

ISLE OF ANGLESEY COUNTY COUNCIL	
Report to:	THE EXECUTIVE
Date:	8 February, 2016
Subject:	Scrutiny Outcome Panel: Efficiency Savings (2015/16) – FINAL REPORT
Portfolio Holder(s):	Not Applicable
Head of Service:	Not Applicable
Report Author: Tel: E-mail:	Scrutiny Outcome Panel of the Corporate Scrutiny Committee care of: Anwen Davies, Interim Scrutiny Manager AnwenDavies@anglesey.gov.uk
Local Members:	Not Applicable

A –Recommendation/s and reason/s
<p>1. BACKGROUND</p> <p>1.1 Whilst considering the Final Report of the Scrutiny Outcome Panel: Efficiency Savings (2014/15), the Executive¹ resolved that a panel of members should continue to monitor the savings proposed by the service directorates into the current year by monitoring on a quarterly basis the 2015/16 budget;</p> <p>1.2 There was delay before the Scrutiny Outcome Panel convened for the first time and sickness absence in the Democratic Services Unit had a bearing on the timeframe and progress with this work-stream. The Panel began its work at the beginning of September, 2015.</p> <p>2. METHODOLOGY, SCOPE AND OBJECTIVES</p> <p>2.1 Methodology – the review was structured in accordance with the Authority’s policy framework² which included the development of a scrutiny project plan using some elements of Project Management methodology³ in order to ensure robustness to the structure of the review by the Panel. A total of 8 meetings were held of the Panel over a period of 4 months (between September, 2015 and January, 2016);</p> <p>2.2 Inputs: there had been inputs from the following officers during the review:</p> <ul style="list-style-type: none"> • Head of Function (Resources)/Section 151 Officer; • Accountancy Services Manager;

¹ The Executive at its meeting convened on 20 April, 2015

² Handbook for Scrutiny Members

³ PRINCE2

- Head of Adults' Services;
- Head of Service (Highways, Waste and Property);
- Chief Waste Management Officer;
- Chief Engineer – Traffic & Transportation;
- Head of Service (Planning & Public Protection);
- Planning Built & Natural Environment Manager.

2.3 Scope and Objectives: at the outset, there had been consideration of two possible options around the exact focus of the Panel's work. The first option encompassing further examination of the Authority's progress in achieving its 2015/16 efficiencies and the second option concerned with examining the impact of the efficiencies strategy adopted by the Council on customers, citizens and communities. The first option was favoured. The Terms of Reference adopted by the Panel details the objectives, scope and desired outcomes of the Review.

2.4 Panel Membership:

- Cllrs R Meirion Jones (Chair), Llinos Medi Huws & T Victor Hughes;
- Marc Jones, Head of Function (Resources)/Section 151 Officer;
- Bethan Hughes Owen, Accountancy Services Manager;
- Anwen Davies, Interim Scrutiny Manager.

2.5 Additional observations from the Panel: in reflecting on its work, the Panel noted some observations:

- That lessons had been learned regarding the working arrangements underpinning scrutiny panels with significant progress having been made over the past months to establish new working practices and report format;
- The Panel had undertaken a comprehensive piece of scrutiny work during 2014/15 under challenging circumstances (little information available supporting efficiency targets, the absence of robust project management arrangements and risk assessments);
- The new process introduced to support the work of completing scrutiny panel reports which now included a stronger alignment with the Senior Leadership Team had been welcomed.

3. PANEL CONCLUSIONS AND RECOMMENDATIONS

The Panel came to 5 main conclusions:

3.1 CONCLUSION 1: There was increased confidence in the robustness of finance systems and working practices supporting implementation of the Authority's efficiencies programme;

3.2 CONCLUSION 2: A significant percentage of the work-streams were on track to fully

meet their efficiency targets by year end;

3.3 CONCLUSION 3: Actual levels of savings being delivered were in line with projections with exception to 8 work-streams;

3.4 CONCLUSION 4: There were outstanding workforce issues arising mainly from the Job Evaluation process which had impacted on 3 efficiency work-streams resulting in slippage and projected under-achievement by year end;

3.5 CONCLUSION 5: The scrutiny model and approach on budgetary issues should change to the future.

The attached Final Report (APPENDIX 1) details the considerations and observations of the Panel together with the 7 individual recommendations agreed by the Panel.

4. TIMELINE FOR REMAINING MILESTONES OF PROCESS

DATE	MILESTONE
08/02/16	The Executive – accept the Final Report with a recommendation to approve the 5 main conclusions and the 7 individual recommendations.
By end of February, 2016	Publication of Final Report – on the Council's website.

