

Finance Committee

Meeting Venue:
Committee Room 2 – Senedd

Meeting date:
5 December 2012

Meeting time:
09:30

Cynulliad
Cenedlaethol
Cymru

National
Assembly for
Wales



For further information please contact:

Gareth Price
Committee Clerk
029 2089 8409
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Agenda

1. Introductions, apologies and substitutions (09:30–09:35)

2. Invest to Save – Natural Resources Wales (09:35–10:15) (Pages 1 – 3) FIN(4) 21–12 – Paper 1 – Living Wales Programme

Gretel Leeb, Senior Responsible Officer, ‘Living Wales’ Programme Executive
Rob Bell, Finance Department, ‘Living Wales’ Programme

3. Papers to note (10:15 – 10:30) (Pages 4 – 29)

FIN(4) 21–12 – Paper 2 – Financial implications of the Welsh Government Democracy and Elections Bill

FIN(4) 21–12 – Paper 4 – Response to Minister for Finance to action points raised at the meeting on 7 November 2012 (Invest-to-Save)

FIN(4) 21–12 – Paper 5 – Response to consultation on Invest-to-Save from UWIC

FIN(4) 21–12 – Paper 6 – Correspondence from the Chair of the Children and Young People Committee

FIN(4) 21–12 – Paper 7 – Correspondence from the Chair of the Environment and Sustainability Committee regarding the Welsh Government’s draft budget 2013–14

Minutes of previous meeting.

4. Motion under Standing Order 17.42 to resolve to exclude the

public from the meeting for the following business:

Items 5 to 7.

5. Consideration of evidence on Invest to Save (10:30 – 10:45)

6. Consideration of draft report 'The Effectiveness of European Structural Funding in Wales' (10:45 – 11:15)

7. Consideration of work programme for the spring term 2013 (11:15 – 11:30) (Pages 30 – 31)

**Finance Committee
FIN(4) 21-12 – Paper 1**

Invest To Save Inquiry

Written evidence from the Living Wales Programme.

The Living Wales programme has been tasked with creating a new body that will deliver the current functions of the Environment Agency in Wales, the Countryside Council for Wales and the Forestry Commission. The new body, known as Natural Resources Wales, will come into being on 2nd April 2013.

The business case for the development of the new body set out the tasks that had to be undertaken to create a functioning entity and provided budgetary estimates for those tasks. Although most of the resources for delivery have been made available from Welsh Government and the three bodies, opportunities were identified to accelerate delivery of some parts of the programme if further funding could be found. In particular, undertaking work associated with IT transition by providing cloud based solutions to all staff will ease document management and operational integration and further assure business continuity from vesting day, whilst the legal, actuarial and HR work referred to in the ItS bid will mean that the body is well placed to begin the process of organisational change and cultural transformation from vesting day onwards.

The business case for the amalgamation shows that the body is expected to deliver £158 million of gross benefits over a 10 year period with a payback period of 5 years. This funding (ItS) is therefore an enabling investment that

will contribute towards the effective delivery of the gross benefits. Financial details of the bid are shown below.

<u>Living Wales Programme</u>			
<u>Invest to Save Bid - Financial Details</u>			
	2012/13	2013/14	Total
	£	£	£
IT Transitional Costs	2,698,000		2,698,000
IT Programme Team Resource	400,000		400,000
Legal & Actuarial Advice	250,000	100,000	350,000
HR Consultancy Costs	50,000	535,000	585,000
Total Costs	3,398,000	635,000	4,033,000
Invest to Save Bid (75%)	2,548,500	476,250	3,024,750
Payback:			
2014/15			1,512,375
2015/16			1,512,375

Payback to revenue reserves of the 'Invest to Save' funding for the Natural Resources Body for Wales restructuring costs will start in 2014-15. The payback will amount to £1.512m each year for 2 years and will be funded from the Single Body's benefits realisation savings as detailed in the Business Case. An equivalent reduction to its Grant in Aid will ensure the investment is returned to central reserves.

In our view, the Invest to Save bid has enabled the programme to accelerate 'the transition to more efficient, more effective and more sustainable forms of service delivery' for Natural Resources Wales. The delivery of benefits arising

from the investment will not begin until after vesting day and will continue for 3 to 5 years before the benefits are fully delivered. A performance framework agreement between Welsh Government and NRW will be put in place before vesting day that will require NRW to monitor delivery of the business case benefits so that WG can determine whether or not this delivery has taken place. A subset of those benefits will be related to the ItS investment and it will therefore be possible to associate the delivery of long term service and organisational improvements to the expenditure of ItS monies.

When the Living Wales programme concludes in April 2013, a formal 'lessons learned' process will be undertaken and all learning points will be captured. Some of these will be related to the Invest to Save process and the enabling role that the investment has had for the programme. Given that most of the projects that receive Invest to Save money will be formally managed it is likely that this process is being followed across the board. We suggest that 'lessons learned' reports could be made available to a wider audience as part of a process of sharing good practice and learning from experience.

Gretel Leeb
Senior Responsible Officer
Living Wales Programme.

Agenda Item 3

Finance Committee

Meeting Venue: **Committee Room 2 – Senedd**

Meeting date: **Wednesday, 21 November 2012**

Meeting time: **09:00 – 11:30**

Cynulliad
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National
Assembly for
Wales



This meeting can be viewed on Senedd TV at:

http://www.senedd.tv/archiveplayer.jsf?v=en_300000_21_11_2012&t=0&l=en

Concise Minutes:

Assembly Members:

Jocelyn Davies (Chair)
Peter Black
Christine Chapman
Paul Davies
Mike Hedges
Ann Jones
Julie Morgan
Ieuan Wyn Jones

Witnesses:

David Sutherland, Bridgend County Borough Council
Dr Rosie Plummer, Director, National Botanical Garden of Wales
Clive Edwards, National Botanical Garden of Wales
Fiona Jenkins, Cardiff and Vale University Health Board
Lynne Aston, Cardiff and Vale University Health Board

Committee Staff:

Gareth Price (Clerk)
Daniel Collier (Deputy Clerk)
Eleanor Roy (Researcher)
Joanest Jackson (Legal Advisor)
Kerry Dearden (Researcher)

1. Introductions, apologies and substitutions

1.1 The Chair welcomed Members and members of the public to the meeting.

2. Invest to Save – Evidence from Bridgend County Council

2.1 The Chair welcomed David Sutherland, Head of ICT and Property, Bridgend County Borough Council.

2.2 Members questioned the witness.

Action points:

David Sutherland agreed to provide:

- A note clarifying the financial planning undertaken by Bridgend County Borough Council in implementing the Improving Your Space, including whether Match Funding was used.

