

THE CABINET 21/05/19

Present-

Councillors: Dyfrig L. Siencyn, Dafydd Meurig, Craig ab Iago, Gareth Wyn Griffith, Nia Wyn Jeffreys, Dilwyn Morgan, Gareth Thomas, Ioan Thomas, Catrin Elen Wager and Cemlyn Rees Williams

Also present-

Dilwyn Williams (Chief Executive), Iwan Evans (Head of Legal Services), Dafydd Edwards (Head of Finance Department), Morwena Edwards (Corporate Director), Ffion Madog Jones (Senior Finance Manager) and Annes Sion (Member Support Officer)

Item 6: Steffan Jones (Head of Highways and Municipal Department)

1. APOLOGIES

Cabinet Members and Officers were welcomed to the meeting.
No apologies were received.

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. FINAL ACCOUNTS 2018/19 - REVENUE OUTTURN

The item was submitted by Cllr Ioan Thomas

RESOLVED

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

DEPARTMENT	£'000
Adults, Health and Well-being	15
Children and Families	100
Education	100
Economy and Community	28
Highways and Municipal	100
Environment	(100)
Gwynedd Consultancy	(59)
Corporate Management Team and Legal	(76)
Finance	(59)
Corporate Support	(61)

1.3 To approve the following recommendations and virements (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 a 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 'Byw'n lach' 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.

DISCUSSION

The report was submitted, noting that the report elaborated on the Council's expenditure for 2018/19. Cllr Peredur Jenkins was thanked for his commitment to secure the Council's financial position over the past years. It was expressed that the Council's financial management had been effective over the year, despite the requirement to realise savings.

It was expressed that the report noted the final position of all departments, and attention was drawn to the main matters. It was noted that half the departments had been able to keep within their budgets. Attention was drawn to an improvement in the situation of the Adults, Health and Well-being Department by the end of the year as a result of receiving and re-directing late grants. Nevertheless, it was emphasised that there was an overspend of almost £1m in the Provider service and it was noted that the Cabinet Member and Head of Adults Department needed to look further into this overspend.

It was noted that an increase had been seen in the Children and Supporting Families Department across a number of headings which meant that by the end of the year, the net overspend had increased to £1.6m. It was explained that out-of-county placements were responsible for a vast amount of the overspend and a meeting had been arranged between the relevant Cabinet Members, the Chief Executive and other officers in order to address the matter in full. It was recommended for the Cabinet to restrict the level of overspend to carry forward to £100k.

Attention was drawn to the Education Department, noting that since the last review that there had been a substantial improvement to the financial situation as a result of receiving and re-directing the grant. Nevertheless, it was expressed that an overspend continued in the Transport field, which had been the subject of a review to manage the overspend, however, reference was made to the need for further work. It was recommended that the overspend was restricted to £100k in order to assist the department in 2019/20.

In the Economy and Community Department, a high percentage of the overspend was noted as a result of a slippage in the timetable for establishing Byw'n lach, and it was recommended that the department be compensated £157k, namely the value of the slippage. Also, it was recommended for the Cabinet to provide one-off financial assistance to ease the overspend of £0.5m in the Waste field in the Highways Department.

It was expressed that the underspend of some departments could be used by

effective management of the budgets, in order to finance the total expenditure in accordance with the proposal for 2018/19, by using £1.51m from funds to finance one-off bids in 2018/19 and not make use of the Council's general balances. It was noted that the Council had managed to harvest over £4m of resources, with £3m earmarked for the priorities of the Council Plan. All the staff were thanked for their work in ensuring that the work of closing the accounts and producing the statement was done in a much shorter period compared to previous years.

