

CYNGOR GWYNEDD CABINET



Report to Cyngor Gwynedd Cabinet meeting

Meeting date: 24 JANUARY 2023

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 21st December, 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

2.2.1 In accordance with previous decisions by the Cabinet and the full Council, there are £595,000 worth of savings plans have been drawn from departmental budgets in 2022/23.

2.2.2 The draft revenue and capital settlement for 2023/24 was published by the Welsh Government on 14 December 2022. As expected this settlement is lower than what is needed to deal with inflation, but it is a better settlement than we had previously feared.

2.2.3 In order to set a balanced budget on 2023/24 additional savings will have to be identified and steps are in place to do this. Three workshops have been held in December and January to prioritise the necessary savings for 2023/24 and 2024/25.

2.2.4 Historically, some of the savings schemes that have slipped are ones that have proven to be very difficult to achieve, but it must be remembered that timing is also a factor. We have used some of our funds to delay a few of these savings schemes and bridge the budget gap, but using reserves is not a permanent solution.

2.2.5 The relevant amounts have already been taken out of the departments' budgets in 2022/23; formal reviews have taken place at the end of August 2022 and November 2022 and any overspending have been highlighted and discussed with the departments. A detailed report on each department's savings schemes is presented to the Cabinet in a separate report on today's agenda.



3. PERFORMANCE

3.1 Below, I outline the main issues arising from the department's performance in the period since the last progress report in September. The information does not refer to all services in the department, only those I feel the need to draw your attention to.

3.2 **Internal Audit Service.** As usual, Internal Audit spent the first few months of the financial year completing audits on behalf of external clients, and 4.48% of the Annual Plan 2022/2023 had been completed by the end of June. I am pleased to report that the service's work on Gwynedd Council's audit plan has now accelerated significantly – up to the end of November 2022, 43% of the 2022/23 annual plan had been completed. This represents 21 audits out of 49, and various other reports have been finalised in December 2022. The service is confident that it will be possible to meet its targets within the year.

3.3 **Benefits Service.** The service has been able to continue to perform against its core delivery measures, namely the average time taken to process a benefit application, and the time taken to process a change of circumstances notice. Nevertheless, the average time taken to process a new benefit application for November is 24.10 days which indicates a decline in comparison with the same period in 2021/22, which was 20.72 days. This is the result of a temporary combination of long-term vacancies and illness, but also the additional processing of winter fuel payments in line with the Welsh Government's scheme. The work on this scheme is now coming to an end, and resources can be re-directed back to processing benefit applications.

I have some concern that the service has lost of significant experience with the retirement of officers and others leaving for work elsewhere, but I am pleased to report the service's enthusiasm for early participation in two corporate schemes that are currently under development, namely the Workforce Development Scheme and the Talent Nurturing Scheme.

3.4 **Income and Debtors Service.** The amount of arrears over 6 months continues to increase and stands at £1,921,780 on 30 November (but adjusted for Health Board debts the total is reduced to £1,406,971). It should be noted that £493K worth of debts for care are included in this amount, and these require more sensitive recovery treatment than usual.

3.5 **Pensions Service.** I am pleased with the performance of the Pensions Service. I reported in the last report that this specialist area is one of those where recruitment and retention can be a concerns. I am pleased to report that the situation has improved over the last few months and all posts (permanent and temporary) have now been filled.



3.6 Taxation Service. I reported in the previous report that the Service assisted in the distribution of Cost of Living Support payments of £150 each to 39,486 eligible households within Gwynedd during the first quarter of the financial year. I can now confirm that a further £431,700 has been distributed, at £150 each to an additional 2,878 households, through the discretionary scheme adopted by Cabinet on 25 October.

By the end of November, the Council Tax collection rate stood at 72.85%, which is slightly lower than it was at the same time in 2021 (74.73%). Similarly, the Non-Domestic Rates collection rate for the end of November was 72.85%, which is also lower than the same period in 2021 (74.73%).

