

# Complete Agenda

# CABINET

## GWYNEDD COUNCIL

<b>DATE</b>	Tuesday, 21st May, 2019
<b>TIME</b>	1.00 pm
<b>LOCATION</b>	Siambr Hywel Dda, Council Offices, Caernarfon, Gwynedd, LL55 1SH
<b>CONTACT POINT</b>	Annes Siôn 01286 679490 cabinet@gwynedd.llyw.cymru

### GWYNEDD COUNCIL CABINET MEMBERS

<b>Members</b>	
Dyfrig L. Siencyn	Leader
Dafydd Meurig	Deputy Leader, Cabinet Member for Adults, Health and Wellbeing
Craig ab Iago	Cabinet Member for Housing
Gareth Wyn Griffith	Cabinet Member for Environment
Nia Wyn Jeffreys	Cabinet Member for Corporate Support
Dilwyn Morgan	Cabinet Member for Children and Young People
Gareth Thomas	Cabinet Member for Economic Development and Community
Ioan Thomas	Cabinet Member for Finance
Catrin Elen Wager	Cabinet Member for Highways and Municipal
Cemlyn Rees Williams	Cabinet Member for Education

## AGENDA

	<b>Item</b>	<b>Submitted by</b>	<b>Officer</b>	<b>Page</b>
1	APOLOGIES			
2	DECLARATION OF PERSONAL INTEREST			
3	URGENT ITEMS			
4	MATTERS ARISING FROM OVERVIEW AND SCRUTINY			
5	FINAL ACCOUNTS 2018/19 - REVENUE OUTTURN	Cyng / Cllr Ioan Thomas	Ffion Madog Evans	3 - 25
6	CAPITAL PROGRAMME 2018/19 - END OF YEAR REVIEW (31 MARCH 2019 POSITION)	Cyng / Cllr Ioan Thomas	Ffion Madog Evans	26 - 33
7	SAVINGS OVERVIEW: PROGRESS REPORT ON REALISING SAVINGS SCHEMES	Cyng / Cllr Ioan Thomas	Ffion Madog Evans	34 - 41

## REPORT TO THE CABINET

21 MAY 2019

**Cabinet Member:** Councillor Ioan Thomas, Finance Cabinet Member

**Subject:** Final Accounts 2018/19 - Revenue Outturn

**Contact Officer:** Ffion Madog Evans, Senior Finance Manager

---

### 1. The decision sought / purpose of the report

#### The Cabinet is requested to:

- 1.1 Consider and note the final financial position of the Council's departments for 2018/19.
- 1.2 **Approve the amounts to be carried forward** (the "Revised Over/(Under) Spend" column of the summary in **Appendix 1**), namely -

<b>DEPARTMENT</b>	<b>£'000</b>
<b>Adults, Health and Wellbeing</b>	<b>15</b>
<b>Children and Families</b>	<b>100</b>
<b>Education</b>	<b>100</b>
<b>Economy and Community</b>	<b>28</b>
<b>Highways and Municipal</b>	<b>100</b>
<b>Environment</b>	<b>(100)</b>
<b>Gwynedd Consultancy</b>	<b>(59)</b>
<b>Corporate Management Team &amp; Legal</b>	<b>(76)</b>
<b>Finance</b>	<b>(59)</b>
<b>Corporate Support</b>	<b>(61)</b>

- 1.3 Approve the following recommendations and financial transfers (as outlined in **Appendix 2**) –
  - The Children and Families Department to receive a one-off partial financial assistance of £1,544k to restrict the level of overspend that will be carried over by the department, to support them to move on to face the challenges of 2019/20.
  - The Education Department to receive one-off partial financial assistance of £16k to limit the overspend that will be carried forward by the department to £100k.
  - Compensate the Economy and Community Department £157k, the sum of the overspend due to the slippage of establishing 'Cwmni Byw'n Iach' to run the leisure centres, which limits the overspend that will be carried forward by the department to £28k.

- The Highways and Municipal Department to receive a one-off partial financial assistance of £518k, which limits the overspend that will be carried forward by the Department to £100k, to support them to face the challenges of 2019/20.
- In accordance with the financial regulations it is recommended that the usual practice is adhered to in order to allow the Environment Department to keep (£100k) of their underspend, and to move (£392k) which is the sum above (£100k), to be used to support the departments that have overspent in 2018/19.
- On Corporate budgets, transfer:
  - (£19k) related to the Council Tax Premium to a specific reserve to be considered for the Housing Strategy.
  - (£551k) relating to capital costs to a capital programme fund.
  - (£738k) on maintenance to a maintenance reserve.
- Use (£1,843k) of the net underspend on the Corporate budget to support the departments that have overspent in 2018/19.
- The remainder of the Corporate underspend (£173k) to the Council's general balances.

1.4 To approve the virements from the specific reserves and provisions as outlined in Appendix 3 following a review of reserves and provisions, namely:

- Harvest (£3.931m) from reserves and (£69k) from provisions.
- Assign £3m to the transformation fund for the Council Plan.
- Transfer £1m in to the Council's General Balances.
- Assign for a one-year period, £262k from the Supporting the Financial Strategy Reserve to bridge the funding source relating to liabilities of the Pension Fund.

## 2. Introduction / Background

2.1 Generally, despite the sustained challenging need to achieve savings, along with the pressure seen in the care field, **the final financial position for 2018/19 confirms that there was effective financial management.** Of course, this is dependent on the role of the relevant Cabinet Members, head of departments and budget managers, supported by our accountants' professional monitoring work, together with constructive challenge as required by the Cabinet, the Audit and Governance Committee, and the Corporate Management Team.

2.2 Therefore, **the Cabinet is requested to approve the final financial position for 2018/19 to enable the Finance Department to move forward to produce, certify and publish the statutory financial statements before 15 June.**

### 3. Council Departments

3.1 **Generally, I can confirm that half the departments' budgets have been within its budgets this year.** A summary of the final position for every department is outlined in Appendix 1, with the sums to be carried forward (subject to the Cabinet's approval) in the "Revised Over/(Under) Spend" column. In Appendix 2, further details relating to the major issues and areas where significant variances from those previously reported are noted, together with several specific recommendations. Those recommendations are highlighted for consideration above in 1.3.

3.2 Half of the departments are reporting an underspend, which was accurately projected during 2018/19. But there was an improvement in the financial position of the **Education Department** and the **Adult Department** by the end of the year, following the receipt and redirection of grants, late in the year. A substantial increase in the underspend can also be seen by the **Environment Department**.

3.3 There was an increase in the trend of overspending on operational, placement, post-16 and Specialist/Derwen by the **Children and Families Department**, and in the waste area by the **Highways and Municipal Department**.

3.4 **The underspend / overspend position of each department in Appendix 1, is reported to the Cabinet, who will approve the sums to be carried forward.** Financial Procedure Rule 16.3.1 specifies the arrangements for sums to be "carried forward" at the year-end. There are four requests for the Cabinet to write off the department's deficit, and one department with an underspend exceeding the £100,000 threshold on closure of the 2018/19 accounts, therefore with underspend to harvest.

3.5 Generally, where departments have underspent, they are one-off positions for 2018/19.

3.6 In the majority of budgets where there was an overspend in 2018/19, appropriate consideration has been given to the related requirements and opportunities in the 2019/20 budgetary cycle, and most of those issues have already been addressed in the financial strategy for 2019/20 (by management action to halt trends, and/or by amending the budget).

