

## REPORT TO THE CABINET

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|------------------------|---|
| <b>Date</b>            | <b>22 May 2018</b>  |
| <b>Cabinet Member</b>  | <b>Councillor Peredur Jenkins</b>   |
| <b>Subject</b>         | <b>2017/18 Savings Overview:<br/>Progress Report on Realising Savings Schemes</b> |
| <b>Contact Officer</b> | <b>Dafydd L Edwards, Head of Finance</b>  |

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### DECISION SOUGHT

To note the encouraging progress towards realising the savings schemes during 2017/18.

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### 1. INTRODUCTION / BACKGROUND

In the Council's 2017/18 Financial Strategy, we had planned for savings of £7,414,750. Realising the individual schemes is the responsibility of the relevant Cabinet members, and the Cabinet Member for Finance keeps an overview of the whole picture. This report updates on the progress of realising the savings up to 31 March 2018.

### 2. DEPARTMENTAL SCHEMES in previous years

**Appendix 1** summarises the achievements of each department against the savings target carried forward from 2016/17. Only two schemes remain to be realised, and it is expected that this will be achieved during 2018/19. In financial terms (£), over 99% of the 2015/16 and 2016/17 schemes have been realised.

### 3. DEPARTMENTAL SCHEMES 2017/18

**3.1 Appendix 2** summarises the position in respect of realising the 2017/18 savings schemes. Of the 122 schemes, 108 have been fully or partly realised on time, but there has been some slippage in realising the remainder. In financial terms (£), 81% of the savings have been realised.

**3.2** In my report in September 2017, I referred to the substantial challenge of realising a number of schemes in the **Adults, Health and Wellbeing Department**. On 13 February 2018, a report was presented to the Cabinet by the Adults, Health and Wellbeing Cabinet Member and it was agreed to amalgamate a number of individual schemes into the work streams that were realising savings from the same budgets. It is foreseen that the Department will, during 2018/19, make substantial progress towards realising the savings that have slipped.

- 3.3** The Cabinet Member for Children presented a report to the Cabinet on 9 January referring to the substantial challenge of realising this year's savings schemes, in particular the remainder of the savings as had been envisaged from the "End to End" scheme. It was agreed that there was need for the **Children and Supporting Families Department** to review the financial outcomes to date and compare these with the original theories, together with the forecasts for the future. The financing of childcare is a field causing concern for numerous local authorities, and I therefore encourage the Children's Cabinet Member to present a report as soon as possible, to consider if it will be necessary for the Children's Department to submit an alternative scheme to realise the relative financial savings.
- 3.4** There is one scheme within the **Highways Department** that continues to cause concern, and a report was submitted to the Communities Scrutiny Committee on 19 April 2018 to explain the position, and consider an alternative way of fully realising the saving. It is expected that the Cabinet Member presents a report to consider the views of the Committee.
- 3.5** Generally, I am very satisfied with the progress that has been made to realise the 2017/18 savings.

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

**Appendix 3** summarises the position in respect of the schemes that are in hand to be realised during 2018/19. Although early in the financial year, the forecasts of realising the schemes are generally promising, with only one scheme causing concern.

#### **5. CONCLUSION**

- 5.1** Whilst some departments have realised all of their savings schemes, it is inevitable that realising some of the schemes within the original timescale has been challenging, in particular some of the larger schemes within the Children and Adults Departments. More time is required to plan and implement appropriately with some schemes, and the Cabinet in various meetings has approved amendments and re-profiling schemes in some fields, that has resulted in extending the realisation timetable.
- 5.2** I would like to thank all the Cabinet Members for continuing to monitor the savings schemes, and I am aware that work continues to be done in all departments to realise the goal. I ask the Cabinet to note the satisfactory achievements to date in realising the savings schemes in 2017/18, and the encouraging progress forecasted towards realising the 2018/19 savings programme.

**View of the Local Member**

Not relevant

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**Views 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.

