

**AGENDA ITEM NO.
[Not for publication by virtue of
Paragraph(s) of Schedule
12A to the Local Government Act
1972]**

| ISLE OF ANGLESEY COUNTY COUNCIL | |
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| Report to | Meeting of the Executive |
| Date | 18th February 2013 |
| Subject | Scrutiny observations and feedback on the Executive Initial Budget Proposal 2013-14 |
| Portfolio Holder(s) | John Chorlton |
| Scrutiny Lead Member | Cllr. I Williams, Scrutiny Champion and Vice-chair of the Corporate Scrutiny Committee. |
| Lead & Contact Officer | Bev Symonds, Scrutiny Manager (ext. 2078) |
| Nature and reason for reporting | |
| <p>1.1. This report has been prepared on behalf of the Corporate Scrutiny Committee, in response to the Executive's draft Budget proposal for 2013-2014, outlined in their 7th January, report.</p> <p>1.2 The Ynys Mon/Isle of Anglesey County Council's Constitution stipulates in relation to setting a Budget Strategy: <i>4.3.2.1.3 the Executive's initial budget proposals shall be referred to the Corporate Scrutiny Committee for further advice and consideration. The Committee shall canvass the views of other Committees or of local stakeholders if it considers it appropriate, and having particular regard not to duplicate any consultation carried out by the Executive. The Corporate Scrutiny Committee shall report to the Executive on the outcome of its deliberations within 8 weeks of the publication of the Executive's initial proposals.</i></p> <p>1.3 The aim of the report will be to share the observations and feedback that have resulted from all the Scrutiny Committees, held during January, 2013, where all service directorates were questioned on their suggested savings and growth bids. This report is the collective view of Scrutiny with suggested areas that the Executive may wish to consider, prior to submitting their final 2013-2014 Budget to the Full Council.</p> | |

| A – Introduction / Background / Issues |
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| <p>February 2012 Scrutiny accepted the Interim 151 Officer/Director of Finance report on Financial issues which were scheduled to be scrutinised. The said officer made the following observations to the Members suggestions/comments:-</p> <ol style="list-style-type: none"> 1. Base Budget Reviews were not an option due to capacity issues and held the view that this was not the way forward, rather, that it would be a much more beneficial use of time and resource, to risk assess those key areas where the benchmarks suggest that further scrutiny would be helpful; 2. Scrutiny of the 2013/2014 budget should commence earlier in the year; 3. Community Corporate Priorities submitted to the Improvement Board would be submitted to this Committee for scrutiny; 4. Scrutiny should be risk focused and targeted – key areas of risk are wider than APP. |

This year, in line with suggestion 2 above; Scrutiny Members were involved sooner in consultation on the budget setting process, receiving copies of the Executives Consultation paper on their proposed Budget Strategy, as well as having the opportunities to attend Budget workshops, as part of contributing to planning the Budget Proposal, these were held;- 17th August, 20th November & 4th December, 2012 and 29th January, 2013.

In addition, to workshops and consultation, Scrutiny decided to base its formal role of scrutinising the Executive's Initial Budget Proposal 2013-14, as set out in their 7th January Report, by inviting the relevant Service Directors in for questioning on their savings & growth bid proposals for 2013-14, to the appropriate aligned Scrutiny Committee, i.e. January 2013:

- Monday, 21st – Housing & Social services
- Tuesday, 22nd – Economic Dev. Tourism & Property
- Thursday 24th – Education & Leisure
- Friday, 25th – Environmental & Tech services
- Monday, 28th – Corporate Scrutiny Committee

The Scrutiny Chairs & Vice Chairs met on the 17th December, 2012. to prepare for Budget Scrutiny in the new year, they wished to present a more professional image and expedite proceedings at the public Scrutiny meetings. Working with their Scrutiny Support officers they co-ordinate a line of questions based on the Budget Outturn Report for Q2, and last years budget scrutiny questions and recommendations. In addition, they formulated requests for further information, which they felt was required to assist scrutiny members' consideration of the pending budget proposal. This was all gathered into a Table and sent to SLT and senior finance officers to assist with their preparation before attending the formal Scrutiny Meetings. Each Chairman held briefing meetings for his scrutiny committee members to explain and share the above Table & information received.

This said the Table of questions and further information requests, led to the construction of the **attached Summary Table (Appendix A)** which contains a summary of all the questions and answers received by Scrutiny. It is from this Table and the Minutes of the meetings (which will be a public record) Scrutiny's considerations are based. So as not to duplicate the material in the Table or Minute record, the findings /considerations have been set out under the format headings of the Executives 7th January 2013 Initial Budget Proposal Report.

B - Considerations

1. THE COUNCIL TAX SUPPORT SCHEME

A number of scrutiny members enquired whether £200k was enough, based on the current tax benefit caseload and a proposed 5% increase in council tax, to cover the Council Tax Support Scheme shortfall. They felt the collection rates would drop with the citizens being hit twice with a council tax increase. The Officer explained the figure would be updated in the Quarter 3 report and the WG may not yet pass on the liability.

