

My Ref: Scrutiny/Correspondence/Cllr McGarry

10 July 2015

Christine Salter
Director of Resources
c/o Room
County Hall
Cardiff
CF10 4UW



Dear Christine

At our recent Community & Adult Services Scrutiny Committee, 8 July 2015, Members received a Health & Social Care savings progress report which showed that, out of £8.65 million savings (those outstanding from 2014/15 plus those due in 2015/16), £4.7 million is currently projected to be achievable.

Members are highly concerned that this leaves £3.94 million currently projected as not achievable (£1.78 million from 2014/15 and £2.16 million from 2015/16).

At the meeting, we received explanations for this from Councillor Elsmore and senior officers. We can see that steps are in place to regularly monitor required savings and operational budgets and that alternative savings are being identified to meet at least some of the £3.94 million shortfall.

Given that, only three months into the financial year, such a significant proportion of savings is now thought to be non-achievable, Members have understandable concerns that the process for evaluating proposed budget savings is not fit for purpose. Members recall exploring the achievability of these proposed savings with yourself and the then-Director of Health and Social Care at our pre-decision scrutiny of the budgetary proposals in February 2015. We noted that Directors were responsible for assigning RAG status but that Resources were responsible for moderating, looking at risks overall and carrying out due diligence checks. This system does not seem to have worked well in the case of these savings.

Members therefore seek assurance from you that the process for evaluating savings proposals for 2016/17 onwards will be improved, in order that there is less 'optimism bias' and more credibility that savings are achievable.

Also at this meeting, and aligned to the above, Members discussed how best to fulfil their role of scrutinising budgets. We wish to carry out this important function, not only as it is expected by regulators and inspectors but so that we can have

