

CYNGOR SIR POWYS COUNTY COUNCIL

CABINET EXECUTIVE

9th July 2019

REPORT AUTHOR: County Councillor Aled Davies

Portfolio Holder for Finance

**SUBJECT: Efficiency Savings Report for the Year Ended 31st March
2019**

REPORT FOR: Information

1. Summary

1.1 The 2018/19 budget required efficiency savings of £12.296m. The total savings delivered in 2018/19 were £6.536m, or 53% of the total required. This report provides further details on the unachieved savings and outlines the actions that will be taken to achieve these in financial year 2019/20.

1.2 Unless specifically stated all unachieved savings will be rolled forward and will need to be achieved in financial 2019/20. Delivery will be monitored and included in the routine budget monitoring reports.

2. Efficiency Savings Summary

2.1 The table below shows the breakdown of savings delivery by service area:

Directorate/ Service	Total To Be Achieved 18/19	Actually Achieved 18/19	Remainder	% Achieved 18/19
Adult & Commissioning	1,432	1,469	(37)	103%
Children Services	2,298	-	2,298	-
Sub Total: Social Services	3,730	1,469	2,261	39%
Regeneration	100	100	-	100%
Property Planning and Public Protection	303	228	76	75%
Housing General Fund	86	86	-	100%
Highways, Transport & Recycling	2,194	1,203	991	55%
Sub Total: Environment	2,683	1,617	1,066	60%
Schools Service	1,583	1,270	313	80%
Leisure & Recreation	709	709	-	100%
Sub Total: Schools & Leisure	2,292	1,979	313	86%
Business Services	715	715	-	100%
Information Services	354	354	-	100%
Legal Services	61	61	-	100%
Financial Services	303	303	-	100%
Workforce, OD and Comms	157	-	157	-
Sub Total: Resources	1,590	1,434	157	90%
Central Activities	2,001	38	1,963	2%
Total	12,296	6,536	5,760	53%

- 2.2 The unachieved savings in the Childrens service of £2.298m, the Income and Cost improvement target of £1.72m (included in the Central Activities savings targets) have been written out of the baseline as part of the budget setting process for 2019/20. The Children services savings were proposed several years ago, and it had become clear that they could not be delivered. The £1.72m was a target held corporately, service plans included the raising of additional income and reductions in third party spend and this additional target could not be achieved in addition to those already delivered.
- 2.3 The remaining £243k held against Central activities has been resolved by adjusting budgets as part of the 2019/20 budget preparation where opportunities were identified to adjust budget headings.
- 2.4 The remaining unachieved efficiencies of £1.499m still need to be delivered and are therefore rolled forward into 2019/20.
- 2.5 Heads of service have been challenged on the savings that remain and have provided the following information:-

3. Property, Planning and Public Protection - £76k

- 3.1 This area included £132k of savings to be achieved in 2018/19 in relation to the profit to be achieved from the joint venture company, Heart of Wales Property Services (HOWPS). A profit of £56k was achieved in 2018-19, reducing the unachieved saving to £76k which is forecasted to be achieved during 2019/20.

4. Highways, Transport & Recycling - £991k

4.1 Blue Badges & Parking Charges: £150k

The process for implementation of new charges is now completed. The full saving will be achieved by the end of financial year 19/20.

4.2 Roadmaster - Generation of Income: £35k

The purchase of the two Roadmaster jet-patchers has driven operational changes resulting in an internal efficiency saving of £200k. Additionally, it was expected that the purchase of the machines would allow the Council to sell this service and generate additional income. Of the £50k targeted income, around £15k has been achieved to date leaving a further £35k to generate. The emphasis for 18/19 was to achieve the operational change and the associated considerable saving. Recent effort to sell this service has quickly born interest from Trunk Road Agency and NRW, which gives confidence that the income will be realised in 19/20.

4.3 Cwrt-y-Plyffin Tankering: £10k

This saving is dependent on planning permission being granted to install a system to remove contaminants from the run-off at this ex-landfill site. Currently, waste water has to be removed in tankers. Delays in planning process for the infrastructure changes required has resulted in this saving not being achieved in year. Planning consent is expected to be granted by September 2020, which will then achieve the saving.

