

NAME OF SCRUTINY COMMITTEE	CORPORATE SCRUTINY COMMITTEE
DATE OF MEETING	16 TH JUNE, 2016
TITLE	Further Efficiency Savings
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CABINET MEMBER	Councillor Dafydd Meurig
PURPOSE	Further savings referred for further work by the scrutiny committees before reaching a conclusion

1. BACKGROUND

- 1.1 As part of the exercise to find financial Savings schemes between 2015 and 2018 the Regulatory Department has submitted schemes worth £1,242,883 to the Council Cabinet and these have been approved. In addition to this, cuts of £523,000 were approved by the Council on 3rd March 2016. Details of the schemes approved by the Cabinet together with an implementation profile are included as Appendix 1 for information.
- 1.2 The Department also has four schemes which have been referred by the Cabinet for further work by the relevant scrutiny committees before reaching a conclusion, namely:
1. **Cessation of non-statutory functions – Pest Control Services** - £67,000 [this matter dealt with in a separate report to the Scrutiny Committee]
 2. **Step 2:** A further 10% cut in the Public Protection Service budget - £69,000
 3. **Step 3:** A yet further 10% cut in the Public Protection Service budget - £69,000
 4. **Advertising Planning Applications** - £15,000
- 1.3 The report submitted to the Communities Scrutiny Committee on 12 January 2016 deals with the first scheme [Pest Control Service] and it was agreed that the Department would return to the committee with a fees structure and other measures to make the Pest Control Unit self-sufficient. This report will therefore consider the three other schemes, namely two schemes involving reducing the Public Protection Service budgets and a scheme involving reducing the budget for advertising planning applications.

2. SAVINGS

SAVINGS THAT HAVE BEEN APPROVED

- 2.1 The Department has succeeded to reach the savings target for 2015-16 and savings of £530,390 have been found, and it is expected that we will meet the target of £349,810 in 2016-17 and £362,683 in 2017-18.

- 2.2 More details about every individual savings scheme can be found in Appendix 1. You will notice in this appendix that the financial sums against each scheme have been coloured to denote how confident the Department is of reaching the saving sum. Table 1 provides an outline of what the different colours denote.

Table 1: Explanation of risk colour designation on the savings list

COLOUR	RISK DESIGNATION
White	Scheme realised
Green	No problems anticipated
Yellow	There may be a problem in reaching the expected saving
Amber	Likely there will be a problem in reaching the expected saving
Red	Unlikely to be able to find the saving

- 2.3 Currently [16 May 2016 update in appendix 1], the risk profile to deliver the savings approved is shown below in Table 2. Table 2 shows that £35,000 in savings is at high risk of not being found whilst £85,290 worth of approved savings are likely to have a problem in reaching the expected saving [amber]. The Department is endeavouring to reduce the risk level on these schemes and is also trying to increase the savings under other headings which have been approved to manage the risk of **not delivering** [red].

Table 2 Risk profile of being able to deliver the approved savings

RISK LEVEL	2015-16	2016-17	2017-18	TOTAL
Realised	£470,390	£241,910	£ 4,300	£716,600
Green	£0	£151,900	£174,713	£326,613
Yellow	0	£ 10,000	£ 69,380	£ 79,380
Amber	0	£ 6,000	£ 79,290	£ 85,290
Red	0	0	£ 35,000	£35,000.00
Total	£470,390.00	£409,810	£362,683.00	£1,242,883.00

- 2.4 An additional sum of £90,000 has been found in the 2015-16 financial year to bring the total to £560,390, which also increases the Department's total savings [2015-18] to £1,332,883. This additional saving has been found through better management of Council offices which has enabled the leasing of office space to a private company at Penrallt offices, Caernarfon.

PROCUREMENT SAVINGS

- 2.5 The Department is also asked to make savings of £78,000 between 2015-18 by attempting to reduce the price we pay for external services by procuring them in different ways. £40,000 has already been found by tendering public transport services with alternative requirements in terms of criteria. Approximately £38,000 remains to be found under this heading.