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**Appendices:**

Appendix 1 – 2016/17 Savings Schemes Overview by department

Appendix 2 – 2017/18 Savings Schemes Overview by department

Appendix 3 – 2018/19 Savings Schemes Overview by department

## OVERVIEW OF SAVINGS SCHEMES 2016/17 BY DEPARTMENT

## APPENDIX 1

| <b>Department</b>            | <b>Total Savings 2016/17 and those from 2015/16 yet to be realised</b> | <b>Realised schemes</b> | <b>Schemes being implemented, but with slippage</b> | <b>Schemes not fully developed or have failed</b> | <b>Comments by the Head of Finance</b>   |
|------------------------------|--|-------------------------|---|---|--|
|                              | <b>£ (number)</b>  | <b>£ (number)</b>       | <b>£ (number)</b>                                   | <b>£ (number)</b>                                 |  |
| Education                    | 94,090 (3)   | 55,410 (2)              | 38,680 (1)  | -   | Savings relating to the "Education Contract and Employment Unit" has been expanded, and continues. Although the system has been operational from the beginning of April 2017, it is forecasted that the savings will be realised in 2018/19. |
| Schools                      | 2,095,000 (1)  | 2,095,000 (1)           | -   | -   | The 2016/17 savings have been realised.  |
| Environment                  | 656,480 (21)   | 656,480 (21)            |   |   | All of the year's schemes have been realised.  |
| Corporate Support            | 575,040 (16)   | 575,040 (16)            | -   | -   | All of the year's schemes have been realised.  |
| Finance                      | 374,600 (17)   | 374,600 (17)            | -   | -   | All of the year's schemes have been realised.  |
| Economy and Community        | 801,280 (17)   | 801,280 (17)            | -   | -   | All of the year's schemes have been realised.  |
| Adults, Health and Wellbeing | 1,559,220 (30)   | 1,559,220 (30)          | -   | -   | All of the year's schemes have been realised.  |

22.5.2018

| Department                | Total Savings 2016/17 and those from 2015/16 yet to be realised<br><br>£ (number) | Realised schemes<br><br>£ (number) | Schemes being implemented, but with slippage<br>£ (number) | Schemes not fully developed or have failed<br>£ (number) | Comments by the Head of Finance  |
|---------------------------|---|------------------------------------|--|--|--|
| Children and Families     | 753,000 (11)  | 753,000 (11)                       | -  | -  | All of the year's schemes have been realised.  |
| Highways and Municipal    | (2016/17) 1,934,100 (20)<br>(2015/16) 40,000 (1)                                  | 1,934,100 (20)                     | -<br>(40,000) (1)  | -  | All of the 2016/17 schemes have been realised, but there has been slippage with the 2015/16 scheme "Rationalise Recycling Banks". However, the Department is confident of realising this during 2018/19. |
| Consultancy               | 146,000 (4)   | 146,000 (4)                        | -  | -  | All of the year's schemes have been realised.  |
| Corporate Management Team | -   |                                    | -  | -  | No schemes programmed for 2016/17.   |
| Cross-departmental        | 212,600 (3)   | 212,600 (3)                        | -  | -  | All of the year's schemes have been realised.  |
| <b>TOTAL</b>              | <b>(2016/17) 9,201,410 (144)</b><br><b>(2015/16) 40,000 (1)</b>                   | <b>9,162,730 (143)</b>             | <b>38,680 (1)</b><br><b>(40,000) (1)</b>                   | -  | <b>In financial terms (£), 99.5% of the 2015/16 and 99.6% of the 2016/17 savings schemes have been realised. It is forecasted that the remaining two schemes will be realised during 2018/19.</b>        |

