

ISLE OF ANGLESEY COUNTY COUNCIL

Report to:	Meeting of the Executive
Date:	10th February 2014
Subject:	Scrutiny Observations & Feedback On The Executive Initial Budget Proposal 2014-15
Portfolio Holder(s):	Councillor Hywel Jones
Scrutiny Lead Member:	Councillor Meirion Jones, Scrutiny Champion & Chairman of the Corporate Scrutiny Committee.
Lead & Contact Officer:	Bev Symonds, Scrutiny Manager (ext. 2078)

Nature and reason for reporting

1.1. This report has been prepared on behalf of the Corporate Scrutiny Committee, in response to the Executive's draft Budget proposal for 2014-2015, outlined in their 16th December 2013, report.

1.2 The Ynys Mon/Isle of Anglesey County Council's Constitution stipulates in relation to setting a Budget Strategy: 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.

1.3 The aim of the report will be to share the observations and feedback that have resulted from both Scrutiny Committees, held during January, 2014, 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 2014-2015 Budget to the Full Council.

A – Introduction / Background / Issues

Last year the Interim 151 Officer/Director of Finance responded to scrutiny's report on the then budget proposal, by making the following observations to the Members comments:-

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 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.

For this year 2014-15 budget scrutiny, Scrutiny Members were involved in a Finance Workshop, 22 November 2013, where the 151 Office updated Members on the continuing financial constraints from central and Welsh Government. Various heads of service were present to explain possible savings they could make in their relevant budgets areas. Officers were keen to gather intelligence on the political buy in for various options. Members were asked re;-

- a) Willingness to consider all elements of a service, to make cuts
- b) Provide suggestions re increasing income
- c) Delivery of services in a different way.

Scrutiny views /outcome from the workshop:-

Positive meeting: looking for solution mainly, rather than blame.

Principles accepted by the Members

1. **Should not be providing service that are a making loss**
2. **Should not re- engage anyone who has left with redundancy or pension payment**
3. **Should not employ anymore consultants**
4. **Tackle 'demand led', start to work customers out of system, not create dependency**
5. **Certain services a LA should not be delivering in such hard times stick to priority services examples provided;**
 - Golf course & range,
 - Canteens in council owned buildings,
 - Cabin Offices and Parc Mount in Llangefni, and
 - *leisure centres and libraries in the numbers we have them.
6. **Sell land off * or sell as a going concern for private sector to deliver**
7. **Acceptance of Area schools with one Head teacher, & combining Primary with a Secondary Sch**
8. **Public Protection Service well place for regional or shared service delivery.**
9. **For Support Services e.g. HR, Policy, Performance, Democratic Services - look at following Legal's shared specialism provision with the other 5 N.W.L.A.'s**
10. **Introduce a % staff cut figure(not % efficiency saving) over all services it will focus all services - to only provide the essentials , no frills**
11. **Develop systems (IT) to retain service despite post cuts**
12. **Sickness big cost – entre tough negotiations locally/nationally NOW to save jobs down the line**
13. **Overtime stopped**
14. **Income generation –examples provided; Building reqs , Car parking , planning fees -bigger development**
15. **Putting blame to one side and moans that all this should have been done 2-3years agoConsensus is; Decisions need to be made now! Not have the luxury of now bringing in new posts to sort research data etc, (e.g. welfare reform and transformation units) utilize own staff & other authorities work who set out on the transformation journey earlier.**
16. **Strong leadership required now**
17. **Cut civic budget by 75% , maintain presence but within restricted budget**

- 18. Strong consistent messages need to be agreed and a corporate communication campaign to explain the consequences of Council' actions to save as much of Anglesey's SERVICES not Posts per say.**
- 19. As asked for Voluntary Redundancies , don't be too hasty to say no, could bump across some staff with skill and support – 'Staff flexibility' is key**
- 20. A number of pieces of work would be required to take these ideas forward quickly**
- 20.1. **Maritime** - are we making best use of wardens, if we linked blue flag to tourism could we reduce?
- 20.2. **Leisure Centres** – closures, work on now, data required re e.g: (a) distance customers have to travel taking in neighbouring authority provision too, (b) sell off some centres now to enable us to establish a long-term tourism strategy, aiming say for a new build swimming pool later, funded from Communities' monies or inward investment once Wylfa in. (c) using the building(s) for more than library service (d) look how Beaumaris succeeded see if could be replicated elsewhere.
- 20.3. **Education** – remodelling of Youth service looking at alternative provision

Response back from Committee Members to draft workshop note, provided only these said exceptions ;

No.3 - 'Should not employ anymore consultants'. Sometimes consultants are essential and can provide value for money. However I do feel that the Council employs consultants too readily. Some have been working in Council departments for a number of years. Perhaps what is needed is to review the current employment of consultants and introduce a more rigorous and transparent process for authorising their appointment in future.

