

APPENDIX 3

SAVINGS

1. Since 2015/16, over £30m of savings schemes have been realised by Gwynedd Council, but it is estimated that £3.3m worth of savings will not be realised.
2. On 13th of October 2020, the Cabinet considered a 'Savings Overview' report setting out progress towards realising the 2020/21, 2019/20 and previous years savings schemes.
3. It was noted that the impact of Covid19 had contributed to slippage in the savings program, as the Council had given an unfettered priority to protecting the health and lives of the people of Gwynedd in response to the crisis, which has meant that some of the savings arrangements have not been able to continue over the period of the crisis.
4. The intention of the Chief Executive and Head of Finance to arrange to meet all Cabinet Members with their Heads of Department, to discuss how the proposed savings procedure could be re-established, was supported, so that the Council could move on with a portion of the savings program despite the crisis.
5. The Cabinet also considered on 13 October 2020 a 'Budget Strategy' report which sought to predict the financial situation we will face in 2021/22.
6. The 2021/22 Budget setting process and schedule have been approved, whilst noting that financial planning is extremely challenging, and therefore if there is a funding gap to balance the 2021/22 budget, the Council will use budgets and reserves to mitigate resource losses in the short term, rather than rushing to find additional new savings schemes in the midst of the crisis.
7. Of course, this follows previous years when the grant we had been receiving from the Welsh Government was not sufficient to meet inflation, and as demands in various areas such as adult and children's care were also increasing, we had been in a continuous cycle of having to find savings.
8. Because of that, while there would be limited opportunities to try to find more efficiency savings, we had now reached a position where any need for significant savings were likely to mean cuts to services.
9. On 26 January 2021, following the meeting of the Chief Executive and Head of Finance with the relevant Cabinet Member and their Heads of Department, the Cabinet considered a 'Savings Position' report in which it was decided to postpone or eliminate historic savings that could not be achieved - as outlined in the 'Defer / Delete' table below.

10. Reference is made here to the savings originally selected for meeting an element of the additional demands for Council services when setting the 2021/22 budget. Of the savings schemes to be realised in 2021/22, it was agreed that the delivery profile worth £511k of them should be moved to 2022/23, and recognizing that the position has now changed so much that £595k of the 2021/22 savings schemes cannot be achieved.

Savings	Defer to 2022/23 £	Delete £
2017/18 - 2020/21 schemes	1,037,750	848,040
2021/22 schemes	511,250	595,450
TOTAL	1,549,000	1,433,490

11. Clearly, £1,106,700 of savings originally planned for 2021/22 will no longer contribute to closing the 2021/22 budget gap.

12. Among a number of smaller schemes, the most obvious defer and delete decisions made by the Cabinet on 26 January 2021 were:

- delete worth £1,128k of savings of the 'End to End' scheme from the Department for Children budget (£668k deleted from the 2017 - 2021 schemes, and a further £460k from the 2021/22 schemes), and
- defer the 'Transforming Adult Services' 2017 - 2021 plan worth £935k of savings from the Adult Department budget.

13. In setting the 2020/21 budget, provision had been set aside to deal with the risk of failure to realise the savings schemes (in hindsight this was a wise move).

14. To fund the unrealised historic schemes, £1.644m of this provision was used, and it was decided to address the residual gap by first using £241,790 of the savings planned for 2021/22.

Defer Savings to 2022/23	£1,037,750
Delete Savings	£848,040
TOTAL	£1,885,790
Less:	
Provision in 2020/21 budget for the failure to realise 2017–21 savings	£1,644,000
Balance to be financed in 2021/22	£241,790

15. The savings to be drawn from departmental budgets in **2021/22** have been approved in previous years and have already been approved by the Council. Of course, they have also followed appropriate statutory processes, but those are listed below **for information**.

Savings	Sum £
EDUCATION DEPARTMENT AND SCHOOLS	
Schools' additional savings	65,000
CHILDREN AND SUPPORTING FAMILIES DEPARTMENT	
Reducing the Subsistence Scheme Allowance budget	23,170
ADULT, HEALTH AND WELLBEING DEPARTMENT	
Better co-ordination with the Children and Families Department at the time of transition age	45,000
Review the operational arrangements within the Department	33,750
TOTAL	78,750
HOUSING AND PROPERTY DEPARTMENT	
Salix Energy Saving Scheme	33,380
Abolish a post from the Property Safety Service	22,500
Increase fees for inspecting and licensing houses in multiple occupation	20,380
Reduce the dependency on temporary accommodation by investing in purpose built accommodation	75,000
Energy savings	150,790
TOTAL	302,050
CORPORATE SUPPORT DEPARTMENT	
Transfer to a new customer contact back office system	17,250
Abolish one Human Resources officer post and one Human Resources advisor post	60,000
Abolish the Organisational Development Service	40,500
TOTAL	117,750
FINANCE (& I.T.) DEPARTMENT	
Generate income by selling a fleet tracking system	5,000
Generate income through fraud prevention	20,000
Attract additional income via an Internal Collection Agency	75,000
TOTAL	100,000

ENVIRONMENT DEPARTMENT	
Achieve savings by buying cheaper	20,000
Increase the number of pay and display car parks and increase parking fees	15,000
Provide electric car charging points in car parks	37,500
Reduce the budget for the Traffic Orders Unit	1,250
TOTAL	73,750
HIGHWAYS AND MUNICIPAL DEPARTMENT	
Change Closed Circuit Television where staff monitor screens to a system 'without staff'	105,000
Increase fees for collecting waste from businesses	75,000
Barmouth Bridge – to not pay Network Rail for the right of way over the bridge	26,250
TOTAL	206,250
TOTAL SAVINGS	966,720
Less: Finance balance of deleting schemes 2017 - 2021	-241,790
TOTAL	724,930

16. The realisation of the schemes identified in the above list will generate a net savings contribution of £725k in 2021/22. I note again that these savings plans have already been approved in previous years, and therefore not subject to a decision this year. The full Council decided that in setting the 2020/21 budget on 5 March 2020, these "efficiency" savings should not have a significant impact on Gwynedd residents.