3. Invest to Save – Evidence from National Botanical Garden of Wales

3.1 The Chair welcomed Dr Rosie Plummer, Director of National Botanic Gardens of Wales; and Clive Edwards, Head of Facilities, National Botanic Gardens of Wales.

3.2 Members questioned the witnesses.

4. Invest to Save – Evidence from Cardiff and Vale UHB

4.1 The Chair welcomed Fiona Jenkins, Director of Therapies and Health Science.

4.2 Members questioned the witnesses.

5. Papers to note

5.1 Members noted the minutes of the meeting on 7 November 2012.

6. Motion under Standing Order 17.42 to resolve to exclude the public from the meeting for the following business:

Items 7 to 9.

7. Invest To Save – Consideration of evidence

7.1 Members discussed the evidence received on Invest to Save.

8. Scoping of Inquiry on Asset Management

8.1 Members discussed the scope of its inquiry into Asset Management.

9. Consideration of draft report on European Structural Funding in Wales

9.1 Members considered its draft report on the Effectiveness of European Structural Funding in Wales.

Committee Reference: FIN(4) 21-12 - Paper 3

FIN(4) 21-12 - Paper 2

Finance Committee

Financial Scrutiny of Local Government (Democracy) (Wales) Bill

Paper to note: Financial Memorandum

Date of paper

27 November 2012

Related Information

The Local Government (Democracy) (Wales) Bill (as introduced no link)

Explanatory Memorandum to the Local Government (Democracy) (Wales) Bill

[Welsh Government White Paper: Promoting Local Democracy](#)

This briefing has been produced by the Research Service
for use by Finance Committee.

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Research
Service

Committee Reference: FIN(4) 21-12

1. Introduction

The *Local Government (Democracy) (Wales) Bill* was introduced before the Assembly on 26 November 2012. The Communities, Equality and Local Government Committee will consider and report on the Bill's **general principles** by 8 March 2013.

2. Aims and content

According to the Welsh Government, it has identified a number of problems in Wales relating to how the geographic and numerical structure of councils are set; how scrutiny takes place of councils and councillors; and how the remuneration of councillors is set.

As such, this Bill is intended to amend the statutory framework which covers these areas in order to strengthen the effectiveness of democracy at a local level. The Bill's **main provisions relate to reforming how the Local Government Boundary Commission for Wales works (sections 1-50)**. The next thirteen sections relate to the following:

- Amending the responsibilities of the Independent Remuneration Panel for Wales;
- Improving the public's access to information about town and community councils;
- Enabling local authorities to create joint standard committees to oversee the ethical framework for local government;
- Amending the membership requirements of audit committees which scrutinise local authorities;
- Widening the role of democratic services committees to assist councillors with their responsibilities;
- Making provision about the role of Chairs and Mayors of principal councils.

3. Financial implications of the Bill

The costings in the Explanatory Memorandum (EM) are separated into six parts.

- **Three of these sections have no costs** associated these are: *Powers of the Independent Remuneration Panel; Changes to certain council committees* and *Presiding Members of Principal Councils*.
- A further section, *Regional standards committees*, **has no anticipated additional costs associated with the proposed powers**. The EM states that there will be an impact, with savings accruing as a result of the need for fewer members of standards committees due to the establishment of joint committees. This is estimated to be "**on average approximately £1,000 per person per year**", this would need to be "offset by a potential increase in travel and subsistence costs for committees covering a larger geographical area". No estimation of the balance between these costs and savings has been made.
- One section, Reforms to the Local Government Boundary Commission for Wales has a cost of **up to £5,000** relating to a change of name of the Local Government Boundary Commission. There are **other potential costs**: if the Commission were to utilise new order making powers, this would cost £2,000; and should the Commission charge a

Committee Reference: FIN(4) 21-12

principal council for carrying out a community area review, this charge would be between £8,000 and £15,000.

- The section *Access to information – town and community councils*, has no overall estimate of the financial impact and according to the EM “**it could be argued that there are significant costs associated with this provision especially when setting up an individual website, however, this is not necessarily the case**”. The EM states that of over 700 community councils around 350 do not have a website. A rough estimate of £2,000 to start up a website is given in the EM, this gives a **potential of £700,000 in start-up costs**. Along with a **potential estimate of £350,000 annual maintenance**. £1,000 per site. However, the EM states that this needs to be weighed up against potential savings in removing the need for papers and hard copies and could be considerably reduced through using shared facilities.

Table – Summary of costs stated in Explanatory Memorandum

Bill Section	Start-up costs £	Annual costs £	Notes
Reforms to the Local Government Boundary Commission for Wales	5,000	**	Welsh Government / Boundary Commission costs. *** – community area reviews cost between £8,000 and £15,000, would be charged to principal councils. Cost to using order making powers, £2,000.
Powers of the Independent Remuneration Board	0	0	
Changes to certain council committees	0	0	
Access to information –town and community councils	up to £700,000	up to £350,000	350 town and community councils, £2,000 start-up, £1,000 annual maintenance. Collaborative working would remove need for these councils to develop websites reducing this cost considerably. £1,000 per person per year saving through a reduction in the number of standards committee members, potentially offset by increases in travel and subsistence expenses.
Regional standards committees	0	0	
Presiding Members of Principal Councils	0	0	
Overall	up to £700,000	up to £350,000	

Source: Research Service presentation of information in the Explanatory Memorandum

4. Key Issues

Overall costs implications highlighted are relatively minor. The majority of the issues are related to the uncertainty of the financial implications of the requirement for all community and town councils in Wales to provide electronic capacity and websites.

- An estimate of the cost of starting a website is given and potential overall costs if there were to be no collaboration, **the EM does not make it clear what the Welsh Government consider the overall anticipated costs to be.**
- The EM states that it is the intention of the Welsh Government to work with community councils and their organisations, and to produce guidance so as both to identify cost effective methods of implementation and to see how collaborating together this policy may be pursued in the most effective manner. **There is no estimation of the cost of providing this support and guidance.**
- There are likely savings expected in terms of establishing joint standards committees, this appears reasonable but **likely overall savings have not been quantified.**

Jane Hutt AC / AM
Y Gweinidog Cyllid ac Arweinydd y Ty
Minister for Finance and Leader of the House



Llywodraeth Cymru
Welsh Government

Eich cyf/Your ref
Ein cyf/Our ref SF/JH/3459/12
Jocelyn Davies AM,
Chair, Finance Committee,
The National Assembly for
Wales,
Cardiff Bay,
Cardiff
CF99 1NA

26 November 2012

Dear Jocelyn

Inquiry into the Welsh Government's Invest-to-Save Fund

Following my recent attendance at the Finance Committee's hearing on 7 November, I am now writing with the additional information I agreed to provide to help inform your inquiry.

