



## AUDIT COMMITTEE – 11TH DECEMBER 2013

**SUBJECT: WALES AUDIT OFFICE REPORT –  
SERVICE BASED IMPACT ASSESSMENT**

**REPORT BY: ACTING DIRECTOR OF CORPORATE SERVICES AND S 151 OFFICER**

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### 1. PURPOSE OF REPORT

- 1.1 During 2012, the Wales Audit Office (WAO) conducted an evaluation in the Gwent region in respect of a service based impact assessment. The fieldwork was undertaken by the WAO with assistance from PricewaterhouseCoopers and a final report was issued to the Authority in November 2013.
- 1.2 Members of the Audit Committee have a critical role to play in evaluating Regulator reviews and in particular understanding what difference such reviews make to the improvement of services for our citizens. They also have a clear role in monitoring progress in achieving report recommendations from the wide range of reviews undertaken.
- 1.3 The purpose of this report is to provide an overview of the WAO report and a response to the recommendations and proposals for improvement.

### 2. SUMMARY

- 2.1 The full WAO report is attached as Appendix 1.

The main headlines of the WAO report are as follows:-

- In the services we reviewed, the Council has made savings ahead of schedule and maintained performance despite using less resource but savings are not being explicitly monitored and evaluated.
- Councils in Gwent face significant challenges to continue to deliver and improve essential services in a changing environment with less money and less staff.
- Savings have been achieved in advance of need and the Council's day-to-day budget monitoring is sound but there are weaknesses in how some savings are monitored and their delivery is evaluated.
- On the whole, the performance of the Council's Environmental Health, Housing and Waste Management services is improving or being maintained despite small real-term reductions in budgets.

- 2.2 The report includes 2 proposals for improvement, these are detailed in paragraph 4 below.

### 3. LINKS TO STRATEGY

- 3.1 Effective financial planning along with the monitoring of the impact of reduced resources, is a key element in the delivery of the Council's priorities and Improvement Objectives.

#### **4. THE REPORT**

4.1 The WAO report is useful as a review of progress to date in respect of the MTFP, especially in the context of the Gwent region and it is pleasing to note some of the positive comments. The more significant savings requirements going forward will require much more focus in respect of the impact on services, as it is difficult to see how these reductions in funding will not impact in a more profound way on service delivery.

4.2 The following paragraphs provide details of proposals for improvement in the WAO report and the Officers response:-

4.2.1 **P1** - The Council should separately monitor and evaluate the delivery of its savings to enable more effective scrutiny of their delivery.

**Response** – Agreed savings are currently incorporated into budgets and monitored through routine budget monitoring reporting processes. This highlights any deviation from the budget and actions that may be required. However, it is accepted that a more robust reporting process will provide greater clarity and a framework will be developed to incorporate this into the Scrutiny process. This is likely to take the form of a mid year progress report.

4.2.2 **P2** – The Council should ensure that its corporate priorities and improvement objectives are formally considered in the determination of its savings programme and influence its Medium Term Financial Plan (MTFP).

**Response** – The Council will ensure that Members are alerted to the need to consider corporate priorities and improvement objectives as part of the Medium Term Financial Planning (MTFP) process. A Seminar on 21 November 2013 in respect of the MTFP, highlighted this as a key consideration, albeit in the context that the current priorities and improvement objectives may need to be reviewed as a result of the significantly increased savings targets as reported to Council on 23 October 2013 .

#### **5. EQUALITIES IMPLICATIONS**

5.1 There are no equalities implications directly associated with this report.

#### **6. FINANCIAL IMPLICATIONS**

6.1 There are no financial implications arising from this report.

#### **7. PERSONNEL IMPLICATIONS**

7.1 There are no direct personnel implications arising from this report.

#### **8. CONSULTATIONS**

8.1 There are no consultation responses that that have not been reflected in this report.

#### **9. RECOMMENDATIONS**

9.1 That Members of the Audit Committee note the content of this report.

## **10. REASONS FOR THE RECOMMENDATIONS**

- 10.1 To ensure that the Audit Committee is informed of the findings of the WAO review and the officer response to the report's proposals for improvement.

## **11. STATUTORY POWER**

- 11.1 Local Government Measure 2009, Wales Programme for Improvement 2010.

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Background Papers:

WAO File – Reports received 2013/14

Appendices:

Appendix 1 Wales Audit Office – Service Based Budget Review