

CYNGOR GWYNEDD CABINET



Date of meeting:	20 February 2024
Relevant Cabinet Member:	Cllr Dyfrig Siencyn - Council Leader
Contact Officer:	Dafydd Gibbard - Chief Executive
Title of Item:	2024/25 Savings Plan

1. Decision sought

The Cabinet is asked:

- a) To approve the savings and cuts listed in Appendix A (£4.4M) to be used as a contribution towards our 2024/25 financial deficit, and commission the departments to move forward to implement the plans taking note of the issues highlighted in the report.
- b) For the purpose of setting a balanced budget in 2024/25, to approve the value of the cuts and savings listed in Appendix B (£0.8M) and note that further steps will be required before a final decision can be reached to implement them, as outlined in 2.13, and use reserves to bridge the savings that could not be realised in 24/25.
- c) To make provision of £0.52M to meet the risk level involved in realising this cuts plan.
- ch) To delegate the right to the Chief Executive, in consultation with the Leader of the Council and the Cabinet Member for Finance, to make adjustments to this Savings Plan as the maturity of the schemes listed in Appendix A and B develops, within the financial totals set out in a), b) and c) above.

2. Rationale and justification for recommending the decision

- 2.1 We now know what our Welsh Government Revenue Support Grant (RSG) level will be for 2024/25 (an increase of 2%), and that it will be significantly below the level of inflation and well below what we will need to maintain our current level of services. The fact that Gwynedd's population had fallen at the time of the 2021 census means that the RSG level of increase we will receive here in Gwynedd represents the lowest increase throughout Wales.
- 2.2 We also face a situation where departments are overspending, mainly due to continued increases in demand for their services and that it is now impossible for some services such as homelessness, children care services, adults care services and

school transport to be able to operate within their current budget. It results in overspending this year in the region of £8M. As there was no opportunity to plan ahead for this deficit, we are going to have to use reserves to cope with the situation.

- 2.3 The result of increased demand, the need to provide a higher budget for departments that are now unable to cope with their current budget, and the Government's low RSG, is that the Council faces a funding gap this year of £14.9M.
- 2.4 The Head of Finance will report to Cabinet at the same meeting as this report, which will outline how we are to cope with the impact of this deficit in setting our budget for 2024/25. The budget will have to include a combination of having to increase Council tax and delivering budget cuts across the Council. The purpose of this report is to outline how we have gone about identifying these cuts and securing Cabinet approval to implement them so that the 2024/25 budget can be set.

Procedure for identifying Savings and Cuts

- 2.5 Further to the last year’s savings plan arrangements, workshops were held for all elected members in October 2023 to prioritise savings schemes for 24/25.
- 2.6 135 proposals were presented with a total value of approximately £8.2M. Each of these was assessed either by me or by one of the Directors and we placed each proposal in the following categories to help Members to be able to prioritise with an awareness of what the risk level would be to implement any individual proposal.

Efficiency saving	No need for the budget, or the service to be delivered in a different way with no substantive impact on Gwynedd residents
Efficiency saving	Service continues, but the public will see the service delivered in a different way to what they are used to seeing (fee increases included here as well)
Cut	The service is still being delivered but more slowly, to a lower standard or on a smaller scale than what the public is used to receiving. Low risk of harm to individuals in certain areas.
Cut	The service ends with clear negative implications for Gwynedd residents, including a high risk of harm to individuals in some areas.

- 2.7 We also carried out a legal assessment and a high-level financial assessment on each individual proposal to ensure they were deliverable.

2.8 When submitting their proposals, the Departments included an assessment of the impact of each proposal on Gwynedd residents along with an initial attention to equality considerations. Over a period of three days the Directors and I presented the proposals in workshops for elected Members of the Council.

2.9 During the workshops, Members placed each of the 135 proposals in one of three categories in order to prioritise all proposals from the most 'acceptable' to the least 'acceptable' proposals.

Workshop findings

2.10 There was consensus, more or less, among members taking part in the Autumn workshops, and Cabinet Members, Scrutiny Chairs and Group Leaders who took part in the workshops earlier in the year in terms of deciding which proposals should be prioritised. The conclusion was that we could implement around £5.2M of the proposals over the next two to three years, according to an approximate profile as follows:

2024/25	2025/26	2026/27
£1.97M	£2.86M	£0.34M

2.11 The list of savings and cuts is divided into Part A and Part B. List A contains the proposals that can move forward to be implemented by the Departments in accordance with what is planned. It is noted that action is subject to following the appropriate steps in terms of employment matters and any relevant notice periods. In addition, approving the plan does not prejudice the need to implement it in a manner that addresses the results of specific Equality impact assessments or assessments of individual needs and relevant notice periods.