5. RECOMMENDATIONS

The Executive is requested to:

5.1 Approve the Final Report together with its 5 main conclusions and 7 individual recommendations.

B – What other options did you consider and why did you reject them and/or opt for this option?

Not Applicable.

C – Why is this a decision for the Executive?

In accordance with the Scrutiny Procedure Rules as contained in the Council's Constitution.

CH – Is this decision consistent with policy approved by the full Council?

D – Is this decision within the budget approved by the Council?

Not known.

DD – Who did you consult?		What did they say?
1	Chief Executive / Strategic Leadership Team (SLT) (mandatory)	<p>The Final Report of the Scrutiny Outcome Panel was considered by the Senior Leadership Team at its meeting on 13/01/16 and the following observations were submitted:</p> <ul style="list-style-type: none"> i. Accept the contents of the report by the Scrutiny Outcome Panel; ii. CONCLUSION 1: note the increased confidence in the robustness of finance systems and working practices. Reviewing the potential efficiencies that could be delivered through the Procurement Strategy (R1.1) and the ongoing monitoring of delivery of the Council's efficiencies to the future (R1.2) to receive attention as part of the SLT's work programmes; iii. CONCLUSION 2: ensuring robust and continued monitoring of the current efficiency work-streams to year end to receive attention as part of the SLT's work programmes; iv. CONCLUSION 3: ensuring robust challenge of proposed efficiency proposals and sufficient robustness to project management arrangements underpinning significant, transformational efficiency proposals is acknowledged; v. CONCLUSION 4: ensuring workforce issues with efficiency work-streams are well planned and addressed in a timely manner is acknowledged; vi. CONCLUSION 5: support Members in reshaping the Scrutiny input on budgetary matters.
2	Finance / Section 151 (mandatory)	The Head of Function (Resources)/ S151 Officer and Accountancy Services Manager have contributed as core members of the Panel and were consulted on the draft report. Their observations have been reflected in the Final Report.
3	Legal / Monitoring Officer (mandatory)	No observations.
4	Human Resources (HR)	The Head of Profession (Human Resources) was consulted on the content of the draft

		Panel report and her observations have been reflected in the Final Report.
5	Property	The Head of Service (Highways, Waste & Property) contributed to the work of the Panel and was consulted on the content of the draft Panel report.
6	Information Communication Technology (ICT)	
7	Scrutiny	<p>Whilst considering the Final Report of the Scrutiny Outcome Panel: Efficiency Savings (2014/15), the Executive at its meeting of 20/04/15 resolved that a panel of members should continue to monitor the savings proposed by the service directorates into the current year by monitoring on a quarterly basis the 2015/16 budget.</p> <p>The Corporate Scrutiny Committee considered the report at its meeting on 01/02/16 and resolved as follows:</p> <ol style="list-style-type: none"> 1. Approve the Final Report together with its 5 main conclusions and 7 individual recommendations; 2. That the Final Report be submitted to The Executive at its meeting on 8 February, 2016.
8	Local Members	Not Applicable.
9	Any external bodies / other/s	Not Applicable.

E – Risks and any mitigation (if relevant)

1	Economic	Not Applicable.
2	Anti-poverty	Not Applicable.
3	Crime and Disorder	Not Applicable.
4	Environmental	Not Applicable.
5	Equalities	Not Applicable.
6	Outcome Agreements	Not Applicable.
7	Other	Not Applicable.

F - Appendices:

Scrutiny Outcome Panel: 2015/16 Efficiency Savings – Final Report.

FF - Background papers (please contact the author of the Report for any further information):

Chair of the Scrutiny Outcome Panel c/o Anwen Davies, Interim Scrutiny Manager, Isle of Anglesey County Council, Council Offices, Llangefni. LL77 7TW.



**SCRUTINY OUTCOME PANEL:
2015/16
EFFICIENCY SAVINGS
FINAL REPORT**



Acknowledgements

We would like to thank the following who gave freely of their time during this review. Their engagement, participation and contributions facilitated the task to hand, making it possible for the Panel to complete the appraisal within timescale. We also wish to acknowledge the fact that we were given unlimited access to all data sources, literature and documentation, enabling a full and comprehensive review of the key elements of the Council's corporate and individual service level processes and procedures for managing budget efficiencies:

- Marc Jones, Head of Function (Resources)/Section 151 Officer;
- Bethan Hughes Owen, Accountancy Services Manager;
- Richard Micklewright, Interim Head of Function (Resources)/Section 151 Officer;
- Alwyn Jones, Head of Adults' Services;
- Dewi R Williams, Head of Service (Highways, Waste & Property);
- Meirion P Edwards, Chief Waste Management Officer;
- Dewi W Roberts, Chief Engineer – Traffic & Transport;
- Jim Woodcock, Head of Service (Planning & Public Protection);
- Dave A Riley, Chief Public Protection Officer;
- Glyn E Jones, Planning Built & Natural Environment Manager.

