



**To/  
Councillor Rob Stewart  
Cabinet Member for Economy and  
Strategy**

**BY EMAIL**

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**Overview & Scrutiny**

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**13<sup>th</sup> November 2018**

**Summary:** This is a letter from the Service Improvement and Finance Performance Panel to the Cabinet Member for Economy and Strategy. The Panel met on 29<sup>th</sup> October 2018. This letter relates to the Capital Outturn and Financing 2017/18 Report, the Q1 Capital Revenue and Capital Budget Monitoring Report 2018/19 and the Revenue Outturn and Savings Tracker 2017/18.

Dear Councillor Stewart,

On the 29<sup>th</sup> October 2018 the Panel met to discuss the Capital Outturn and Financing 2017/18 Report, the Q1 Capital Revenue and Capital Budget Monitoring Report 2018/19 and the Revenue Outturn and Savings Tracker 2017/18.

We are grateful to the Section 151 Officer for presenting the reports and providing detail.

We heard that overall, Swansea like many other local authorities is in a challenging financial position. We heard that there is currently a spend restriction for officers and a vacancy restriction has been imposed. We also heard that we do have obligations as a public body under the Well-being of Future Generations Act 2015 which can make some decisions more challenging.

### **Capital Outturn and Financing 2017/18**

We were told that there have been historic underspends on Disabled Facilities Grants to the amount of £973,000 which has been transferred to capital contingency for use in the future wider capital programme.

We also heard of the progress of the Pipehouse Wharf relocation. We heard there is a delay leading to a £1,776,000 underspend.

We were updated about a contractual delay preventing commencement of scheme 5 in the Sandfields leading to a £1,487,000 underspend.

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The Panel would also like to have feedback on the following project underspends.

<u>Project</u>	<u>Underspend in millions</u>
Carriageway resurfacing and footways	£2,069
Highways Invest to save schemes (carriageways and footways)	£1,000
LTNF bus infrastructure, telematics and bus shelters	£1,010
Housing Disabled Facilities Grants	£4,412

### **Q1 Revenue and Capital Budget Monitoring Report 2018/19**

The Panel was told there was a £8.9m overspend in the first quarter of 2018/19 and there is expected to be no change in overspend in the year. As with many other local authorities, much of this is due to pressure from social services.

Some reserves have helped to ease this however, the overspend is above where it should be and there is no option but to deal with it.

We heard that spend now needs to be slowed as 2019/20 will see the impact - we need to examples of this slowing spend in action. Any money which comes from Welsh Government is likely to be allocated to social care and grants are only a temporary solution.

There is also good news with the reinstatement of the Minority Ethnic Grant.

### **Revenue Outturn and Savings Tracker 2017/18**

The report outlined that services overspent in 2018/18 by £7m. Some general reserves have been used to ease this, however this is not an option going forward and is unsustainable with 2019/20 given the impact of the cuts which need to be made.

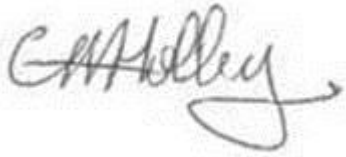
### **Conclusion**

The Panel would like to hear your views on anything mentioned in this letter but would particularly like a response to the questions;

1. Why is there a historic underspend on Disabled Facilities Grants?
2. What is causing the delay of the Pipehouse Wharf move?
3. Why is there a delay preventing commencement of scheme 5 in the Sandfields?
4. Can you please give us an update on the overspends in the table above?

We would be grateful if you could respond to the questions included in this letter by 4<sup>th</sup> December 2018.

Yours sincerely,

A handwritten signature in dark ink, appearing to read 'CH Holley', with a stylized flourish at the end.

**Councillor Chris Holley**

**Convener, Service Improvement and Finance Scrutiny Performance Panel**

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