

THE CABINET 25/10/22

Present -

Councillors: Nia Jeffreys, Craig ab Iago, Berwyn Parry Jones, Elin Walker Jones, Menna Jones, Dafydd Meurig, Dilwyn Morgan and Ioan Thomas.

Also present-

Dafydd Gibbard (Chief Executive), Iwan Evans (Head of Legal Services), Dewi Morgan (Head of Finance Department), Geraint Owen (Corporate Director), Huw Dylan Owen (Corporate Director) and Annes Sion (Democracy Team Leader).

Item 6: Meinir Griffith (Service Improvement Officer) and Carey Cartwright (Learning and Development Service Manager).

Item 7: Catrin Thomas (Assistant Head of Supporting Families) and Edward Bleddyn Jones (Taxation Manager).

Items 8-10: Ffion Madog Evans (Senior Finance Manager)

1. APOLOGIES

An apology was received from Councillors Dyfrig Siencyn and Beca Brown.

Cabinet Members and Officers were welcomed to the meeting.

2. DECLARATION OF PERSONAL INTEREST

A declaration of interest was received from Cllr Nia Jeffreys in item 7, however it was not a prejudicial interest and she did not need to withdraw from the meeting.

3. URGENT ITEMS

There were no urgent items.

4. MATTERS ARISING FROM OVERVIEW AND SCRUTINY

There were no matters arising from overview and scrutiny.

5. MINUTES OF THE MEETING HELD ON 27 SEPTEMBER 2022

It was noted that the minutes had been noted in the following agenda, therefore, they would be accepted at the next meeting.

6. ANNUAL COMPLAINTS AND SERVICE IMPROVEMENT REPORT 2021-22

The report was submitted by Cllr Menna Jones.

DECISION

To accept and note the information in the report.

DISCUSSION

The report was submitted, noting that it was an annual report on complaints and service improvement. It was explained that arrangements had been in place in order to report on the work of the service every six months, but that circumstances over the past years had varied the timing. It was noted that arrangements were now in place for the service to return to submitting reports every six months.

It was expressed that the Service Improvement policy had been updated back in April 2021, and that it complied with the plans of the Welsh Government and the Ombudsman's guidelines. It was highlighted when the policy was updated that the service had moved to the Learning and Development Service within the Corporate Support Department. It was explained that the report provided an overview of the team's work and it was highlighted that the number of complaints had increased substantially this year compared to the last year, but that this was to be seen across Local Government and was not unique to Gwynedd. Attention was drawn to the fact that the number of complaints that reached the Ombudsman had also increased.

It was noted that the figures received from the Ombudsman had been highlighted as realistic and that the Gwynedd complaints procedure worked and that lessons were learnt from every complaint. It was noted that the Service continued to work with the departments in order to change mindsets. It was explained that the majority of departments were prepared and happy to accept complaints, but that changing culture across the Council would take time. It was highlighted that training in the Customer Care field had been held with the Ombudsman and that training on responding to correspondence was on the way.

Attention was drawn to the Successes Wall and gratitude were expressed for the comments as they often raised the morale of staff.

Observations arising from the discussion

- It was highlighted that the number of complaints to the Adults department had increased substantially but that the report noted that the department dealt with them within seven days and the staff were thanked for responding within the timetable.
- Gratitude was expressed for the report and pride was expressed as the Council was using complaints as a way to improve service.
- It was noted that a table within the report reflected the fact that a number of complaints were about the lack of response and action and that some departments had received over 10 complaints within this category. It was noted that work was being done with these departments and it was highlighted in the Housing and Property Department that 10 complaints had been presented in 2021/22 for the

lack of response and that the first six months of this year highlighted one complaint for the same reasons. It was highlighted that the work being done in the background was coming to fruition and that this year's statistics were incredibly favourable. coming to fruition and that this year's statistics were incredibly favourable.

7. DISCRETIONARY COST OF LIVING SUPPORT SCHEME

The report was submitted by Cllr Ioan Thomas.

DECISION

The Discretionary Cost of Living Support Scheme was adopted.

DISCUSSION

The report was submitted, noting that the purpose of this report was to receive approval to the Council's Discretionary Scheme to assist with the costs of living. It was explained that this was a scheme that had been developed jointly between the Taxation Service and Supporting Families Team.

