leaving around £100m. This is being used to stabilise the budget pressures faced by the Council.

Capital Budget and Programme

- The budget sets out a £400m general fund capital programme.
- Officer advice indicates that sufficient borrowing and cash backed reserves will finance the programme in the short term and no built-in unsupported borrowing requirement of any note is required in the base budget for the next few years.
- Cabinet and Council may need to consider further borrowing if further capital schemes are added.
- There is an assumption within the budget that borrowing of up to £50m may be required, this decision will relate to match funding with for instance, Levelling Up bids and inflation pressures.
- One Levelling Up bid has been successful and two unsuccessful bids will be resubmitted. Cabinet and Council will be required to balance the affordability choice between capital match funding, revenue pressures and benefits to the economy.

51 Summarising Views for Feedback to Cabinet

- Panel Members discussed their feedback for Cabinet based on their discussions which will be addressed in a letter to the Leader and presented to Cabinet by the Chair on 16 February 2023.

52 Work Plan 2022/23

The Panel noted the Work Plan.

The meeting ended at 11.30 am.

Chair