

Complete Agenda

CABINET

GWYNEDD COUNCIL

| | |
|----------------------|--|
| DATE | Tuesday, 16th June, 2020 |
| TIME | 1.00 pm |
| LOCATION | Virtual Meeting |
| CONTACT POINT | Annes Siôn 01286 679490 cabinet@gwynedd.llyw.cymru |

GWYNEDD COUNCIL CABINET MEMBERS

| Members | |
|----------------------|--|
| Dyfrig L. Siencyn | Leader |
| Dafydd Meurig | Deputy Leader, Cabinet Member for Adults, Health and Wellbeing |
| Craig ab Iago | Cabinet Member for Housing |
| Gareth Wyn Griffith | Cabinet Member for Environment |
| Nia Wyn Jeffreys | Cabinet Member for Corporate Support |
| Dilwyn Morgan | Cabinet Member for Children and Young People |
| Gareth Thomas | Cabinet Member for Economic Development and Community |
| Ioan Thomas | Cabinet Member for Finance |
| Catrin Elen Wager | Cabinet Member for Highways and Municipal |
| Cemlyn Rees Williams | Cabinet Member for Education |

AGENDA

| | Item | Submitted by | Officer | Page |
|---|--|-------------------------|--------------------------------------|-------------|
| 1 | APOLOGIES | | | |
| 2 | DECLARATION OF PERSONAL INTEREST | | | |
| 3 | URGENT ITEMS | | | |
| 4 | MATTERS ARISING FROM OVERVIEW AND SCRUTINY | | | |
| 5 | MINUTES OF THE MEETING HELD ON 19 AND 26 MAY 2020 | | | 3 - 12 |
| 6 | 2019/20 FINAL ACCOUNTS - REVENUE OUTTURN | Cyng / Cllr Ioan Thomas | Ffion Madog Evans | 13 - 37 |
| 7 | CAPITAL PROGRAMME 2019/20 - END OF YEAR REVIEW | Cyng / Cllr Ioan Thomas | Ffion Madog Evans | 38 - 45 |
| 8 | COVID-19: FIXED FEE CONSIDERATIONS | Cyng / Cllr Ioan Thomas | Dafydd Edwards and Ffion Madog Evans | 46 - 50 |
| 9 | ESTABLISH THE RIGHT FOR THE SuDS APPROVAL BODY (SAB) TO CHARGE A FEE FOR PROVIDING A PRE-APPLICATION SERVICE | | | 51 - 58 |

THE CABINET 19/05/20

Present-

Councillors: Dyfrig L. Siencyn, Dafydd Meurig, Craig ab Iago, Gareth Wyn Griffith, Nia Wyn Jeffreys, Dilwyn Morgan, Gareth Thomas, Ioan Thomas, Catrin Elen Wager, Cemlyn Rees Williams and Aled Wyn Jones

Also present:

Dilwyn Williams (Chief Executive), Morwena Edwards (Corporate Director), Iwan Evans (Head of Legal Services), Dafydd Edwards (Head of Finance Department), Ffion Madog Evans (Senior Finance Manager) and Annes Sion (Democracy Team Leader).

Item 6: Garem Jackson (Head of Education Department) and Gwern ap Rhisiart (Dwyfor/Meirion Area Education Officer)

Item 8: Gareth Jones (Assistant Head of Environment Department) and Dafydd Gareth Jones (Senior Planning, Minerals and Waste Officer)

Item 9: Dafydd Gibbard (Head of Housing and Property Department)

1. APOLOGIES

The Cabinet Members and Officers were welcomed to the meeting. An update was provided regarding the Council's recycling services following an announcement by Welsh Government stating that recycling centres could re-open.

No apologies were received.

2. DECLARATION OF PERSONAL INTEREST

No declarations of personal interest were received.

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 28 APRIL 2020

The Chair signed the minutes of the meetings held on 28 April 2020, as a true record.

6. YSGOL LLANAELHAEARN

Submitted by Cllr Cemlyn Williams

DECISION

Resolved to confirm the closure of Ysgol Llanaelhaearn on 31 August 2020, and offer a place for the pupils at Ysgol Bro Plenydd, Y Ffôr from 1 September 2020, in accordance with Section 53 of the School Standards and Organisation Act (Wales) 2013 and the requirements of the Schools Organisation Code 11/2018.

DISCUSSION

The report was submitted, noting that the Cabinet, on 5 November, had resolved to hold a statutory consultation period in accordance with the Schools Standards and Organisation (Wales) Act on the proposal to close Ysgol Llanaelhaearn. It was noted that the statutory period had now ended and that there were no objections to the proposal. It was also noted that the department, as a result, believed that closing the school was the appropriate option. Gratitude was expressed to the community, the governors and parents for the mature and appropriate discussions held, emphasising that it had been a difficult discussion at times.

The Local Member noted that he was very saddened that the school was closing, despite its long and bright history. He expressed that people had to use their local schools if they wanted them to remain open, and he thanked the staff for all their work.

Observations arising from the discussion

— The Local Member was thanked for his objective contribution during the discussions and for his contribution to the discussions.

7. THE EFFECTS OF COVID-19 ON THE 2020/21 BUDGET

The report was submitted by Cllr Ioan Thomas.

DECISION

To note the possible funding gap in the 2020/21 budget and support the efforts of the Leader and officials to ensure appropriate funding options from the Welsh Government.

Due to the financial losses in the first year (2019/20) of Byw'n Iach as a result of Covid-19, and the presumption that there will be further losses which will continue in 2020/21 for the same reason, that the Cabinet confirms

1. That it is willing to provide the necessary financial support to sustain the

services of Cwmni Byw'n Iach initially until the end of the 2020/21 financial year.

2. To authorise the Head of Finance Department in consultation with the Head of Legal Services and the Head of Economy and Community Department and in accordance with the provision in the Agreement with Cwmni Byw'n Iach (Schedule 4) to provide a letter of assurance to the company and agree on conditions and the content of the support.
3. That the Cabinet receives a specific report on the arrangements as part of reports to review the Council's budgets.

DISCUSSION

The report was submitted, noting that the situation was vulnerable as income had reduced and expenditure had increased during the crisis. It was added that this could be seen in every local authority.

The Head of Finance noted that the British Government had offered to part-fund the loss in income, along with the additional costs, for local authorities in England. It was expressed that various Welsh Government departments were in discussions and it was hoped that an announcement would be made soon. It was reiterated that the Council's loss of income for three months was approximately £5m, and if the crisis situation continued, the loss of income would amount to approximately £10m over six months. It was emphasised that the loss was dependent on the impact of the restrictions during the period.

It was expressed that discussions continued with Welsh Government, and that it was difficult for the Council to plan financially until information had been received from Government about the expected grant amount, and the length of time that the crisis would continue.

A discussion was held on the financial position of Byw'n Iach as a result of the restrictions of the Covid-19 crisis, in 2019/20 and 2020/21, and it was resolved that the Council should offer them support as a result of the impact of the crisis.

Observations arising from the discussion

- It was noted that there was a need to call on Welsh Government to step up and support the Council to protect its residents.
- It was emphasised that this period had shown the Council's ability to act quickly to look after its residents, and had highlighted the importance of the provider services.

8. REGIONAL TECHNICAL STATEMENT ON AGGREGATES: SECOND REVIEW DRAFT

The report was presented by Cllr. Gareth Griffith

DECISION

To approve the Second Review of the Regional Technical Statement and to

authorise the Assistant Head of Department to submit confirmation of the Cabinet's approval to Welsh Government.

DISCUSSION

The report was submitted, and the decision noted. The Assistant Head of Department added that it was required to prepare and review the statements in order to provide a strategy for a sufficient supply of building aggregates for the future. It was noted that the statement recommended how much aggregates that each authority needed to plan for in the Local Development Plans. It was emphasised that when looking at Gwynedd in terms of the statement and on the basis that a reserve supply of aggregates was available and that the department was aware of other areas within the county with an aggregates supply, it was possible that the Council did not need to do anything urgently. It was expressed, in the long-term, that there would be a need to incorporate the recommendations in the statement when reviewing the Joint Local Development Plan during 2021.

It was expressed that a public consultation had been held and that the responses could be seen in appendix 2 of the report

9. HOUSING SERVICE STRUCTURE

The report was presented by Cllr Craig ab Iago

DECISION

To approve funding of the additional net cost of £150,500 by making use of the income generated from the Council Tax Premium on second homes and empty homes, in order to realise the changes to the staffing structure of the Housing Service, as highlighted in paragraphs 3.4 and 3.7 of the report.

DISCUSSION

The report was submitted, noting that the housing situation in Gwynedd was at crisis point, as the number of homeless people was increasing, and a high proportion of the county's housing was being used as holiday homes. It was explained that a decision had been made to establish a Housing and Property Department following the Managerial Review held last year. It was emphasised that the department was showing potential and that the officers were eager to make a difference.

It was noted that work had been carried out to consider the structure of the department and that money was required to realise changes to the staffing structure. It was emphasised that the situation could not be changed without the restructuring. It was added that the department had identified savings to the value of £200k by changing suppliers in the property field and it was possible to use this money to fund the restructuring.

The Head of Housing Department added that the department had only been five months old when the Covid-19 crisis struck. It was added that during those five months, the Head of Department had had time to learn about the housing field and identify more options and new schemes. It was noted that the department would need to be ready when returning to normality as there was a strong possibility that the situation would be worse, as the number of homeless people continued to increase during the crisis. He reiterated that the restructuring set out foundations for the future.

Observations arising from the discussion

- It was expressed that housing problems were witnessed by every Councillor across the county and support was expressed for the restructuring. The housing emergency in Gwynedd was highlighted, specifically hidden homelessness through overcrowding, emphasising that the situation had worsened during the period of restrictions. One Cabinet Member noted that she objected to the request to fund this by using the Council Tax Premium on empty homes and second homes, as this money was available to obtain housing for local families. Enquiries were made about when the action plan would be available and it was noted that an Action Plan was in place and that it would be shared as soon as possible.
- Reference was made to the irony of the Gwynedd housing crisis, as it did not appear as if there was a housing shortage here. It was noted that using a very small percentage of the Council Tax Premium made valid use of the money.
- Enquiries were made about the 1% that the Council would receive from any savings realised by another authority, if they used the Gwynedd Framework - would this be an annual or one-off payment? It was noted that there was uncertainty at this point as it depended how many counties would be part of the Framework. It was added that more savings could be realised as these savings were for gas supply only.
- The Chief Executive noted that obtaining a Head of Department for the new department was step one and that step two would be to carry out a review to ensure that the department made the best use of the budget available. It was emphasised that there was a very strong case here as a result of the county's housing crisis as 10% of the housing stock was being used as second homes and consequently, no housing supply was available. It was noted that Welsh Government needed to play its part in protecting the tax outputs from the premium. It was expressed that funding the posts from the Council Tax Premium was a wise move, as it would be likely that the savings would be needed in order to avoid service cuts when balancing the Council's budget, as a result of public expenditure in response to the Covid-19 crisis.