## OVERVIEW OF SAVINGS SCHEMES 2017/18 BY DEPARTMENT

## APPENDIX 2

| Department            | Total Savings<br>2017/18<br><br>£ (number) | Realised schemes<br><br>£ (number) | Schemes on<br>track to be<br>realised<br>timely<br><br>£ (number) | Schemes being<br>implemented, but<br>with slippage<br><br>£ (number) | Schemes not<br>fully<br>developed or<br>have failed<br><br>£ (number) | Comments by the Head of Finance  |
|-----------------------|--|------------------------------------|---|--|---|--|
| Education             | 417,120 (5)                                | 358,820 (4)                        | -   | 58,300 (1)   | -   | There was slippage in implementing the scheme "Reduced hours and / or introduce a fee for the care element within the free breakfast for primary school children", but it is forecasted that the savings will be fully realised shortly. |
| Schools               | 990,000 (1)                                | 691,010 (1)                        | -   | 298,990 (1)  | -   | Following a Cabinet decision on 13 December 2016, the secondary schools proportion of this scheme, that is £298,990, is being bridged by the Council for two years.  |
| Environment           | 962,480 (25)                               | 946,150 (24)                       | -   | 16,330 (1)   | -   | Making satisfactory progress towards achievement, but some work is required to fully realise the savings from the "Closing of Frondeg Pwllheli buildings and Ffordd y Traeth Felinheli building" scheme.                                 |
| Corporate Support     | 408,470 (11)                               | 408,470 (11)                       | -   | -  | -   | All of the year's schemes have been realised.  |
| Finance               | 115,210 (9)                                | 115,210 (9)                        | -   | -  | -   | All of the year's schemes have been realised.  |
| Economy and Community | 848,210 (20)                               | 848,210 (20)                       | -   | -  | -   | All of the year's schemes have been realised.  |

22.5.2018

| Department                      | Total Savings<br>2017/18<br><br>£ (number) | Realised schemes<br><br>£ (number) | Schemes on<br>track to be<br>realised<br>timely<br><br>£ (number) | Schemes being<br>implemented, but<br>with slippage<br><br>£ (number) | Schemes not<br>fully<br>developed<br>or have<br>failed<br><br>£ (number) | Comments by the Head of Finance  |
|---------------------------------|--|------------------------------------|---|--|--|--|
| Adults, Health<br>and Wellbeing | 1,412,000 (29)                             | 728,760 (22)                       | 76,740 (2)  | 606,500 (9*)   | -  | On 13 March 2018, the Cabinet approved merging some schemes (that had previously been approved) into work streams that are achieving savings within the same budgets. The challenge of realising them remains, but a review of the position at the end of the 2017/18 financial year suggests that the Department has successfully managed their budget. |
| Children and<br>Families        | 339,500 (4)                                | 222,500 (3)                        | -   | 117,000 (1)  | -  | A substantial challenge to realise the financial savings from the “End to End” scheme has become apparent. I understand that a full report on the position is to be presented to the Cabinet shortly, to approve any changes to the profile and/or the forecasted savings sum.   |

22.5.2018

| <b>Department</b>               | <b>Total Savings<br/>2017/18</b> | <b>Realised schemes</b>     | <b>Schemes on<br/>track to be<br/>realised<br/>timely</b> | <b>Schemes being<br/>implemented, but<br/>with slippage</b> | <b>Schemes not<br/>fully<br/>developed<br/>or have<br/>failed</b> | <b>Comments by the Head of Finance</b>  |
|---------------------------------|----------------------------------|-----------------------------|---|---|---|---|
|                                 | <b>£ (number)</b>                | <b>£ (number)</b>           | <b>£ (number)</b>   | <b>£ (number)</b>   | <b>£ (number)</b>   |   |
| Highways and<br>Municipal       | 1,831,450 (13)                   | 1,587,450 (9*)              | -   | 194,000 (4*)  | 50,000 (1)  | Generally, the Department has made very satisfactory progress. A report was presented to the Communities Scrutiny Committee on 19 April regarding the “Reduction in the Frequency of the Municipal Grass Cutting and Collection” scheme (£50,000), where it may well be necessary to discover an alternative way of realising the saving. Further work needs to be done to fully realise the savings from four other schemes, and a report will be submitted to the Cabinet shortly regarding the largest of these schemes – “Recycling Centres” (£96,000). |
| Consultancy                     | 105,000 (4)                      | 105,000 (4)                 | -   | -   | -   | All of the year’s schemes have been realised.   |
| Corporate<br>Management<br>Team | 7,000 (1)                        | 7,000 (1)                   | -   | -   | -   | The scheme has been realised.   |
| Cross-<br>departmental          | - 21,690                         | - 21,690                    | -   | -   | -   | Over achievement adjustment.  |
| <b>TOTAL</b>                    | <b>7,414,750<br/>(122)</b>       | <b>5,996,890<br/>(108*)</b> | <b>76,740<br/>(2*)</b>                                    | <b>1,291,120<br/>(17*)</b>                                  | <b>50,000<br/>(1)</b>   | <b>In financial terms (£), 81% of the year’s savings schemes have been realised, and a further 1% are on track.</b>   |

