CYNGOR GWYNEDD CABINET

Report for a meeting of Cyngor Gwynedd Cabinet

Title of Item:	PERFORMANCE CHALLENGE AND SUPPORT REPORT OF THE CABINET MEMBER FOR FINANCE
Cabinet Member:	COUNCILLOR HUW WYN JONES
Contact Officer:	DEWI MORGAN, HEAD OF FINANCE DEPARTMENT
Date of meeting:	21 JANUARY 2025

1.   Decision Sought

To accept and note the information in the report.

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

In order 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 taken place in the areas within my remit as Cabinet Member for Finance. This report will outline the following:-

- What has been achieved as part of the priorities of the Cyngor Gwynedd Plan 2023-28
- Where are the performance measurements
- The latest in terms of savings and cuts schemes

3.2   All matters presented in this report have been the subject of a discussion and have been scrutinised by myself, as well as the Corporate Director, at a Performance Challenge and Support Meeting held on 19 December, where the Department's Management Team and service managers were in attendance.

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

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

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

- **Deliver Savings**
- **2023-28 Digital Plan**

4.2   I am very satisfied with the progress being made by the Department against these two projects, and more details on the progress against the milestones can be found in the Appendix.

5.   PERFORMANCE

5.1   Below, I outline the main matters that have derived from the department's performance since the last progress report was submitted in October. The information does not refer to all services in the department, only to those we feel that need to be brought to your attention.

5.2   IT Service - Support. I am satisfied that the performance of this service has remained consistently good over the past months. As part of a cuts scheme, the service has lost one member of the team at the end of December 2024, and the need to reduce the opening hours of the help desk will need to be considered in order to deliver the cut in full.

Some of the current projects in the pipeline by the team are:

- Preparing for the transfer to Windows 11 (as Windows 10 support is ceasing)
- Migrating the Top Desk system (which manages calls and support) to the cloud
- Improving the Microsoft 365 provision, with a temporary resource located with the Information Service (Corporate Services Department).

In terms of reducing the opening hours of the help desk, there are no times that are busier than others - the morning tends to be a busy time when officers commence their working day; however, the end of the day can also be busy as officers who work off-site connect to the network.

In order to improve efficiency, a new module has been purchased for the Top Desk system, which will highlight any recurring problems/difficulties.

5.3 **IT Service - Infrastructure.** In terms of network availability, the performance up to the end of November was consistent with the previous period; however, we expect the performance for the next period to be lower, due to the periods of power-cuts following Storm Darragh.

Here are a few of the projects in the pipeline:

- Changes to the back-up system with new servers replacing the existing ones as they age.
- The work of migrating the phone system is in progress; it is anticipated that the connection between the two phone systems will be in place by 8-9 January, and the migration work can be commenced afterwards.
- Regular monitoring work by the cyber team, and Gwynedd is a lead authority in incorporating the CymruSOC (Cybersecurity Operations Centre for the public sector in Wales) standards. This area will receive considerable attention now and in the future.

I am pleased to see that the Service is collaborating with other departments and services in order to contribute towards improving the efficiency of those services. For example, collaborating with the Income Service on their invoicing system has saved 6 hours of staff time every week.

5.4 **IT Service – Development.** The Service has many projects in the pipeline – these are some examples:

- Residential home register so that a live report of the bed situation at the homes can be obtained.
- Use of Artificial Intelligence to assist the Education Department to identify any positive or critical correspondence about schools and transfer the Council's website to the cloud, thereby introducing a substantial improvement when searching for contents on the website.
- It is early days within the Service in terms of the use of Artificial Intelligence, and a sub-group of the Digital Plan has been given the task of identifying where use can be made of it.

The Council's main systems are now in the cloud (e.g. e-mails and iGwynedd), with any new developments tending to use the cloud. Benefits and problems derive from that; i.e., support is available from provider but things are outside of the Council's control if anything goes wrong.

I am very proud to report that the service has successfully sold a system that was designed in-house to another local authority, and there is potential to sell other systems to them also.