1). Action undertaken following the recommendations of the Welsh Government's interim evaluation of the Invest-to-Save Fund

I can confirm that the recommendations of the evaluation were accepted and that an action plan was put in place to take matters forward. Work on delivering actions has now mostly been completed and I attach a summarised progress update at Annex A for your information.

2). Provisional schedule of Invest-to-Save forward project repayments

Attached at Annex B is a table showing the agreed scheduled Invest-to-Save repayments over the next two financial years. The figures in the Annex reconcile with those published in the draft budget, where we have from 2013-14 provided greater transparency of the Invest-to-Save funding. I agreed at the Committee hearing, that in the future I will publish reconciliation information on an annual basis.

On actual repayments to date, I can report that we had recovered £9 million by the end of 2011-12 and that we are on track to recover a further £9.2 in the current financial year.

Repayments already made and those agreed and scheduled for future repayment, provide us with an insight into the progress being made by supported projects towards releasing projected savings. I have also previously drawn attention to the project case studies that I have published, where the majority of projects have provided actual savings data.

Work on establishing a more comprehensive account of the benefits delivered by the Invest-to-Save programme has been programmed to coincide with the maturity of supported projects. The external evaluation of the Fund that we discussed is at an advanced stage of planning and this work will specifically explore the progress towards the delivery of project savings alongside wider benefits. I anticipate publishing a final report of this work at the end of next year.

3.) Fall-off of projects between Stage 1 and Stage 2 of project appraisal

During the hearing, you asked for a note on the fall-off of projects between stage 1 and stage 2 of the appraisal process. We discussed a reduction in the number of bids submitted between funding rounds, which is most likely to be a consequence of there now being a better understanding by some applicants of the purposes of the fund, but also as a consequence of our targeting of the fund towards more strategic, higher value project proposals and value-for-money considerations.

Since the interim evaluation of the Fund was undertaken, two further funding rounds have been completed. Round V received a total of 17 new project bids (expressions of interest) and three bids were carried over from the previous funding round for further consideration. The outcome of these bids was as follows:

- the three projects carried over from round IV were all withdrawn by the applicants – two on the grounds that they had found alternative funding in-house to proceed without the need for Invest-to-Save support and the third (having undertaken further scoping work), decided not to proceed with their project, but instead pursue an alternative approach;
- four projects were awarded invest-to-save support;
- two projects were short-listed for further consideration;
- three projects were directed to alternative, more appropriate sources of finance;
- one bid from the private sector was rejected on the grounds that it did not meet the Fund's criteria; and,
- seven bids from one health board were not supported on the grounds that they were relatively small scale and offered only marginal financial and non-financial benefits. Given the number of unsuccessful bids by this organisation, the Invest-to-Save Unit has subsequently held a workshop with them to help develop an understanding of the Fund's criteria and to explore proposals for submission in future funding rounds. At least two of the bids from this round are being developed further with a view to re-submission in Round VII.

In Round VI there were 11 new project bids and two bids from the previous funding round. The outcome of these bids was as follows:

- Eight projects were awarded invest-to-save support, including one that had been carried over from the previous funding round;

- One project was short-listed for further consideration;
- One project was withdrawn by the applicant; and,
- One project was rejected on the grounds that it related to a non-devolved matter.

One project was not supported on the grounds that the case for investment had not been made convincingly. The project promoters were advised about the evidence needed to support the proposal should they wish for it to be considered further.

Beef wishes,

Jane

Jane Hutt AC / AM

Y Gweinidog Cyllid ac Arweinydd y Ty
Minister for Finance and Leader of the House

FIN(4)-21-12 Paper 4

Interim Evaluation of Welsh Government's Invest-to-Save Fund: recommendations and actions undertaken

Recommendation	Response/action undertaken
<p>Recommendation 1: there is strong support for the continuation of the Invest-to-Save Fund to support cash-releasing public service improvement projects across Wales and as such, commissioning an independent evaluation of actual project outcomes in 12-18 months time (between early and mid 2013) is recommended.</p>	<p>Agree – a return to projects to assess their achievement of outcomes was always intended and doing this in 12-18 months time when sufficient projects have been completed, is a sensible timeframe.</p> <ul style="list-style-type: none"> • Scope and terms of reference for external evaluation have been prepared and a budget identified. • Specification for work is currently being drawn up. • Aim is to appoint external reviewer and to get work underway by April 2013 with interim findings being reported around August 2013 and for the evaluation to be completed by December 2013.
<p>Recommendation 2: Given the borrowing restrictions that govern the NHS, the appraisal of Invest-to-Save bids should recognise how key the Fund can be in supporting projects involving the NHS.</p>	<p>Agree - there is a continuing need for the NHS to identify and champion their priority I2S projects so that the sector can maximise the benefits it receives from the fund.</p> <ul style="list-style-type: none"> • DHSSC Finance Directorate has a key role in helping to facilitate and therefore membership of I2S official's panel includes an official from Directorate. • Continue to raise awareness of fund within sector. Joint Ministerial visit made to Cardiff & Vale non-emergency transport project. Officials liaising with NHS Directors of Finance and undertaking workshops with Health Boards.
<p>Recommendation 3: there is a continuing need to promote local government engagement with the Fund, but recognising that the sector has access to alternative sources of funding.</p>	<p>Agree - the Fund has been widely promoted across local government & this work will continue so that it can be considered as a potential enabler of improvement projects, where other forms of funding aren't readily available.</p> <ul style="list-style-type: none"> • Finance Minister and Minister for Local Government & Communities jointly wrote to council Leaders on 8 March 2012 to announce forthcoming funding rounds. • Continued liaison with WLGA and Finance Directors through leadership events and direct e-mail to raise/maintain awareness.

Annex A (cont.)