2. STANDSTILL BUDGET AND BUDGET GAP

Scrutiny accepted that the main areas of uncertainty are still:-

2.1 Changes

- Council Tax Support as outlined above;
- Future of some hypothecated revenue grants to be announced over the next months;
- Inflation on a small number of contracts;
- Out-turn for the current year and its effect on the level of balances - Members sought an educated guess from finance for information (see answer Q38 in appendix A).

2.2 Pressures – as follows;-

- Looked after children
- Pension Auto-enrolment
- Welfare reform,
- School Protection

2.3 From Medium Term Revenue Budget Strategy –

- Additional Job Evaluation Contingency
- Additional Unsupported Borrowing Contingency

Consequently, Scrutiny will need to keep a check on the above to be assured the Executive have amended any current proposed figures, if the areas of uncertainty change.

3. BUDGET STRATEGY

3.1 Savings Proposals

3.1.1 Scrutiny understood not all savings proposals were achieved by all services against the 7% targets set and understood achievability of these savings was mixed, and a number of services found it difficult to offer up sustainable savings and offered more realistic efficiency Savings in future years.

3.1.2 The savings proposals outlined in the 7th January 2013 Executive report at Appendix C, had a long list of potential savings, which also showed a suggested amended target against each Saving based on the achievability of proposals - were discussed and questioned at the various Scrutiny Committees.

3.2 Growth Bids

3.2.1 In a period of cuts to external funding and shrinking budgets across all services, not all Scrutiny Members felt growth bids were appropriate. However, as they received assurance that all had been scrutinized and only key priorities accepted, and those invited were clear in the expectation that only limited growth can be allowed, they accepted it. They noted the main growth issues of demand and response to key pressures are considered separately. They also studied the list of bids as shown at Appendix Ch on the 7.1.13 agenda and noted that only 4 were put forward that is;-

1. Adoption & Fostering Panel representation, and
2. Court ordered Remands, both new burdens for the authority.
3. Transition Working (pilot phase), and
4. Energy Island Programme (EIP) – both coming to an end.

Following some debate on each bid and confirmation that the EIP Bid was £300k p.a. for 3 years thus 900k in total, they accepted it. Some members feeling the EIP is essential to growth on the island suggested maybe more should be allotted. However as they recognised the financial burden of efficiency on other departments was biting - they supported the proposal for the 4 growth bids.

3.3 School Budgets

Scrutiny referred to their work since the Estyn report and that the Education Scrutiny Committee is already monitoring the departments' post inspection action plan, accordingly. There was a

reluctance but acceptance for the need to rationalize schools due to decreasing pupil numbers, to protect the standards of provision for the majority in these hard economic times. Scrutiny Members acknowledged Officers comments re Anglesey's LEA was more generous in comparison to other local authorities re their provision, this was noted and may give scope for consideration for efficiencies in future years.

CONTINGENCIES, RESERVES AND BALANCES

4.1 Contingencies

4.1.1 Scrutiny noted the main assumptions for contingencies in the December report had been updated in the 7th January 2013 report. A number of the Corporate Scrutiny Committee Members were concerned with contingencies figures and the need for so much. The Interim Finance Advisor explained the differences between a 'contingency' and a 'reserve', stating that these were measured amounts required in each budget line. Members acknowledged the difference in financial definition, however stated in lay person terms it was, all monies put aside for a rainy day that could be going on direct service delivery, they were not completely satisfied this was a fair figure in total.

4.2 Reserves and Balances

4.2.1 Scrutiny appreciated the annual report on reserves and balances, were considered by the Executive at its meeting on December 3rd, where it was suggested a small sum could be released from earmarked reserves and that a contribution to reserves would be required. It stated also that these aspects would be kept under review - which Scrutiny was asking they now do. They appreciate too that Reserves are an important component of councils' financial planning and that they are not a silver bullet solution to financial problems. However, Scrutiny's judgments about reserves i.e. to what extent they should be used or set aside to meet either specific or unforeseen future liabilities - can only be made by councillors having regard to advice provided by Chief Finance Officers. The advice given;

"We have to be extremely careful about using one-off reserves to fund shortfalls in recurring funding. Reserves are not a long term solution. At best they buy time to enable service changes to be planned and implemented in an orderly way. In these circumstances it is important that councils explain clearly to the public the actions and implications for services which are expected to follow in the medium and longer term" - is noted.

5. MEDIUM TERM STRATEGY AND EFFICIENCY STRATEGY

5.1 Medium Term Revenue Budget Strategy

5.1.1 Scrutiny welcomed the Strategy for the assumptions relating to inflation, which brought the gap down to £10 million, to protect front line services by ensuring that real efficiencies are driven out of budgets over the three year period. Scrutiny acknowledged that as their priority was to maintain services then a Strategy to buy time to modernize the services, based on reprofiling and deferring contributions for time sensitive spending; applying for capitalization directions to spread the cost of equal pay compensation as appropriate; deferring contributions to earmarked reserves on a one off basis – was sensible.