Why this matters?



Councillor R Meirion Jones

Foreword by the Panel Chair

There is no value in listing efficiency savings in a Budget if those efficiency savings are not delivered.

On 20 April a Scrutiny Outcome Panel report on '2014/15 Efficiency Savings' was submitted to the Executive Committee which resolved to accept the recommendations therein, including that Scrutiny continues to monitor the Budget and the Efficiency Savings in particular.

In the Corporate Plan for 2013 - 2017, the Council states under the heading "Our Aim for 2017":

"The aim for Anglesey Council is that by 2017 we will be a professional and well-run council, innovative and outward looking in our approach, committed to developing our people and partnerships in order to deliver efficient and effective services of good quality, that are highly valued by our citizens....."

Anglesey, like all other local authorities, is facing significant pressures on budgets and has to focus on greater efficiencies. This will inevitably mean a change to the services we provide and the way in which they are delivered. The Council will therefore work with citizens to change the way we all think about the respective responsibilities of the Council, communities and individuals.... "

The Annual Scrutiny Report of May 2015 refers to the Williams Report and the need to "acknowledge the importance and value of scrutiny in improving services for people and organizations...." The Williams Report makes a number of statements in support of the scrutiny process including "Organizations must regard scrutiny as an investment to deliver improvements and future savings." We hope that our work through this report will contribute to the above mentioned "value of scrutiny", "improvements" and "savings".

I believe that we are making progress as an Authority and last year's work is a good foundation for our current work. The work of the Panel in 14/15 was very different from the Panel's work this year and the system has now matured. We have benefited from the previous work. Efficiency savings are being achieved and the monitoring work is having a positive impact. I would therefore like to present this report.

I would like to extend my sincere thanks to the members of the Panel for their time, commitment and ideas and to the Panel's Officer for her thorough and timely work and to all those who have contributed to the work of the Panel and the contents of this report.

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APPENDIX

Terms of Reference: Scrutiny Outcome Panel

APPENDIX 1

1. EXECUTIVE SUMMARY

1.1 Objectives and Scope of the Review

To look in greater detail at the Authority's progress in achieving its efficiency strategies/targets for 2015/16 by posing the following key questions:

- i. Had the efficiency savings been delivered?
- ii. Had the savings been delivered to timescale?
- iii. Were there robust project management arrangements in place?
- iv. What arrangements were in place to manage risks associated with the Efficiencies Strategy?
- v. What were the then current risks in terms of meeting our efficiency targets?
- vi. To what degree were the actual efficiencies being delivered as opposed to use of other sources of efficiencies to meet Service targets?
- vii. Were actual levels of savings in line with projections?
- viii. Were there any workforce issues arising that needed to be taken into account?

1.2 Methodology/Evidence/Inputs considered.

The review was structured in line with the Authority's policy framework¹. This included a scrutiny project plan using some elements of Project Management methodology² to ensure robustness to the structure of the review by the Panel. Eight meetings were held of the Panel over a period of 4 months (between September, 2015 and January, 2016).

1.3 Membership of the Scrutiny Outcome Panel

- Councillor R. Meirion Jones (Chair);
- Councillor Llinos Medi Huws;
- Councillor T Victor Hughes;
- Richard Micklewright, Interim Head of Function (Resources) & Section 151 Officer (until 28/09/15);
- Marc Jones, Head of Function (Resources) & Section 151 Officer (from 14/10/15);
- Bethan Hughes Owen, Accountancy Services Manager;
- Anwen Davies, Interim Corporate Scrutiny Manager.

1.4 Conclusions

CONCLUSION 1: There was increased confidence in the robustness of finance systems and working practices supporting implementation of the Authority's efficiencies programme.

CONCLUSION 2: A significant percentage of the work-streams were on track to fully meet their efficiency targets by year end.

CONCLUSION 3: Actual levels of savings being delivered were in line with projections with exception to 8 work-streams.

¹ Detailed in the Handbook for Scrutiny Members.

