

REPORT TO THE CABINET

Date	18 January 2022
Cabinet Member	Councillor Ioan Thomas, Cabinet Member – Finance
Subject	Savings Overview: Progress Report on Realising Savings Schemes
Contact Officer	Dewi Morgan, Head of Finance

1. THE DECISION SOUGHT

- 1.1 To accept the information in the report and to note the progress towards realising the savings schemes for 2021/22 and previous years.
- 1.2 To note that the impact of Covid19 contributed to slippage in the savings program, as the Council had given priority to safeguarding the health and lives of the people of Gwynedd in response to the crisis.
- 1.3 In preparing the 2022/23 budget, as set out in Appendix 3 for the 2022/23 savings plans:
 - acknowledge that the situation had now changed so much that savings schemes totalling £489,750 cannot be achieved by deleting them from the budget, namely
 - End to End Review (Children and Families Department) worth £279,750
 - Transfer of playing fields to others (Highways and Municipal Department) worth £210,000
 - move the delivery profile for schemes worth £1,290,250 to 2023/24 and subsequent years
 - note that the savings value of the remaining schemes to be deducted from the 2022/23 budget, as set out in Appendix 3, is £595,000.

2. INTRODUCTION / BACKGROUND

- 2.1 This report is an overview report on the Council's savings' position for 2021/22 and previous years and also looks at savings schemes planned for 2022/23.
- 2.2 Progress against savings schemes worth £966,720 in 2021/22, together with the savings yet to be achieved from previous years, will be reported following a review of the position at the end of November 2021.
- 2.3 It can now be reported that savings of £32.8 million have been realised since 2015/16, which is 94% of the required £34.8m over the period. 45% of the 2021/22 savings have been realised to date and a further 19% are on track to deliver on time this year.

- 2.4 Delivering on the individual schemes is the responsibility of relevant Cabinet members, who challenge the performance of the departments, including the progress of the savings schemes. It is the responsibility of the Cabinet Member for Finance to keep an overview of the full picture.

3. RE-ASSESS SAVINGS

- 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 writing off, slippage and re-profiling of the savings schemes.

- 3.2 The table below shows the value of the savings that were written off or deferred to 2022/23:

Table 1: Savings written off or deferred to 2022/23

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

- 3.3 Following a review of the departmental savings position which was presented to Cabinet on 12 October 2021, it was noted that realisation of savings was most evident from the Adults, Health and Well-being Department and the Highways and Municipal Department. During November 2021, a meeting was held between the Chief Executive, the Head of Finance and the Highways and Municipal Department and the Adults, Health and Well-being Department to discuss the schemes which are proving to be challenging for them, these schemes will be considered further when drawing up the 2022/23 budget.

4. SAVINGS SCHEMES 2015/16 – 2020/21

- 4.1 **Appendix 1** summarises each department's attainment against the savings target that had been set for them from 2015/16 - 2020/21, **a total of nearly £34m. It is encouraging for me to be able to report that over £32m, or 96% of these schemes have been realised**, but a risk of realising the savings on a few schemes remains.
- 4.2 This marginal slippage mainly derives from some 2019/20 and 2020/21 schemes, and the challenge of realising them continues.

- 4.3 25 schemes totalling nearly £820k have slipped. Responding to the Covid crisis has meant slippage in some of the savings schemes but the Departments are not anticipating problems in realising them.
- 4.4 There are a further 6 schemes worth a total of £652k with risks to complete. 4 schemes from the Department for Adults, Health and Well-being, and 1 scheme each from the Highways and Municipal Department and the Economy and Community Department. Responding to the Covid crisis has meant slippage in some elements of the savings schemes, but it may now be necessary to consider whether the savings are truly achievable or whether alternative schemes and approaches need to be proposed to realise the savings.

5. DEPARTMENTAL SCHEMES 2021/22

- 5.1 **Appendix 2** summarises the position in terms of realising the savings schemes for 2021/22. The total savings target is £967k with a value of £436k, which is 45% of schemes already having realised and a further £188k, or 19% are on track to deliver on time by the end of the financial year.
- 5.2 Clearly the departments have focused on responding to the crisis since March 2020.
- 5.3 There have been slippages on 4 schemes across the Council totalling £214k but they are progressing which includes 1 scheme each from the Environment Department and the Adults, Health and Well-being Department and 2 schemes in the Highways and Municipal Department.
- 5.4 Risks to deliver savings of 3 schemes across the Council totalling £129k are envisaged which include *Income generation by fraud prevention* scheme (£20k) in the Finance Department, *Review of operating arrangements* of the Adults, Health and Well-being Department (£34k) and *Increase waste collection fees from businesses* by the Highways and Municipal Department (£75k). The Departments are working to progress these schemes.

6. SAVING SCHEMES UP TO 2021/22

- 6.1 It is inevitable that realising over £32.8m in savings (out of a total of £34.8m) since April 2015 has been challenging and I am grateful to all of the departments and Cabinet Members for ensuring this success.
- 6.2 The table below summarises the latest position of savings schemes since April 2015 which states that 94% of all schemes having realised.

Table 2: Summary of the status of all savings schemes since April 2015

Status of Savings	Portal	£m	%
Realised	1	32.8	94.3
On track to achieve savings in full and on time	2	0.2	0.5
Delay, but moving forward	3	1.0	3.0
Some risks to achieve - slip or fail	4	0.8	2.2
Significant risks to realise in full or partially	5	0.0	0.0
Total savings		34.8	

7. DEPARTMENTAL SCHEMES 2022/23

- 7.1 The 2022/23 savings are listed in **Appendix 3**. Following a recent review of the 2022/23 programmed savings schemes by the Chief Executive, Corporate Director and Finance Officers, what is clear is that it must be acknowledged that the situation has now changed so much that 2 saving schemes totalling £489,750 cannot be achieved. 1 scheme 'End to End Review' worth £279,750 in the Children and Families Department and 1 scheme 'Transfer Playgrounds to others' in the Highways and Municipal Department, that should be removed from the budget.
- 7.2 Due to a number of factors including the impact of Covid it is no longer feasible for savings of £1,290,250 to be achieved in 2022/23, which includes a £155,000 savings scheme in the Economy and Community Department and 4 savings schemes worth £1,135,250 in the Adults, Health and Well-being Department. The savings schemes should therefore be re-profiled to 2023/24 and subsequent years as set out in **Appendix 3**.
- 7.3 Following the deletion and slippage of savings noted in 7.1 and 7.2 above, note that the savings value of the remaining schemes to be deducted from the 2022/23 budget, as set out in **Appendix 3**, is £595,000.

8. CONCLUSION

- 8.1 Therefore, I ask the Cabinet to note the achievement outlined in this report towards realising the savings schemes up to 2021/22. In addition, to note that the impact of Covid contributed to slippage in the savings program and support Departments to move forward with the savings program despite the crisis.
- 8.2 It is recommended that the Cabinet approves the actions to delete and slip savings identified in part 7 of the report and **Appendix 3** and accept that the revised savings available to support the 2022/23 budget will be £595,000.

Local Member's Views

Not relevant

Views of the Statutory Officers

The 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 - Overview of 2015/16 - 2020/21 Savings Schemes per Department

Appendix 2 - Overview of 2021/22 Savings Schemes per Department

Appendix 3 - Overview of 2022/23 Savings Schemes