

THE CABINET 22/05/18

Present-

Councillors: Dyfrig L. Siencyn, Dafydd Meurig, Craig ab Iago, Gareth Wyn Griffith, Nia Wyn Jeffreys, Peredur Jenkins, Dilwyn Morgan, W. Gareth Roberts, Gareth Thomas and Ioan Thomas

Also present:

Dilwyn Williams (Chief Executive), Iwan Evans (Head of Legal Services), Dafydd Edwards (Head of Finance Department), Morwena Edwards (Corporate Director).

Item 6: Llyr B. Jones (Senior Economy and Community Manager)

Items 7,8 and 9: Ffion Madog Evans (Senior Finance Manager)

1. APOLOGIES

Cabinet Members and Officers were welcomed to the meeting.
No apologies were received.

2. DECLARATION OF PERSONAL INTEREST

There were no declarations of interest.

3. URGENT ITEMS

There were no urgent items.

4. MATTERS ARISING FROM OVERVIEW AND SCRUTINY

There were no matters arising from overview and scrutiny.

5. MINUTES OF THE MEETING HELD ON

The Chair signed the minutes of the Cabinet meeting held on 8 May 2018, as a true record.

6. WELSH GOVERNMENT'S TARGETED REGENERATION INVESTMENT PROGRAMME

The item was submitted by Cllr Ioan Thomas

RESOLVED

Resolved to:

- Approve the draft Regional Regeneration Strategy in order to submit to Welsh Government
- Require that commitment within the draft Strategy regarding work to identify and respond to issues involving rural deprivation receives attention during 2018/19
- Undertake further work to consider possible opportunities arising from the TRI Programme with the intention of submitting a further report to Cabinet outlining the proposals.
- Ask officers to review the governance arrangements to ensure that it is more explicit

DISCUSSION

The report was submitted noting that it was a regional item and it would need to be discussed in every Council across North Wales. It was added that Welsh Government had noted the need for a Regional Regeneration Plan, and that the Plan would need to be submitted and approved before the Government would accept applications for investment. It was noted that the aim of the plan was to support projects that promoted economic regeneration, and that the plan would be able to consider a capital investment contribution of up to 70%.

Identified priorities for the Regeneration Strategy were elaborated upon, noting that in order to identify areas of need, the draft Strategy mainly referred to the Index of Multiple Deprivation data for Wales. It was emphasised that the strategy recommended the priorities of the town centre regeneration projects of four settlements, namely Rhyl, Wrexham, Bangor and Colwyn Bay.

It was added that as part of the preparation work in Bangor, the Bangor City Partnership had been set up, and further work had been done to prepare a regeneration strategy for the city, based on three main themes. It was noted that further preparation work was required in advance to develop outline proposals into detailed projects, and it was added that the work programme was being reviewed by the Partnership.

Observations arising from the discussion

- With regard to the financial allocation that had been divided into three parts, it was asked whether it would be possible for funding to be divided across the county for the second or third part, and it was noted that it would be possible to develop projects beyond the locations noted as priorities.
- The Project Development Fund was discussed for each region, which would provide a contribution of 50% for early project costs, and it was asked whether it would be the Council that would need to find the other 50%. A response was given, noting that the money did not have to come from the Council, depending on the project, it would be possible to ask

another organisation that was part of the partnership to contribute the 50%.

- The fact that 30% of the cost of any plan would need to be found was outlined, and therefore, if this fell on the Council, it would have to compete against other plans in the Assets Plan.
- It was noted that the structure in the strategy seemed to be complex, and it was expressed that further work was to be done and that there would be an element of accountability on each Council. It was noted that the Structure needed to be clearer.
- The intention to submit a further report to the Cabinet was noted, which would note specific proposals and the financial package in order to be able to consider whether the Council would give any equivalent funding to these plans.

7. 2017/18 SAVINGS OVERVIEW: PROGRESS REPORT ON REALISING SAVING SCHEMES

The item was submitted by Cllr Peredur Jenkins

DECISION

To note the encouraging progress towards realising the 2017/18 savings schemes.