Recommendation	Response/action undertaken
<p>Recommendation 4: consideration should continue to be given to the number and value of projects funded in future rounds and the impact this has on maximising efficiencies.</p>	<p>Agree – efficiencies might be maximised by targeting fewer, but more strategic, higher value projects. Higher value projects can also be a characteristic of collaborative projects. The evaluation report notes that more could be done to encourage collaborative working.</p> <p>Review undertaken of minimum project value threshold (previously set at £100k minimum) following which threshold was increased to £200k & introduced at Round VI.</p>
<p>Recommendation 5: while there are no significant issues with the bidding process as it stands, the evidence suggests that the following refinements might be considered:</p> <p>a) Introducing themes for each round of bidding to target specific Welsh Government priorities.</p> <p>b) Introducing an external member, from outside the Welsh Government on the Invest-to-Save Panel.</p> <p>c) Invest-to-Save bids are appraised alongside other forms of Welsh Government support, such as Centrally Retained Capital (CRC) funding.</p> <p>d) Reviewing the timescale for submitting expressions of interest.</p>	<p>Agree – all four points to be considered.</p> <ul style="list-style-type: none"> • Fund aligned with the work of Public Service Leadership Group (PSLG) workstreams and reviewed with workstreams in advance of funding rounds being announced. • External member not appointed, but external view on bids achieved by seeking comments from PSLG workstream leads. • I2S is mostly mutually exclusive of other assistance, but where CRC funding is sought arrangements are in place to explore possible linked appraisal. • I2S/CRC share panel members at official level. • Forward rounds of I2S have been established and timetables published to enable applicant's ample time to prepare and submit bids.
<p>Recommendation 6: the additionality of Invest-to-Save funding should be explored in more detail in the any future independent evaluation.</p>	<p>Agree. The repayable nature of I2S stands it apart from other forms of Welsh Government support, but nevertheless projects are still required to demonstrate a level of additionality. Exploring this further in a future evaluation is sensible. Actions undertaken.</p> <ul style="list-style-type: none"> • Additional questions relating to additionality have been included in expression of interest application form. • Issue included in terms of reference of forthcoming external evaluation of Fund.
<p>Recommendation 7: consideration should be given to how project managers could be encouraged to self-evaluate their projects, with support offered in the form of guidance and/or standardised tools and techniques to demonstrate benefits and savings.</p>	<p>Agree. It is important to promote best practice and to encourage a consistent methodology and approach as this will subsequently assist any future evaluation of the Fund by the Welsh Government.</p> <ul style="list-style-type: none"> • New arrangements introduced at Round VI, whereby project evaluation arrangements are discussed with WG social researcher. • Welsh Government Social Research Team now assist in provision of evaluation guidance and/or standardised tools and techniques. • Views of Welsh Government Social Research Team sought on project evaluation proposals.

Annex B

Invest-to-Save Fund: schedule of future repayments arising from project investments

Revenue

	2013-14 (£000's)	2014-15 (£000's)
Repayments relating to NHS Local Health Boards & NHS Trusts		
Public Sector Broadband Aggregation (PSBA): NHS all-Wales	450	
Non-Emergency Patient Transport Pilots: partnerships involving NHS Wales, local government and Third Sector	130	40
Reconfiguration of Molecular Pathology Services: Cardiff & Vale University Health Board	51	
National Voluntary Early Release Scheme (VERS): NHS Wales	7,900	4300
Enhanced Recovery 1000 lives Collaborative Programme (ERP) - NHS all-Wales	216	137
E-expenses system: NHS Shared Service Partnership	94	
Digital Dictation / Speech Recognition: Betsi Cadwaladr University Health Board	200	319
Care Closer to Home: Hywel Dda Health Board	500	900
E-rostering: Hywel Dda Health Board	128	127
The Wyn Campaign: Regaining & Retaining Independence: Cardiff & Vale University Health Board	100	
E-rostering: Aneurin Bevan Health Boards	120	120
Medicines Management: Aneurin Bevan Health Board		440
Integrated Whole System Intermediate Care Model: Cwm Taf Health Board		200
NHS All-Wales Collaborative Procurement Programme To Acquire Adult Mental Health Services: NHS Wales	300	
Total	10,189	6,583

Repayments relating to public sector broadband initiative (see above for NHS PSBA repayments)		
Public Sector Broadband Aggregation (PSBA) Accelerating the benefits	1250	400
Public Sector Broadband Aggregation (PSBA) Connectivity for Gwent	679	
Public Sector Broadband Aggregation (PSBA) Connectivity for North Wales	500	500
Public Sector Broadband Aggregation (PSBA) Connectivity - remaining organisations	500	500
Total	2,929	1,400

Repayment relating to establishment of Natural Resources body for Wales	0	1,512
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Annex B (cont.)

Capital

	2013-14 (£000's)	2014-15 (£000's)
CCTV Collaborative Working: Conwy County Borough Council	290	290
Merthyr Tydfil xchangewales e-procurement system: Merthyr Tydfil County Borough Council	100	115
Transactional WEB development: Newport City Council	135	135
Multi-Agency Face-to-Face Centre - "One Newport Information Station" : Newport City Council	200	200
Maximising Land & Property Assets "Our-Space" project: Cardiff Council	100	100
I-zone, One-Stop-Shop for Students: Cardiff Metropolitan University (UWIC)	222	
Carbon Emission & Energy Use Reduction: Wrexham County Borough Council	215	215
Powys School Modernisation Programme: Powys County Council	55	100
Paperless Powys: Powys County Council	188	
Fostering Spend-to-Save Strategy: Neath Port Talbot County Borough Council	129	
Lean Systems Review of Children & Young People's Assessment and Case Management Services: Neath Port Talbot County Borough Council	111	
Gwent Frailty Project: Aneurin Bevan Health Board in partnership with Local Government	1,000	1,500
Public Service Leadership/National Assets Essential Skills Support Programme	129	
'Greening the Garden' - PVSolar Installation: National Botanical Garden of Wales	20	20
Workplace Transformation: Blaenau Gwent County Borough Council	250	130
Xchangewales eTrading implementation		180
Total	3,144	2,985

INVEST-TO-SAVE FUND

POST IMPLEMENTATION EVALUATION & REVIEW PROFORMA



Llywodraeth Cynulliad Cymru
Welsh Assembly Government

Finance Committee
FIN(4) 21-12 – Paper 5

Project Title & I2S Reference

I2S-09-013-Creating a student one stop shop

Lead Organisation

Cardiff Metropolitan University (formerly UWIC)

Project Senior Responsible Officer (SRO)

Pam Ackroyd, Pro Vice Chancellor (Operations)

Project Aim & Objectives

Cardiff Metropolitan University wished to develop a one-stop-shop at its main academic campus, to significantly improve services and accessibility to its students (and potential students). This aim was in keeping with the Welsh Assembly Government's agenda for citizen-focussed services and achieving efficiency gains.

Projected Benefits: UPDATE REPORT NOVEMBER 2012

What have been the key achievements, focussing on key outputs and outcomes for citizens? How are these outcomes measured?

Evidence, both qualitative and quantitative, should be provided to show the difference made and link to the agreed outcome measures.

This Project Evaluation Report provides an update on the i-zone project, for the period September 2010 to date

The i-zone has been fully operational for two full academic years, 2010/11 and 2011/12 and is now entering its third year of operation.

The report provides an update against each of the original aims and objectives and includes quantitative data.

Service Principles:

The One-Stop-Shop should provide students with:

- *Contact that is easy and convenient,*
- *Polite, friendly, knowledgeable staff,*
- *A feedback mechanism to discuss service improvements*

- *A quick and correct response – first time every time.*

Students should:

- *not be passed from “pillar to post”,*
- *not be burdened with unnecessary bureaucracy,*
- *not have to repeat what they have already said,*
- *not have to understand our team/UWIC structures,*

Aims and objectives:

- ***An aesthetic highly functional environment that effectively serves a variety of transactions and engagements with students; provides an excellent working environment for the Hub team***
- The i-zone is delivering the range of functions as originally set out, such as the verification of qualifications, CRB checks, fee and studio payments, International letter requests, Council tax enquiries, International social trip bookings and payments, ID card support, met Rider bus passes, assignments hand-ins, accommodation enquiries and payments, careers drop-ins etc.