5.5 **IT Service – Digital Learning Service.** By now, over 16,800 devices have been shared to schools as part of the Government's plan to transform digital within the schools, with the Service providing support to these devices.

5.6   Investment and Treasury Management Service. The team is responsible for Gwynedd Pension Fund investments, as well as Cyngor Gwynedd treasury management.

The fund's investment performance was above the benchmark in the last quarter, with every asset category performing well, and interest rates higher than the Bank of England base rate.

5.7   Internal Audit Service. By the end of November, just under 30% of the audit plan had been completed. One of the main reasons for this was the requirement for the auditors to focus on completing work on behalf of the Shared Prosperity Fund, where the service receives income for this purpose. This income will allow the service to buy-in external expertise in some fields. Of course, monitoring the performance of Internal Audit in terms of the plan for Cyngor Gwynedd is covered in the Terms of Reference of the Governance and Audit Committee.

It was acknowledged that historically, the price for completing an audit of the community councils' accounts had been low, and I can reassure the Cabinet that the prices have increased over the past two years so that Cyngor Gwynedd does not subsidise this work. The price will increase again for 2025/26.

5.7   Insurance and Risk Management Service. The performance has been consistent with previous periods. I am pleased to report that two positive developments have been seen in the past months. An improvement was seen in the information received from the Highways, Engineering and YGC Department, which assists the Insurance and Risk Management Service to be able to deal with claims promptly. Secondly, following a recent meeting with one of the insurers, we are expecting definitive steps and an improvement in the service received, following a period where the support did not meet the expected standard.

5.8   Income Service. The balance of sundry debts over 6 months old at the end of November was £2,117,911, which was a substantial increase of £670,000 compared to the position at the end of September. Approximately £471,000 of this total includes the debts of the Health Board (£350,000) and invoices raised on individuals for their care (£121,000). Work will continue to urgently track the situation.

A recent development is the implementation of the Call Secure system to take payments over the phone. This system strengthens card security when customers pay over the phone; the new system is now fully operational. Currently, it is too early to obtain statistics from Galw Gwynedd to confirm whether the number of payments has reduced or increased; however, we will address this over the coming months.

5.9 **Benefits Service.** The performance of this service continues to be consistently good in comparison with previous periods; the average time taken to process a new benefits application for November is 16.92 days, which is an improvement on the same period in 2023/24, which was 18.40 days.

On the other hand, the time taken to process a change in circumstances notification during November was 5.87 days, which is two days longer than the same period in 2023/24, which was 3.82 days. I am satisfied that this increase has occurred as the Service has used resources to assist with an outreach project to pension-age residents in order to encourage them to apply for Pension Credit and thus increase their opportunity to obtain a Winter Fuel Payment from the Department of Work and Pensions, and that the number of days taken to process a change in circumstances notification continues to be acceptable.

5.10 **Payroll Service.** I am pleased to report that the Payroll Service implemented the pay agreement for 2024/25 for APT&C workers and teachers in the November payroll, promptly after the agreement. The adjustments were done smoothly and trouble-free.

The main risk to the Service at present is the future of the payroll system, as a new computer system needs to be purchased within the next 24 months, as the support for the current system is ending. We are currently considering the potential options.

I note that the number of errors has reduced since the beginning of the year, mainly for two reasons. Firstly, the Support Service has raised awareness amongst managers about the importance of providing correct and complete information and the Payroll Service is more strict in terms of the schedule for accepting changes, which means that officers do not rush to make the changes to individuals' salaries.

5.11 **Taxation Service.** The performance rate of Council Tax collections is lower than the previous periods, with the reduction partly attributed to the increase in council tax and ratepayers' ability to pay a percentage above inflation. A number of second homes were also seen (over 400 properties) returning from Non-domestic Rates. The Service commenced the recovery cycle later this year, but has now reached the usual point.

Currently, the Council's performance in terms of Council Tax collection rates is in the lowest quartile in Wales and work is continuing to identify the reason for this; but there is no doubt that there has been an increase in the number of Gwynedd residents who find it difficult to pay bills.