5.1.2 It noted Ynys Môn is planning significant transformation for some of its services, particularly in response to demographic pressures and regulators reports and to improve the delivery of services for the future – Scrutiny feel it will be imperative that they take a much more active role in tracking and monitoring the progress of the Transformation Programme, through its individual committees, in comparison to sitting back when the APP programme was rolled out 2 years ago.

5.1.3 Scrutiny accept the decisions made in preparing the standstill budget and subsequently

reducing the 'gap' that this would need to be re-visited and reviewed through 2013-14, and in preparing the budget for 2014/15, having allowed some time in 2013-14 to implement transformational change - This statement then, also supports the view of Scrutiny i.e. the need for Scrutiny to be monitoring at least quarterly the transformation progress v estimated budget savings.

5.2 Efficiency Strategy

5.2.1 Scrutiny acknowledges the on-going preparation of the 2013-14 budget, alongside a programmed of work, looking at the development of an efficiency strategy to cover a further three years to correspond with the term of the new Council.

5.2.2 They note and agree, recent Service Reviews, undertaken on all services, that included Heads of Service, senior officers and politicians and finance and policy officers have been useful. The fact that the service reviews considered; the vision for each of the services, the transformation needed to deliver on the vision, opportunities for efficiencies, effectiveness and external collaboration and opportunities to work smarter and collaborate internally to improve delivery- will be a good 'source' to continue with scrutiny monitoring. Plus receipt of updates on the required further work mentioned in the report as needed to quantify some of the efficiencies to be gained from transformation and to deliver the level of savings needed for the next 4 years.

5.3 Programme Management Arrangements

5.3.1 Scrutiny welcomed that the Council had been working with a number of Partners to develop an Operating model to develop a Transformation Plan. They felt in not tracking APP more closely we incurred slippage, and we cannot afford for this to happen again, putting a further strain on budgets on already difficult budgets for year 2 & 3, Scrutiny feel it imperative that delivery of the Plan and thus agree with the suggestion of setting up a Programmed Management Office. As stated in the 7th January 2013 report paragraph 5.3.2, which outlines the 2 initial '90 day cycles,' of intense programmes of work with tasks and accountabilities identified in detail and the proposed governance arrangements – Scrutiny would wish to monitor the work of the 3 proposed new Transformation Programme Boards, and the efficiency strategy, this will be managed through the Programmes.

6. OPTIONS FOR A PROPOSED BUDGET PACKAGE

The following are the draft recommendations taken from the draft Minutes of all 5 Scrutiny Committees consideration of the budget proposals.

Note: these are draft Minutes until agreed at the next formal meeting of each of the relevant Scrutiny Meetings (next held between 25 Feb & 4 March, 2013).

Monday, 21st – Housing & Social services Scrutiny Committee:

IT WAS RESOLVED: –

- To accept the Executive's initial proposals for the 2013/14 budget as presented in the Budget consultation document.
- To note and accept the Social Services proposals for identifying savings of £812k for 2013/14.
- To note and accept the Housing Services' proposals for identifying savings of £66k for 2013/14.
- To accept and support the Social Services' growth bids for 2013/14 as set out in the budget Consultation document.

ACTIONS ARISING:-

- Scrutiny Officer to collate the Committee's views on the initial 2013/4 budget proposals for presentation to the Corporate Scrutiny Committee prior to its formulating definitive proposals.
- Director of Community to liaise with the Communications Officer to arrange for publicity to highlight Home Carers' commitment to their clients in the recent adverse weather.
- Head of Function (Resources) to provide the Chair with a written response to the questions regarding service overspends and level of reserves.

Chair - Councillor Lewis Davies.

Tuesday, 22nd – Economic Dev. Tourism & Property Scrutiny Committee:

IT WAS RESOLVED :-

- To accept the Executive's draft budget proposals that the Economic Development Service should find efficiency savings of £86k in 2013/14 and that the service's growth bid for £300,000 (to contribute to the Energy Island Programme) be approved;
- To agree that the Property Service should find efficiency savings of £239,000 in 2013/14 and that the service growth bids should not be approved;
- That the Executive should reassess the provision of public and private toilets on Anglesey.

Chair - Councillor J.V. Owen

Thursday 24th – Education & Leisure Scrutiny Committee :

IT WAS RESOLVED:-

- To note with reluctance, the savings proposals presented by the Lifelong Learning Department and the Leisure and Culture service of the Community Department as set out in the Meeting the Challenges 2013/14 Budget Consultation document.
- To convey to the Executive, the Committee's grave concerns regarding the impact on the Library and Youth Services of budgetary cuts of 7% with the strong recommendation that those services are not required to implement savings at 7% in 2013/14 and that they are afforded budgetary protection in 2014/15.
- In light of the financial pressures on local authority budgets, to ask the Executive to give clear support and direction to the Director of Lifelong Learning to continue with and expand upon the Schools Modernisation Programme into future years with a view to establishing subject to identifying the availability of resources, an educational strategy for Anglesey based on a reduced number of schools and a pattern of modern area schools.