² PRINCE2

CONCLUSION 4: There were outstanding workforce issues arising mainly from the Job Evaluation process which had impacted on 3 efficiency work-streams resulting in slippage and projected under-achievement by year end.

CONCLUSION 5: The scrutiny model and approach on budgetary issues should change to the future.

1.5 **Recommendations**

The Panel recommends the following to the Executive:

1. There was increased confidence in the robustness of finance systems & working practices supporting implementation of the Authority’s efficiencies programme

NUMBER	RECOMMENDATION
1.1	The Executive and Senior Leadership Team should continue to review the potential efficiencies that can be delivered through the Procurement Strategy.
1.2	Ongoing monitoring of delivery of the Council’s efficiencies to the future should be a matter for the Senior Leadership Team and Heads of Service (Refer also to Recommendation 5.1).

2. A significant percentage of the work-streams were on track to fully meet their efficiency targets by year end

NUMBER	RECOMMENDATION
2.1	The Senior Leadership Team to ensure robust and continued monitoring of the current efficiency work-streams to year end with particular priority to those currently projected to underachieve.

3. Actual levels of savings being delivered were in line with projections with exception to 8 work-streams

NUMBER	RECOMMENDATION
3.1	To the future, ensure robust challenge of efficiency proposals prior to approval by Elected Members - particularly in respect of transformational proposals.
3.2	Ensure sufficient robustness to project management arrangements underpinning significant, transformational efficiency proposals.

4. There were outstanding workforce issues arising mainly from the Job Evaluation process which had impacted on 3 efficiency work-streams resulting in slippage and projected under-achievement by year end

NUMBER	RECOMMENDATION
4.1	To the future, ensure that any workforce issues with efficiency work-streams are well planned and addressed in a timely manner allowing for delivery of work-streams to timescale.

5. The scrutiny model & approach on budgetary issues should change to the future

NUMBER	RECOMMENDATION
5.1	Reshape the Scrutiny input on budgetary matters to: <ul style="list-style-type: none">• Examine the subsequent financial year's budget setting process (rather than a retrospective look) and evidence added value through pre-decision Scrutiny;• Ensure a better alignment between the budget setting process, corporate performance management framework, service transformation and the contribution of Scrutiny;• Focus on the future vision of services and the impact on the following year's budget (within a 3 year cycle);• Further strengthen the quarterly budget monitoring process to include identifying future efficiency savings.

FULL REPORT OF THE PANEL

2. BACKGROUND

- 2.1 Whilst considering the Final Report of the Scrutiny Outcome Panel: Efficiency Savings (2014/15), the Executive³ resolved that a panel of members should continue to monitor the savings proposed by the service directorates into the current year by monitoring on a quarterly basis the 2015/16 budget;
- 2.2 There was delay before the Scrutiny Outcome Panel convened for the first time and sickness absence in the Democratic Services Unit had a bearing on the timeframe and progress with this work-stream. The Panel began its work at the beginning of September, 2015;
- 2.3 The Panel was mindful that finance was critical to the services councils deliver and there were far reaching effects to financial issues facing councils – both in terms of the services received and also the taxes or charges being paid⁴. Councils needed to think hard about the choices they faced and ask difficult questions about which services to offer in future and whether historic methods of service delivery remained appropriate;
- 2.4 When considering how individual Service budgets were agreed before the commencement of the new financial year, it was ascertained that all Member decisions on efficiencies had been actioned prior to the commencement of the current financial year – budgets reduced to reflect the actual savings approved. The underlying principle had been one of good governance and transparency.

3. METHODOLOGY, SCOPE AND OBJECTIVES

3.1 Membership of the Scrutiny Outcome Panel

- Councillor R. Meirion Jones (Chair);
- Councillor Llinos Medi Huws;
- Councillor T Victor Hughes;
- Richard Micklewright, Interim Head of Function (Resources) & Section 151 Officer (until 28/09/15);
- Marc Jones, Head of Function (Resources) & Section 151 Officer (from 14/10/15);
- Bethan Hughes Owen, Accountancy Services Manager;
- Anwen Davies, Interim Corporate Scrutiny Manager.

3.2 Objectives and Scope of the Review

At the outset, there had been consideration of two possible options around the exact focus of the Panel's work. The first option encompassing further examination of the Authority's progress in achieving its 2015/16 efficiencies and the second option concerned with examining the impact of the efficiencies strategy adopted by the Council on customers, citizens and communities. The first option was favoured. The Terms of Reference adopted by the Panel details the objectives, scope and desired outcomes of the Review (**APPENDIX 1**).

