

BRIDGEND COUNTY BOROUGH COUNCIL

REPORT TO AUDIT COMMITTEE

14 NOVEMBER 2019

**REPORT OF THE INTERIM HEAD OF FINANCE AND
SECTION 151 OFFICER**

WALES AUDIT OFFICE SAVINGS PLANNING FOLLOW-UP REPORT

1. Purpose of this report

- 1.1 The purpose of this report is to submit the Savings Planning Follow Up report produced by Wales Audit Office (WAO), attached as **Appendix A**, for noting.

2. Connections to Corporate Improvement Objectives / Other Corporate Priorities

- 2.1 This report assists in the achievement of the following corporate priorities:

1. Supporting a successful economy – taking steps to make the county a good place to do business, for people to live, work, study and visit, and to ensure that our schools are focused on raising the skills, qualifications and ambitions of all people in the county.
2. Helping people to be more self-reliant – taking early steps to reduce or prevent people from becoming vulnerable or dependent on the Council and its services.
3. Smarter use of resources – ensuring that all its resources (financial, physical, human and technological) are used as effectively and efficiently as possible and support the development of resources throughout the community that can help deliver the Council's priorities.

- 2.2 The delivery of the Medium Term Financial Strategy, and the savings proposals required to achieve that, in conjunction with the Council's Corporate Plan, ensures that the Council's resources are targeted at the Council's priority areas.

3. Background

- 3.1 Wales Audit Office undertook this piece of work as a follow up to a review that they had undertaken previously on savings planning. That work resulted in a report being issued to the Council in March 2017 with the

following proposals for improvement to strengthen financial planning arrangements:

- ensuring that savings proposals are fully developed and include realistic delivery timescales prior to inclusion in the annual budget; and
- identifying indicative savings proposals over the period of the Medium Term Financial Plan.

3.2 In May and June 2019 the WAO assessed the Council's progress in addressing these proposals for improvement and considered the effectiveness of the Council's arrangements for achieving its savings proposals.

4. Current Situation / Proposal

4.1 The follow up review in 2019 sought to answer the question: Has the Council effectively addressed our proposals for improvement in the March 2017 Savings Planning report?

4.2 Overall, WAO found that the Council has strengthened arrangements to develop and achieve savings plans, but further work is needed to develop a deliverable medium term financial strategy, particularly for 2020-21 and beyond. Whilst the Council achieved most of its 2018-19 savings plans it now needs to ensure that its strengthened arrangements continue this improved position, and that timescales for delivery need to be as accurate as possible. No further proposals for improvement have been identified from this follow up.

4.3 In reaching their conclusions the WAO found that:

- the process for developing budget savings proposals is now started earlier, giving officers and members greater opportunity to develop and engage on proposals, with particular reference to the role of the Budget Research and Evaluation Panel (BREP);
- finance officers are becoming more involved in the development of proposals and are challenging accuracy and realism of timescales for delivery;
- where savings are partially met this is often due to insufficient time being allowed for public consultation or contract negotiations with partners.
- not all savings proposals are supported by fully costed business cases and delivery plans.

Officers will consider the specific comments and observations outlined in the report and will work to strengthen the processes in place.

4.4 As part of WAO performance audit work for 2019-20 they will be reviewing financial sustainability at all Welsh Councils. This will include medium and longer term financial strategies, budget management, management of

cost pressures, efficiency and savings plans and levels and use of reserves. The Council has recently completed and submitted a self-assessment as an integral part of this project. The findings from this follow up review into savings planning will feed into that work.

5. Effect upon policy framework and procedural rules

5.1 None

6. Equality Impact Assessment

6.1 There are no equality implications.

7. Well-being of Future Generations (Wales) Act 2015 Implications

7.1 As the report is for information it is considered that there will be no significant or unacceptable impacts upon the achievement of wellbeing goals/objectives as a result of this report.

8. Financial implications

8.1 There are no financial implications regarding this report.

9. Recommendations

9.1 It is recommended that Audit Committee:

- Note the WAO Savings Planning Follow Up Report (**Appendix A**)

Gill Lewis CPFA
Interim Head of Finance and Section 151 Officer
November 2019

Contact Officer: Deborah Exton
Interim Deputy Head of Finance

Telephone: (01656) 643604

E-mail: Deborah.Exton@bridgend.gov.uk

Postal Address: Bridgend County Borough Council,
Raven's Court
Brewery Lane
Bridgend,
CF31 4AP

Background documents: None