

THE CABINET 23/01/24

Present -

Councillors: Dyfrig Siencyn, Nia Jeffreys, Beca Brown, Menna Trenholme, Berwyn Parry Jones, Craig ab Iago, Dafydd Meurig, Dilwyn Morgan, Elin Walker Jones and Ioan Thomas.

Also present-

Dafydd Gibbard (Chief Executive), Huw Dylan Owen (Statutory Director of Social Services), Geraint Owen (Corporate Director), Iwan Evans (Head of Legal Services), Dewi Aeron Morgan (Head of Finance Department) and Annes Sion (Democracy Team Leader).

Items 6, 7, 8 and 10: Ffion Madog Evans (Assistant Head - Finance Department)

Item 9: Gwern ap Rhisiart (Head of the Education Department), Debbie Anne Jones (Assistant Head of the Education Department: Corporate Support) and Gwyn Tudur (Assistant Head: Secondary).

1. APOLOGIES

The Cabinet Members and Officers were welcomed to the meeting.

No apologies were received.

Front-line staff were thanked for their work during the harsh weather.

2. DECLARATION OF PERSONAL INTEREST

There were no declarations of personal interest.

3. URGENT ITEMS

There were no urgent items.

4. MATTERS ARISING FROM OVERVIEW AND SCRUTINY

There were no matters arising from overview and scrutiny.

5. MINUTES OF THE MEETING HELD ON 19 DECEMBER 2023

The minutes of the meeting held on 19 December 2023 were accepted as a true record

6. REVENUE BUDGET 2023/24 - END OF NOVEMBER REVIEW 2023

The report was submitted by Cllr Ioan Thomas.

DECISION

- 1) To accept the report of the end of November 2023 review of the Revenue Budget and to consider the latest financial situation regarding the budgets of each department / service.
- 2) To note that significant overspend was anticipated in the Adults, Health and Well-being Department, the Children and Supporting Families Department, and the Highways, Engineering and YGC Department this year.
- 3) Approve the transfer of £4,241k of underspend on corporate budgets to the Council's Financial Strategy Reserve.

DISCUSSION

The report was submitted, and it was noted that the review detailed the latest review of the Council's revenue budget for 2023/24, and the forecasts towards the end of the financial year. It was explained that the review suggested that all the ten departments would overspend by the end of the year. It was added that there would be a substantial overspend by the Adults, Health and Well-being Department, the Children and Supporting Families Department and the Highways, Engineering and YGC Department.

It was noted that the department anticipated a financial gap of £8.1m compared to the £9.1m noted in the August review. It was explained that the position was better by a million because of the use of one-off funds to assist the situation within departments.

The following main issues were highlighted:

Adults, Health, and Well-being Department - It was noted that the latest forecasts suggested £5.4 million overspend, which was a combination of several factors including several new and costly cases, higher staffing costs and sickness levels and high rates of non-contact hours. It was conveyed that the work commissioned by the Chief Executive was now underway to obtain a better understanding of matters and create a clear response programme.

Children and Supporting Families Department - it was explained that the financial situation had worsened substantially since the end of August review, and this was due to an increase in the costs of out-of-county packages. It was noted that the Department anticipated an overspend of £1.3m.

Education Department - It was noted that there was increasing pressure on the transport budget with an anticipated overspend of £1.15m. It was explained that there was a strategic review to try and manage the increase and to try and reduce the overspend.

Byw'n lach - it was expressed that Covid had had an impact on Cwmni Byw'n lach and it was noted that the financial support would continue this year and the required amount for this year had been decreased to £360k.

Highways, Engineering and YGC Department - an overspend of £780k was anticipated by the department, it was noted that this was because of a reduction in the commissioned work that had had a negative impact on the income of highway services. It was noted that income losses in ground maintenance and public toilets were also a factor.

Environment Department - it was noted that there was an annual trend of overspending in the waste collection and recycling fields, it was explained that additional routes had led to overspend in employment and fleet costs.

Housing and Property Department - It was explained that the trend of significant pressure on the homelessness temporary accommodation services continued to be very intense; and this year, £3m of Council tax premium as well as £1.2m one-off corporate Covid provision, had been allocated to address the additional costs.