I have asked the Service to report to me on the time taken to respond to e-mails and telephone calls from now on.

5.12 **Finance and Accounting Service.** The work of reporting on the end of November review of the financial position is underway, reporting to the various committees in January. Five sets of accounts were completed within the timetable and this success means that the Council will be given priority by Audit Wales to audit the 2024/25 accounts sooner.

6. DEPARTMENTAL SAVINGS

6.1 The department has received a £371k savings target for the 2024/25 financial year, so far this year eight schemes to the value of £194k have already been realised and a further four schemes to the value of £139k are on track to be delivered in a timely manner by the end of the financial year. There is some risk in realising the one remaining scheme worth £38k.

In addition to the above, the department has three savings schemes to the value of £166k relating to 2023/24 which have not been realised. One of the schemes worth £102k has £64k relating to 2023/24 and £38k to 2024/25 (referred to above) and relates to *Increasing Income targets to be commensurate with work*. There has also been a delay on two schemes in the information technology field namely £72k on the *Information Technology Service Re-structuring* scheme and £30k on the *Microsoft's Licence Rationalisation* scheme.

STATUTORY OFFICERS' VIEWS

Monitoring Officer:
No comments to add from the perspective of propriety.

Head of Finance:
I have collaborated with the Cabinet Member to prepare this report, and I confirm the content.

2023-28 Cyngor Gwynedd Plan - Year 2 Actions

Gwynedd Effeithlon (An Efficient Gwynedd): Putting the people of Gwynedd first and treating them fairly and ensuring that the Council performs effectively and efficiently

Department	Project	What we want to achieve during the SECOND year of 2024-25 (milestones):	CONCISE update on the progress made with the milestones to date (note the date)	Has the milestone been completed / is it likely to be completed by the end of the financial year? (Yes / No)
Finance	Manage the impact of national budgetary cuts	1. Monitor that £5.6m worth of savings and cuts for 2024/25, which were approved by the Full Council on 07/03/24, as well as any savings yet to be realised, are being prioritised by the Departments to be realised during the financial year. https://democratiaeth.gwynedd.llyw.cymru/documents/s40348/Eitem%209%20-%20Atodiad%203%20-%20Arbedion.pdf?LLL=1	The situation by the review at the end of November 2024 is that savings worth over £41.7m have been delivered since April 2015, and from this figure, £1.9 million of this applies to the savings of the 2024/25 financial year. Nevertheless, a number of savings schemes across the Council have not been delivered.	Yes – the savings have been monitored but the full target has not been achieved.

		2. Monitor that the Departments are prioritising the delivery of savings that have slipped from previous financial years.	During this financial year, we have been reporting to the Governance and Audit Committee on 10 October 2024 and to the Cabinet on 15 October 2024 on a savings position as a part of the financial review carried out at the end of August. An update report of the situation will be provided following the end of November review, which will be reported to committee in January 2025.	Yes
		3. The Chief Executive, Director and the Head of Finance to meet every quarter to review the status of delivering all the Council's savings and cuts and consider the plans that have slipped in order to carry out an objective assessment of how realistic the expectation is for them to be delivered.	We also reported to the Chief Executive and Directors during the year.	Yes
		4. Report to the Cabinet and to the Governance and Audit Committee on 10 October 2024 and 16 January 2025 on the status of realising all of the Council's savings and cuts plans.	This has taken place.	Yes
		5. Collaborate with the Chief Executive and Directors and Heads of Department on the 2025/26 savings and cuts schemes, looking at alternative ways of delivering services. Delivering over £39 million of savings since 2015 [up to 2024/25] has meant that opportunities for efficiency savings have already been delivered.	After establishing the Medium Term Financial Plan Programme Board, as a part of the Board's work, the Finance Department has provided detailed information to plan ahead to look at the savings for 2025/26 and beyond.	Yes