OTHER ADDITIONAL SAVINGS

2.6 As part of the list of schemes which have been referred for further work by the scrutiny committees, two other schemes had been included originally, namely:

- Planning Collaboration [Gwynedd and Anglesey] £50,000
- Planning Collaboration [Gwynedd and SNPA] £50,000

2.7 It is no longer possible to deliver these savings through collaboration with others, and consequently these two schemes have been omitted from the list. Despite this, the Head of Department has agreed that every effort will be made to seek to deliver these savings in alternative ways, but, it has not been possible to give a guarantee of this to date.

3. CUTS WHICH HAVE BEEN DETERMINED

3.1 At the Full Council meeting on 3rd March 2016 a decision was made on the cuts to Council Services.

3.2 The total cuts which directly affect the Regulatory Department is £523,400, and the exact headings, the sum and timing for each cut together with the timescale have been outlined in Table 3.

Table 3: Cuts which have been determined and timescale for the Regulatory Department

CUT	SUM	WHEN
Two posts in the Joint Planning Policy Unit	£30,000 [50% for Anglesey]	April 2018
One post in the Biodiversity Unit	£30,000	April 2017
Half the Budget of the Traffic and Projects Unit	£65,000	April 2016
20% of the footpath maintenance budget (including one post)	£110,000	£20,000 April 2016 £90,000 April 2017
One post from the Pollution Control Unit	£35,000	April 2017
One post from the Food Hygiene Unit	£36,000	April 2017
Nature Reserves Budget	£59,400	£15,000 April 2016 £44,400 April 2017
One post in the Roadworks Management Unit	£30,000	October 2016
Closure of Frondeg, Pwllheli and Beach Road, Felinheli	£60,000	Frondeg will go back to the Cabinet
One post from the Buildings Maintenance Unit	£28,000	April 2016
One and a half post from the Estates Unit	£40,000	November 2016
TOTAL	£523,400.00	

3.3 The cuts highlighted in blue (total of £339,000) are jobs cuts which mean that there is a need for some change in structure and responsibilities to try to reduce the impact of the cut on the Department's services.

4. HOW CAN WE DELIVER THE SAVINGS FROM THE SCHEMES THAT HAVE BEEN REFERRED FOR FURTHER WORK BY THE SCRUTINY COMMITTEES?

4.1 It is hoped that the explanation of the financial issues in terms of savings and cuts facing the Department will be useful for the committee to appreciate the overview. Though all savings and cuts are packaged as separate matters, it is very difficult to manage the challenge of reaching the sums which have been outlined without considering the whole picture. Therefore, it is reasonable to consider all the savings and cuts when thinking about how to deal with the savings schemes which have been referred for further work by the scrutiny committees.

4.2 Three schemes are considered in this report, and this part of the report will refer to how we can deliver the savings against them, namely:

1. **Step 2:** A further 10% cut in the Public Protection Service budget - £69,000
2. **Step 3:** A yet further 10% cut in the Public Protection Service budget - £69,000
3. **Advertising Planning Applications** - £15,000

STEP 2: A FURTHER 10% CUT IN THE PUBLIC PROTECTION SERVICE BUDGET - £69,000

4.3 Committee members may remember that the Senior Manager with responsibilities for the Public Protection Service retired in August 2015. At the time, the responsibility for this Service was added to the responsibilities of the Senior Planning and Environment Service Manager on a temporary basis. It was very difficult to predict whether or not this arrangement would be successful, as the field of work is a specialist one, that there were four additional Units to manage and that not much time had been given to transfer the responsibilities.