ACTIONS ARISING:-

- Scrutiny Link and Support Officer to collate the Committee's views regarding the initial 2013/14 Budget proposals for presentation to the Corporate Scrutiny Committee at its meeting scheduled for 28 January, 2013.
- Scrutiny Link and Support Officer to liaise with the Communications Officer to clarify with

the public press the background to the savings proposals with particular reference to those presented by the Youth Service.

Chair - Councillor Derlwyn Hughes.

Friday, 25th – Environmental & Tech Services Scrutiny Committee:

IT WAS RESOLVED :-

- To accept the draft proposals in respect of the 2013/14 budget but concerns were expressed to the reducing within the highway maintenance budget;
- That the provision of public conveniences on the Island should be reassessed with Town/Community Councils, together with local organisations, encouraged to take over and manage the toilets. Private businesses should also be encouraged to participate in the scheme to allow the public to use their public conveniences within their premises.

Chair – Councillor Keith Evans.

7. Minutes of the Executive 7th January Budget Proposal Report:

7.1 Scrutiny noted the outcome of the Executives initial budget report meeting, the minutes agreed the standstill budget and other budget information for the final settlement so the budget gap became £2.845m for £ 2013-14 as opposed to the provisional sum of £3.45m referred to in the report.

| C – Implications and Impacts | |
|-------------------------------------|---|
| 1 | Finance / Section 151 |
| 2 | Legal / Monitoring Officer |
| 3 | Human Resources |
| 4 | Property Services (see notes – separate document) |
| 5 | Information and Communications Technology (ICT) |
| 6 | Equality (see notes – separate document) |
| 7 | Anti-poverty and Social (see notes – separate document) |
| 8 | Communication (see notes – separate |

| C – Implications and Impacts | |
|-------------------------------------|--|
| | document) |
| 9 | Consultation (see notes – separate document) |
| 10 | Economic |
| 11 | Environmental (see notes – separate document) |
| 12 | Crime and Disorder (see notes – separate document) |
| 13 | Outcome Agreements |

| CH - Summary | |
|---------------------|---|
| 1. | The Scrutiny Members are supportive of the overall saving strategy.----- |
| 2. | They view the differential percentage savings rates being applied as fairer than a blanket % due to the differing sizes of the directorates and the amount of previous year's efficiencies that were met. The capacity of services with small budgets cannot continue to take salami-slicing cuts and as such Scrutiny supports the proposal to give time for transformation of these services. They also agree that more time be given for the high risk large statutory services to transform. They now hope these services will start making inroads into re-modelling service provision without affecting current service delivery and meeting expected increasing demand. The proposed Strategy is a hybrid process, looking for 7% across the board was to give options to enable flexibility and provide a strategic view. |
| 3. | Scrutiny members on the whole agreed the proposal of allowing some services, namely; Education/ Leisure, Social Services and the Corporate centre the time in 2013/14 to transform, with the caveat that transformation projects must be closely monitored to ensure delivery. |
| 4. | Scrutiny members believed that savings proposals put forward by the Sustainability Development Directorate covering road maintenance, public conveniences and bus routes needed to be considered carefully before implementing them. It was felt that cutting highway maintenance would lead to larger costs in the future as two bad winters have |

resulted in serious deterioration of the Island's highways.

5. In addition, it was suggested a reduction in savings required of the Libraries and Youth Service be looked at again.
6. With regard to the growth proposals Scrutiny agreed with the rejection of 17 bids and supported the 4 remaining bids proposed - Children Services (adoption & fostering panel), continued 3 years funding for Energy Island, Court Order Remands, and the 1 year Transformation transition working, total £383,890 this year 2013-14, and £300k in the following year 2 & 3.
7. Scrutiny want to see a more long term strategic approach being developed to create a Capital Programme. This work should start immediately. Asking for members opinions on a list of areas for capital investment that have not been costed or prioritised by officers was not seen as proper consultation by members. A comprehensive bidding framework should be put in place that allows all stakeholders to have a meaningful input. Will a costed and prioritised capital budget be available for consultation this year?
8. On the whole the suggested council tax rate increase was seen as a bit excessive and regrettable in an election year. The Budget Consultation document's suggested that this 5% was repeated for a further 2 years - Scrutiny do not support this suggestion at this time. A minority of Members suggested for this year a lower amount of 4.75% or 4.95% as a more palatable proposition. A few scrutiny members have requested further details on the reasoning behind putting £500,000 back into general reserves and how the Welsh Government's u-turn on providing extra funding for council tax support will alter the draft budget.
9. As mentioned above Scrutiny members would like it explained why officers are planning to put £500,000 back in general reserves, specifically in the light of Anglesey having the highest general reserves as a percentage of gross expenditure in 2010/11 out of all the Welsh L.A.s (*Source: W.A.O., L.A. Reserves & Unsupported Borrowing – research paper for Welsh Government July, 2012*).
10. Other general areas raised/suggestions for future consideration by the Executive:-
 - I. Make inroads into the debt on the authority's books, long term borrowing currently at £96k.
 - II. Undertake a piece of work to look at the option of prudential borrowing on the Smallholdings, as interest rates are current so low, use to bring the Estate up to repair and thus increasing future saleable prices.
 - III. Undertake work to ensure we have good tracking and governance arrangements in place for the work of the Partnerships, we need to monitor performance re VFM, to protect Anglesey's interests.

