

# CYNGOR GWYNEDD CABINET



## Report to Cyngor Gwynedd Cabinet meeting

<b>Title of Item:</b>	<b>FINANCE CABINET MEMBER'S PERFORMANCE CHALLENGE AND SUPPORT REPORT</b>
<b>Cabinet Member:</b>	<b>COUNCILLOR IOAN THOMAS</b>
<b>Contact Officer:</b>	<b>DEWI MORGAN, HEAD OF FINANCE</b>
<b>Meeting date:</b>	<b>23 JANUARY 2024</b>

### 1. The Decision Sought

To receive and note the information in the report.

### 2. The reason why the Cabinet needs to make the decision

To ensure effective performance management.

### 3. Introduction and Rationale

3.1 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 report will outline the following: -

- What has been achieved as part of the priorities of the Cyngor Gwynedd Plan 2023-2028:
- The status of the performance measurements
- The latest in terms of savings and cuts scheme

3.2 All the matters have already been the subject of discussion and have been scrutinised by me, along with the Corporate Director, in a Performance Challenge Meeting held on 15<sup>th</sup> December, where the Department's Management Team and service managers were present.

3.3 I am very pleased to note that the performance of the Finance Department has remained generally good over the last months. The Department has also made satisfactory progress on the relevant priority projects.

#### **4. CYNGOR GWYNEDD PLAN PROJECTS 2023-2028 (Improvement Priorities)**

4.1 The Finance Department leads on two priority projects in the Council Plan 2023-28:

- **Achieving Savings**
- **Digital Plan 2023-28**

4.2 I am very satisfied with the progress made to date by the Department's against both these priority projects, and further on progress against specific milestones are found in the Appendix.

#### **5. PERFORMANCE**

5.1 Below, I outline the main issues arising from the department's performance in the period since the last progress report in October. The information does not refer to all services in the department, only those I feel the need to draw your attention to.

**5.2 IT Service – Support.** I have previously reported that I am very pleased with the performance of this service and that we have evidence that it responds promptly to user queries and difficulties.

Furthermore, I am pleased to report that the service has been successful in filling key vacancies recently. Recruitment difficulties have been a concern in this area for some time, but the IT Service - Support has managed to appoint three new members of staff during the period. This is key to being able to maintain the expected service.

In terms of the amount of support, 3,453 requests for IT support were recorded during October and November 2023, with 3,221 (93%) opened and closed during the period.

The volume of external email correspondence being received and sent, in a period of just two months (October and November 2023), is surprising. 458,061 external email messages were sent by the Council, and 872,112 emails messages were received. In addition, 190,739 external email messages were filtered or suspended by our defences which means council systems received a total of 1,062,851 emails from outside the organisation in a period of just 2 months.

**5.3 IT Service – Infrastructure.** I am very pleased to be able to report that the availability of the Core Network and our Critical Systems has been 100% during October and November 2023. There was also no cyber incident or serious service breach.

Setting this into context, 194,099 attacks were blocked by the firewall in October, and 13 viruses were blocked. In November, 109,597 attacks were blocked by the firewall and 17 viruses were blocked.

The continuity of the performance level of the Infrastructure Team is absolutely key to the Council's ability to continue to maintain its services.

**5.4 IT Service – Programme Management / External Systems.** I noted in the last performance report that I thought the purpose of this service needed to be re-visited. Work has started, and the service has identified areas where new delivery measures should be introduced, and the service will move forward with that without delay. These measures are:

- Service Satisfaction across the team (Digital Transformation and Business Team)
- Statistics on ordering, including the collection and mailing of equipment
- Departmental mobile phone costs across the Council.

**5.5 IT Service – Digital Learning Service.** I noted in the last performance report that the capacity of the service to support the schools had been lower than expected before the summer holidays but expected the situation to improve during the autumn term. I am satisfied that the service has been able to close a high percentage of the calls it receives, coping with an increase in calls handled during November compared to October:

Calls	Recorded	Closed	Ongoing
<b>October</b>	531	422	275
<b>November</b>	544	512	305

However, I've asked the service to keep an eye on the "Ongoing" column lest a backlog develops whilst recognising that schools' historic equipment pose far more problems than the equipment that has been introduced since the service was established.

During the period, the service has run a campaign to receive satisfaction feedback. A questionnaire was sent to all headteachers of Primary, Special, Secondary and All-through Schools; 25 responses were received, which is a little disappointing in number. 85% of respondents were pleased with the support service they receive, and many offered constructive improvement ideas. It was found that 96% are happy with the devices they have received from the service.

The service has responded to the 15% who are unhappy with the supportive service, contacting the schools and listening to the comments. The reasons for the dissatisfaction were reported to the Performance Challenge and Support meeting and I am satisfied that work is taking place to respond to the issues raised.

**5.6 Investment and Treasury Management Service.** I am satisfied that this service has performed consistently well, protecting Council and Pension Fund investments, and ensuring accurate and appropriate handling of cash flow etc. I have no concern whatsoever about this service.

