

CYNGOR GWYNEDD – Report to Cyngor Gwynedd’s Cabinet

Subject:	Savings Overview: Progress Report on Realising Savings Schemes
Cabinet Member:	Councillor Paul Rowlinson, Cabinet Member for Finance
Contact officer:	Ffion Madog Evans, Assistant Head of Finance - Accounting and Pensions
Date:	15 October 2024

1. The decision sought

- 1.1 To accept the information in the report and to note the progress towards realising the savings schemes for 2024/25 and previous years.

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 keep 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 2024/25 and previous years following a review of the situation at the end of August 2024.
- 3.2 In the 2024/25 Budget report to the Full Cabinet on 7 March 2024, it was reported that savings totalling £5,648,890 were required for the 2024/25 financial year to help close the 2024/25 funding gap. The savings were a combination of £3,668,130 previously approved in Cabinet 14 February 2023 for the 2023/24 budget, a £15,000 scheme that has been deferred which received Cabinet approval on 19 February 2019, plus new savings approved in Cabinet on 20 February 2024 worth £1,956,760.

4. Rationale and justification for recommending the decision

The Council has financial planning arrangements that have already identified significant efficiency savings in recent years to reduce service cuts for Gwynedd residents. Recent

years have seen difficulties in realising savings in some areas and so during 2023/24 £2m worth of savings were deleted.

5. Historical Departmental Savings Schemes 2015/16 – 2024/25

- 5.1 **Appendix 1** summarises the achievement of each department based on the August 2024 review, against the revised savings target that has been set for them, which **totals over £34m. It can be reported that the value of £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 6 schemes worth £393k that face risks of delivering; 3 schemes from the Adults, Health and Wellbeing Department (total of £223k), 2 schemes from the Economy and Community Department (total of £134k) and 1 scheme from the Finance Department (£25k).
- 5.3 4 schemes totalling £164k have slipped but the departments do not foresee a problem in realising them.

6. New Departmental Savings Schemes 2023/24 – 2024/25

- 6.1 In the full Council on 7 March 2024 the 2024/25 Budget report was approved which included efficiency savings schemes and cuts worth £5.2m, worth £2m of which was to be implemented to fund the 2024/25 funding gap.
- 6.2 **Appendix 2** summarises the achievement of each department based on the August 2024 review against the savings target set for them, **totalling over £12m. It can be reported that nearly £8m or 65% of these schemes have already been realised, with a further £938k or 8% on track to deliver fully and in a timely manner.**
- 6.3 There are significant risks of realising 1 of the Corporate Support Department's schemes, which is Learning and Development of the Organization - cutting supply budgets, worth £42k. Following turnover within the service, detailed work has been carried out to assess the impact of the cut. As a result, commitments have been discovered where it appears they could not be cut without having an impact across the organisation. The service is carrying out a further review to identify the true amount that could be cut.
- 6.4 It is currently anticipated that there are some risks of realising almost £545k worth of savings schemes; 1 scheme from the Education Department (£41k), 4 from the Environment Department (£388k), 2 from the Finance Department (£53k), 1 from the Economy and Community Department (£3k) and 1 from the Highways and Engineering Department (£60k).

6.5 There is a slippage on some schemes totalling £632k which were profiled to be realised in 2023/24 and there is some delay in realising schemes worth £2.162k in 2024/25, so a total of £2.794k, but the departments do not foresee a problem to realise them. Most of this amount includes savings from the Adults, Health and Well-being Department (£1.2m) and £444k from schools, which is slipping as schools work within an academic year and so the realisation will slip into the next financial year.

7. Departmental Savings Schemes 2025/26 onwards

7.1 Due to the prospects for a poor financial settlement and the current challenging economic climate, it is inevitable that Local Authorities must look at savings and cuts to support the financial situation. Additional savings schemes and cuts for 2025/26 are already under consideration by the Council, which will be the subject of a report over the coming months.

7.2 The current savings for 2025/26 onwards, worth £3.9m are listed by department in **Appendix 3**, the historical savings worth £200k in Table 1 and the new savings worth £3.7m in Table 2, but it is currently premature to report on the status of these schemes.

8. Conclusion

8.1 It can be reported that a total of £41.7 million of savings have been realised since 2015/16, which is 90% of the required £46.6m 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 90% of all schemes realised.

Table 1: Summary of the status of all savings schemes since April 2015

Status of Savings	Portal	£m	%
Have realised	1	41.7	89.5
On track to achieve savings in full and on time	2	0.9	2.0
Delay, but moving forward	3	3.0	6.4
Some risks to achieve - slip or fail	4	0.8	1.7
Significant risks to realise in full or partially	5	0.2	0.4
Total savings		46.6	100

8.3 Therefore, I ask the Cabinet to note the achievement outlined in this report towards realising the savings schemes.

9. Next steps and timetable

9.1 Act on the recommendations stated in this report and submit a follow-up report to Cabinet 25 January 2025 following a review of the situation at the end of November 2024.

10. View of the Statutory Officers

10.1 Head of Finance

I have collaborated with the Cabinet Member in the preparation of this report and I confirm the content.

10.2 Monitoring Officer

No observations to add in relation to propriety.

Appendices:

Appendix 1 - Overview of Historical Savings Schemes 2015/16 - 2024/25 per Department

Appendix 2 - Overview of New Savings Schemes 2023/24 - 2024/25 per Department

Appendix 3 - Table 1 - Overview of Historical Savings Schemes 2025/26 onwards per
Department

- Table 2 - Overview of New Savings Schemes 2025/26 onwards per Department