## **4. Schools**

- 4.1 A section of Appendix 2 elaborates on the position of the schools budgets, where statute has conferred delegated powers for governing bodies to carry balances forward at the end of the financial year. The county total of schools' balances has remained at £4m in 2018/19. Despite this the balances of 42 schools has increased by £1m with the balances of 60 schools reducing by £1m. We will be publishing detailed annual information regarding individual schools' balances before long in a 'Section 52 Statement'.
- 4.2 The Education Department has arrangements to challenge individual schools to justify the need for their balances, and justification by school heads and the relevant schools' governing bodies is requested to explain their intention to use their balances (particularly those with balances exceeding 5% of their budget).
- 4.3 The total schools financial deficit has reduced from £306,394 (2 Primary, 3 Secondary, 1 Special) on 31 March 2018 to £207,106 (4 Primary, 2 Secondary, 1 Special) on 31 March 2019. I confirm that the relevant Finance Unit will also ensure that the heads and governing bodies of the schools that have financial deficits will deal with them.

## **5. Corporate Budgets and Reserves**

- 5.1 For a number of reasons there were one-off underspends on several corporate budget headings this year, as outlined in the final section of Appendix 2. As suggested in paragraph 1.3 above, there will be (£1,843k) of this net underspend available to alleviate overspends by departments, (1,308k) to be used for specific purposes with the remainder (£173k) to be placed in the Council's General Balances.
- 5.2 With the Cabinet's support, if the underspend is used as recommended above, through effective controls of its budgets, the Council will have achieved to fund its total expenditure in line with the intentions of 2018/19, by using £1.51m from specific Council reserves to fund one-off bids 2018/19 and by not using any of the Council's balances to balance the 2018/19 budget (in accordance with the Financial Strategy approved by the Council on the 8 March 2018).
- 5.3 As the overspends from some departments in 2018/19 has been balanced from underspends in 2018/19 and since the budget for 2019/20 has been set without having to use the supporting the financial strategy reserve, there is an opportunity to release money from that reserve in order to meet the Council's priorities.
- 5.4 The adequacy of the reserves and specific provisions by the Council were reviewed by the Head of Finance yet again this year when closing the accounts, in accordance with the policy that was approved four years ago.

This review managed to harvest £4.262m of resource, as outlined in Appendix 3.

- 5.5 The £3.0m is to be earmarked in order to prioritise the Council's Plan, £1.0m to be moved in to the council general balances with £262k to be used over the next year to bridge the relevant commitment funding source for the Pension Reserve.

## **6. Next steps and timetable**

- 6.1 In accordance with The Accounts and Audit (Wales) Regulations 2014, and the CIPFA Code of accounting practice, the Chief Finance Officer has to certify the statutory financial statements for 2018/19 before 15 June. 2018/19 is a transitional year with a reduced timetable, and a statutory date of 15 June as opposed to 30 June in previous years with a further reduction to 31 May from 2020/21 onwards. I would like to thank everyone who has contributed in the process of completing the work earlier.
- 6.2 The purpose of this report is to detail the outturn position relating to underspends and overspends within individual departments and the Council's expenditure as a whole for 2018/19. We will consider the information in this report, in order to reflect that position in the final accounts.
- 6.3 The position reflected here is based on the latest information, and in bringing the accounts closure process to a conclusion, there could be some further changes. However, no significant change in the general position is anticipated.
- 6.4 The Finance Department will produce the 2018/19 statutory financial statements for certification by the Head of Finance before 15 June.

### **Local member's views**

Not relevant

---

### **Opinion of the Statutory Officers**

#### **Monitoring Officer:**

Nothing to add from a propriety perspective.

#### **Head of Finance:**

I have collaborated with the Cabinet Member in the preparation of this report and I confirm the content.

---

---

**Appendices**

Appendix 1 - the final underspend / overspend position of each department

Appendix 2 - budgetary issues and areas where significant variances occurred

Appendix 3 - resources harvested from reviewing reserves and provisions

	Final Review					Estimated Position end of November £ '000
	Proposed Budget 2018/19	Gross Over / (Under) spend 2018/19	Recommended Adjustments		Adjusted Overspend / (Underspend)	
	£'000	£ '000	£'000	£'000	£ '000	
<b>Adults, Health and Wellbeing</b>	50,949	15	0	0	15	29
<b>Children and Supporting Families</b>	14,088	1,644	(1,544)	0	100	1,333
<b>Education</b>	83,326	116	(16)	0	100	741
<b>Economy and Community</b>	4,079	185	(157)	0	28	187
<b>Highways and Municipal</b>	23,851	618	(518)	0	100	589
<b>Environment</b>	5,127	(492)	392	0	(100)	(169)
<b>Gwynedd Consultancy</b>	196	(59)	0	0	(59)	(11)
<b>Corporate Management Team and Legal</b>	1,817	(76)	0	0	(76)	(93)
<b>Finance (and Information Technology)</b>	5,892	(59)	0	0	(59)	(53)
<b>Corporate Support</b>	7,851	(61)	0	0	(61)	(59)
<b>Corporate Budgets</b> <i>(Variances only)</i>	*	(3,324)	1,843	1,481	0	(47)
<b>Totals (net)</b>	<b>197,176</b>	<b>(1,493)</b>	<b>0</b>	<b>1,481</b>	<b>(12)</b>	<b>2,447</b>

<b>FINAL ACCOUNTS 2018/19</b>						
<b>Adults, Health and Wellbeing Department</b>	Proposed Budget 2018/19	Final Position 2018/19	<b>Gross Overspend / (Underspend) 2018/19</b>	Use of Other Sources or Other Recommended Adjustments	<b>Adjusted Overspend / (Underspend) 2018/19</b>	Net Overspend / (Underspend) End of November Position
<b>Area:-</b>	£'000	£'000	£'000	£'000	£'000	£'000
<b><u>Adults Services</u></b>						
Older People Services						
Residential and Nursing - Homes	11,408	10,868	(540)	0	(540)	(306)
Home Care	6,241	5,931	(310)	0	(310)	(318)
Other	1,821	1,902	81	0	81	25
	19,470	18,701	(769)	0	(769)	(599)
Physical Disability Services	2,296	2,079	(217)	0	(217)	(210)
Learning Disability Services	16,812	16,571	(241)	0	(241)	(193)
Mental Health Services	3,443	3,413	(30)	0	(30)	57
Other Services (Adults)	2,937	2,939	2	0	2	40
<b><u>Adults Services Total</u></b>	<b>44,958</b>	<b>43,703</b>	<b>(1,255)</b>	<b>0</b>	<b>(1,255)</b>	<b>(905)</b>
<b><u>Provider Services (showing net budget)</u></b>						
Residential Care	(277)	(106)	171	0	171	274
Day Care	(91)	63	154	0	154	122
Community Care	469	1,033	564	0	564	552
Other	(14)	48	62	0	62	75
<b><u>Total Provider Services</u></b>	<b>87</b>	<b>1,038</b>	<b>951</b>	<b>0</b>	<b>951</b>	<b>1,023</b>

<b>FINAL ACCOUNTS 2018/19</b>						
<b>Adults, Health and Wellbeing Department</b>	Proposed Budget 2018/19	Final Position 2018/19	<b>Gross Overspend / (Underspend) 2018/19</b>	Use of Other Sources or Other Recommended Adjustments	<b>Adjusted Overspend / (Underspend) 2018/19</b>	Net Overspend / (Underspend) End of November Position
<b>Area:-</b>	£'000	£'000	£'000	£'000	£'000	£'000
<b><u>Other Services</u></b>						
Housing Services	1,844	1,933	89	0	89	138
Departmental Central Services <i>(including the Department's savings schemes)</i>	4,060	4,290	230	0	230	230
Use of Specific Reserve		0	0	0	0	(457)
<b><u>Total Other Services</u></b>	<b>5,904</b>	<b>6,223</b>	<b>319</b>	<b>0</b>	<b>319</b>	<b>(89)</b>
<b><u>Adults, Health and Wellbeing Total</u></b>	<b>50,949</b>	<b>50,964</b>	<b>15</b>	<b>0</b>	<b>15</b>	<b>29</b>

## **Adults, Health and Wellbeing**

**Older Peoples Services** - receipt of a late grant and an increase in the residential and nursing income following assessments and an increase in numbers. Less demand for home care packages throughout the year.

