

APPENDIX 3

SAVINGS

The savings chosen for the purpose of meeting an element of the additional demands on the Council's services when setting the 2020/21 budget.

1. On 23 July 2019, the Cabinet considered a report which attempted to forecast the financial position we would be facing in 2020/21.
2. At the time, it was noted that as the grant we had received from the Welsh Government over the past 12 years had not been sufficient to cover the costs of inflation, and as the demand in various services such as adult care and children's services had also increased, we had been in a continuous circle of having to find savings.
3. As a result, whilst there would be some limited opportunities to try and find further efficiency savings we had now reached a situation whereby any need for substantial further savings would more than likely mean cuts to services.
4. In addition, as we did not know the level of pay awards that would be agreed for the workforce nor the grant settlement from the Government for 2020/21, it was extremely challenging to forecast with confidence the likely financial shortfall we would face in 2020/21.
5. The Medium Term Financial Strategy presented to the Cabinet on 23 July 2019 forecasted a funding gap of between £1.7m and £7.3m in 2020/21 (with a tax increase of 3.5%).
6. Therefore, it was decided to ask departments to discover their share of £2m to identify savings for 2020/21, asking the Scrutiny Committees to consider all 'possible' schemes presented by the departments (and schools).
7. All the departments had reported on their proposals to the scrutiny committees, and in the meeting on 17 December 2019, the Cabinet members fulfilled the task of selecting the schemes presented here in the following list (worth £1m) with the least impact on residents in the individual areas.
8. In general, the scrutiny committees were content that the proposals met that criteria, but with some exceptions.

9. Having identified the probable funding gap for 2020/21 due to the better than expected Welsh Government settlement for local authorities, the Cabinet supported the views of the scrutiny committees in deciding to abstain from using the following savings –
 - Proposals from the Children and Families' Department and the Economy and Community Department relating to discretionary services worth a total of **£31,000**;
 - Proposal worth **£112,530** within Education to reduce the central ALN budget following a reduction in relevant spending (£110,000 already being utilised to rectify a deficit in another savings scheme that is not being achieved);
 - Proposals worth a total of **£331,000** within Adults services which were likely to have an impact on front line services;
 - Proposal to reduce schools' general budget allocation of **£463,900**.
10. After listening to the members' supportive feedback in the 'Budget Workshops' on 20-27 January, the Cabinet Member for Finance presents the following list of savings worth a total of £1,062,320 to be realised in 2020/21.
11. These "efficiency" savings should not have a significant impact on the residents of Gwynedd.
12. Also, in order to meet the 2020/21 funding gap, it is estimated that £923,080 worth of savings schemes already approved in previous years could be realised (therefore not the subject of this year's decision).
13. Of course, actioning some of the savings, would mean having to follow statutory processes and they would be subject to the results of such processes. Clearly the recommendation and any decision recognizes this and does not prejudice their outcomes.
14. The proposals noted in the following list would generate savings of £1,062,320 in 2020/21.