

REPORT TO THE CABINET

Date 7 March 2017

Cabinet Member Councillor Peredur Jenkins

Subject Savings Strategy 2015/16 – 2017/18:
Progress report on realising savings schemes

Contact Officer Dafydd L Edwards, Head of Finance

DECISION SOUGHT

- A. To note the encouraging progress towards realising the 2015/16 – 2017/18 savings schemes.
- B. To formally accept that two historical schemes will fall short of the savings target, namely:

2013/14 scheme	North Wales Regional Hub	£29,684
2014/15 scheme	Enablement	£121,000
Total Savings to be Deleted		£150,684

- C. In order to achieve the target of £81,566 “Cross-departmental Savings to be found” in 2016/17, approve the use of savings that the Finance Department has realised early.
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1. INTRODUCTION / BACKGROUND

The progress of realising the savings which are in the 2015/16 – 2017/18 Savings Strategy is reported here. Realising the individual schemes is the responsibility of the relevant Cabinet members, and the Cabinet Member for Resources keeps an overview of the whole picture in order to identify any problems with the procedure, or any specific department.

In the 2016/17 Financial Strategy, we have planned for savings of £9,201,411.

2. DEPARTMENTAL SCHEMES

Appendix 1 summarises each departments’ achievement against the savings target set for the year 2016/17, and the position with regard to the slippage of historical schemes. Of the 141 schemes, 128 have been realised in full or in part, but it is anticipated that there will be slippage with 20 schemes or part of them, together with 12 historical schemes. This means that 92% of the 2016/17 schemes have now been realised, and a further 2% have reached gateway 5.3 (on track to be achieved on time). It is therefore anticipated that at least 94% of 2016/17 savings will be realised by the end of the financial year. It can also be seen that there is progress towards realising the historical savings which had slipped for various reasons.

In the Adults Department, steps were taken by the Head of Department and the Cabinet Member to address the concern regarding under achievement and slippages with several 2014/15 and 2015/16 schemes. It can now be reported that some progress can be seen with several of them, which has contributed towards the reduction anticipated in the departmental overspend for the year – as reported to the Cabinet on 14 February in the Revenue Budget Review (third quarter). Despite this, a significant challenge continues, with several schemes yet to be realised, and a percentage continuing in gateway 5.1 (the achievement program is behind or failing) or 5.2 (being implemented, but behind) at present.

Appendix 2 summarises the current forecast regarding realising 2017/18 schemes.

3. CROSS-DEPARTMENTAL SCHEMES

The £150,684 gap needs to be deleted from two historical schemes – “Enablement” and “North Wales Regional Hub”. The two schemes had been developed as part of the aim to identify £5m of Cross-departmental savings, but they have achieved less savings than anticipated. As a result, it is recommended that the Cabinet formally accepts this.

Schemes continue to be developed to achieve “Cross-departmental Savings”. The 2016/17 gap has since reduced to £81,566 but at present, there are no schemes which are mature enough to be presented for approval. It is recommended to use savings which have been realised early from three departmental schemes as follows:

Procurement savings (bank costs, security company, etc)	£50,566
Departmental property savings in the wake of closing offices	£11,000
Various savings transformation to electronic procedures	£20,000
Total to be used to balance the savings target	£81,566

There are no implications to the residents of Gwynedd by implementing these schemes.

4. CONCLUSION

Generally, I am satisfied with the progress in 2016/17, and the forecasts for 2017/18, but the new Cabinet Members will need to continue to monitor the savings schemes in 2017/18.

View of the Local Member

Not relevant

Views of the Statutory Officers

Chief Executive:

It is good to be able to report on the very high proportion of savings schemes which have been realised and that are programmed to be realised during the next year. Clearly, there is slippage with some schemes and this must be addressed.

There is no need for me to emphasise how important it is to maintain a clear focus on realising what is being planned as fully as possible in order to realise the Council's wish to increase efficiency savings in order to avoid the need for cuts.

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

Appendix 2