4.4 Resources Waste & Recycling: £114k

Delays in the improvements to vehicle maintenance (now in place), and lower than anticipated savings being realised from the review of collection rounds has meant that the full saving target was not achieved in financial year 18/19. For 19/20 there will be changes to the staff structure, changes to servicing of 'Bring Sites', and reduction in resources on rounds which will fulfil the savings brought forward.

4.5 Implement Fleet Review: £150k

This has now been introduced, so the full year effect in 19/20 will produce the intended savings.

4.6 Review sickness absence: £150k

The sickness absence review is ongoing. The review has seen some success, and sickness has recently reduced by approximately 10% compared to the previous year. Working within the Council's policy, it does take considerable time and

resource to deal with the individual cases where attendance does not improve, but many of these are now at the stage of positively impacting on the targeted reduction. There is a confidence that the £150k cost reduction will be achieved this financial year; realised through establishment reduction.

4.7 Procurement 3rd Party Spend: £70k

Some small and shorter term savings have been made, but there has been difficulty in identifying real and sustainable reductions. The saving will be delivered by other means in 19/20.

4.8 A total of £312k remains unallocated and will be carried forward and included in the target for 19/20. The service is currently working to produce plans by the end of July, for delivering this remaining unallocated amount.

5. **Schools Service - £313k**

5.1 Additional Income: £6k

Ongoing discussions with service manager regarding options to be continued in 2019-20.

5.2 Raise age of admission to one point of entry: £187k

The outstanding £187k is already achieved for 19-20.

5.3 Small School Closures: £120k

Schools service need to identify an alternative for this as no further savings will be made.

6. **Workforce, OD & Comms - £157k**

6.1 This saving will be achieved, in full, in financial year 19/20 through the removal of a number of posts that are currently vacant from the structure.

7. **Options Considered/ Available**

7.1 N/A

8. **Preferred Choice and Reasons**

8.1 N/A

9. **Impact Assessment**

9.1 Is an impact assessment required? Yes/No

10. **Corporate Improvement Plan**

10.1 N/A

11. Local Member(s)

11.1 This report relates to all service areas across the whole County.

12. Other Front Line Services

12.1 This report relates to all service areas across the whole County.

13. Communications

14. Support Services (Legal, Finance, HR, ICT, BPU)

14.1 The Deputy Head of Finance comments: Finance will continue to work closely with each of the service areas to monitor, challenge and support the timely delivery of outstanding savings.

15. Scrutiny

15.1 Has this report been scrutinised? The report will be considered by the Finance Panel on the 3rd July 2019.

16. Statutory Officers

16.1 The Head of Finance (Section 151 Officer) comments: The budget plan for financial year 2019/20 is dependent on the achievement of savings to maintain a balanced budget. Over the last few years' delivery of savings remains consistently below 80% with corrective actions taken in year to mitigate this impact. Regular reporting and challenge around non-delivery is essential to ensure that appropriate action is taken to deliver within the approved budget. This report is the first of regular reports to monitor, scrutinise and challenge the delivery of savings across the Council.

16.2 The Monitoring Officer has no specific concerns with this report.

17. Members' Interests

17.1 The Monitoring Officer is not aware of any specific interests that may arise in relation to this report. If Members have an interest they should declare it at the start of the meeting and complete the relevant notification form.

Recommendation:	Reason for Recommendation:
a. The contents of this report are noted by Cabinet	To outline the end of year financial position regarding savings delivery

for 2018/19; and to provide assurance that action is being taken to address the shortfall in the 2019/20 budget.

Relevant Policy (ies):		Financial Regulations	
Within Policy:	Yes	Within Budget:	Y
Relevant Local Member(s):			
Person(s) To Implement Decision:		Jane Thomas	
Date By When Decision To Be Implemented:			
Contact Officer Name	Tel	Fax	E mail
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