Corporate - It was noted that there was a prudent assumption when setting the 2023/24 budget, with a decline in the numbers claiming council tax reduction had led to an underspend. It was noted that the impact of the current treasury management policy meant that it was possible to avoid external borrowing. It was explained that underspend on other budgets assisted to alleviate the additional pressure in terms of the national increase in the salaries of employees, which was confirmed in November.

It was noted that the situation meant that it was necessary to use the Council's reserves to fund the financial gap of £8.1m. It was stated that it was premature to transfer money from reserves until the financial situation had been finalised. It was recommended that the current procedure would be to use £3.8m from the Post-Covid Recovery Arrangements Fund with the rest to be budgeted from the Council's Financial Strategy Fund.

It was explained that the item had been discussed at the previous Governance and Audit Committee and it was noted that the following observations had been raised. Several members had noted that there were regular references to conducting reviews within departments. Concern had been highlighted by members that there was a lack of a timetable to report back from the reviews and therefore there was a risk that there would be slippage. A desire had been expressed for the Cabinet to push for a timetable where it was appropriate. Questions about grants had been highlighted, and whether the national grant arrangements had meant that the Council relied on the money and consequently spent revenue money in areas that were not necessarily the Council's priority area. It was clarified that the grant arrangements meant that the Government was micro-managing, but that there were plans to bring more grants into the settlement which would give more flexibility to prioritise.

The sustainability of the situation was questioned, noting that this level of overspending could not continue. It was emphasised that revenue bids for the

2024/25 budget addressed overspend and were essential. It was explained that the bids had been subject to detailed challenges to ensure that they would deal with actual cases of budget shortfalls and not a failure to manage a budget.

Observations arising from the discussion

- The Chief Executive added that the report pointed to overspending but stressed that the evidence highlighted that the budget was too low and the expenditure was not futile. It was explained that the review on overspending in the Adults, Health and Well-being Department had reached a conclusion and it had been reported before Christmas that they had identified five to six areas of overspending that would be supported through the bids system. It was added that the Council had sought assistance from the Local Government Association to look at the overspending costs in Social Care in case the Council had missed something. It was noted that a review was underway to look at School Transport and that steps would be in place for the next financial year. Regarding the Waste review, it was expressed that they had reported on the work and that the actions had seen the overspend halve this year, therefore this was going in the right direction.
- It was reiterated that a report in April would give forecasts for the mid-term, and currently they were very bleak, where it was very likely that detailed work would be needed to see what may be achieved within that budget. It was stressed that the future looked much worse than the present and this was the national message.
- It was explained that the Council had delivered nearly £40m of savings since 2016, which was almost 10% of the Council's budget.
- It was highlighted that the report noted that the number of second homes subject to a premium had reduced since last year along with a reduction in houses converting and subject to business tax. It was asked if there were any visible patterns and if this would continue to fall. It was noted that there was a gradual decline in housing subject to the premium and the trend had reversed in terms of properties transferring to business tax, with more properties reverting to residential properties. However, it was noted that there had been an increase in the number of houses receiving single person discounts, which was subject to an ongoing review.

7. SAVINGS OVERVIEW: PROGRESS REPORT ON REALISING SAVINGS SCHEMES

The report was submitted by Cllr Ioan Thomas.

DECISION

To accept the information in the report and note the progress towards realising the savings schemes for 2023/24 and previous years.

DISCUSSION

The report, which summarised the situation with the Council's savings, was submitted. It was noted that to close the funding gap this year £7.6m worth of

savings needed to be implemented during 2023/24. It was a combination of almost one million previously approved, savings for Schools of £1.1m, £3m for Council departments and a further £2.4m by reviewing the Council's capital debt repayment policy.

Recent years had highlighted difficulties in realising savings in some of these areas most prominently in the Adults, Health and Well-being Department and in the Waste field. It was expressed that £2m worth of schemes with significant risks for delivery were scrapped as part of the End of August Review.

It was explained that 98% of the schemes from 2015/16 up to the 2023/24 financial year had now been realised namely £33.7m of the £34.3m. In the context of new schemes in the current financial year, it was noted that 81% had already been realised and a further 6% were on track to be realised on time. It was clarified that there was a slight delay to the realisation of £694k worth of savings schemes, but the Departments did not anticipate a problem to realise these. It was emphasised that the majority of this amount consisted of £539k savings from schools as they worked in line with the academic year and therefore realisation would slip into the next financial year.