It was expressed that the Discretionary Scheme was a follow-up of the Core Plan, where the Council had already distributed £150 each to approximately 40,000 households in Gwynedd. It was noted that the households needed to live in properties in Council Tax Bands A to D in order to receive the support through the Council Tax Reduction Scheme. It was emphasised that this scheme had been successful and that the Council was the quickest Authority in Wales to achieve this work.

It was explained that the Welsh Government had earmarked £25m to provide discretionary support for other purposes relating to the costs of living, and it was explained that this scheme highlighted the Council's proposals on how to use Cyngor Gwynedd's proportion of the money. First of all, it was noted that a £150 payment to households that were not eligible to receive a payment under the original scheme would receive a Council Tax exception. It was highlighted that property that received a Council Tax exception on 15 February was not eligible to receive a payment, and in addition, the proposal would give a payment to households where the household income was restricted since only one person lived there.

It was emphasised that the second part of the proposed support provided a financial contribution towards the Supporting People Hubs Network. It is believed that giving the network a contribution is a very effective way of securing support to households that need support with their costs of living. It was expressed that the cabinet member believed that this scheme was an effective and efficient way of making use of this additional grant, targeting the money towards the neediest households in the county. It was noted that this money was to be welcomed, despite the fact that it was far from sufficient to meet the needs of the most vulnerable families in the county.

Observations arising from the discussion

- Gratitude was expressed for the report and for the work done within the field. An enquiry was made about plans to support people in specific catchment areas but, e.g. in Bangor, Maesgeirchen was noted but not the rest of Bangor. It was asked whether work would be done outside these areas. It was expressed that hubs would be established in deprived locations but that satellite locations would be opened outside the main hubs. It was explained that a support network and events would be seen outside the main hubs also.
- In terms of the support to Food Schemes, a request was made for more details. It was explained that many types of support was given to food schemes; it was noted that grants were available for Food Banks, Foodshare Groups and groups that produced Meals on Wheels or Community Lunch Clubs.
- It was expressed that it was excellent that the Council could assist to arrange money in order to deal with a problem, but it was noted that it was terrible that such discussions and schemes had to be held within the sixth richest country in the world.
- It was noted that this was an emergency plan, and the need to act was swift. Gratitude was expressed to the finance department for ensuring that the money was shared quickly to individuals in need. It was highlighted that this scheme was only one step within a number of steps within the Supporting People Plan.

8. REVENUE BUDGET REPORT - END OF AUGUST 2022 REVIEW

The report was submitted by Cllr Ioan Thomas.

DECISION

To accept the report on the end of August 2022 review of the Revenue Budget, and consider the latest financial position regarding the budgets of each department/service.

To note that the financial impact of Covid on some fields continued in 2022/23, although the impact is not as substantial in 2022/23 compared to the last two years, which are a combination of additional costs, income losses and a slippage in the savings programme.

To note that significant overspend is anticipated in the Adults, Health and Well-being Department, Education Department, Economy and Community Department, Highways and Municipal Department and the Housing and Property Department this year. The specific reasons that affect departments are detailed in section 5 of the report, but the impact of increased inflation and electricity prices is a particularly prominent factor.

Given the substantial overspend anticipated by the Adults, Health and Well-being Department and the Highways and Municipal Department, the Chief Executive's

intention to convene a meeting with the relevant officers was noted in an attempt to get to the root of the overspend, to ensure that definitive steps are taken in an attempt to bring the situation under control before the end of the financial year, and to report to the Cabinet on the response plan.

Although it was premature to transfer money from funds until the financial position is finalised at the end of the year, it is recommended that the procedure in terms of using funds to fund the financial deficit at the time will be:

- firstly, use School Balances to fund the increase in electricity prices in schools
- secondly, use £4.5 million from the post-Covid recovery arrangements fund established to fund the associated financial challenges that face the Council
- finally, finance the rest from the Financial Strategy Reserve.

DISCUSSION

The report was submitted, noting that the report detailed the latest review of the Council's revenue budget for 2022/23, along with the projections for the end of the financial year. It was expressed that the report had already been submitted to the Governance and Audit Committee and they had been very supportive of the recommendation.

