

GWYNEDD COUNCIL CABINET



Report to Gwynedd Council Cabinet meeting

Meeting date: 18 JANUARY 2022

Cabinet Member: COUNCILLOR IOAN THOMAS

Contact Officer: DEWI A MORGAN, HEAD OF FINANCE

Contact Number: 34684

Subject: FINANCE CABINET MEMBER'S PERFORMANCE CHALLENGE REPORT

THE DECISION SOUGHT

To receive and note the information in the report.

THE REASONS WHY A DECISION IS REQUIRED

To ensure effective performance management.

1. INTRODUCTION

- 1.1 The purpose of this report is to update my fellow members on what has happened in the areas for which I am responsible as the Cabinet Member for Finance. This will include outlining what has happened against the promises of the 2018-2023 Gwynedd Council Plan; where the performance measures are at; and the latest regarding savings plans and cuts.
- 1.2 I would like to remind you that all the matters have already been the subject of discussion and have been scrutinised by myself in a meeting of the Department's Management Team on Wednesday 15/12/2021, which also included the Corporate Director and representatives of the Audit and Governance Committee. A positive discussion was held, where the Department's senior managers had sound answers to the Councillors' questions.
- 1.3 I am very pleased to note that the performance of the Finance Department has remained generally good over the last months, despite the challenges we have faced due to the Covid-19 pandemic. The Department has also made satisfactory progress on the priority projects.



2. GWYNEDD COUNCIL PLAN PROJECTS 2018-2023 [Improvement Priorities]

2.1 The progress made to date against the Department's priority projects is set out below. These priorities address the Department's main risks.

2.2 Transferring holiday units from Council Tax to Business Rates

2.2.1 We intend to continue to press for reform in this area over the next few years, using evidence we are continually collecting, to get Welsh Government Ministers to understand the scale of the problem that exists in Gwynedd. We will also support the Environment Department as they continue to press the Welsh Government to amend the Town and Country Planning Order to include a specific use class for residential housing used as holiday accommodation, together with the introduction of a mandatory licensing regime to enable the business to operate. The aim is that no property without proper permission for use as short-term holiday accommodation should be eligible to transfer from a Council Tax band to the non-domestic rates list. The Council invests the income from the Council Tax premium into our Housing Action Plan to try to mitigate some of the detrimental effect second homes have on the availability of housing for local people. As properties transfer to holiday units there is the potential for fewer properties to be subject to the premium.

2.2.2 As a recent key step, the Finance Department co-ordinated the Council's response to the Welsh Government's consultation on local taxation, before it closed on 17 November 2021. The consultation document contained 13 specific questions, together with an opportunity to present any other related points.

2.2.3 We await the Welsh Government's response to the consultation before considering the next steps.

2.3 Achieving Savings

2.3.1 The Council has financial planning arrangements that have already identified significant efficiency savings in order to minimise service cuts for Gwynedd residents. In January 2021, the savings schemes were reviewed to assess which historic schemes were now unachievable, and a revised program of savings was drawn up for 2021/22 following the removal, slipping and re-profiling of savings schemes.

2.3.2 It can now be reported that savings of over £32.8 million have been realised since 2015/16, which is 94% of the £34.8 million required over the period. We have already realised 45% of the 2021/22 savings plans with a further 19% on track for timely delivery this year. Through the robust arrangements we have in place to monitor how departments are achieving savings, we will ensure that this revised program is achieved. We will also support departments with the costs of transformation, as they introduce new working arrangements.