It was emphasised that £39m of savings had been realised from the required £41m over the period. It was anticipated that an additional 1% would be realised by the end of the financial year.

The Head of Finance highlighted the comments and points raised in the Governance and Audit Committee as follows. It had been asked how one could choose between financial propriety and the performance of a statutory duty, and what would need to be done once the money ran out. It had been explained that it was essential that the Council did everything to ensure that it did not get to this point. It had been noted that there was a need to ensure the Council received value for money and made the most of every pound. It had been expressed that failure to do this gave rise to a need to make a s114 statement, and that everything needed to be done to avoid getting to this point. It had been acknowledged that there was concern about a lack of resources to get things done but that this was the current reality.

It had been noted that there was an application to undertake modelling to predict future demand, and it had been explained that the Research and Information Team was at the forefront of this area. It had been highlighted that members had indicated that they were rapidly reaching the point where there was a need for the Council to re-examine the way it delivered services.

Observations arising from the discussion

- It was noted amid the narrative of increasing cuts and pressure on staff, the need to think of the impact it was having on staff was highlighted. It was expressed that the Council's main area of expenditure was employing staff and cutting back would lead to increased pressure on staff. It was emphasised that a staff well-being programme had been placed at the top of the agenda.
- It was challenged what "statutory" was and it was clarified that were areas where the Council was statutorily required to implement, such as planning and safeguarding children. It was explained that with the financial situation as it was that it was a challenge to determine where the boundaries were in terms of

carrying out statutory duties and to cut anything above this.

8. CAPITAL PROGRAMME 2023/24 - END OF NOVEMBER REVIEW

The report was submitted by Cllr Ioan Thomas.

DECISION

- To accept the report on the end of November review (30 November 2022 position) of the capital programme.
- To approve the revised financing as shown in part 3.2.3 of the report, namely: - an increase of £3,576,000 in the use of borrowing - an increase of £2,373,000 in the use of grants and contributions - an increase of £317,000 in the use of revenue contributions - an increase of £1,038,000 in the use of renewal funds and others.

DISCUSSION

The report was submitted noting that the main purpose was to present the revised capital programme and to approve the relevant financing sources. It was explained that the main conclusions were that the Council had concrete plans in place to invest around £86.8m in 2023/24 on capital schemes, with £41.5m funded via specific grants.

It was expressed that the impact of recent financial challenges continued on the capital programme, with £23.2m namely 27% of the budget spent up to the end of November this year, compared to 40% over the same period a year ago. It was noted that an additional £27.4m of proposed spending had been re-profiled from 2023/24 to 2024/25 and 2025/26. Attention was drawn to some of the schemes which included £12.2m School Schemes, £11m Housing Strategy Schemes, £3.9m Coastal Risks and Flood Prevention Schemes.

It was highlighted that the Council had been successful in attracting additional grants since the last review which included £661k Circular Economy Capital Grant, £550k Grants for a 3G Community Synthetic Field on the Syr Hugh Owen School site.

Observations arising from the discussion

- It was stated that there was so much worry about the revenue schemes that the capital programme was often forgotten. It was made clear that the Council's ten-year assets plan would be set over the coming months, and it was highlighted that each service's requirements came to a total of £82m with capital funding at £38m and therefore there would be a need to cut back on expenditure.
- It was noted that this year's spending share was reported to be 27% which was lower than last year, and it was asked what the reason for this was. It was explained that this was due to poor profiling and some education schemes that had not moved forward.

9. PERFORMANCE REPORT OF THE CABINET MEMBER FOR EDUCATION

The report was submitted by Cllr Beca Brown.

DECISION

To accept and note the information in the report.

DISCUSSION

The report was submitted and Gwern ap Rhisiart was congratulated on his new role as Head of the Education Department. Members were reminded that the Authority had received a positive Estyn report published in September last year which testified to the organisation's hard work and everyone was thanked for their work.

It was highlighted that the department had been implementing plans within the new Council Plan but they were early days as it was a new plan. Some areas were highlighted as follows. In terms of the Transforming Early Years Education plan, it was noted that an external commissioner had been commissioned and a draft work plan had been created. It was expressed that this would reduce inconsistency in terms of the offer across the county. It was made clear that the Council was ahead of the Government's free school meals timetable, and that the upgrading work had now been carried out within schools. It was added that promotion work was needed specifically in some schools where the rate of children who benefited was lower.

