

## CYNGOR GWYNEDD – Report to Cyngor Gwynedd’s Cabinet

<b>Subject:</b>	<b>Savings Overview: Progress Report on Realising Savings Schemes</b>
<b>Cabinet Member:</b>	<b>Councillor Ioan Thomas, Cabinet Member for Finance</b>
<b>Contact officer:</b>	<b>Ffion Madog Evans, Assistant Head of Finance - Accounting and Pensions</b>
<b>Date:</b>	<b>7 November 2023</b>

### 1. The decision sought

- 1.1 To accept the information in the report and to note the progress towards realising the savings schemes for 2023/24 and previous years.
- 1.2 Acknowledge that the situation has now changed so much that historical savings schemes worth £2,056,430 cannot be achieved, removing them from the budget.
- 1.3 Use the £1,956,430 savings provision to fund deleting savings schemes, along with using £100,000 council tax premium for the savings scheme relating to the field of Homelessness.

### 2. The reason why it is necessary that the Cabinet makes the decision

- 2.1 Realising 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 have an overview of the whole picture.

### 3. Introduction and Rationale

#### Background / Introduction

- 3.1 This report provides an overview of the Council's savings' situation for 2023/24 and previous years following a review of the situation at the end of August 2023.
- 3.2 In the '2023/24 Budget' report to the Full Council on 2 March 2023, it was reported that savings worth £5,194,220 were required for the 2023/24 financial year in order to close the 2023/24 fiscal gap. The savings are a combination of £950,250 that had been approved in previous years, together with new savings of £1,146,600 for Schools and £3,097,370 for the rest of the Council.

**3.3** In addition, by reviewing the Council's policy on debt repayment that finances capital expenditure (Minimum Revenue Provision), as set out in the report to the Full Council on 2 March 2023, a further £2,400,000 was added to the 2023/24 savings schemes.

**3.4** So the total of all savings for 2023/24 is £7.6m.

#### **4. Rationale and justification for recommending the decision**

##### **Reassessing savings**

**4.1** The Council has financial planning arrangements that have already identified significant efficiency savings in order to minimise service cuts for Gwynedd residents. Despite this, in recent years there have been difficulties in realising savings in some areas, most evidently in the Adults, Health and Well-being Department and in the Waste area. In July 2023, the savings schemes were reviewed to assess which historic schemes were now unattainable. A programme was drawn up to remove schemes worth £2,056,430 that had significant risks to deliver.

**4.2** **Appendix 1** lists the schemes worth £2,056,430 which are to be deleted and Table 1 below summarises the savings per Department.

**Table 1: Savings to be deleted per Department**

<b>Department</b>	<b>Savings to be deleted £</b>	<b>No of schemes</b>
Highways and Engineering	133,000	1
Adults, Health and Well-being	1,488,430	10
Environment	335,000	4
Housing and Property	100,000	1
<b>Total</b>	<b>2,056,430</b>	<b>16</b>

**4.3** Following the inability of some departments to realise savings in some areas, when establishing the budget and in order to respond to the risk of failure to deliver some savings schemes, a corporate savings provision worth £1,956,430 was put into the budget to enable savings schemes to be deleted should the need arise. It is recommended that the provision to delete the savings is used in its entirety, along with the use of £100k of council tax premium on second homes to remove the relevant savings scheme in the Housing field.

4.4 The report will focus on the savings situation following the deletion of the savings schemes in 4.2.

## 5. Historical Departmental Savings Schemes 2015/16 – 2023/24

5.1 **Appendix 2** summarises the achievement of each department based on the August 2023 review, against the revised savings target that has been set for them, **totalling over £34m. It can be reported that £33.7m, or 98% of these schemes have been realised**, but the risk of realising the savings on some of the schemes remains.

5.2 There are 4 schemes totalling £164k that have slipped but the departments do not foresee a problem in realising them.

5.3 The remaining 7 schemes worth £391k have risks of delivering; 3 schemes from the Adults, Health and Wellbeing Department (total of £222k), 1 scheme from the Finance Department (£25k), 2 schemes from the Economy and Community Department (total of £130k) and 1 scheme from Legal (£14k).

## 6. New Departmental Savings Schemes 2023/24

6.1 The Full Council report of 2 March 2023 identifies the new efficiency savings schemes worth £6.7m which have funded the fiscal gap in 2023/24.

6.2 **Appendix 3** summarises the achievement of each department based on the August 2023 review. **It can be reported that £5.4m or 81% of these schemes have already been realised, with a further £426k or 6% on track to deliver fully and in a timely manner.**

6.3 It is currently predicted that there are some risks of realising schemes worth almost £134k, 1 scheme from the Environment Department worth £70k and 1 scheme worth £64k from the Finance Department.

6.4 There is a slight delay in realising £700k worth of 2023/24 savings schemes but the Departments do not foresee a problem in realising them. The majority of this amount includes savings of £539k from schools, which is slipping as the schools work within an academic year and therefore the realisation will slip into the next financial year.

## 7. Departmental Savings Schemes 2024/25 onwards

7.1 Due to the prospects of a poor financial settlement and also the current economic climate and high levels of inflation, it is inevitable that Local Authorities will have to look at savings and cuts to help the financial situation. Savings schemes and additional cuts for 2024/25 are already under consideration by Cyngor Gwynedd and will be the subject of a report soon.

7.2 The current savings for 2024/25 onwards are listed by Department in **Appendix 4**, the historical savings in Table 1 and the new savings in Table 2, but it is premature to report on the status of these schemes at this time.

## 8. Conclusion

- 8.1** It can be reported that a total of £39.1 million of savings have been realised since 2015/16, which is 96% of the required £41m over the period. It is inevitable that realising the savings has been challenging and I am grateful to all the departments and Cabinet Members for ensuring this success.
- 8.2** The table below summarises the latest position of the savings schemes since April 2015 with 96% of all schemes realised.

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

<b>Status of Savings</b>	<b>Portal</b>	<b>£m</b>	<b>%</b>
Have realised	1	39.13	95.6
On track to achieve savings in full and on time	2	0.43	1.0
Delay, but moving forward	3	0.86	2.1
Some risks to achieve - slip or fail	4	0.49	1.2
Significant risks to realise in full or partially	5	0.04	0.1
<b>Total savings</b>		<b>40.95</b>	<b>100</b>

- 8.3** Therefore, I ask the Cabinet to note the achievement outlined in this report towards realising the savings schemes. In addition, delete the savings that were not being realised as stated in 1.2 and 1.3 above.

## 9. Next steps and timetable

- 9.1** Act on the recommendations stated in this report and submit a subsequent report to the Cabinet on 23 January 2024 following the review at the end of November.

**Appendices:**

Appendix 1 - Historical Savings Schemes to be deleted per Department

Appendix 2 - Overview of Historical Savings Schemes 2015/16 - 2023/24 per Department

Appendix 3 - Overview of New Savings Schemes 2023/24 per Department

Appendix 4 - Table 1 - Overview of Historical Savings Schemes 2024/25 onwards per  
Department

- Table 2 - Overview of New Savings Schemes 2024/25 onwards per Department