No.10 - 'Introduce a % staff cut figure over all services'. I agree that all services need to go through this pain barrier. However some services will already be more or less cut to the bone whilst others may still have some meat on the bone. I think that it would be too simplistic and possibly counter-productive to apply the same percentage figure across all departments.

No.14 - 'Income generation'. I have reservations in relation to car parking, specifically in respect of town centres. A number of studies have shown that car parking charges can act as a dis-incentive for shoppers and therefore inhibits town centre re-generation.

FORMAL BUDGET SCRUTINY QUESTIONING: Next, Scrutiny decided to base its formal role of scrutinising the Executive's Initial Budget Proposal 2014-15, as set out at the Executive 16th December meeting, by inviting the relevant Portfolio Holders, Service Directors and Heads of Service in for questioning on their savings & growth bids, to the appropriate aligned Scrutiny Committee, January, 2014:

- 14th (Tues) - Corporate Scrutiny Committee, &
- 15th (Wed) – Partnership & Regeneration Scrutiny Committee

To prepare for Budget Scrutiny, training session was set up (specifically for the new Members) on scrutiny of the Budget, from the Scrutiny manager and Finance officer, using the budget monitoring Q2 out-turn reports as base data. In addition, the Centre of Public Scrutiny also provided training in Llandudno; both sessions were conducted in November. Scrutiny wished to present a more

professional image and expedite proceedings at the public Scrutiny meetings. Consequently, working with their Scrutiny Support officers they coordinated a line of questions based on the initial Budget proposal and the official consultation document to the public. The Corporate Scrutiny Committee also held a committee briefing of an hour and half before their 14th January meeting, to co-ordinate their line of questioning. Scrutiny's report findings/considerations are based, so as not to duplicate the material in the Table or Minute record, and have been set out under the format headings of the Executive's Public Consultation Document, January 201, Initial Budget Proposal 2014-15 Report.

B - CONSIDERATIONS

1. COUNCIL PRIORITIES

The council has set its aims & strategic priorities upon which the Corporate Plan for 2013-17 was drawn. Scrutiny note this was only recently signed off, and costing which were asked for in last year's scrutiny feedback report are still minimal. Further clarification on the priorities and how they integrate with plans and strategies within the service area is required before any meaningful costing of the corporate plan is complete, and Scrutiny sees this as a priority.

2. MEDIUM TERM FINANCIAL STRATEGY AND BUDGET PROPOSALS 2014/15 –

The MTFs 2014 budget report submitted to the Executive 15 July meeting agreed initial savings for 2014-15 at 6.3%. However, by November the 151 officers reported the likely increase after attending the National 151 officers meeting. On 10th December the final announcement put up the saving target to estimated £22m over the next 5 years, which was equal to 17%. In real terms this is a reduction in monies from the Welsh Government of approx. £4m for 2014-15 budgets. Scrutiny think it is significant to note;- the report also stated , for 2014-15, will be the last full year of the Local Government Borrowing Initiative which provides funding and approval for the Council to borrow for Highways infrastructure. It is inevitable with, the Williams Commission pending, that these long-term decisions need to be considered in parallel.

The Executives proposed Medium Term Financial Strategy is based on the following;-

- I. Delivering significant reductions to spending of £22m over 5 years – the equivalent of 17%;
- II. Allowing a limited amount of money to transform services in 2014/15, particularly in adult social care to effect significant spending reductions in future years;
- III. Protecting education and social care in line with Welsh Government expectations;
- IV. Allowing for a very limited amount of growth to meet budget shortages, this cannot be met easily from alternative sources;
- V. Recognising the huge challenge of the potential new nuclear build, other major energy-related developments, and the need to prepare for these changes;
- VI. The need to prioritise scarce capital resource to deliver transformation and rationalising assets;
- VII. The need to maximise funding by tapping in to external grants;
- VIII. Recognising that additional resources are needed to support the changes to welfare reform;
- I. Council Tax increases at 5% each year for 3 years.

