



**To/
Councillor Rob Stewart
Cabinet Member for Economy,
Finance & Strategy**

BY EMAIL

cc: Cabinet Members

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Scrutiny

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SPC/2022-23/13

17 May 2023

Summary: This is a letter from the Scrutiny Programme Committee to the Cabinet Member following the Committee meeting on 16 May 2023. It is about the proposed Cabinet decision on: Financial Procedural Rule 7 Additional projects to be included within the Capital Budget & Programme 2022/23-2027/28 – Economic Recovery Fund (ERF) Approved Schemes (exceeding one million pounds), and Financial Procedural Rule 5 Additional Revenue Provision for Residual Economic Recovery Fund 2023/24. A formal written response is not required.

Dear Councillor Stewart,

Pre-decision Scrutiny of Cabinet Reports

The Scrutiny Programme Committee met on 16 May 2023 to consider two reports that you intend to present and recommend to Cabinet on 18 May. We thank you and officers, in particular Ben Smith, Director of Finance / Section 151 Officer, for attending the meeting to present the report and answer questions. As these reports represent change to agreed Council budget, we felt it was important for good governance that these also undergo scrutiny, and therefore considered these as urgent items at our meeting.

Your first report asks Cabinet to commit and authorise schemes approved via the Economic Recovery Fund (ERF) in excess of one million pounds in compliance with Financial Procedure Rule No. 7 – approval of an additional capital allocation of £4,595,000 to the Capital Budget & Programme 2022/23-2027/28:

OVERVIEW & SCRUTINY / TROSOLWG A CHRAFFU

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- additional allocation of £2,050,000 re. Play Sufficiency
- additional allocation of £1,045,000 re. Skate Facilities, together with existing funds of £45,000 held for Street Sports
- additional allocation of £1,500,000 re. Domiciliary Care Travel

We noted that Appendix A shows total of £6,149,999.98 but that is inclusive of previously agreed allocation of £1,554,999.99 for 'Essential Playground Works'. We understand the budget for 'Play Sufficiency' and 'Essential Playground Works' is being combined.

Your second report asks Cabinet to approve schemes associated with residual Economic Recovery Fund (ERF) to be undertaken in 2023/24 financial year in compliance with Financial Procedure Rule No.5. As explained in the report the S151 Officer estimates that there will be a residual £4,530,000 available to release now as a final one-off sum for new priorities, adding to the 2023/24 Council revenue budget spending plans. We noted that the ability to add items to the 2023/24 budget is due to the residual ERF and estimated unallocated balances on the central inflation provision as the energy spend will be lower than the assumed up to £15 million and consequently there is a further use of reserves available to Cabinet in year. You reported that the schemes listed within Appendix A are already approved and will continue, however the schemes listed within Appendix B were additional items. The largest of these being: £1m for Levelling Up to target and support areas of multiple deprivation; Free Buses (£600k); Play Areas (£500k); Car Parking Offers / New Charges (£500k); Patch Team (£450k); Local Bus Support (£400k); and Enhanced Drainage Cleaning (£350k).

Recent budget history and principles around the creation of the Economic Recovery Fund, and rationale for additional spending was highlighted to the Committee. It was made clear to the Committee that:

- these are 'one-off' allocations for 2023/24 (i.e., this year) to spend available ERF monies, and do not create any long-term pressure on the Council budget.
- subject to Cabinet approval of the reports, the ERF will then be fully committed.
- should there be any underspend then it will be a matter for the Director of Finance and Cabinet to consider whether any 'carry-over' is appropriate, taking into account other priorities that may emerge and subject to future funding.

We asked questions on various items to try to get into some of detail, in particular on Skate Facilities, and Domiciliary Care Travel, and heard that:

- The Capital allocation for Skate Facilities will include upgrade to existing facilities as well as creation of two new facilities like the new facility on Mumbles Road, to meet demand.

- The Capital allocation for Domiciliary Care Travel relates to a requirement from the Welsh Government for all Welsh Councils to commit funds to encourage recruitment of Domiciliary Care Workers, and it was felt the best way to do this would be to enhance the offer to staff with investment towards vehicles that will help with worker mobility particularly for work in more rural / remote locations.

Considering your report, questions, and discussion, we are writing to confirm our views on the proposed decision for Cabinet to consider before it makes a decision.

Committee Feedback

It was a very helpful session which enabled the Committee to understand the variance to agreed budget and financial implications.

In the time available to review your reports and ask questions, overall, the Committee had no issues with the recommendations in the reports and proposed Cabinet decision, and broadly welcomes the additional investment that will benefit our residents across the city and county.

The Committee has the following feedback that it wishes to bring to the attention of Cabinet:

Cabinet Report – Item 10:

- Domiciliary Care Travel
Cabinet should consider how the Capital allocation of £1.5m will be managed and we will ask the relevant Scrutiny Panel to monitor this, particularly as this investment will give rise to ongoing revenue costs that the Social Services Directorate will need to manage.

Cabinet Report – Item 14:

- Appendix B
The Committee pointed out that the financial implications summary referred in error to 'Capital Costs'. It was clarified that in relation to the 17 additional priorities set out in the report, the summary showed full Revenue Costs.
- Councillor Engagement
A number of the new items of expenditure will generate interest from Councillors across the city and county to see how schemes can benefit their local areas, for example CCTV Cameras, Disabled Parking Bays, Dropped Kerbs, Youth Engagement, and Cabinet will need to discuss the best way these funds can be used. As well as the input Cabinet will seek from relevant officers, we would recommend Councillor engagement with a mechanism developed that will ensure an equitable distribution of

investment across local areas, with clear process for prioritisation given limited resources to deliver improvements. Councillors should be encouraged by Cabinet to identify priorities, that can be considered as part of the process. Given the time and effort it takes to produce proposals it would help to have greater clarity about criteria that will improve the success rate when Councillors do submit plans.

Please note that Councillor Chris Holley will attend the Cabinet meeting on Thursday, on my behalf, to address Cabinet with the feedback from Scrutiny, as contained in this letter.

Your Response

We hope that you find the contents of this letter helpful, and ask that Cabinet take on board the Committee's feedback. No formal response is required, unless there are any material changes to the reports and/or variation to the recommendations and Cabinet decision which the Committee should be alerted to.

Yours sincerely,

A handwritten signature in black ink, appearing to read 'P. Black', written in a cursive style.

COUNCILLOR PETER BLACK

Chair, Scrutiny Programme Committee

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