³ The Executive at its meeting convened on 20 April, 2015

⁴ Raising the Stakes: financial scrutiny in challenging times: A guide for Welsh local authorities (Centre for Public Scrutiny June, 2014)

3.3 Methodology/Evidence/Inputs considered

3.3.1 **Methodology/Evidence:** the Review was structured in line with the Authority’s policy framework⁵. This included a scrutiny project plan using some elements of Project Management methodology⁶ to ensure robustness to the structure of the review. A total of 8 meetings were held of the Panel over a period of 4 months (between September, 2015 and January, 2016) – working to the following Schedule:

WORK SCHEDULE: SCRUTINY OUTCOME PANEL [ASSETS]

MEETING	ISSUES IN FOCUS	EVIDENCE TO HAND
1	Terms of reference, project plan and setting the context; consider the detail and format of information the Panel required. Agree data/information needs for Meeting 2	Example of spreadsheet summarising the detail and format of financial information
2	Detailed consideration of the Social Services (Adults & Children) and Housing Service efficiencies. Agree data/information needs for Meeting 3	Spreadsheet: Social Services & Housing efficiencies
3	Detailed consideration of the Sustainable Development efficiencies. Agree data/information needs for Meeting 4	Spreadsheet: Sustainable Development efficiencies
4	Examine outstanding items on Social Services & Sustainable Development efficiencies. Agree data/information needs for Meeting 5	Spreadsheet: Social Services & Sustainable Development efficiencies
5	Examine outstanding items on Highways & Waste efficiencies. Detailed consideration of Lifelong Learning Department efficiencies. Agree data/information needs for Meeting 6	Spreadsheets: Sustainable Development & Lifelong Learning efficiencies
6	Examine outstanding items on Planning & Public Protection efficiencies. Detailed consideration of the Corporate/Back Office efficiencies, complete scrutiny of 2015/16 efficiencies and agree initial conclusions	Spreadsheets: Sustainable Development & Corporate/Back Office efficiencies; Summaries of Panel deliberations thus far
7	Consideration of all efficiency work-streams in their entirety, draw conclusions & agree recommendations	Not applicable
8	Agree report of the Panel.	Not applicable

All documents that were the subject of a desktop review are listed in Section 6.

There was also joint discussion with officers from some services in Meetings 4, 5 & 6 in order to enable the Panel to form a view and conclude on the likelihood of some efficiencies’ fully achieving their targets during the current financial year:

- I. Adults’ Services;
- II. Highways, Transportation & Property;
- III. Planning & Public Protection.

A matrix was developed throughout the review process to summarise the observations and recommendations.

3.3.2 **Inputs:** there were inputs from the following officers during the review:

⁵ Handbook for Scrutiny Members

⁶ PRINCE2

- Head of Function (Resources)/Section 151 Officer;
- Accountancy Services Manager;
- Head of Adults Services;
- Head of Service (Highways, Waste and Property);
- Chief Waste Management Officer;
- Chief Engineer – Traffic & Transportation;
- Head of Service (Planning & Public Protection);
- Chief Public Protection Officer;
- Planning Built & Natural Environment Manager.

3.3.3 **Benchmarking/Independent Opinion:** benchmarking did not form part of the scope of this Scrutiny Outcome Panel.

4. CONCLUSIONS

During Meetings 2 to 6, the Panel examined the work-streams forming part of the Council's 2015/16 efficiency strategy (total of 95 individual efficiencies) underpinned by the following considerations:

- i. Assess the degree to which the efficiency savings had been realised;
- ii. Come to a view around the likelihood of the efficiencies being delivered to timescale;
- iii. Assess the effectiveness of any project management and risk management arrangements that were in place;
- iv. Ascertain the degree to which the actual efficiency work-streams as agreed were being delivered as opposed to use of other funding sources to meet Service targets;
- v. Gauge whether actual levels of savings were in line with projections;
- vi. Identify any outstanding workforce issues that needed to be taken into account.

CONCLUSION 1: there was increased confidence in the robustness of finance systems & working practices supporting implementation of the Authority's efficiencies programme

Panel's observations

- There was increased confidence that systems had been developed during the past year ensuring the availability of more robust information and intelligence, costed efficiency proposals and equality impact assessments;
- The Panel made reference to the need to consider any scope for the further re-engineering of budgets across some areas of the Authority's functions/ expenditure – by centralising the purchase of specific goods or services to ensure better value and introducing a level of scrutiny around actual purchase of goods and services. Centralisation of stationery and energy budgets were cited as examples during the past year. This theme was not pursued by the Panel but was a matter to be referred to the Executive and Senior Leadership Team for further consideration;
- The continuous, annual work programme associated with the Council's efficiencies strategy was considered and it was concluded that its monitoring to the future was a matter for the Senior Leadership Team and Heads of Service.