**Physical Disability Services** - the trend in the reduced number of home care and residential and nursing packages continues.

**Learning Disability Services** - underspend on residential and nursing and supported accommodation being reduced by the overspend on day services, support schemes and field workers.

**Provider Services** - re-directing a grant at the end of the year in part easing the overspend. Additional staff costs is mainly responsible for the overspend with some of the reasons including homes having been in special measures, recommendations by Care Inspectorate Wales and staff appointments beyond the budget. Costs are higher than the income received on Community Care.

**Housing Services** - increasing pressure on temporary accommodation for the homeless and slippage in realising the savings scheme, however, the receipt of grants at the end of the year and higher income reduces the reported overspend.

**Departmental Central Services** - income received and vacant posts reduce the effect of the slippage in realising £372k of the 2017/18 savings schemes.

As the department's position is better than expected, contrary to the original proposal there is no need to make use of the funds of £457k, which is equivalent to the supporting social services grant received in 2017/18, to help alleviate the reported overspend.

Due to the level of the overspend by the Provider service, the Adults Cabinet Member and the Head of Department are looking into the root of the matter in order to reduce the overspend.

<b>FINAL ACCOUNTS 2018/19</b>						
<b>Children and Families Department</b>	Proposed Budget 2018/19	Final Position 2018/19	<b>Gross Overspend / (Underspend) 2018/19</b>	Use of Other Sources or Other Recommended Adjustments	<b>Adjusted Overspend / (Underspend) 2018/19</b>	Net Overspend / (Underspend) End of November
<b>Area:-</b>	£'000	£'000	£'000	£'000	£'000	£'000
Service Management	609	589	(20)	0	(20)	(22)
Operational	2,059	2,370	311	0	311	273
Placement						
Out of County Placements	1,587	2,704	1,117	0	1,117	990
Agency Fostering	1,009	966	(43)	0	(43)	(2)
Internal Fostering	1,701	1,977	276	0	276	256
Support Services and Others	1,594	1,757	163	0	163	139
	5,891	7,404	1,513	0	1,513	1,383
Post-16	998	1,327	329	0	329	175
Specialist/Derwen	1,682	2,010	328	0	328	242
Youth Justice	239	195	(44)	0	(44)	(44)
Early Years	155	118	(37)	0	(37)	5
Youth	871	711	(160)	0	(160)	(179)
Others	1,584	1,560	(24)	0	(24)	52
Grant Received 2018/19		(552)	(552)	0	(552)	(552)
2018/19 Final Accounts Adjustment			0	(1,544)	(1,544)	0
<b>Children and Families Total</b>	<b>14,088</b>	<b>15,732</b>	<b>1,644</b>	<b>(1,544)</b>	<b>100</b>	<b>1,333</b>

## Children and Families

**Operational** - the 2017/18 trend continues with staff costs above the budget level together with an increase in the number of children in care but not placed in more expensive placements, the area has received extra funding of £100k for 2019/20 onwards.

**Placements** - four new out of county placements, with an increase in the number of packages and cost averages, there was also a reduction in health contributions. Increasing overspend within Internal Fostering, 'Staying On' scheme and support services. A review of the out of county commitments has been undertaken, which has highlighted changes to the type of cases over recent years, and therefore the associated costs. The area will be the subject of a report from the Children's Department.

**Post-16** - cases transferred from out of county placements are responsible for the overspend, with two expensive packages responsible for a substantial amount of the cost.

**Specialist/Derwen** – further increase in the overspend to £328k, £212k of the overspend on Support schemes following an increase in the demand for service and specialist support, along with £95k as a result of a number of factors by the Hafan Y Sêr Unit.

**Youth** – transitional period in providing youth services with savings being realised in advance.

An increase in overspend is noted on a number of budget headings since the previous review, which has led to a gross overspend of £2.2m by the end of the financial year. In December, the Council received a grant of £552k from the Welsh Government in order to support sustainable social services, due to the financial position of the Children's Department, it's appropriate that the money should be used to try and reduce the gross overspend of £2.2m to £1.6m.

In view of the Department's overspend level, in accordance with the Cabinet's decision of 22 January 2019, the Chief Executive, Head of Finance and the Corporate Director will meet with the Cabinet Member and the Head of the Children and Families Department to address the financial matters of the Department.

It is **recommended** that the Children and Families department receive a one-off partial financial assistance of £1,544k to restrict the level of overspend that will be carried forward Department to £100k, to support them to move on to face the challenges of 2019/20.

<b>FINAL ACCOUNTS 2018/19</b>						
<b>Education Department</b>	Proposed Budget 2018/19	Final Position 2018/19	<b>Gor / (Tan) Wariant GrosGross Overspend / (Underspend) 2018/19</b>	Use of Other Sources or Other Recommended Adjustments	<b>Adjusted Overspend / (Underspend) 2018/19</b>	Net Overspend / (Underspend) End of November
<b>Area:-</b>	£'000	£'000	£'000	£'000	£'000	£'000
Delegated Schools	72,430	72,430	0	0	0	0
Schools Quality Services	(341)	(656)	(315)	0	(315)	(140)
Infrastructure and Support Services						
Transport	4,606	4,971	365	0	365	447
Ancillary Services	500	543	43	0	43	204
Other	(133)	(253)	(120)	0	(120)	(10)
	4,973	5,261	288	0	288	641
Leadership and Management	2,124	2,147	23	0	23	47
Additional Learning Needs and Inclusion	4,140	4,260	120	0	120	193
Account Closure Adjustments 2018/19				(16)	(16)	0
<b>Education Total</b>	<b>83,326</b>	<b>83,442</b>	<b>116</b>	<b>(16)</b>	<b>100</b>	<b>741</b>

## Education

**Schools Quality Services** - an increase in underspend following the receipt of a grant and approval from the Welsh Government to re-direct another grant at the end of the year. Staff turnover and a reduction in costs also contributed towards the favourable position.

**Transport** - an overspend of £365k, with School Buses overspending £196k, Taxis £170k and an underspend (£1k) on the Post-16 Transport Income. A reduction (£82k) in the overspend trend with a reduction in the expenditure on school taxis which is mainly responsible for the move since the previous review. An increase in the overspend on School Buses transport because of adjustments and additions to contracts.

The transport service has been subject to a review to try and control the increase in expenditure by the department during the year. Further resource has been allocated to the department for this service in 2019/20, which is a partial resolution but the need for further work continues. Furthermore, the Education Department and the Environment Department intend to work together in the future to take advantage of efficiency opportunities.

**Infrastructure and Support Services - Ancillary Service** - receipt of a late grant has helped to alleviate the lack of income from school meals, the care element of the breakfast scheme, and an overspend on staffing matters and sickness in Catering, Cleaning and Caretaking of schools.

**Infrastructure and Support Services - Other** - less demand on a number of various budgets including a budget of £54k being released following a service level agreement between the Welsh authorities and the examinations board WJEC coming to an end.

**Additional Learning Needs and Inclusion** - re-directing the use of a grant at the end of the year has reduced the effect of the overspend during the transitional period to the new regime by the Before School Units ABC. The overspend which relates to the circumstances in one specific centre and on Education apart from in School is being reduced by an underspend by the Additional Learning Needs Units and on various budgets.

It is **recommended** that the Education Department receive a one-off partial financial assistance of £16k to limit the overspend that will be carried forward by the Department to £100k, to support them to move on to face the challenges of 2019/20.

