

REPORT TO THE CABINET

Date	12 October 2021
Cabinet Member	Councillor Ioan Thomas, Cabinet Member – Finance
Subject	Savings Overview: Progress Report on Realising Savings Schemes
Contact Officer	Ffion Madog Evans, Senior Finance Manager

1. THE DECISION SOUGHT

- 1.1 To accept the information in the report and to note the progress towards realising the savings schemes for 2021/22, 2020/21 and previous years.
- 1.2 To note that the impact of Covid19 contributed to slippage in the savings program, as the Council had given an unfettered priority to safeguarding the health and lives of the people of Gwynedd in response to the crisis, which meant that the arrangements for challenging performance and savings could not continue over the period of the crisis.

2. INTRODUCTION / BACKGROUND

- 2.1 This report is an overview report on the Council's savings' position for 2021/22, 2020/21 and previous years.
- 2.2 Progress against savings schemes worth £966,720 in 2021/22 and £2,996,190 in 2020/21, together with the savings yet to be achieved from previous years, will be reported following a review of the position at the end of August 2021.
- 2.3 It can now be reported that savings of over £32.7 million have been realised since 2015/16, which is 94% of the required £34.8m over the period. Almost 69% of the revised savings for 2020/21 have been realised with 42% of the 2021/22 savings already realised or on track to deliver on time this year.
- 2.4 Delivering on the individual schemes is the responsibility of relevant Cabinet members, who challenge the performance of the departments, including the progress of the savings schemes. It is the responsibility of the Cabinet Member for Finance to keep an overview of the full picture.

3. RE-ASSESS SAVINGS

- 3.1 The Council has financial planning arrangements that have already identified significant efficiency savings in order to minimise service cuts for Gwynedd residents. In January 2021, the savings schemes were reviewed to assess which historic schemes were now unachievable, and a revised program of savings was drawn up for 2021/22 following the writing off, slippage and re-profiling of the savings schemes.

3.2 The table below shows the value of the savings that were written off or deferred to 2022/23:

Table 1: Savings written off or deferred to 2022/23 :

	Deferred to 2022/23 £	Written off £
2017/18 - 2020/21 schemes	1,037,750	848,040
2021/22 schemes	511,250	595,450
TOTAL	1,549,000	1,433,490

4. SAVINGS SCHEMES 2015/16 – 2019/20

4.1 **Appendix 1** summarises each department's attainment against the savings target that had been set for them from 2015/16 - 2019/20, **a total of nearly £31m. It is encouraging for me to be able to report that nearly £30m, or 98% of these schemes have been realised**, but a risk of realising the savings on a few schemes remains.

4.2 This marginal slippage mainly derives from some 2019/20 schemes, and the challenge of realising them continues.

4.3 There has been a slippage in 9 small schemes worth a total of £187k but the Departments do not foresee a problem in their realisation.

4.4 The remaining 6 schemes totalling £487k have risks to deliver. 4 schemes from the Adults, Health and Well-being Department and 2 from the Highways and Municipal Department. Responding to the Covid crisis has meant slipping some elements of savings schemes, but it may now be necessary to consider whether the savings are truly achievable or whether alternative schemes and approaches need to be proposed to realise the savings.

5. DEPARTMENTAL SCHEMES 2020/21

5.1 **Appendix 2** summarises the situation in terms of realising the savings schemes for 2020/21 based on the closure of the accounts for the year. Of the 129 schemes worth nearly £3m that have been profiled for the year, 99, **worth nearly £1.8m or 60% have been realised**. 30 of the 2020/21 schemes are either slipping or have some risks to achieve.

5.2 Further progress has now been made since closing the accounts for the financial year.

5.3 A total of £867k worth of savings schemes are slipping but are now moving forward while there are £345k worth of schemes where Departments are anticipating risks to achieve the savings.

