

THE CABINET 14/06/22

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**Present-**

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Councillors: Dyfrig L Siencyn, Nia Jeffreys, Craig ab Iago, Beca Brown, Berwyn Parry Jones, Elin Walker Jones, Menna Jones, Dafydd Meurig, Dilwyn Morgan and Ioan Thomas.

**Also present-**

Dafydd Gibbard (Chief Executive), Morwena Edwards (Corporate Director), Iwan Evans (Head of Legal Services), Ffion Madog Evans (Senior Finance Manager) and Annes Sion (Democracy Team Leader).

Item 6: Dewi Wyn Jones (Council Business Service Support Manager)

**1. APOLOGIES**

No apologies were received.

Cabinet Members and Officers were welcomed to the meeting.

**2. DECLARATION OF PERSONAL INTEREST**

No declarations of personal interest were received.

**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. MINUTES OF THE MEETING HELD ON 29 MARCH 2022**

The Chair accepted the minutes of the meeting held on 29 March 2022 as a true record.

**6. GWYNEDD COUNCIL PERFORMANCE REPORT 2021/22**

The report was submitted by Cllr Dyfrig Siencyn.

**DECISION**

To approve the Gwynedd Council Performance Report 2021/22 and recommend its adoption by the Full Council at its next meeting on 23 June 2022.

## DISCUSSION

The report was submitted noting that it reflected the Council's work over the past year. It was explained that it was a very interesting report which showed some of the work that had been done and the steps taken to maintain the Council's performance for the future.

The Council's Business Support Service Manager added that the report demonstrated the Council's progress against its priorities during 2021/22. It was noted that the report was balanced as it addressed the work that had been delivered and the work that had not been completed. It was expressed that the first part of the report covered the progress in relation to Council priorities while the second part dealt with departments' performance relating to their day-to-day work.

It was explained that this work had been prepared by the departments and verified by the Cabinet Members before the election. It was noted that the report would be submitted to the Full Council on 23 June.

## 7. FINAL ACCOUNTS 2021/22 - REVENUE OUT-TURN

The report was submitted by Cllr Ioan Thomas.

### DECISION

1.1 To note the final financial position of the Council's departments for 2021/22.

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	(69)
Children and Families	(97)
Education	(60)
Economy and Community	(72)
Highways and Municipal	0
Environment	(100)
Gwynedd Consultancy	(100)
Housing and Property	(100)
Corporate Management Team and Legal	(33)
Finance	(96)
Corporate Support	(63)

1.3 To approve the following recommendations and financial virements (as outlined in Appendix 2) -

- The Highways and Municipal Department to receive one-off financial support of £746k to fully abolish the overspend for the year, considering the exceptional circumstances relating to the crisis this year. This will allow the department to move on to face the challenges of 2022/23.
- In order to comply with the Financial Regulations, the following departments will not keep their underspend above (£100k):
  - Environment Department (£91k)
  - Gwynedd Consultancy Department (£9k)
  - Housing and Property Department (£180k)

The Cabinet's decision is sought to earmark a total of £280k to a post-Covid recovery fund in order to finance the associated financial challenges facing the Council.

- On Corporate budgets:
  - that (£2,183k) relating to capital costs is allocated to the capital programme fund
  - with the remainder of the net underspend on Corporate budgets being earmarked as follows:
    - (£395k) placed in the Council's general balances
    - (£3,000k) to the Council's Transformation fund to fund the Council's priorities and work of a transformational nature
    - (£1,377k) to the post-Covid recovery arrangements Fund to fund the associated financial challenges that the Council will be facing.

1.4 The financial virements from specific funds as outlined in Appendix 4 were approved following a review of the funds, harvesting (£851k) from funds and using £746k of it to assist the Highways and Municipal Department which has overspent in 2021/22 and transfer the remaining £105k to the Council's general balances.

## **DISCUSSION**

The report was submitted, noting that it provided details on the Council's expenditure in 2021/22. It was explained that a summary of the final position of all departments was included in the report along with the amounts to be carried forward at the end of the financial year. Attention was drawn to the financial impact of Covid-19 on the Council yet again with £17.5 million claimed from the hardship fund and Furlough by the end of the year.