DISCUSSION

The report was submitted, noting that at the end of the financial year, an overview of the savings achieved was required. At the beginning of the report, it was noted that the departmental plans for 2016/17 meant that only two plans were now awaiting to be realised during 2018/19, and in financial terms, over 99% of the 2015/16 and 2016/17 savings had now been realised. The 2017/18 savings plans were looked at, and of the 122 plans, 108 had been fully or partially realised on time. In financial terms, it was noted that 81% of the savings had been realised.

The plans that had slipped were elaborated upon, and it was noted that the Adults, Health and Well-being Department had presented their new savings schemes to the Cabinet, and it was anticipated that it would allow the department to make substantial progress towards realising the savings that had slipped. It was noted that when looking at the Children and Supporting Families Department and the Highways Department, a report needed to be submitted to the Cabinet that outlined alternative plans to realise relevant financial savings.

The Cabinet Member for Finance noted that there was satisfactory progress across the Council to realise approximately £6 million in savings in 2017/18.

In terms of schemes that were in the pipeline to be realised in 2018/19, it was noted that the plans were looking promising, and that the Cabinet Member

was very happy with the progress made to realise the 2017/18 savings schemes.

Observations arising from the discussion

- The three Cabinet Members noted that, where schemes had slipped, work was being done to re-examine their schemes and that steps were in place to realise the savings that had slipped.
- The Chief Executive was asked to convey the Cabinet's gratitude to all Council staff for their work in finding the savings and realising them whilst, at the same time, managing to uphold the high quality of the services provided for the people of Gwynedd, acknowledging that it was not an easy process.

8. FINAL ACCOUNTS 2017/18 - REVENUE OUT TURN

The item was submitted by Cllr Peredur Jenkins

DECISION

1.1 To consider and note the final financial position of the Council's departments for 2017/18.

1.2 To approve the amounts to be carried forward (the "Revised Over/ (Under) Spend" column of the summary in Appendix 1), namely -

DEPARTMENT	£'000
Adults, Health and Well-being	(100)
Children and Families	100
Education	0
Economy and Community	(35)
Highways and Municipal	100
Environment (formerly Regulatory)	(100)
Gwynedd Consultancy	(82)
Corporate Management Team & Legal	(66)
Finance	(66)
Corporate Support	(67)

1.3 To approve the following recommendations and virements (as outlined in Appendix 2) -

- Transfer £457k, equivalent to the supporting delivery of social services grant over the winter period to a specific fund to support the flexibility and facilitate transformation in the field of Adults in future.
- Harvest (£37k) of the underspend, namely the sum above (£100k) for Adults, Health and Well-being, to be used to assist the departments who overspend this year.
- The Children and Families Department to receive one-off financial support

of £676k to alleviate the majority of the 2017/18 overspend, allowing them to move forward to face the challenges of 2018/19.

- Transfer £207k to eliminate the Education Department's overspend, whilst transport policies and arrangements are being reviewed.
- Highways and Municipal Department to receive one-off partial financial support of £203k to limit the overspend to be carried forward by the Department to £100k, to assist them with facing the challenge of 2018/19.
- Transfer £378k of the Environment Department's 2017/18 underspend to a specific fund, relating to buses and routes costs, to be used in 2018/19.
- Harvest (£89k) of the Environment Department's underspend, namely the sum above (100k), to be used to assist the departments that overspend this year.
- Harvest (894k) of the net underspend on Corporate budgets (on Council Tax Reduction, bids and budgets returned by departments and on other headings), and transfer to assist the overspending departments in 2017/18.
- Transfer £66k from the Financial Strategy Support Fund, namely the balance required, to support the departments that overspend.

1.4 To approve the virements from the specific reserves as outlined in Appendix 3 following a review of the reserves, namely:

- Harvests (£2.915m).
- Assign £2.749m to the Council Plan.
- Assign £166k to waste issues.

DISCUSSION

The report was submitted, noting that the Cabinet needed to approve the 2017/18 final financial situation in order for the Finance Department to proceed to produce, certify and publish the statutory financial statements before 30 June. It was elaborated that the financial situation of most departments had underspent for 2017/18. It was added that there was a substantial improvement to the financial situation of the Adults Department during the last quarter after receiving a grant from Welsh Government late in the year.

