

REPORT TO THE COMMUNITIES SCRUTINY COMMITTEE

- Committee:** Communities Scrutiny Committee
- Date:** 5 December 2019
- Title:** The Environment Department, the Highways and Municipal Department and the Consultancy Department's savings proposals to meet their share of the potential £2m budget gap for 2020/21.
- Purpose:** Scrutinise the proposals of the Environment Department, the Highways and Municipal Department and the Consultancy Department to find the amount of savings and consider what those, or the alternative options, would mean.
- Contact Officer:** Head of Environment Department – Dafydd Wyn Williams
Head of Highways and Municipal Department – Steffan Jones
Head of Consultancy Department – Huw Williams
- Cabinet Member:** Environment Department – Gareth Griffith
Highways and Municipal Department and the Consultancy Department – Catrin Wager
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1. Introduction / Background

Over the past 12 years, the grant we receive from the Welsh Government has not been sufficient to meet inflation, which has led to a financial situation where the Council has had to make significant savings.

It is not possible at this time to give assurances on the financial position of 2020/21, as it is premature to confirm the pay agreement, financial settlement, the level of grant for 2020/21, as well as a number of other factors. However, we considered how we are going to cope with the situation, and the possibility that our settlement might not be adequate.

A report on coping with the 2020/21 financial position was presented to Cabinet on 23/7/19, which stated that the Council needed to plan on the basis of a financial gap with a range of between £2m and £7m. It was decided to plan on the basis that a £2m gap (the most optimistic situation) needed to be met by asking departments to find their share to address that amount, which corresponds to the resource deficit the Council is likely to face due to inflation.

If the gap faced by the Council exceeds £2m, the intention is to use balances and/or set a higher increase on Council Tax to give us time to find a permanent solution.

2. Proportion to be found by Departments

The Council's accountants have apportioned the £2 million between departments, on the basis of a standard share of 0.78% of gross budgets, having adjusted for grants, etc. Departments were informed of their share of the sum to be found in July 2019, with the relevant amount for the Environment Department being £96,560, Highways and Municipal Department being £281,190 and the Consultancy Department being £29,670.

Departments can identify part of the savings by not adding inflation in full or in part to some of the budgets that can be managed and reduced, such as travel costs, office supplies, etc. In addition, it is permissible to identify a new stream of income as a source, but it is not possible to raise the level of fees and charges to find the savings.

3. Departmental Proposals

See **Appendix 1** which contains the departmental proposals to meet the required amount, together with the implications of using the source as savings on the Department.

4. Recommendations

Ask Members to:

- Approve departmental proposals to meet their share of relevant savings

Appendices

- Appendix 1 – Environment Department's Savings Proposals List
- Highways and Municipal Department's Savings Proposals List
 - Consultancy Department's Savings Proposals List
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Environment Department's Savings Proposals List

Amount £	Budget Heading and Proposals	Impact on Residents
£9,580	Works - no inflationary rise.	No impact is foreseen on Gwynedd residents by not adding inflation for one year only as the amount is relatively small.
£4,000	Building Control - fees for providing advice in advance.	These fees are not currently being used, but a similar procedure exists in the Planning Service. Feedback from the recipients is extremely positive, with residents feeling that they receive much more useful advice and value for money.
£5,000	Reduce Training budget.	No significant impact is anticipated on Gwynedd residents. The Department will need to be more specific on what training is really needed to fill gaps in knowledge and to meet new requirements as well as staff development.
£15,000	Street Works - cut half a post.	Losing half a post can have a significant impact, but it is anticipated that the impact can be significantly reduced through better use of technology and closer collaboration with the Highways and Municipal Department.

APPENDIX 1

£2,000	Office materials.	All of these savings measures are about buying cheaper, buying less, or not buying at all by making better use of technology (eg using less paper, printing less). The department is actually over-performing under the heading of 'Category Management' in their Departmental savings list. No impact envisaged on Gwynedd residents.
£8,000	Printing/photocopying.	
£5,000	Professional/technical Service.	
£7,420	Subscriptions.	
£25,000	Furniture and Equipment.	
£15,560	Savings through cheaper purchases (software).	
£96,560	Total	

Highways and Municipal Department's Savings Proposals List

Amount £	Budget Heading and Proposals	Impact on Residents
£15,000	Reduced electricity consumption in the Caernarfon Tunnel.	No impact on residents - Cost reduction following changes to the lighting and control system including the introduction of LED lamps.
£3,000	Crematorium Gas (use).	No impact on residents - Reduced energy consumption following improved management/new systems.
£80,000	Cost of dealing with commercial waste.	No impact on residents - We now treat our residual waste at Parc Adfer which is a joint burning site with other North Wales Authorities. The fee structure has ensured a reduction in our costs.
£46,250	Inflation	No impact on residents - Work within the current budget of 2019/20 and work closely with the Highways and Municipal Category Team.
£20,000	Inflation – general materials.	No impact on residents - Budget Adjustment - working within existing budgets for 2019/20, working more efficiently and more closely with the Highways and Municipal Category Team.
£7,000	Municipal On-duty	No impact on residents - Establish one procedure for dealing with 'on-duty' across the Highways and Municipal Department.

APPENDIX 1

£50,000	Restructure within the Department	No impact on residents - Introduce a new structure within the Department to ensure greater efficiency/collaboration across services.
£35,000	Cilgwyn Closure Plan	No impact on residents - A Closure Plan is in place for the Cilgwyn site which has had quite stringent monitoring requirements. The site has now been closed for some time, and in accordance the Department has opened discussions with Natural Resources Wales on the reduction of the requirements of the Closure Plan which has been agreed in principle. When the new plan is in place the monthly monitoring requirement will change to one quarterly which will see a reduction in all testing.
£12,000	Trees - no sorting	No impact on residents - Previously some trees had to be separated to ensure we could count the waste towards recycling figures. Now as Parc Adfer is in action and being able to count (bottom ash) there is no requirement to sort the trees.
£281,190	Total	

Consultancy Department's Savings Proposals List

Amount £	Budget Heading and Proposals	Impact on Residents
£7,260	By making adjustments to YGC's expenditure and budgets there is a net effect of a reduction in expenditure. This has partly been achieved by cutting back YGC's membership of organisations such as NSAN (National Skills Academy Nuclear) and also cutting expenditure on magazines and the like, as these are now available electronically or on the web.	No impact on residents.
£22,410	Increase resources within YGC Units which enables the Department to increase it's income. Recent Changes in Structure Forms have increased capacity within Cost and Ecology Consultancy fields.	No impact on residents.
£29,670	Total	