However, I believe that the performance information being presented to the Performance Challenge and Support Meetings can be expanded so that they align better with the comprehensive information that is now being presented to the Governance and Audit Committee and the Pensions Committee. The Investments Manager and the Head of Department have agreed to discuss to see what additional information can be presented to the next Performance Challenge and Support meeting, in February.

**5.7 Insurance and Risk Management Service.** I noted in my last performance report that one barrier preventing the Insurance and Risk Management Service from being able to operate effectively is having to wait too long for a relatively high number of reports from other parts of the Council. I reported that this created something of a concern and the Department would act to try to improve the situation.

I am pleased to report that the situation is improving, and that the service confirms that the reports the service has received from other departments have been acceptable in the latest period.

**5.8 Income Service.** I indicated in my last performance report that I am very keen to continue to pay attention to the progress of the cases we refer to the Legal Service, to ensure that there is effective collaboration between the two units.

A meeting was held between the two units during November to discuss steps to address the old debts. I attended the meeting, and I can report that it went well and that it was a very positive meeting. Following the meeting I concluded that a Ffordd Gwynedd review of the Income Service would be timely, and the Corporate Director and Head of Department were supportive of this. This review started immediately, and constructive conclusions have already emerged. I will continue to report progress on the work in subsequent performance reports.

**5.9 Benefits Service.** I would like to note that this service is performing consistently well, and I want to thank the Manager and all service staff for ensuring that Gwynedd's most vulnerable people receive the financial support they qualify for. The information available shows that there is improvement every time this service addresses its systems and processes. Staffing stability has been a great help to the service as it demonstrates continuous improvement.

**5.10 Payroll Service.** It is good to be able to report that the Payroll Service has responded in a timely manner to the pay agreement for 2023/24 and has ensured that the increase and backpay was paid to staff during November. There was a slight increase in the number of errors reported this period – there were 18 cases involving the arrears. Any issues were resolved in the proper manner.

I noted in the last performance report that I had some concern at the failure of some of the Council's services to notify the Payroll Service in a timely manner of any change in individuals' situation, so that action could be taken on time. Work to improve arrangements with other departments continues.

One issue highlighted during the meeting is that the service faces severe staffing issues during January and February 2024 due to absences for a variety of different reasons, including long-term illness, maternity, vacancies and secondments. The Manager will discuss mitigations with the relevant Head of Finance and Assistant Head to produce a programme to deal with the situation.

**5.11 Taxation Service.** During the Performance Challenge and Support meeting a presentation was given by the Taxation Manager on the significant work that has been undertaken in carrying out the Ffordd Gwynedd review in the service. A great deal of work has been done during this review and I believe that clear improvements are now emerging due to the commitment of the Manager and the team as a whole to this work.

Council Tax collection rates have remained relatively constant with recent years (at 73.1% by the end of November), but the non-domestic rate collection rate is significantly lower than it was in the same period last year. By the end of November 2023 in-year collection stood at 62.43% compared to 68.45% by the end of November 2022.

In addition to the impact of cost of living increases and the economic climate, a severe work backlog at the Valuation Office Agency, largely due to staff shortages, is having a significant impact on the Council's ability to collect Non-Domestic Rates. This is due to the time the Agency is taking to deal with valuation list appeals.

**5.12 Finance and Accounting/Payments Service.** I am very pleased with the work that the Finance and Accounting Service performs in completing statutory statements, but I have asked the service to consider ways of receiving customer satisfaction information about the support provided to other Council departments.

## 6. DEPARTMENTALS SAVINGS

- 6.1 **Historic Departmental Saving Plans 2015/16 – 2023/24.** The department has delivered all its savings plans for the period 2015/16 to 2021/22. One saving plan remains within the 2022/23 programme, which is to *Attract additional income through an Internal Collection Agency*. I no longer anticipate that the scheme will realise the £25k savings target, and the Department continues to look for an alternative plan.
- 6.2 **New Departmental Savings Plans 2023/24.** The total 2023/24 savings for the Finance Department is **£294,060** (7 schemes). Of these, schemes worth **£19,820** (2 schemes) have already been realised and a further 3 schemes totalling **£138,670** are on track to deliver in a timely manner. However, schemes worth **£135,570** (2 schemes) are slipping, with some risks to delivering the savings. The two schemes where there is a risk of delivering savings are *Increasing Departmental income targets to be commensurate with the work*, which has a value of £64k, and there has been a delay on the £71.5k *Information Technology Service Re-structuring* scheme but this is moving forward.

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## 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.