It was noted that there was an overspend on specific services in the Children and Supporting Families Department, the Education Department and the Highways and Municipal Department. It was added that in the majority of budgets where there had been an overspend in 2017/18, appropriate consideration had been given to the relevant needs and opportunities in the 2018/19 budgetary cycle, and most of these matters had already been addressed in the Financial Strategy for 2018/19.

It was added that there was a one-off underspend in a number of amended corporate budget headings for 2017/18, and it was noted that this net underspend would be available to alleviate the overspend of departments, with a further contribution of £66k to be released from the Financial Strategy Support Fund.

Observations arising from the discussion

- In terms of the Highways and Municipal Department, the reasons for the overspend was noted, noting that arrangements were in place to look further at the problems arising.
- Looking at integrated transportation, it was noted that financial support had been received from Welsh Government following re-tendering bus journeys, but it was added that problems were ongoing and, consequently, the underspend was used to meet the associated costs in 2018/19.
- It was expressed that work was ongoing to look at transportation within the Education Department.

9. CAPITAL PROGRAMME 2017/18 - END OF YEAR REVIEW (31 MARCH POSITION)

The item was submitted by Cllr Peredur Jenkins

DECISION

To accept the report on the end of year review (as at 31 March 2018) of the capital programme, and approve the revised financing as shown in part 4 of the report, namely:

- An increase of £4,514,000 in the use of grants and contributions
- An increase of £326,000 in the use of capital receipts
- A decrease of £371,000 in the use of other borrowing
- A decrease of £335,000 in the use of revenue contributions
- A decrease of £53,000 in the use of the capital fund
- A decrease of £65,000 in the use of renewal funds and others

DISCUSSION

The report was submitted, noting that an analysis per department of the £51.733m capital programme was included in section 3 of the report. It was added that there had been a net increase of £4.016m since the last review, and that this reflected the hard work of the departments. It was noted that £15.6m of the expenditure budget would slip from 2017/18, but it was emphasised that there were no grant funding losses as a result of this.

The Finance Department's staff were thanked for their hard work in closing the accounts despite the fact the timetable had been cut.

Observations arising from the discussion

- All Council staff were thanked for their work for the residents of Gwynedd in the face of cuts.
- It was added that the Highways and Municipal department had received an additional grant of £2m from the Government for roads, and the work would commence with class C roads.

- There was substantial capital expenditure on Schools / Education, and this was as a result of Welsh Government's programme ending.

10. PREPARING FOR THE UNCERTAIN FINANCIAL SITUATION FROM 2019/20 ONWARDS

The item was submitted by Cllr Peredur Jenkins

DECISION

Resolved to:

- Deal with the unclear financial situation with which we are faced from 2019/20 onwards by following the arrangements outlined in section 10 of the report
- Put arrangements in place to ensure that all Departments have looked in every nook and cranny for efficiency savings
- Commission a review of the Council's management arrangements (including Scrutiny in this process) to be completed during the calendar year so as to ensure that our management arrangements are fit for purpose.

DISCUSSION

The report was submitted, noting that there was currently no indication that the financial restraints the Government were imposing on the Local Government would end anytime soon. It was added that savings needed to be looked at in order to balance the books, but attempt to do so without having a detrimental impact on the people of Gwynedd.

It was added that a possible system had been noted in the Full Council in October 2017 which meant beginning to highlight the possible options for savings. Following a discussion with the Chairs and Vice-chairs of the Scrutiny Committees, it was noted that there might be a need to look at a different way of dealing with the situation.

The new system was explained, noting that this system struck the balance between ensuring the Council did not overreact, but that the Council was prepared to meet the range of financial possibilities that could arise annually. It was added that it needed to be ensured that every inch of efficiency savings were also squeezed out, and all departments would be required to ensure that savings were made. In addition to this, it was recommended that the Cabinet commission a review of the management arrangements. The fact that it should not be presumed that this would lead to any financial savings was outlined, but it was good practice to take a look at the matter to ensure that our management arrangements were fit for purpose and were consistent across the departments.

It was emphasised that the Council was preparing for the worst in terms of savings, but was hoping for the best. It was elaborated that the exact

savings required would depend on the deficit that needed to be realised, depending on the Government's grant, and this would become clear in autumn.

The meeting commenced at 1.00 pm and concluded at 2.20 pm

CHAIRMAN