<b>FINAL ACCOUNTS 2018/19</b>						
<b>Economy and Community Department</b>	Proposed Budget 2018/19	Final Position 2018/19	<b>Gross Overspend / (Underspend) 2018/19</b>	Use of Other Sources or Other Recommended Adjustments	<b>Adjusted Overspend / (Underspend) 2018/19</b>	Net Overspend / (Underspend) End of November
<b>Area:-</b>	£'000	£'000	£'000	£'000	£'000	£'000
Management	335	334	(1)	0	(1)	0
Community Learning	1,676	1,591	(85)	0	(85)	(44)
Tourism and Heritage	1,071	1,084	13	0	13	23
Economy and Community	131	126	(5)	0	(5)	6
Healthy Communities	866	1,129	263	0	263	202
Account Closure Adjustments 2018/19				(157)	(157)	0
<b>Economy and Community Total</b>	<b>4,079</b>	<b>4,264</b>	<b>185</b>	<b>(157)</b>	<b>28</b>	<b>187</b>

### **Economy and Community**

**Community Learning** - underspend due to vacant posts and savings being realised in advance.

**Tourism and Heritage** - a reduction in the overspend reported which is a combination of a £72k overspend by Storiell on staffing costs and lack of income, but an underspend on the Arts and Archives helps the financial situation.

**Economy and Community** - Overspend by Hafan, Pwllheli and Doc Fictoria, Caernarfon, but is lessened by the underspend on country parks and more income from beaches.

**Healthy Communities** - overspend of £157k due to the slippage in the timescale of establishing 'Cwmni Byw'n Iach' to run the leisure facilities. Overspend on staff costs and a reduction in the income of the leisure centres also contribute to the overspend of £263k.

It is **recommended** to compensate the Economy and Community Department £157k, the sum of the overspend due to the slippage of establishing 'Cwmni Byw'n Iach' to run the leisure centres, which limits the overspend that will be carried forward by the Department to £28k.

<b>FINAL ACCOUNTS 2018/19</b>						
<b>Highways and Municipal Department (including Trunk Roads Agency)</b>	Proposed Budget 2018/19	Final Position 2018/19	<b>Gross Overspend / (Underspend) 2018/19</b>	Use of Other Sources or Other Recommended Adjustments	<b>Adjusted Overspend / (Underspend) 2018/19</b>	Net Overspend / (Underspend) End of November
<b>Area:-</b>	£'000	£'000	£'000	£'000	£'000	£'000
Highways Services (including Trunk Roads)	9,274	9,368	94	0	94	39
Engineering Services	498	493	(5)	0	(5)	(1)
Municipal Services						
Waste	10,491	10,994	503	0	503	470
Other	3,588	3,614	26	0	26	81
Account Closure Adjustments 2018/19				(518)	(518)	0
<b>Highways and Municipal Total (including Trunk Roads Agency)</b>	<b>23,851</b>	<b>24,469</b>	<b>618</b>	<b>(518)</b>	<b>100</b>	<b>589</b>

### **Highways and Municipal (including Trunk Roads Agency)**

**Highways Services** - reduction in income from external contracts on road works and lighting. Although the winter was relatively mild, there was an overspend as a result of a number of storms.

**Waste** - increase in the overspend to £503k, with an overspend on staffing costs and costs associated with illness. Higher operational costs were seen on transport, fleet maintenance and transporting recycling material. Although the Department has taken steps to reduce costs by changing shifts and collection route arrangements, changes that were expected to be effective from November 2018 in Dwyfor and in 2019/20 in Arfon and Meirionnydd, there has been a slippage in the implementation timetable to 2019/20.

**Other Municipal Services** - although the cost of running and hiring vehicles remains to be a problem, higher income from cremation and burials and underspending on various budgets has reduced the level of overspend by the end of the year.

Although some steps have already been taken on the waste side during the year to ensure measures to operate within the budget, it is noted that there was a delay in the implementation this year.

It is **recommended** that the Highways and Municipal Department receive a one-off partial financial assistance of £518k, which limits the overspend that will be carried forward by the Department to £100k, to support them to face the challenges of 2019/20.

<b>FINAL ACCOUNTS 2018/19</b>						
<b>Environment Department</b>	Proposed Budget 2018/19	Final Position 2018/19	<b>Gross Overspend / (Underspend) 2018/19</b>	Use of Other Sources or Other Recommended Adjustments	<b>Adjusted Overspend / (Underspend) 2018/19</b>	Net Overspend / (Underspend) End of November
<b>Area:-</b>	£'000	£'000	£'000	£'000	£'000	£'000
Department Management	518	468	(50)	0	(50)	(81)
Planning Services						
Development Control	73	(72)	(145)	0	(145)	82
Other	192	174	(18)	0	(18)	(17)
	265	102	(163)	0	(163)	65
Street Works and Transport Services						
Network Management (Transport)	749	493	(256)	0	(256)	(128)
Parking and Parking Enforcement	(1,965)	(1,974)	(9)	0	(9)	(19)
Integrated Transport	1,703	1,794	91	0	91	(48)
	487	313	(174)	0	(174)	(195)
Countryside and Access	709	719	10	0	10	5
Public Protection	1,712	1,632	(80)	0	(80)	(29)
Property, Caretaking, Catering and Cleaning	1,436	1,401	(35)	0	(35)	66
Account Closure Adjustments 2018/19			0	392	392	0
<b>Environment Total</b>	<b>5,127</b>	<b>4,635</b>	<b>(492)</b>	<b>392</b>	<b>(100)</b>	<b>(169)</b>

## Environment

**Management** - savings in advance in the department has led to one-off savings on the management heading.

**Planning Services** - considerable increase in the income by the end of the year in the Development Control Service as a result of two large applications as well as work by officers on a project with the National Grid and Horizon company. Underspend on services, supplies and transport.

**Streetworks and Transport Services** - Over achievement of income and a notable increase in the income from road closures, which are part of the Departments savings plan for 2019/20 onwards, as well as staff underspend.

In Integrated Transport, underspend on staff costs and excelling in income has reduced the effect of additional costs deriving from re-tendering bus journeys by two operators. Because the department on the whole is underspending, there are no further plans to use the Fund that was ring-fenced in 2017/18 towards increasing costs. The department is in the process of reviewing public transport and have commissioned research from the University to review the provisions.

**Protecting the Public** - income and further grants as well as underspend on many of the budget headings.

**Property, Caretaking, Catering and Cleaning** - a positive shift of £100k as a result of reduced costs on staffing including secondments and maternity.

In accordance with the Financial Regulations, it is **recommended** that the usual procedure be followed so that the Environment Department can retain (£100k) of its underspend, and to move (£392k), the sum above (£100k), and use it to assist the departments that have overspent in 2018/19.

<b>FINAL ACCOUNTS 2018/19</b>						
<b>Consultancy Department</b>	Proposed Budget 2018/19	Final Position 2018/19	<b>Gross Overspend / (Underspend) 2018/19</b>	Use of Other Sources or Other Recommended Adjustments	<b>Adjusted Overspend / (Underspend) 2018/19</b>	Net Overspend / (Underspend) End of November
<b>Area:-</b>	£'000	£'000	£'000	£'000	£'000	£'000
Roads and Engineering Services	(196)	(259)	(63)	0	(63)	(2)
Building Services	(93)	(92)	1	0	1	(3)
Flood Risk Management Unit Services	433	417	(16)	0	(16)	1
Building Control	52	71	19	0	19	(7)
<b>Consultancy Total</b>	<b>196</b>	<b>137</b>	<b>(59)</b>	<b>0</b>	<b>(59)</b>	<b>(11)</b>

### **Consultancy**

**Roads and Engineering Services** - positive shift of (£61k) since the last review, work on projects by other Councils and The Welsh Government at the end of the year has led to higher income than forecasted.