3. EFFICIENCY SAVINGS

- Scrutiny understood not all savings proposals were achieved by all services against the initial 6.3% 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 by transformation or commissioning of their Service.
- The overall savings proposals outlined in the 16th December 2013 Executive report at Appendix A , had a list of potential savings, which both scrutiny committees asked a number of open questions on. Scrutiny was trying to ascertain the Portfolio Holders and Chief Officers opinion on the achievability of the proposed savings and from Finance the assurance that the figures were accurate.
- Scrutiny agree with the Executive’s proposal to cover the £400k gap created by the WG reducing its funding to support the poorest households by replacing Tax Benefit with anew Council Tax Support scheme.

This is a summary of the strategic questions Scrutiny submitted to the Portfolio Holders:

- I. What system was used to determine Service priority over other service priorities, over strategic corporate priorities?
- II. How then was the final Service budget(s) proposals combined to form the Corporate Budget?
- III. How where the different risks balanced, how was one service risk considered against another service areas risk?
- IV. Do you consider an “efficiency saving” to be different to “a cut” in Service?
- V. Do you agree a Redundancy means the post /job no longer exists i.e. the work stops?
- VI. Are you giving us an assurance the savings put up, are efficiency savings and not actually a cut to service?
- VII. What is your understanding of strategic redundancy as oppose to piece meal redundancy?

Scrutiny also asked a number of detailed questions of Portfolio Holders on their relevant responsible Service areas (in their Appendix B) however rather than reproduce the minutes, **in this report we will only include an analysis of responses that gave us the most concern.**

Proposed Efficiency Saving Concerns – Looking first at the Executive’s Budget Proposal ‘Appendix A, which provides the overall summary of the Draft budget 2014-15 you can see the varying scale of overall savings the different directorates have had to put up. We know this is because in some instances we have been told by the Welsh Government, to ring fence e.g. education. However, it demonstrates Scrutiny’s point made last year of the continuing unfair pressure on the remaining services, some of which are also statutory and we have gathered anecdotal evidence that teams are beginning to fail. Sickness rates have gone up and often this is one of the first indicators of organisation feeling the constraints of cuts year on year. We have to improve are communication and explain what needs to be given up in each service now to meet the duty of care to our staff and continue to deliver the basics well. The table shows the actual overall percentage saving against the total Budget each Directorate receives. This starting taking place on the introduction of ‘affordable priorities’ salami-slicing took place in 2010-11, 2011-12, 2013-14, each time the savings are not achieved it has a knock on effect to the next.

Part extract of 'Summary of draft proposed budget 2014-15' Table.						APPENDIX A:	
	2013/14 Current Base Budget	MTFP Identifi ed Move ments	Final Settle ment change s	Draft Standstill Position after final settleme nt	Savings proposa ls (see Appendi x B)		Proposed Budget
	£000	£000	£000	£000	£000	£000	£000
Directorate							
Lifelong Learning (including schools)	47,672	140		47,812	-1,501	3.4%	46,311
Community Services	31,933	203		32,136	-1,894	5.89%	30,242
Sustainable Development	21,347			21,347	-2,969	13.91%	18,378
Deputy Chief Executive Corporate & Democratic Core	13,583			13,583	-1,052	7.74%	12,531
	1,579			1,579	? no	Savings	1,579
Total	116,114	343	0	116,457	-7,416	0	109,041
Corporate Finance							
Discretionary Rate Relief	50			50			50
Affordable Priorities Programme	-355			-355			-355

Scrutiny from asking detailed questions to the Portfolio Holders, Corporate Directors and Heads of Service, have discovered a number of areas where they were unable to give us satisfactory assurance that their submitted savings would be achieved in year 2014-15.