The meeting commenced at 1.00 pm and concluded at 2.30 pm

CHAIRMAN

**THE CABINET
TUESDAY, 26 MAY 2020**

Present-

Councillors: Dyfrig L. Siencyn, Dafydd Meurig, Gareth Wyn Griffith, Nia Wyn Jeffreys, Dilwyn Morgan, Ioan Thomas, Gareth Thomas, Catrin Wager and Cemlyn Williams

Also present-

Dilwyn Williams (Chief Executive), Morwena Edwards (Corporate Director), Iwan Evans (Head of Legal Services), Dafydd Edwards (Head of Finance Department) and Annes Sion (Democracy Team Leader).

Item 5: Arwel Owen (Assistant Head of Housing and Property Department)

Item 7: Aled Davies (Head of Adults, Health and Well-being Department)

1. APOLOGIES

The Cabinet Members and Officers were welcomed to the meeting. An apology were received from Councillor Craig ab Iago.

2. DECLARATION OF PERSONAL INTEREST

No declarations of personal interest were received.

3. URGENT ITEMS

The Chair noted that he had agreed to discuss an urgent matter. He was satisfied that the context meant that the matter needed to be considered at this meeting. The members voted on the decision to exclude the press and public as the item was exempt.

URGENT ITEM - THE SITUATION OF A RESIDENTIAL CARE HOME

The report was submitted by Cllr Dafydd Meurig, outlining the circumstances which existed and the options to respond. Consideration was given to the role of stakeholders and the potential role of the Council in the situation.

DECISION

The Cabinet expressed its willingness to fund intervention in accordance with the report, along with practical support to maintain the care home's provision over the current challenging period, in order to protect the residents' welfare.

It was noted that the above decision was subject to reaching an appropriate agreement with a Housing Association and Betsi Cadwaladr Health Board on the

conditions of the intervention and contributions.

It was resolved to delegate the right to the Head of Adults, Health and Well-being Department, in consultation with the Head of Finance Department and the Head of Legal Services, to agree on terms.

That the work of preparing a business case in accordance with the decision of 18th February 2020 continues, and will be submitted by the end of the financial year.

DISCUSSION

The report was discussed.

4. MATTERS ARISING FROM OVERVIEW AND SCRUTINY

There were no matters arising from overview and scrutiny.

5. COVID-19: RECOVERY

The report was submitted by Dilwyn Williams

DECISION

Resolved to commission the Regeneration Programme Board and Supporting People Board to consider the following -

- the areas which should be given priority in terms of their importance to the people of Gwynedd in the areas for which each Board is responsible, giving appropriate regard to the direction of travel the Boards were considering before the emergency took hold;
- what actions need to be undertaken in those areas of activity in the short term and medium term and to report back to the Cabinet with recommendations,
- in accordance with the Council's Equality Plan, that we consider the needs of specific groups, e.g. people with disabilities, when making decisions in the recovery field.

Along with commissioning the Management Group to consider what corporate issues require consideration in the short and medium term as we move forwards to the “new normal”, and to report to the Cabinet if a need for a decision arises, as relevant.

DISCUSSION

The report was submitted and it was noted that there were many lessons to be learned following this period and major challenges would continue if the restrictions continued. It was noted that, although the Council was continuing to try to cope with reacting to the crisis, recovery also needed to be discussed. It was stressed that the journey would be a long one in order to move on to a new

'normal' period for some departments and the new 'normal' may be completely different compared to the past having learned lessons during the crisis period.

It was explained that some fields needed to be prioritised, such as the economy, in order to have a specific focus as there had been a significant impact on the local economy. It was noted that the Government would look at the way forward but that the Council needed to be influencing these plans. It was added that the regional Group that was co-ordinating the reaction to the virus would create a regional Recovery Co-ordination Group which would co-ordinate the recovery but it was stressed that it was a matter for individual organisations to make decisions on what they wished to do. It was noted that the Co-ordination Group had met the previous week and had outlined its remit and objectives involving ensuring a recovery programme across north Wales. It was explained that local aspirations needed to be considered and in that sense it was stressed that the Public Services Board would have a specific role. .

In relation to the arrangements in Gwynedd, various options were outlined and it was explained that it would be possible to ask the Regeneration Programme Board and the Supporting People Board, that had been looking at transforming services, to consider what the Council needed to do enable it to return to the new 'normal'. It was stressed that this would be an opportunity for the Boards to focus on the regeneration and supporting people fields and then report back to the Cabinet to make any decisions.

Observations arising from the discussion

- It was noted that it had been a very challenging time that had highlighted different ways of working. It was explained that it was essential for the Council to note what had been learned and what would be used in the new 'normal'.
- It was stressed that the Government needed to give plenty of time to the Local Councils to re-open services in order to be able to focus on and ensure safety.
- It was emphasised that there was a need to prioritise equality as different groups faced different challenges.
- In relation to the Boards, it was noted that there had been mention of creating a Climate Board but that Covid-19 had been highlighted during the development period. It was noted that it was a part of the recovery and that there were plans to hold a virtual workshop with members in order to create a task-force to start to look into the work.
- It was noted that it was good that the new normal had not been defined by the Chief Executive and that the Boards would need to look further than the new normal as aspects such as Post-16 Education would need to look at alternative schemes following the Covid period.
- A question was asked in relation to constitutional issues and any changes in committee procedures. It was noted that a piece of work looking at committees would be submitted to the Business Group.

6. COVID-19 CRISIS - THE SITUATION OF THE ADULTS, HEALTH AND WELL-BEING DEPARTMENT

Submitted by Cllr Dafydd Meurig.

DECISION

To note and accept the information in the report.

DISCUSSION

The report was submitted and it was noted that several residential homes had had high cases of Covid-19. It was emphasised that the department had been eager to be open and transparent about this; however, national guidance had prevented the department from being open about some cases at the beginning of the crisis.

It was also noted that, at the beginning of the crisis, acquiring PPE had been a problem but, by now, the department, with the assistance of the Housing and Property Department, had firm arrangements in place. In terms of testing, it was noted that it had taken time to put arrangements in place as receiving the results had been a problem at the beginning of the crisis. It was added, specifically when looking at care homes, the tests of residents and staff were being done via two different procedures. These arrangements had now been changed and the concerns were reducing. The staff were thanked for their hard work during this period.

The Head of Adults Department added that the situation changed regularly, but that Gwynedd had been one of the first councils to report a high number of cases in residential homes. It was stressed that there was a need to be extremely cautious over the coming period. It was added that the numbers referred to the department were quickly going back to normal following a reduction during the lockdown period. It was stressed that staff had ensured that arrangements were in place to respond to cases and staff had ensured that services continued. It was added that it had been a long time and many staff had not taken leave and this was bound to affect individuals. In planning for the future, it was noted that many lessons had been learned in a short space of time and that work would have to continue in this way in some cases.

Observations arising from the discussion

- The service was thanked for its hard work during the period, specifically the front-line staff.
- Gratitude was expressed for referring to the strain on staff as it had been a strain on everyone within the county. It was asked if mental health work would be escalated. It was noted that the department was currently aware of how much mental health work would need to be done but that the service was trying to create networks and give guidance to people in a difficult time but they were also aware of the major challenges ahead.
- Care staff in the private sector were also thanked, and it was noted that the contact between private residential homes and the Council had improved during this period with regular conversations happening and information being shared. It was added that advantages had been highlighted from developing the relationship, such as more support being available to react to the crisis.
- The Corporate Director added her thanks to the staff within the department, in the private sector as well as other Council departments. It was stressed that they had faced major challenges but that good collaboration had occurred across North Wales. The importance of not reducing the status of the care sector following the

crisis was stressed.

- It was emphasised that successes needed to be celebrated while bearing the failures in mind. It was added that they hoped that all levels of government would learn lessons for the future.

The meeting commenced at 1.00pm and concluded at 2.30pm.

CHAIR

REPORT TO THE CABINET

16 JUNE 2020

Cabinet Member: Councillor Ioan Thomas, Cabinet Member – Finance

Subject: Final Accounts 2019/20 – Revenue Out-turn

Contact officer: Ffion Madog Evans, Senior Finance Manager

1. The decision sought / purpose of the report

The Cabinet is requested to:

- 1.1 To consider and note the final financial position of the Council's departments for 2019/20.
- 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 | 0 |
| Children and Families | 100 |
| Education | (96) |
| Economy and Community | 67 |
| Highways and Municipal | 100 |
| Environment | (100) |
| Gwynedd Consultancy | (11) |
| Housing and Property | 83 |
| Corporate Management Team and Legal | (50) |
| Finance | (70) |
| Corporate Support | (100) |

- 1.3 To approve the following recommendations and virements (as outlined in **Appendix 2**) –
 - The Children and Families Department to receive a one-off financial assistance of £3,259k to restrict the level of overspend that will be carried over by the department to £100k, to support them to move on to face the challenges of 2020/21.

- The Highways and Municipal Department to receive a one-off financial assistance of £447k, which limits overspend that will be carried forward by the Department to 2020/21 to £100k, to support them to face the challenges of 2020/21.
- In accordance with the Financial Regulations it is recommended that the usual practice is adhered to in order to allow the Environment Department to keep (£100k) of their underspend, and to move (£70k) which is the sum above (£100k), to be used to support the departments that have overspent in 2019/20.
- On Corporate budgets, use (£1,012k) of the net underspend to assist the departments that have overspent in 2019/20.

1.4 To approve the virements from specific reserves and provisions:

- as outlined in **Appendix 3** following a review of reserves and provisions, harvest (£801k) from reserves and (£24k) from provisions using the total of (£825k) to assist the departments that have overspent in 2019/20.
- Finance the rest of the departmental overspend from (£1,799k) that is left to be funded from the Council's Financial Strategy Reserve.

2. Introduction / Background

2.1 Having examined the final position in 2019/20, the substantial pressures that face the field of care and the field of waste are clear, signs can also be seen that there are some difficulties in achieving savings, as we are seeking to minimise the impact on Gwynedd residents by achieving efficiency savings, it is much more difficult than undertaking service cuts.

We already know that the 2020/21 financial year will be a challenging one in financial terms, as already explained in the impact of Covid-19 on the 2020/21 budget report which was submitted to the Cabinet on 19/05/2020.