The main matters and fields where there had been a significant difference were highlighted, specifically the number of additional substantial grants late in the year that had transformed the financial position by the end of the year. Attention was drawn to the money received in addition to the £2.5m in the Local Government Settlement, Social Care Hardship grant of £1.9m, Social Care Recovery Fund of £1.5m along with Council Tax backlog of £0.9m to name but a few. It was expressed that there was underspend across all departments apart from the Highways and Municipal Department which was overspending by £746,000. It was explained that it was the Municipal field that was continuing to overspend with the most prominent problems in the field of waste collection and disposal.

It was explained that there had been a substantial improvement in the Adults Department after receiving substantial grants in the last months of the year, including a grant of £1.9 million for Local Authority Social Care Hardship. The impact of Covid on the department was highlighted again which was worth over £3.7 million by the end of the year. It was explained that school balances had increased from £6 million at the end of March 2021 to £16.7 million by the end of March 2022 in light of the impact of Covid and the receipt of various numerous grants. It was expressed that in terms of Council funds that a feasibility review of the Council's specific funds had been carried out when closing the accounts and that £851,000 in resources had been harvested.

The Senior Finance Manager added that the situation had been transformed over the last months before closing the accounts as a consequence of receiving a bulk of grants late in the year. It was explained that this gave the Council an opportunity to prepare for challenges in 2022/23, and it was emphasised that this was a one-off situation only.

Observations arising from the discussion

- It was explained that this report was technical. It was noted that this year's settlement had been very good, but that the next two years would not be as good and therefore the Council was facing a difficult time.
- It was expressed that grants had helped a number of departments for this year, but it was asked to what extent was there a need to worry about the future?

## **8. CAPITAL PROGRAMME 2021/22 - END OF YEAR REVIEW (31 MARCH 2022 POSITION)**

The report was submitted by Cllr Ioan Thomas.

### **DECISION**

To accept the report on the end of year review (31 March 2022 position) of the capital programme.

The expenditure of £37,054,000 on the capital programme during the 2021/22 financial year was noted, which would be used in the statutory financial statements for 2021/22.

To approve the revised financing as shown in part 4 of the report, namely:

- £173,000 decrease in the use of loans
- £11,304,000 increase in the use of grants and contributions
- £94,000 reduction in the use of capital receipts
- £426,000 reduction in the use of revenue contributions
- No change in the use of the capital reserve
- £1,003,000 increase in the use of renewal funds and others.

### **DISCUSSION**

The report was submitted, noting that it presented the revised capital programme

and to approve the relevant financing sources. It was expressed that the main conclusions were that the Council had succeeded to spend £37.1m in 2021/22 on capital plans, with 81% of it funded through specific grants.

It was explained that the impact of Covid-19 had continued on the capital programme. It was noted in addition to the £31.2m reported on in previous reviews 2021/22, that a further £26.8m of proposed spending had been re-profiled to 2022/23 and attention was drawn to the main plans including:

- £7.6 million in Housing and Homelessness Strategy Plans
- £7.2 million in Flood Prevention and Land Drainage Schemes
- £6.5 million in 21st Century Schools Plans and Others
- £4.0 million in Welsh Government New Grants in Housing (displaced resource re-profiled)
- £3.2 million in Additional General Capital Grant 21/22 (received in the last quarter of the year with the right to transfer it to 22/23).

Attention was drawn to additional grants the Council had managed to attract since the previous review, which included:

- £3.2 million - Additional General Capital Grant 21/22 - approved slippage to 22/23.
- £3.1 million - Grants from the Land Development and Construction Fund which enables replacing existing funding to be spent in 22/23.
- £1.3 million - Intermediate Care Fund Grant - adaptations to adult establishments and facilitate joint working with other agencies in the care field.
- £1.1 million - Free School Meals Capital Grant - approve replacing current funding to be spent in 22/23 on school kitchen modifications.

The Senior Finance Manager added that there was an obvious impact on grants with a high number of grants slipping, and it was highlighted that this affected Council funds.

Observations arising from the discussion

- It was explained that this report was technical and there were robust plans for the plans that had slipped. It was expressed that the Council's Assets Plan would be submitted soon and it would note how much capital funding would be available to spend in the coming years.
- Dissatisfaction was expressed with grants arriving late in the year, emphasising that it was difficult to plan for the long term and ensure a balanced budget.

The meeting commenced at 1.00 pm and concluded at 1.30 pm

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**CHAIRMAN**