4.4 Despite this, the Senior Planning and Environment Service manager has coped very well with the additional duties, with staff and managers in agreement that the arrangement worked well. In light of this, arrangements have been made to make this arrangement a permanent one, and therefore the Planning and Environment Service and the Public Protection Service were merged at the beginning of February 2016. This arrangement will give a saving of the cost of employing a Senior Manager - Public Protection, and having considered the acknowledgement for undertaking additional duties, the saving of doing this is approximately £70,000. It is therefore intended to place this saving against Step 2, namely a further 10% reduction in the Public Protection Service budget - £69,000.

STEP 3: A FURTHER 10% CUT IN THE PUBLIC PROTECTION SERVICE BUDGET - £69,000

4.5 It can be seen from Rh8 & Rh11 [Appendix 1] that efficiency savings of £194,850 have been achieved by reducing the number of staff in the Public Protection Service. This is against a target of £169,000 and therefore in excess of the target by £25,850.

4.6 The Department's opinion is that the figure achieved in excess of the target should go part of the way to deliver the saving in Step 3: a yet further 10% reduction in the Public Protection Service budget of £69,000. This then leaves a deficit of £43,150.

- 4.7 Whilst it is possible to consider reducing the Public Protection budget further, it is likely to be very difficult to realise this without affecting the Service's ability to maintain its statutory duty. We must also consider the cuts facing the unit, namely one food hygiene post (£36,000) and one pollution control post (£35,000).

ADVERTISING PLANNING APPLICATIONS - £15,000

- 4.8 Further to the new Planning Act introduced in 2015 which does not refer to changing the statutory requirements to advertise some types of applications in the press, it will not be possible to reduce the cost for advertising planning applications. Therefore, the Department's opinion is that we should try to deliver the saving through an alternative scheme.

5. CONCLUSION

- 5.1 This situation is not easy, but it is felt that it is possible to deliver the savings in question by being flexible and considering the challenge in its entirety as a Department when creating alternative schemes.
- 5.2 From what has been submitted, you will see that we need to consider not only the schemes which have been referred for further work by the scrutiny committees, but also the savings which have been approved which are at risk of not delivering. These schemes are shown in Table 4. This table shows that an alternative scheme is needed to address the minimum of £178,440 and ideally £278,440.

Table 4: Savings which need to be considered in alternative schemes;

SCHEME	SUM
Step 3: A further 10% cut in the Public Protection Service budget	£ 43,150
Advertising Planning Applications	£ 15,000
Savings that have been approved - amber risk level	£ 85,290
Savings that have been approved - red risk level	£ 35,000
Desire to find savings to address the deficit from two collaboration schemes disregarded	£100,000
	£278,440.00
Total not including the desired saving	£178,440.00

6. ALTERNATIVE SCHEME

- 6.1 Section 3 of the report mentions, when discussing the cuts faced by the Department, the intention to look at minor adaptations to the structure of the Department's services to reduce the effect of cuts on services. The Department is of the opinion that it is possible to look at minor adaptations to the structure of the Department's services across all Units, including the Units which are affected by cuts as well as those which are not. It is believed that it is possible realise some of the required sum by making minor adaptations to the structure.

- 6.2 It can be seen from the information about savings that have been approved (Appendix 1) that there are several schemes in which savings are found by increasing income. It is felt that there is scope to increase income by focusing more efforts on some aspects. Some more work needs to be done before committing to a figure of how much more income can be attracted by increasing efforts.
- 6.3 There is of course also scope to reduce the risks which prevent us from realising the savings which have been approved. By focusing on this over the past months, the Department has succeeded to reduce the risk of realising on several of the schemes.

7. RECOMMENDATION

- 7.1 That the Committee accept the information presented including what has been achieved regarding efficiency savings to date.
- 7.2 That the Department presses on to achieve a minimum of £178,440 [aiming for £278,440] in efficiency savings by way of an alternative scheme. The alternative scheme will look to opportunities to raise income levels, changes in the structure of the department as well as reducing the risks which are preventing efficiency savings already approved from being achieved.
- 7.3 That the Department reports on the progress on all the savings and cuts together with definite figures to be committed in terms of an alternative scheme for the Scrutiny Committee in 9 months' time.