**Flood Risk Management Unit Service** - additional grants for work on drainage systems has surpassed the targeted income.

**Building Control** - lack of income responsible for the overspend at the end of the year following the unit's staff working on a project that didn't attract an income, namely the Ffordd Gwynedd Review with a view to improving future arrangements.

<b>FINAL ACCOUNTS 2018/19</b>						
<b>Central Departments</b>	Proposed Budget 2018/19	Final Position 2018/19	<b>Gross Overspend / (Underspend) 2018/19</b>	Use of Other Sources or Other Recommended Adjustments	<b>Adjusted Overspend / (Underspend) 2018/19</b>	Net Overspend / (Underspend) End of November
<b>Area:-</b>	£'000	£'000	£'000	£'000	£'000	£'000
Corporate Management Team and Legal	1,817	1,741	(76)	0	(76)	(93)
Finance (& Information Technology)	5,892	5,833	(59)	0	(59)	(53)
Corporate Support	7,851	7,790	(61)	0	(61)	(59)
<b>Central Departments Total</b>	<b>15,560</b>	<b>15,364</b>	<b>(196)</b>	<b>0</b>	<b>(196)</b>	<b>(205)</b>

### **Central Departments**

**Corporate Management Team and Legal** - underspend of (£76k) by the end of the year, which is a combination of additional income by the Legal Unit, reduction in costs in the Emergency Planning field and a vacant post. These savings will form part of the savings proposals from 2019/20 onwards.

**Finance (and Information Technology)** - one-off underspend on posts across the Department is the main contributor to the underspend, along with attracting additional income. Higher income receipt since the November Review which includes an additional grant from The Welsh Government for administering business rate relief. The savings achieved in advance have been planned in preparation to contribute towards the savings plans from 2019/20 onwards.

**Corporate Support** - the underspend is a combination of one-off staff savings due to vacant posts, along with the Department's success in attracting external income in excess of the budget which includes Occupational Health and Translating, with the intention of using it as part of the savings plans from 2019/20 onwards.

<b>FINAL ACCOUNTS 2018/19</b>						
<b>Corporate (Only reflecting the variances)</b>	Proposed Budget 2018/19	Final Position 2018/19	<b>Gross Overspend / (Underspend) 2018/19</b>	Use of Other Sources or Other Recommended Adjustments	<b>Adjusted Overspend / (Underspend) 2018/19</b>	Net Overspend / (Underspend) End of November
<b>Area:-</b>	£'000	£'000	£'000	£'000	£'000	£'000
Council Tax	*	*	(24)		(24)	0
Council Tax Premium	*	*	(19)	19	0	0
Council Tax Reduction	*	*	(265)		(265)	0
Net Interest Received	*	*	(139)		(139)	8
Capital Costs	*	*	(551)	551	0	0
Corporate Maintenance	*	*	(738)	738	0	0
Budgets Returned by Departments			(937)		(937)	0
Other	*	*	(651)		(651)	(55)
Account Closure Adjustments 2018/19 - <i>to general balances</i>				173	173	
				<b>1,481</b>		
Account Closure Adjustments 2018/19 - <i>to finance overspend</i>				1,843	1,843	0
<b>Corporate Total</b>	*	*	<b>(3,324)</b>	<b>3,324</b>	<b>0</b>	<b>(47)</b>

## Corporate

**Council Tax and Council Tax Premium** - a favourable situation of additional tax of (£24k) on the Council Tax and (£19k) Council Tax Premium. An increase of over 60% this year in the amount of properties the Valuation Office have allowed to be transferred from the Council Tax register to Non Domestic Rates, which is 453 properties (282 in 2017/18, and 199 in 2016/17). We will continue to draw the attention of the Welsh Government and the Valuation Office of this unsatisfactory situation.

**Council Tax Reduction** - underspend of (£265k) as the number of applications for the Council Tax Reduction (benefit) generally is at it's lowest level in comparison to the previous two years across North and Mid Wales.

**Net Interest Receipt** - recent changes in the treasury management field has allowed Welsh Councils to invest in property investment which has led to higher returns.

**Capital Costs** - present treasury management policy means that external borrowing can be avoided this year which creates an underspend against the capital costs budget. Following the recent setting up of the Asset Management Plan for 2019/20 onwards, it is recommended that this underspend is moved to a fund specifically to aid the funding of the capital programme.

**Corporate Maintenance** - as the Council is awaiting a decision on a grant from Welsh Government which is to be spent on numerous school sites, part of this year's maintenance budget has been earmarked as corresponding money to attract the grant. It is recommended that the money should be moved to a specific fund for this purpose.

**Budgets Returned by Departments** - following the receipt of a grant from The Welsh Government to finance the increase in teacher's salaries at the end of December it was possible to release budget of (£617k) and the demand wasn't as intense as a result of pension auto-enrolment.

**Other** - underspend as the pressure on a number of budget headings was not as much as anticipated.

It is **recommended** that (£19k) linked with the Council Tax Premium is earmarked to a specific fund to be considered for the housing strategy, (£551k) relating to capital costs to be transferred to a capital programme finance fund, (£738k) on repair and maintenance to be transferred to a repair and maintenance fund. Use (£1,843k) of the net underspend on the Corporate budget to support departments that have overspent in 2018/19 with the remaining (£173k) to go to the Council's general balances.

## Harvesting Reserves and Provisions

Following a review of reserves and provisions, it is recommended that the following sums are released from the reserves and provisions below:

<b>Reserve</b>	<b>Sum to be released £</b>
Corporate Management Team and Legal underspend (harvest above a certain threshold)	60,834
Corporate Support underspend (harvest above a certain threshold)	67,079
Various Historical Revenue Grants (no related commitment)	267,952
Finance Department underspend (harvest above a certain threshold)	65,785
Pay review (completed)	44,130
Gwynedd Consultancy underspend (harvest above a certain threshold)	81,696
Potential Contracts Commitment (no related commitment)	163,974
For Insufficient Income (no related commitment)	80,860
Supporting the Financial Strategy Reserve (to be transferred to achieve corporate priorities)	3,098,718
<b>Total</b>	<b>3,931,028</b>

<b>Provision</b>	<b>Sum to be released £</b>
Third Party Claims (completed)	68,972
<b>Total</b>	<b>68,972</b>

to be transferred to :

<b>Reserve / General Balances</b>	<b>Sum to be transferred £</b>
Transformation Fund / Council Plan	3,000,000
General Balances	1,000,000
<b>Total</b>	<b>4,000,000</b>

For a period of one year, transfer the following to bridge the funding source:

<b>Reserve</b>	<b>Sum to be released £</b>
Supporting the Financial Strategy Reserve	262,100
<b>Total</b>	<b>262,100</b>

to be transferred to the reserve below:

<b>Reserve</b>	<b>Sum to be transferred £</b>
Liabilities Related to the Pension Fund	262,100
<b>Total</b>	<b>262,100</b>

# Agenda Item 6

## REPORT TO THE CABINET

21 Mai 2019

**Cabinet Member:** Councillor Ioan Thomas, Finance Cabinet Member

**Subject:** Capital Programme 2018/19 –  
End of Year Review (31 March 2019 position)

**Contact Officer:** Ffion Madog Evans, Senior finance Manager

---

### The decision sought / Purpose of the report

To accept the report on the end of year review (31 March 2019 position) of the capital programme, and approve the revised financing as shown in part 4 of the report, that is:

- £7,000 increase in the use of borrowing
  - £1,739,000 increase in the use of grants and contributions
  - £71,000 increase in the use of capital receipts
  - £158,000 increase in the use of revenue contributions
  - No change in the use of the capital reserve
  - £184,000 increase in the use of renewal and other reserves
- 

### 1. Introduction / Summary

This technical report is presented as part of the 2018/19 end of year procedure. The main purpose of the report is to present the revised capital programme and to approve the relevant financing sources. There is a summary in parts 3 and 4 of the report, with the recommendation in part 5:

Part 3: Analysis by Department of the £53.430m capital programme for the 3 years 2018/19 – 2020/21.