It was noted that the current projections suggested that the Adults, Health and Well-being; Children and Families; Education; Economy and Community; Highways and Municipal and Housing and Property Departments were overspending by the end of the financial year. It was highlighted that the impact of an increase in inflation, particularly the electricity costs above the budget was to be seen most prominently in the Education, Highways and Municipal and Economy and Community departments. It was noted that the rest of the Council's departments were operating within their budget.

It was expressed that the impact of Covid could not be seen as substantial as what had been seen over the past two years, but that additional costs, income losses and slippages on savings schemes continued in some fields. It was highlighted that a delay in realising savings was evident in the Adults, Health and Well-being Department with a value of up to £930k, whilst the Highways and Municipal Department had schemes to the value of £553k.

The main issues facing the departments that were overspending were highlighted individually as follows:

Adults, Health and Well-being Department

It was expressed that an overspend of £1.9m was anticipated for this year, and that this is as a result of a combination of factors, including a failure to realise savings. It was highlighted that increasing pressure on supported housing and direct payment packages was to be seen in the Older People Services, and staffing costs and a lack of income were problems in Community Care.

Education Department

It was noted that an overspend of £1.3m was anticipated by the Education

Department as a result of the impact of higher electricity prices for a period of six months from October 2022 onwards to the schools. It was explained that the schools had already benefited from almost a million of energy savings deriving from the pandemic and lockdowns, therefore, it was considered appropriate to use school balances to fund the additional pressure for this year.

Byw'n lach

As a result of the pandemic, Byw'n lach received financial support from the Welsh Government's hardship fund to the value of £1.4m in 2021/22 and £2.7m in 2020/21. It was explained that such support was not available for this year, but that the impact of the pandemic continued to disrupt the company's ability to generate an income. It was noted that the Council had confirmed the necessary financial support to maintain services by extending the guarantee period up to the end of 2022/23, which was approximately £842k this year. It was highlighted that higher electricity costs were responsible for the remainder of the overspend.

Highways and Municipal Department

It was expressed that the annual trend of overspending in the municipal field continued with the most obvious problems to be seen in the waste and recycling collection field. It was also explained that the department was experiencing difficulties in realising savings to the value of £553k in a number of fields.

Housing and Property Department

It was highlighted that the change in legislation relating to Homelessness had led to substantial financial pressures this year. It was added that despite an allocation of £1.5m from the Council's post-Covid arrangements fund having been provided to assist with the situation, a net overspend of £3.2m was anticipated this year.

Corporate

It was noted that prudent projections had been made when setting the 2022/23 budget responsible for additional taxation output and contributing to the underspend on Council Tax Reductions, with a reduction in the number of claimants. It was expressed that a recent increase in interest rates meant that the interest receipt projections were £1.1m more favourable.

It is anticipated that use will need to be made of the Council's reserves and School balances to fund the financial deficit of £7.1m that is anticipated for 2022/23. It was explained that by using the specific reserves, general balances will be protected and available to help face the challenges of the future.

Observations arising from the discussion

- It was expressed that this report was serious and raised the curtain on the worse reports to come. It was highlighted that it would be an immense challenge to create a budget for next year. It was highlighted that half of the Council's overspend derived from the homelessness field and that this emphasised the crisis that could be seen in the field. It was noted that it was now irresponsible not to consider money from the Council tax premium to fund the expenditure in the homelessness field.
- It was noted that the current situation was a crisis and that no support

would be forthcoming from the Westminster Government. It was emphasised that inequality lay at the root of the homelessness problem. It was explained that in a county where a huge increase in homelessness had been seen, one could also see thousands of second homes.

- It was explained that the increase in homelessness had led to overspending in the department, but that this had been overspending in order to ensure that individuals and families had a roof over their heads and to respond to the situation.
- It was enquired why the impact of inflation could be seen more prominently in departments such as Economy and Community and Education? It was noted that the increase in electricity costs were to be seen in these departments because of locations such as schools, museums, libraries and leisure centres.

9. SAVINGS OVERVIEW REPORT - END OF AUGUST 2022 REVIEW

The report was submitted by Cllr Ioan Thomas

DECISION

To accept the information in the report and to note the progress towards realising the savings schemes for 2022/23, 2021/22 and previous years.

