

THE CABINET 6/06/17

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**Present-**

Councillors: Dyfrig L. Siencyn, Mair Rowlands, Craig ab Iago, Gareth Wyn Griffith, Peredur Jenkins, Dafydd Meurig, W. Gareth Roberts, Gareth Thomas and Ioan Thomas

**Also present-** Dilwyn Williams (Chief Executive), Iwan Trefor Jones (Corporate Director), Dafydd Edwards (Head of Finance Department), Iwan Evans (Head of Legal Services)

Item 6: Janet Roberts (Senior Manager, Corporate Support)

Item 7 and 8: Ffion Madog Evans (Senior Finance Manager)

**Also present:**

**1. APOLOGIES**

Cabinet Members and Officers were welcomed to the meeting.

Apologies were received from Cllr. Dilwyn Morgan.

**2. DECLARATION OF PERSONAL INTEREST**

There were no declarations of personal interest.

**3. URGENT ITEMS**

There were no urgent items.

**4. MATTERS ARISING FROM OVERVIEW AND SCRUTINY**

There were no matters arising from overview and scrutiny.

**5. MINUTES OF THE MEETING HELD ON**

The Chair signed the minutes of the Cabinet meeting held on 25 April, 2017, as a true record.

**6. GWYNEDD COUNCIL PERFORMANCE REPORT 2016/17**

The item was presented by Cllr Dyfrig Siencyn

**RESOLVED**

- To approve the Gwynedd Council Performance Report 2016/17 with the changes

noted by the officers and to recommend its adoption by the Full Council.

## DISCUSSION

Submitted - the report which reported on the Council's performance for the year gone by. It was noted that it was a statutory requirement to submit an annual report. It was emphasised that the report was usually submitted during October; however, following discussions, it had been decided to move the date nearer to the end of the financial year. Consequently, it was noted that there were minor typing errors and minor changes to be made to the statistics in the Report.

Details were provided of the following required changes -

- Report
  - Page 20 - Care - Final paragraph on the right side - the correct figure for the rate of delay for 2016/17 was 4.91% not 4.44%. This change referred to the 4th measure on page 40 of the measures table.
  - Page 25 - Poverty, Deprivation, the Economy and Housing - third paragraph on the right side - Council's Procurement expenditure in local businesses or through sub-contracts was worth £59.8m.
  - Page 29 - First paragraph of the right side of the page - had succeeded to reduce our carbon footprint by 30.1% since 2005 and had succeeded to deliver accumulative savings of £3.67m.
- Measures Table
  - Page 40 - Care - Number of adult service users receiving direct payments - accurate figure is 121 - therefore, the trend was increasing rather than reducing.
  - Page 44 - The Welsh language - the 2016/17 data in relation to the first measure would be available at the beginning of July.
  - Page 44 - The Welsh language - second measure - Percentage of secondary schools that have established a baseline of young people's social use of Welsh Year 7 - the figure for 2016/17 was 100 and consequently the trend remained static.
  - Page 42 - Poverty, Deprivations, Economy, Housing - second measure - there were two different measures in relation to 'Percentage of Council spending with local businesses'; therefore the information was as follows:

Percentage of the Council's procurement expenditure that goes to companies with headquarters or a branch in Gwynedd	40.33	41.1	39.5	39.1	↓
Percentage of the Council's procurement expenditure that goes to companies with headquarters or a branch in Gwynedd, who then spend locally through subcontracts	-	52	52	50	↓

The staff were thanked for their hard work in bringing the report together.

The report had been prepared based on the individual performance reports of the Cabinet members. As the report was being published earlier this year, it would not be possible to compare Gwynedd's performance against the rest of Wales or the 'Family' of similar councils as no data would be available.

### Observations from the discussion

- Attention was drawn to the good work of the Care department. It was emphasised that more work would be done to develop services for the residents of Gwynedd. It was noted that there was a need to emphasise the work taking

place in the Care field in order to improve the situation relating to hospital transfers.

- Despite the fact that 74% noted that Gwynedd was a good place to live, it was asked whether or not questions were being asked of the 17% that was unhappy. It was emphasised that they were asking questions and that the reasons varied; it was noted that the reasons were being noted and fed back to the departments in order to encourage ongoing improvement.
- It was noted that consultation with residents was now carried out more broadly and that elements of the work was being done over the internet. It was expressed that this provided more of a cross-section and greater samples. This enabled the Council to create a sample of areas that noted the problems of specific areas.
- Reference was made to a number of encouraging indicators in the education field and the department's staff were thanked, and particularly the schools' staff were thanked for their hard work to improve the quality of children's education.
- It was noted that there was a risk that the report was focussing excessively on the positive side of performance and did not refer enough to the matters requiring attention. However, when attempting to look within the measures for those matters, it appeared in general that there were only few such considerations; which meant that the Council's performance was generally encouraging and the report reflected that.
- The report was testament to the efforts of all Council staff members as they attempted to maintain performance during a period where the council had to save over £31m over the past 4 years alone - in addition to the £31m that had to be identified in the previous eight years.

## 7. CAPITAL PROGRAMME 2016/17 - END OF YEAR REVIEW

The report was submitted by Cllr Peredur Jenkins.