D - Recommendation

Monday , 28th – Corporate Scrutiny Committee:

RESOLVED –

- To note the 2013/14 draft Budget proposals as presented.
- To authorise the Chair in consultation with the Scrutiny Manager and Scrutiny Steering Group to formulate a formal scrutiny response to the Executive's Budget proposals.

ACTIONS ARISING:

- Scrutiny Manager to co-ordinate the formal scrutiny response to the Executive's initial 2013/14 Budget proposals.
- Head of Function (Resources) to circulate to the Members Quarter 3 data regarding the level of reserves and balances once the information is available.
- Head of Function (Resources) to provide Members with a written explanation for the proposed £500k provision to replenish reserves.

In the Chair: Councillor Ieuan Williams (Vice-Chair)

This report contains the result of the 'Actions Arising' and presents the views of Scrutiny as a whole,as outlined in 'CH – Summary' above, and commends this report to the Executive as its formal response to the executives initial Proposals for the 2013-14 Budget.

Name of author of report: Scrutiny Champion & Vice-Chair of Corporate Scrutiny Committee

Job Title (assisted by): Scrutiny Manger (BASymonds)

Date 6th February, 2013

Appendices:

A - Summary Table of all the questions and answers received by Scrutiny

Background papers

- Minutes of all the Scrutiny Committees held 21st – 28th January 2013.
- IOACC Meeting the Challenges Budget Consultation 2013/14
- Executive Meeting 7th January, 2013 – Initial budget proposal 2013-14 report
- IOACC Statement of Accounts (past 3 years)
- Council Constitution
- IOACC Board of Commissioners – Quarter 1 Capital /Revenue reports
- Executives – Quarter 2 Capital/Revenue Report.
- General papers from budget workshops, service plans etc.

| REF : | BUDGET SCRUTINY [Following receipt of Executive budget proposal reports 19/11/12 & 7/1/13]. KEY Q = QUESTION(s)...OR R = REQUEST FOR FURTHER INFORMATION: CROSS-CUTTING DIRECTORATE QUESTIONS & REQUESTS (R.1-7 & Q.1-14): | Responsible officer: | SUMMARY ANSWERS |
|-----------------|---|----------------------------------|---|
| Q1 R1 | At the Portfolio Holders & Senior Leadership Team Workshop (20 th November 2012) a process of DEVELOP, SHARE, CHALLENGE & IMPROVE was undertaken for planning the 2013/14 Budget. Following this workshop the Service proposals were to be amended/improved following the challenge and feedback received Q - Were these shared with Members at the workshop held on the 4th December 2012? R - If not, can we see these? | All | Yes the responses informed the material for the 4 th December workshop. The scoring that took place was in the bundle of requested information, shared at the Corporate Scrutiny Committee meeting held Monday 28 th January, 2013. |
| R2 | At the Budget workshop on the 4/12/2012, officers from each service area presented a 4-minute outline of the savings they were proposing in order to reach the corporate request for 7% efficiency savings on their current budget. Alternatively they offered reasons why they could not identify the requested level of savings (which would result in direct service cuts from staffing budgets). R - It would be useful for us to have a hard copy of these presentations i.e. written form | All | Have received only Legal & Committee Services Summary in writing and copy of the Energy Ireland proforma for a growth bid of £300k p.a. for 3 years. IT WAS Explained that these presentation contained very detailed cuts & savings options and thus was confidential. All the scrutiny meetings had the option to move into part II to discuss confidential material. None of the Committees took this option instead choose to ask questions re the said detail on the options, in public and answers provided by the relevant Service Directors. Minutes of each Scrutiny meeting will be a matter of public record. |
| R3 | A breakdown of any proposals made providing additional detail behind any figures, rather than previous years practice i.e. Social Services - £1.2m. | All | There was a detailed pro-forma submission behind every proposal and the savings options put forward. |
| R4 | Can you look at the 3 year statement of accounts, to provide us with ... a – any service specific trends identified showing overspend and under-spend , b - cost of use of Consultants over the past three years and any reduction, c - numbers of redundancies made in each of the past 3 years. (How does this compare <i>against numbers of staff currently employed?</i> *). d - How much have these redundancies cost? How much has been saved in comparison with the number of staff employed over the past three years i.e. saving on staffing budgets, e - staff budget line variances. to be continued...and added to, from service areas. | From Finance&/or HR data systems | The following was provided for all the Corporate Scrutiny Committee Members, for their consideration;- a. A copy of three years outturn: 2009-10, 2010-11, 2011-12. b. Consultancy costs (FOI report: 2005/6, 2006/7 2007/8, 2008/9, 2009/10) c. Redundancy costs for: 2010/11, 2011/12, 2012/13 d. Staffing Costs for: 2009/10, 2010/11, 2011/12. e. Numbers of Staff by dept & total for one year f. Summary of budget position Head of Function (Legal & Administration), g. Legal & Admin.'s; staffing structure and posts lost in past 2years, fees paid externally for legal work as oppose to internal hourly rates, & their Risk Register. |