SCRUTINY'S FINDINGS Re: Executive's Budget Proposal, Extracts from Appendix B:

LIFELONG LEARNING;

Central Education:	£000's
- Reduce Grant to Village Halls and Community Centres	20
- Use of External Grant Funding for the Jesse Hughes Youth Centre	20
- Additional Resource Allocation for Education from RSG for Increase in the Number of FSM Eligibility	469
And	500
- Reduction in Delegated School's Budget	
Total with no guarantee	1009

Scrutiny found the first above saving was based on an assumption that the Trust would provide for the proposed cut to 2 organisation currently supported by the Council. The second line was based on Flying Start renting out rooms within the centre, so not guaranteed. The last 2 lines, were only an estimated expectation, no data was available to support the assertion of such a significant total. The Director was unsure how the schools would do this depends on schools agreeing split between

Primary and Secondary. Again the question is who would ultimately be responsible and have the authority for said decision. We were told reducing the admission age from September would make a saving of 210k this is not in the box above as assurance was given this saving will be achieved however, we were not so sure of the assurance provided that this would not impact on the service. Rationalise Youth Clubs with projected savings of £24k. In addition, the Scrutiny Committee was informed that 5 Youth Clubs were to be closed, but not told which ones or the attributed savings required to which Youth Club. On questioning it was suggested that YCs would be able to access other Youth Clubs, with availability of Mini-buses, transport etc. again no detail re how will this be achieved and at what additional costs, were provided.

DEPUTY CHIEF EXECUTIVE.

Central Services;	£000's
<i>I. Chief Executive – Reduce Corporate Health & Safety Initiatives</i>	5
<i>II. Legal – Merge Committee and Scrutiny Services management</i>	35
<i>III. CDC – Members Allowance Savings</i>	88
<i>IV. CDC – Reduce budget for civic & ceremonial activities</i>	24
<i>V. Legal – Removal of Vacant Post, Scrutiny Officer</i>	36
<i>VI. Policy – Reduce budget for the Anglesey Show</i>	11
<i>VII. Policy – Review staff structures in Policy, Member Services and Business Support Units</i>	75
CORPORATE :	
<i>VIII. Heads of service</i>	138
<i>IX. Increase in RSG Re Social Services</i>	250
Total	82

Members later discovered that the savings put up on line (i) & (vi) were both the complete budget for that initiative. *Summary discuss that ensued;
 Given the importance of Human Resources, whether the reduction in the HR Central Training Budget is short-sighted and how the reduction will translate into practice particularly in terms of an appropriately trained workforce. Reduction in Corporate Health and Safety initiatives and the possible impact in terms of the support provided to staff at a time when staff morale might be affected in a climate of cutbacks and change. Members requested information about the Corporate Health and Safety Initiatives budget in its totality. The merger of Committee and Scrutiny Services management in terms of ensuring the maintenance of a bilingual service both in terms of oral and written communication. The impact on democratic services of not being able to meet this need was raised and questioned. *(The Scrutiny Manager declared an interest in relation to this and the subsequent matter and she withdrew from the meeting during the discussion thereon).*
 The removal of the vacant post of Scrutiny Officer was challenged in the context of sustaining an effective and viable scrutiny service at a time when it was deemed, by the Corporate Scrutiny Committee's Members, that there are pressures on the scrutiny function. It was Suggested, that this proposal be reconsidered and/or amended. The curtailment of the budgets for civic and ceremonial duties and for the Anglesey Show in terms of its potential impact on the public profile and image of the Authority and its ability to project itself to the community as well as the ramifications for the office of Chair of the Council was questioned. It was suggested that the proposal for the reduction of these budgets be reconsidered and/or amended.
 The relevant officers were present to provide further clarification in relation to the questions raised. The Deputy Chief Executive spoke of the limited scope in identifying savings in smaller service areas and she said that advantage has been taken where openings for savings have emerged e.g. where posts are vacant. The proposals as presented for the Deputy Chief Executive's directorate have been

put forward because they are deemed achievable. The Chief Executive advised Members that if certain proposals are rejected then other avenues for budget reduction have to be identified. The committee has to be satisfied that the savings proposals as presented are targeted appropriately and with the minimum impact where possible. Scrutiny noted (Vii) 95% of this proposed saving in Policy was in fact job cuts! (ix) RSG line double counted in Social Services' put up savings.

Revenue & Benefits Changes to Court Costs Admin, with projected savings of £23k - Scrutiny was confused by answers given. From how and where projected savings to be achieved, additional costs can be levied against those taken to Courts by the Authority, but generally it is those who have failed to pay who are taken to Court, eventually with astronomic high costs when inevitably Bailiffs are appointed. We do require further info as to a number of areas of projected savings as listed in the Deputy Chief Executive report, as to staffing, reduction of printing and stationery, reduction in travel expenses, reduction in Central Training Budget etc, etc. **Members Allowance Savings of £88k**- we assumed as could not be confirmed at the meeting, that this relates to savings in the reduction of Councillors. If so we this would be a savings applicable in 2013/14. We do not consider that such savings can be listed as savings for 2014-15, and if so are the savings to be placed in 2015-16 etc.

