REPORT TO THE CABINET
30 NOVEMBER 2021

Cabinet Member: Councillor Ioan Thomas, Cabinet Member – Finance

Subject: Change approval arrangements of up to £100,000 from Reserves

Contact Officers: Dafydd L Edwards, Head of Finance and
Ffion Madog Evans, Senior Finance Manager

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1. Decision sought

In order to facilitate more flexible spending arrangements, the Cabinet is requested to to delegate power to the Chief Executive, in consultation with the Leader of the Council and the Head of Finance, to commit sums of up to £100,000 from the Transformation Fund and/or the Covid-19 Recovery Arrangements Fund.

The Cabinet's formal approval will still be required for priorities in excess of the £100,000 threshold and the regular routine budget review reports will report on commitments in the period.

2. Introduction

The Transformation Fund is the fund used to fund the Council priorities included in the Council Plan. The latest plan was presented to full Council on 4 March 2021: 'Gwynedd Council Plan 2018–2023 - 2021/22 Review'.
https://democracy.gwynedd.llyw.cymru/ielistdocuments.aspx?cid=130&mid=4215&ver=4

The fund supports transformational and one-off work.

The Covid-19 Recovery Arrangements Fund was set up at the end of the 2020/21 financial year, following the receipt of a number of Welsh Government grants late in the year which included funding for the digital transformation field.

3. Background

In 2013, in the face of the challenging financial period and tight local government budgets, a decision was made to change the expenditure approval regime from the Transformation Fund, with all claims from the Transformation Fund receiving Cabinet approval. A Cabinet report was presented on 2 July 2013 entitled 'Using the Transformation Fund and Invest to Save Fund'.

After considering the size of the Transformation Fund, It is suggested that a revised procedure should be established, because of the need to move forward to achieve priorities without delay, whilst addressing immediate spending needs. For one-off resource commitments, It is now appropriate to introduce more flexible arrangements for expenditure up to £100,000, subject to the expenditure conforming with the priorities of the Improvement Plan / Council Plan. This would be consistent with the arrangements that existed before July 2013.

4. Reserves

As funds and reserves form part of the Council's budgets, there is freedom to use them in accordance with the Council's financial regulations, which generally, subject to certain thresholds, allow appropriate officers to use them for the purpose earmarked for them. What is recommended here is consistent with the right that chief officers have to authorise transfers between budget headings of up to £100,000.

Over £4 million was set aside in the Transformation Fund during 2021/22, which means that the fund balance is £12.5 million at 31 March 2021.

The Covid-19 Recovery Arrangements Fund was established when closing the 2020/21 accounts, when £2.5 million was allocated to the fund to assist the Council to recover following the crisis.

5. Use of the Transformation Fund

Constant expenditure has been made annually from the Transformation Fund in line with Council priorities. Between 2016/17 and 2020/21 there was expenditure of over £7 million from the fund, as outlined in table 1 below. A reduction in use of the fund was seen during 2020/21, as a result of numerous grants being received from the Welsh Government.

Table 1: Transformation Fund Expenditure between 2016/17 - 2020/21

Financial Year	£
2020/21	811,015
2019/20	1,593,935
2018/19	1,951,572
2017/18	1,526,115
2016/17	1,302,740

The current commitments against the Transformation Fund are £5.3 million, comprising commitments of over £5 million before the 2021/22 financial year, together with the recent commitments below which have been approved at Cabinet meetings as listed in table 2.

Table 2: Recent commitments from the Transformation Fund

Field	£	Cabinet Meeting
Climate Change Climate Change Project Manager	58,990	26 January 2021
Unit 2a, Eryri Business Park, Penrhyndeudraeth Galw Gwynedd	83,000	27 July 2021
Public Spaces Protection Order Dog Control	98,120	27 July 2021
Total	**240,110**	

This means that resources of £7.2 million are available for the purpose of the Council's Plan priorities.

6. Use of the Covid-19 Recovery Arrangements Fund

In terms of commitments from the Covid-19 Recovery Arrangements Fund, there are commitments of £430,000 which includes £130,000 for upgrading technology to enable remote attendance at meetings.

7. Suggested Direction

In order to facilitate spending arrangements and given the size of the Transformation Fund, it is suggested that for sums of up to £100,000, that the Chief Executive in consultation with the Leader of the Council and the Head of Finance determine the allocations from the Transformation Fund and from the Covid-19 Recovery Arrangements Fund. Cabinet approval will still be required for priorities in excess of the £100,000 threshold.

Local member's views
Not relevant

Views of the statutory officers

The Monitoring Officer:
I'm content with the reasoning and propriety of the recommendation.

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