CONCLUSION 2: a significant percentage of the work-streams were on track to fully meet their efficiency targets by year end

Panel's observations

- The Panel considered the 95 efficiency work-streams for 2015/16, totalling £3,762,700. In light of its deliberations, the Panel summarised an overall position on delivery of the Authority's efficiencies as follows:

POSITION AS AT NOVEMBER, 2015:

80 efficiencies were on track to deliver - totalling £3,220,700 [86%]

2 efficiencies could not be projected (volatile, needs led budgets) - totalling £89k [3%]

13 efficiencies had slipped – totalling £453k. It was expected that £75k of these efficiencies would be delivered plus an additional £50k⁷ - totalling £125k.

This left a projected deficit of £328k [11%] on the delivery of the Council's efficiency work-streams for 2015/16.

CONCLUSION 3: actual levels of savings being delivered were in line with projections with exception to 8 work-streams

Panel's observations

- There was evidence to suggest that there had been a basis of some challenge for efficiency proposals prior to approval by the Council of its 2015/16 budget in that the data/information supporting every efficiency proposal had been scrutinised by Finance colleagues prior to their approval by Elected Members;
- Project management arrangements were only required to be in place for one efficiency – that being Garreglwyd placements. The Panel summarised that there were other efficiencies, either transformational in nature or had significant efficiency targets, that might have benefitted from a project management approach. Examples cited were Waste Management and Lifelong Learning proposals;
- Of the 13 efficiencies where there was a projected underachievement in delivery (totalling £453k), the Panel concluded that 8 of these work-streams would fail to deliver any efficiencies during the current financial year which are summarised in the following table. These 8 work-streams totalled £416k:

⁷ SLT rationalisation work-stream projected to exceed its original efficiency target by £50k during 2015/16

SERVICE	WORK-STREAM	£	REASON FOR FAILURE TO DELIVER WITHIN 2015/16*
I. ADULTS	Môn Enhanced Care Garreglwyd Placements	10k	3
		70k	1, 2 & 3
II. PLANNING	Vibrant & Viable Places	10k	2
III. EDUCATION	Post 16 Transport Breakfast Clubs Increase rental in school caretaker houses Cynnal	50k	3
		171.4k	3
		4k	3
		36k	3
IV. FINANCE	Tendering exercises	65k	3
TOTAL		416.4k	

*Reasons for failure to deliver:

Category 1: failed due to circumstances beyond the control of the Council

Category 2: shortcomings in internal processes

Category 3: initial challenge process⁸ lacking robustness which resulted in unviable projects for 2015/16 being submitted as savings proposals

CONCLUSION 4: there were outstanding workforce issues arising mainly from the Job Evaluation process which had impacted on 3 efficiency work-streams resulting in slippage and projected under-achievement by year end

Panel's observations

- There were outstanding workforce issues pertaining to 3 of the efficiency work-streams:
 - i. Increase rental for school caretakers houses (Education Service);
 - ii. Amendments to working practices at HWRC⁹ (Highways, Waste & Property Service);
 - iii. Management restructure at Penhesgyn (Highways, Waste & Property Service).

These workforce issues had hindered progress resulting in under-achievement of the Waste Management work-streams (£59k) with the Education Service failing to deliver against its efficiency work-stream target (£4k).

CONCLUSION 5: the scrutiny model and approach on budgetary issues should change to the future

Panel's observations

- There were advantages to looking at the shape and form of the scrutiny process to the future so as to ensure focus on the coming year rather than a retrospective look at progress. There was also a clear view from the Panel that there was a need to ensure a better alignment between the budget setting process, corporate performance management framework (Service Reviews), work of the transformation boards and the contribution from Scrutiny. It was noted that the contribution of scrutiny to the future needed to focus on the future vision of services and the impact on the following year's budget;

⁸ Initial challenge process refers to deliberations and challenge of efficiency proposals by Finance colleagues, at Senior Leadership Team and the Executive

⁹ Household Waste Recycling Centre

- The Panel proposed a number of principles in reshaping the contribution made by Scrutiny:
 - i. Integrated, three year cycle linked to transformational efficiencies;
 - ii. A timely, inclusive contribution by Scrutiny to the budget setting process – to include identifying potential efficiency savings;
 - iii. Build upon the existing quarterly monitoring of revenue budgets by the Corporate Scrutiny Committee in order to further strengthen the role of Scrutiny in challenging future efficiency savings.