Finance	Digital Plan	Activity planned for 2024/2025: The following plans are either self-financing from the Council's existing resources, or have received full support to implement them during the next two years: • Prioritising of projects from the 2023-2028 Cyngor Gwynedd Digital Plan based on the designation of financial support - Q1 2024/25 • Prepare permanent and occasional resources to implement the plan projects Q1 and Q2 • Cyber-security Resources (permanent) - Q2 • Microsoft365 Resources (occasional) - Q1 • Data science degree apprentices (three-year contract) - Q1 • Digital Transformation Trainee (three-year contract) - Q1 • Telephony officer (permanent) - Q2 • Research resource (two-year contract) - Q2 These are the projects that will be implemented in 2024/25:		
		GWEI2 - support the vision of the "Working for the Future" programme ▪ Procure standard equipment for hot-desks ▪ Potential changes to the wide area network to address the changes to the office's shell	The development unit has completed a system to assign hot desks and collaborated with the Property Service to incorporate our new office designs into the system and infrastructure support to facilitate the movement of network points and wireless contact points is continuing.	Yes
		CC3 - redesign the Council's corporate website ▪ Agree on a design ▪ Develop and test the changes ▪ Introduce the new design live	The Website Team have demonstrated the proposed changes at a meeting of the Digital Transformation Board on 8 January.	No

		CC4 - develop and promote apGwynedd ▪ Introduce a new function to map live routes of bus services	Attention to further developments to apGwynedd will be in place from late Q4 onwards and dependent on the results of CC3.	No
		CC1 - enhance methods of communication, enquiry and submitting service requests ▪ Create a specification of needs ▪ Input a multimedia connection solution on the website and for Siop Gwynedd/Galw Gwynedd	There is reliance on the CC2 project for this work, and there will be peripheral activity to CC1 as part of the preparatory work for installation of the telephone system.	No
		CC2 - improvements to the Council's telephone provision ▪ Investigate the available solutions ▪ Create a specification of needs ▪ Procure a solution ▪ Migrate the current provision to the new provision ▪ Training	This project is moving along at pace, but there is still a considerable way to go. • Telephony officers have received training and have qualified • The new phone system is operational, including the contact centre provision • Successfully integrated to the MS Teams platform • The WebEx app tested on mobile phones • Desk phones successfully connected • Order placed to supply desk phones (mainly for schools) • The types of phones ordered inherently run WebEx, which is the provision that will be introduced in Welsh on the back of this project • An order raised with BT (current provider) for work to merge the current system with the new system. This item is a current risk, due to the lack of cooperation from BT • A job description for a new business resource has been evaluated and will be going to the employment market in the new year	No

		GSB1 - introduce Artificial Intelligence for transactional and routine activities.	Many projects are in progress, taking the opportunity to trial different solutions. One team is developing everything in-house, whilst another team uses Copilot studio products from Microsoft. Improving experiences and search results on the corporate website is the scope of the in-house provision, whilst the effort with Microsoft products targets correspondence.	Yes
		GSB2 - digitising and automating invoicing arrangements ▪ Create a team under the leadership of Finance ▪ Identify the current procedure ▪ Design a new procedure ▪ Commission development work	This project is on hold for a while until the output of the GSB5 project is available. A decision will be made based on decisions sought from the information shared from the report.	No
		GSB8 - facilitate collaboration with partners ▪ An ongoing agenda without a deadline	This is an ongoing activity with the below being developments of a goal: • Collaboration with GwE to bring the body to an end • Collaboration with Ambition North Wales on the establishment of the Corporate Joint Committee • Sale of an asset system to a neighbouring authority • Collaborating with partners across the north on setting up a care conference at Venue Cymru on 5th March 2025	Yes