The environment has received considerable positive comment from both internal students and staff and external visitors. It features in two Videos online.



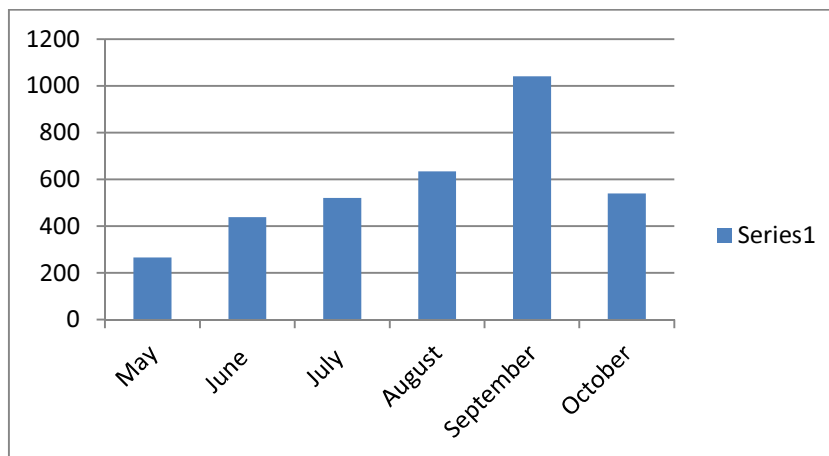
- ***Our students can access i-zone services through physical and e-portal resources***
- Students are now able to access the i-zone through ‘multiple-channels’ – *campus based, face to face, or virtually through Facebook, Twitter, email, text, website, and of course (mobile) phone.* Current developmental objectives include driving the development of mobile accessible e-portal and self services, linked to wider university initiatives such as ‘Webpayments’ allowing students to pay online and the ‘Self-enrolment web portal (see below).
- ***Convenient operating hours eg 8.30 – 16.00 Monday – Friday***
- The i-zone has been open for 7 hours daily from 9.00am – 4.00pm,

4 days a week (Wednesdays for 6 hours (10.0am – 4.0 pm), the 9.0-10.0 allowing for staff Team meetings). As previously noted, the original project identified that there was no demand for an evening or weekend service. The service has however responded to demand, opening until 6 pm on occasions. The extended (flexible) opening hours compared to the previous service hours are greatly appreciated by the students; in the first year of opening the i-zone received numerous positive comments to illustrate this point.

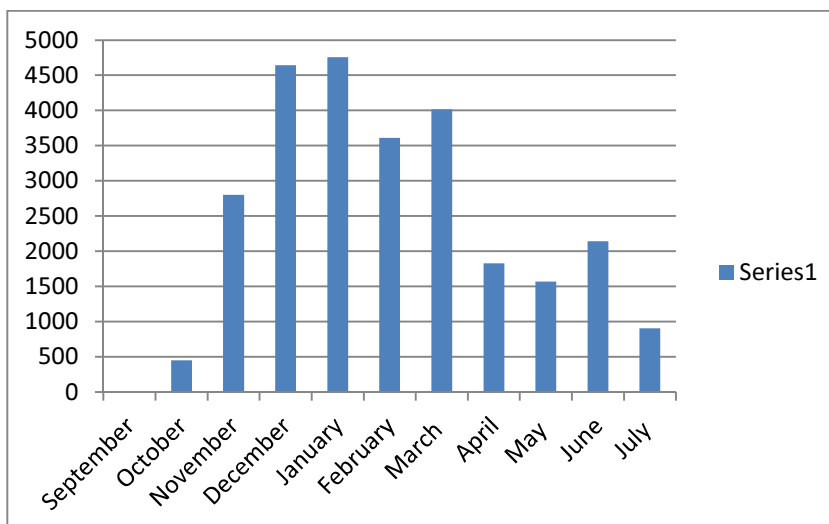
- **Access by telephone, email, face-to-face, post, fax, web chat, and through a self-service portal 24 hours a day, 7 days a week**

As noted above, the i-zone is developing its 'multi-channel' strategy to ensure the service is demand-driven and technology/new media-enabled with self service taking account of wider University 'self-service' initiatives. It is being developed within an enterprise wide framework that is taking account of mobile technologies and infrastructure. Fax is no longer used. Students are able to call 24/7 and if outside the opening hours messages are recorded and responded to within 24hours. Students wishing to drop off assignments outside the opening hours have a 'Drop-box' facility to ensure they can between 16.00 – 09.00 hours.

The most recent statistics of access by telephone show levels of demand: 6 months May-October 2012



Face to face data for 2011 and 2012 is below.



- ***Development of a student request management system which allows Cardiff Metropolitan to identify any weaknesses in the service provided to support the redesign of processes or reallocation of resources***

This is as described above but will also be incorporated into the University's wider mobile strategy as it develops.

- ***Excellent customer service is provided by highly motivated staff – the service provided is professional, consistent, co-ordinated and proactive***

- An intensive 8 week training programme was undertaken by staff with input by all the other central support units that work in partnership with the i-zone. The training included Customer Service training and Team building. On-going, service-demand-driven process training has taken place on over twenty topics such as the Data Protection Act, Awareness of and dealing with student problems, Counselling etc. The service is now making use of key corporate enterprise IT systems such as the new Student Record system to quickly access student data. Whereas students might have waited days previously for answers to their questions now the majority are answered and resolved on the spot.
- A core team has been established and is delivering a high standard and consistent level of service. Feedback from staff and students (via feedback postcards) has been very positive and where students are not happy with particular aspects of services such as the Cardiff Bus metrider, it provides a mechanism to quickly feed back student concerns. Consistency is provided through it being procedure-driven.

- ***The Hub team take ownership for all transactions – Aim for all multiple (cross disciplinary) transactions being managed through one interaction***

The I-Zone Hub is taking ownership of transactional histories but as reported above this will become more efficient as a new STUDENT SELF SERVICE AND I-ZONE ENQUIRIES SYSTEM is brought into operation.

