

CYNGOR GWYNEDD CABINET



Report to Cyngor Gwynedd Cabinet meeting

Title of Item:	FINANCE CABINET MEMBER'S PERFORMANCE CHALLENGE REPORT
Cabinet Member:	COUNCILLOR IOAN THOMAS
Contact Officer:	DEWI MORGAN, HEAD OF FINANCE
Meeting date:	10 OCTOBER 2023

1. The Decision Sought

To receive and note the information in the report.

2. The reason why the Cabinet needs to make the decision

To ensure effective performance management.

3. Introduction and Rationale

3.1 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 report will outline the following: -

- What has been achieved as part of the priorities of the Cyngor Gwynedd Plan 2023-2028:
- The status of the performance measurements
- The latest in terms of savings and cuts scheme

3.2 All the matters have already been the subject of discussion and have been scrutinised by me, along with the Corporate Director, in a Performance Challenge Meeting held on 19th July, where the Department's Management Team and service managers were present.

3.3 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.



4. GWYNEDD COUNCIL PLAN PROJECTS 2023-2028 (Improvement Priorities)

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

4.2 Achieving Savings

- 4.2.1. Gwynedd Council has realised over £39.1m of savings schemes since 2015/16.
- 4.2.2. The Cabinet, at its meeting on 14 February 2023, has approved the implementation of new saving schemes in 2023/24, with a total value of £3,097,370.
- 4.2.3. In addition to these savings, schools were also required to contribute to the savings schemes. The Council has agreed to implement a cap to the cuts of a maximum of 3% on individual mainstream schools, and not introducing cuts on the special sector. The cut is to be implemented over two financial years, which coincides with a school's academic year. The total cut is £1.966m which is shared £1.147m (7/12ths) in 2023/24 followed by £0.819m (5/12ths) in 2024/25
- 4.2.4. Furthermore, a number of saving schemes derived from previous saving programmes have slipped into 2023/24 and have been added to the plans that had already been programmed to be realised during this year.
- 4.2.5. The result is that £950,250 worth of existing savings schemes are to be removed from department budgets in 2023/24. These plans had been approved in previous years and had already received Council approval.
- 4.2.6. The relevant amounts have already been taken out of the departments' budgets in 2023/24; a formal review of the situation at the end of August 2023 is already underway, and a further review will take place at the end of November 2023. Detailed reports on savings plans by department will be presented to the Governance and Audit Committee and to the Cabinet.



4.3 Digital Plan 2023-28

- 4.3.1 Development of the Digital Plan on 2023-28 has progressed significantly over the past few months. The period of the previous "Digital Strategy" ended in 2018 and although a Digital Strategy for Schools has been adopted in the interim, no corporate plan has been drawn up during the same period.
- 4.3.2 In order to develop the Plan, a Digital Transformation Board has been established and although the Finance Department is responsible for making the project a reality in the Council's Plan, the Board retains oversight and provides a challenge as well as support beyond the usual performance challenge and support arrangements.
- 4.3.3 Board meetings are chaired by the Corporate Director, with the Assistant Head of Finance – Information Technology acting as Project Manager. Four subgroups have been formed to look at specific areas, with representation from a range of Council departments and respective chairs participating as Board members:
- Technical and Resilience
 - Customer Contact
 - Data
 - Business Administration and Systems
- 4.3.4 Furthermore, the Head of Finance and the Monitoring Officer are members of the Board, as well as the Head of Education (whose specific function is to ensure coherence between the Digital Strategy for Schools and what is underway at corporate level).
- 4.3.5 The draft Plan was submitted to the Education and Economy Scrutiny Committee on 14 September 2023; comments from the Scrutiny Committee will be incorporated before the Scheme is presented to Cabinet on 7 November 2023 with a request to adopt the final Plan.

5. PERFORMANCE

5.1 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.

5.2 **IT Service – Infrastructure.** This service delivers several projects on an ongoing basis, with the aim of keeping the network robust, efficient and secure. The result is that there is high demand on the service and pressure on the officers especially considering that there has been an increase recently from the point of view of users of telephony and Information Technology. That said, the lack of staffing capacity within this service remains a concern for me, and I have asked the Head of Department and Assistant Head to review the situation.

5.3 **IT Service – Support.** I am very pleased with the performance of this service; there is evidence that it responds promptly to user queries and difficulties. Nevertheless, I believe that extending the arrangements for obtaining customer satisfaction information would be very beneficial and the service has agreed to act on this shortly.

5.4 **IT Service – Programme Management / External Systems.** I believe the purpose of this service needs to be re-visited. I think there is scope for it to consider reviewing more systems across the Council, which are those that are not as effective as they might be, or where problems to be solved are already known.