Part 4: The sources of finance for the net increase of approximately £2.159m since the previous review.

The Cabinet has the authority to adapt the capital programme. Approval is sought for the programme (part 3) and financing (part 4).

The remainder of the report is for information:

- Appendix A: Main changes per source of finance
- Appendix B: Movement from 2018/19 to 2019/20

### 2. Main Findings

The main findings that arise from the revised position are:

- The Council succeeded in spending over £22.8m in 2018/19 on capital projects, with £12.5m (55%) of it being financed by attracting specific grants.
- In addition to the £4.4m which was reported at the previous 2018/19 reviews a further £8.3m of proposed expenditure has been re-profiled from 2018/19 to

2019/20, but no loss of funding was caused to the Council where schemes have slipped.

### 3. Capital Programme 2018/19 to 2020/21

See below the revised proposed capital programme as at the end of March 2019.

DEPARTMENT	END OF MARCH REVIEW				INCREASE/ (DECREASE) SINCE THE PREVIOUS REVIEW £'000
	2018/19	2019/20	2020/21	TOTAL	
	£'000	£'000	£'000	£'000	
Education	3,481	9,201	3,624	16,306	7
Environment	4,340	4,839	43	9,222	(706)
Corporate Support	6	118	-	124	-
Finance	1,049	285	-	1,334	308
Economy and Community	656	477	-	1,133	47
Adults, Health and Wellbeing - Housing Unit	4,052	1,285	-	5,337	436
Adults, Health and Wellbeing - Other	780	1,177	524	2,481	11
Children and Families	93	-	-	93	(14)
Highways and Municipal	6,971	4,515	1,893	13,379	281
Consultancy	1,380	452	45	1,877	(53)
Corporate	-	2,144	-	2,144	1,842
<b>TOTAL</b>	<b>22,808</b>	<b>24,493</b>	<b>6,129</b>	<b>53,430</b>	<b>2,159</b>

### 4. Changes to the Sources of Finance

The budget for the three year programme shows an increase of £2.159m since the previous review position. The proposed sources of financing for this are noted below:

SOURCE OF FINANCE	END OF MARCH REVIEW				INCREASE/ (DECREASE) SINCE THE PREVIOUS REVIEW £'000
	2018/19	2019/20	2020/21	TOTAL	
	£'000	£'000	£'000	£'000	
Supported Borrowing	4,144	-	-	4,144	-
Other Borrowing	3,774	1,747	777	6,298	7
Grants and Contributions	10,538	9,714	525	20,777	1,739
Capital Receipts	162	349	750	1,261	71
Departmental & Corporate Revenue	1,947	176	-	2,123	158
Capital Fund	-	2,353	-	2,353	-
Renewals & Other Funds	2,243	10,154	4,077	16,474	184
<b>TOTAL</b>	<b>22,808</b>	<b>24,493</b>	<b>6,129</b>	<b>53,430</b>	<b>2,159</b>

Since the previous review the Council succeeded in attracting the following additional grants, with other adjustments (see Appendix A for more information) :

- £1,842k Schools Capital Maintenance Grant
- £347k Grant to Design and Develop the Flood Alleviation Scheme in Llanberis
- £47k Coastal Protection Grant, Borth y Gest
- £40k Targeted Regeneration Investment (TRI) Grant to fund the Bangor Regeneration and Access Schemes
- £327k Intermediate Care Fund (ICF) Grant. Adults area
- £98k Targeted Regeneration Investment Programme (TRIP) Grant for the development of empty properties
- £50k Innovative Housing Programme Grant – flexible passive pods

## **5. Recommendations**

**The Cabinet is asked to:**

- **accept the 2018/19 to 2020/21 revised programme and**
- **approve the relevant sources of finance (para. 4 above).**

## **6. Reasons for Recommending the Decision**

It is necessary to ensure appropriate financing arrangements for the Council's plans to spend on capital, and the Cabinet must approve the capital programme and its sources of funding.

Incorporating funding via grant is a point of order, but it is also necessary to deal with situations where there has been a change in expenditure profiles between years and the value of capital receipts and contributions.

These are recommendations to ensure definite sources of funding for the 2018/19 – 2020/21 capital schemes.

## **7. Relevant Considerations**

These are technical issues regarding the financing of schemes and relevant implications and debates have already been addressed when the individual schemes were adopted.

## **8. Next Steps and Timetable**

To implement the recommendations to finance the programme in order that the Finance Department can move forward to close the Council's financial accounts for 2018/19, and publish the statutory statement before the end of May.

---

**View of the Local Member**

Not relevant.

---

**Views of the Statutory Officers****Monitoring Officer:**

No observations from a propriety perspective.

**Head of Finance:**

I have collaborated with the Cabinet Member in the preparation of this report and I confirm the content.

---

**Appendix**

Appendices A and B.

-----

## Main Changes Per Source of Financing

See below the relevant schemes that have caused the main changes to the sources of finance since the previous review :

	2018/19 £'000	2019/20- 2020/21 £'000
<b>Grants and Contributions</b>		
<ul style="list-style-type: none"> <li>Design and develop flood alleviation scheme in Llanberis (<i>Consultancy Department</i>).</li> </ul>	347	(387)
<ul style="list-style-type: none"> <li>Coastal Protection Grant, Borth y Gest (<i>Consultancy Department</i>).</li> </ul>	47	
<ul style="list-style-type: none"> <li>Sure Start Grant – underspend (<i>Children and Families Department</i>).</li> </ul>	(22)	
<ul style="list-style-type: none"> <li>Intermediate Care Fund (ICF) – additional Welsh Government grant for adapting establishments to admit dementia and specialised care beds as well as facilitating joint working arrangements with other agencies (<i>Adults, Health and Wellbeing Department</i>).</li> </ul>	327	
<ul style="list-style-type: none"> <li>Targeted Regeneration Investment Programme (TRIP) Grant schemes – Welsh Government grant for the development of empty properties in the Arfon area (<i>Housing Unit, Adults, Health and Wellbeing Department</i>).</li> </ul>	98	
<ul style="list-style-type: none"> <li>Innovative Housing Programme Grant – flexible passive pods (<i>Housing Unit, Adults, Health and Wellbeing Department</i>).</li> </ul>	50	
<ul style="list-style-type: none"> <li>Reduction in the Grant from the Local Transport Fund from Welsh Government (Environment Department) towards several different schemes including A496 Llanbedr; Lôn Las Peris; A499 to Trefor (<i>Environment Department</i>).</li> </ul>	(703)	
<ul style="list-style-type: none"> <li>Grant towards Countryside Schemes including Access to the Llŷn Area of Outstanding Natural Beauty (AONB) (<i>Environment Department</i>).</li> </ul>	30	
<ul style="list-style-type: none"> <li>Grant to fund the Llŷn Land and Sea Project (<i>Environment Department</i>).</li> </ul>	53	
<ul style="list-style-type: none"> <li>Targeted Regeneration Investment (TRI) Grant to fund the Bangor Regeneration and Access Schemes (<i>Economy and Community Department</i>).</li> </ul>	40	