It was expressed regarding the modernising of buildings and the learning environment that money may be re-directed to invest in Ysgol Hiraef and Ysgol Tryfan in Bangor, as construction costs had increased so much. It was added that in terms of the Well-being of Children and Young People and the Cost of sending Children to School that a questionnaire had been shared which would identify the actual cost of sending children to school and highlight the obvious costs of school uniforms, as well as drawing attention to more hidden costs.

In terms of the Immersion scheme, staff were thanked for their work and the children for all their efforts and there was a real need to celebrate the number of new Welsh-speakers the service had created. It was expressed that training continued within schools and that some secondary schools were in a *Say Something in Welsh* pilot scheme with the Welsh Government and that this highlighted that the department was seeking every opportunity to ensure the use of Welsh.

On a day-to-day basis it was highlighted that the attendance level remained an issue, but was visible locally, nationally and internationally following Covid. It was noted that the reasons were complex, but a great deal of work was being done. Sadness was expressed that Cabinet had taken the decision to close Ysgol Felinwnda but staff were thanked for all their work and the children were wished well in transferring to the two neighbouring schools.

Observations arising from the discussion

- The Head of Education added that the report highlighted a great deal of good news but the department was facing challenges; however, he was looking forward to moving on to work closely not only with department staff but also with the schools.
- It was highlighted that a teacher's job was not an easy job and all teachers and school staff were thanked profusely for their work and for their contribution in transferring the Welsh language to the next generation.
- It was asked how the immersion system was evaluated. The plan was to hold a user group to see what worked in order to improve the provision.

10. PERFORMANCE REPORT OF THE CABINET MEMBER FOR FINANCE

The report was submitted by Cllr Ioan Thomas.

DECISION

To accept and note the information in the report.

DISCUSSION

The report was presented, and it was noted that the department's performance had been generally good over the last few months and had made satisfactory progress with the relevant priority projects. Key issues arising from the department's performance were highlighted including the following items.

In terms of the IT Service – Support, it was noted that the service had been successful in filling key vacancies. It was highlighted that there had been over 3,453 requests for IT support during October and November 2023, with 93% calls opened and closed during the period. In looking at the IT Service – Infrastructure, it was noted that the availability of the Core Network and Critical Systems had been 100% during the period and there were no serious cyber incidents or service breaches.

Looking at finance services, the following projects were highlighted. In terms of the Income Service it was noted that the report continued to address the progress of the cases the service referred to the Legal Service to ensure that there was effective collaboration between both units. It was highlighted that the Benefits Service was performing consistently well, and the Manager and all service staff were thanked for ensuring that Gwynedd's most vulnerable people received the financial support they qualified for. It was expressed that the Payroll service had responded in a timely manner to the pay agreement for 2023/24 and had ensured that increases and remuneration had been paid to staff during November. Concern was highlighted at the failure of some services to notify the Payroll Service in a timely manner of any change in an individual's position so that action could be taken on time.

Much work had been undertaken to carry out the Ffordd Gwynedd review on the Tax service, and clear improvements had now emerged from the commitment of the Manager and the whole team to do the work. The savings schemes were highlighted and it was noted that all schemes except for one had been delivered for the 2015/16 – 2022/23 schemes. It was noted that the department did not anticipate that the scheme – Attracting additional income through an Internal Collection Agency would realise the £35k savings target so the department was looking for an alternative scheme. The total savings for 2023/24 for the Finance Department were noted to be £294,060 over 7 schemes. It was explained that £19,820 worth of schemes had already been realised and there were 3 other schemes and a total of £138,670 that were on track to deliver to the timetable. It was highlighted that 2 schemes worth £135,570 were slipping.

Observations arising from the discussion

- Attention was drawn to the Benefits Service, and it was noted that the department was consistently good; however, there was a need to encourage the people of Gwynedd to use the service to ensure they received the financial support available to them.

11. FORWARD WORK PROGRAM

The report was submitted by Cllr Dyfrig Siencyn.

DECISION

To approve the Forward Work Programme included with the meeting papers.

DISCUSSION

None to note.

The meeting commenced at 13:00 and concluded at 14:40

CHAIRMAN