Taxation is another service where recruitment and retention has been a growing issue, but I can report that all posts were filled on 21 December 2022. However, it will take some time to train new staff in the necessary specialties.

I reported to Cabinet in September that the Service had commissioned a review of the demand with the support of the Ffordd Gwynedd Team. This work is ongoing, but a number of points have already arisen which have been referred to the attention of the Tax Manager and the Head of Finance for further consideration.

3.7 Finance and Accounting / Payments Services. I noted in my report in September that the Service successfully completed five sets of Statements of Accounts 2021/22 subject to audit (accounts for Cyngor Gwynedd, GwE, North Wales Economic Ambition Board, Joint Planning Policy Committee and the Harbours) in a timely manner during May and June. All have now been finalised following an audit, with the exception of Cyngor Gwynedd's accounts which were delayed due to a national technical issue that affected the audits of the statements of accounts of all 22 unitary councils in Wales. That issue has now been resolved by Welsh Government and a special meeting of the Governance and Audit Committee will consider the Final Accounts on 26 January.

The Finance and Accounting Service has spent a large proportion of time preparing the 2023/24 budget and considering the implications of the revenue and capital settlement for the 2023/24 budget. At the same time, the Service is addressing the 2022/23 budget situation; reports to this effect appear as separate items on the programme of this meeting.

In addition to this, the Service has also reported some frustration in receiving invoices in a timely manner from the rest of the Council in order to process them for payment. The Service is in discussions with different departments to try and speed things up and introduce smoother procedures to pay suppliers faster.



- 3.8 Information Technology Service – Infrastructure.** This team continues to work tirelessly to maintain and strengthen the resilience of council systems. I am pleased to report that service availability remains very high and there has been no incident of serious interruption to the service. The core network showed an availability of 99.99% in November, with the critical systems also exhibiting 99.99% availability. In addition to the excellent work of supporting our systems, several projects have been undertaken to further develop the service, including upgrading the network link to the second data centre. The service spent a considerable amount of their time in the last quarter updating the school systems.
- 3.9 IT Service – Development.** I am pleased to report that the team has been successful with its recent attempts to fill vacancies following a frustrating period of failing to recruit. This will greatly help with the development and maintenance of systems to support the Council's services.
- 3.10 IT Service – Support.** I am keen that all council services provide more feedback to the Support Service so that it can continue to give of its best. Of the 1850 calls for assistance closed during the period, only 72 feedback notes were received back. However, those who did respond gave very positive feedback (97% "Very Satisfied" and 1.5% "Satisfied"). Only one response was "Very Dissatisfied", and a permanent alternative solution has now been put in place in response to this feedback.
- 3.11 IT Service – Programme Management.** One of the main projects of this team during the period was to prepare hybrid meeting rooms, but there has been a slippage in the programme. The project is now expected to be completed in early 2023.
- From the point of view of the **availability of external systems**, there was some disruption during the period with the availability of the WCCIS system (Care) due to work on the software on the server, the result of which was a shortfall in the availability of this external system for one night. I can assure my fellow members that there has been no incident due to this lack of availability, and work has been completed to identify alternative steps in order to avoid this situation in future.
- 3.12 IT Service – Digital Learning Service.** This is a new service that continues to establish and "find its feet". Substantial provision has been made to supply laptops within our primary and secondary schools, with a program in place to continue provisioning our secondary schools, supplying 500 laptops per month to realise the vision of the digital strategy of delivering a laptop to every pupil in years 3 to 11. The officers in this team are less experienced than the staff of some of the other teams but they are developing quickly. In terms of recognising patterns, around half of the calls were found to be due to old equipment in the schools – this situation will improve over time.

4. DEPARTMENTALS SAVINGS

- 4.1 The department has delivered all its savings plans for the period 2015/16 to 2021/22. One saving plan remains within the 2022/23 programme, which is to *Attract additional income through an Internal Collection Agency*. I no longer anticipate that the scheme will realise the £25k savings target, and the Department is looking for an alternative plan.

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.

