

CYNGOR GWYNEDD – Report to Cyngor Gwynedd’s Cabinet

Subject:	Savings Overview: Progress Report on Realising Savings Schemes
Cabinet Member:	Councillor Ioan Thomas, Cabinet Member for Finance
Contact officer:	Ffion Madog Evans, Assistant Head of Finance - Accounting and Pensions
Date:	23 January 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 2023/24 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 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 November 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 to close the 2023/24 fiscal gap. The savings were 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 Therefore the total of all savings for 2023/24 was £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. £2,056,430 worth of schemes with significant risks to achieve were deleted as part of the End of August 2023 Review. Worth £1,488,430 of them were in the Adults, Health and Wellbeing Department and the rest in the Environment Department, Highways and Engineering Department and the Housing and Property Department.

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

- 5.1 **Appendix 1** summarises the achievement of each department based on the November 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 7 schemes worth £391k that have risks of delivering; 3 schemes from the Adults, Health and Wellbeing Department (total of £222k), 2 schemes from the Economy and Community Department (total of £130k), 1 scheme from the Finance Department (£25k), and 1 scheme from the Legal Service (£14k).
- 5.3 There are 4 schemes totalling £164k that have slipped but the departments do not foresee a problem in realising them.

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 2** summarises the achievement of each department based on the November 2023 review. **It can be reported that £5.4m or 81% of these schemes have already been realised, with a further £428k 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 from the Finance Department worth £64k.
- 6.4 There is a slight delay in realising £694k worth of 2023/24 savings schemes but the departments do not foresee a problem in realising them. Most of this amount includes

savings of £539k by schools, which is slipping as 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 poor financial settlement and the current economic climate and high levels of inflation, it is inevitable that Local Authorities must 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, worth £4.3m are listed by department in **Appendix 3**, the historical savings worth £215k in Table 1 and the new savings worth £4.1m 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 £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 1: Summary of the status of all savings schemes since April 2015

Status of Savings	Portal	£m	%
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
Total savings		40.95	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 following the final position of the end of the financial year 2023/24.

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 - 2023/24 per Department

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

Appendix 3 - Table 1 - Overview of Historical Savings Schemes 2024/25 onwards per Department

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