<ul style="list-style-type: none"> <li>Schools Capital Maintenance Grant (<i>Education Department and Environment Department</i>).</li> </ul>	1,842	
<b>Capital Receipts</b>		
<ul style="list-style-type: none"> <li>Upgrading Highways and Municipal Depots (<i>Highways and Municipal Department</i>).</li> </ul>	76	
<b>Departmental Revenue</b>		
<ul style="list-style-type: none"> <li>Design and develop flood alleviation scheme in Llanberis (<i>Consultancy Department</i>) – contributions from other departments to the Consultancy Department scheme.</li> </ul>	47	(68)
<ul style="list-style-type: none"> <li>Information Technology Servers (<i>Finance Department</i>).</li> </ul>	250	
<ul style="list-style-type: none"> <li>Various minor schemes.</li> </ul>	(71)	
<b>Renewals and Other Funds</b>		
<ul style="list-style-type: none"> <li>Vehicles and Waste Equipment renewals (<i>Highways and Municipal Department</i>).</li> </ul>	225	
<ul style="list-style-type: none"> <li>VOIP project - telephony via the internet (<i>Finance Department</i>).</li> </ul>	57	
<ul style="list-style-type: none"> <li>Various minor schemes.</li> </ul>	(98)	

-----

## Budget Re-profiling – Main Schemes

See below the main schemes that have been re-profiled since the original budget:

	2018/19 £'000	2019/20 £'000
Segontium Day Service Relocation ( <i>Adults, Health and Wellbeing Department</i> )	(253)	253
Housing Grant Schemes ( <i>Housing Unit, Adults, Health and Wellbeing Department</i> )	(975)	975
Y Berwyn Lifelong Learning School ( <i>Education Department</i> )	(382)	382
Other Schools' Schemes (21 <sup>st</sup> Century and Other) ( <i>Education Department</i> )	(582)	582
Adults establishments' schemes ( <i>Adults, Health and Wellbeing Department</i> )	(180)	180
Resurfacing of car parks ( <i>Environment Department</i> )	(261)	261
Environment Department Road Schemes ( <i>Environment Department</i> )	(1,286)	1,286
Vehicles Renewals ( <i>Highways and Municipal Department and Environment Department</i> )	(2,313)	2,313
Adaptation Schemes, Repairs and Maintenance etc on Council Buildings ( <i>Property Unit, Environment Department</i> )	(2,990)	2,990
Various schemes such as Renewal of Safety Fences, Surface Water on Roads, Water Pipes, Toilets ( <i>Highways and Municipal Department</i> )	(297)	297
Llandygai Gypsy Site Scheme ( <i>Housing Unit, Adults, Health and Wellbeing Department</i> )	(310)	310
Council's Computer Replacement Scheme ( <i>Finance Department</i> )	(200)	200
Various Schemes such as Digitisation of sites, Parc Padarn Safety Measures ( <i>Economy and Community Department</i> )	(229)	229
Various Schemes such as AONB Access, Urban Improvements, Street Works IT Systems ( <i>Environment Department</i> )	(192)	192
Schools Repairs and Maintenance Grant (replaced funding in 18/19 which is carried over to 19/20)	(1,842)	1,842

### Note:

The above re-profiling will not result in any loss in grant.

There is a variety of valid reasons behind the re-profiling in many cases, but the delay prior to implementing these schemes can mean that the services have to cope for longer with current assets which have not been improved.

---

# Agenda Item 7

## REPORT TO THE CABINET

<b>Date</b>	<b>21 May 2019</b>
<b>Cabinet Member</b>	<b>Councillor Ioan Thomas, Finance Cabinet Member</b>
<b>Subject</b>	<b>Savings Overview: Progress Report on Realising Savings Schemes</b>
<b>Contact Officer</b>	<b>Ffion Madog Evans, Senior Finance Manager</b>

---

### DECISION SOUGHT

To accept the information within the report and note the encouraging progress towards realising the 2018/19 and previous years savings schemes.

---

### 1. INTRODUCTION / BACKGROUND

In the Council's financial strategy for the year 2018/19, savings to the value of £2,454,740 were planned.

Realising the individual schemes is the responsibility of the relevant Cabinet members, and Members' performance reports, which are presented regularly to Cabinet meetings, detailing the progress of individual savings schemes within their portfolios, and the position at the time. It is the responsibility of the Cabinet Member for Finance to keep an overview of the whole picture.

This report updates on the progress of realising the savings up to 31 March 2019.

### 2. SAVINGS SCHEMES 2015/16 - 2017/18

2.1 **Appendix 1** summarises the achievement of each department against the savings target set for them from 2015/16 - 2017/18, totalling more than £24m. It is encouraging for me to report that £23m, or 96%, of these schemes have been realised, and there is only a slight slippage with the remainder.

2.2 This slippage is mainly on 2017/18 schemes with some of the schemes having slipped. Progress has been made recently with some of the schemes but the challenge of completing some of the schemes remain.

2.3 Two schemes by the Education Department are subjects of concern, namely *Reduce time and/or raise a fee for the child care element of the free breakfast scheme* as well as *Raising the price of primary school meals from £2.30 to £2.50*. The savings are not being realised at the level that the Department had anticipated, and so there is an overspend this year. The total target amount of both schemes in 2017/18 is £119,550. The Cabinet Member for Finance is eager to receive a response plan by the next relevant Cabinet meeting.

### **3. DEPARTMENTAL SCHEMES 2018/19**

- 3.1 **Appendix 2** summarises the position relating to the realisation of 2018/19 savings schemes. Out of the 30 schemes, 73% worth of schemes have been realised. 1 scheme is on track to be realised on time, with slippage forecasted on 7 schemes.
- 3.2 As reported to Cabinet on 22 January 2019, one of them is the 'End to End Review' in the Children and Supporting Families Department, which is a savings scheme of £250,280. The scheme has been subject to a joint review between the Children and Supporting Families Department, Finance and the Research and Information Manager, by revisiting the assumptions in the original 'End to End' model. It showed that the number of nights children were in residential placements has reduced but there's a change in the profile and complexity of the cases, therefore, it has affected the average cost of placements. A reduction in contributions by Health was also seen.
- 3.3 Both schemes by the Education Department as noted in point 2.3 also have savings targets of £85,450 in 2018/19.
- 3.4 The Economy and Community Department received The Cabinet's approval, 16 October 2018, to slip £156,500 of the savings as the Leisure provisions hadn't been handed over to Byw'n Iach Cyf Company until the 1 of April 2019, therefore to 2019/20.
- 3.5 Generally, the progress made to realise the savings schemes of 2018/19 have been acceptable, however there are signs being highlighted of some difficulties in delivering. As we are trying to affect Gwynedd residents as little as possible by achieving efficiency savings, it is much harder than cutting services.

### **4. DEPARTMENTAL SCHEMES 2019/20 ONWARDS**

- 4.1 For information purposes, the new departmental savings schemes for 2019/20 onwards are listed in **Appendix 3**. The individual schemes will be monitored during the year, but is too early to report at present.

### **5. CONCLUSION**

- 5.1 Although some departments have realised all of their savings schemes, it is inevitable that realising almost £27m of savings since April 2015 has been challenging. Some schemes need more time to plan and implement appropriately. However, in general, I am satisfied with the progress that has been made to realise the savings plans for this period and I am grateful to all departments and Cabinet Members for achieving this success. Every effort will be made to realise those schemes that have slipped, and all Cabinet Members will continue to monitor the situation, acting as necessary to achieve the goal.
- 5.2 Therefore, I ask the Cabinet to note the acceptable general achievement outlined in this report towards realising the savings schemes.

**View of the Local Member**

Not relevant

---

**View of the Statutory Officers****Monitoring Officer:**

No observations in relation to propriety.

**Head of Finance:**

I have collaborated with the Cabinet Member in the preparation of this report and I confirm the content.