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| R5 | *Staffing numbers in each service area? | Director | As in (e.) above. |
| R6 | Most of the proposed saving or direct cuts will have an associated risk - are we able to know the risks associated with each one prior to accepting them? <i>(We assume, they were included in the presentations to the workshop - see R1& linked Q2).</i> | Directors | Risk Register on line for Members, all risks were assessed in the detailed service proposal meetings with service Heads and their relevant accountants. These meetings and a combination of reviewing the service plans and the first workshop helped frame the Executives initial proposal for the corporate budget. |
| R7 | Can we please have the breakdown of costs associated to statutory and non-statutory services? | Finance | A comprehensive breakdown of this split is not immediately available. The question is also complicated by the fact that some services contain both statutory and non-statutory elements, and that even where provision is statutory, there is usually an element of discretion and choice in the level to which the service is provided and how it is provided. It is worth noting that both Public Conveniences and Economic Development are discretionary services. |
| Q2 | Do all your proposals fit with the corporate direction for IOACC? | Directors | Yes. |
| Q3 | Are the proposals achievable and sustainable? | Directors | In general – Yes, as this is the cornerstone of the proposed budget strategy. Specifics – At the Housing & SS Scrutiny Committee – Officers stated It is accepted that Social Services have to make savings due to the difficult financial outlook faced by the Council. In addition, it was emphasized that savings are being sought under challenging circumstances, as the nature of services provided are statutory in nature and demand led. Achieving the savings over the next financial year will be extremely difficult and success cannot be guaranteed. |
| Q4 | Are the proposals sufficiently ambitious and challenging? | Directors | This was to be answered by going through the process. The proposals for Social Services are both ambitious and challenging. It requires a transformation in the way which services are provided. The saving proposals are extremely challenging, as historical savings under the Affordable Priorities Programme have to be achieved as well as savings amounting to £812,000 under 2013-2014 budget proposals. |
| Q5 | Is there any conflict or benefit to your Portfolio proposals? | Directors | This is the process, no service/portfolio came up with a set of budget proposals without difficult decisions and many not deferred asking for planned stay of efficiencies. |

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| Q6 | Re: the 7% savings requested for 2013/14 budget, does this include the savings from the previous APP or are these additional savings on top of the APP proposals? | Directors | It does. Savings previously programmed under the APP now form part of the base provision for individual services, plus a total of £480k (£150k in respect of procurement and £230k for staff travel) which appears as a separate line in Appendix A of the Consultation Report. Since then, adjustments have been made against contingencies, etc to reduce the staff travel item to £105k in 2013-14, and to reduce the expected savings for Social Care by £250k. |
| Q7 | What were your APP saving proposals for 2012/13 and how much would be saved? | Directors | To answer this question would entail a separate piece of work. [SUGGEST WE NEED TO RE-WORD THIS] |
| Q8 | How much of the APP savings or otherwise have been achieved over the last two years? | Directors | To answer this question would entail a separate piece of work. [SUGGEST WE NEED TO RE-WORD THIS] |
| Q9 | How many of the APP proposals are you still pursuing? Are they achievable? | Directors | To answer this question would entail a separate piece of work. [SUGGEST WE NEED TO RE-WORD THIS] |
| Q10 | Has an audit of staffing levels been conducted to identify any potential overstaffing in some areas? | Directors | To answer this question would entail a separate piece of work by HR. |
| Q11 | Has a skills audit been carried out to allow staff to be transferred internally rather than advertise vacancies externally? | Directors | To answer this question would entail a separate piece of work by HR |
| Q12 | When would, any proposed savings need to be implemented to have any effect on the 2013/14 deficiency? | Finance | Most of the proposals are for implementation from 1 st April 2013 for full year effect to be achieved by 31.3.14. A small number (eg School Meals) are based on implementation part way through the year. |
| Q13 | Is there a cap on growth bids i.e. maximum amount that can be bid for? | Finance | No, not appropriate to have a cap. Assessment of need & risk determines approval. In total the bids game to £384k p.a., thus economic development is 75% of the total. |
| Q14 | What is the redundancy tolerance level before services are adversely affected? When would these need to be implemented? | Director | This would show up in the process via the Directors and Heads of Service business plans and risk assessments. |