2.2 Therefore, **the Cabinet is requested to approve the final 2019/20 financial position. The Finance Department has produced, certified and published the statutory financial statements since 3 June before the statutory deadline of 15 June.**

3. Council Departments

- 3.1 **On the whole, I confirm that over half of the departments have been able to keep within their budgets this year.** A summary of the final position of all departments has been outlined in **Appendix 1**, with the amounts to be carried forward (subject to Cabinet approval) in the "Revised Over/(Under) Spend" column. In **Appendix 2**, further details are provided relating to the main issues and the fields where there were significant variances to what was reported previously, along with several specific recommendations. Those recommendations have been highlighted for consideration above in 1.3.
- 3.2 In the last review of the revenue budget on the position at the end of November, a probable overspend of £4.6 million on Council departments was forecasted. Since then, there has been a reduction of £1.1 million to the departments' comparative figure, to £3.5 million by the end of the year, being a reduction of £0.7 million by the **Adults, Health and Wellbeing** Department and a reduction of £0.4 million by the **Highways and Municipal** Department. Further, there is a £1 million underspend on **Corporate** budgets, which therefore reduces the gap to £2.5 million.
- 3.3 The financial position at the end of the year is that over half of the departments are underspending, and was projected correctly during 2019/20. A reduction in the overspend level was seen by the **Highways and Municipal Department**, with the position of the **Education Department** and **Gwynedd Consultancy** better than what had been anticipated. However, I note that there was a marked improvement in the financial position of the **Adults' Department**, following receipt and re-referral of grants from the Government late in the year.
- 3.4 There was an increase in the tendency to overspend on operational services, placements, Post-16 and Specialist / Derwen by the **Children and Families** Department, and therefore a £3.4m overspend is reported at the end of the year, an increase of £200k from the £3.2 million forecasted in the end of November review. Although the position of overspending in the children's field is not unique to Gwynedd, but rather a picture which is seen across authorities, the position is worrying.
- 3.5 Nearly £2 million of additional funding has been allocated to the **Children and Families Department** in 2020/21 in order to meet increased pressures. However, the failure to realise savings is a matter which still needs to be resolved, but it is intended to address this in a subsequent report to the Cabinet.
- 3.6 The **Highways and Municipal** Department continues to overspend significantly in the waste field, but a number of factors across the department are responsible for the reduction in the level of overspend to £547k by the end of the year.

- 3.7 **In Appendix 1, the underspend / overspend position of each department is reported to the Cabinet, that will approve the sums to be carried forward.** Financial Procedure Regulation 16.3.1 details the arrangements for sums to be "carried forward" at the end of the year. There are two requests for the Cabinet to abolish the departmental deficit, and one department with an underspend position that is above the £100,000 threshold at the closure of 2019/20 accounts, and therefore, with underspend to harvest.
- 3.8 Generally, where departments have underspent, that position would be for one time in 2019/20 only.
- 3.9 In the majority of budgets where there was an overspend in 2019/20, appropriate consideration was given to the related requirements and opportunities in the 2020/21 budgetary cycle, and most of those permanent matters have already been addressed in the financial strategy for 2020/21 (by management action to halt the trend and/or by amending the budget).

4. Schools

- 4.1 A section of **Appendix 2** details the budgetary position of schools, where a statute has presented delegated powers for governing bodies to carry balances forward at the end of a financial year. The county total of schools' balances has increased from £4m in 2018/19 to £4.3m in 2019/20. A general increase was seen in the balances of secondary sector schools and an increase of £430k in the balances of 43 primary schools but a reduction of £416k in the balances of 40 primary schools. We will soon be publishing detailed information on the balances of individual schools in a 'Section 52 Statement'.
- 4.2 The Education Department has arrangements to challenge individual schools to justify the need for their balances, and they are asking head teachers and the relevant schools' governing bodies to explain their intention to use their balances (particularly those with balances exceeding 5% of their budget).
- 4.3 The financial deficit total of schools has increased from £207,106 (4 Primary, 2 Secondary, 1 Special) on 31 March 2019 to £239,646 (2 Primary, 1 Middle, 2 Secondary) on 31 March 2020. I confirm that the relevant Finance Unit will also ensure that head teachers and governing bodies of the schools which have financial deficits deals with them.

5. Corporate Budgets and Reserves

- 5.1 For many reasons, there has been one-off underspend on several corporate budgets headings this year, as outlined in the last part of **Appendix 2**. As recommended in part 1.3 above, (£1,012k) of this net underspend will be available to mitigate overspend by the Children Department and the Highways and Municipal Department.
- 5.2 The adequacy of the Council's specific reserves and provisions was reviewed by the Head of Finance Department once again at the closure of this year's accounts, in accordance with the policy approved some years ago. This review managed to harvest £825k of resources, as outlined in **Appendix 3**.
- 5.3 All of the £825k is to be used to assist to fund the overspend position by the departments.
- 5.4 With the Cabinet's support, if the underspend is used as recommended above, and the £825k used from harvested reserves and provisions, £1.799 million of funding is required to balance the 2019/20 financial position.
- 5.5 It is suggested that £1.799 million should be transferred from the financial strategy reserve to bridge the gap. Therefore, the Council has managed to avoid making any use of Council balances to balance the 2019/20 budget (in accordance with the Financial Strategy approved by the Council on 5 March 2020).

6. Next steps and timetable

- 6.1 In accordance with the Accounts and Audit (Wales) Regulations 2014, and the CIPFA Code of Practice, the Chief Finance Officer must certify the Council's statutory 2019/20 financial statements before 15 June. 2019/20 is a second transitional year in terms of a reduction in the timetable, with the statutory date noted as 15 June rather than 30 June, with a further reduction to 31 May from 2020/21 onwards. I wish to thank everyone who has contributed to the process of completing the work sooner and under very challenging circumstances this year in light of the Covid-19 crisis.
- 6.2 The purpose of this report is to elaborate on the out-turn position in terms of the underspend or overspend of individual departments, and Council expenditure in its entirety in 2019/20. We will consider the information as a result in order to reflect the position in the final accounts.
- 6.3 The Finance Department has produced the 2019/20 statutory financial statements that have been certified by the Head of Finance Department before this year's statutory date of 15 June.

Local member's views

Not relevant

Views of the statutory officers**The Monitoring Officer:**

Nothing to add from a propriety perspective.

Head of Finance:

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

Appendices

Appendix 1 - final underspend / overspend position of each department

Appendix 2 - main budgetary matters and fields where there were significant variances

Appendix 3 - harvested resources following a review of reserves and provisions

Final Accounts 2019/20 – Revenue Out-turn - Summary of the position per Department

| | Final Review | | | | End of November Position Target £ '000 |
|--|-------------------------|--|----------------------------------|---|---|
| | 2019/20 Budget £'000 | Gross Over / (Under) Spend 2019/20 £ '000 | Recommended Adjustments £'000 | Modified Over / (Under) Spend £ '000 | |
| Adults, Health and Well-being | 50,906 | 0 | 0 | 0 | 658 |
| Children and Families | 14,695 | 3,359 | (3,259) | 100 | 3,161 |
| Education | 85,853 | (96) | 0 | (96) | 16 |
| Economy and Community | 4,227 | 67 | 0 | 67 | 14 |
| Highways and Municipal | 24,464 | 547 | (447) | 100 | 970 |
| Environment | 3,339 | (170) | 70 | (100) | (105) |
| Gwynedd Consultancy | 102 | (11) | 0 | (11) | 87 |
| Housing and Property | 3,040 | 83 | 0 | 83 | 30 |
| Corporate Management Team and Legal | 1,632 | (50) | 0 | (50) | (77) |
| Finance (and Information Technology) | 6,095 | (70) | 0 | (70) | (75) |
| Corporate Support | 7,651 | (100) | 0 | (100) | (96) |
| Corporate Budgets <i>(Variances only)</i> | * | (1,012) | 1,012 | 0 | 0 |
| Totals (net) | 202,004 | 2,547 | (2,624) | (77) | 4,583 |

| | |
|--|----------|
| Finance from: | |
| Harvest Reserves and Provision (<i>Appendix 3</i>) | 825 |
| Financial Strategy Reserve | 1,799 |
| | <u>0</u> |

| REVENUE BUDGET 2019/20 - FINAL ACCOUNTS | | | | | | |
|--|-----------------------|-------------------------------|---|--|--|---|
| Adults, Health and Well-being Department | 2019/20 Budget | 2019/20 Final Position | Gross Over / (Under) Spend 2019/20 | Use of Other Sources or Other Adjustments Recommended | Modified Over / (Under) Spend 2019/20 | Target Over / Under Spend - November 2019 Review |
| Field: | £'000 | £'000 | £'000 | £'000 | £'000 | £'000 |
| <u>Adults Services</u> | | | | | | |
| Older People's Services | | | | | | |
| Residential and Nursing - Homes | 13,447 | 12,840 | (607) | 0 | (607) | (145) |
| Domiciliary Care | 6,831 | 5,962 | (869) | 0 | (869) | (725) |
| Others | 198 | 1,330 | 1,132 | 0 | 1,132 | 1,205 |
| | 20,476 | 20,132 | (344) | 0 | (344) | 335 |
| Physical Disabilities Services | 2,350 | 2,228 | (122) | 0 | (122) | (52) |
| Learning Disabilities Services | 18,183 | 18,627 | 444 | 0 | 444 | 481 |
| Mental Health Services | 3,462 | 3,315 | (147) | 0 | (147) | (84) |
| Other Services (Adults) | 2,980 | 2,932 | (48) | 0 | (48) | (35) |
| <u>Adults Services Total</u> | 47,451 | 47,234 | (217) | 0 | (217) | 645 |
| <u>Provider Services (shows net budget)</u> | | | | | | |
| Residential Care | (261) | (328) | (67) | 0 | (67) | (46) |
| Day Care | (23) | 316 | 339 | 0 | 339 | 295 |
| Community Care | (4) | 393 | 397 | 0 | 397 | 328 |
| Others | (3) | (46) | (43) | 0 | (43) | (26) |
| <u>Provider Services Total</u> | (291) | 335 | 626 | 0 | 626 | 551 |

| REVENUE BUDGET 2019/20 - FINAL ACCOUNTS | | | | | | |
|---|-------------------|---------------------------|---|---|--|---|
| Adults, Health and Well-being Department | 2019/20 Budget | 2019/20 Final Position | Gross Over / (Under) Spend 2019/20 | Use of Other Sources or Other Adjustments Recommended | Modified Over / (Under) Spend 2019/20 | Target Over / Under Spend - November 2019 Review |
| Field: | £'000 | £'000 | £'000 | £'000 | £'000 | £'000 |
| <u>Other Services</u> | | | | | | |
| Departmental Central Services <i>(including Department savings)</i> | 3,746 | 3,757 | 11 | 0 | 11 | 111 |
| Use of specific reserve | | | (420) | 0 | (420) | (649) |
| <u>Other Services Total</u> | 3,746 | 3,757 | (409) | 0 | (409) | (538) |
| <u>Adults, Health and Well-being Total</u> | 50,906 | 51,326 | 0 | 0 | 0 | 658 |

Adults, Health and Well-being

Older People's Services - receipt of winter resilience grant worth £450k, an increase of £106k in other grants and an increase in the receipt of residential and nursing income following the reassessment of clients' income. There was also a further reduction in demand for domiciliary care packages. Failure to realise £669k worth of savings within the 'Others' heading and an overspend of £374k on Supported Accommodation, with the costs of establishing the Hafod y Gest scheme responsible for a substantial proportion of the relevant overspend.

Physical Disabilities Services - the trend of a reduction in the number of domiciliary care packages continues, but there is an increase in the number of Residential and Nursing placements.

Learning Disabilities Services - impact of the increasing demand on supported accommodation and day services reduced by underspend on residential and nursing.

Mental Health Services - an expensive case has now concluded as well as staff turnover and the receipt of an additional grant.