---

**Appendices:**

Appendix 1 - 2015/16 – 2017/18 Savings Schemes Overview by Department

Appendix 2 - 2018/19 Savings Schemes Overview by Department

Appendix 3 - 2019/20 onwards Savings Schemes Overview by Department

## OVERVIEW OF SAVINGS SCHEMES 2015/16 TO 2017/18 BY DEPARTMENT

Department	Total Savings	Realised Schemes	Schemes being implemented, but with slippage		Schemes with some risks of achieving		Comments by the Head of Finance
	£	£	£ - number		£ - number		
Education	685,860	537,629	28,681	1	119,500	2	A bid has been submitted for additional resources to accelerate the work on <i>Ffordd Gwynedd - Pay and Contracts Unit</i> , but in the meantime the Department is bridging the deficit of (£28,681). The savings from the scheme to <i>Reduce time and/or charge for the child minding element within the free breakfast scheme for primary school children</i> has not been realised, with an overspend at the year end. With respect to the scheme <i>To increase the price of primary school meals from £2.30 to £2.50</i> , the latest position notes that there is a deficit at the end of the year as the numbers having lunch has fallen since the price rose in September 2017, and therefore the scheme is not realising the expected savings
Schools	4,037,000	3,738,010	298,990	1	-	-	Savings of £298,990 of the 2017/18 savings have been bridged for two years for the Secondary Schools, with the savings to be realised in 2019/20.
Environment	2,179,353	2,179,353	-	-	-	-	All the schemes for the period have been realised.
Corporate Support	1,659,838	1,659,838	-	-	-	-	All the schemes for the period have been realised.
Finance	960,826	960,826	-	-	-	-	All the schemes for the period have been realised.
Economy and Community	2,085,602	2,085,602	-	-	-	-	All the schemes for the period have been realised.
Adults, Health and Wellbeing	4,934,141	4,473,401	460,740	7	-	-	A slippage on a range of 2017/18 schemes have slipped but full implementation is anticipated.

**OVERVIEW OF SAVINGS SCHEMES 2015/16 TO 2017/18 BY DEPARTMENT**

Department	Total Savings	Realised Schemes	Schemes being implemented, but with slippage		Schemes with some risks of achieving		Comments by the Head of Finance
	£	£	£ - number		£ - number		
Children and Supporting Families	1,987,318	1,987,318	-		-		All the schemes for the period have been realised.
Highways and Municipal	4,872,550	4,839,550	33,000	1			£33k of the scheme to <i>Close 50 out of the 73 public toilets in the county</i> is slipping, with the service looking at restructuring and the Closed Circuit Television (CCTV) scheme to address the difference.
Consultancy	387,000	387,000	-		-		All the schemes for the period have been realised.
Corporate Management Team and Legal	165,270	165,270	-		-		All the schemes for the period have been realised.
<b>Sub-total</b>	<b>23,954,758</b>	<b>23,013,797</b>	<b>821,411</b>	<b>10</b>	<b>119,500</b>	<b>2</b>	
Cross-departmental	224,220	224,220	-		-		All the schemes for the period have been realised.
<b>TOTAL</b>	<b>24,178,978</b>	<b>23,238,017</b>	<b>821,411</b>	<b>10</b>	<b>119,500</b>	<b>2</b>	<b>In financial terms (£), 96% of the savings schemes for 2015/16 - 2017/18 have been realised.</b>

## OVERVIEW OF 2018/19 SAVINGS SCHEMES BY DEPARTMENT

Department	Total Savings 2018/19		Realised schemes		Schemes on track to be realised timely		Schemes with slippage		Comments by the Head of Finance
	£ - number		£ - number		£ - number		£ - number		
Education	521,450	3	436,000	1	-		85,450	2	The scheme to <i>Reduce time and/or to raise a fee for the child care element of the free breakfast scheme for primary school children</i> hasn't been achieved, with an overspend at the end of the year. In regards to the scheme to <i>Raise the price of primary school meals from £2.30 to £2.50</i> , the numbers that order dinners have decreased since the price increase in September 2017, and therefore the expected savings have not been realised.
Schools	-		-		-		-		No schemes programmed for 2018/19.
Environment	154,970	6	154,970	6	-		-		All schemes have been realised.
Corporate Support	47,340	2	47,340	2	-		-		The two schemes have been realised.
Finance	66,430	2	66,430	2	-		-		The two schemes have been realised.
Economy and Community	308,830	4	152,330	3	-		156,500	1	The schemes have now been realised, but there was partial slippage to the <i>Running leisure facilities more effectively</i> scheme because the provision of leisure facilities hadn't been handed over to Byw Yn Iach Cyf Company until 1 April 2019, therefore a slippage in to 2019/20.
Adults, Health and Wellbeing	645,000	6	575,000	4	-		70,000	2	A delay in realising the <i>Increase income and reducing other costs</i> scheme worth £30k and the <i>Prudent Commissioning of the Mental Health Service</i> worth £40k, although progressing.

**OVERVIEW OF 2018/19 SAVINGS SCHEMES BY DEPARTMENT**

Department	Total Savings 2018/19		Realised schemes		Schemes on track to be realised timely		Schemes with slippage		Comments by the Head of Finance
	£ - number		£ - number		£ - number		£ - number		
Children and Supporting Families	314,480	2	64,200	1	-	-	250,280	1	The "End to End" scheme has recently been subject to a review which has confirmed that the number of nights children are in care has reduced during the period, but the types of residential placements has changed, therefore affecting the placement costs. There has also been a reduction in the contributions by Health. The Department should consider changing their focus to obtain a solution.
Highways and Municipal	171,700	2	86,700	1	85,000	1	-	-	The savings scheme <i>Fleet Arrangements (Edge Review)</i> worth £85k that is being lead by the Highways Department is yet to receive approval from The Cabinet.
Consultancy	-	-	-	-	-	-	-	-	No schemes programmed for 2018/19.
Corporate Management Team and Legal	13,800	1	-	-	-	-	13,800	1	There is a slippage on the savings scheme in the Coroner's budget worth £13,800 as it is based on projection.
<b>Sub Total</b>	<b>2,244,000</b>	<b>28</b>	<b>1,582,970</b>	<b>20</b>	<b>85,000</b>	<b>1</b>	<b>576,030</b>	<b>7</b>	
Cross-departmental	210,740	2	210,740	2	-	-	-	-	The two schemes have been realised.
<b>TOTAL</b>	<b>2,454,740</b>	<b>30</b>	<b>1,793,710</b>	<b>22</b>	<b>85,000</b>	<b>1</b>	<b>576,030</b>	<b>7</b>	<b>In financial terms (£), 73% of the year's schemes have been realised and 4% on track to be realised on time.</b>

## SAVINGS SCHEME OVERVIEW 2019/20 ONWARDS BY DEPARTMENT

Department	Total Savins 2019/20 onwards		Profile			
	£ - number		2019/20 £	2020/21 £	2021/22 £	2022/23 £
Education	84,530	3	66,970	17,560	-	-
Environment	560,000	20	229,380	221,870	96,250	12,500
Corporate Support	788,700	18	375,450	195,500	117,750	100,000
Finance	795,450	22	558,650	111,800	100,000	25,000
Economy and Community	553,000	12	173,000	175,000	166,250	38,750
Adults, Health and Wellbeing	1,772,380	12	345,000	953,250	274,130	200,000
Children and Supporting Families	94,590	8	63,170	8,250	23,170	-
Highways and Muinicipal	1,380,900	19	210,000	372,150	611,250	187,500
Consultancy	186,000	7	126,500	59,500	-	-
Corporate Management Team and Legal	202,370	7	183,310	19,060	-	-
<b>TOTAL</b>	<b>6,417,920</b>	<b>128</b>	<b>2,331,430</b>	<b>2,133,940</b>	<b>1,388,800</b>	<b>563,750</b>