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| <p>Q15</p> | <p>Housing & Social Services Scrutiny Committee –21.1.13.(11am)</p> <p>What mitigation procedures are proposed to deal with potential non-payment of rents following the welfare reform?</p> | <p style="writing-mode: vertical-rl; transform: rotate(180deg);">Dir. Com./ + Head Housing/ Finance</p> | <p>(The Head of Service (Housing) was not able to be in attendance at the Housing and Social Services Scrutiny Committee to answer this specific question)</p> <p>The Welfare Reform Act will come into force during March 2013. The key changes under the Act is the reduction of council tax benefit (to be replaced with a council tax reduction scheme), the reduction in housing benefits and the rolling out of a universal credit to replace other existing benefits.</p> <p>In respect of the introduction of the new Council Tax reduction scheme the Council predicted a shortfall of approximately £ 200,000 and under the budget set aside this sum. On the 18/02/13 the Welsh Government announced that it would fund the full cost of the Council tax reduction scheme. Further clarification will be required from the Welsh Government before the sum set aside can be used for other purposes.</p> <p>In respect of possible non-payments of rent due to changes introduced by the Welfare Reform Act it was confirmed that provision is made in the Housing Revenue Account to deal with non-payment of rents. The sum is considered adequate at the moment.</p> |
| <p>Q16</p> | <p>PROPOSED SAVINGS/ Housing Service: -£5,000 - Replace existing photocopiers with more modern equipment, 'all in one machines' - why isn't this being run out corporately to replace all the majority of photocopiers in the building? Are these cheaper in the long term in relation to toners etc.?</p> | <p style="writing-mode: vertical-rl; transform: rotate(180deg);">Director Housing Com. Head</p> | <p>(The Head of Service (Housing) was not able to be in attendance at the Housing and Social Services Scrutiny Committee to answer this specific question).</p> <p>It was confirmed that the Council as a whole is anxious to achieve savings through its corporate procurement initiatives.</p> |
| <p>Q17</p> | <p>Environment & Tech Services Scrutiny Cttee – 25/1/13, (10:30am)</p> <p>Is there a budget to deal with any legal proceedings from late decisions on wind turbine planning applications?</p> | <p style="writing-mode: vertical-rl; transform: rotate(180deg);">Dir. Sustainable Dev</p> | <p>The Authority has 56 days to deal with any applications that are submitted. These are subject to appeal as part of normal procedures. There is a small budget to deal with costs of any planning appeals lodged however no specific budget for wind turbine applications. Hasn't really been considered – advice given to Finance is that there isn't a big enough risk to identify a specific budget.</p> <p>Portfolio holder for Planning believes that following the Council meeting of the 24/1/2013 the risk has increased.</p> |

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| Q18 | Have any of the closed public toilets been sold? How much capital receipts were gained and where has this money gone? | Director | <p>6 public toilets closed following Scrutiny Panel review – 1 has been transferred to an individual in Brynsiencyn to be run as a toilet however the purchaser is delaying the process by not committing to taking over the lease. The other 5 have not been sold (no interest in Llanerchymedd; 20 interested parties for Menai Bridge Pier; Planning application in on South Stack – expected to fetch £100k on open market)</p> <p>Of the toilets that were already closed (3 locations) there has been some interest in the toilet in Amlwch.</p> <p>Any capital receipts gained will be put into central pot.</p> <p>Discussions held with Beaumaris Town Council and CADW re: Castle toilet;</p> <p>Economic Development grant as a spend to save initiative will spend £30k on renovation of toilets at Cemaes Bay (Beach) with the Community Council then happy to take over the running of the toilet once the work is complete.</p> |
| Q19 | Given that Waste Management has historically been under spent should they be asked to identify 7% savings on an already lean budget/expenditure? | Director/ Finance | <p>High budget when compared to other services i.e. Social Services or Education.</p> <p>Historic underspend has occurred due to success in the re-cycling service</p> |
| Q20 | PROPOSED SAVINGS/ Public Protection: -£100,000 - Proposed staff restructuring - how are they being re-structured? How many posts are proposed for redundancy? Breakdown needed | Director /HP&PP | <p>Saving found through change in way of working i.e. focused visits rather than on an area basis. An element of the saving is linked to flexible retirements to reduce redundancy costs and an amalgamation of Environmental Health and Trading Standards</p> |
| Q21 | <p>Economic, Tourism & Property Scrutiny Cttee – 22/1/13 (10:30am)</p> <p>GROWTH BIDS/ Energy Island Programme (EIP) -£300k - How is this proposed to be spent?</p> | Head Ec:Dev | <p>The funding is required to proceed with the Energy Island Programme Business Plan. More information is contained in the growth bid pro forma. The bid is for a 3 year period (2013/2014 to 2015/2016).</p> <p>(The importance of the Energy Island Growth bid was emphasised by Members. Some Members of the Committee questioning if the financial amount requested was high enough).</p> |