		GSB5 - a review of the organisation's management systems ▪ Prepare a specification of needs ▪ Procuring consultants to prepare a review ▪ Undertake the review ▪ Interpret the results and submit the findings ▪ Prepare the next steps	Socitm Advisory were commissioned as advisors to draw up a report on our options for organisation management systems, with the work now completed. Further in-house activity will analyse the options and draw up a business case on the grounds of the two main viable options; Full Organisation Management System (tier 2) or a series of Specific Business Systems (financial, procurement, payroll and human resources). Discussion with the Chief Executive on 15 January.	Yes
		GWYD2 - service continuation ▪ Create a job description and employ a new security officer ▪ Establish an incident response plan ▪ Test the incident response plan ▪ Create an annual report on the resilience of our services	Discussions on the cyber governance situation within the Council are progressing, and it is acknowledged that cyber is not just something for the IT Service alone, and that there should be whole-Council ownership of it. There are four specific fields to address: • Protection from a cyber attack • Responding to a cyber attack • Living through a cyber attack • Recovery after a cyber attack	No
		GSB7 - make the best use of the Microsoft365 platform ▪ Prepare job descriptions and employ resources • Research functions and different tastes of Microsoft365 • Impact of the use of packages from a technical and information governance perspective • Administrate the use of the platform, reducing the burden of the platform's costs ▪ Implement the extended team to use the platform to its full potential ▪ Interpret the impact of the exercise ▪ Prepare a business case for permanent support	The information governance officer service has been established to look specifically at the implications of establishing some of the functions of the Microsoft365 environment. Technically, everything that has been included within our licences can be released, but we need to be cautious before doing this, and assess the impact of changes or introducing a new provision.	No

		GWYD1 - upgrade analogue lines to digital ▪ Prioritise the central resource to carry on with the work already delivered (Phase 1) to identify analogue connections that need to be upgraded ▪ Move the project to Phase 2, identifying what connections need to continue and make arrangements to switch-off the connections that are not needed ▪ Identify alternative technology for the services that need to continue ▪ Collaborate with the departments so that they take ownership of the tasks and cost of migrating to the new provision	This task is making progress, with a number of lines removed. As a result, a number of lines continue, and a contact has been identified in every department to facilitate the task of identifying the status and provision of the contact.	No
		GWYD3 - upgrade the broadcasting provision in the Council Chambers ▪ Improvements to the visual broadcasting provision at Siambr Dafydd Orwig and Hywel Dda	This has slipped and a new provider has been invited to advise on changes at the start of Q4.	No
		GD2 - data charter ▪ Data sub-group to create a data charter	The first in a series of workshops led by the Basis company has been held at the end of November to draw up the Cyngor Gwynedd Data Charter.	Yes
		GD4 - data reporting platform ▪ Interpreting the needs ▪ Review the available options ▪ Procure a solution as a pilot ▪ Measure the impact of the pilot and prepare a business case to expand the provision	The corporate data team has attended 1:1 sessions with the Microsoft company to share information about the PowerBI reporting platform and Microsoft Fabric data platforms infrastructure for Q3.	No

		GD6 - reporting on performance ▪ Data sub-group to collaborate with the Corporate Management Team to create recommendations to improve performance reporting reports	This project is already in progress and is being led by the Corporate Services Department.	Yes
		GSB6 - the internet of things ▪ Prepare the business case for the Climate Board for additional resources ▪ Investigate cases of how the internet of things can assist Cyngor Gwynedd's efforts to reduce emissions ▪ Introduce a solution on the grounds of reducing our use of electricity and heating our offices	Several small projects are underway and we received an award for our pioneering work through the use of LoRaWAN sensors in the area of flooding. It has been announced that a business case for the creation of a regional LoRaWAN network in north Wales has been approved by the Board of Ambition North Wales. This infrastructure is at the core of the flourishing of the development of the internet of things and Council officers are at the forefront of their support for the business case. A business case and resource request will be submitted to the Climate Board in January and will be an enabler to undertake more projects in this area.	No
		GWEI4 - promote Cyngor Gwynedd as a digital employer ▪ Prepare a business case for apprentices and trainees ▪ Data science apprentices ▪ Digital Transformation Trainee ▪ Prepare programmes to visit schools and promote Cyngor Gwynedd as a digital employer.	Two data science degree apprentices were appointed in July and the two new members are settling well as part of the development team.	Yes