- ***75% of queries are resolved without referral to the back office***

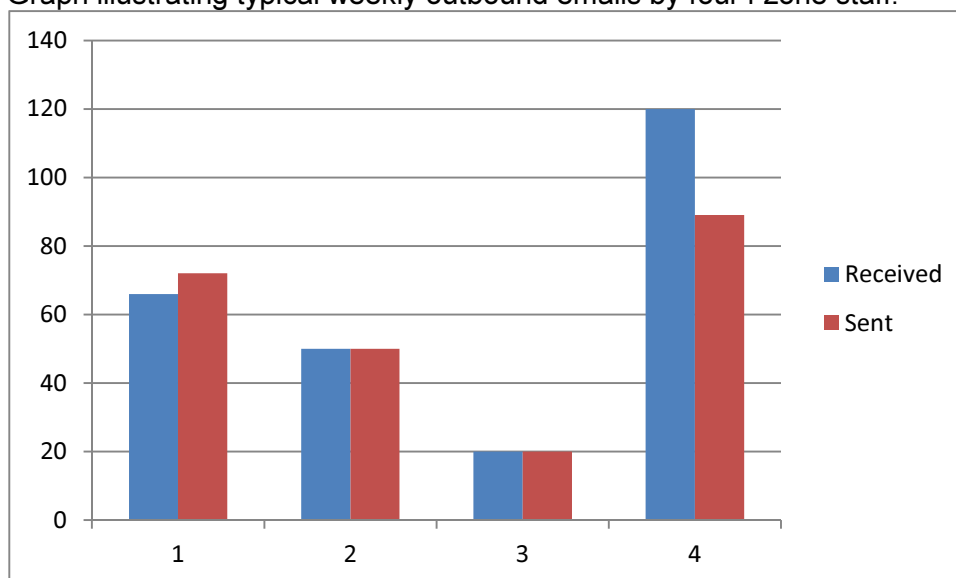
- There is consensus that the i-zone exceeds the 75% target and that 'unresolved' issues account for less than 5% of enquiries. The highest 'referral rate' is for international students to the International Office, due largely to the specialist knowledge required in dealing with UK Border Agency compliance issues. Referrals are also made to specialist services within the Student Services unit such as Disability and Counselling and also to the Academic Registry in regard to enrolment issues or student loan /enrolment status issues.
- Having the i-zone as the central collection point for student certificates and other documents (e.g. Council Tax exemption letters and 'metRider' bus passes) has been a major success with the extended opening hours over previous levels available to students.

- ***A quarter of all contact is outbound, e.g. to update customers with progress, and chase and escalate non compliance***

- Outgoing communication includes receipts for assignments, daily responses to emails on a wide range of topics and where necessary 'mass' emails to all

Llandaff based students via SMS using the University's Communications Manager. Inbound and outbound data monitoring is increasing.

Graph illustrating typical weekly outbound emails by four i-zone staff.



- **50% of requests are resolved using self-service**
- 'Self service' is part of the University's wider move to empower students and provide them with convenient channels to access and undertake transactions themselves. The introduction of 'Webpayments', an online payment system enables students (or parents or sponsors of students) to make payments online from anywhere in the world. The new Student Records system has facilitated students being able to enrol themselves ('self-enrolment'). The University has recently introduced its first mobile 'app'. The new STUDENT SELF SERVICE AND I-ZONE ENQUIRIES SYSTEM will move toward the 50% target once implemented.

- **Back office teams are able to focus on enquiries that require specialist knowledge and are able to go the extra mile**

As projected, there has been a significant transfer and simplifying of 'front facing' duties that have in turn released staff (such as Academic Registry) to concentrate on specialist duties. This has also coincided with central service mergers and efficiency gains such as the Student Services, Academic Registry and I-Zone merger.

- **i-zone ensures that services are responsive and accountable to all students by regular reporting and consultation**

Formal reporting on the i-zone is via line management. The use of the ongoing feedback system (postcards) is at present being supplemented via engagement with the Cardiff School of Management students from Marketing who have already used the i-zone as a live project. Evaluating awareness and perceptions of the i-zone was part of the study that was commissioned to ensure the i-zone services are responsive. Students participated in a survey.

- **90 % of customers are satisfied with the service and 75% report that we have exceeded their expectations**

- Captured feedback from staff and students remains very positive and sampling satisfaction levels suggests the 90% target is exceeded. Feedback is also obtained through on-going meetings with the Heads of other key stakeholders such as the Communication, Marketing and Student Recruitment department, Academic Registry, Student Services and Accommodation. Bi-annual meetings are scheduled and include the Student Union.

- ***The i-zone can demonstrate to Cardiff Metropolitan University the value it is adding***

The former Head of the Cardiff School of Management reported that with the relocation of the school from Colchester Avenue to Llandaff there had been a noticeable fall in enquiries to his academic and support staff as students were able to go to the i-zone. The Director of Learning and Teaching in the Cardiff School of Art and Design has also acknowledged that the i-zone is providing a high value service to art and design students not only through its existing services but in taking on new ones such as Art and Design students being able to pay for artist's materials at the i-zone, a function previously undertaken within the school.

- ***The i-zone is shortlisted for an external customer service award and is a bench mark for other HE's/public bodies.***

- Cardiff Metropolitan University's i-zone was recognized for the prestigious Times Higher Education Leadership and Management Awards 2011 for their Outstanding Students Services Team, the only one in Wales and one of only six in the UK.
- The i-zone plays an important contributory role with its engagement and service to our international students, working in close partnership with the International Office. Nominated for the third year running, Cardiff Metropolitan University has been ranked overall top in the UK for international student satisfaction. The University has also topped the world rankings for the quality of the student support. Conducted by i-graduate, the latest International Student Barometer (ISB), an independent research service specialising in the international education market. The survey is now the largest study of international students in the world and attracts feedback from over 400,000 students annually.
- In addition to the University holding the Investors in People Award, the University previously held for 12 consecutive years the Government's CharterMark award, now rebranded the Customer Service Excellence award reflecting the embedded nature of our customer service ethos and culture. The service has been visited by the University of Glamorgan and recently Aberdeen University indicating its benchmark status.

What was the value of financial savings achieved? Please specify whether: cash savings, net of investment, recurrent in nature.