- 5.4 Of the schemes at risk of delivering the Adults, Health and Well-being Department has 2 schemes with a target of £75k each, namely *Working with the third sector to secure a new provider to take over day care provision in Cricieth and Blaenau Ffestiniog* and *Review physical disability care packages by meeting objectives in an alternative way*. The Department is working to progress the schemes but there are still risks with elements of the work.
- 5.5 There are risks to achieving 3 scheme's savings from the Highways and Municipal Department, namely *Increasing fees for business waste collection* (£25k) and *Closing Cilgwyn* scheme (£35k), which are progressing in 2021/22. The other scheme is *Recycling Centers: charging a fee on traders* and *Charging a fee for the disposal of DIY materials* (£90k). The Department is currently looking at the effects of booking slots in the Centers to see if savings derive from the new arrangements, with the Centers now closed on Sundays, this should also lead to reduced costs.
- 5.6 The Economy and Community Department foresee risks of delivering on 1 scheme namely *The Establishment of parking fees on Dinas Dinlle beach and increasing launch fees across Gwynedd beaches from £10 to £15*, worth £45k. Work is ongoing to incorporate a number of new sites into the Gwynedd Parking Order.
- 5.7 Due to other priorities during 2020/21, the realisation of savings schemes for the year has not been as successful, as departments have responded to additional demands in response to the crisis, which has meant that it was not possible to continue with some of the savings arrangements over the period of the crisis.

6. DEPARTMENTAL SCHEMES 2021/22

- 6.1 **Appendix 3** summarises the position in terms of realising the savings schemes for 2021/22. The total savings target is £967k with a value of £408k, which is 42% of schemes already having realised and a further £216k, or 22% are on track to deliver on time by the end of the financial year.
- 6.2 Clearly the departments have focused on responding to the crisis during the crisis period.
- 6.3 There have been slippages on 4 schemes across the Council totalling £214k but they are progressing which includes 1 scheme each from the Environment Department and the Adults, Health and Well-being Department and 2 schemes of the Highways and Municipal Department.
- 6.4 Risks to deliver savings of 3 schemes across the Council totalling £129k are envisaged which include *Income Generation fraud prevention scheme* (£20k) of the Finance Department, *Review of operating arrangements* of the Adults, Health and Well-being Department (£34k) and *Increase waste collection fees from businesses* by the Highways and Municipal Department (£75k). The Departments are working to progress these schemes.

7. DEPARTMENTAL SCHEMES 2022/23 ONWARDS

- 7.1 The savings schemes for 2022/23 onwards are listed, per Department in **Appendix 4**, but it is currently premature to report on the status of these schemes.

8. CONCLUSION

8.1 It is inevitable that realising over £32.7m in savings (out of a total of £34.8m) since April 2015 has been challenging and I am grateful to all of the departments and Cabinet Members for ensuring this success.

8.2 The table below summarizes the latest position of savings schemes since April 2015 with 94% of all schemes having realised.

Table 2: Summary of the status of all savings schemes since April 2015

Status of Savings	Portal	£m	%
Have realised	1	32.7	94.1
On track to achieve savings in full and on time	2	0.2	0.6
Delay, but moving forward	3	1.0	2.8
Some risks to achieve - slip or fail	4	0.9	2.5
Significant risks to realise in full or partially	5	0.0	0.0
Total savings		34.8	

8.3 Therefore, I ask the Cabinet to note the achievement outlined in this report towards realising the savings schemes. In addition, to note that the impact of Covid contributed to slippage in the savings program and supported departments to move forward with the savings program despite the crisis.

Local Member's Views

Not relevant

Views of the Statutory Officers**The 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 1 - Overview of 2015/16 - 2019/20 Savings Schemes per Department

Appendix 2 - Overview of 2020/21 Savings Schemes per Department

Appendix 3 - Overview of 2021/22 Savings Schemes per Department

Appendix 4 - Overview of 2022/23 onwards Savings Schemes per Department