It was noted that the impact of Covid-19 had contributed to a slippage in the savings programme, as the Council had prioritised responding to the emergency during the initial period of the crisis.

DISCUSSION

The report was submitted, noting that the report summarised the Council's savings' situation. It was explained as per the previous report, that the report had been submitted to the Governance and Audit Committee, which was eager to recommend to the Cabinet that the schemes that were not being realised needed to be challenged in detail and that there was a need to ensure a regular review of those schemes that were slipping and refer the schemes to the work programmes of the relevant Scrutiny Committees.

It was expressed that since 2015/16, savings to the value of £35.4m had been approved to be realised during the 2015/16 - 2022/23 period. It was further emphasised that a total of £3.4m of savings had been realised, which was 94% of the required sum over the period. It was explained for the period from 2015/16 to 2020/21 that 97% of the savings schemes had been realised, with schemes from the Adults, Health and Well-being Department and Highways and Municipal Department yet to be achieved.

Attention was drawn to the 2021/22 savings, noting that 65% of the schemes had now been delivered, with delivery problems to be seen in the Highways and

Municipal Department and the Housing and Property Department. It was explained that when preparing the 2022/23 budget, it had to be acknowledged that the situation had changed so much that it had not been possible to deliver the savings schemes that had been planned originally and almost half a million pounds' worth of schemes had been completely removed from the budget. In addition, the delivery profile for schemes to the value of £1.3m had been moved to 2023/24 and therefore, £595k was the value of the residual schemes to be removed from the 2022/23 budget.

Of these schemes for this year, it was noted that 22% of the schemes had already been realised, with 19% now on track to deliver on time. It was highlighted that the departments with the highest value schemes that were yet to be delivered were the Highways and Municipal and Economy and Community Departments.

It was highlighted that realising £33.4m since April 2015 had been incredibly challenging, and that there were delays and delivery risks with some of the remaining schemes. The need to review the schemes by the end of the financial year was emphasised.

Observations arising from the discussion

- It was noted that savings to the value of £33.4m which had been realised since 2015/16 highlighted the work that had been done by staff to face and realise the savings within the Council. Staff were thanked for their work.

10. CAPITAL PROGRAMME 2022/23 - END OF AUGUST REVIEW

The report was submitted by Cllr Ioan Thomas

DECISION

To accept the report on the end of August review (31 August 2020 position) of the capital programme.

The revised financing as presented in part 4 of the report was approved, as follows:

- use of various sources, worth a total of £26,751,000, to fund actual slippages from 2021/22,
- no change in the use of borrowing,
- an increase of £7,396,000 in the use of grants and contributions,
- no change in the use of capital receipts,
- an increase of £2,156,000 in the use of revenue contributions,
- an increase of £13,000 in the use of the capital reserve, and
- an increase of £538,000 in the use of renewal and other reserves.

DISCUSSION

The report was submitted noting that the report presented the revised capital

programme and sought approval for the relevant financing sources. It was explained that this report had also been submitted to the Governance and Audit Committee and they supported the recommendations.

The main conclusions were highlighted, namely that the Council had definitive plans in place to invest around £79.8m this year, with £21.1m funded through specific grants. It was explained that the impact of recent financial challenges continued on the capital programme, with only 11% of the budget spent up to the end of August this year, compared with 16% over the same period last year and 13% two years ago.

It was noted that £12.1m of proposed expenditure had been re-profiled from 2022/23 to 2023/24 and 2024/25 with the main schemes including, £5.1 million for Schools Schemes, £3.0 million for Flood Prevention Schemes and £1.6 million for the Penygroes Health and Care Hub.

Since the last review, it was expressed that the Council had managed to attract the following grants:

- £1.6 million - Free School Meals Capital Grant.
- £0.9 million - Sustainable Learning Communities Grant - Schools Community Use.
- £0.9 million - Road Safety Capital Grant from the Welsh Government.
- £0.7 million - Wales Voluntary Action Council (WVAC) Grant towards rural schemes.

Observations arising from the discussion

- It was noted that this report was technical which highlighted some good news. Nevertheless, it was noted that the impact of inflation would affect the Council's ability to complete the schemes that were seeing a 30-40% increase in costs. It was explained that the schemes may need to be prioritised in the future.

The meeting commenced at 1pm and concluded at 2:15pm

CHAIRMAN