COMMUNITY:

Housing	£000's
- Freeze Housing Visitor Post*	15
- Freeze (Homelessness) post	10
- Reduce b&b costs via refurbishment	10
Adult Social Care	
- Income maximization strategy service for the elderly	(double counted in Corporate line 250
- CCTV [Going SLT 20 Jan]	177
- Voluntary Redundancy [Yet to be agreed]	100
- intro.reablement intake model 287 more likely 99K	= shortfall 179
Children Services	"5.2% cut from Council" H.of Service quote
- Out of County Placements	83
- Bryn Hwfa closure	69.8
Culture	
- Remodelling Library Service	95
Total	559

Housing Savings:- There were originally 6 listings therein as to savings within this section equating to savings of £117k. Then we received a late document with 3 listing with potential savings of £82k.

During Scrutiny questions, it was quickly apparent that there was a difference of opinion as to the listed savings therein and what should or should not be there. Much of this applied as to the essential requirement or otherwise of a Housing Visitor Officer etc. Within the late document of 3 listings only, the following were left out: Freeze Housing Officer post £15k. Freeze Housing Options (homelessness) post £10k. Reduce B&B costs via refurbishment £10 k

It really requires some explanation as to what are the savings plans within this section and whether they are agreed as potential savings.

Social services: - Committee were unhappy only got information stating the possible savings for the respective services above as "£1,048k and £352k to be confirmed" and then at the meeting still not available, meeting adjourned to print information off. Discovered – Double counted £250k of saving thus short for 2014-15. Concern at Out of County saving put up as the biggest and the most unpredictable, thus assurance it being met was questionable. Bryn Hwfa has been closed and staff

redeployed. So was this a saving for 2013-14 budget or not been counted till now? And thus is it a genuine saving for this 2014-15 budget year? Health warning from Head of service on the figures explaining it easier to apply modals to ASC e.g. Telecare & reablement, not so in Children Services were it more difficult to predict balance the demand. Also noted, the response as to projected savings of £287k as a result of Introduction of Reablement Intake Model. Scrutiny was told this was too ambitious a figure and a more realistic figure should be £99k.

Culture: Told at the beginning of the session from the Portfolio Holder for Finance and repeated by the Leader; this year no proposals in the form of establishment closures in the budget package – so why £95k here when will not be achieved in the budget year 2014-15.

SUSTAINABILITY (discussed in partnership Scrutiny 15.1.14)

Planning & Public Protection	<i>Told this was a 9.2% saving</i>
Highways & Transportation, Waste & Property:	
- Increase in Parking Fees	100K see para 5a below
- Reduced Bus services	89k - reducing frequency on routes with lowest passenger figures
	?

Scrutiny were aggrieved that the decisions made on increasing car parking fees and reducing bus routes had taken place 2 days before this meeting, without further consultation with Scrutiny. We are not sure how or if this can be achieved or the impact without being provided with the detail.

ECONOMIC DEVELOPMENT, TOURISM & LEISURE:

Economic Development	
- Operating Budget	85
- Staffing Budget	54
Leisure	
- Operational Budget	41
- Staffing Budget	106
Total leisure *	139K

Scrutiny were happy with the Head of Services circulated paper which had predicted and thus answered a number of the questions they had prepared to ask. It was recommended other Directorates follow this format for any more savings suggested. However, the report detailed slightly different line descriptions; - Repairs, Maint & Equipment = £41K, Staffing £106k & Increased income £94K totalling *£151k !, with the last 2 figures clearly identified; lack of certainty in achieving these savings.

3a. EDUCATION & ASSETS - costing in the Corporate Plan 2013-17 for Education states a need to secure £20m to realise the **modernisation programme**, currently estimates are we will as a council need to fund 50% of this. The restructure states it will generate revenue savings, but no estimates provided.

3b. ADULT SOCIAL CARE – costing in the Corporate Plan 2013-17 for ADC has estimated to provide **2 extra care housing schemes** in the North & centre of the Island and later planning for one in the south, this will cost £16m in capital funding over the next 4 years. Again the Plan states this continued

improvement in provision will be expected to generate significant revenue savings due to the way in which care will be delivered, no estimated provided..