Sound quality in video conferencing systems at Siambr Hywel Dda and Siambr Dafydd Orwig remains a concern, but I am pleased to report that work to address the problem has taken place during the summer. The providers have visited the Council to investigate the problem and service the system and upgrade it as necessary.

5.5 **IT Service – Digital Learning Service.** The call completion percentage was lower than normal during the period. This is due to a combination of reasons including a higher-than-normal level of staff sickness absence over the period. The service had also undertaken a major project of migrating SIMS (school administration system) to the cloud which has taken up the time of the Technical Team and the SIMS Team.

This resulted in capacity to support the schools having been lower than expected in the short term, but I expect the situation to improve in the coming months.

5.6 **Investment and Treasury Management.** The purpose of the service is to maximise the benefit of pension fund investment and keeping appropriate accounts, safely investing the Council's cash flow with acceptable interest, and managing long-term loans. I am pleased with the performance of the Service in realising its purpose.

It is very pleasing to be able to report that the performance of the Gwynedd Pension Fund is in the top quartile of all UK Local Government Pension Scheme funds. Based



on 3-year performance the Fund was ranked 3rd out of nearly 100 funds and ranked 7th over 5 years. This shows that the Fund's performance has been very strong in recent years.

- 5.7 Pensions Service.** I am delighted to report that the service's performance in responding to queries is particularly good. The use of the "My Pension Online" system continues to go from strength to strength, with a large number of members visiting the site daily, and a steady increase in the number of users. We hope to upgrade to a new version of the site before the end of the year and a campaign to further increase membership will take place at that time.

For the first time, Gwynedd Pension Fund had a stall at the National Eisteddfod this year. It was hoped that this would be a great opportunity to meet many fund members and help them better understand their pension and provide them with support to create a "My Pension Online " account or complete relevant forms. I am pleased to report that feedback has been very positive.

Finally, when preparing marketing material for the Eisteddfod we thought it would be a good idea to have a new logo designed for the Pension Fund, as the current logo now looked rather outdated. The feedback to the new logo has been overwhelmingly positive, and I am delighted to be able to say that it has been designed by internal IT Service staff, without having to use an external supplier.

- 5.8 Payroll Service.** The period in question has been a challenging one for the Payroll Service, as it deals with unconsolidated payments to teachers which were made in May following the pay rise implemented in April. This was a challenging process due to a lack of guidance from the Welsh Government, and the nature of the payment meant that there wasn't a programme within the salary system to calculate the value of these payments. This meant that the calculations had to be made individually outside the system and then inputted. I am very grateful to the Payroll Service for their work on this.

I have some concern at the failure of some of the Council's services to notify the Payroll Service in a timely manner of any change in individuals' situation, so that action can be taken on time. The Department will act to raise officers' awareness of the matter as appropriate.

- 5.9 Income Service.** Although there is some improvement in the debt situation over 6 months, I am very keen to continue to pay attention to the progress of the cases we refer to the Legal Service, to ensure that there is effective collaboration between the two units.

- 5.10 Taxation Service.** Work on the Systems review taking place at the Taxation Service continues, and I am pleased to report that we are starting to see very positive results



from this work, but the work is ongoing. I am pleased to note that the work the service has carried out has allowed enough capacity at certain times to enable the service to keep telephone lines open until 5pm from September. I am well aware that the closure of the lines at 2 o'clock in the afternoon was something that created significant concern for the elected members and am delighted to be able to report this step forward.

5.11 Insurance and Risk Management Service. Unfortunately, the backlog of claims is increasing, but proactive steps are being taken to deal with the situation internally. However, one barrier preventing the service from being able to operate effectively is having to wait too long for a relatively high number of reports from other parts of the Council. This creates some concern, and the Department will act to try to improve the situation.

5.12 Finance and Accounting/Payments Service. The Department has completed six sets of Accounts Subject to Audit 2022/23. Cyngor Gwynedd 2022/23 accounts subject to audit were submitted to the auditors on 30 June. The accounts of the smaller joint committees (the Harbours and Joint Planning Policy) were submitted to the Governance and Audit Committee on 25 May. GwE Accounts were released at the end of June and submitted to the GwE Joint Committee on 11 July 2023. The accounts of the North Wales Corporate Joint Committee were submitted to its meeting on 26 May, and the accounts of the North Wales Economic Ambition Board were released on 7 July and submitted to the Board on 21 July. All these accounts are now subject to audit by Audit Wales, which intends to complete the audits by the end of November.

I am very grateful to the staff at the Finance Department of who were interviewed as part of the recent Estyn inspection on the Education Department.

6. DEPARTMENTALS SAVINGS

6.1 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 continues to look 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.