Provider Services - costs associated with staffing above budget level are matters within Day Care and Community Care, with homes placed in special measures, recommendations by Care Inspectorate Wales, and appointing above the budget. Reduction in income for March deriving from the Covid-19 crisis.

Departmental Central Services - receipt of a grant and income and reducing expenditure reduces the impact of the slippage in realising £247k worth of savings schemes.

The department has received a £0.8 million grant from Welsh Government towards increasing costs deriving from winter pressures and other further grants of £242k, these grants have assisted to reduce overspend anticipated during the year. The department is also using one-off finance of £420k from a specific fund which enables the department to mitigate the overspend entirely this year.

The department would overspend £1.5 million without the additional contributions. However, by the 2020/21 budget they have received additional bids of over £1.8m. The Chief Executive has already commissioned work to obtain a better understanding of the matters and a clear response programme, in order to obtain a better understanding of the complex details of the picture in adults' care.

| REVENUE BUDGET 2019/20 - FINAL ACCOUNTS | | | | | | |
|--|----------------|------------------------|---|---|--|--|
| Children and Families Department | 2019/20 Budget | 2019/20 Final Position | Gross Over / (Under) Spend 2019/20 | Use of Other Sources or Other Adjustments Recommended | Modified Over / (Under) Spend 2019/20 | Target Over / Under Spend - November 2019 Review |
| Field: | £'000 | £'000 | £'000 | £'000 | £'000 | £'000 |
| Service Management | 579 | 561 | (18) | 0 | (18) | 33 |
| Operational | 2,206 | 2,359 | 153 | 0 | 153 | 88 |
| Placements | | | | | | |
| Out-of-County Placements | 2,128 | 3,752 | 1,624 | 0 | 1,624 | 1,521 |
| Fostering through an Agency | 911 | 1,412 | 501 | 0 | 501 | 485 |
| Fostering – Internal | 1,706 | 2,294 | 588 | 0 | 588 | 545 |
| Support Services and Others | 1,644 | 1,757 | 113 | 0 | 113 | 105 |
| | 6,389 | 9,215 | 2,826 | 0 | 2,826 | 2,656 |
| Post-16 | 1,034 | 1,294 | 260 | 0 | 260 | 120 |
| Specialist/Derwen | 1,776 | 2,133 | 357 | 0 | 357 | 337 |
| Youth Justice | 268 | 190 | (78) | 0 | (78) | (44) |
| Early Years | 144 | 70 | (74) | 0 | (74) | (73) |
| Youth | 743 | 607 | (136) | 0 | (136) | (69) |
| Others | 1,556 | 1,625 | 69 | 0 | 69 | 113 |
| Adjustment - Closure of 2019/20 Accounts | | | | (3,259) | (3,259) | 0 |
| Children and Families Total | 14,695 | 18,054 | 3,359 | (3,259) | 100 | 3,161 |

Children and Families

Operational - the overspend continues although the field has received an additional resource of £100k for 2019/20 onwards, a substantial increase during the last months of the year in costs to support families in the areas of Arfon and Dwyfor and an overspend on staff costs which are above budget level.

Placements - the demand for the range of services is further intensifying, most of the overspend derives from seven cases of new out-of-county placements this year, along with the impact of a full year of eight cases that commenced during 2018/19. Fostering through an agency, 12 new cases this year and the impact of a full year of four cases that commenced in 2018/19. A further increase also in the number of internal fostering placements (166 on 31.3.20, 139 on 31.3.19). Following a review of the out-of-county commitments, it became apparent there had been a change in the type of cases in recent years and, therefore, to the associated and successive costs, a reduction was also seen in contributions from Health. Furthermore, there are £370k worth of savings within Placements that are yet to be realised.

Additional funding of £1.985m has been allocated to the Department in 2020/21 to meet the increasing pressures in the field of Placements.

Post-16 - this year's high initial support costs deriving from two new cases that have transferred from Out-of-county Placements.

Specialist/Derwen – overspend of £357k mainly on support plans with increased demand for service and for specialist support.

Youth Justice - Vacant posts and staff turnover responsible for the increase in overspend.

Early Years – the receipt of grants in the childcare field responsible for underspend.

Youth – the receipt of grants against core expenditure along with underspend following the recent remodelling of the service.

Others - a grant was received at the end of the year which reduced the overspend that derives from the higher demand on the commitment to the North Wales advocacy service, overspend on professional fees and on statutory reviews.

Given the department's tendency to increasingly overspend, a Children's Budget Task Force has been commissioned by the Chief Executive to address the serious financial matters of the Department.

It is recommended that the Children and Families Department receives one-off financial assistance of £3,259k to restrict the level of overspend that will be carried over by the Department to £100k, to support them to move on to face the challenges of 2020/21.

REVENUE BUDGET 2019/20 - FINAL ACCOUNTS

| Education Department | 2019/20 Budget | 2019/20 Final Position | Gross Over / (Under) Spend 2019/20 | Use of Other Sources or Other Adjustments Recommended | Modified Over / (Under) Spend 2019/20 | Target Over / Under Spend - November 2019 Review |
|---|---------------------------|-----------------------------------|---|--|--|---|
| Field: | £'000 | £'000 | £'000 | £'000 | £'000 | £'000 |
| Devolved Schools | 74,272 | 74,272 | 0 | 0 | 0 | 0 |
| Schools Quality Services | (417) | (823) | (406) | 0 | (406) | (249) |
| Infrastructure and Support Services | | | | | | |
| Transport | 4,920 | 5,078 | 158 | 0 | 158 | 228 |
| Ancillary Services | 441 | 797 | 356 | 0 | 356 | 259 |
| Others | 96 | (71) | (167) | 0 | (167) | (347) |
| | 5,457 | 5,804 | 347 | 0 | 347 | 140 |
| Leadership and Management | 2,125 | 2,076 | (49) | 0 | (49) | (25) |
| Additional Learning Needs and Inclusion | 4,416 | 4,428 | 12 | 0 | 12 | 150 |
| Education Total | 85,853 | 85,757 | (96) | 0 | (96) | 16 |

Education

Schools Quality Services - combination of receiving and using grants, staff turnover and reducing expenditure responsible for further underspend by the end of the year.

Transport - following overspend on this field over the past few years, additional finance of £400k was allocated for 2019/20 and further finance has been allocated for 2020/21. However, the overspend continues but is lower than what was anticipated, with an overspend of £63k on School Buses, £63k on School Taxi Transport and £33k of income deficit on Post-16 Transport at the end of the financial year.

The Transport field has been the subject of a strategic review to try to control the increase in expenditure, with the need for further work by the Education Department and the Environment Department continuing, so that it is possible to take advantage of efficiency opportunities.

Infrastructure and Support Services - Ancillary Services - with schools closed for the last seven working days in March due to Covid-19, there was an increased income deficit on school dinners and the care element from the breakfast scheme as a result. This was in addition to the income deficit that already existed in this field along with the overspend on staffing and sickness matters in Catering, Cleaning and Care-taking for schools.

Infrastructure and Support Services - Others - continuing to underspend but there is high demand on various budgets including integration, than what had been anticipated originally.

Additional Learning Needs and Inclusion - the overspend involved with circumstances in one specific centre was substantially mitigated by the end of the year as a result of using a grant along with staff turnover.

REVENUE BUDGET 2019/20 - FINAL ACCOUNTS

| Economy and Community Department | 2019/20 Budget | 2019/20 Final Position | Gross Over / (Under) Spend 2019/20 | Use of Other Sources or Other Adjustments Recommended | Modified Over / (Under) Spend 2019/20 | Target Over / Under Spend - November 2019 Review |
|---|----------------|------------------------|---|---|--|--|
| Field: | £'000 | £'000 | £'000 | £'000 | £'000 | £'000 |
| Management | 345 | 348 | 3 | 0 | 3 | 0 |
| Community Regeneration and Support Programmes | 386 | 396 | 10 | 0 | 10 | 10 |
| Maritime and Country Parks | (101) | (92) | 9 | 0 | 9 | (36) |
| Leisure Contracts | 1,018 | 1,097 | 79 | 0 | 79 | 68 |
| Sports Programmes | 97 | 37 | (60) | 0 | (60) | (48) |
| Economic Development Programmes | 62 | 36 | (26) | 0 | (26) | (40) |
| Marketing and Events | 310 | 310 | 0 | 0 | 0 | 0 |
| Gwynedd Libraries | 1,385 | 1,378 | (7) | 0 | (7) | (9) |
| Museums, Arts and Gwynedd Archives | 725 | 784 | 59 | 0 | 59 | 69 |
| Economy and Community Total | 4,227 | 4,294 | 67 | 0 | 67 | 14 |

Economy and Community

Maritime and Country Parks - damage that derived from winter storms has led to unexpected additional expenditure on pontoons in Hafan, Pwllheli and on land maintenance in Parc Glynllifon. Staff turnover in Parc Glynllifon and Parc Padarn means that there was an underspend of £27k on the Rural Parks but there was an overspend of £36k by Maritime which is a combination of income deficit and overspend on seasonal staffing on beaches and higher expenditure in Hafan, Pwllheli.

Leisure Contracts - the Leisure provision was transferred to the Byw'n Iach Company on 1 April 2019, but responsibility for the running costs of properties remained with the Council, a one-off increase was seen in the running costs of leisure centres and, therefore, there was an overspend of £79k at the end of the financial year.

Sports Programmes and Economic Development Programmes - vacant posts and use of grants responsible for the underspend position but necessary costs at the end of the year reducing the underspend reported on Economic Development.

Museums, Arts and Gwynedd Archives - problems continue in Storiol with an overspend of £69k at the end of the financial year, which is a combination of overspend in staff costs and income deficit. Underspend on Archives and the Arts assists the financial position slightly by reducing the overspend to £59k.

| REVENUE BUDGET 2019/20 - FINAL ACCOUNTS | | | | | | |
|--|-------------------|---------------------------|---|---|--|---|
| Highways and Municipal Department (including Trunk roads) | 2019/20 Budget | 2019/20 Final Position | Gross Over / (Under) Spend 2019/20 | Use of Other Sources or Other Adjustments Recommended | Modified Over / (Under) Spend 2019/20 | Target Over / Under Spend - November 2019 Review |
| Field: | £'000 | £'000 | £'000 | £'000 | £'000 | £'000 |
| Highways Services (including Trunk roads) | 9,767 | 9,713 | (54) | 0 | (54) | (135) |
| Engineering Services | 309 | 297 | (12) | 0 | (12) | 55 |
| Municipal Services | | | | | | |
| Waste | 10,803 | 11,654 | 851 | 0 | 851 | 996 |
| Others | 3,585 | 3,347 | (238) | 0 | (238) | 54 |
| Adjustment - Closure of 2019/20 Accounts | | | | (447) | (447) | 0 |
| Highways and Municipal Total | 24,464 | 25,011 | 547 | (447) | 100 | 970 |

Highways and Municipal (including Trunk roads)

Highways Services - have exceeded on external income but additional expenditure on schemes responsible for the reduction in the underspend reported.