The following tables (1.1 & 1.2) were used originally to provide a summary of costs and forecasted savings. These have been updated to reflect actuals for the period to date (shown in red):

Note ref	Cost description	09/10 (ac yr) (development phase)	10/11	11/12	12/13 forecasted	13/14 forecasted
1	Capital build	£860k*	-	-	-	-
2	Build design / Project management 15%	£120k	-	-	-	-
3	Equipment / furnishing	£23k	-	-	-	-
4	Staffing	£2k	£12.5k	£23k	£23k	£23k
5	Staff development	£2k	£0k	£5k	£5k	£5k
6	Operational	£0k	£10k	£10k	£10k	£10k
	Sub total	£1007k (+vat)	£22.5k	£38k	£38k	£38k
7	Total grant investment (revised based on actual)	£718.5k				

- 1) Capital build cost increased as the original scheme changed to allow for re-provision of corporate reception within the design. The cost difference was funded by UWIC.
- 4) 09/10 staffing costs related to the project manager. Appointment to the post was through redeployment in UWIC, with no backfill. Therefore only the additional salary cost is attributed to the project.
- 4) 10/11+ salary costs were lower than forecasted as all (except one Part time i-zone Advisor) of the posts were appointed through redeployment (with no backfill). During 11/12, there was a requirement to increase the hours of the part time Advsior to full time.
- 5) Staff development costs lower than forecast. Initial training was primarily delivered in house through specialists in each service area. Customer service training was the only cost element at circa £1.5k, along with some travel costs to visit other university services. The training and costs straddled the two financial years 09/10 and 10/11 hence no costs showing in 10/11. Budget allowance remains for subsequent years.
- 6) Minor expenditure included within 3) Expenditure / furnishing
- 7) The final investment loan was reduced to £718.5k

Table 1.2 Savings profile

Saving and repayment profile	10/11 Achieved	11/12 Planned / Recurrent	12/13 Planned / Recurrent	13/14 Planned / Recurrent
1) Phase 1 posts	£119k	£119k	£119k	£119k
1) Phase 2 posts		£87k	£87k	£87k
1) Post G	-	-	£29k	£29k
2) Process Efficiency	£9k	£9k	£15k	£15k
3) UWIC broader efficiency savings	-	-	-	£625k
Sub total	£128k	£208k	£208k	£833k

Labour savings achieved at start up were higher than forecasted; however subsequent to this, the University underwent a significant restructuring and

voluntary severance round, ultimately reducing its labour costs by approximately £3m pa.

Part of this restructuring included the merger of the Izone service with two other service areas. As a result the University is unable to directly associate labour savings with this service; although it is clear that the existence of the service supported the restructuring process

What customer feedback have you had and what stories can illustrate the success of the programme?

In addition to the above points, students from the Cardiff School of Management's Marketing programme are continuing to use the i-zone as a live project to research and gain student and staff feedback and inform development. This builds on the previous project and positive feedback from the students sampled.

Specific examples of the numerous feedback comments include: 'Always great' (service); 'Very happy, fast effective service'; 'Very cheerful and efficient staff working today'; 'Always nice service! Thank you'; 'Exceptional service'; 'Dealt efficiently and promptly with a difficult enquiry'; 'Fast, friendly and efficient'; 'I always find them helpful'; 'Very nice facilities. A lot nicer than the other university in Cardiff and staff much more pleasant'; 'Excellent services'; 'He has always helped me and even on my last day helped me with a smile'; 'Being open until 4.0 p.m may have just saved my degree. Thank you'; 'It's really posh here now'; 'The service was exemplary. Thank you'.

EVALUATION:

(reflecting on key processes and success factors such as: planning, commitment, communication, technical / operational, people, management, procurement, suppliers, resources).

What benefit has there been by this being identified as a priority Invest-to-Save project?

The Welsh Government's Invest to Save scheme was an important component of the i-zone's development. It is very unlikely that the project would have been implemented without the I2S investment

The investment has had numerous organizational benefits as recorded above.

To be Completed by SRO/Project Manager

Name:

Contact telephone number:

Date:.....

Please complete and return this form to Lee Thomas at lee.thomas2@wales.gsi.gov.uk by no later than 25th March 2011.

**Y Pwyllgor Plant a Phobl Ifanc
Children and Young People Committee**

Cynulliad
Cenedlaethol
Cymru
National
Assembly for
Wales



Jocelyn Davies AM
Chair
Finance Committee
National Assembly for Wales
Cardiff Bay
Cardiff CF99 1NA

Bae Caerdydd / Cardiff Bay
Caerdydd / Cardiff CF99 1NA

27 November 2012

Dear Jocelyn

At its meeting on 18 October, the Children and Young Committee undertook training on Children's Human Rights, delivered by the Wales Observatory on Human Rights of Children and Young People and the Wales UNCRC Monitoring Group.

The aim of the session was to examine the duties imposed on Welsh Ministers under the Rights of Children and Young Persons (Wales) Measure 2011, identify how they can be held accountable for fulfilling those duties, and the role of Assembly Committees in connection with the Measure.

Members found the training extremely useful and also noted its importance and relevance to other Committees. I am therefore writing to commend this training to you and members of the Finance Committee. If you would like any further details about the course or would be interested in holding a similar session, Carys Eyton Evans, Head of Member Liaison and Professional Development, would be happy to help.

Yours sincerely



**Christine Chapman AM
Committee Chair**

Bae Caerdydd
Cardiff Bay
CF99 1NA



Jocelyn Davies AM
Chair, Finance Committee
National Assembly for Wales
Cardiff Bay
CF99 1NA

24 October 2012

Dear Jocelyn

The Environment and Sustainability Committee took oral evidence from the Minister for Environment and Sustainable Development ('the Minister') and the Deputy Minister for Agriculture, Food, Fisheries and European Programmes ('the Deputy Minister') in relation to the Welsh Government's draft budget on 18 October 2012. Our scrutiny concentrated on matters affecting our committee portfolio, the main conclusions of which are outlined in this letter and will be published on our website.

I hope our comments assist with the Finance Committee's overarching scrutiny of the draft budget. We have set out our key issues in accordance with the four principles of financial scrutiny adopted by your committee: affordability, prioritisation, value for money and budget process.

1. Affordability

1.1 Central staffing budgets

The Minister and Deputy Minister responded to several questions around resourcing by referring to sufficient finance being available from central departmental and Welsh Government-level staffing budgets. We have some concern that a number of Welsh Government's policy and legislative priorities are at risk if the Minister and Deputy Minister are unable to access sufficient finance for their delivery. The Finance Committee may wish to explore this reliance on unspecified sources of finance.

1.2 Natural Resources Body

We questioned the Minister on the level of resource available to the Natural Resources Body in its first year of operation. He has assured us that sufficient resources have been allocated for the successful merger of the existing bodies and to ensure that there is no diminution of service during the transition period, despite

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a reduction in the revenue available to the newly merged body in 2013-14 compared with the level of combined resource available to the individual existing bodies in 2012-13. The Minister also referred to money available to the Natural Resources Body for the delivery of several policy commitments, including the achievement of biodiversity targets.

The Minister informed us that he believed the creation of the Natural Resources Body would deliver £90 million net benefit to the organisation over ten years. The Minister stated that it would be the responsibility of the new body and not the Government to monitor and report on these savings. It is not clear whether these expected savings will result in a further reduction of the funding the Natural Resources Body receives in future years.

The Minister's budget allocation for 2013-14 includes £2 million for *Natural Environment Framework restructuring*. £2 million is also being moved from this budget line to fund two new budget lines on the natural and urban environments. Matthew Quinn (Director of Environment and Sustainable Development) told us in June of this year that funds within this budget line were principally for staff costs in relation to preparing the Natural Environment Framework for that period. The Minister explained to us what the £2 million which is being moved from this budget line would be spent on but it was unclear what the £2 million being retained within this budget will deliver. We intend to ask the Minister for further clarity on what specific outcomes will be delivered by this budget line.

