



To:
Councillor Rob Stewart
Cabinet Member for Economy
Finance and Strategy

BY EMAIL

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Overview & Scrutiny

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16th February 2022

Summary: This is a letter from the Service Improvement and Finance Scrutiny Performance Panel to the Cabinet Member for Economy Finance and Strategy. This letter relates to the Annual Budget proposals. A response is required by 10 March 2022.

Dear Councillor Stewart,

Pre-Decision Scrutiny of Cabinet Reports: Annual Budget

On 15 February, the Service Improvement and Finance Scrutiny Performance Panel met to discuss the Annual Budget proposals and considered the various reports that are being presented to Cabinet on 17 February, being recommended for approval or forwarding to Council for approval, as appropriate. The Panel are grateful to Cabinet Members and Officers who attended the Panel meetings to provide information and answer questions.

We are writing to confirm the views of scrutiny for Cabinet to consider before making its decisions. This is based on discussion at the Service Improvement & Finance Panel meeting as well as input from our Education and Social Services Scrutiny Panels which met separately ahead of our Panel meeting.

Feedback:

Overall

The Panel welcomed the large increase in budget provision, noting this was the largest such increase in recent years. Panel Members look forward to expenditure across all services to benefit the people of Swansea.

The Panel welcomed an increase in spending in Education and Social Services, and additional spending to invest in services in Swansea that have experienced some reductions over recent years in line with constrained budgets. We are hopeful that this year's funding will help with repairs to the infrastructure across Swansea.

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The Panel took on board the cautionary warnings from the Section 151 Officer regarding inflation and service pressures, future lower settlements and the central pots of one off money that the Council will need to competitively bid for and which are not fully assured.

Panel Members understood that there will be a one-off large increase in funds, but are mindful these figures are not reflected equally across the three-year plan. We understood that caution will be needed moving forward, and that the Capital Equalisation Reserve may not be able to be topped up with the increased investment levels it has seen since 2016; noting there may be less in the reserve in future.

In terms of General Revenue, the Panel welcomed the amount of funds reinstated, noting the £700,000 increase in insurance.

Joint Social Services

The Panel is very encouraged to see the budget situation for Social Services this year, because of the increases and because of the savings, which look as if they are all going to be contractual. The only slight concern for the Panel is how far these contractual savings will go.

The Panel understands that the Cabinet Papers show an £8.5m increase in the Social Services Budget for 2022/23 but the actual proposed budget for Social Services for 2022/23, in the Revenue Budget summary Sheet, is £16m. The Panel understands that the £8.5m is for additional pressures and that the difference between this and the £16m is for continued growth within the Service. The Panel feels this is a great opportunity to invest to improve services.

The Panel intends to look at the transformation of services in more detail at future meetings. There is a need to have services which are economically and efficiently run, and the Panel needs to ensure we don't lose sight of this.

The Panel welcomed the improved communication between Health, Social Services and Partners over the past few years and hopes this relationship will continue to grow.

Education

The Panel welcomed the increase in the budget provision for schools for the next year but noted that the funding is heavily weighted to year 1 2022/23. We share the departments concerns in relation to the clarity of funding for schools in years 2 and 3.

The Panel heard that individual school reserves are currently at a high level. We did recognise that this is a positive thing given the challenges coming in years 2 and 3, but we agreed that this means the schools must be encouraged to have good medium term spending plans, in order for this to be used effectively.

The Panel did have concerns regarding the potentially inadequate funding from Welsh Government for:

- a. Phased roll out of Free School Meal provision to all primary pupils
- b. The emerging implications of the Additional Learning Needs Act.

The Panel raised concerns about the potential change to the proxy measure that is based upon Free School Meal allocation which is the indicator used for extra funding in schools for vulnerable pupils like, for example, the allocation of the Pupil Development Grant and the School Uniform Grant. The Panel would be keen to see how this will be addressed in upcoming policy changes from Welsh Government so vulnerable children do not lose out.

The Panel were concerned about the rising energy cost for schools and would like to see schools switching to more green solutions, where it is feasible.

The Panel welcomed the high level of delegated spend that has been maintained by Swansea Council. Hearing that this coming year will be 83% and will increase to 85% in 2024/25.

I will be presenting this information to you at Cabinet on 17 February 2022, however, I would be grateful if you could also provide a written response to the issues raised in this letter by 10 March 2022.

Yours sincerely,



Councillor Chris Holley
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