

Councillor Chris Holley
Convenor
Service Improvement & Finance
Scrutiny Panel

Please ask for: Councillor Rob Stewart
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Our Ref: RS/CM
Your Ref:
Date: 30 March 2022

BY EMAIL

Dear Councillor Holley

PRE-DECISION SCRUTINY OF CABINET REPORTS: ANNUAL BUDGET

I am grateful for the panel's acknowledgement of the record sums being invested next year.

We are very much investing substantial base funding into Schools and wider Education provision and Social Services in line with national and our own local priorities but due to several years of strong financial stewardship we can go much further. We have been able to conserve and often add to reserves and thus provide a rapid release of funds to temporarily also significantly uplift the Corporate services and Place Directorates and thus turbo charge the Swansea recovery from the pandemic.

The S151 Officer is right to draw attention to the longer term outlook and I broadly concur with his, and the panel's views. The settlement is indeed heavily front loaded but I welcome the certainty of a three year deal and personally very much consider this a base underpinning of funding, which may yet be topped up by future UK and Welsh Government announcements and of course which will be topped up by our own rapid use of reserves such as the Economic Recovery Fund, especially if, as seems certain, there will be another very strong outturn position in May.

I am sure we will all continue to follow the S151 Officer advice on the use of the Capital Equalisation Reserve as it is clear from that advice that needs to stretch for a number of years further into the future

I concur that it is right that we now pause, as long planned in the MTFP, the draws from the insurance reserve which have helped modestly improve the budget in recent years, as we now have a range of other reserves available to boost our local response and recovery. We will keep this under review. I think the right balance is struck between spending reserves, conserving reserves,

adding to reserves and setting a budget and council tax level which recognises the real financial pain residents and local communities are going to feel in areas much wider than just the Council affects whilst prudently planning and preparing for the undoubtedly harder times to come.

This record level of increased investment by both Welsh Government and Swansea Council will provide a once in a generation opportunity to recover and transform the vital social care services that the individuals, families, carers and communities of Swansea rely upon. The Covid pandemic has rightly shone a light on both the importance of social services and social care and the extraordinary efforts of our workforce. A significant part of this investment will go towards starting to properly address the pay, terms and conditions of our keyworker heroes. Whilst it is important to continue to deliver the savings we have committed to as part of our medium term transformation program, these savings are intended for reinvestment in the kinds of remodelled and modernised services that our population would expect.

I appreciate the Panel's recognition of the increase in the budget provision for schools for the next year and share the concerns raised about the level of funding in later years which reflects the overall weighting of WG funding to FY2022-2023. The current high level of school reserves will assist schools in meeting the challenges in later years and we will continue to encourage schools to develop and maintain good medium term spending plans, in order to utilise reserves effectively. Through our coherent and consistent medium term financial strategy for Education we will continue to ensure that as much funding as possible goes directly to schools where this allows the greatest flexibility and added value in terms of local spending choices. I welcome the recognition by the Panel of the high level of current and projected delegated funding levels.

It was agreed at the recent School Budget Forum that we would continue to work with the Forum and schools to press the need with both UK and WG for appropriate and explicit additional funding to meet the full additional costs of the phased roll out of Free School Meal provision to all primary pupils and the full emerging implications of the Additional Learning Needs Act.

I share the concerns raised by the Panel regarding the potential impact of potential changes to the proxy measure that is based upon Free School Meal allocation and which is used for extra funding in schools for vulnerable pupils such as through the allocation of the Pupil Development Grant and the School Uniform Grant. We will continue to work to ensure that vulnerable children do not lose out.

In relation to the rising energy costs the future budget have been to mitigate the increases as far as is possible but this depends on the likelihood of energy prices not remaining at their record high level in the medium to longer term. In the meantime officers are working with schools as part of the climate change strategy to look to introduce a range of measures from housekeeping to investment in new technology and renewables. A number of schools have already benefitted from the approach with further opportunities being explored using the Re:Fit initiative which allows capital investment to be accessed and repaid from energy savings.

In addition I can confirm that 100% of the Council's electricity, including schools is currently sourced from evidenced renewable sources.

Yours sincerely

A handwritten signature in black ink, appearing to be 'Rob Stewart', with a stylized, flowing script.

**Y CYNGHORYDD/COUNCILLOR ROB STEWART
ARWEINYDD/LEADER**