Engineering Services - less expenditure in a number of fields at the end of the year has led to an underspend position.

Waste - reduction in overspend in the Waste field to £851k. Costs for dealing with waste via Parc Adfer, namely a regional 'Energy Generated from Waste' facility located in Deeside, were not as high as anticipated in the previous review and a clinical waste grant of £123k was received from Welsh Government at the end of the year.

Although the department had taken action to reduce costs by changing shifts and waste collection circuit arrangements, there was a delay in operations. The new arrangements have now come into force in Dwyfor and more recently in Arfon but there was a further slippage in the timetable to implement the new system in Meirionnydd, therefore, associated transitional costs with staffing and sickness costs were responsible for £496k of the overspend.

Overspend continues on operational and transport costs, grant and income deficit on waste and recycling materials.

Although some action on the Waste side have already been taken during the year to ensure that implementation measures are within the budget, it is noted that implementation was delayed this year.

Other Municipal Services - combination of increase in income, realising savings in advance and reducing expenditure has led to an underspend position by the end of the year.

It is recommended that the Highways and Municipal Department receives one-off financial assistance of £447k, which limits overspend that will be carried forward by the Department to 2020/21 to £100k, to support them to face the challenges of 2020/21.

| REVENUE BUDGET 2019/20 - FINAL ACCOUNTS | | | | | | |
|--|-------------------|---------------------------|---|---|--|---|
| Environment Department | 2019/20 Budget | 2019/20 Final Position | Gross Over / (Under) Spend 2019/20 | Use of Other Sources or Other Adjustments Recommended | Modified Over / (Under) Spend 2019/20 | Target Over / Under Spend - November 2019 Review |
| Field: | £'000 | £'000 | £'000 | £'000 | £'000 | £'000 |
| Department Management | 401 | 343 | (58) | 0 | (58) | (53) |
| Planning Service | 286 | 305 | 19 | 0 | 19 | 137 |
| Street Care and Transport Services | | | | | | |
| Network Management (Transport) | 590 | 354 | (236) | 0 | (236) | (50) |
| Parking and Parking Enforcement | (1,985) | (1,869) | 116 | 0 | 116 | (12) |
| Integrated Transport | 1,566 | 1,537 | (29) | 0 | (29) | (24) |
| | 171 | 22 | (149) | 0 | (149) | (86) |
| Countryside and Access | 740 | 773 | 33 | 0 | 33 | 21 |
| Public Protection | 1,741 | 1,726 | (15) | 0 | (15) | (124) |
| Adjustment - Closure of 2019/20 Accounts | | | | 70 | 70 | 0 |
| <u>Environment Total</u> | 3,339 | 3,169 | (170) | 70 | (100) | (105) |

Environment

Management - general underspend and the department's advance savings have led to one-off savings under the Management heading.

Planning Service - a shift in position since the previous review as a result of a reduction in income deficit after receiving additional major application in the last few months of the year in the field of Development Control. Underspend on services, supplies and transport also assisting to slightly alleviate the income deficit.

Street Care and Transport Services - a mixed picture in terms of the relevant income, with the Traffic and Statutory Arrangements field over-delivering income from road closures, which is part of the department's savings schemes over the next few years. However, a further reduction in parking income as the impacts of coronavirus have had an impact on parking income during the last few weeks of the financial year, although it is alleviated by vacant posts, the net overspend is £116k.

Integrated Transport - one-off underspend on staff costs and exceeding on income reducing the impact of additional costs on bus contracts. The department using a reserve that was assigned for the purpose of increasing costs. The department is in the process of undertaking a review of public transport and has already commissioned research by the University to review the provision.

Public Protection - one-off expenditure on new software is the main reason for a reduction in underspend by the end of the year, it also appears that the impacts of coronavirus have affected income in the fields of Licensing, Taxis and Markets as income is not as promising as anticipated during the year.

As part of the end of August review, the Environment Department received the Cabinet's approval to earmark £220k of its underspend this year for costs following a judicial review relating to the Llanbedr access Road. Given the current situation with the Coronavirus crisis which has substantial financial implications for the Council, the Department has agreed that it is appropriate for it to use a combination of departmental underspend and capital provision that no longer needs to be funded.

In accordance with Financial Regulations, **it is recommended** that the usual practice is adhered to in order to allow the Environment Department to keep (£100k) of their underspend, and to move (£70k) which is the sum above (£100k), to be used to support the departments that have overspent in 2019/20.

| REVENUE BUDGET 2019/20 - FINAL ACCOUNTS | | | | | | |
|--|-----------------------|-------------------------------|---|--|--|---|
| Consultancy Department | 2019/20 Budget | 2019/20 Final Position | Gross Over / (Under) Spend 2019/20 | Use of Other Sources or Other Adjustments Recommended | Modified Over / (Under) Spend 2019/20 | Target Over / Under Spend - November 2019 Review |
| Field: | £'000 | £'000 | £'000 | £'000 | £'000 | £'000 |
| Roads and Engineering Services | (475) | (498) | (23) | 0 | (23) | 25 |
| Sustainable Drainage Systems Unit (SuDS) | 44 | 44 | 0 | 0 | 0 | 0 |
| Flood Risk Management Unit | 485 | 482 | (3) | 0 | (3) | 1 |
| Building Control | 48 | 63 | 15 | 0 | 15 | 61 |
| Consultancy Total | 102 | 91 | (11) | 0 | (11) | 87 |

Consultancy

Roads and Engineering Services - a favourable shift of (£48k) since the previous review as a result of underspend on staff costs alleviating the deficit seen in income level by external organisations, such as other Councils and Welsh Government.

Sustainable Drainage Systems Unit (SuDS) - income deficit during the period of establishing the new unit alleviated by underspend on staff costs.

Building Control - income deficit reduced by lower expenditure on services and supplies.

REVENUE BUDGET 2019/20 - FINAL ACCOUNTS

| Housing and Property Department | 2019/20 Budget | 2019/20 Final Position | Gross Over / (Under) Spend 2019/20 | Use of Other Sources or Other Adjustments Recommended | Modified Over / (Under) Spend 2019/20 | Target Over / Under Spend - November 2019 Review |
|------------------------------------|-------------------|---------------------------|---|---|--|---|
| Field: | £'000 | £'000 | £'000 | £'000 | £'000 | £'000 |
| Management | (22) | 52 | 74 | 0 | 74 | 103 |
| Housing Services | | | | | | |
| Homelessness | 1,062 | 1,313 | 251 | 0 | 251 | 160 |
| Private Sector Housing | 344 | 257 | (87) | 0 | (87) | (69) |
| Others | 212 | 170 | (42) | 0 | (42) | (58) |
| | 1,618 | 1,740 | 122 | 0 | 122 | 33 |
| Property Services | | | | | | |
| Property | 1,420 | 1,331 | (89) | 0 | (89) | (107) |
| Care-taking, Catering and Cleaning | 24 | 0 | (24) | 0 | (24) | 1 |
| | 1,444 | 1,331 | (113) | 0 | (113) | (106) |
| Housing and Property Total | 3,040 | 3,123 | 83 | 0 | 83 | 30 |

Housing and Property

Management - Savings Scheme which is yet to be realised is mainly responsible for the overspend. The Department is examining an alternative scheme to replace the existing scheme.

Housing Services - pressures on the Temporary Accommodation, Homelessness budget as a result of a combination of increased prices and longer stays, sufficient bids have been approved to address this in 2020/21. Private Sector Housing exceeds income and Other Housing is underspending on staff costs, therefore, assisting to mitigate overspend reported for the Housing Service.

Property Services - vacant posts and secondments are mainly responsible for the underspend anticipated as well as overspend on services and supplies.

| REVENUE BUDGET 2019/20 - FINAL ACCOUNTS | | | | | | |
|--|----------------|------------------------|---|---|--|--|
| Central Departments | 2019/20 Budget | 2019/20 Final Position | Gross Over / (Under) Spend 2019/20 | Use of Other Sources or Other Adjustments Recommended | Modified Over / (Under) Spend 2019/20 | Target Over / Under Spend - November 2019 Review |
| Field: | £'000 | £'000 | £'000 | £'000 | £'000 | £'000 |
| Corporate Management Team and Legal | 1,632 | 1,582 | (50) | 0 | (50) | (77) |
| Finance (and Information Technology) | 6,095 | 6,025 | (70) | 0 | (70) | (75) |
| Corporate Support | 7,651 | 7,551 | (100) | 0 | (100) | (96) |
| Central Departments Total | 15,378 | 15,158 | (220) | 0 | (220) | (248) |

Central Departments

Corporate Management Team & Legal - a reduction in the underspend reported as a proportion of the underspend of the vacant post of Corporate Director is being diverted to fund better well-being provision in Council offices. Received additional income from the Legal Unit which contributed towards the favourable position but was reduced as a result of higher staffing costs.

Finance (and Information Technology) – combination of reasons responsible for the underspend, including one-off underspend due to staff turnover, secondments, and additional income and grants received in a number of fields. Additional income from different sources, including Welsh Government for the field of non-domestic rates relief administration and an additional transitional period grant from the Department of Work and Pensions (DWP) in the Benefits field. Furthermore, the Department has managed to deliver savings in advance this year and has diverted them for Corporate purposes.

Corporate Support - the underspend was mainly due to receiving external income above the budget level in a number of fields across the department, including Translation, Registration and the Human Resources Advisory Services. Vacant posts and secondments also contribute towards the favourable position, in preparation for savings over the next few years, as there is no demand for savings this year the department has already transferred a portion of its savings in advance for Corporate purposes.

| REVENUE BUDGET 2019/20 - FINAL ACCOUNTS | | | | | | |
|--|----------------|------------------------|---|---|--|--|
| Corporate (Reflects variances only) | 2019/20 Budget | 2019/20 Final Position | Gross Over / (Under) Spend 2019/20 | Use of Other Sources or Other Adjustments Recommended | Modified Over / (Under) Spend 2019/20 | Target Over / Under Spend - November 2019 Review |
| Field: | £'000 | £'000 | £'000 | £'000 | £'000 | £'000 |
| Council Tax | * | * | (495) | | (495) | 0 |
| Council Tax Premium | * | * | 0 | | 0 | 0 |
| Council Tax Reductions | * | * | (183) | | (183) | 0 |
| Others | * | * | (334) | | (334) | 0 |
| Adjustment - Closure of 2019/20 Accounts | | | | 1,012 | 1,012 | 0 |
| Corporate Total | * | * | (1,012) | 1,012 | 0 | 0 |

Corporate

Council Tax and Council Tax Premium - favourable position of additional tax on Council Tax, however, the Valuer's Office has already permitted the transfer of 397 properties from the Council Tax list to the Non-domestic Rates list during 2019/20 (453 in 2018/19, 282 in 2017/18, and 199 in 2016/17). During the year, £2.9m of Council Tax Premium was collected and assigned to be considered for the Housing Strategy.

Council Tax Reductions - underspend of (£183k) as the number of applications to the Council Tax Reduction (Benefits) scheme was generally at its lowest level for the fourth year in succession across North and Mid-Wales in 2019/20, but an increase was seen in early 2020/21 which derived from the Covid-19 crisis.

