

REPORT TO THE CABINET

Date	28 January 2020
Cabinet Member	Councillor Ioan Thomas, Finance Cabinet Member
Subject	Savings Overview: Progress Report on Realising Savings Schemes
Contact Officer	Ffion Madog Evans, Senior Finance Manager

DECISION SOUGHT

To accept the information within the report and note the encouraging progress towards realising the 2019/20 and previous years savings schemes.

1. INTRODUCTION / BACKGROUND

This report is a regular overview report on the savings position following the individual Cabinet Members' performance reports presented in January.

In the Council's financial strategy since 2015/16, £32m worth of savings have been approved to be realised during the period 2015/16 to 2019/20. Reported here are the 2019/20 savings to the value of £5,156,430 together with the savings yet to be realised from previous years.

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.

2. SAVINGS SCHEMES 2015/16 - 2018/19

2.1 **Appendix 1** summarises the achievement of each department against the savings target set for them from 2015/16 - 2018/19, totalling nearly £27m. It is encouraging for me to report that nearly £26m, or 97%, of these schemes have been realised, and there is only a slight slippage with the remainder.

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

- 2.3 There are two schemes namely *Reduce time and/or raise a fee for the child care element of the free breakfast scheme* worth £100k and part of the *Reduce time and/or charge for the child minding element within the free breakfast scheme* worth £10k in the Education Department is a subject of concern (refer also to part 3.2 of the report below). These savings are not being realised and an alternative scheme *Use of 'Integration - UDP / Statements' contingency fund* worth £110k is being proposed by the Department to replace the savings. The Cabinet Member for Education will present the recommendation as part of his Performance Report to Cabinet on 28 January 2020.
- 2.4 Risks are envisaged with achieving the remaining savings on three of the Adults, Health and Well-being Department's schemes namely *Automating the Department's financial processes*, *Improving the efficiency of field workers* and also *Prudent Commissioning in the Mental Health Service*. The remaining target on the three schemes to the end of 2018/19 is £142k. The Head of Department and the Cabinet Member will need to consider offering alternative savings schemes.
- 2.5 There are significant risks to achieving the savings for 2018/19 and subsequent years on one of the Children and Supporting Families Department's schemes namely, the *End to End Review*. The scheme has been subject to review and the original assumptions of the 'End to End' model has been revisited as financial savings from the scheme appear to have been too ambitious due to the current climate change in the children's field. With the change in the population profile of looked after children, the average cost increase of residential placements and the complexity of cases. There is a high financial cost to the Council to fund children's out-of-county residential placements because of their complex and acute needs, and it is not possible to identify placements to meet their needs locally, in each case. A Children's Budget Task Group has been commissioned which addresses the Department's financial issues including this field.
- 2.6 There are risks in realising the savings of the *Review the existing structures and locations of the Housing Department* scheme worth £89k. The Department is looking to find an alternative saving scheme.

3. DEPARTMENTAL SCHEMES 2019/20

- 3.1 **Appendix 2** summarises the position regarding the delivery of the 2019/20 savings schemes. Of the 121 profiled schemes for the year, 81 (worth nearly £2.5m or 48%) have been realised and a further 17 (worth £1.2m or 23%) are on track to be fully achieved and on time by the end of the financial year. There are 22 schemes either slipping or with some risks of delivering and 2 schemes that have yet to receive Cabinet approval.
- 3.2 *Increasing the fee of school breakfast care club from £0.80 to £1* scheme in the Education Department, is not materialising at the level the Department had forecasted, with the latest forecast suggesting a shortfall of around £10k in income. An alternative savings scheme is being proposed to replace the £10k (refer also section 2.3 above).

- 3.3 The Environment Department anticipates some risks in achieving savings in the *Increasing the number of pay and display car parks and increasing parking fees* scheme worth £37.5k in 2019/20. A Task Group has been established which will report to the Communities Scrutiny Committee in April 2020 and then to the Leadership Team in June.
- 3.4 The Adults, Health and Well-being Department has £1m worth of schemes that are slipping and have some risks to deliver. There has been a delay with 4 of the schemes worth £250k, but they are now progressing. The Department anticipates some risks to achieve the savings of two schemes namely the *Integration and transformation of Older People's Services* (£510k) and *Extending the principles of the Alltwen Pilot Scheme across the service* (£133.5k). Additional resources has been allocated in 3 areas and are hoping to make further appointments using the Health Board and Integrated Care Fund resource, to support and strengthen this work. Steps are also being taken to change the culture and ways of working which are core to achieving the savings.

In addition there are significant risks to achieving the savings of the *Improving the efficiency of Fieldworkers* scheme (£75k) and there is a significant challenge to achieve the savings on the *Prudent Commissioning in the Mental Health Service* scheme (£60k). Despite efforts to support individuals and families more effectively, the demand for support services is increasing. At present it seems unlikely that these two schemes will deliver the savings in the near future and if at all.

- 3.5 One scheme the Highways and Municipal Department has that is at risk of achieving the savings is *Increasing street enforcement income by fining more people who drop litter*, worth £10k in 2019/20. Further work is required to implement the scheme.
- 3.6 Generally, the progress made in realising the 2019/20 savings schemes is 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 2020/21 ONWARDS

- 4.1 For information purposes, the savings schemes for 2020/21 onwards are listed per Department 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 £28.4m of savings since April 2015 has been challenging. Some schemes require 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 comments 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 - 2018/19 Savings Schemes Overview by Department

Appendix 2 - 2019/20 Savings Schemes Overview by Department

Appendix 3 - 2020/21 Onwards Savings Schemes Overview by Department