Observations arising from the discussion

- The Cabinet Member for Children and Supporting Families noted that he had faith in the service and in the level of safety of looked after children. It was added that overspend was often a discussion topic in the Department and Nationally as it was a problem that could be seen nationwide. It was expressed that the department had received an additional resource that would carry out a Ffordd Gwynedd review in the department to ensure that their systems were completely effective. It was noted that the next steps following the Ffordd Gwynedd review would be to raise the question as to whether the budget was fit for purpose.
- Attention was drawn to the fact that there could be two possibilities following the report of the Children Department; either the financial management was poor or an overspend was unavoidable. It was reiterated that the overspend was nothing new to the officers and consequently it was shown that the financial management was good. Nevertheless, it was noted that there was a need to ensure that the department worked as efficient as possible and so the importance of meeting the officers was underlined in order to ensure that no stone was left unturned.
- It was noted that over £800,000 had been added to the budget of the Children and Supporting Families Department by 2019/20, in response to the increase in demand, and further discussion would be held on realising the historical savings schemes of the Department.
- It was expressed that the slippage with establishing Byw'n Iach accounted for the bulk of the overspend of the Economy and Community Department, however, it was expressed that the overspend in Storiell needed to be addressed urgently.
- It was explained that the Education Department had anticipated an overspend of over £700k but that the department, by means of grants, had managed to reduce it to £116k. It was reiterated that further work needed to be done in the context of transport. It was explained that school balances continued to be high, but that this was partly as a result of receiving Government grants late in the year.
- It was noted in the Highways and Municipal Department that some income targets were possibly high, but the department was monitoring this. It was added that there would be a change in the Waste Service which would reduce the overspend, within the year.
- It was expressed that the overspend of the Adults Department had reduced following the late receipt of a grant, however, it was explained that the department needed to continue to consider the matter, in order to ensure that they dealt with any chance of an overspend.
- Attention was drawn to cuts that were happening to services as a result to a reduction in the Government settlement and that we had conveyed the

message to the Government continuously that this reduction was causing worry to the residents of Gwynedd.

6. CAPITAL PROGRAMME 2018/19 - END OF YEAR REVIEW (31 MARCH 2019 POSITION)

Submitted by Cllr Ioan Thomas

DECISION

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 funds and others

DISCUSSION

The report was submitted, noting that its main purpose was to present the final situation of the 2018/19 capital programme. It was expressed that the report provided an analysis per department of the capital programme of £53.53 million for the three years 2018/19 - 2020/21.

Attention was drawn to a main conclusion, namely that the Council had spent over £22.8m through capital schemes, where 55% of it was grant-funded. Concerns were raised about the reduction in the number of Council staff and the capacity that would be available to ensure that the plans were mature to submit for grants in the future. It was explained that the total of £12.7m was slipping from 2018/19, compared with £15.6m at the end of 2017/18. The main reasons for the slippages were elaborated upon, which included the Schools Maintenance Grant of £1.8m arriving late, a change in the timing of the spending on the replacement of the Council's cars and awaiting decisions on match funding from Welsh Government on plans in the Property field.

It was emphasised that the Council had been successful in receiving additional grants since the previous review, including School Maintenance Grants and the Intermediate Care Fund grant.

Observations arising from the discussion

- It was asked, as some services depended on grants, how this could affect the Council in the future. It was noted that the Council were attempting to place pressure on the Government for grants to be included as part of the settlement, it was expressed that grant-dependent services caused

uncertainty and it was difficult to plan for the future.

- The staff were thanked for their hard work in ensuring grants and planning for the future plans.

7. SAVINGS OVERVIEW: PROGRESS REPORT ON REALISING SAVINGS SCHEMES

The report was submitted by Cllr Ioan Thomas

DECISION

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

DISCUSSION

The report was submitted, noting that over 96% of the 2015/16 - 2017/18 savings had been realised by March 2018, it was added that this was a total of over £23m. It was expressed that there was slippage on 12 of the plans, with 7 of them in the Adults Department. Concern was raised about 2 schemes in the Education Department, namely the Child-care?? Element within the Free Breakfast Scheme, and the Increasing Primary School Meal Prices from £2.30 to £2.50. It was added that the plans did not meet the expected savings and had consequently led to an overspend.

It was noted that the 2018/19 Financial Strategy had planned for savings to the value of £2.5m. Nevertheless, it was expressed that 73% of the plans had been realised but that seven had slipped, including a delay in the transfer of the leisure provision to Byw'n lach, and the 'End to End' scheme in the Children and Supporting Families Department. It was added that a review had been held in the LAC field which concluded that the number of nights that children spent in residential placements had dropped, but the cases had become more intense, and thus had increased the cost of the placements.

In general, it was noted that the progress that had been made to realise savings was acceptable, but that some delivery difficulties had been highlighted. The importance of keeping to the savings was added, noting that unless it was possible to keep to the savings plans, the only other option would be to cut services.

Observations arising from the discussion

- In relation to the increase in school dinner prices, it was noted that there had been a reduction in the number of pupils who purchased school dinners following the price increase; consequently, the scheme had not met its savings target.
- It was noted that delivering savings schemes was becoming increasingly difficult for departments. Nevertheless, it was added that the report showed success on delivering, that the Council had planned appropriately for savings, and that its robust financial arrangements

meant that we were in a better position to ensure that this continued.

The meeting commenced at 1.00 pm and concluded at 1.55 pm

CHAIRMAN