Others - the pressures across a substantial number of budgets not as much as anticipated and, therefore, underspending.

It is recommended that departments that overspend in 2019/20 should be assisted with funding from the following sources:

- net underspend of (£1,012k) on Corporate budgets
- underspend of (£70k) by the Environment Department, which is above the underspend threshold of (£100k) permitted for Departments.
- use (£825,044) from the reserve harvesting exercise and provisions detailed in **Appendix 3**
- finance the rest that is left to be funded, namely (£1,799k) from the Council's Financial Strategy Reserve.

Harvested resources following a review of reserves and provisions

Following a review of the reserves and provisions, it is recommended to release the following sums from the reserves and provisions below:

| Reserve | Sum to be released £ |
|--|---------------------------------|
| Corporate Support Underspend (harvesting above specific threshold) | 60,842 |
| Underspend of the Finance Department (harvesting above specific threshold) | 58,984 |
| Completed Various Historical Projects | 308,464 |
| Various Reserves for Completed Systems | 151,184 |
| Welfare Reform Field Requirements (no commitment for it) | 121,570 |
| Risk Management (no commitment for it) | 100,000 |
| Total | 801,044 |

| Provision | Sum to be released £ |
|--------------------------------|---------------------------------|
| Third Party Claims (completed) | 24,000 |
| Total | 24,000 |

using them to:

| Reserves and Provision harvested | Sum £ |
|--|------------------|
| Funding the overspend of Departments that overspend in 2019/20 | 825,044 |
| Total | 825,044 |

Agenda Item 7

REPORT TO THE CABINET 16 JUNE 2020

Cabinet Member: Councillor Ioan Thomas, Finance Cabinet Member

Subject: Capital Programme 2019/20 –
End of Year Review (31 March 2020 position)

Contact Officer: Ffion Madog Evans, Senior Finance Manager

The decision sought / Purpose of the report

- To accept the report on the end of year review (31 March 2020 position) of the capital programme.
 - Note the £29,069,000 spent on the capital programme during the financial year 2019/20, which will be included in the statutory financial statements for 2019/20.
 - Approve the revised financing as shown in part 4 of the report, that is:
 - £245,000 increase in the use of borrowing
 - £2,363,000 increase in the use of grants and contributions
 - £17,000 decrease in the use of capital receipts
 - £244,000 increase in the use of revenue contributions
 - No change in the use of the capital reserve
 - £74,000 increase in the use of renewal and other reserves
-

1. Introduction / Summary

This technical report is presented as part of the 2019/20 end of year procedure. The main purpose of the report is to present the revised capital programme and to approve the relevant financing sources. There is a summary in parts 3 and 4 of the report, with the recommendations in part 6:

Part 3: Analysis by Department of the £92.044m capital programme for the 3 years 2019/20 – 2021/22.

Part 4: The sources of finance for the net increase of approximately £2.909m since the previous review.

Part 5: Detail on additional grants since the previous review.

The Cabinet has the authority to adapt the capital programme. Approval is sought for the proposed programme (part 3) and financing (part 4).

The remainder of the report is for information:

- Appendix A: Main changes per source of finance
- Appendix B: Movement from 2019/20 to 2020/21

2. Main Findings

The main findings that arise from the revised position are:

- The Council succeeded in spending approximately £29.1m in 2019/20 on capital projects, with £16.2m (56%) funded from specific grants and £3.9m from the general capital grant.
- In addition to the £17.1m which was reported at the previous 2019/20 reviews a further £5.7m of proposed expenditure has been re-profiled from 2019/20 to 2020/21, but no loss of funding was caused to the Council where schemes have slipped.

3. Capital Programme 2019/20 to 2021/22

See below the revised proposed capital programme as at the end of March 2020.

| DEPARTMENT | END OF MARCH REVIEW | | | | INCREASE / (DECREASE) SINCE THE PREVIOUS REVIEW |
|----------------------------------|---------------------|---------------|---------------|---------------|--|
| | 2019/20 | 2020/21 | 2021/22 | TOTAL | |
| | £'000 | £'000 | £'000 | £'000 | |
| Education | 8,757 | 10,110 | 1,895 | 20,762 | 1,174 |
| Environment | 1,926 | 2,555 | 178 | 4,659 | 202 |
| Corporate Support | 0 | 119 | 0 | 119 | 0 |
| Finance | 926 | 458 | 1,237 | 2,621 | 190 |
| Economy and Community | 1,037 | 2,155 | 330 | 3,522 | 101 |
| Housing and Property | 5,328 | 10,931 | 4,528 | 20,787 | 240 |
| Adults, Health and Wellbeing | 1,926 | 2,993 | 2,400 | 7,319 | 41 |
| Children and Supporting Families | 303 | 1,652 | 250 | 2,205 | (502) |
| Highways and Municipal | 8,229 | 8,212 | 2,200 | 18,641 | 527 |
| Consultancy | 637 | 3,640 | 3,410 | 7,687 | 52 |
| Corporate | 0 | 3,037 | 685 | 3,722 | 884 |
| TOTAL | 29,069 | 45,862 | 17,113 | 92,044 | 2,909 |

4. Changes to the Sources of Finance

The budget for the three year programme shows an increase of £2.909m since the previous review. The finalised sources of financing for 2019/20 at the end of March 2020 can be seen below, with the proposed revised position for the subsequent years:

| SOURCE OF FINANCE | END OF MARCH REVIEW | | | | INCREASE / (DECREASE) SINCE THE PREVIOUS REVIEW £'000 |
|----------------------------------|---------------------|---------------|---------------|---------------|---|
| | 2019/20 | 2020/21 | 2021/22 | TOTAL | |
| | £'000 | £'000 | £'000 | £'000 | |
| Supported Borrowing | 4,108 | 7,535 | 6,610 | 18,253 | 0 |
| Other Borrowing | 1,871 | 4,226 | 2,567 | 8,664 | 245 |
| Grants and Contributions | 20,083 | 9,976 | 0 | 30,059 | 2,363 |
| Capital Receipts | 423 | 855 | 0 | 1,278 | (17) |
| Departmental & Corporate Revenue | 1,486 | 2 | 0 | 1,488 | 244 |
| Capital Fund | 8 | 2,277 | 3,801 | 6,086 | 0 |
| Renewals & Other Funds | 1,090 | 20,991 | 4,135 | 26,216 | 74 |
| TOTAL | 29,069 | 45,862 | 17,113 | 92,044 | 2,909 |

5. Additional Grants

Since the previous review the Council has succeeded in attracting and applying the following additional grants to the capital programme (net sum totalling £2,363k - see Appendix A for more information) :

- £1,975k Schools Capital Maintenance Grant
- £200k HWB Schools Infrastructure Grant – the capital element of the direct funding provided by Welsh Government for schools' IT equipment
- £193k Grants for Recycling and Waste Management
- £162k Local Transport Fund Grant
- £100k Land drainage and flood alleviation grants
- £97k Welsh Government Museums and Libraries Grant
- £50k New Integrated Care Fund Grant towards disability adaptations
- £36k Welsh Government and Natural Resources Wales grants towards countryside schemes
- £32k Intermediate Care Fund (ICF) – adapting establishments as well as facilitating joint working arrangements with other agencies.

6. Recommendations

The Cabinet is asked to:

- accept the report on the end of year review (31 March 2020 position) of the capital programme,
- note the £29,069,000 spent on the capital programme during the financial year 2019/20, and
- approve the relevant sources of finance (part 4 above).

7. Reasons for Recommending the Decision

It is necessary to ensure appropriate financing arrangements for the Council's plans to spend on capital, and the Cabinet must approve the capital programme and its sources of funding.

Incorporating funding via grant is a point of order, but it is also necessary to deal with situations where there has been a change in expenditure profiles between years and the value of capital receipts and contributions.

These are recommendations to ensure definite sources of funding for the 2019/20 – 2021/22 capital schemes.

8. Relevant Considerations

These are technical issues regarding the financing of schemes and relevant implications and debates have already been addressed when the individual schemes were adopted.

9. Next Steps and Timetable

To implement the recommendations to finance the programme.

View of the Local Member

Not relevant.

Views of the Statutory Officers

Monitoring Officer:

No observations to add from a propriety perspective.

Head of Finance:

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

Appendices

Appendix A – Details of Main Changes

Appendix B – Details of Budget Re-profiling

Details of Main Changes

See below the relevant schemes that have caused the main changes to the sources of finance since the previous review :

| | 2019/20 | 2020/21- 2021/22 |
|--|---------|---------------------|
| | £'000 | £'000 |
| Grants and Contributions | | |
| <ul style="list-style-type: none"> Expansion of 21st Century Schools Grant and the correction of an element of Child Care Grants which was included twice (<i>Education Department and Children and Families Department</i>). | (479) | |
| <ul style="list-style-type: none"> Schools Capital Maintenance Grant (<i>Education Department and Housing and Property Department</i>). | 1,975 | |
| <ul style="list-style-type: none"> New Integrated Care Fund Grant towards disability adaptations (<i>Housing and Property Department</i>). | 50 | |
| <ul style="list-style-type: none"> Intermediate Care Fund (ICF) – additional grant from the Welsh Government for adapting establishments as well as facilitating joint working arrangements with other agencies (<i>Adults, Health and Wellbeing Department</i>). | 32 | |
| <ul style="list-style-type: none"> HWB Schools Infrastructure Grant – the capital element of the direct funding provided by Welsh Government for schools' IT equipment (<i>Finance Department</i>). | 200 | |
| <ul style="list-style-type: none"> Land drainage and flood alleviation grants from the Welsh Government (<i>Consultancy Department</i>). | 100 | |
| <ul style="list-style-type: none"> Local Transport Fund Grant from Welsh Government towards several different schemes (<i>Environment Department</i>). | 162 | |
| <ul style="list-style-type: none"> Welsh Government and Natural Resources Wales grants towards countryside schemes (<i>Environment Department</i>). | 36 | |
| <ul style="list-style-type: none"> Grant for Recycling and Waste Management from the Welsh Government (<i>Highways and Municipal Department</i>). | 193 | |
| <ul style="list-style-type: none"> Welsh Government Museums and Libraries Grant (<i>Economy and Community Department</i>). | 97 | |

| | |
|--|------|
| Other Borrowing | |
| <ul style="list-style-type: none"> Recycling and Municipal Vehicles (<i>Highways and Municipal Department</i>). | 245 |
| Capital Receipts | |
| <ul style="list-style-type: none"> Changes to Municipal Schemes due to receipt of grants (<i>Highways and Municipal Department</i>). | (14) |
| Departmental Revenue | |
| <ul style="list-style-type: none"> Various schools' vehicles including Bro Idris and Godre'r Berwyn (<i>Education Department</i>). | 72 |
| <ul style="list-style-type: none"> Match funding for Bangor Access Scheme (<i>Economy and Community Department</i>). | 20 |
| <ul style="list-style-type: none"> Contributions towards various Highways schemes (<i>Highways and Municipal Department</i>). | 33 |
| <ul style="list-style-type: none"> Match funding for various Housing schemes including the Gypsy Site and Enable Schemes (<i>Housing and Property Department</i>). | 120 |
| Renewals and Other Funds | |
| <ul style="list-style-type: none"> Correction of match funding for Bangor Access Scheme (<i>Economy and Community Department</i>). | (20) |
| <ul style="list-style-type: none"> Adjustment to the match funding for flood alleviation schemes (<i>Consultancy Department</i>). | (56) |
| <ul style="list-style-type: none"> Funding adjustment for financing vehicles and fuel tanks from renewals funds (<i>Highways and Municipal Department and Housing and Property Department</i>). | 63 |
| <ul style="list-style-type: none"> Waste Management schemes including skips and recycling carts (<i>Highways and Municipal Department</i>). | 75 |

