

<b>MEETING</b>	Education and Economy Scrutiny Committee
<b>DATE</b>	19 June 2025
<b>TITLE</b>	Finance Cabinet Member Performance Report
<b>REASON TO SCRUTINISE</b>	To report to the Scrutiny Committee on the performance of the Finance Department
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<b>CABINET MEMBER</b>	Councillor Huw Wyn Jones

## 1. Why it needs to be scrutinised?

So that Members of the Education and Economy Scrutiny Committee are satisfied that I, the Cabinet Member for Finance, have a handle on performance issues within the Department.

## 2. Background / Introduction

The purpose of this report is to update you on what has been achieved in the area for which I am responsible as Cabinet Member for Finance. This includes an update on the commitments in the Council's Plan and the Department's day-to-day work for the period to the end of March 2025.

We are implementing the 2023-28 Council Plan, and here I report on the progress made up to the end of March 2025, recognising that it remains early days in the context of some of the promises that have been new in the document since April last year. However, all issues are the subject of discussion and scrutiny by me in a performance challenge and support meeting, and I am satisfied with the Department's performance.

## 3 Logic and justification

### 3.1 Council Plan Projects Performance

The Finance Department leads on two priorities in the Council Plan 2023/2028, namely:

- Manage the impact of national budgetary cuts
- Digital Plan.

I am very satisfied with the work that has been achieved during 2024-2025, and the progress made against the milestones set for the two priorities last year are detailed in Appendix 1.

The need to discover and implement financial savings across the Council remains if we are to continue to set a balanced budget in the future and to keep the annual Council Tax increase to a reasonable level. I am satisfied that the work of the Finance Department in this area has been effective, but challenges remain to ensure successful implementation in all parts of the Council.

The Digital Plan includes a number of projects to improve the functioning of the Council and to ensure that we make the best use of resources. The majority of these projects are to be implemented over several financial years so most were not expected to be fully implemented by the end of 2024/25 and on the whole, I am satisfied with the progress being made on these projects.

### **3.2 Day to day work of the Department**

Appendix 2 contains the performance measures for services across the Department. The detailed report in Appendix 2 includes data on the most recent period, along with further context and explanation that provides more detail on the performance of all areas during 2024-25.

Appendix 2 shows that there are 25 measures that are a reflection of the Department's services/responsibility (the blue tiles display management data rather than performance measures).

The measures are regularly discussed at the Performance Challenge and Support meetings and 19 of the measures (76%) are shown as being green, which is confirmation of the good work noted against the performance of the services. Three measures (12%) have been recorded as amber and are receiving further attention as part of the discussions surrounding the challenge process. A further three (12%) measures were recorded as being red which is a cause of concern. The Department regularly updates the measures and reviews whether a new measure needs to be introduced to reflect any changes within any service. The red and amber measurements are highlighted below.

#### Income Service (one red measure)

The balance of the value of sundry debts over 6 months of age as at the end of April 2025 is £1,921,273. As usual, the two categories with the highest amounts are £620,136 applicable to the Health Board and invoices levied on individuals for their care at £688,645. The Adults Department is continuing discussions with the Health Board and it is therefore hoped that the Board's debt will be reduced as a result of this.

The comprehensive review of the situation of the old debts as well as the Unit's procedures is continuing with the support of a Ffordd Gwynedd Consultant. The work has identified some areas where aspects of the Unit's operation can be streamlined, e.g. process automation and the aim is to establish more effective arrangements to reduce arrears. There is some way to go with this work but I am confident there will be positive results for this work.

### Taxation Service (two red measures)

Another area that is subject to a comprehensive Ffordd Gwynedd review is the Taxation Service, which is the service with the other two red measures where there is a concern about performance. The collection rates for Council Tax and Non-Domestic Rates are lower than they have historically been and in comparison to other local authorities in Wales.

By the end of March 2025, Council Tax collection (i.e. collection within the year) was 92.9%, down from the rate of 94.4% in 2023/24 and also the lowest rate in Wales in 2024/25. I accept that this is not the situation we want to be in and the need to change our arrangements had already been identified, a review is underway and steps are being put in place to strengthen our recovery arrangements.

It should be noted that the decrease in the collection rate is partly due to a high number of self-catering holiday units that did not meet the 182-day criteria for Business Rates transferring back to Council Tax. Most of these returned during the second half of the year and were also backdated to April 2023, with a high percentage of these debts remaining unpaid at the end of March 2025.

Similarly, by the end of March 2025 Non-Domestic Rates collection (i.e. collection within the year) was 90.7% compared to 94.8% for 2023/24. A review is also underway in this area and I can confirm that concrete steps have been put in place to improve future performance, and to collect arrears, as a result of actions being put in place to strengthen our recovery arrangements.

### Internal Audit Service (one amber measure)

Thirty-six pieces of work were included in the final revised audit plan 2024/2025. 33 of these assignments were completed by 31 March 2025, representing 91.67% of the plan. For the purposes of this measure an assignment may be counted as completed if a draft or final report or final memorandum has been released or if the assignment has been closed and no further time is expected to be spent on it. The performance ambition was 95% and therefore this performance has been identified as "amber". I am aware that the Internal Audit Service experienced staffing challenges during the year.

I should also note that monitoring the performance of Internal Audit is also a core part of the role of the Governance and Audit Committee.

### Payments Service (two amber measures)

In 2024/25, local invoices were processed for payment in an average of 20.7 days, while the non-local invoices took 25 days. Within these days, the Payments Unit has taken 4 days to process the invoices, which is an improvement from the 6.5 days on average in 2023/24 and previous years. The files are showing amber as the service believes there is room for further improvement.

## 4. External Auditors' Reports

The "ISA260" report – **Audit of Accounts Report** – was published by Audit Wales in November 2024. This report summarises the main findings of the Auditor General's audit of the Statement of Accounts 2023-24. An unqualified opinion was issued on the accounts and the report did not contain any recommendations.

The report **Financial Sustainability Review – Cyngor Gwynedd** was published in October 2024. It was submitted to the Governance and Audit Committee on 16 January 2025 in conjunction with the 'Financial Sustainability of Local Government' report, Audit Wales' assessment of the national situation in Wales. The report included one recommendation: *"We found limitations in the Council's strategic approach to support its long term financial sustainability. To address this, the Council should implement a long-term financial strategy that supports its understanding of its medium-long term financial position and informs its transformation and prioritisation of services."*

The Committee approved management's response, which included consideration of a further report commissioned by CIPFA on the Council's financial sustainability. The draft report has been received and officers from the Finance Department are currently working through the report.

## 5. Consultation

The report has been prepared based on information and the content of a recent meeting to challenge and support the performance of the Finance Department on 19 May 2025, with the Corporate Director, Head of Department, Assistant Heads of Department and service managers present at the meeting.

### Appendices

**Appendix 1:** Progress reports on Council Plan projects

**Appendix 2:** The Department's Performance Indicators