5. RECOMMENDATIONS

To present the following recommendations for approval by the Executive:

1. There was increased confidence in the robustness of finance systems & working practices supporting implementation of the Authority’s efficiencies programme

NUMBER	RECOMMENDATION
1.1	The Executive and Senior Leadership Team should continue to review the potential efficiencies that can be delivered through the Procurement Strategy.
1.2	Ongoing monitoring of delivery of the Council’s efficiencies to the future should be a matter for the Senior Leadership Team and Heads of Service (Refer also to Recommendation 5.1).

2. A significant percentage of the work-streams were on track to fully meet their efficiency targets by year end

NUMBER	RECOMMENDATION
2.1	The Senior Leadership Team should ensure robust and continued monitoring of the current efficiency work-streams to year end with particular priority to those currently projected to underachieve.

3. Actual levels of savings being delivered were in line with projections with exception to 8 work-streams

NUMBER	RECOMMENDATION
3.1	To the future, ensure robust challenge of efficiency proposals prior to approval by Elected Members - particularly in respect of transformational proposals.
3.2	Ensure sufficient robustness to project management arrangements underpinning significant, transformational efficiency proposals.

4. There were outstanding workforce issues arising mainly from the Job Evaluation process which had impacted on 3 efficiency work-streams resulting in slippage and projected under-achievement by year end

NUMBER	RECOMMENDATION
4.1	To the future, ensure that any workforce issues with efficiency work-streams are well planned and addressed in a timely manner allowing for delivery of work-streams to timescale.

5. The scrutiny model & approach on budgetary issues should change to the future

NUMBER	RECOMMENDATION
5.1	Reshape the Scrutiny input on budgetary matters to: <ul style="list-style-type: none">• Examine the subsequent financial year's budget setting process (rather than a retrospective look) and evidence added value through pre-decision Scrutiny;• Ensure a better alignment between the budget setting process, corporate performance management framework, service transformation and the contribution of Scrutiny;• Focus on the future vision of services and the impact on the following year's budget (within a 3 year cycle);• Further strengthen the quarterly budget monitoring process to include identifying future efficiency savings.

6. BACKGROUND PAPERS/LITERATURE

6.1 Spreadsheets summarising the efficiencies across Council services - Social Services and Housing, Sustainable Development; Lifelong Learning & Corporate Services.

6.2 Summaries of Panel deliberations.

6.3 Minutes of meetings of the Scrutiny Outcome Panel:

- Meeting 1 – 07/09/15
- Meeting 2 – 14/09/15
- Meeting 3 – 28/09/15
- Meeting 4 – 14/10/15
- Meeting 5 – 06/11/15
- Meeting 6 – 19/11/15
- Meeting 7 – 04/12/15
- Meeting 8 – 04/01/16

APPENDIX 1

TERMS OF REFERENCE SCRUTINY OUTCOME PANEL: 2015/15 EFFICIENCY SAVINGS

TERMS OF REFERENCE

SCRUTINY OUTCOME PANEL: EFFICIENCY SAVINGS (2015/16)

This Terms of Reference (TOR) document sets out the working arrangements and the parameters of the work of the re-established Scrutiny Outcome Panel: Efficiency Savings (2015/16).

1. BACKGROUND/CONTEXT

- 1.1 A report on the work of the Scrutiny Outcome Panel: Efficiency Savings (2014/15) was submitted by the Chair of the Corporate Scrutiny Committee to the Executive at its meeting of 20 April, 2015;
- 1.2 In light of its deliberations, the Executive resolved to accept the following recommendations as submitted by the Scrutiny Outcome Panel:
 - Note the analysis by the Scrutiny Outcome Panel (who monitored at Periods 5 and 8 the 2014/15 budget with regard to efficiency savings) which showed that it is unlikely to be achieved in full because it was underachieved in Period 5 by £1.782m and in Period 8 by £1.084m;
 - To take the figures into consideration before setting the 2015/16 Council budget;
 - That future budget setting reporting should contain:
 - A column identifying the impact in real terms on the citizen of proposed savings by services to the corporate centre (which is charged with co-ordinating the annual budget setting process);
 - Identify the savings figure being offered as a percentage of the total budget from which it comes.
 - **That a Panel of Scrutiny Members continues to monitor the savings put up by the service directorates into next year by monitoring on a quarterly basis the 2015/16 budget;**
 - The Executive continues to support the Finance Service in pursuing the system(s) necessary to deliver corporate monthly budget reporting (as other Local Authorities have had for some years);
 - This report may be a useful tool for Heads of Service development in respect of their future savings proposals and/or making bids for new projects to the corporate centre.