2.12 A complete list of proposals prioritised for implementation without further action can be found in Appendix A. They can more or less be placed in the following groups in terms of the type of scheme involved:

Efficiencies - adapt working arrangements. Changing the way we go about delivering the service and delivering it in a more efficient way.	£1,007,503
Increase income This will include increasing fees for services.	£429,760

Use other sources of funding Maximizing the use of funding outside of our core resources to fund existing jobs	£70,605
Reduce resources as the demand and requirement have changed. Demand on some services has changed over the years – reducing budgets to match demand.	£240,121
Reduce capacity This will mean a delay in receiving services or a reduction in service performance.	£912,178
Review care packages Include reviewing packages for people to live more independently, use of technology, direct payments	£960,695
Reduce budgets This will mean reducing work budgets and achieving less	£742,340
Total	£4,363,202

- 2.13 The Plans listed in Appendix B reflect plans that are subject to statutory action or further decisions before they can be confirmed. Therefore, at the moment, they are proposed plans that will either need to go through specific decision processes to approve the intention or further statutory steps before they can be confirmed.
- 2.14 Although some of these savings impact on specific statutory functions they do not mean that duties will not be met.
- 2.15 Whilst Heads of Department presented their best proposals that were possible to deliver within budgets that have already been reduced significantly over years of austerity, it is not sensible to assume that all schemes will be possible to deliver once we move forward with the course of action. We also know from past experience that in some cases the financial savings will be less than what we can predict at present.
- 2.16 Therefore, in order to plan prudently we need to include a reasonable risk assumption in this Savings Plan and therefore I recommend that we give £0.52M of the total £5.2M that we will need to find as an amount to be designated "at risk".

Governance and Scrutiny Committee

- 2.17 On the 8th of February 2024, the Governance and Audit Committee scrutinised the process of identifying savings and cuts and Committee Members noted that they were satisfied that the process was thorough and comprehensive.

Looking forward to 2025/26 and 2026/27

- 2.18 The Council has now faced almost 15 years of financial austerity and faced several rounds of funding cuts. Our revenue budgets today are almost £70M less than they were at the start of that period.

- 2.19 Yet we continue to try to squeeze savings and cuts from already insufficient budgets to enable us to meet the demand we face.
- 2.20 That demand continues to increase annually in many challenging areas and the outlook of the two financial years following next year is even worse than what we have already faced.
- 2.21 As a result, it will not be possible for local authorities to continue to provide services of the same nature as that we have become accustomed to in the past and the continued introduction of cuts schemes such as these will not be likely to enable us to set a viable and balanced budget.
- 2.22 Early in the new financial year the Head of Finance will present a report detailing our medium-term financial outlook and Cabinet will inevitably have to commission work to establish how we want to prioritise what services we will be able to continue to provide in the future unless there is a change to the financial outlook.
- 2.23 We will start putting steps in place now to be able to respond to that commission.

Further considerations

- 2.24 The Well-being of Future Generations (Wales) Act 2015 involves improving the social, economic, environmental and cultural well-being of Wales. The act places a well-being duty on public bodies which is aimed at delivering the seven well-being goals, namely a prosperous, resilient, healthier, more equal Wales with cohesive communities and a vibrant culture and thriving Welsh language which is globally responsible. The plan was prepared within the principles of the Act.
- 2.25 Reducing the impact on the residents of Gwynedd and future generations was at the core of the process of identifying savings and cuts. The process in itself has filtered the proposals identifying those with the least impact, and to protect the well-being objectives / priority areas in the Council's Plan.
- 2.26 In accordance with the legal duties under the Equality Act 2010 ("The Act") (including Welsh public sector duties) when making decisions, the Council must give due attention to the need (1) to eliminate unlawful discrimination (2) advance equality of opportunity and (3) encourage good relations based on the protected characteristics.
- 2.27 The implications and impacts were assessed in accordance with the duty under the Act when developing and prioritizing the proposals. An Equality Impact Assessment has been prepared in Appendix C which assesses the impact of the recommended savings. The nature of the impacts identified is negative in terms of the Disability and Age feature and that is mainly due to the potential impact that the Department of Adults, Health and Well-being plans will have on service users. In addition, there are no socio-economic disadvantages through proposals relating to raising income

through fees. It is recognized that some plans involve further actions which will be the subject of specific assessments regarding the way of action. It is intended that these aspects are kept under constant review when moving to realize the specific plans and we will ensure that the departments mitigate any negative impact when implementing.

3. Views of the Statutory Officers:

i. Monitoring Officer:

This programme of proposed savings and cuts has been subject to a detailed assessment process as explained. However, it must be recognised that there are a range of schemes here that represent service cuts that will have various impacts. Some are also subject to following legal processes or further assessments and this is appropriately recognised in the implementation arrangements. Further work will be involved in several elements of the programme, and this is set out in the report. It is also appropriate to note that the Cabinet is assured in relation to compliance with statutory duties. An Equalities and Language impact assessment has been prepared as part of the process and the Cabinet needs to consider its findings in coming to a decision. The proposed delegation is also appropriate. Adoption of this savings programme allows the Cabinet to recommend a balanced Budget to the Full Council. I am satisfied with the propriety of the report.

ii. Statutory Finance Officer:

Finance Officers have worked closely with the author of the report, and I can confirm the accuracy of the figures contained therein. Realising savings to the values set out is essential to enable us to set a balanced budget for 2023/24/25

Appendices

Appendix A: List A - Savings and Cuts

Appendix B: List B - Savings and Cuts

Appendix C: Equality Assessment