The Finance Committee may wish to consider the affordability of the Welsh Government's plans in this area.

1.3 Fisheries enforcement vessels

The Deputy Minister indicated that he is at the business case stage for investing in new fisheries enforcement vessels. He indicated that, due to pressures on the Royal Navy, the Welsh Government's vessels will be required to patrol the offshore area of the Welsh Fisheries Zone in addition to its existing task of patrolling Welsh inshore waters. This new duty carries with it a significant responsibility. Failure to take adequate enforcement action in the offshore areas could lead to breaches of commitments under the Common Fisheries Policy and the Birds and Habitats Directives which in turn could lead to infraction proceedings.

A quantum for the capital required for this investment has yet to be arrived at, and no budget allowance has been made for 2013-14. The Deputy Minister believes that he will be able to find sufficient funding from within his departmental budget, the BETS budget or centrally from the Welsh Government. Given the pressure on capital budgets, we will be interested to see how this proposed investment progresses and expect the source of the capital to be transparently set out once it has been identified.

1.4 Transfer of fisheries functions

The Deputy Minister told us that there is going to be a substantial devolution of powers to Wales in relation to vessel registration and quota management. He indicated that the main costs associated with this transfer of responsibilities would be IT costs. He stated that his officials were building on existing systems to make them fit for purpose and that these costs would be met within his budget

allocations. We will be monitoring spend in relation to this closely. Additionally, we will be asking the Deputy Minister to clarify whether this work will be undertaken in this financial year or whether funds will also be needed in 2013-14.

1.5 EID Database

The Deputy Minister has committed to developing an Electronic sheep Identification Database for Wales. The Deputy Minister told us that, while no final decision had been made on the design of the database, indicative figures have shown that it may cost between £2 and £3 million. The Deputy Minister stated that the cost would be met from within his departmental budget but had not included this in his Draft Budget for 2013-14. The Deputy Minister told us that 80 per cent of his budget is committed to match funding the Rural Development Programme and that only a small proportion of his budget was flexible. We will be monitoring closely the final projected costs for the database and will be asking the Deputy Minister to inform us of any changes to planned budget allocations for 2013-14 as soon as possible.

2. Prioritisation

2.1 Marine policy

The level of priority afforded to this policy area appears insufficient and the financing of this policy is not transparently presented in the draft budget.

Although there is an action within the Minister's budget for Delivering Nature Conservation and Marine Policies, there is no single BEL that deals with marine policy and neither the Minister's paper or the Welsh Government's Draft Budget 2013-14 document identify the amount of resource that will be available to implement marine policy in 2013-14.

When questioned about this apparent lack of prioritisation and clarity, Matthew Quinn (Director of Environment and Sustainable Development) responded by stating that there was £120 thousand available to the Department for delivering marine policy under the 'Delivering nature conservation and marine policies' action line. This leaves us no clearer, as the three BELs under this action make no reference to marine policy.

This falls short of the levels of transparency we expect from the Welsh Government. Our concern is exacerbated by the evidence we have received to date in relation to our inquiry into marine policy in Wales. Almost every respondent and witness has pointed to a lack of Welsh Government resource for marine policy as a major concern. We will be looking at this in more detail, but have raised these concerns here for the purpose of budget scrutiny. We certainly expect to see a clearer picture of how marine policy is being financed by the Welsh Government in future budgets.

3. Budget process

3.1 General observation

There have been improvements in the presentation and clarity of the budget papers and the written evidence provided by the Minister and Deputy Minister. We welcome moves towards greater transparency; however there is still considerable room for improvement. Whilst steps have been taken towards linking financial planning with Programme for Government policy objectives, more needs to be done to make these links clear. Greater clarity is needed to enable more comprehensive financial

3.2 Sustainable development

The Minister indicated that his officials have worked with the strategic budgetary team to ensure that Sustainable Development was a more meaningful part of the process. Through this, officials from other Departments were asked to demonstrate how sustainable development was considered in their spending plans. We welcome this work and the identification in Chapter 7 of the Draft Budget of projects which will contribute to Sustainable Development. However, we would like further evidence from the Welsh Government in future budget rounds of how sustainable development influenced spending allocations. For example, we would like to know whether policies were modified to deliver more sustainable outcomes or whether one policy option was selected over another for sustainability reasons. This will enable the Welsh Government to become an exemplar of good practice for other public sector organisations. This is of acute importance, as many of these organisations will be required to include sustainable development as a central organising principle of their budget process, should the proposed provisions of the Sustainable Development Bill come to fruition.

3.3 Re-profiling Rural Development Programme plans

The Deputy Minister told us that the European Commission had changed the deadline by which funding for multi-annual agri-environment schemes, such as Glastir, needs to be committed and spent. Whilst previously the Welsh Government believed it would be able to spend funds in 2014-15 it will now have to have committed and spent these funds by December 2013. This, the Deputy Minister concluded, has meant that there will need to be a re-profiling of planned spend within the Rural Development Programme to ensure expenditure before programme end. We are concerned that failure to do this urgently will result in funds having to be returned to the EU. We will therefore be asking the Deputy Minister for clarity on the extent of the re-profiling, a timeline for the re-profiling exercise and clarity on the level of risk that exists of some funds having to be returned to the EU.

4. Value for money

Whilst budget scrutiny is not the natural point in the financial scrutiny cycle to assess value for money, we received commitments from both the Minister and the Deputy Minister that will be useful in making future value for money assessments.

4.1 Invest to save and the Natural Resources Body

The Department for Environment and Sustainable Development received funds for 2012-13 to pay for IT and HR infrastructure costs associated with the creation of the Natural Resources Body. The Minister's written paper indicates that the Department will be required to repay these funds (£1.5 million revenue) in 2014-15.

The Minister confirmed that savings accrued from the establishment of the Natural Resources Body will be discernable from 2014-15 onwards, as will repayments to the invest-to-save fund.

4.2 Food promotion grants

The Deputy Minister informed the Committee that each grant awarded for food promotion was conditional on meeting turnover and job creation objectives. He also stated that he believed a global picture of how these objectives are being met could

be arrived at. This is an area that we will return to with a view to obtaining this information from the Minister for further consideration in value for money terms.
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I hope this information is helpful. You may wish to be aware that we will also share the letter with the Minister Deputy Minister. We will be pursuing some actions and requests for further information to assist us with our on-going financial scrutiny work.

Yours sincerely



Dafydd Elis-Thomas AM
Chair of the Environment and Sustainability Committee

By virtue of paragraph(s) vi of Standing Order 17.42

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