3c. TRANSFORMATION OF SERVICES – Development of our internal ICT is estimated to cost Anglesey £1m over the lifetime of the Plan. Transformation of Leisure & Libraries states aim to save on running costs of 60% 5years of the Plan. It is an understatement that the Plan states we are still a long way off transforming i.e. standardising and simplifying processes. Scrutiny agree first savings will be made through work with other Councils securing efficiencies for example, our supporting functions, echoed in the Williams Commission (reported 20.1.14). The Plan states associated cost are minimal in the first instance with again the outcome realising significant savings, through service integration etc and more importantly we were glad to note Business cases are currently being worked up. This is one of Scrutiny's concerns that a lot of the paper work we receive does not have tangible figures attached

13. SERVICE REDUCTIONS

Covered in; Paragraph 3. Efficiency Savings, above.

5. COUNCIL TAX, FEES & CHARGES –

5a Income – Car Parks – Scrutiny disagreed only with some of the fees being levied for the first hour not the overall need to raise income to bolster the services for the vulnerable in Anglesey, in such austere times. However, they were disappointed the item went to the Executive on the 13th January to the Executive were the following was resolved, before a debate in Scrutiny:-

- To provide the opportunity for community groups to lease and manage car parks originally considered by the Task and Finish Panel as potentially new pay and display sites. Where no agreement is reached by 31st March, 2014, to approve the County Council's decision to instigate consultation for the introduction of pay and display car parks at the following sites:-
 - High Street/Gwelfor Car Park, Cemaes
 - Benllech Square
 - Rhosneigr
 - Porth Swtan/ChurchBay
 - Rhoscolyn
- To approve the introduction of pay and display parking conditions at the following locations:-
 - Stanley Crescent, Holyhead
 - Station House, Llangefni
- To approve the introduction of restrictions that would continue to provide free parking but limit the maximum duration of parking to 1 hour in car parks adjacent to the Library/Medical Centre, Benllech;
- To approve the increase in the price of parking as referred to within the report, applicable from 1st April, 2014 with regard to the following:-
 - Permanent Pay and Display Sites
 - Seasonal Pay and Display Sites
 - Parking Season Ticket;
- To approve other fees and charges associated with the possession or partial possession of a car park for a purpose other than for parking being £80-£100 per week for a site requiring 4-6 parking

bays, applicable in all parking sites with smaller request charged proportionally. Also the approval that charitable and community events be exempt from these charges;

- To approve Option 2 with regards to the provision of free parking prior to Christmas in car parks 8 where pay and display conditions normally apply.

5b Council Tax increase –

Decreasing resources and increasing pressures means that in order to protect the most vulnerable in society, a Council Tax increase of 5% or 94p per week for an average Band D property is being proposed. 1% represents potential income of £291k. Scrutiny sought assurance every effort would be made to maintain the high levels of collection, but they are aware inevitable pressures from the changes to Council tax support, may impact on this.

5c Non-statutory fees and charges –

Will also be increased a minimum of 5% in most cases.

6. USE OF RESERVES

Previously we told the service reserves were £4.2m but there was a deficit reserve of £2.5m that requires funding from either top slicing all services or reducing the general reserve down to a risky level. However at the meeting on the 14th it was implied there were some reserves found, that could be utilised, this will be imperative if we say the savings we scrutinised are not achievable, and we do not wish the Council tax rate to go any higher.

7. THE CAPITAL PLAN 14/15 –

The priorities which the Executive has identified within the Capital Plan are to achieve the following:-

- Future rationalisation of schools in line with the 21st Century Schools programme requirements;
- Works to minimise the running costs of Council assets and the review of what assets are held and how they are used, identifying those which can be sold;
- Economic Development and Regeneration programmes, making full use of EU funding opportunities;
- Facilities for long term waste reduction and treatment.

Scrutiny wants 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. Scrutiny wish to be consulted early on a costed and prioritised capital budget this year.

8. LOOKING FORWARD

We cover this heading in our Executive summary/ Recommendations.