(\*A proportion of schemes in more than one gateway)

## OVERVIEW OF SAVINGS SCHEMES 2018/19 BY DEPARTMENT

## APPENDIX 3

| Department                     | Total Savings<br>2018/19<br>£ (number) | Realised<br>schemes<br>£ (number) | Schemes on<br>track to be<br>realised<br>timely<br>£ (number) | Schemes<br>being<br>implemented,<br>but with<br>slippage<br>£ (number) | Schemes<br>not fully<br>developed<br>or have<br>failed<br>£ (number) | Comments by the Head of Finance   |
|--------------------------------|--|-----------------------------------|---|--|--|---|
| Education                      | 521,450 (3)                            | -                                 | 521,450 (3)   | -  | -  | No problem is anticipated.  |
| Schools                        | -                                      | -                                 | -   | -  | -  | No schemes programmed for 2018/19.  |
| Environment                    | 154,970 (6)                            | 15,000 (1)                        | 139,970 (5)   | -  | -  | No problem is anticipated.  |
| Corporate<br>Support           | 47,340 (2)                             | 47,340 (2)                        | -   | -  | -  | Both schemes realised.  |
| Finance                        | 40,000 (1)                             | 40,000 (1)                        | -   | -  | -  | The scheme has been realised.   |
| Economy and<br>Community       | 308,830 (3)                            | -                                 | 52,330 (2)  | 256,500 (1)  | -  | No problem is anticipated. The £256,500 is to come from the "Running the Leisure Facilities more efficiently" scheme, where the Department is confident of realising the savings on time. |
| Oedolion,<br>Iechyd a Llesiant | 645,000 (6)                            | -                                 | 645,000 (6)   | -  | -  | On 13 March 2018, the Cabinet approved merging some schemes and re-profiling others. As a result, the Department is confident of being able to realise these on time.                     |

## OVERVIEW OF SAVINGS SCHEMES 2018/19 BY DEPARTMENT

| Department                | Total Savings<br>2018/19<br><br>£ (number) | Realised<br>schemes<br><br>£ (number) | Schemes on<br>track to be<br>realised<br>timely<br><br>£ (number) | Schemes<br>being<br>implemented,<br>but with<br>slippage<br>£ (number) | Schemes<br>not fully<br>developed<br>or have<br>failed<br>£ (number) | Comments by the Head of Finance  |
|---------------------------|--|---------------------------------------|---|--|--|--|
| Children and Families     | 314,480 (2)                                | -                                     | 64,200 (1)  | 250,280 (1)  | -  | A substantial challenge to realise the financial savings from the “End to End” scheme has become apparent. I understand that a full report on the position is to be presented to the Cabinet shortly, to approve any changes to the profile and/or the forecasted savings sum. |
| Highways and Municipal    | 86,700 (1)                                 | -                                     | 86,700 (1)  | -  | -  | No problem is anticipated.   |
| Consultancy               | -  | -                                     | -   | -  | -  | No schemes programmed for 2018/19.   |
| Corporate Management Team | 13,800 (1)                                 | -                                     | 13,800 (1)  | -  | -  | No problem is anticipated.   |
| Cross-departmental        | 322,170                                    | -                                     | -   | -  | 322,170  | Further schemes have been developed but are yet to be approved.  |
| <b>TOTAL</b>              | <b>2,454,740<br/>(25)</b>                  | <b>102,340<br/>(4)</b>                | <b>1,523,450<br/>(19)</b>   | <b>506,780<br/>(2)</b>   | <b>322,170</b>   | <b>Whilst very early into 2018/19, in financial terms (£), 4% of the year’s schemes have been realised and 75% are on track.</b>   |