Details of Budget Re-profiling

See below the main schemes that have been re-profiled since the original budget:

| | 2019/20 £'000 | 2020/21 £'000 |
|---|------------------|------------------|
| Asset Plan Resources not allocated until 2020/21 (<i>Corporate</i>) | (1,123) | 1,123 |
| Schools' Schemes (21 st Century and Other) (<i>Education Department</i>) | (5,244) | 5,244 |
| Health and Safety Schemes (<i>Corporate Support Department</i>) | (106) | 106 |
| Adults establishments' schemes (<i>Adults, Health and Wellbeing Department</i>) | (1,137) | 1,137 |
| Penygroes Health and Care Hub (<i>Adults, Health and Wellbeing Department</i>) | (250) | 250 |
| Segontium Day Service Relocation Scheme (<i>Adults, Health and Wellbeing Department</i>) | (157) | 157 |
| Flood Alleviation Schemes (<i>Consultancy Department</i>) | (281) | 281 |
| Vehicles Renewals (<i>Highways and Municipal Department and Environment Department</i>) | (2,695) | 2,695 |
| Transport Schemes (<i>Environment Department</i>) | (1,898) | 1,898 |
| Car Park Resurfacing (<i>Environment Department</i>) | (230) | 230 |
| Countryside Schemes (<i>Environment Department</i>) | (134) | 134 |
| Adaptation Schemes, Repairs and Maintenance etc on Council Buildings (<i>Housing and Property Department</i>) | (2,833) | 2,833 |
| Council's Carbon Management Schemes (<i>Housing and Property Department</i>) | (1,192) | 1,192 |
| Housing Strategy Schemes (<i>Housing and Property Department</i>) | (2,056) | 2,056 |
| TRIP Grant Schemes (<i>Housing and Property Department</i>) | 352 | (352) |
| Other Housing Schemes (<i>Housing and Property Department</i>) | (141) | 141 |
| Caernarfon and Bangor Regeneration and Renewal Schemes (<i>Economy and Community Department</i>) | (718) | 718 |
| Maritime, Leisure and Library Schemes (<i>Economy and Community Department</i>) | (558) | 558 |

| | | |
|--|-------|-----|
| Child Care Grant Schemes (<i>Children and Families Department</i>) | (509) | 509 |
| Highways Schemes (<i>Highways and Municipal Department</i>) | (518) | 518 |
| Municipal Schemes (<i>Highways and Municipal Department</i>) | (319) | 319 |
| Schools Repairs and Maintenance Grant (<i>replaced funding in 19/20, which is carried over to 20/21</i>) | (884) | 884 |

Note:

The above re-profiling will not result in any loss in grant.

There is a variety of valid reasons behind the re-profiling in many cases, but the delay prior to implementing these schemes can mean that the services have to cope for longer with current assets which have not been improved.

Agenda Item 8

REPORT TO THE CABINET

16 JUNE 2020

Cabinet Member: Councillor Ioan Thomas, Cabinet Member – Finance

Subject: COVID19: Fixed Fee Considerations

Contact officer: Ffion Madog Evans, Senior Finance Manager
Dafydd L. Edwards, Head of Finance Department

1 Decision sought

The Cabinet is requested to provide guidance on whether or not it requires some fixed fees to be reduced or deferred as a result of the COVID19 crisis, in order to be able to act accordingly.

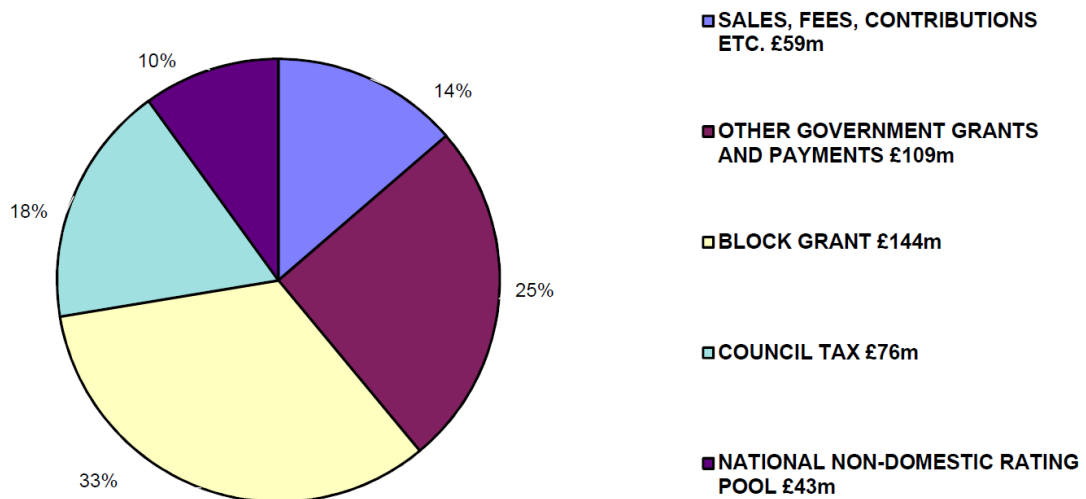
2 Purpose of the Report

To inform the Cabinet of considerations relating to fixed fees that derive from the COVID19 crisis, where consideration should be given to reduce or refund a proportion of the fees with the purpose of ensuring financial fairness, avoiding financial hardship, protecting the Council's interests and protecting future income.

3 Background

At the Full Council meeting dated 5 March 2020 a net budget of £262 million was approved for 2020/21, with the gross budget for the year being £431 million. The diagram below shows that 14% of the Council's income comes from sales, fees, contributions etc.

WHERE THE MONEY COMES FROM - £431 million



The Cabinet has already received a report on the impact of COVID19 on the 2020/21 Budget, which was submitted on 19/05/2020, noting that the anticipated range of income losses during the crisis was between £5 million and £16 million, depending on the duration of the crisis. The major income losses during the period until the end of June 2020 is seen in the Byw'n lach (£1.1 million), School Meals (£1 million), Parking (£600k), Highways Contracts (£600k) and Gwynedd Consultancy (£500k).

An income-related issue for which the Cabinet's decision is sought as a result of the crisis is considerations involving fixed fees. The Council receives a wide range of fees and payments across many of its services, and the nature of the income varies from payment every time a service is received to the use of fees for a fixed period e.g. annually, season tickets etc.

It is currently unknown how long the crisis will last and what the medium term impact will be, but it is possible that income levels are unlikely to recover for many years. However, this report only covers the 2020/21 fees position.

4 Fixed Fees

After the Finance Department engaged with all Council departments about their fees, the relevant fees that require consideration by the Council are listed in this report, with the usual procedure deemed appropriate for fees in all other fields. Fees are listed per department, with a different procedure recommended for the fees of four departments, which can be categorised as follows:

- Fees not yet invoiced
- Fees remaining on 2019/20 levels without inflation increases
- Fees paid in advance
- Maritime fees where access has been restricted
- Rents

Generally, the Cabinet's decision is required on how to proceed in relation to the fixed period fees.

5 Highways and Municipal

As the crisis struck in March immediately before the beginning of the new financial year, it means that some fees have not yet been charged for the new 2020/21 financial year, which includes fees for commercial waste.

5.1 Commercial Waste

A number of businesses have had to close during the period but commercial waste collection rounds have continued and, therefore, the service is still available. A number of businesses and bodies that have closed have been eligible to receive business grants and an exemption from business rates.

Recommendation: *A payment should be requested that corresponds to the service received, asking the Department to invoice when collections start, therefore, it is already possible to invoice a number of businesses.*

5.2 Crematorium and Cemeteries

In light of the crisis, the usual inflation increase has not been implemented to increase fee levels from the 2019/20 financial year to the new 2020/21 financial year.

Recommendation: *Under the current circumstances, it is considered appropriate not to increase these prices during the crisis, therefore, the fees will remain on 2019/20 levels.*

6 Education

Some of our fees are for services that take place over a period of time or that take place more than once, therefore, they are paid in advance before the service is received - this applies to fees in the Education Department. As schools were closed urgently on 20 March, this means that parents had paid in advance for school meals, the element of care before school and post-16 transport but have not received the service.

6.1 Primary School Meals

The current on-line system to pay for school meals enables parents to pay in advance.

Recommendation: *Under the circumstances, it is appropriate for the money to be transferred with the child especially if they transfer from primary to secondary school, otherwise, a refund could be offered.*

6.2 Pre School Care Club

As in 6.1, the current on-line system enables parents to pay in advance.

Recommendation: *Under the circumstances, it is appropriate for a refund to be offered if the children move schools or if they transfer from primary to secondary school.*

6.3 Post-16 Transport - 16+ Travel Pass

Advance payments for the summer term.

Recommendation: *The fees for the summer term to be refunded, and arrangements for 29/06/2020 - 27/07/2020 to be considered at a later date.*

7 Housing and Property

7.1 Property - Rents and office / room hire

7.2 Industrial Units - Rents

7.3 Intec and Mentec - Rents

Rents in a number of fields including hiring offices and meeting rooms, industrial units, Intec and Mentec. The Department has not yet invoiced for 2020/21. Businesses in industrial units have received business grants / business rates relief.

Recommendation: *The Department is requested to proceed to invoice for rents in full but it is possible for individual businesses to contact the Council to discuss their specific situation if they are facing hardship and we will be willing to listen and respond appropriately.*

8 Economy and Community

8.1 Rents - hiring space in Libraries, use of Parc Padarn, Glynllifon Units

The Department has not yet invoiced for 2020/21. Businesses in units have received business grants / business rates relief.

Recommendation: *The Department is requested to proceed to invoice for rents in full but it is possible for individual businesses to contact the Council to discuss their specific situation if they are facing hardship and we will be willing to listen and respond appropriately.*

8.2 Maritime - Hafan Pwllheli Mooring Fees

8.3 Maritime - Harbours and Victoria Dock Mooring Fees

In terms of maritime fees, access to mooring and pontoons has been prohibited and it is not possible to use the usual facilities as a result of the restrictions, with a number of boat owners storing their boats ashore this year. Reduced fees should be considered during the lockdown period in order to try to keep our customers. *The department has not yet invoiced.*

Recommendation: *where access to boats and harbour facilities has been restricted, fees should be reduced to the 'winter fee' which equates to 70% of the full fee in order to keep customers.*

Local member's views

Not relevant

Views of the statutory officers**The Monitoring Officer:**

The justification for the recommendations reflect the direct effect of the crisis on access to services provided to individuals and businesses. Some of the fees also have a relevant commercial and contractual context which needs to be considered. I am satisfied that what is recommended is logical and fair.

