

GWYNEDD COUNCIL CABINET



Report to Gwynedd Council Cabinet meeting

Meeting date: 27 SEPTEMBER 2022

Cabinet Member: COUNCILLOR IOAN THOMAS

Contact Officer: DEWI A MORGAN, HEAD OF FINANCE

Contact Number: 34684

Subject: FINANCE CABINET MEMBER'S PERFORMANCE CHALLENGE REPORT

THE DECISION SOUGHT

To receive and note the information in the report.

THE REASONS WHY A DECISION IS REQUIRED

To ensure effective performance management.

1. INTRODUCTION

- 1.1 The purpose of this report is to update my fellow members on what has happened in the areas for which I am responsible as the Cabinet Member for Finance. This will include outlining what has happened against the promises of the 2018-2023 Gwynedd Council Plan; where the performance measures are at; and the latest regarding savings plans and cuts.
- 1.2 All the matters have already been the subject of discussion and have been scrutinised by myself, along with the Corporate Director, in a Performance Challenge Meeting held on 27th July, where the Department's Management Team and service managers were present.
- 1.3 I am very pleased to note that the performance of the Finance Department has remained generally good over the last months. The Department has also made satisfactory progress on the relevant priority project.



2. GWYNEDD COUNCIL PLAN PROJECTS 2018-2023 [Improvement Priorities]

2.1 The progress made to date against the Department's priority project is set out below.

2.2 Achieving Savings

2.3.1 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 programme of savings was drawn up for 2021/22 following the removal, slipping and re-profiling of savings schemes.

2.3.2 Savings worth a total of £2,375,000 were planned for delivery in 2022/23, which were a combination of savings that had slipped from previous years and new plans. Having considered the situation, Cabinet determined as follows in January 2022 in relation to these plans:

- acknowledge that the situation had now changed so much that savings schemes totalling £489,750 cannot be achieved, by deleting them from the budget, namely:
 - End to End Review (Children and Families Department) worth £279,750
 - Transfer of playing fields to others (Highways and Municipal Department) worth £210,000
- move the delivery profile for schemes worth £1,290,250 to 2023/24 and subsequent years

2.3.3 The result is that £595,000 worth of savings plans remain to be drawn from departmental budgets in 2022/23.

2.3.4 We expect a substantially lower settlement for 2023/24 and 2024/25 than received in 2022/23 and therefore it seems increasingly likely that these savings schemes cannot be slipped further whilst allowing us to set a balanced financial plan and further, additional savings would need to be discovered.

2.3.5 Historically, the savings schemes that have slipped are ones that have proven to be very difficult to realise, and where the huge changes brought about by Covid19 have made the situation even more difficult.

2.3.6 Some of our reserves could be used to delay a few of these savings schemes and bridge the budget gap, but using reserves is not a permanent solution.

2.3.7 The relevant amounts have already been taken out of the departments' budgets in 2022/23; formal reviews will take place at the end of August 2022 and November 2022 and any overspending will be highlighted and discussed with the departments. A detailed report on each department's savings schemes will be presented to the Cabinet on 25th October 2022.



3. PERFORMANCE

3.1 Below, I outline the main issues arising from the department's performance in the period since the beginning of April 2022. The information does not refer to all services in the department, only those we feel the need to draw your attention to.

3.2 **Internal Audit Service.** Internal Audit has been able to complete 4.48% of the 2022/2023 Annual Plan by the end of June, which is 3 audits out of 67. This figure is lower than planned for, but during quarter 1, as usual, around 70 town and community councils were provided with an internal audit service. In addition, officers from the service continued on the work of assisting the Benefits Service in dealing with the processing of Self-Isolation Support Payments. This work from an Internal Audit perspective has now been completed. The Internal Audit Manager is confident the service will have caught up with the work by next quarter but the slippage in Internal Audit work has been added as a departmental risk.

3.3 **Benefits Service.** The service has been able to continue to perform against its core delivery measures, which is the average time taken to process a benefit application, and the time taken to process a change of circumstances. Both indicators show improvement in June 2022 compared to the same period in 2021/22.