## PROJECTS OF THE CYNGOR GWYNEDD PLAN 2023-2028 (Improvement Priorities)

The following table gives an update on the progress of the Department's two priority projects which have been identified in the Cyngor Gwynedd Plan 2023-28 under the section An Efficient Gwynedd - Putting the residents of Gwynedd first and treating them fairly and ensuring that the Council performs effectively and efficiently:

Project	Overview	What we want to achieve during the FIRST year 2023-24 (milestones):	November 2023 Update
<p><b>Managing the impact of national budgetary cuts</b></p>	<p>The Council has already cut its budgets to save over £34m since 2015/16, but in light of the current economic situation, the money the Council will receive from the Government is not sufficient to cope with inflation and new spending pressures. We face a funding gap of over £12 million over the next two years.</p> <p>We will endeavour to do all we can to minimise the impact on the services provided to the people of Gwynedd whilst accepting that it will not be possible</p>	<p>Monitor that the £5.2m savings for 2023/24, approved by Full Council 02/03/23, are prioritised by the Departments to be realised during the financial year: <a href="#">Appendix 3 - Savings (llyw.cymru)</a></p> <p>Monitor that Departments prioritise realising savings that have slipped from previous financial years.</p> <p>Chief Executive, Directors and Head of Finance to meet quarterly to review the implementation status of all Council savings.</p> <p>Report to Cabinet and to the Governance and Audit Committee in October 2023 and January 2024 on the implementation status of all Council savings schemes.</p> <p>At the end of the financial year, review historical plans that have slipped in order to carry out an objective assessment of</p>	<p>A formal review of the situation at the end of August 2023 has been completed and challenged by the Governance and Audit Committee on 12 October and approved by Cabinet on 7 November.</p> <p>A further review (end of November) will go before the Governance and Audit Committee on 18 January and Cabinet on 23 January.</p> <p>On 12 October, Cabinet has recognised that the situation has now changed so much that historic savings schemes worth £2,056,430 cannot be achieved. The £1,956,430 savings provision was used to fund the removal of these savings schemes, along with the use of £100,000 council tax premium for the Homelessness savings scheme.</p> <p>The following meetings have been programmed with the Chief Executive:</p> <ul style="list-style-type: none"> <li>• Savings/Cuts – Phase 2 Group - 22 June 2023</li> <li>• Tracking Savings Progress, 13 July 2023</li> <li>• Savings/Cuts – Phase 2 Group, 13 July 2023</li> <li>• Savings, 4 September 2023</li> <li>• Tracking Savings &amp; Savings Progress - Second Phase, 21 September 2023</li> <li>• Savings Progress Tracking, 19 December 2023</li> </ul> <p>Prioritisation workshops have been held with all Council members not on Cabinet on 18 – 20 October 2023.</p>

Project	Overview	What we want to achieve during the FIRST year 2023-24 (milestones):	November 2023 Update
	to set a balanced budget without a lengthy series of savings/cuts and increase Council tax higher than we would like.	<p>how realistic the expectation is for them to be realised.</p> <p>Carrying out a phase 2 review of the implementation of savings for implementation in the 2024/25 budget onwards.</p>	<p>Accountants assessed the savings being proposed for 2024/25 to confirm if the savings were available and what impact their implementation would have on department budgets.</p> <p>As the Local Government settlement was announced so late (20 December 2023), time will not allow the further savings to be realised in 2024/25 and therefore a transition to 2025/26 will probably be necessary.</p>
<b>Digital Scheme</b>	People's expectations and trends have changed significantly as a result of the pandemic, and this is an opportunity to see if we can further improve Gwynedd residents' experience of frontline and back office services through the use of digital technology.	<p>The first year of the project will focus on developing a new digital strategy for the Council and the people of Gwynedd, outlining improvement plans, risks and any financial implications, either through investment or savings.</p> <p>A governance cycle is now underway and is responsible for the development and implementation of the digital strategy.</p> <p>Q1 and Q2 2023/24 - preparing a new Digital Strategy in collaboration with Audit Wales guidance</p> <p>Q3 2023/24 - presentation of the Digital Strategy for adoption by the Council</p> <p>Q3 and Q4 2023/24 and Q1 – Q4 2024/25 – implementing the projects programmed for the first two years of the strategy.</p>	<p>Whilst the Finance Department is responsible for implementing the project in the Council's Plan, the Digital Transformation Board retains oversight and provides challenge as well as support beyond the usual challenge and performance support arrangements.</p> <p>Board meetings are chaired by the Corporate Director, with the Assistant Head of Finance – Information Technology acting as Project Manager. Four sub-groups have been formed to look at specific areas, with representation from a range of Council departments and chairs joining as part of the Board:</p> <ul style="list-style-type: none"> <li>• Technical and Durability</li> <li>• Customer Contact</li> <li>• Data</li> <li>• Business Administration and Systems</li> </ul> <p>Furthermore, the Head of Finance and the Monitoring Officer are members of the Board, as well as the Head of Education (whose specific function is to ensure coherence between the Digital Strategy for Schools and what is underway at corporate level), and I represent the Elected Members.</p> <p>The draft Plan was submitted to the Education and Economy Scrutiny Committee on 14 September 2023; and the final Plan was adopted by Cabinet on 7 November 2023.</p> <p>The individual plans have now been submitted to the corporate bid regime and confirmation of available financial support along with findings of prioritisation</p>



Project	Overview	What we want to achieve during the FIRST year 2023-24 (milestones):	November 2023 Update
			<p>exercises by the Heads, Assistant Heads and Managers will be used to create a programme of work.</p> <p>The next step will be to publish the priorities within the programme of work and this will be the basis of a progress report for our next departmental performance challenge and support meeting, with progress against the programme of work to be reported into the future.</p>