C – Implications and Impacts TABLE

- 1 Finance / Section 151 - Sent Tues.21.1.14 for observations and accuracy check
- 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 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 – Executive SUMMARY :

Lifelong Learning	1009
Community	464
Culture -remodel of libraries not till 2015-16	95
EC.Dev.T &L	
Leisure –Staffing & Increased income ?	139
DCE – scrutiny vacancy & merge with Cttees	Meeting to consider alternative saving 82
TOTAL under on proposed savings of	£1,789m

The above figure does not count the Housing post disagreement and OOCp high unpredictability Consequence of findings = HIGH RISK : Highlighted Total, probably not achievable, need to find funding from reserves at this late stage and bear in mind the Williams Commission re incentives to merge quickly, maybe the best way of preserving service in Anglesey

1. The Scrutiny Members are supportive of the overall saving strategy in general, but;
 - They view 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. However, they can no longer be applied for 2015-16 at all.

QUOTE from last year’s Scrutiny recommendation: “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 2013-14”.

“.....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”

2. Scrutiny would appreciate it if the Executive, as a minimum re-examines much of that which was presented to Budget Scrutiny , to ensure that Scrutiny had the correct information, and that the accuracy of the proposed saving re-visited.
3. Re council tax rate increases; this was seen as a bit excessive in comparison to neighbouring authorities however, realistic taking the lack of other areas of funding left to make it up, in yet again a transformation year. In addition, last year Scrutiny were made aware of the Budget Consultation document's suggestion that this 5% was to be repeated for a further 2 years
- 4 Scrutiny wishes to see;
 - I. 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.
5. Scrutiny feel in future, they need to stay on top of the savings which it seems are controlled by the efficiency strategy, which currently reports to the Service Excellence Programme Board, outlined in the MTFP
- 6 For future Budget Scrutiny, Scrutiny Members need information re: overall strategic;-
 - o Need & trends
 - o % of each service saving against their service budget & against total Corporate budget
 - o Criteria for increasing income; fees, charges, rents, tax (formula; built in % for drop in demand)
 - o Criteria to make cuts, not by Service but by Directorate - and directorate against directorate.
 - The Affordable Priorities Programme ran for 2 year (salami slicing as its criteria) (2011-12 & 12-13) and each year fell short of total savings, causing a knock on effect, making it worse for next year's budget. Some service areas met the savings and others did not, creating an unfair system for those who achieved to be punished year on year. This was not supposed to continue in to 2013-14 budget, but it did. This was not a strategic plan but one of complacency and the authorities' poor finance and governance/decision-making system, being slow to react.
7. The M.T.F.S.Table, states no saving proposals required after this year, but it also highlights a forecast of Funding gaps of (£m) -4,729, -3,462, -2615 and -2973 for 2015/16, 16-17, 17-18 & 18-19 respectively. As such it is imperative that we as elected members do not sit back once the Budget is set and leave it to officers to possibly not hit targets, instead start now on planning budgets for 2015 - 2019, and scrutiny doing its bit by driving outcomes and monitoring the progress of the Programme Board to expedite financial stability. The

Corporate Scrutiny Committee can start this work immediately and intend to construct a forward work programme now to cover such work 1/4/14 to 31/3/15.

RECOMMENDATION:

In the Chair: Councillor Meirion Jones

This report contains the result of the 'Actions Arising 14&15.1.14 Scrutiny Committees' 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 2014-15 Budget.

Monday , 14th January, 2014 – Corporate Scrutiny Committee:

RESOLVED –

- To note the 2013/14 draft Budget proposals as presented.
- To authorise the Chair in consultation with the Scrutiny Manager 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 2014/15 Budget proposals.

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

Job Title (assisted by): Scrutiny Manger (B.A.Symonds) Date January 2014

Appendices: None

Background papers

- Summary Table of all the questions and answers received by Scrutiny
- Minutes of all the Scrutiny Committees held 14 & 15 January 2013/4
- IOACC Meeting the Challenges Budget Consultation 2014/15
- Executive Meeting 16th December 2013 – Initial budget proposal 2014-15 report
- IOACC Statement of Accounts (past 3 years)
- Council Constitution
- IOACC– Quarter 12 Capital /Revenue reports
- Executives – Quarter 2 Capital/Revenue Report.
- General papers from budget workshops, service plans etc.
- Medium Term Financial Plan (MTFP) – Efficiency Strategy
- *Extract from the minutes of the Corporate Scrutiny Committee 14/01/14 & going Democratic services committee 30.1.14.