2. ROLE, PURPOSE & SCOPE

The role of the Scrutiny Outcome Panel will encompass further examination/scrutiny of:

- The Authority's progress in achieving its 2015/16 efficiencies strategy/targets.

This will be undertaken by posing the following key questions:

- i. Have the efficiency savings been delivered?
- ii. Have the savings been delivered to timescale?
- iii. Are there robust project management arrangements in place?
- iv. What arrangements are in place to manage risks associated with the Efficiencies Strategy?
- v. What are the current risks in terms of meeting our efficiency targets?

- vi. To what degree are the actual efficiencies being delivered as opposed to use of other sources of efficiencies to meet Service targets?
- vii. Are actual levels of savings in line with projections?
- viii. Are there any workforce issues arising that need to be taken into account?

3. MEMBERSHIP

Core membership of the Panel will comprise:

3.1 Membership – Elected Members:

- Councillor R Meirion Jones;
- Councillor Llinos Medi Huws;
- Councillor T Victor Hughes.

3.2 Membership – Officers:

- Richard Micklewright, Interim Head of Function (Resources) & Section 151 Officer (until 28/09/15);
- Marc Jones, Head of Function (Resources) & Section 151 Officer (from 14/10/15);
- Bethan Hughes-Owen, Accountancy Services Manager;
- Anwen Davies, Interim Scrutiny Manager.

The work of the Panel may well necessitate attendance of other Elected Members (eg of the Executive) and/or Officers of other Service areas.

4. CHAIRING

The Panel, at its first meeting, will elect a Member to chair.

5. FREQUENCY OF MEETINGS AND QUORUM

5.1 **Frequency of Meetings** – The Scrutiny Outcome Panel has been established to undertake a specific piece of work on the part of its parent committee the Corporate Scrutiny Committee (refer to paragraph 2, above). To that end, a total number of 8 meetings will need to be scheduled (**APPENDIX 1**) and which will be convened between early September, 2015 and early January, 2016;

5.2 **Quorum** – this will not apply to Scrutiny Panels established by the Local Authority.

6. RECORD OF MEETINGS & REPORTING ARRANGEMENTS

6.1 The Scrutiny Unit will collate and distribute the papers in preparation for each meeting and will prepare a record of Panel meetings;

6.2 A draft report of the work of the Panel will be prepared by the Scrutiny Unit – for endorsement by Elected Members and Officers of the Local Authority.

7. TIMEFRAME

The work of the Scrutiny Panel will be time limited and will aim to prepare its first draft report by December, 2015.

SCHEDULE OF MEETINGS: SCRUTINY OUTCOME PANEL [EFFICIENCY SAVINGS]

MEETING	DATE	VENUE	AGENDA
1	07/09/15 [1.30 – 3.30pm]	Room 1003	1. TOR, Project Plan & setting the scene 2. Agree data/information needs for Meeting 2.
2	14/09/15 [2.00 – 4.00pm]	Committee Room 1	1. Social Services (Adults & Children) and Housing Service Efficiencies 2. Agree data/information needs for Meeting 3.
3	28/09/15 [1.00 – 3.00pm]	Room 1003	1. Sustainable Development Department Efficiencies 2. Agree data/information needs for Meeting 4.
4	14/10/15 [2.00 – 4.00pm]	Room 1003	1. Complete scrutiny of Social Services and Sustainable Development departments efficiencies 2. Agree data/information needs for Meeting 5.
5	06/11/15 [10.00am – 1.00pm]	Room 1003	1. Lifelong Learning Efficiencies 2. Examine outstanding items on Highways & Waste efficiencies 3. Agree data/information needs for Meeting 6.
6	19/11/15 [11.30am – 1.30pm]	Room 1003	1. Corporate/Back-Office Efficiencies 2. Examine outstanding items on Planning & Public Protection efficiencies 3. Complete scrutiny of 2015/16 efficiencies 4. Agree initial conclusions.
7	04/12/15 [9.30am – 12.00]	Room 1003	Consider all efficiency work-streams in their entirety, draw conclusions & agree recommendations.
8	04/01/16 [2.00 – 3.30pm]	Committee Room 1	Sign off Scrutiny Outcome Panel Report.