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| Q22 | Is further investment actually needed in this area with any benefits coming from the Wylfa Nuclear new build happening regardless of whether the Authority spends an additional £0 or £1m on the EIP? | Head Ec.Dev/ Director | The question was not asked at the Economic Development, Tourism and Property Scrutiny Committee. Asked in 29.1.13 workshop. Answer: Directorate growth bid proformer was provided for Members. It detailed the need to facilitate the pass porting of job creation for Anglesey, it would be a dereliction not to plan for a major development being sited on the Isle, and start to plan infrastructure required etc for the benefit of the citizens of Anglesey not to be led by the developer. |
| Q23 | PROPOSED SAVINGS/ Property Service: -£109,580 - Proposed Team Restructuring – This is a very specific figure suggesting proper plans are in place, what is being proposed? How many redundancies? Breakdown needed | Head of Property | The restructuring will lead to the deletion of vacant posts and retirements with possible redundancies. There will also be amalgamation of teams within the service. |
| Q24 | Education & Leisure Scrutiny Committee – 24/1/13 (2pm) Should the Shell fund be used to pay for Oriol Môn? Can it be used to provide funding for Amlwch Leisure Centre/Library thus reducing the cost to the Authority? | Finance | Not eligible |
| Q25 | The Education Support Service on a regional basis was identified as saving £50k in 2013/14 – Is this going to be achieved? | Lifelong Learning | The saving is achievable and the Director is confident that the saving will be achieved |
| Q26 | School rationalization – How much saving has been achieved from this process so far? Has there been an analysis of the potential redundancy costs from proposed closures at Holyhead and South East Anglesey? How does this compare to the savings made? | “ | n/a |
| Q27 | Are there additional costs associated to the Post Estyn Inspection Action Plan ? How have these been factored in? | “ | There are two areas that will incur additional costs: 1 new post to assist in raising standards (3 years post) = £80k (Been agreed to come from central improvement grant) ; 1 new post to increase attendance rates (Welfare Officer) = £40k Total = £120k |
| Q28 | PROPOSED SAVINGS/ Leisure and Culture -£48,000 - Income raising opportunity: 'Drawn to the Light', Sir Kyffin Williams and Venice, 2013 exhibition - How has this figure been arrived at? Is it based on historic Kyffin Williams exhibition income? | Dir. LL +H of Leisure | Oriol Môn going to pilot charging visitors for the first time for a 6 month period during a big exhibition. |

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| Q29 | How much is the Education Recovery Board costing the Authority? | Lifelong Learning | 5 Members of the Board and 1 Support Officer Holding monthly meetings for a period of 18 months – Total cost including travel and expenses circa £150k |
| Q30 | Like to see the savings made to date on rationalization of IT equipment e.g. how many printers now print both sides, how many in total have we reduced by? Corporate Scrutiny Committee – 28/1/13 (2pm) | DCE/ Head I.T. | Corporate 28.1.13 |
| R8 & Q31 | How much has the occupational health contract cost us? How much has the sickness rates reduced? (to answer this need sickness rates for past couple of years for comparison purposes). | DCE | " = |
| Q32 | Should a review be conducted of the APP? | | " = Refer to answer for questions 7-9. |
| Q33 | What services have been ring fenced? | " | " = Depends on definition of 'ring fenced', the Minister confirmed he wished schools to be protected for a further year. Education continues to have a significant overspend on the integration budget & has had for a number of years, if this level continues in 2013-14 it will absorb the protection afforded to schools. Thus, all areas were examined. No one service made the 7% requested efficiency. Sustainable Development Directorate came the closest. With Social Services, Education and Corporate all making bids for less at this time. |
| Q34 | PROPOSED SAVINGS/ Deputy Chief Executive -£20,000 - Reduction in total cost of Members' Allowances (end of intervention/reduction in number of Members) - The figure seems low given that the number of Members will be reduced by 10 i.e. approximate allowance is circa £13,500 (basic), multiplied by 10 this equates to £135,000 - where has the additional £115,000 gone? | " | " = Note: The independent Remuneration Panel for Wales determine a mandatory national scheme for setting Council Members allowances. This year Anglesey Council is required to introduce a scheme which is about 13% higher than current allowances. However, the member numbers after the May Election will come down from 40 to 30 Members. It is up to individual Members whether to take up an allowance. |
| Q35 | As the Executives Initial proposals for the 2013-14 Budget identify various savings proposals, does this mean that savings identified under the Affordable Priorities Programme now lapse and are superseded by the new saving proposals once they are agreed to by the full Council on 5 March 13? | " | " = No |
| Q36 | What is the projected overspend by the end of the financial year 2012-2013? | Finance | " = This will be in the Quarter 3 Budget report for the Executive on 14 th February. The report is still being finalized, but will show a reduced overspend compared to that reported for Quarter 2. |

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| Q37 | Will any overspend be offset against the Council's reserves? | = | " = Yes. Depending on which services the final overspend occurs in, some of it may be funded from Earmarked Reserves, but the main source of funding will be general balances. |
| Q38 | What is the projected level of general revenue balance at the end of the 2012-13 financial year? | = | " = Approximately £4.4m which is lower than the required level. Consequently the proposed budget includes a £0.5m contribution to replenish balances, as well as a transfer from earmarked reserves of approximately £0.1m. |

NB: SUMMARY ANSWERS to all the above questions to be added to the Table after all the relevant Scrutiny meetings have met.