As well as processing Housing Benefit and Council Tax Reduction applications, the service has been working to administer two major schemes on behalf of Welsh Government, namely Self-Isolation Support Payments and Unpaid Carers Payments.

3.4 **Income and Debtors Service.** The amount of arrears over 6 months old is increasing again, having recovered in the second half of the 2021/22 financial year and standing at £1,722,863 on 30 June (but adjusted for Health Board debts, the total drops to £1,406,971). However, the figure is slightly lower than it was on the same date in 2021. Although the cost of living crisis is now a factor, detailed analysis would be required before the extent of this as a factor can be definitively assessed.

3.5 **Pensions Service.** I am pleased with the performance of the Pensions Service, but I am aware that this service is one of those where staff recruitment and retention can be a concern. It is a highly specialised area and the loss of experienced staff can be a risk in terms of being able to continue to maintain the current level of performance.

3.6 **Taxation Service.** During the first quarter of the financial year, the Service has assisted in distributing £150 each to 39,486 eligible households within Gwynedd. Through a combination of payments direct to bank accounts and arrangements to provide payments at post offices, the service had managed to send a payment or voucher to 99% of eligible households by the end of June – the highest figure in Wales at the time.

Taxation is another service where recruitment and retention is a growing problem, and I am particularly aware that the service's ability to answer phone calls while at the same time undertaking processing is a difficult balance, meaning the public are not always able to connect with the service as they wish. Because of this, the Service has commissioned a review of demand with the support of the Ffordd Gwynedd Team.

Despite the challenges described above, the performance of the service in fulfilling its core role of tax collection has remained consistent with recent years. By the end of June 2022:

- Council Tax collection rate (i.e. within-year collection) is 28.96%, slightly lower than it was at the same time in 2021 (29.73%).
- Non-Domestic Rate collection rate stands at 23.78%, which is an improvement on the same period in 2021 (23.21%).

3.7 Finance and Accounting Service. The final position of the Council and all its departments was reported in the revenue and capital outturn report to Cabinet on 14th June 2022 and to the Governance and Audit Committee on 30th June.

The service has successfully completed five sets of Statements of Accounts for 2021/22 subject to audit (the accounts of Gwynedd, GwE, North Wales Economic Ambition Board, Joint Planning Policy Committee and Harbours) in a timely manner during May and June. The completion of full final accounts on behalf of the North Wales Economic Ambition Board has been additional work for Finance this year.

3.8 Information Technology Service – Infrastructure. This team continues to work diligently to maintain and strengthen the resilience of council systems. I am pleased to report that the availability of the service remains very high and there has been no incident of serious interruption to the service. The core network showed 100% availability, with critical systems exhibiting 99.99% for the quarter. In addition to the excellent work in supporting our systems, we undertook several projects to further develop the service, including upgrading the network and improving coverage in our data centres. We once again managed to confirm our compliance with the Public Services Network (PSN), ensuring that the Council had high security procedures and standards.

3.9 IT Service – Support. User satisfaction of this service continues, with all respondents reporting full satisfaction with the service received. The Helpdesk serves between 08:00 and 17:00 and on average, 19 in 20 calls received were answered.

3.10 IT Service – Digital Learning Service. This is a new service that has been established with the transfer of the function of supporting school IT from Cynnal. The service has become established rapidly and robustly, and the distribution of new laptops to teachers has been completed, with much further work completed during the summer, including preparing laptops for our secondary school pupils.



4. DEPARTMENTALS SAVINGS

- 4.1 The Covid-19 crisis led to a delay in the realisation of one £20k 'Income Generation through Fraud Prevention' scheme in 2020/21 (remaining 12% of 2021/22 schemes) and £20k relevant to 2021/22, following the suspension of interviews relating to fraudulent claims in the Benefits area over the period of the crisis. They remain unreleased as a result of the current circumstances, so a further delay in realising the £40k is anticipated.

VIEWS OF THE STATUTORY OFFICERS

Monitoring Officer:

No observations to add in relation to propriety.

Head of Finance:

I have collaborated with the Cabinet Member in the preparation of this report and I confirm the content.