2.3.3 A detailed report on each department's savings schemes will be presented to the Cabinet on 18 January 2022.



3. PERFORMANCE

- 3.1 An overview of the Department's performance to date is noted below.
- 3.2 The Gwynedd Statement of Accounts following the audit, together with the External Auditors' report on the Accounts (the "ISA260 report"), was presented to the Audit and Governance Committee on 14th October. Once again this year, an unqualified opinion was issued. That is, in the auditor's opinion, the financial statements gave a true and fair view of the financial position of Gwynedd Council as at 31 March 2021 and of its income and expenditure for the year then ended, and have been properly prepared in accordance with the appropriate standards.
- 3.3 The Pension Fund's annual report was also successfully completed before the statutory date of 1st December. A successful annual meeting was held in November, attended by many employers, staff, committee members and board members.
- 3.4 The Covid pandemic continues to affect the Department's arrangements, with collection rates for non-domestic rates lower than the previous corresponding period; by the end of November 2021 the collection rate (i.e. collection within the year) was 68.34%, which is a reduction on 72.4% for the same period in 2020/21 and 77.5% in 2019/20.
- 3.5 Another effect of the pandemic that continues is the increase in the number of self-isolation support claims, 766 claims were received in November, which is an additional burden on the Benefits Service. The effect of this was seen in the increase in November in the average number of days taken to process a new benefit claim of **20.68** days compared with a performance of 16.7 days in the same period in 2020/21.
- 3.6 It is appreciated that the Internal Audit Service released 5 officers to assist with the Test, Trace and Protect Service, spending approximately 95 days assisting the TTP Service. The side-effect of this is that only 24.53% of the audit plan has been completed, i.e. where the audit has been closed or a final report released. There is a possibility that Internal Audit officers may need to be released to assist the Benefit Service in dealing with additional Winter Fuel payments, as well as dealing with the increase in demand for self-isolation payments. The Audit Plan will be reviewed in light of this, with the emphasis on prioritising higher/high risk audits. Any amendments to the Audit Plan will be reported in the usual manner to the Audit and Governance Committee.
- 3.7 The value of miscellaneous debts remains an issue and has increased since what was reported in July. All debts need to be kept under review, but Betsi Cadwaladr Health Board's historic debt needs to be resolved quickly. Discussions on several levels between Council officers and the Health Board are underway to try to resolve the situation.

3.8 The resilience of the Council's internal systems and network availability remains healthy. There has been significant work to strengthen our ability to defend cyber attacks and our ability to recover should an attack break through our defences. The impact of a Log4J type attack would be devastating, so activity to minimise these risks continues. Although the availability of Gwynedd's internal IT systems is high (99.95%), one national system is a cause for concern, with the performance of WCCIS (care services system) not meeting the expected standards.

4. FINANCIAL POSITION / SAVINGS

4.1 It is anticipated that the Finance Department will have an underspend financial position of £56k at the end of the 2021/22 financial year, with a combination of reasons responsible for the underspend including one-off underspends for vacancies, together with income receipts in a number of areas. A detailed review of the department's 2021/22 financial position will be undertaken as part of the end of November review for the whole of the Council, which will be reported to the Cabinet on 18 January 2022.

4.2 By the end of 2020/21 the Finance Department realised over £1.7 million of savings over a period of six years since 2015/16. The Finance Department succeeded in realising £151k, being 88% of its savings schemes relating to 2020/21, with 80% of the 2021/22 savings schemes already realised this year. See **Appendix 1** which includes the savings schemes.

4.3 The Covid-19 crisis led to a delay in the realisation of one scheme 'Generating Income by Preventing Fraud' worth £20k in 2020/21 (12% remaining from 2021/22 schemes) and £20k relating to 2021/22, following the suspension of interviews regarding fraudulent claims in the Benefits field during the period of the crisis. Interviews continue to be suspended due to current circumstances, so a further delay in realising the £40k is anticipated.

VIEWS OF THE STATUTORY OFFICERS

Monitoring Officer:

No observations to add 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 – Finance Department's Savings



Finance Department's Savings

	2015/16	2016/17	2017/18	2018/19	2019/20	2020/21	2021/22
	£	£	£	£	£	£	£
Realised	471,010	374,601	115,215	66,430	558,650	150,730	
Generating income by selling fleet tracking system							5,000
Tax savings on the new Additional Voluntary Pension scheme for Council employees							45,000
Savings through self-financing rather than external borrowing							30,000
Generating income by preventing fraud						20,000	20,000
Savings Total	471,010	374,601	115,215	66,430	558,650	170,730	100,000