Head of Finance:

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

REPORT TO THE CABINET (16/06/2020)

Cabinet Member: The Councillor Cartin Wager

Subject: To establish the right for the SuDS Approval Body (SAB) to charge a fee for providing a pre-application service.

Contact officer: Emlyn Jones, Assistant Head, YGC

1. The decision sought

- 1.1 An approval to the principle of the SAB charging a fee for the pre-application service they currently provide.
 - 1.2 An agreement on the fees the SAB propose to charge.
-

2. Introduction

2.1 Background

2.1.1 Schedule 3 of the Flood and Water Management Act became operational in Wales on the 7th of January 2019. It requires any new development which has drainage implications and a construction area of 100m² or more to comply with the National Standards for Sustainable Drainage. Schedule 3 of the Flood and Water Management Act 2010 also places a duty on all local authorities to establish a Suds Approval Body (SAB), which approves, adopts and maintains systems in accordance with Section 17 of the Schedule.

2.1.2 The statutory duties of the SAB in Gwynedd are carried out by YGC.

2.1.3 Application Fees are governed by the Sustainable Drainage (Application for Approval Fees)(Wales) Regulations 2018 and must be calculated by reference to the size of the construction area. An application fee of £350 is payable plus the following up to a maximum of £7,500:-

£70 for each 0.1 hectare or fraction of a 0.1 of a hectare, for the first 0.5 hectare;
£50 for each 0.1 hectare or fraction of a 0.1 of a hectare, from 0.5 hectare up to and including 1.0 hectare;

- £20 for each 0.1 hectare or fraction of a 0.1 of a hectare, from 1.0 hectare up to and including 5.0 hectares; and
£10 for each additional 0.1 hectare or fraction of a 0.1 of a hectare in excess of 5.0 hectares.
- 2.1.4 The Regulations also prescribe for an Inspection Fee as a condition of approval to enable cost recovering whilst ensuring construction takes place in accordance with the Sustainable Drainage Approving Body approval. This has been set at £168 for each inspection undertaken.
- 2.1.5 Whilst the Regulations set the application fee (see above), the Statutory Guidance and Standards promote the need to provide a pre-application advice service, so that SuDS matters can be discussed at an early stage of project development. Up to now, this service has been provided for free in Gwynedd. Developers have noted that it is a beneficial service, since early discussions can lead to review of plans in a timely manner and avoiding delays at a later stage of a project, which can prove costly.,
- 2.1.6 Some of the pre-application discussions can take a significant amount of officer time, they are often of a technical nature and therefore need close scrutiny. By now it is considered timely to charge a fee for this service, similar to the charges raised by the Planning pre-advice service, to ensure that the service is sustainable and to cover the staff time costs incurred.
- 2.1.7 Our proposal is to charge a fee for some elements of the pre-application service, as noted in Appendix 1 of this document. This will define the pre-application process.
- 2.1.8 We are keen to encourage good working relationships with our applicants, where an applicant can contact the SAB for an informal conversation or meeting for simple advice relating to their application. Our proposal is to continue to provide this element of the service for free, allowing up to an hour of officer time per applicant. This type of discussion has been welcomed, especially by smaller scale applicants such as self-builders and agricultural developments, where a brief conversation with an officer is often sufficient for a development of that nature.
- 2.1.9 Up to now, the pre-application service has recognised the need for several applications to be re-designed in order to fully comply with the principles and standards set by Welsh Government. The positive knock-on effect of this is to reduce the determination time of the full applications when submitted. Ultimately, the pre-application advice reduces the time for the customer from submitting an application, receiving a determination and being able to start construction work. It also reduces the risk of the application being rejected.

2.2 Update on the work of the SuDS Approval Body (SAB)

- 2.2.1 At the moment the SAB continues to provide a free pre-application advice service, where consultants or developers can contact us before submitting a full application. The meetings held have been positive and appreciated by developers as most have highlighted minor problems which can be rectified prior to submitting their formal application.
- 2.2.2 The Gwynedd SAB continues to sit of the National SuDS Implementation Group, which feeds back into Welsh Government.
- 2.2.3 The SAB works regionally across North Wales, trying to ensure consistency in applying the new requirements, mainly through establishing common polices and processes and also through the sharing of resources.
- 2.2.4 As well as undertaking SAB duties on behalf of Gwynedd Council, the SAB also provides SAB services to the Isle of Anglesey and Wrexham Councils through a commercial agreement. Gwynedd's SAB undertakes the technical approval of applications for both Counties.
- 2.2.5 In order to raise awareness of SuDS requirements on new developments the SAB has been working with the Gwynedd and SNPA's Planning Authorities, architects and agents. The SAB has produced information sheets which can be distributed to developers as well as a series of simpler information sheets suitable for use on social media, to raise awareness to the general public. Gwynedd and YGC's social media platforms will be used to share this information, which will be published within the next few weeks.
- 2.2.6 The SAB has received 25 full applications and 14 formal pre-applications to date, combined with daily pre-application discussions. These numbers are expected to grow in time.
- 2.2.7 Following an investigation into how many approved Planning applications were submitted between January and June 2019, it became apparent that 41 of these applications also needed a SAB application. All applicants where sent a letter to raise their awareness of the requirements and offering advice prior to them submitting an application. This investigation was re-run between July and December 2019, and a further 41 approved Planning applications needed a SAB application. This task will be re-run to cover Planning applications approved since December 2019.

3. Reasons for recommending the decision

- 3.1 Providing advice on SAB applications is a specialist field which requires the relevant technical training and experience. As expected, the number of SAB applications are increasing.
- 3.2 Introducing a fee for the pre-application service will re-coup some of the costs associated with providing the service. Whilst we are eager to continue to provide some elements without a fee, the aim of the SAB is to become self-sufficient in terms of cost.
- 3.3 Pre-application advice fees will initially be set at 30% of the full application fee. This is considered sufficient to cover staff costs associated with initial discussions, scrutiny of supplied information, attendance at meetings and provision of formal feedback. Multiple submissions or revisions would require the payment of additional fees if the scope of work significantly exceeds that as detailed within Appendix 1.
- 3.4 Any work which goes above the threshold described in Appendix 1 would comprise a bespoke fee based on an hourly charge to provide further Services. This would include, but not limited to: attendance at meetings, supplementary technical review of amended or revised design details, attendance at site visits etc. For this service the SAB will prepare a bespoke fee proposal confirming deliverables and providing a cost breakdown for the applicant's consideration prior to their acceptance.
- 3.5 Table 1 notes the fee proposed by the SAB, based on the size of the development area and the level of service provided. The fees and areas are in line with those which are determined by the Regulations.

3.6 Table 1

| Development Size | SAB Pre-app Fee |
|-------------------------|-----------------|
| 0 – 0.1ha (minimum fee) | £126 |
| 0.5 ha | £210 |
| 1.0 ha | £285 |
| 5.0 ha | £525 |
| 10.0 ha | £675 |
| 65.0 (maximum fee) | £2250 |

- 3.7 Appendix 1 also details services that will not be included within the process. This includes direct consultation from the SAB to statutory consultees defined within the legislation.

- 3.8 This will be closely monitored following implementation to ensure the approach is reasonable and does not result in excessive charges to applicants or does not result in cost recovery associated with the provision of this service by the Council requiring subsidy from elsewhere.

4. Relevant Considerations

- 4.1 Giving the right to the SAB to charge a pre-application service fee would lead to more SAB applications of a higher standard, which meet the requirements of the Regulations. This will lead to fewer applications needing to be re-designed or rejected following submission of the full application, therefore reducing the time between submitting the application and the start of Building work, which is important to the customer.
- 4.2 It will also aid the SAB in reaching the statutory requirement of determining applications within 7 weeks, or 11 weeks for those applications which need and Environmental Impact Assessment.
- 4.3 These arrangements are consistent with those established in other local authorities across Wales. Many Councils are already charging a fee for this service, such as Cardiff, Caerphilly, Rhonda Cynon Taff and Pembrokeshire Councils. In the North, Wrexham Council have adopted similar arrangements to those proposed here, and the other North Wales Councils have expressed their intention to follow the same path.

5.0 Next Steps and timescale

- 5.1 Subject to this request being approved, the intention is to put arrangements in place to charge pr-application fees by August 2020.

Opinion of the statutory officers

The chief executive:

The monitoring Officer:

The principle of charging fees for pre-application service is acceptable, and the Welsh Government guidance on SUDs refers specifically to this. The Pre-application service requires substantial work on the part of officers which is of great benefit to the developer, and means early professional engagement in order to improve the standard of applications. This is an additional service which is being provided which has associated costs. Monitoring arrangements are in place in order to ensure reasonableness, and I note the fees are consistent with other authorities. No further comments in relation to propriety.

Head of Finance:

Approving the right to charge a fee will not only bring additional income to the Council to fund the Unit, but will also facilitate the design process for the customer by avoiding having to re-submit applications which will save them time in the end.

Attachments

Appendix 1 - SAB Pre-Application Advice Service and Fees

Atodiad 1 - SAB Pre-Application Advice Service and Fees

| Service | Size of application | Charge | Description of service/deliverables |
|--|---------------------------------|---|--|
| Pre-application scoping & Discussion | All Sites | No Charge | A meeting/discussion of up to one hour in duration at SAB offices/telephone to discuss principles and requirements of SuDS standards and introduce pre application advice service if applicable |
| Pre-application advice service <i>(Please Note: This service will not consult Statutory Consultees. Applicants are advised to consider direct consultation where appropriate.)</i> | 0 to 0.1ha (minimum Fee) | £126 | Stage 1: Meeting with the reviewing SAB Officer of up to two hours duration. This is an opportunity for the applicant to present their proposed drainage strategy and solutions for discussion, initial feedback and comment. |
| | 0.1 to 0.5 ha | £126 - £210 | |
| | 0.5 to 1.0 ha | £210 - £285 | Stage 2: Formal technical review of information and documentation submitted following Stage 1 meeting. A summary report providing opinion with respect to compliance of the proposed drainage design with each of the 6 National Standards and the principles underpinning those standards will be provided within 21 working days of submission. |
| | 1.0 to 5.0 ha | £285 - £525 | |
| | 5.0 to 10.0 ha | £525 - £675 | |
| 10.0 to 65 ha (maximum fee) | £675 - £2250 | <i>Please note: the level of detail provided is dependent on the information supplied at the pre-application stage and feedback on the standards can only be provided if relevant information/documentation has been supplied as part of the pre-application process.</i> | |
| Additional service above that | N/A | Per hour | Provision of additional services including: attendance at meetings, |

| | | | |
|---|--|--|---|
| detailed in the Pre-application advice service | | | supplementary technical review of amended/revised designs, additional site visits etc. |
|---|--|--|---|