### RESOLVED

To accept the report on the end of year review (31 March 2017 position) of the capital programme, and approve the revised financing as shown in part 4 of the report, that is:

- an increase of £136,000 in the use of unsupported borrowing
- an increase of £190,000 in the use of grants and contributions
- an increase of £319,000 in the use of capital receipts
- an increase of £136,000 in the use of revenue contributions
- a reduction of £297,000 in the use of renewal reserves

To approve the allocation of £100,000 for the preliminary and planning work to review the provision of education in the Bangor area, to be financed from a contribution that has already been received from section 106 payments from Redrow, in connection to a housing development site in Bangor. This will result in an increase of £100,000 in the 2017/18 capital programme.

### DISCUSSION

The report was submitted to the Cabinet noting that the submission of the report was a part of the process of closing the 2016/17 accounts. It was noted that the Council had spent over £29m on capital schemes with over £11m of it funded by attracting specific grants. It was emphasised that the departments were exceptionally good at attracting major financial grants and that this boosted the local economy. It was noted that £9.4m

of the expenditure budget would slip from 2016/17 but it was noted that the Council did not incur any grant funding losses as a result of a slippage in plans.

When considering point 5 in the report, it was noted that there was an intention to maximise the expenditure in the current financial year as a result of the Government's strict timetable as part of the Twenty First Century Schools Programme. It was also emphasised that the item had been submitted to the Audit Committee that morning and that it was satisfied with the report. It was also noted that the Finance Department's officers would implement the recommendations and proceed to publish the financial statements by the end of June.

Observations from the discussion

- A question was asked in relation to the re-profiling and grant funding - was there potential that the grant funding could be removed from the Council for failing to spend it and should the slippage from 2016/17 to 2017/18 be cause for concern? It was emphasised that there were no problems in relation to spending the money during this financial year at present.
- Also in response it was noted that it would be a matter for individual Cabinet members during performance challenging meetings to consider whether or not any slipping scheme would have an unacceptable impact on the residents of Gwynedd, and that Cabinet members needed to be aware of that during their performance challenging meetings.
- It was noted that it was important to underline that £29m had been invested locally - however, there was a need to bear in mind that there was a risk in the future as a result to changes in grant/loans arrangements, and a potential loss of European funding.

**8. FINAL ACCOUNTS 2016/17 - REVENUE OUTTURN**

The report was submitted by Cllr Peredur Jenkins.

**RESOLVED**

1.1 To approve and note the final financial position of the Council's departments for 2016/17.

1.2 To 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>
Adults, Health and Well-being	(100)
Children and Families	0
Education	(48)
Economy and Community	(19)
Highways and Municipal	0
Environment (formerly Regulatory)	(38)
Gwynedd Consultancy	(96)
Corporate Management Team & Legal	(45)
Finance	(67)
Corporate Support	(56)

1.3 To approve the following recommendations and virements (as outlined in Appendix 2) -

- Use (£46k), that is the underspend in excess of £100k Adults, Health and Well-being to contribute towards the shortfall in another department.
- Clear the overspend in the Children and Families Department so that they can move forward to face the 2017/18 challenge, and to finance this by re-directing the Adults, Health and Well-being Department underspend (£46k) and Corporate underspend (£151k).
- Clear the overspend in the Highways and Municipal Department so that they can move forward to face the 2017/18 challenge, and to finance this by re-directing Corporate underspend (£88k).
- Use the £939k underspend on Corporate Budgets for 2016/17 as follows:
  - £151k to clear the overspend of the Children and Families Department
  - £88k to clear the overspend of the Highways and Municipal Department
  - £700k to be earmarked in a reserve to contribute towards the Financial Strategy for the future.

1.4 To approve the virements from the specific reserves and release the provisions as outlined in Appendix 3 following a comprehensive review of reserves and provisions.

1.5 To convey to the departments that the Cabinet will only clear overspend in very exceptional circumstances in the future, and that departments will be expected to carry forward any future overspend (in accordance with the procedure for carrying underspend forward).

## DISCUSSION

The report was submitted to consider and note the final financial position of Council departments. It was noted that the report was very encouraging and the staff members were thanked for creating the report. Appendix 1 was a summary of each department, which showed that the majority of departments were underspending. It was noted that if a department underspent more than £100k that the money would be transferred to other departments and projects.

It was noted that there was an underspend of £939k under the corporate budget headings, with £239k of it going towards mitigating the overspend in two departments. It was expressed that £700k was being earmarked to fund a financial strategy for the future, and this meant that there was £1.76m in a fund for that specific purpose. As the Council faced a period of uncertainty regarding the Government grant funding level by 2018/19 and beyond, this fund could give the Council some time to plan in order to respond appropriately.

It was noted that the report had been submitted to the Audit Committee, and that it supported the recommendations.

It was reported that the Audit Committee had enquired about amending the 2017/18 budgets of the departments in order to reflect the financial performance of 2016/17. They enquired and received explanations regarding the overspend in the Children's Department and the underspend in the Adults Department, and it was established that this had not occurred due to a failure to provide services. The commercial operation of the Consultancy Department was noted.

Observations arising from the discussion:

- As the departments were underspending, a discussion was held on whether this would give the Government a reason to reduce the future grant. It was noted that it was not a reason to reduce the grant as this was the subject of a formula that had nothing to do with financial performance.

- A discussion was held on the argument in relation to clearing the overspend of departments and the risks of creating a culture where overspending did not lead to any side-effects. A decision was made to make an addition to point 1.5 of the recommendation to convey to departments that the Cabinet would only clear overspend in the future in exceptional circumstances and that departments would be expected to carry forward any overspend in the future.

The meeting commenced at 13:00 and concluded at 14:30

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**CHAIRMAN**